

**The Equitable Life Assurance Society**

**v.**

**Ernst & Young**

**-and-**

**The Equitable Life Assurance Society**

**v.**

**R. Bowley and others**

**Expert Report**

**Prepared By**

**M Arnold, FIA**

**20 July 2005**

1. I have been asked to prepare revised tables for my expert report dated 27 May 2004, as corrected on 28 October 2004 (E1-1.43), to reflect savings by the Society to 20 July 2000 instead of 19 January 2001 in respect of the claim against Ernst & Young and 31 December 2000 in respect of the claim against the former directors.
  
2. Revised loss figures for both actions reflecting the 20 July 2000 cut-off date are contained in the attached tables.



**M Arnold FIA**

**20 July 2005**

**Claim against the Directors**

**Para 294 (E1-1.130)**

Year	1996	1997	1998	1999	2000	Total
Reduction, %	10.7	9.9	6.3	4.5	2.4	
Saving in year	105	157	113	83	29	487
Loss	152	227	142	91	29	641

**Para 296 (E1-1.131)**

Year	1996	1997	1998	1999	2000	Total
Reduction, %		9.9	6.3	4.5	2.4	
Saving in year		131	113	83	29	356
Loss		190	142	91	29	452

**Para 298 (E1-1.131)**

Year	1996	1997	1998	1999	2000	Total
Reduction, %			6.3	4.5	2.4	
Saving in year			99	83	29	211
Loss			124	91	29	244

**Para 300 (E1-1.131)**

Year	1996	1997	1998	1999	2000	Total
Reduction, %				4.5	2.4	
Saving in year				69	29	98
Loss				76	29	105

**Para 302 (E1-1.132)**

Year	1996	1997	1998	1999	2000	Total
Reduction, %					2.4	
Saving in year					20	20
Loss					21	21

**Para 303 (E1-1.132)**

<b>Year of Claim</b>	<b>Loss £ million</b>
1996	641
1997	452
1998	244
1999	105
2000	21