

Prudential (AN) Limited

**Annual FSA Insurance Returns for the year ended
31st December 2004**



(Appendices 9.1, 9.3, 9.4, 9.6)

Prudential (AN) Limited

Year ended 31st December 2004

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Statement of solvency - long-term insurance businessName of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**

Solo solvency calculation

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R2	1347088	GL	31	12	2004	£000
		As at end of this financial year		As at end of the previous year		
		1		2		

Capital resources

Capital resources arising within the long-term insurance fund	11		
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	24630	
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	24630	

Guarantee Fund

Guarantee Fund requirement	21	2087	
Excess (deficiency) of available capital resources to cover guarantee Fund requirement	22	22543	

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31	6761	
Resilience capital requirement	32	160	
Base capital resources requirement	33	2087	
Minimum capital requirement	34	6921	
Excess (deficiency) of available capital resources to cover 50% of MCR	35	21169	
Excess (deficiency) of available capital resources to cover 75% of MCR	36	19438	

Enhanced capital requirement

With-profits insurance capital component	37		
Enhanced capital requirement	38	6921	

Capital resources requirement (CRR)

Capital resources requirement (greater of 34 and 38)	41	6921	
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	17709	

Contingent liabilities

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51		
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Covering sheet to Form 2

Name of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**

..... **G M Wood** **Chief Executive**

..... **D J Belsham** **Director**

..... **R C Everett** **Director**

London, 24 March 2005

Components of capital resourcesName of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units	
			day	month	year		
	R3	1347088	GL	31	12	2004	£000
	General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3			As at the end of the previous year 4	

Core tier one capital

Permanent share capital	11		18000	18000	
Profit and loss account and other reserves	12		8422	8422	
Share premium account	13				
Positive valuation differences	14				
Fund for future appropriations	15				
Core tier one in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19		26422	26422	

Tier one waivers

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	21				
Implicit items	22				
Tier one waivers in related undertakings	23				
Total tier one waivers as restricted (21+22+23)	24				

Other tier one

Perpetual non-cumulative preference shares as restricted	25				
Perpetual non-cumulative preference shares in related undertakings	26				
Innovative tier one capital as restricted	27				
Innovative tier one capital in related undertakings	28				

Total tier one capital before deductions (19+24+25+26+27+28)	31		26422	26422	
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35		1792	1792	
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37		1792	1792	
Total tier one capital after deductions (31-37)	39		24630	24630	

Components of capital resourcesName of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**

	R3	Company registration number 1347088	GL/UK/CM GL	Period ended			Units £000
				day	month	year	
				31	12	2004	
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3		As at the end of the previous year 4	

Tier two capital

Implicit items, (tier two waivers and amounts excluded from line 22)	41				
Perpetual non-cumulative preference shares excluded from line 25	42				
Innovative tier one capital excluded from line 27	43				
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	44				
Perpetual cumulative preference shares	45				
Perpetual subordinated debt and securities	46				
Upper tier two capital in related undertakings	47				
Upper tier two capital (44 to 47)	49				

Fixed term preference shares	51				
Other tier two instruments	52				
Lower tier two capital in related undertakings	53				
Lower tier two capital (51+52+53)	59				

Total tier two capital before restrictions (49+59)	61				
Excess tier two capital	62				
Further excess lower tier two capital	63				
Total tier two capital after restrictions, before deductions (61-62-63)	69				

Components of capital resourcesName of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R3	1347088	GL	31	12	2004	£000
	General insurance Business 1	Long-Term insurance Business 2	Total as at the end of this financial year 3			As at the end of the previous year 4

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72		24630	24630	
Inadmissible assets other than intangibles and own shares	73				
Assets in excess of market risk and counterparty limits	74				
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Total deductions of ineligible surplus	77				
Total capital resources after deductions (72-73-74-76-77)	79		24630	24630	

Available capital resources for PRU tests

Available capital resources for guarantee fund requirement	81		24630	24630	
Available capital resources for 50% MCR requirement	82		24630	24630	
Available capital resources for 75% MCR requirement	83		24630	24630	

Financial engineering adjustments

Implicit items	91				
Financial reinsurance - ceded	92				
Financial reinsurance - accepted	93				
Outstanding contingent loans	94				
Any other charges on future profits	95				
Sum of financial engineering adjustments (91+92+93+94+95)	96				

Analysis of admissible assetsName of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total other than long term business assets**

			Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			R13	1347088	GL	31	12	2004	£000	1
Investments							As at the end of this financial year 1		As at the end of the previous year 2	
Land and buildings							11			
Investments in group undertakings and participating interests	UK insurance business dependants	Shares	21							
		Debt securities issued by, and loans to, dependants	22							
	Other insurance dependants	Shares	23							
		Debt securities issued by, and loans to, dependants	24							
	Non-insurance dependants	Shares	25							
		Debt securities issued by, and loans to, dependants	26							
	Other group undertakings and participating interests	Shares	27							
		Debt securities issued by, and loans to, group undertakings	28							
		Participating interests	29							
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest	30							
Total sheet 1 (11 to 30)							39			

Analysis of admissible assetsName of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	1347088	GL	31 day	12 month	2004 year	£000	1
Investments (continued) Deposits with ceding undertakings Assets held to cover linked liabilities					As at the end of this financial year 1		As at the end of the previous year 2		
Other financial investments	Equity shares			41					
	Other shares and other variable yield securities			42					
	Holdings in collective investment schemes			43	10664		10235		
	Rights under derivative contracts			44					
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45	3179				
			Other	46					
		Variable interest	Approved securities	47					
			Other	48					
	Participation in investment pools			49					
	Loans secured by mortgages			50	1173		1250		
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51					
		Loans secured by policies of insurance issued by the company		52	61		73		
		Other		53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54	6000		12595		
		Withdrawal subject to a time restriction of more than one month		55	5500				
	Other			56					
Deposits with ceding undertakings			57						
Assets held to match linked liabilities	Index linked			58					
	Property linked			59					
Reinsurers' share of technical provisions	Provision for unearned premiums			60					
	Claims outstanding			61					
	Provision for unexpired risks			62					
	Other			63					
Total sheet 2 (41 to 63)			69	26577		24153			

Analysis of admissible assetsName of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	1347088	GL	31 day	12 month	2004 year	£000	1
Debtors					As at the end of this financial year 1		As at the end of the previous year 2		
Other assets									
Debtors arising out of direct insurance operations	Policyholders			71					
	Intermediaries			72					
Salvage and subrogation recoveries				73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74					
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75					
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76					
		Due more than 12 months after the end of the financial year		77					
	Other	Due in 12 months or less after the end of the financial year		78					
		Due more than 12 months after the end of the financial year		79					
Tangible assets				80					
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81	563		441		
	Cash in hand			82					
Other assets (particulars to be specified by way of supplementary note)				83					
Prepayments and accrued income	Accrued interest and rent			84	207		74		
	Deferred acquisition costs			85					
	Other prepayments and accrued income			86					
Deductions from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88	770		515		
Grand total of admissible assets after deduction of market risk and counterparty limits (39+69+88)				89	27347		24668		
Reconciliation to asset values determined in accordance with the insurance accounts rules									
Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)				91	27347		24668		
Assets in excess of market and counterparty limits				92					
Capital resources requirement deduction for subsidiary undertakings which are insurance undertakings				93					
Other differences in the valuation of assets (other than for assets not valued above)				94					
Other inadmissible assets				95					
Total assets determined in accordance with the insurance accounts rules (91 to 95)				99	27347		24668		
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance					100				

Analysis of admissible assetsName of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total long term business assets**

			Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			R13	1347088	GL	31	12	2004	£000	10
Investments							As at the end of this financial year 1		As at the end of the previous year 2	
Land and buildings						11				
Investments in group undertakings and participating interests	UK insurance business dependants	Shares	21							
		Debt securities issued by, and loans to, dependants	22							
	Other insurance dependants	Shares	23							
		Debt securities issued by, and loans to, dependants	24							
	Non-insurance dependants	Shares	25							
		Debt securities issued by, and loans to, dependants	26							
	Other group undertakings and participating interests	Shares	27							
		Debt securities issued by, and loans to, group undertakings	28							
		Participating interests	29							
Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest		30								
Total sheet 1 (11 to 30)						39				

Analysis of admissible assetsName of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	1347088	GL	31 day	12 month	2004 year	£000	10
Investments (continued) Deposits with ceding undertakings Assets held to cover linked liabilities						As at the end of this financial year 1		As at the end of the previous year 2	
Other financial investments	Equity shares			41					
	Other shares and other variable yield securities			42					
	Holdings in collective investment schemes			43					
	Rights under derivative contracts			44					
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45	2794				
			Other	46	12504		12684		
		Variable interest	Approved securities	47					
			Other	48					
	Participation in investment pools			49					
	Loans secured by mortgages			50					
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51					
		Loans secured by policies of insurance issued by the company		52					
		Other		53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54	1500		1706		
		Withdrawal subject to a time restriction of more than one month		55					
	Other			56					
Deposits with ceding undertakings				57					
Assets held to match linked liabilities	Index linked			58					
	Property linked			59	366249		365045		
Reinsurers' share of technical provisions	Provision for unearned premiums			60					
	Claims outstanding			61					
	Provision for unexpired risks			62					
	Other			63					
Total sheet 2 (41 to 63)				69	383047		379435		

Analysis of admissible assetsName of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total long term business assets**

Category of assets		Company registration number		GL/UK/CM	Period ended			Units	Category of assets
					day	month	year		
R13		1347088		GL	31	12	2004	£000	10
Debtors					As at the end of this financial year 1			As at the end of the previous year 2	
Other assets									
Debtors arising out of direct insurance operations	Policyholders			71					
	Intermediaries			72					
Salvage and subrogation recoveries				73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74					
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75					
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76					
		Due more than 12 months after the end of the financial year		77					
	Other	Due in 12 months or less after the end of the financial year		78	3038			2812	
		Due more than 12 months after the end of the financial year		79					
Tangible assets				80					
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81				4032	
	Cash in hand			82					
Other assets (particulars to be specified by way of supplementary note)				83					
Prepayments and accrued income	Accrued interest and rent			84	265			242	
	Deferred acquisition costs			85					
	Other prepayments and accrued income			86					
Deductions from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88	3303			7086	
Grand total of admissible assets after deduction of market risk and counterparty limits (39+69+88)				89	386350			386521	
Reconciliation to asset values determined in accordance with the insurance accounts rules									
Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)				91	386350			386521	
Assets in excess of market and counterparty limits				92					
Capital resources requirement deduction for subsidiary undertakings which are insurance undertakings				93					
Other differences in the valuation of assets (other than for assets not valued above)				94					
Other inadmissible assets				95					
Total assets determined in accordance with the insurance accounts rules (91 to 95)				99	386350			386521	
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100					

Long term insurance business liabilities and marginsName of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
				day	month	year			
		R14	1347088	GL	31	12	2004	£000	10
			As at the end of this financial year 1	As at the end of the previous year 2		Source			
Mathematical reserves, after distribution of surplus			11	380175		382220		See Instruction 2	
Cash bonuses which had not been paid to policyholders prior to end of the financial year			12					See Instruction 3	
Balance of surplus/(valuation deficit)			13					See Instruction 4	
Long term insurance business fund carried forward (11 to 13)			14	380175		382220		See Instruction 5	
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount		15	558		235			
	Reinsurers' share		16						
	Net (15-16)		17	558		235			
Provisions for other risks and charges	Taxation		21						
	Other		22	1017		468			
Deposits received from reinsurers			23						
Creditors and other liabilities	Arising out of insurance operations	Direct insurance business	31						
		Reinsurance accepted	32						
		Reinsurance ceded	33						
	Debenture loans	Secured	34						
		Unsecured	35						
	Amounts owed to credit institutions		36	539					
	Other creditors	Taxation	37						
		Other	38	4061		3598			
Accruals and deferred income			39						
Provision for "reasonably foreseeable adverse variations"			41						
Total other insurance and non-insurance liabilities (17 to 41)			49	6175		4301			
Excess of the value of net admissible assets			51					See Instruction 6	
Total liabilities and margins			59	386350		386521			
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance			61	2066		2090			
Amounts included in line 59 attributable to liabilities in respect of property linked benefits			62	365952		365045			
Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate			63					See Instruction 7	

Liabilities (other than long term insurance business)Name of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**

		Company registration number	GL/UK/CM	Period ended			Units	
		R15	1347088	GL	31 day	12 month	2004 year	£000
				As at the end of this financial year 1		As at the end of the previous year 2		
Technical provisions (gross amount)	Provision for unearned premiums		11					
	Claims outstanding		12					
	Provision for unexpired risks		13					
	Equalisation provisions	Credit business	14					
		Other than credit business	15					
	Other		16					
	Total (11 to 16)		19					
Provisions for other risks and charges	Taxation		21					
	Other		22					
Deposits received from reinsurers			31					
Creditors	Arising out of insurance operations	Direct insurance business	41					
		Reinsurance accepted	42					
		Reinsurance ceded	43					
	Debenture loans	Secured	44					
		Unsecured	45					
	Amounts owed to credit institutions		46					
	Other creditors	Taxation	47	2717		2393		
		Recommended dividend	48					
		Other	49					
Accruals and deferred income			51					
Total (19 to 51)			59	2717		2393		
Provision for "reasonably foreseeable adverse variations"			61					
Cumulative preference share capital			62					
Subordinated loan capital			63					
Total (59 to 63)			69	2717		2393		
Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance			71					

Profit and loss account (non-technical account)Name of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**

			Company registration number	GL/UK/CM	Period ended			Units	
			R16	1347088	GL	31	12	2004	£000
			This financial year		Previous year		Source		
			1		2		<	>	?
Transfer (to)/from the general insurance business technical account		From Form 20	11			20 . 59			
		Equalisation provisions	12						
Transfer from the long term insurance business revenue account			13	2271	1434	40 . 26			
Investment income	Income		14	1026	455				
	Value re-adjustments on investments		15	32	193				
	Gains on the realisation of investments		16						
Investment charges	Investment management charges, including interest		17						
	Value re-adjustments on investments		18						
	Loss on the realisation of investments		19						
Allocated investment return transferred to the general insurance business technical account			20			20 . 51			
Other income and charges (particulars to be specified by way of supplementary note)			21						
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)			29	3329	2082				
Tax on profit or loss on ordinary activities			31	974	686				
Profit or loss on ordinary activities after tax (29-31)			39	2355	1396				
Extraordinary profit or loss (particulars to be specified by way of supplementary note)			41						
Tax on extraordinary profit or loss			42						
Other taxes not shown under the preceding items			43						
Profit or loss for the financial year (39+41-(42+43))			49	2355	1396				
Dividends (paid and proposed)			51						
Profit or loss retained for the financial year (49-51)			59	2355	1396				

Long term insurance business : Revenue accountName of insurer **Prudential (AN) Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Long Term 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund
			day	month	year				
R40	1347088	GL	31	12	2004	£000	OB	1	0
Items to be shown net of reinsurance ceded							The financial year 1	Previous year 2	
Earned premiums						11	21036	26429	
Investment income receivable before deduction of tax						12	13543	13535	
Increase (decrease) in the value of non-linked assets brought into account						13	(5)	(103)	
Increase (decrease) in the value of linked assets						14	19894	41564	
Other income						15			
Total income (11 to 15)						19	54468	81425	
Claims incurred						21	49722	50536	
Expenses payable						22	4501	4102	
Interest payable before deduction of tax						23	19	23	
Taxation						24			
Other expenditure						25			
Transfer to (from) non technical account						26	2271	1434	
Total expenditure (21 to 26)						29	56513	56095	
Increase (decrease) in fund in financial year (19-29)						39	(2045)	25330	
Fund brought forward						49	382220	356890	
Fund carried forward (39+49)						59	380175	382220	

Long term insurance business : Analysis of premiums and expensesName of insurer **Prudential (AN) Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Long Term 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		R41	1347088	GL	31	12	2004	£000	OB	1	0
						Gross		Payable to or recoverable from reinsurers		Net of reinsurance (1-2)	
						1		2		3	
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium			11	2611		2611			
		Regular premium			12						
	Pension business contracts	Single premium			13	21766		2054		19712	
		Regular premium			14	1324				1324	
	Permanent health contracts	Single premium			15						
		Regular premium			16						
	Other contracts	Single premium			17						
		Regular premium			18						
	Total premiums	Single premium			19	24377		4665		19712	
		Regular premium			29	1324				1324	
Total premiums at lines 19 and 29 attributable to	UK contracts			31	25701		4665		21036		
	Overseas contracts			32							
Expenses payable in the financial year	Commission payable in connection with acquisition of business				41						
	Other commission payable				42						
	Management expenses in connection with acquisition of business				43						
	Management expenses in connection with maintenance of business				44	4451				4451	
	Other management expenses				45	50				50	
	Total expenses (41 to 45)				49	4501				4501	
	Total expenses at line 49 attributable to	UK contracts			51	4501				4501	
		Overseas contracts			52						

Long term insurance business : Analysis of premiums and expensesName of insurer **Prudential (AN) Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Long Term 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		R41	1347088	GL	31	12	2004	£000	OB	1	0
						Gross		Payable to or recoverable from reinsurers		Net of reinsurance (1-2)	
						1		2		3	
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium			11	2611		2611			
		Regular premium			12						
	Pension business contracts	Single premium			13	21766		2054		19712	
		Regular premium			14	1324				1324	
	Permanent health contracts	Single premium			15						
		Regular premium			16						
	Other contracts	Single premium			17						
		Regular premium			18						
	Total premiums	Single premium			19	24377		4665		19712	
		Regular premium			29	1324				1324	
Total premiums at lines 19 and 29 attributable to	UK contracts			31	25701		4665		21036		
	Overseas contracts			32							
Expenses payable in the financial year	Commission payable in connection with acquisition of business				41						
	Other commission payable				42						
	Management expenses in connection with acquisition of business				43						
	Management expenses in connection with maintenance of business				44	4451				4451	
	Other management expenses				45	50				50	
	Total expenses (41 to 45)				49	4501				4501	
	Total expenses at line 49 attributable to	UK contracts			51	4501				4501	
		Overseas contracts			52						

Long term insurance business : Analysis of claimsName of insurer **Prudential (AN) Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Long Term 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		R42	1347088	GL	31	12	2004	£000	OB	1	0
Claims incurred in the financial year					Gross		Recoverable from reinsurers		Net of reinsurance (1-2)		
					1		2		3		
Life assurance and annuity contracts	On death				11	491		491			
	By way of lump sums on maturity				12						
	By way of annuity payments				13						
	By way of payments arising from other insured events				14						
	On surrender or partial surrender				15	2579		2579			
	Total life assurance and annuity claims (11 to 15)				19	3070		3070			
Pension business contracts	On death				21	1333				1333	
	By way of lump sums on vesting				22	21252				21252	
	By way of vested annuity payments				23	5349		5334		15	
	On surrender or partial surrender				24	27122				27122	
	Total pension business claims (21 to 24)				29	55056		5334		49722	
Permanent health contracts	By way of lump sums				31						
	By way of periodical payments				32						
	Total permanent health claims (31+32)				39						
Other contracts	By way of lump sums				41						
	By way of periodical payments				42						
	Total claims (41+42)				49						
Total claims (19+29+39+49)					59	58126		8404		49722	
Total claims at line 59 attributable to		UK contracts			61	58126		8404		49722	
		Overseas contracts			62						

Long term insurance business : Summarised balance sheet for internal linked fundsName of insurer **Prudential (AN) Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Long Term 1**

Financial year ended 31st December 2004			Company registration number			GL/UK/CM			Period ended			Units		OB/IB		No of fund/ Summary		No of part of Fund	
Name and number of fund/Summary			Ordinary Long Term 1						day			month		year					
						R43	1347088	GL	31	12	2004	£000	OB	1	0				
Name of fund			Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans		Other liabilities		Net asset value (4-5-6-7)								
1			2	3	4	5	6		7		8								
Cash			24860		24860				1		24859								
Global Growth			1214		1214						1214								
Cautious UK Managed			1555		1555						1555								
Equity			31083		31083				1		31082								
European			11267		11267						11267								
Fixed Interest			8948		8948				816		8132								
Global Equity			16576		16576						16576								
Index Linked Gilt			4209		4209						4209								
Japanese			3180		3180						3180								
Managed			227863	6006	233869				2		233867								
International Money			1381		1381						1381								
North American			4216		4216						4216								
Pacific Market			4157		4157						4157								
Total																			

Long term insurance business : Summarised balance sheet for internal linked fundsName of insurer **Prudential (AN) Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Long Term 1**

Financial year ended		31st December 2004				Company registration number		GL/UK/CM		Period ended			Units		OB/IB		No of fund/ Summary		No of part of Fund						
Name and number of fund/Summary		Ordinary Long Term 1				R43		1347088		GL		31		12		2004		£000		OB		1		0	
Name of fund		Directly held assets		Investment in other internal linked funds of the insurer		Total assets (2+3)		Provision for tax on unrealised capital gains		Secured and unsecured loans		Other liabilities		Net asset value (4-5-6-7)											
1		2		3		4		5		6		7		8											
Property		20383				20383						595		19788											
Premier Income		82				82								82											
Small Companies		5275				5275								5275											
Total		366249		6006		372255						1415		370840											

Long term insurance business : Aggregate revenue account for internal linked fundsName of insurer **Prudential (AN) Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Long Term 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund
			day	month	year				
R44	1347088	GL	31	12	2004	£000	OB	1	0
Value of total creation of units						11			21101
Investment income attributable to the funds before deduction of tax						12			12356
Increase (decrease) in the value of investments in the financial year						13			19892
Other income						14			
Total income (11 to 14)						19			53349
Value of total cancellation of units						21			48618
Charges for management						22			3586
Charges in respect of tax on investment income						23			
Taxation on realised capital gains						24			
Increase (decrease) in amount set aside for tax on capital gains not yet realised						25			
Other expenditure						26			
Total expenditure (21 to 26)						29			52204
Increase (decrease) in funds in financial year (19-29)						39			1145
Internal linked funds brought forward						49			363689
Internal linked funds carried forward (39+49)						59			364834

Long term insurance business : Supplementary information for internal linked fundsName of insurer **Prudential (AN) Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund **Ordinary Long Term 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund	No of part of Fund	
				day	month	year					
		R45	1347088	GL	31	12	2004	£000	OB	1	0
Name of fund			Amount of taxable unrealised capital gain or loss	Percentage provision for tax on unrealised capital gains		Percentage provision for tax on realised capital gains		Liquidity percentage	Valuation price per unit		
1			2	3		4		5	6		
Cash								57.05	4.05396		
Global Growth								0.26	2.07278		
Cautious UK Managed								0.93	4.25922		
Equity								(0.49)	19.82139		
European								(0.45)	3.36379		
Fixed Interest								87.17	13.83874		
Global Equity								(0.31)	5.49337		
Index Linked Gilt								99.20	5.78351		
Japanese								(0.01)	1.02421		
Managed								14.85	14.26798		
International Money								(6.83)	3.79603		
North American								(0.51)	2.68317		
Pacific Market								(0.01)	2.85475		
Property								19.09	9.75772		
Premier Income								35.88	1.94842		
Small Companies								0.14	3.46228		

Long term insurance business : Summary of changes in ordinary long term businessName of insurer **Prudential (AN) Limited**

Global business

United Kingdom business

Non-linked

Financial year ended **31st December 2004**

		Company registration number		GL/UK/CM		Period ended			Units	UK/OS	NL/LN
						day	month	year			
		R46	1347088	GL	31	12	2004	£000	UK	NL	
		Life assurance and general annuity		Pensions business		Permanent health		Other business			
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums		
		1	2	3	4	5	6	7	8		
In force at beginning of year	11	2012		2289	23						
New business and increases	12	52		120							
Net transfers and other alterations 'on'	13			6							
Total 'on' (12+13)	19	52		126							
Deaths	21	11		32							
Other insured events	22										
Maturities	23										
Surrenders	24	53		21	5						
Forfeitures	25										
Conversions to paid-up policies for reduced benefits	26										
Net transfers, expiries and other alterations 'off'	27										
Total 'off' (21 to 27)	29	64		53	5						
In force at end of year (11+19-29)	39	2000		2362	18						

Long term insurance business : Summary of changes in ordinary long term businessName of insurer **Prudential (AN) Limited**

Global business

United Kingdom business

Linked

Financial year ended **31st December 2004**

		Company registration number		GL/UK/CM		Period ended			Units	UK/OS	NL/LN
						day	month	year			
		R46	1347088	GL	31	12	2004	£000	UK	LN	
		Life assurance and general annuity		Pensions business		Permanent health		Other business			
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums		
		1	2	3	4	5	6	7	8		
In force at beginning of year	11			15932	1733						
New business and increases	12			74	68						
Net transfers and other alterations 'on'	13			165	218						
Total 'on' (12+13)	19			239	286						
Deaths	21			102	19						
Other insured events	22										
Maturities	23			8	3						
Surrenders	24			1562	418						
Forfeitures	25										
Conversions to paid-up policies for reduced benefits	26				167						
Net transfers, expiries and other alterations 'off'	27			244	77						
Total 'off' (21 to 27)	29			1916	684						
In force at end of year (11+19-29)	39			14255	1335						

Name of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R47	1347088	GL	31	12	2004	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
UK DIRECT WRITTEN INSURANCE BUSINESS						
Life Assurance & General Annuity Insurance Business						
Accumulating With-Profits Policies						
Whole Life assurance	52	2611	2611			
Sub total: Accumulating With-Profits Policies	52	2611	2611			
Total: Life Assurance & General Annuity Insurance Business	52	2611	2611			

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**

Financial year ended	31st December 2004	Company registration number	GL/UK/CM	Period ended			Units
				day	month	year	
				R47	1347088	GL	
Type of insurance	Single premium contracts			Regular premium contracts			
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit	
1	2	3	4	5	6	7	
Pension Insurance Business Non-Linked Non-Profit Policies							
Annuity in payment	120	2015	178 pa				
Sub total: Non-Linked Non-Profit Policies	120	2015	178 pa				
Index Linked Contracts							
Annuity in payment	6	35	4 pa				
Sub total: Index Linked Contracts	6	35	4 pa				
Other Linked Contracts							
Deferred Annuities	32	2000	2000	36	68	34	
Sub total: Other Linked Contracts	32	2000	2000	36	68	34	
Total: Pension Insurance Business	158	4050	2000 182 pa	36	68	34	
Total: UK Direct Written Insurance Business	210	6661	4611 182 pa	36	68	34	

Name of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R47	1347088	GL	31	12	2004	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
UK REINSURANCE ACCEPTED						
Pension Insurance Business						
Other Linked Contracts						
Deferred Annuities		17680				
Sub total: Other Linked Contracts		17680				
Total: Pension Insurance Business		17680				
Total: UK Reinsurance Accepted		17680				

Long term insurance business : Expected income from admissible assets not held to match liabilities in respect of linked benefitsName of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R48	1347088	GL	31	12	2004	£000	10
Type of asset			Value of admissible assets as shown on Form 13 1		Expected income from admissible assets 2		Yield % 3		
Land and buildings			11						
Fixed interest securities	Approved securities	12	2818	128	4.53				
	Other	13	12745	622	4.88				
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities	14							
	Other	15							
Equity shares and holdings in collective investment schemes			16						
Loans secured by mortgages			17						
All other assets	Producing income	18	1500	71	4.75				
	Not producing income	19	3038						
Total (11 to 19)			29	20101	821	4.08			

Long term insurance business : Analysis of admissible fixed interest and variable interest and variable yield securities not held to match liabilities in respect of linked benefitsName of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total long term business assets**Company
registration
number

GL/UK/CM

Period ended

day

month

year

Units

Category
of assets

R49	1347088	GL	31	12	2004	£000	10
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Redemption period in years			Value of admissible assets as shown on Form 13 1	Gross redemption yield % 2	Value of admissible higher yielding assets 3		Value of admissible assets as shown on Form 13 4	Gross redemption yield % 5	Value of admissible higher yielding assets 6
One year or less	11	Fixed interest approved securities				Variable interest and variable yield approved securities excluding equities			
More than one year but not more than five years	12								
More than five years but not more than ten years	13								
More than ten years but not more than fifteen years	14		2818	4.53					
More than fifteen years but not more than twenty years	15								
More than twenty years but not more than twenty five years	16								
More than twenty five years	17								
Irredeemable	18								
Total (11 to 18)	19		2818	4.53					
One year or less	21	Other fixed interest securities	12745	4.88		Other variable interest and variable yield securities excluding equities			
More than one year but not more than five years	22								
More than five years but not more than ten years	23								
More than ten years but not more than fifteen years	24								
More than fifteen years but not more than twenty years	25								
More than twenty years but not more than twenty five years	26								
More than twenty five years	27								
Irredeemable	28								
Total (21 to 28)	29		12745	4.88					

PRUDENTIAL (AN) LIMITED

Appendix 9.4

VALUATION REPORT ON PRUDENTIAL (AN) LIMITED

1. The investigation relates to 31 December 2004.
2. The previous investigation related to 31 December 2003.
3. The valuation conforms with rule PRU 7.3.10R.
- 4.(1)

(a) The only accumulating with profits contract is as follows:

With Profits Bond

This policy is a single life, joint life or joint life last survivor single premium whole life assurance.

Policyholders can invest in either of two notional accumulating with-profits funds: the Optimum Return Fund and the Optimum Bonus Fund. The Optimum Return Fund, by having a higher proportion of assets invested in equities, aims to provide a higher overall return than the Optimum Bonus Fund, which aims to provide a higher annual bonus.

Premiums are allocated to secure units in one or both of the notional accumulating with-profits funds. Allocation rates and charges are set out in the tables below. The minimum initial investment is £10,000.

The percentage of premium invested varies with the size of the premium. The allocation rates are:

Initial investment	Allocation rate
£	%
10,000 to 19,999	102.00
20,000 to 49,999	102.25
50,000 to 74,999	103.00
≥75,000	103.25

The offer prices of units in both funds are calculated daily and incorporate reversionary bonus interest. The bid price of units equals the offer price. A terminal bonus may be added when units are realised.

The death benefit is 101% of the bid value of units, except for lives aged 75 and over at commencement where the death benefit is 100.1% of the surrender value.

Loyalty bonus is added on the second and subsequent anniversaries of each tranche of premium, provided there have been no withdrawals during the preceding year. The loyalty bonus is 0.35% of the terminal bonus fund on the tranche anniversary. For this purpose each tranche of premium is treated as a separate policy.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

The following exit charges apply to withdrawals (other than regular withdrawals) on With Profits Bond business:

Year of exit (based on date of initial investment)	Proportion of fund value %
1	9
2	7
3	5
4	3
5	1
6 and over	0

An adjustment to reflect market conditions may also be applied to withdrawals, other than regular withdrawals, or on a switch of units from the fund.

(b) As stated in 5.(1) below, linked policies have the option of investing in the Guaranteed Fund.

(c) Annuities in payment arise from the options available in the linked contracts.

Descriptions of non-linked contracts not fully described by the entry in column 1 of Form 51 are as follows:-

Level term assurance

This benefit is available under the Personal Pension Account and Executive Pension Plan, and consists of a fixed amount of temporary life assurance terminating not later than the normal retirement date of the member.

For temporary assurance in conjunction with the Executive Pension Plan, there is an option to increase the sum assured annually in line with increases in the Retail Prices Index without further evidence of health.

Waiver of premium benefit

This is available only to holders of a Flexible Retirement Plan or Personal Pension Account payable by regular premiums, in return for an additional premium. The waiver operates in the event of incapacity to work through accident or illness, the first six months of incapacity being excluded. Benefits normally cease at age 60.

5. (1) Categories of in force linked business are as follows:-

(i) Flexible Retirement Plan

(a) Flexible Retirement Plan

(b) These policies are United Kingdom, pension, direct written, unit linked deferred annuity contracts.

(c) Frequency of premiums can be regular or single.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

- (d) A percentage of each premium paid (excluding any service charge) is invested in the Guaranteed Fund or in units of one or more of the linked funds.

In the event of death before the commencement of the pension, the full bid value of the linked fund units allocated and the Guaranteed Fund value held (including accumulated interest) is paid.

Under Mark 2 regular premium contracts, after 10 yearly (or 120 monthly) premiums have been paid, all benefits otherwise payable under the policy are increased by a guaranteed bonus of 2.5%.

Under Mark 1 regular premium contracts effected prior to 1 January 1999, on retirement before the selected retirement age specified in the policy the accumulated fund is reduced by an amount equivalent to a percentage of the fund value purchased by the first year's contribution. Specimen percentages are:

Number of years to selected retirement age	Percentage of fund value purchased by first year's premium
1	5.6
2	10.7
3	15.4
4	19.8
5	24.0
10	41.6
15	54.9
20	65.2

This reduction does not apply to top-ups effected on or after 1 January 1999.

Under Mark 2 regular premium contracts policies effected prior to 1 January 1999, on retirement before the annuity date specified in the policy, the accumulated fund is reduced by an amount equivalent to a percentage of the fund value purchased by premiums in the first two years. Specimen percentages are:

Number of years to annuity date	Percentages of fund value purchased by first two years' premiums
1	3.5
2	6.9
3	10.1
4	13.3
5	16.4

This reduction does not apply to top-ups effected on or after 1 January 1999.

The Guaranteed Fund is a non-unitised fund currently invested in short dated securities and loans. A rate of interest is published daily and money allocated to the fund is increased appropriately after one year. No other guarantees are given.

The reserve for the Guarantee Fund is shown in column 14 of Form 53.

- (e) There are no guaranteed investment returns other than that described in (d) above in respect of the Guaranteed Fund.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

- (f) For the internal linked funds there is an initial charge equal to the difference between the bid price and the offer price (the 'bid/offer spread') which is never greater than 5% of the offer price plus a rounding adjustment not exceeding 0.1p. The Company deducts from each of the internal linked funds a fund management charge equal to a percentage of the bid value of the units of that fund, excluding the bid value of any units held by that fund in any other fund. This percentage for all funds is 1/12% per month. The management charge of each of these funds can be varied at the discretion of the Company up to a maximum of 9/96% per month in respect of units attributed to the Flexible Retirement Plan Mark 1 policies and without limitation in respect of units attributed to other policies.

For the Guaranteed Fund any portion of premium deemed invested in the fund is reduced by 5% as an initial management charge.

Under Mark 1 regular premium contracts, 5% of the units allocated (or investment resulting from premiums paid into the Guaranteed Fund) in the first policy year are cancelled at each policy anniversary during deferment, as an initial management charge.

Under Mark 2 regular premium contracts, 3.5% of the units allocated (or investment resulting from premiums paid into the Guaranteed Fund) in the first and second policy years are cancelled at each policy anniversary during deferment, as an initial management charge. Reductions in premium before two full years' premiums have been paid, but where at least one year's premiums have been paid, will give rise to a discontinuance charge of up to 25% of the fund secured by the discontinued element of the premium.

Specimen percentages of premium invested prior to April 2001 are as follows:

Mark 1 - single premium 99%

Mark 1 - regular premium

Investment Allocation		Premium payment term (in years)					
	10 or more	9	8	7	6	5	
Annual	100%	99%	98%	97%	96%	95%	
Monthly	97%	96%	95%	94%	93%	92%	

From the 11th year onwards, 105% (102% for monthly plans) of each premium paid (excluding any service charge) is invested, provided that premiums have been maintained at the initial level for the first 10 years.

If premiums are continued after the selected retirement age, 100% of each premium is invested (97% for monthly plans).

Mark 2A - single premium

Premium under £2,500	98%
Premium of £2,500 or more	99%

From 1 October 1984, the allocation is 100% for premiums of £5,000 or more.

Mark 2B - single premium

Premium under £2,500	97%
Premium £2,500 or more	98%

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

Mark 2 - regular premium (excluding service charge)

	Age next birthday at entry					
	up to 55	56	57	58	59	60-65
Investment Allocation	100%	99%	98%	97%	96%	95%

All premiums received on or after 1 April 2001 have 105.27% invested.

The following premium charges apply to premiums invested prior to 1 April 2001: FRP1 : £10 p.a. per plan if the premium per plan is between £100 p.a. and £299.99 p.a. or £1 per month per plan if the premium per plan is between £10 per month and £29.99 per month. FRP2 : £1.50 per month per plan or £15 p.a. per plan if the premium is below £500p.a.

All premium charges were removed from 1 April 2001.

(g) The bid offer spread is limited to 5%. The fund management charge can be varied at the company's discretion up to a maximum of 9/96% per month in respect of units attributed to the Flexible Retirement Plan Mark 1 policies and without limitation in respect of units attributed to other policies.

(h) See (d) above. The treatment of transfer values is the same as for early retirements.

(i) The Company maintains the following internal linked funds:

Cash Pension
Cautious UK Managed
Equity Pension
European Pension
Fixed Interest Pension
Global Equity Pension
Global Growth Pension
Index-Linked Gilt Pension
International Money Pension
Japanese Pension
Managed Pension
North American Pension
Pacific Markets Pension
Premier Income Pension
Property Pension
Small Companies Pension

The general nature of the investments of each Prudential (AN) Limited internal linked fund is as follows.

Cash Pension:	Direct investment in short term money market deposits and instruments.
Equity Pension:	Ordinary shares of companies in the United Kingdom either directly or through Prudential Unit Trusts.
Fixed Interest Pension:	Direct investment in UK Government gilt-edged securities and other fixed-interest securities.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

Global Equity Pension:	Ordinary shares quoted on international stock exchanges through Prudential Unit Trusts.
Index Linked Gilt Pension:	Direct investment in UK Government index-linked securities.
International Money Pension:	Cash and short term deposits in foreign currencies through AIB Grofund Currency Funds Limited Sterling Managed Currency Fund.
Managed Pension:	Ordinary shares in companies in the UK and overseas, fixed interest and index-linked securities, property and cash either directly or through other Prudential Pension Funds or Prudential Unit Trusts.
Property Pension:	Direct investment in commercial, industrial and agricultural properties, development projects and property modernisation programmes.

The following funds invest in Prudential Unit Trusts:

Cautious UK Managed	UK stocks and shares and fixed interest securities
European Pension:	Stocks and shares of European companies (excluding UK)
Global Growth Pension:	Ordinary stocks and shares of international companies
Japanese Pension:	Japanese stocks and shares
North American Pension:	United States and Canadian stocks and shares
Pacific Market Pension:	Investment primarily in the major Pacific markets (excluding Japan)
Premier Income Pension:	Mainly fixed interest securities
Small Companies Pension:	Stocks and shares of relatively small companies, principally in the UK

Investment dealing costs are charged to the respective funds.

- (j) For regular premium contracts under the Flexible Retirement Plan Mark 1, units (or investments in the Guaranteed Fund) are created in respect of the first year's premiums by multiplying the allocated units (or investments) by an endowment assurance factor with a term equal to the number of years to the selected retirement age and a rate of interest of 5%. For premiums paid after the first year the units created equal the allocated units.

For regular premium contracts under Flexible Retirement Plan Mark 2, units are created in respect of the first two years premiums by multiplying the allocated units by an endowment assurance factor with a term equal to the number of years to the annuity date specified in the policy and a rate of interest of 3.5%. For premiums paid after the first two years the units created equal the allocated units.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

For single premium contracts, units (or investments) are created in respect of all units allocated.

- (k) The contract was not open to new business, except for top-ups, in the year to the valuation date.
- (l) There were no increases to rates of charges applied generally to contracts during the report period.

(ii) Personal Pension Account

(a) Personal Pension Account

(b) These policies are United Kingdom, pension, direct written, unit linked deferred annuity contracts.

(c) Frequency of premium can be regular or single.

(d) Mark 1 policies are similar to policies written under the Flexible Retirement Plan Mark 2 except that:

The guaranteed bonus after 10 yearly (or 120 monthly) premiums have been paid is 2% of the benefits otherwise payable.

The reduction in fund value in the event of early retirement for policies effected prior to 1 January 1999 is as for Flexible Retirement Plan Mark 1. The reduction does not apply to top-ups effected on or after 1 January 1999.

For Mark 2 policies the guaranteed bonus after 10 yearly premiums have been paid does not apply. There is no reduction in fund value in the event of early retirement.

(e) There are no guaranteed investment returns other than those described in 5(1)(i)(d) above in respect of the Guaranteed Fund.

(f) For details of the initial charges and fund management charges see 5(1)(i)(f).

For Mark 1 policies effected prior to 1 January 1999 the initial management charge is as for the Flexible Retirement Plan Mark 1. A charge does not apply to top-ups effected on or after 1 January 1999.

For Mark 2 policies there is no initial management charge.

Specimen percentages of premium invested prior to 1 April 2001 are as follows:

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

Mark 1 - regular premium

Yearly Premiums	Monthly Premiums	Term to retirement (years)					
		10 or more	9	8	7	6	5
£500-£2499	£25-£249	100 %	99.5%	99%	98.5%	98%	97.5 %
£2500-£4999	£250-£499	101 %	100.5 %	100 %	99.5%	99%	98.5 %
£5000 & over	£500 over	102 %	101.5 %	101 %	100.5 %	100 %	99.5 %

The allocation is applied to all premiums excluding service charge.

Mark 1 single premium and Mark 2 regular premium

£500 - £2499	-	98%
£2500 - £4999	-	99%
£5000 & over	-	100%

All premiums received on or after 1 April 2001 have 105.27% invested.

Single premium top-ups effected on or after 1 January 2000 and regular premium top-ups effected on or after 1 October 2000 have 105.27% invested.

The following premium charges apply to premiums invested prior to 1 April 2001:

PPA1: £15 per annum per plan if the total premium is reduced below £500 or £1.50 per month per plan.

All premium charges were removed from 1 April 2001.

(g) The bid offer spread is limited to 5%. The fund management charge can be varied at the company's discretion.

(h) See (d) above. The treatment of transfer values is the same as for early retirements.

(i) See 5(1)(i)(i)

(j) Units are created for Mark 1 policies as for Flexible Retirement Plan Mark 1.

(k) The contract was not open to new business, except for top-ups, in the year to the valuation date.

(l) There were no increases in the rates of charges applied generally to contracts during the report period.

(iii) Executive Pension Plan

(a) Executive Pension Plan

(b) These policies are United Kingdom, pension, direct written, unit linked deferred annuity contracts.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

(c) Frequency of premiums can be regular or single.

(d) A percentage of each premium paid (excluding any service charge) is invested in the Guaranteed Fund or units of one or more of the linked funds.

In the event of death before the commencement of the pension the full bid value of internal fund units allocated and the Guaranteed Fund value held (including accumulated interest) is paid.

For Mark 1 regular premium contracts, after 10 yearly (or 120 monthly) premiums have been paid, all benefits otherwise payable under the policy will be increased by a guaranteed bonus of 2%. The reduction in fund value in the event of early retirement is as for Flexible Retirement Plan Mark 1 by regular premiums.

For Mark 1 recurrent single premium, the guaranteed bonus after 10 yearly premiums have been paid does not apply and there is no reduction in fund value in the event of early retirement.

(e) There are no guaranteed investment returns other than that described in (d) above in respect of the Guaranteed Fund.

(f) For details of the initial charge and fund management charge see 5(1)(i)(f).

For Mark 1 regular premium contracts, the initial management charge is as for the Flexible Retirement Plan Mark 1 by regular premiums.

For Mark 1 recurrent single premium policies there is no initial management charge.

Specimen percentages of premium invested are as follows:

Mark 1 - single premium

Premium	Term to Retirement (years)				
	6 or more	5	4	3	2 or 1
Under £5000	99%	98.5%	98%	97.5%	97%
£5,000 & over	100%	99.5%	99%	98.5%	98%

For single premiums paid in conjunction with regular premiums, the regular premium investment allocation applies if higher.

Mark 1 – regular premium

Yearly Premium	Monthly Premium	Term to retirement (years)								
		10 or more	9	8	7	6	5	4	3	2 or 1
< £2,500	< £250	100%	99.5%	99%	98.5%	98%	97.5%	97.0%	96.5%	96%

For larger premiums there is an additional allocation as follows:

Yearly premiums	Monthly premiums	Additional allocation
£2,500 - £4,999	£250 - £499	1%
£5,000 & over	£500 & over	2%

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

If premiums are continued after the normal retirement date, 100% of each premium (excluding service charge) is invested.

For all policies issued prior to 6 April 1983 the investment allocations are increased by a further 1%.

Mark 1 - recurrent single premium

Premium under £5,000 -	99%
Premium of £5,000 & over -	100%

- (g) The bid offer spread is limited to 5%. The fund management charge can be varied at the company's discretion.
- (h) See (d) above. The treatment of transfer values is the same as for early retirements.
- (i) See 5(1)(i)(i)
- (j) Units are created for Mark 1 regular premium contracts as for Flexible Retirement Plan Mark 1.
- (k) The contract was not open to new business, except for top-ups, in the year to the valuation date.
- (l) There were no increases in the rates of charges applied generally to contracts during the report period.

(iv) Exempt Investment Bond

- (a) Exempt Investment Bond
- (b) These policies are United Kingdom, pension, direct written, unit-linked deferred annuity contracts.
- (c) Single premium only
- (d) A percentage of each premium is invested in the Guaranteed Fund or units of one or more of the linked Funds.

Except as shown below, the benefit is the bid value of the linked fund units allocated and the Guaranteed Fund value held (including accumulated interest).

Mark 2 single premium policies have a discontinuance charge if surrender occurs within 10 years of inception. The discontinuance charge reduces the surrender value to that payable had the initial unit allocation been in accordance with the following scale:

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

Completed years to surrender	Percentage deduction from Initial unit allocation
Under 2	5.0
2	4.0
3	3.5
4	3.0
5	2.5
6	2.0
7	1.5
8	1.0
9	0.5

(e) There are no guaranteed investment returns other than described in (d) above in respect of the Guaranteed Fund.

(f) For details of the initial charge and fund management charge see 5(1)(i)(f).

Specimen percentages of premium invested are as follows:

Mark 1 - single premium

£10,000 - £49,999	-	101%
£50,000 - £99,999	-	101.5%
£100,000 & over	-	102%

Mark 2 - single premium

£10,000 - £49,999	-	106%
£50,000 - £99,999	-	106.5%
£100,000 & over	-	107%

The allocation rates in excess of 105% are funded from future annual management charges. The valuation allows for immediate allocation of the full value of units.

(g) The bid offer spread is limited to 5%. The fund management charge can be varied at the company's discretion.

(h) See (d) above

(i) See 5(1)(i)(i)

(j) Not applicable.

(k) The contract was not open to new business in the year to the valuation date.

(l) There were no increases in the rates of charges applied generally to contracts during the report period.

(v) Reassurance accepted from The Prudential Assurance Company Limited (PAC)

(a) Reassurance accepted from The Prudential Assurance Company Limited (PAC)

(b) This reassurance is of unit linked Pension Business which is linked to Prudential (AN) Limited (PANL) internal linked funds, i.e. United Kingdom, pension, reassurance accepted, unit linked deferred annuity contracts.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

- (c) Frequency of premiums can be regular or single. The reinsurance premiums paid to PANL are treated as single premiums.
- (d) The benefits payable are the bid value of units credited to the agreement together with a death benefit which arises as follows. The original regular premium policies are subject to the cancellation, on each policy anniversary during deferment, of a percentage of the units allocated or investment resulting from premiums paid in the first policy year. The reassured death benefit is the value of the unit cancellations that would otherwise have been due following the date of death.
- (e) There are no guaranteed investment returns other than that described in 5(1)(i)(d) above in respect of the Guaranteed Fund.
- (f) The premiums receivable are: the bid value of the units credited to the agreement; the value, on A67/70 Ultimate mortality rated down one year, of the death benefits; and the administration and maintenance expenses of the business.
- (g) Mortality charges cannot be varied at the company's discretion.
- (h) See (d) above.
- (i) See 5(1)(i)(i)
- (j) Not applicable.
- (k) The contract was open to new business in the year.
- (l) There were no increases in the rates of charges applied generally to contracts during the report period.
- (2) Not applicable.
- (3) No categories of contract have been included under the miscellaneous heading in Forms 53 or 54.
- (4) A smoothed equity approach is taken to unit pricing. Current practice is as follows.

While the trend in the number of units in a unit fund is believed to be upward, the bid price is the creation price. While the trend in the number of units is believed to be downward, the bid price is the cancellation price. Where the trend is unclear or changing, the bid price may be between the creation price and the cancellation price. The offer price is then set equal to the bid price plus the initial charge plus a rounding adjustment not exceeding 0.1p.

The creation price is the cash cost of purchasing an identical portfolio of assets to that in the unit fund including all the costs that would be incurred in purchasing such assets, divided by the number of units in existence. The cancellation price is the cash amount for which the assets of the unit fund can be sold net of all costs that would be incurred in disposing of the assets, divided by the number of units in existence.

Unit prices are calculated and allocations to policies made daily. The associated cash is invested or withdrawn from the unit fund the day following the allocation.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

- (5) Not applicable.
- (6) Where investments are in Prudential Unit Trusts the purchase price is the underlying creation price and stamp duty charge. In the case of disinvestments the sale price is the underlying cancellation price. Prudential Unit Trusts rebate the fund management charge deducted from the unit trusts less a share of investment management expenses of the unit trusts. The full rebate (without deduction for the investment management expenses of the unit trusts) is credited to the respective linked funds with the deduction for investment management expenses being met by non linked funds.
- 6.(1) The general principles and methods adopted in the valuation were as follows:
- (a) Not applicable.
 - (b) For linked business the company reserves the right to increase the annual management charge in some cases. The calculation of non unit reserves takes no credit for such increases.
 - (c) The net premium method has been used to value certain classes of temporary benefit. For each policy the actual net premium used has been limited to a maximum of 95% of the office premium to provide a margin for future expenses.
 - (d) Negative values have been eliminated from the liability. Additionally, all negative values which would arise at future valuations using the current basis projected forward have also been eliminated.
 - (e) The guaranteed bonus additions available for regular premium contracts under the Flexible Retirement Plan Mark 2, Personal Pension Account Mark 1 and Executive Pension Plan Mark 1 after 10 years' premiums have been paid are matched by a further reserve of 2.5%, 2% and 2% respectively of all created units currently allocated to those Plans which have not been paid up.

In addition, the investment proportion of future premiums assumed to be paid under these contracts has been increased by 2.5%, 2% and 2% respectively as a provision for the prospective cost of the further guaranteed bonus secured by these premiums.
 - (f) No reserve for tax on unrealised capital gains is necessary as the Company writes only pension business, other than with-profits life business sold through Abbey National which is wholly reassured to The Prudential Assurance Company Limited.
 - (g) Interest guarantees of investments in the Guaranteed Fund are covered by matching assets to liabilities.
 - (h) No explicit reserve has been made for the guarantee that the annuity rates used in calculating pensions will not be less than those quoted by The Prudential Assurance Company Limited for similar contracts or for the guaranteed insurability option available under life assurance benefits of the Executive Pension Plan.

The only other guarantee is the return in the event of death of all units currently allocated to the policy; for the regular premium plans the mortality risk for the excess of allocated over created units is effectively reserved for as a temporary assurance using the mortality stated in 9(a) below.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

An additional reserve of £2,760,000 is held in respect of:-

	£
AIDS	100,000
Other contingencies	2,660,000
Total	2,760,000

- 6.(2) Not applicable.
- 7.(1) See Forms 51, 53 and 54.
- 7.(2) Not applicable.
- 7.(3) All business is issued in the United Kingdom, and United Kingdom tables of morbidity and mortality have been used.
- 7.(4) Annuities are generally valued using a percentage of the 92 series (year of birth) tables for annuitants and pensioners. In order to allow for mortality improvement, the CMIR 17 mortality improvement factors are applied up to and including 2004, and future improvement factors from 2005 are a percentage of the CMI medium cohort projections. The future improvement factors are subject to a minimum improvement of 1.25% for males and 0.75% for females.
7. (5) An additional reserve of £100,000 is held in respect of AIDS. The provision for AIDS has been assessed on the assumptions underlying Projection R6A of the Institute of Actuaries Working Party Bulletin No. 5, but modified so that mortality rates are assumed not to decline from their peak values. The only guaranteed insurability options are where there is a right to increase life assurance cover in line with the Retail Prices Index. The additional provision for these options in respect of AIDS mortality is not significant. No allowance is made for any other diseases or scientific advances.
- 7.(6) In accordance with PRU 4.2.16R(3), 4.2.18G and 4.2.23R(3), the scenarios of future changes in the value of assets which have been tested are:
- (a) a rise of 0.95% in the yield on short and long term gilts and cash, and a fall in unit funds of 20%.
 - (b) a fall of 0.95% in the yield on short and long term gilts and cash, and a fall in unit funds of 20%.
- Scenario (a) proved to be the most onerous, and this is held as a capital requirement.
- 7.(7) The assets backing the non-unit liabilities are all UK gilts and cash.
- 7.(8)(a) A Resilience Capital Requirement of £160,000 has been established. This was calculated as follows:
- (b) There was a £159,000 decrease in the aggregate amount of the long term liabilities.
 - (c) The assets allocated to match such liabilities including the resilience capital requirement decreased in value by £319,000.
- 7.(9) Not applicable.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

8. (a) See Form 51.
- (b) Immediate annuity values were increased by 2% as a provision for expenses of payment.
- (c) Not applicable.
- (d) Not applicable.
9. (a) For unit linked policies, the liability has been taken as the sum of:
- (i) The value of created units at the bid price, plus the value of investments in the Guaranteed Fund with accrued interest.
- (ii) The value of future expenses and renewal commission.
- (iii) Less the value of future management charges.
- (iv) Less the value of that portion of future premiums that is not attributed to units.

Where necessary, (iv) and then (iii) were adjusted to ensure that the reserve for an individual policy both currently and at any future date was not less than the value of created units plus, in the case of regular premium policies under the Flexible Retirement Plan Mark 1, Personal Pension Account Mark 1 and Executive Pension Plan Mark 1, an allowance for unpaid initial commission. This allowance is the balance of initial commission on policies on which the first year's premiums have been completed. For policies paid monthly under which the first year's premiums have not been completed, the allowance is the amount of initial commission that will be payable in the second year multiplied by the proportion of the first year's premiums paid to the valuation date.

In the case of regular premium contracts, in calculating (iii) and (iv) premiums are assumed to continue in payment for the remaining term of the contract unless a higher reserve is obtained by assuming immediate cessation of premiums and paid up expenses are incurred in calculating (ii).

Valuation Rate 4.00%

Mortality For business written by PANL: A49/52 Ultimate, applied to the difference between policyholder and created units.

For business written by PAC and reassured to PANL: A67/70 Ultimate - 1.

AM/AF92 - 3 is used in projecting cashflows for determining sterling reserves.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

Renewal expenses (gross) in respect of direct written cases,	Self-Employed Deferred Annuities	Executive Pensions
Single premium business:		
per policy	£46.86	£142.51
Regular premium business		
Premium paying		
per policy	£74.50	£646.37
Non-premium paying		
per policy	£46.86	£142.51

Inflation: 3.5% pa throughout

Fund charge: 10% pa less rebate of the full fund management charge to The Prudential Assurance Company Limited in respect of reinsurance accepted business. In determining the future income from net fund charges, the value of units is based on 80% of the bid prices on 31 December 2004 .

Investment expenses: 0.26% pa in respect of direct written business .

In calculating future management charges and investment expenses the internal linked funds and investments have been assumed to grow at 5% pa (before allowance for the above fund charge).

Index Linked Annuities in payment (wholly reassured to PAL)

Mortality	97% PMA92 (U=2004) 100% of medium cohort improvement table with 1.25% floor, 84% PFA92 (U=2004) 75% of medium cohort improvement table with 0.75% floor
Expenses (per payment)	2.00%
Interest	1.69%

Index Linked Annuities in payment (wholly reassured to PRIL)

Mortality	87% PMA92 (U=2004) 100% of medium cohort improvement table with 1.25% floor, 82% PFA92 (U=2004) 75% of medium cohort improvement table with 0.75% floor
Expenses (per payment)	2.00%
Interest	1.45%

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

Annuities in payment (wholly reassured to PAL)

Mortality	97% PMA92 (U=2004) 100% of medium cohort improvement table with 1.25% floor, 84% PFA92 (U=2004) 75% of medium cohort improvement table with 0.75% floor
Expenses (per payment)	2.00%
Interest	4.83%

Annuities in payment (wholly reassured to PRIL)

Mortality	87% PMA92 (U=2004) 100% of medium cohort improvement table with 1.25% floor, 82% PFA92 (U=2004) 75% of medium cohort improvement table with 0.75% floor
Expenses (per payment)	2.00%
Interest	4.71%

Waiver of premium benefit (self employed Deferred Annuity)

The liability is calculated as twice the annual office premium.

Level Term assurance (Self Employed & Executive Pension)

Mortality	AM/AF92 + 1
Interest	4.00%

In the case of reassurances accepted from PAC, the reinsurance agreement provides for PAC to meet the administration and maintenance expenses. Reserves are set up within PANL to cover the value of units at bid price and the mortality risk for the excess of allocated over created units.

In calculating the net liability in respect of investments in the Guaranteed Fund, allowance was made for accrued interest to the valuation date.

(b) Not applicable.

10. (1) See answer to paragraph 9.

10. (2) The aggregate amount of expense allowance arising in the next twelve months from the loadings described in paragraph 9 is £1,437,000. This excludes the annual management charge rebated to PAC, where the amount due to PAC is that arising from the associated linked funds. In 2004 this amounted to £2,118,000 which is included in line 44 of Form 41. In addition line 44 of Form 41 includes a provision of £1,017,000 in respect of compensating policyholders for excess charges taken from their unit-linked funds.

10. (3) None of the directly written contracts is open to new business other than top-ups.

10. (4) None of the directly written contracts is open to new business other than top-ups.

11. (1) All mathematical reserves are matched by assets in the same currency.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

11. (2) Not applicable.

12. (1) No premiums were paid in 2004 in respect of reinsurance business ceded on a facultative basis to reinsurers not authorised to carry on business in the United Kingdom.

(2) The following reinsurance treaties were in force at 31 December 2004.

(2.1)(a) **Swiss Re Life & Health Ltd**

- (b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
- (c) The reinsurer and the Company are not connected.
- (d) Reinsurance of regular and single premium term assurance and death in service benefits attached to executive pension policies for any one life over £10,000 and up to a maximum of £400,000.
- (e) The premiums payable under the treaty during 2004 were £4,000.
- (f) There were no deposit back arrangements.
- (g) The net liability includes no allowance for the refund of any reinsurance commission.
- (h) The treaty is open to new business.

(2.2)(a) **Swiss Re Life & Health Ltd**

- (b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
- (c) The reinsurer and the Company are not connected.
- (d) Reinsurance of waiver of premium benefits under flexible retirement plan policies for any one life over £1,500 and up to a maximum of £10,000.
- (e) There were no premiums payable under the treaty 2004.
- (f) There were no deposit back arrangements.
- (g) The net liability includes no allowance for the refund of any reinsurance commission.
- (h) The treaty is open to new business.

(2.3)(a) **The Prudential Assurance Company Limited**

- (b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
- (c) The reinsurer is a connected company.
- (d) Reinsurance of all With Profits Bond business written by the Company. The current liability reassured is £58,110,200. The reinsurance is not covered by first charges on any assets.
- (e) The premiums payable under the treaty during 2004 were £2,611,000.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

- (f) There were no deposit back arrangements.
- (g) The net liability includes no allowance for the refund of any reinsurance commission.
- (h) The treaty is open to new business

(2.4)(a) The Prudential Assurance Company Limited

- (b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
- (c) The reinsurer is a connected company.
- (d) Agreement to reassure annuities business with The Prudential Assurance Company, which is currently reassured under the treaty with Prudential Annuities Limited detailed in 12 (2) (4) below, under the following circumstances:
 - The reinsurance agreement with Prudential Annuities Limited is terminated by the reinsurer, or
 - Prudential Annuities Limited will not agree to reinsurance premiums being set at a level not exceeding that which The Prudential Assurance Company offers vesting personal pension scheme members with non-protected rights, adjusted for any commission difference
- (e) There were no premiums payable under the treaty during 2004.
- (f) There were no deposit back arrangements.
- (e) The net liability includes no allowance for the refund of any reinsurance commission.
- (f) The treaty is open to new business.

(2.5)(a) Prudential Annuities Limited

- (b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
- (c) The reinsurer is a connected company.
- (d) Reinsurance of policies issued by the Company where there is an option to purchase an annuity on death or retirement. The current liability reassured is £66,678,000. The reinsurance is not covered by first charges on any assets.
- (e) The premiums payable under the treaty during 2004 were £1,037,000.
- (f) There were no deposit back arrangements.
- (g) The net liability includes no allowance for the refund of any reinsurance commission.
- (h) The treaty was closed to new business on 24 November 2004.

(2.6)(a) Prudential Retirement Income Limited

- (b) The reinsurer is authorised to carry on business in the United Kingdom.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

- (c) The reinsurer is a connected company.
- (d) Reinsurance of liabilities for relevant policies issued by the Company from 25 November 2004 where there is an option to purchase an annuity on death or retirement. Under the terms of the agreement Prudential Retirement Income Limited will meet the liability of the Company to pay the benefits due under the reassured policies.
- (e) The premiums payable under the treaty during 2004 were £162,000.
- (f) There is no deposit back arrangement.
- (g) The net liability includes no allowance for the refund of any reinsurance commission.
- (h) The treaty is open to new business.

(2.7)(a) **Prudential Retirement Income Limited**

- (b) The reinsurer is authorised to carry on business in the United Kingdom.
- (c) The reinsurer is a connected company.
- (d) Reinsurance of liabilities for relevant annuities vested during the period from 1 July 2004 to 25 November 2004. Under the terms of the agreement Prudential Retirement Income Limited will meet the liability of the Company to pay the benefits due under the reassured policies.
- (e) The premiums payable under the treaty during 2004 were £851,000.
- (f) There is no deposit back arrangement.
- (g) The net liability includes no allowance for the refund of any reinsurance commission.
- (h) The treaty is closed to new business.

(3) Not applicable.

13. Not applicable as the with-profits business is fully reassured.

14. (1) The only with-profits business is the with-profits Bond. Surplus arising on the with-profits Bond business is, in accordance with its policy document, applied solely for the benefit of with-profits Bond policyholders. Other profits accrue to shareholders.

(2) The With Profits Bond is reassured to PAC. PAC's with-profit policy is described in their FSA returns.

(3) As (2) above.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

15. With Profit Bond policies were allocated reversionary bonuses on the following basis:
- in the case of Optimum Return policies, at a rate of 3.25% pa from 1 January 2004 to 31 December 2004.
- in the case of Optimum Bonus policies, at a rate of 4% pa from 1 January 2004 to 31 December 2004.

The terminal bonus paid in 2004 amounted to £38,163 net of Market Value Reductions.

16. The facility exists to vary bonuses at any time.
17. See Form 46.
18. See Form 47.
19. (1) See Forms 48 and 49.
- (2) Not applicable.
- (3) Not applicable.
- (4) Not applicable.
20. See Forms 51, 52, 53, 54 and 55.
21. (1) See Form 57.
- (2) The yield on assets other than equity shares and land was adjusted as follows:
- (i) Certificates of deposit and cash deposits – A 0.05% reduction to take account of risk of default
- (3) Not applicable.
22. See Form 58.
23. See Form 60.

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)Name of insurer **Prudential (AN) Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**

Type of business		Pension Insurance Business		Company registration number		GL/UK/CM		Period ended			Units		UK/OS		Type of business		Category of surplus						
Category of surplus		Ordinary Long Term		R51		1347088		GL		31		12		2004		£000		UK		Pens		11	
Type of insurance or name of contract		Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves											
		Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums												
1		2		3		4		5		6		7		8		9		10		11		12	
DIRECT WRITTEN INSURANCE BUSINESS																							
Non-Profit Policies																							
Term assurance																							
Personal Pension Account		4.00%	(c)	37	1194	5	3	0.288	49	27	19	30											
Executive Pension Plan		4.00%	(c)	35	2504	9	7	0.269	98	66	49	49											
Annuities in Payment		4.83%	(b)	2225	5266 pa				65572			65572											
		4.71%	(d)	65	75 pa				1075			1075											
Waiver of Premium Benefit					142 pa	4	2	0.383	19	14	8	11											
Sub total: Non-Profit Policies				2362	3698 5483 pa	18	12		66813	107	76	66737											
Sub total: Direct Written Insurance Business				2362	3698 5483 pa	18	12		66813	107	76	66737											

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)Name of insurer **Prudential (AN) Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**

Financial year ended 31st December 2004		Type of business Pension Insurance Business		Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Type of business	Category of surplus
Category of surplus Ordinary Long Term		day month year										
		R51	1347088	GL	31	12	2004	£000	UK	Pens	11	
Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves	
	Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums		
1	2	3	4	5	6	7	8	9	10	11	12	
REASSURANCE CEDED												
Non-Profit Policies												
Term assurance												
Personal Pension Account	4.00%	(c)		827	3	2	0.290	33	18	13	20	
Executive Pension Plan	4.00%	(c)		2159	8	6	0.267	85	58	43	42	
Annuities in Payment	4.83%	(b)	2225	5266 pa				65572			65572	
	4.71%	(b)	65	75 pa				1075			1075	
Waiver of Premium Benefit				10 pa			0.307	1	1	1		
Sub total: Non-Profit Policies												
			2290	2986 5351 pa	11	8		66766	77	57	66709	
Sub total: Reassurance Ceded												
			2290	2986 5351 pa	11	8		66766	77	57	66709	
Net total: Pension Insurance Business												
			2362	712 132 pa	7	4		47	30	19	28	
Net total: United Kingdom Insurance Business												
			2362	712 132 pa	7	4		47	30	19	28	

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **Prudential (AN) Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance Business**
Category of surplus **Ordinary Long Term**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DIRECT WRITTEN INSURANCE BUSINESS														
With profits bond optimum return	3.20%	(c)	485	11228	11228					11117	10922			10922
With profits bond optimum bonus	3.20%	(c)	1515	49060	49060					48574	47188			47188
Sub total: Direct Written Insurance Business			2000	60288	60288					59691	58110			58110
REASSURANCE CEDED														
With profits bond optimum return				11228	11228					11117	10922			10922
With profits bond optimum bonus				49060	49060					48574	47188			47188
Sub total: Reassurance Ceded				60288	60288					59691	58110			58110
Net total: Life Assurance & General Annuity Insurance Business			2000											

Long term insurance business : Valuation summary of accumulating with-profit policiesName of insurer **Prudential (AN) Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**

Financial year ended 31st December 2004		Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Type of business	Category of surplus	
Type of business	Life Assurance & General Annuity Insurance Business Ordinary Long Term			day	month	year					
Category of surplus			R52	1347088	GL	31	12	2004	£000	UK	L&GA

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net total: United Kingdom Insurance Business			2000											

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Prudential (AN) Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	1347088	GL	31	12	2004	£000	UK	Pens	11
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Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies														
Deferred Annuity														
Flexible Retirement Plan Mk 1 by Single Premium	4.00%	(a)	559		8684				Internal Fund	7692	7692	50	992	8734
Flexible Retirement Plan Mk 1 by Regular Premium, First year units	4.00%	(a)	3753		5031				Internal Fund	4738	4232		278	4510
Flexible Retirement Plan Mk 1 by Regular Premium, Other	4.00%	(a)			43921		289			42244	42244	338	1678	44259
Flexible Retirement Plan Mk 2A by Single Premium	4.00%	(a)	1621		16641				Internal Fund	15389	15389	431	1252	17072
Flexible Retirement Plan Mk 2B by Single Premium	4.00%	(a)	278		5660				Internal Fund	4410	4410	33	1250	5693
Flexible Retirement Plan Mk 2 by Regular Premium, First and second year units	4.00%	(a)	2155		4079				Internal Fund	3853	3496		208	3704
Flexible Retirement Plan Mk 2 by Regular Premium, Other	4.00%	(a)			13609		164			13196	13196	414	413	14023
Guaranteed Bonus Reserve										357	357		10	367

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Prudential (AN) Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	1347088	GL	31	12	2004	£000	UK	Pens	11
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
Personal Pension Account Mk 1 by Single Premium	4.00%	(a)	605		8804				Internal Fund	8524	8524	89	280	8894
Personal Pension Account Mk 1 by Regular Premium, First year units	4.00%	(a)	3093		1532				Internal Fund	1510	1204		22	1226
Personal Pension Account Mk 1 by Regular Premium, Other	4.00%	(a)			14048		506			13990	13990	937	58	14985
Guaranteed Bonus Reserve										247	247			247
Personal Pension Account Mk 1 by Increasing Regular Premium, First year units	4.00%	(a)	117		23				Internal Fund	23	16			16
Personal Pension Account Mk 1 by Increasing Regular Premium, other	4.00%	(a)			258		5			258	258	45		303
Guaranteed Bonus Reserve														
Personal Pension Account Mk 2 by Regular Premium	4.00%	(a)	20		192				Internal Fund	192	192	2		194
Executive Pension Plan and Exempt Investment Bond Mk 1 & 2 by Single Premium	4.00%	(a)	523		7372				Internal Fund	7063	7063	366	309	7738

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Prudential (AN) Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	1347088	GL	31	12	2004	£000	UK	Pens	11
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
Executive Pension Plan Mk 1 by Regular Premium, First year units	4.00%	(a)	1477		5468				Internal Fund	5302	3872		148	4020
Executive Pension Plan Mk1 by Regular Premium, Other	4.00%	(a)			20917		372			20384	20384	2209	533	23126
Guaranteed Bonus Reserve										320	320		5	324
Executive Pension Plan Mk 1 by Recurrent Single Premium	4.00%	(a)	16		926				Internal Fund	917	917	5	8	931
Annuities in Payment	2.17%	(b)							Internal Fund	261	261	100		361
Additional Reserve													2760	2760
Sub total: Non-Profit Policies			14217		157165		1336			150870	148264	5019	10204	163487
Sub total: Direct Written Insurance Business			14217		157165		1336			150870	148264	5019	10204	163487
REASSURANCE ACCEPTED														

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Prudential (AN) Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**

Type of business		Pension Insurance Business				Company registration number		GL/UK/CM		Period ended			Units		UK/OS		Type of business		Category of surplus	
Category of surplus		Ordinary Long Term				R53		1347088		GL		31	12	2004	£000	UK	Pens		11	
Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves						
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15						
Non-Profit Policies																				
Deferred annuity																				
PPA First year units	4.00%	(a)			1015				Internal Fund	1015	761			761						
PPA Other	4.00%	(a)			19173					19173	19173		88	19262						
EPP Series 2,3 and 4 First year units	4.00%	(a)			6883				Internal Fund	6883	4085			4085						
EPP Series 2,3 and 4 Other	4.00%	(a)			71656					71656	71656			71656						
Exempt Investment Bond	4.00%	(a)			3675				Internal Fund	3675	3675			3675						
PPP First year units	4.00%	(a)			5575				Internal Fund	5575	3869			3869						
PPP Other	4.00%	(a)			107829					107829	107829			107829						
FS AVC First year units	4.00%	(a)			600				Internal Fund	600	427			427						
FS AVC Other	4.00%	(a)			5096					5096	5096			5096						
Sub total: Non-Profit Policies					221502					221502	216571		88	216660						
Sub total: Reassurance Accepted					221502					221502	216571		88	216660						
Net total: Pension Insurance Business			14217		378667		1336			372372	364835	5019	10292	380147						

Long term insurance business : Valuation summary of property linked contractsName of insurer **Prudential (AN) Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	1347088	GL	31	12	2004	£000	UK	Pens	11
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
Net total: United Kingdom Insurance Business			14217		378667		1336			372372	364835	5019	10292	380147

Long term insurance business : Valuation summary of index linked contracts

Name of insurer **Prudential (AN) Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R54	1347088	GL	31	12	2004	£000	UK	Pens	11
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Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Name of index link	Investment liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DIRECT WRITTEN INSURANCE BUSINESS														
Non-Profit Policies														
Annuity in payment	1.79%	(b)	36		76 pa				Retail Prices Index	1106	1106			1106
	1.56%	(b)	2						Retail Prices Index	10	10			10
Sub total: Non-Profit Policies			38		76 pa					1116	1116			1116
Sub total: Direct Written Insurance Business			38		76 pa					1116	1116			1116
REASSURANCE CEDED														
Non-Profit Policies														
Annuities in Payment	1.79%	(b)	36		76 pa				Retail Prices Index	1106	1106			1106
	1.56%	(c)	2						Retail Prices Index	10	10			10
Sub total: Non-Profit Policies			38		76 pa					1116	1116			1116

Long term insurance business : Valuation summary of index linked contracts

Name of insurer **Prudential (AN) Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Name of index link	Investment liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Sub total: Reassurance Ceded			38		76 pa					1116	1116			1116
Net total: Pension Insurance Business			38											
Net total: United Kingdom Insurance Business			38											

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefitsName of insurer **Prudential (AN) Limited****(Sheet 1)**

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

Category of surplus			Ordinary Long Term			Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Category of surplus	IL/DH
Internal linked fund								day	month	year				
			R55	1347088	GL	31	12	2004	£000	UK	11	ILH		
Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts			Value of surplus units or directly held assets (7-8+9)				
1	2	3	4	5	6	7	8	9	10					
Cash	series 1	4.05396	6132160	24860		24860	24860							
Sub total: Cash				24860		24860	24860							
Global Growth	series 1	2.07278	585814	1214		1214	1214							
Sub total: Global Growth				1214		1214	1214							
Cautious UK Managed	series 1	4.25922	365026	1555		1555	1555							
Sub total: Cautious UK Managed				1555		1555	1555							
Equity	series 1	19.82139	1568137	31083		31083	31083							
Sub total: Equity				31083		31083	31083							
European	series 1	3.36379	3349464	11267		11267	11267							
Sub total: European				11267		11267	11267							
Fixed Interest	series 1	13.83874	587658	8132		8132	8132							
Sub total: Fixed Interest				8132		8132	8132							
Global Equity	series 1	5.49337	3017463	16576		16576	16576							

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of insurer **Prudential (AN) Limited**

(Sheet 2)

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

Category of surplus			Ordinary Long Term			Company registration number		GL/UK/CM		Period ended			Units		UK/OS		Category of surplus		IL/DH			
Internal linked fund											day month year											
			R55		1347088		GL		31		12		2004		£000		UK		11		ILH	
Name of fund link or directly held asset			Name of unit type		Valuation price per unit or asset		Total actual number of units in force or directly held assets		Value of total actual units in force or directly held assets		Value of actual units held by other internal linked funds		Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)		Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)					
1			2		3		4		5		6		7		8		9		10			
Sub total: Global Equity									16576				16576		16576							
Index Linked Gilt			series 1		5.78351		727773		4209				4209		4209							
Sub total: Index Linked Gilt									4209				4209		4209							
Japanese			series 1		1.02421		3104942		3180				3180		3180							
Sub total: Japanese									3180				3180		3180							
Managed			series 1		14.26798		16391058		233864				233864		233864							
Sub total: Managed									233864				233864		233864							
International Money			series 1		3.79603		363773		1381				1381		1381							
Sub total: International Money									1381				1381		1381							
North American			series 1		2.68317		1571278		4216				4216		4216							
Sub total: North American									4216				4216		4216							
Pacific Market			series 1		2.85475		1456099		4157				4157		4157							
Sub total: Pacific Market									4157				4157		4157							

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefitsName of insurer **Prudential (AN) Limited****(Sheet 3)**

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

Category of surplus			Ordinary Long Term			Company registration number		GL/UK/CM		Period ended			Units	UK/OS	Category of surplus	IL/DH						
Internal linked fund																						
			R55		1347088		GL		31		12		2004		£000		UK		11		ILH	
Name of fund link or directly held asset			Name of unit type		Valuation price per unit or asset		Total actual number of units in force or directly held assets		Value of total actual units in force or directly held assets		Value of actual units held by other internal linked funds		Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)		Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)					
1			2		3		4		5		6		7		8		9		10			
Property			series 1		9.75772		2028046		19789		6006		13783		13783							
Sub total: Property									19789		6006		13783		13783							
Premier Income			series 1		1.94842		42105		82				82		82							
Sub total: Premier Income									82				82		82							
Small Companies			series 1		3.46228		1523619		5275				5275		5275							
Sub total: Small Companies									5275				5275		5275							
Sub total:																						
Total: Ordinary Long Term									370840		6006		364834		364834							

Long-term insurance business - analysis of valuation interest rates

Name of insurer **Prudential (AN) Limited**Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

	Company registration number	GL/UK/CM	Period ended			Units	Category of surplus	
			day	month	year			
	R57	1347088	GL	31	12	2004	£000	11
Product group	Net mathematical reserves		Net valuation interest rate		Gross valuation interest rate		Risk adjusted yield on matching assets	
1	2		3		4		5	
Mortality & Expenses	4919		4.00		4.00		4.58	
Options & Guarantees other than investment performance	7531		3.97		3.97		4.80	
Additional Reserves	2760						4.11	
Term Assurance	28		4.00		4.00		4.78	
Annuities in Payment	100		2.17		2.17		4.58	
Total: Ordinary Long Term	15338							

Long term insurance business : Valuation result and distribution of surplusName of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

Units

Category
of surplusCategory of surplus **Ordinary Long Term**

Category of surplus	Ordinary Long Term		number	day	month	year			
			R58	1347088	GL	31	12	2004	£000
Valuation result	Fund carried forward					11	380175		
	Bonus payments made to policyholders in anticipation of a surplus					12			
	Transfers out of fund/ parts of fund	Transfer to non-technical account				13	2271		
		Transfer to other funds/parts of funds				14			
	Net transfer out of funds/parts of funds (13+14)					15	2271		
	Total (11+12+15)					16	382446		
	Mathematical reserves for accumulating with profit policies					17			
	Mathematical reserves for other non linked contracts					18	28		
	Mathematical reserves for property linked contracts					19	380147		
	Mathematical reserves for index linked contracts					20			
	Total (17 to 20)					21	380175		
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16-21)					29	2271		
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation					31			
	Transfers into fund/part of fund	Transfer from non-technical account				32			
		Transfer from other funds/parts of fund				33			
	Net transfer into fund/part of fund (32+33)					34			
	Surplus arising since the last valuation					35	2271		
	Total (31+34+35)					39	2271		
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus					41			
	Allocated to policyholders by way of	Cash bonuses				42			
		Reversionary bonuses				43			
		Other bonuses				44			
		Premium reductions				45			
	Total allocated to policyholders (41 to 45)					46			
	Net transfer out of fund/part of fund					47	2271		
	Total distributed surplus (46+47)					48	2271		
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated					49			
	Total (48+49)					59	2271		
Percentage of distributed surplus allocated to policyholders of fund/part of fund						61			
Corresponding percentage at three immediately previous valuations	Latest	(year of valuation 2003)				62			
	Earlier	(year of valuation 2002)				63			
	Earliest	(year of valuation 2001)				64			

Long term insurance capital requirementName of insurer **Prudential (AN) Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

		R60	1347088	GL	31	12	2004	£000
	LTICR factor	Gross reserves / capital at risk	Net reserves / capital at risk	Reinsurance factor	LTICR Financial year	LTICR Previous year		
	1	2	3	4	5	6		

Insurance death risk capital component

Classes I, II and IX	11	0.1%			0.50		
Classes I, II and IX	12	0.15%					
Classes I, II and IX	13	0.3%	3619	1810		5	
Classes III, VII and VIII	14	0.3%	6482	6482	1.00	19	
Total	15		10101	8292		24	

Insurance health risk capital component

Class IV and supplementary classes 1 and 2	21						
--	----	--	--	--	--	--	--

Insurance expense risk capital component

Classes I, II and IX	31	1%	124848	28	0.85	1061	
Classes III, VII and VIII (investment risk)	32	1%	16426	15310	0.93	153	
Classes III, VII and VIII (expenses fixed 5 yrs +)	33	1%	115449	115449	1.00	1154	
Classes III, VII and VIII (other)	34	25%				727	
Class IV	35	1%			0.00		
Class V	36	1%					
Class VI	37	1%			0.00		
Total	38					3095	

Insurance market risk capital component

Classes I, II and IX	41	3%	124848	28	0.85	3184	
Classes III, VII and VIII (investment risk)	42	3%	16426	15310	0.93	458	
Classes III, VII and VIII (expenses fixed 5 yrs +)	43	0%	115449	115449			
Classes III, VII and VIII (other)	44	0%	249388	249388			
Class IV	45	3%			0.00		
Class V	46	0%					
Class VI	47	3%			0.00		
Total	48		506111	380175		3642	

Long term insurance capital requirement	51					6761	
--	----	--	--	--	--	------	--

PRUDENTIAL (AN) LIMITED

Financial Year ended 31 December 2004

Notes to Appendices 9.1 and 9.3

Form 2

0201 Section 148 waivers and Section 68 orders

The Secretary of State, on the application of the Company, has issued to the Company on 15 December 1989 an order under Section 68 of the Insurance Companies Act 1982 directing that Section 31(2)(c) of the Insurance Companies Act 1982 shall not apply to the Company's reinsurance agreements with The Prudential Assurance Company Limited and Prudential Annuities Limited issued 1 August 1992.

The Section 68 order granted under the Insurance Companies Act 1982 continued to have effect under the transitional arrangements set out in the supervision manual. Section 31(2)(c) of the Insurance Companies Act 1982 was replaced by Rule 3.4 of the Interim Prudential Sourcebook for Insurers. Rule 3.4 ceased to have effect on implementation of the Integrated Prudential Sourcebook for Insurers on 31 December 2004 and there is no equivalent requirement within the Integrated Sourcebook.

Modification of IPRU (INS) rule 3.4

The Financial Services Authority, on the application of the firm, made a direction in October 2002 under section 148 of the Financial Services and Markets Act 2000. The effect of the direction was to modify the provisions of IPRU (INS) rule 3.4 so that that rule did not apply to the reinsurance treaty between the firm and The Prudential Assurance Company Limited, a connected company, dated 19 November 2002. Rule 3.4 ceased to have effect on implementation of the Integrated Prudential Sourcebook for Insurers on 31 December 2004 and there is no equivalent requirement within the Integrated Sourcebook.

Form 3

0301 Reconciliation of net admissible assets to total capital resources after deductions

	2004
	£'000
Form 13 Line 89 (Long term) Grand total of admissible assets	386,350
Form 14 Line 59 Total liabilities and margins	(386,350)
Form 13 Line 89 (Other than long term) Grand total of admissible assets	27,347
Form 15 Line 69 Total	(2,717)
	<hr/> 24,630
Form 3 Line 79 Capital resources after deductions	24,630
Difference	<hr/> <hr/> 0

0308 Details of positive and negative valuation differences

	£'000
Additional reserves held in the long term fund	2,560
Deferred tax on additional reserves held in the long term fund	(768)
Form 3 Line 35 Other negative valuation differences	<hr/> <hr/> 1,792

PRUDENTIAL (AN) LIMITED

Financial Year ended 31 December 2004

Notes to Appendices 9.1 and 9.3 (continued)

Form 13

Notes 1304 to 1306 apply to the other than long term business fund.

***1301* Assets specified in instruction 5**

The company held no unlisted investments, listed investments that are not readily realisable, or any other investments specified in instruction 5.

***1304* Statement on Set-Off**

Amounts due to or from the Company have been set off to the extent permitted by generally accepted accounting principles.

***1305* Maximum Counterparty Limits**

The Company's investment guidelines set maximum counterparty limits in order to maintain the admissibility of assets in accordance with Rule 4.14. The limits were not breached throughout the financial year. The balances are reviewed daily and compared to expected cashflows to ensure the Company is technically solvent. The balances did not exceed the Rule 4.14 limit during the year.

***1306* Counterparty exposures at year end**

Counterparty exposures were held at year end that were greater than five percent of the sum of the base capital resources requirement and long term insurance liabilities, excluding property linked liabilities and net of reinsurance ceded. These were £10.7m in the M&G High Interest Fund and cash on deposit with Bank of Ireland £2.0m; Close Brothers Limited £2.0m; UBS AG £1.5m; ING BHF £3.0m; Royal Bank of Canada £2.0m.

Notes 1308 to 1312 apply to the long term business fund.

***1308* Assets specified in instruction 5**

The company held no unlisted investments, listed investments that are not readily realisable, or any other investments specified in instruction 5.

***1310* Statement on set-off**

Amounts due to or from the Company have been set off to the extent permitted by generally accepted accounting principles.

***1311* Maximum Counterparty Limits**

The company's investment guidelines set maximum counterparty limits in order to maintain the admissibility of assets in accordance with Rule 4.14. The limits were breached in one respect in the year.

PRUDENTIAL (AN) LIMITED

Financial Year ended 31 December 2004

Notes to Appendices 9.1 and 9.3 (continued)

***1312* Counterparty Exposures at Year End**

Counterparty exposures were held at year end that were greater than five percent of the sum of the base capital resources requirement and long term insurance liabilities, excluding property linked liabilities and net of reinsurance ceded. These were: Standard Life Bank £2.0m; Bradford & Bingley £1.0m; Yorkshire Building Society £2.0m; Dexia Banque Int £1.8m; Britannia Building Society £1.0m; Northern Rock Plc £1.0m; Alliance & Leicester £1.7m; Irish Life & Perm £1.0m; and Nationwide Building Society £1.0m. These exposures were all Certificates of Deposit.

Form 14

***1401* Provision for Adverse Changes**

No derivatives were held by the long term fund at any time during the year and therefore no provision for adverse changes is required.

***1402* Details of charges over assets, etc.**

- a) There were no charges attributable to the long term business assets.
- b) The long term fund does not attract tax, and therefore no provision, potential or otherwise, has been made for any liability to tax which might arise if the company disposed of its assets at the values stated in this return.
- c) There were no contingent liabilities at the year end.
- d) There were no guarantees, indemnities or other contractual commitments other than in the ordinary course of insurance business in respect of related companies.
- e) There were no fundamental uncertainties.

Form 15

***1501* Provision for Adverse Changes**

No derivatives were held by the other than long term fund at any time during the year and therefore no provision for adverse changes is required.

***1502* Details of charges over assets, etc.**

- (a) There were no charges attributable to the other than long term business assets.
- (b) There was no potential tax liability arising in the other than long term fund.
- (c) There were no contingent liabilities at the year end.
- (d) Under the terms of the Company's arrangements with the Prudential Group's main UK banker, the bank has a right of set-off between credit balances and all overdrawn balances of those group undertakings with similar arrangements.
- (e) There were no fundamental uncertainties.

PRUDENTIAL (AN) LIMITED

Financial Year ended 31 December 2004

Notes to Appendices 9.1 and 9.3 (continued)

Form 16

1601 Foreign Currencies

Foreign currency transactions are translated at year end exchange rates, except that certain revenue transactions are translated at rates ruling at the transaction dates.

Form 17

1700 Derivative Contracts

As all figures, including comparatives, are zero for the other than long term and long term fund, form 17 has been omitted.

Form 40

4008 Provision of Management Services

The Company was provided throughout the year with management services by M&G Investment Management Limited, Prudential Property Investment Managers Limited, Prudential Unit Trusts Limited, Prudential UK Services Limited and The Prudential Assurance Company Limited. The Company was further assisted during the year with day to day management services by Mellon European Fund Services, a third party.

4009 Details of material connected party transactions

The Company has a reinsurance agreement with a related company, The Prudential Assurance Company Limited (PAC). PAC reassures its unit linked business to the Company. Included in earned premiums for the year is an amount of £17.7m received under this reinsurance agreement. Also included within claims incurred is an amount of £28.0m arising from unit linked claims under this reinsurance agreement.

The Company has an agreement with Abbey National Plc for Abbey National to sell a with-profits product through the Abbey National sales network. The Company reassures this with-profits business to PAC. With profits premiums earned for the year which were ceded under this reinsurance agreement amounted to £2.6m. Included within claims incurred is an amount of £3.1m arising from with profit claims under this reinsurance agreement.

The Company has a reinsurance agreement with a related company, Prudential Annuities Limited. Earned premiums for the year which were ceded under this reinsurance agreement amount to £1.0m. Also claims ceded under this reinsurance agreement amounted to £5.3m for the year.

The Company has a reinsurance agreement with a related company, Prudential Retirement Income Limited. Earned premiums for the year which were ceded under this reinsurance agreement amount to £1.0m. Also claims ceded under this reinsurance agreement amounted to £24k for the year.

The rebate of fund management charge to PAC for the year amounted to £2,118,000 (2003: £1,996,000). The Prudential Assurance Company Limited met the expenses associated with this business. In addition, there was a rebate of fund management charge from Prudential Unit Trusts Limited of £3,996,000 (2003: £3,618,000).

PRUDENTIAL (AN) LIMITED

Financial Year ended 31 December 2004

Notes to Appendices 9.1 and 9.3 (continued)

Form 43

***4301* Valuation of Linked Assets**

These assets are included at market value or, in the case of properties, on the basis of an annual external professional valuation by DTZ Debenham Thorpe, Chartered Surveyors. Securities are valued at a market offer price except where a linked fund is priced on a full bid basis in which case the securities are valued on a bid basis. In accordance with the policy document, an appropriate adjustment is made to the linked asset prices to account for buying or selling expenses.

Form 48

***4801* Line 13, column 1 includes £265,000 accrued interest.**

Form 51

***5101* Mortality Bases**

The tables of mortality assumed in the valuation that are indicated in Form 51 by a code letter are:

- (c) AM/AF92 plus 1 year
- (b) 87% PMA92 (u=2004), 82% PFA92 (u=2004)
- (d) 82% PMA92(c=2004), 80% PFA92 (c=2004)

For (b) and (d), the CMIR17 improvement factors from 1992 to 2004 are applied to PMA92 and PFA92 mortality tables respectively. Future improvement factors from 2005 onwards are in line with a percentage adjustment of the Medium Cohort projection (CMI mortality subcommittee 2002: Working paper 1: An interim basis for adjusting the '92' series mortality projections for cohort effects), 100% for males and 75% for females. Future improvement factors are subject to a minimum improvement in any year of 1.25% for males and 0.75% for females.

Form 52

***5201* Mortality Bases**

The tables of mortality assumed in the valuation indicated in Form 52 by the code letter (c) are:

AM/AF92 plus 1 year

PRUDENTIAL (AN) LIMITED

Financial Year ended 31 December 2004

Notes to Appendices 9.1 and 9.3 (continued)

Form 53

***5301* Mortality Bases**

The tables of mortality assumed in the valuation that are indicated in Form 53 by the code letter (a) are:

Direct Written Business: A49/52 ultimate applied to the difference between policyholder and created units. AM/AF92 minus 3 years is used for determining sterling reserves.

Reassurance accepted: A67/70 ultimate -1 year applied to the difference between policyholder and created units.

The tables of mortality assumed in the valuation that are indicated in Form 53 by the code letter (b) are:

87% PMA92 (u=2004), 82% PFA92 (u=2004)

The CMIR17 improvement factors from 1992 to 2004 are applied to PMA92 and PFA92 mortality tables respectively. Future improvement factors from 2005 onwards are in line with a percentage adjustment of the Medium Cohort projection (CMI mortality subcommittee 2002: Working paper 1: An interim basis for adjusting the '92' series mortality projections for cohort effects), 100% for males and 75% for females. Future improvement factors are subject to a minimum improvement in any year of 1.25% for males and 0.75% for females.

Form 54

***5401* Mortality Bases**

The tables of mortality assumed in the valuation that are indicated in Form 54 by a code letter are:

(b) 87% PMA92 (u=2004), 82% PFA92 (u=2004)

(c) 82% PMA92(c=2004), 80% PFA92 (c=2004)

For (b) and (c), the CMIR17 improvement factors from 1992 to 2004 are applied to PMA92 and PFA92 mortality tables respectively. Future improvement factors from 2005 onwards are in line with a percentage adjustment of the Medium Cohort projection (CMI mortality subcommittee 2002: Working paper 1: An interim basis for adjusting the '92' series mortality projections for cohort effects), 100% for males and 75% for females. Future improvement factors are subject to a minimum improvement in any year of 1.25% for males and 0.75% for females.

PRUDENTIAL (AN) LIMITED

Financial Year ended 31 December 2004

Notes to Appendices 9.1 and 9.3 (continued)

Form 55

5501 Reconciliation to unit linked assets in Form 13

	2004	2003
	£'000s	£'000s
Value of units per Form 55	364,834	363,689
Linked Fund other liabilities per Form 43	1,415	1,356
Long term fund assets per Form 13	<u>366,249</u>	<u>365,045</u>

PRUDENTIAL (AN) LIMITED

Returns under the Interim Prudential Sourcebook for Insurers and the Integrated Prudential Sourcebook

Directors' Certificate required by rule 9.34 of the Accounts and Statements Rules Financial year ended 31 December 2004

We certify:

1. (a) that the return has been properly prepared in accordance with the requirements in IPRU(INS) and PRU as modified by the waivers/orders dated 22 November 2002 issued under section 148 of the Financial Services and Markets Act 2000 and the waivers/orders dated 15 December 1989 and 1 August 1992 issued under section 68 of the Insurance Companies Act 1982 which ceased to have effect on 31 December 2004; and:
 - (b) we are satisfied that:
 - (i) throughout the financial year in question, the insurer has complied in all material respects with the requirements of SYSC and PRIN as well as the provisions of IPRU(INS) and PRU; and
 - (ii) it is reasonable to believe that the insurer has continued so to comply subsequently, and will continue so to comply in future.
2. (a) that in our opinion, premiums for contracts entered into during the financial year and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the insurer that are available for the purpose, to enable the insurer to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;
 - (b) that the sum of the mathematical reserves and the deposits received from reinsurers as shown in Form 14 constitute proper provision at the end of the financial year in question for the long-term insurance liabilities (including all liabilities arising from deposit back arrangements, but excluding other liabilities which had fallen due before the end of the financial year) including any increase in those liabilities arising from a distribution of surplus as a result of an actuarial investigation as at that date into the financial condition of the long-term insurance business;
 - (c) that we have, in preparing the return, taken and paid due regard to-
 - (i) advice in preparing the return from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R; and
 - (ii) advice from the actuary appointed by the insurer to perform the with-profits actuary function in accordance with SUP 4.3.16R.

.....
G M Wood
Chief Executive

.....
D J Belsham
Director

.....
R C Everett
Director

March 2005

PRUDENTIAL (AN) LIMITED

Report of the auditor to the Directors pursuant to rule 9.35 of the Accounts and Statements Rules.

Financial year ended 31 December 2004

We have examined the following documents prepared by the company pursuant to the Accounts and Statements Rules set out in part I and part IV of chapter 9 to the Interim Prudential Sourcebook for Insurers and PRU, the Integrated Prudential Sourcebook, (“the Rules”) made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 2, 3, 13 to 16, 40 to 45, 48, 49, 58 and 60, (including the supplementary notes) on pages 1 to 71 (‘the Forms’);
- the statement required by rule 9.29 on page 77 (‘the Statement’);
- the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report required by rule 9.31(a) (‘the methods and assumptions included in the valuation report’);

We are not required to examine and do not express an opinion on:

- Forms 46 to 47, 51 to 55 and 57 (including the supplementary notes) on pages 22 to 71;
- the statements required by rules 9.30 on page 78 and 9.36 on page 76;
- the directors’ certificate signed in accordance with rule 9.34 on page 72 (‘the directors’ certificate’); and
- the valuation report required by rule 9.31 (a) except as set out above.

This report is made solely to the company’s directors, as a body, in accordance with the requirements of rule 9.35 of the Rules. We acknowledge that the directors are required to submit this report to the FSA, to enable the FSA to verify that an auditor’s report has been commissioned by the company’s directors and issued in accordance with the requirements of rule 9.35 of the Rules and to facilitate the discharge by the FSA of its regulatory functions in respect of the company, conferred on the FSA by or under the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the company’s directors those matters we are required to state to them in an auditor’s report issued pursuant to rule 9.35 of the Rules and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s directors as a body, for our audit work, for this report, or for the opinions we have formed.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

Respective responsibilities of the company and its auditors

The company is responsible for the preparation of an annual return (including the Forms, the Statement, the valuation report, the forms and statement not audited by us and the directors' certificate) under the provisions of the Rules. The requirements of the Rules have been modified by waivers dated 22 November 2002 issued under section 148 of the Financial Services and Markets Act 2000 and waivers dated 15 December 1989, 1 August 1992 issued under section 68 of the Insurance Companies Act 1982. Under rule 9.11 the Forms, the Statement, Valuation report, the forms and statements not examined by us and the directors' certificate are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules.

The methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report, prepared in accordance with rule 9.31 are required to reflect appropriately the requirements of PRU 7.3.

It is our responsibility to form an independent opinion as to whether the Forms, the Statement and the methods and assumptions included in the valuation report meet these requirements, and to report our opinions to you. We also report to you if, in our opinion, the company has not kept proper accounting records or if we have not received all the information we require for our examination.

Basis of opinion

We conducted our work in accordance with Practice Note 20 "The audit of insurers in the United Kingdom" and Bulletin 2004/5 issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms, the Statement, and the methods and assumptions included in the valuation report. The evidence included that previously obtained by us relating to the audit of the financial statements of the company for the financial year. It also included an assessment of the significant estimates and judgements made by the company in the preparation of the Forms, the Statement and in determining the methods and assumptions included in the valuation report.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms, the Statement and the methods and assumptions included in the valuation report are free from material misstatement, whether caused by fraud or other irregularity or error, and comply with rule 9.11.

In accordance with rule 9.35(1A), to the extent that any document, Form, Statement, analysis or report to be examined under rule 9.35(1) contains amounts or information abstracted from the actuarial investigation performed pursuant to rule 9.4, we have obtained and paid due regard to advice from a suitably qualified actuary who is independent of the insurer.

PRUDENTIAL (AN) LIMITED

Appendix 9.4 (continued)

Opinion

In our opinion:

- i) the Forms and the Statement fairly state the information provided on the basis required by the Rules as modified and have been properly prepared in accordance with the provisions of those Rules; and
- ii) the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report prepared in accordance with rule 9.31 appropriately reflect the requirements of PRU 7.3.

KPMG Audit Plc
Registered Auditor
London

March 2005

PRUDENTIAL (AN) LIMITED

Financial Year ended 31 December 2004

Statement of information on the actuary who has been appointed to perform the with-profits actuary function pursuant to Rule 9.36 of the Integrated Prudential Sourcebook for Insurers.

In accordance with Rule 9.36 of the above sourcebook, Gerry Gallagher the actuary who has been appointed to perform the with-profits function of the Company, was requested to furnish and has provided the following information:

- (a) (i) He had an interest in 7,622 shares in the share capital of the holding company, Prudential plc, at the end of the year.
- (ii) He had an interest under the Prudential Restricted Share Plan in shares in Prudential plc held in trust, representing the maximum award that could be made if performance requirements of the Plan were met, of 16,629 shares at the end of the year.
- (iii) He held the following options granted under the Prudential Savings-Related Share Option Scheme to subscribe for shares in Prudential plc:

<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Exercise Dates</u>
6,153	266p	June 2008

- (iv) He also had an interest in 470 shares in Egg plc, a subsidiary of Prudential plc, at the end of the year.
- (b) He had an interest in general insurance policies issued by the Company being a home insurance policy covering buildings, household contents, travel and personal effects and a motor insurance policy (now underwritten by Churchill).
- (c) His total remuneration for the year was £158,740.
- (d) He is a member of the Prudential Staff Pension Scheme and contributions in respect of the year were paid by the Company.

PRUDENTIAL (AN) LIMITED

Financial Year ended 31 December 2004

Rule 9.29 Statement on Derivative Contracts

a. **Investment Guidelines**

During 2004, the investment guidelines allowed the use of derivative contracts in the Fixed Interest, Index Linked Gilts and Managed internal linked funds. The derivatives and use thereof was restricted to that permitted by Appendix 3.2. The use of derivatives was not permitted in the non-linked funds.

Derivatives are limited to: exchange traded warrants; exchange traded index or stock futures; forward currency contracts; hedging of overseas holdings into £ sterling; partly paid shares; and convertible bonds. Derivatives must be listed or with an approved counterparty and must be capable of being readily closed out at a price the basis of which is pre-determined. Exchange traded index and stock futures must be based on underlying assets which are themselves permitted links.

b. **Derivatives where exercise is unlikely**

The Company was not party to any derivative contracts during the financial year.

c. **Quantification of derivatives in (b) above**

The Company was not party to any derivative contracts during the financial year.

d. **Effect on Form 13 of exercising derivatives where it would be prudent to assume options would be exercised**

The Company was not party to any derivative contracts during the financial year.

e. **Effect on Form 13 of exercising all derivatives**

The Company was not party to any derivative contracts during the financial year.

f. **Effect on Form 13 during the financial year**

The Company was not party to any derivative contracts during the financial year.

g. **Maximum loss which would be incurred by the Company**

The Company was not party to any derivative contracts during the financial year.

h. **Provision for reasonably foreseeable variations arising from derivative contracts, rule 4.3.17R**

The Company was not party to any derivative contracts during the financial year.

i. **Consideration received for granting rights under derivative contracts**

The investment guidelines did not allow the writing of options.

PRUDENTIAL (AN) LIMITED

Financial Year ended 31 December 2004

Rule 9.30 Statement on Shareholder Controllers

The following companies were shareholder controllers of Prudential (AN) Limited for the year: Prudential Financial Services Limited, being its immediate holding company, holding 100% of its issued share capital and voting power; and Prudential plc, being its ultimate holding company, holding 100% of the issued share capital and voting power of Prudential Financial Services Limited.