

Prudential Pensions Limited

**Incorporated in England and Wales Registered No 992726
Registered Office: Laurence Pountney Hill, London EC4R 0HH**

Annual FSA Insurance Returns for the year ended

31 December 2007

(Appendices 9.1,9.3,9.4,9.6)

Prudential Pensions Limited

31 December 2007

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Statement of solvency - long-term insurance businessName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31 December 2007**

Solo solvency calculation

	Company registration number	GL/ UK/ CM	day	month	year	Units	
	R2	992726	GL	31	12	2007	£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	9127	9083
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	11041	10552
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	20168	19635

Guarantee fund

Guarantee fund requirement	21	2310	2139
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	17858	17496

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31	6931	6346
Resilience capital requirement	32	651	809
Base capital resources requirement	33	2231	2139
Individual minimum capital requirement	34	7582	7155
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	7582	7155
Excess (deficiency) of available capital resources to cover 50% of MCR	37	16377	16058
Excess (deficiency) of available capital resources to cover 75% of MCR	38	14481	14269

Enhanced capital requirement

With-profits insurance capital component	39		
Enhanced capital requirement	40	7582	7155

Capital resources requirement (CRR)

Capital resources requirement (greater of 36 and 40)	41	7582	7155
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	12586	12481

Contingent liabilities

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51	17638	20518
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Covering Sheet to Form 2

Form 2

Name of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31 December 2007**

_____ A M Crossley **For and on behalf of
N Prettejohn
Chief Executive**

_____ D J Belsham **Director**

_____ M Thompson **Director**

Date 26th March 2008

Components of capital resourcesName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31 December 2007**

	Company registration number	GL/ UK/ CM	day	month	year	Units	
	R3	992726	GL	31	12	2007	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year		Total as at the end of the previous year	
		1	2	3		4	

Core tier one capital

Permanent share capital	11		6000	6000	6000
Profit and loss account and other reserves	12		5477	5477	(2474)
Share premium account	13				
Positive valuation differences	14		8691	8691	16109
Fund for future appropriations	15				
Core tier one capital in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19		20168	20168	19635

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 capital

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		20168	20168	19635
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37				
Total tier one capital after deductions (31-37)	39		20168	20168	19635

Components of capital resourcesName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31 December 2007**

	Company registration number	GL/ UK/ CM	day month year			Units
R3	992726	GL	31	12	2007	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		1	2	3	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 Pensions Limited**

Global business

Financial year ended **31 December 2007**

	Company registration number	GL/ UK/ CM	day month year			Units
R3	992726	GL	31	12	2007	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		1	2	3	4	

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72		20168	20168	19635
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				
Deductions of ineligible surplus capital	77				
Total capital resources after deductions (72-73-74-75-76-77)	79		20168	20168	19635

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81		20168	20168	19635
Available capital resources for 50% MCR requirement	82		20168	20168	19635
Available capital resources for 75% MCR requirement	83		20168	20168	19635

Financial engineering adjustments

Implicit items	91				
Financial reinsurance - ceded	92				
Financial reinsurance - accepted	93				
Outstanding contingent loans	94		17638	17638	20518
Any other charges on future profits	95				
Sum of financial engineering adjustments (91+92-93+94+95)	96		17638	17638	20518

Analysis of admissible assetsName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total other than long term insurance business assets**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets	
	R13	992726	GL	31	12	2007	£000	1
						As at end of this financial year	As at end of the previous year	
						1	2	
Land and buildings			11					

Investments in group undertakings and participating interests

UK insurance dependants	Shares	21		
	Debts and loans	22		
Other insurance dependants	Shares	23		
	Debts and loans	24		
Non-insurance dependants	Shares	25		
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares	41		
Other shares and other variable yield participations	42		
Holdings in collective investment schemes	43		
Rights under derivative contracts	44		
Fixed interest securities	Approved	45	
	Other	46	
Variable interest securities	Approved	47	
	Other	48	
Participation in investment pools	49		
Loans secured by mortgages	50		
Loans to public or local authorities and nationalised industries or undertakings	51		
Loans secured by policies of insurance issued by the company	52		
Other loans	53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	10152
	More than one month withdrawal	55	7364
Other financial investments	56		
Deposits with ceding undertakings	57		
Assets held to match linked liabilities	Index linked	58	
	Property linked	59	

Analysis of admissible assetsName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	992726	GL	31	12	2007	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78		2995
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	870	184
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	19	9
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	11041	10552
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Analysis of admissible assetsName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	992726	GL	31	12	2007	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	11041	10552
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related insurance undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	11041	10552
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assetsName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total long term insurance business assets**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets	
	R13	992726	GL	31	12	2007	£000	10
						As at end of this financial year	As at end of the previous year	
						1	2	
Land and buildings				11				

Investments in group undertakings and participating interests

UK insurance dependants	Shares	21		
	Debts and loans	22		
Other insurance dependants	Shares	23		
	Debts and loans	24		
Non-insurance dependants	Shares	25		
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares	41			
Other shares and other variable yield participations	42			
Holdings in collective investment schemes	43			
Rights under derivative contracts	44			
Fixed interest securities	Approved	45	1936	1945
	Other	46		
Variable interest securities	Approved	47		
	Other	48		
Participation in investment pools	49			
Loans secured by mortgages	50			
Loans to public or local authorities and nationalised industries or undertakings	51			
Loans secured by policies of insurance issued by the company	52			
Other loans	53			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	29848	10636
	More than one month withdrawal	55		
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58		
	Property linked	59	7519573	7204192

Analysis of admissible assetsName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	992726	GL	31	12	2007	£000	10
					As at end of this financial year	As at end of the previous year	
					1	2	

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	8759	2157
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	5210	4638
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	421	451
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	7565747	7224019
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Analysis of admissible assetsName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	992726	GL	31	12	2007	£000	10
					As at end of this financial year	As at end of the previous year	
					1	2	

Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	7565747	7224019
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related insurance undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100	613443	104115
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	8179190	7328134
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Long term insurance business liabilities and marginsName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31 December 2007**Total business/Sub fund **10 Ordinary Long Term**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
---------------------------------------------	-------------------------------------------

Mathematical reserves, after distribution of surplus	11	7498960	7175801	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12			
Balance of surplus/(valuation deficit)	13	9127	9083	
Long term insurance business fund carried forward (11 to 13)	14	7508087	7184884	
Claims outstanding	Gross	15	366	366
	Reinsurers' share	16		
	Net (15-16)	17	366	366
Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers	23			
Creditors	Direct insurance business	31		792
	Reinsurance accepted	32	12565	
	Reinsurance ceded	33		
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions	36			
Creditors	Taxation	37	259	95
	Other	38	44470	37882
Accruals and deferred income	39			
Provision for "reasonably foreseeable adverse variations"	41			
Total other insurance and non-insurance liabilities (17 to 41)	49	57660	39135	
Excess of the value of net admissible assets	51			
Total liabilities and margins	59	7565747	7224019	

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	3427	2497
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	7519573	7204192

Total liabilities (11+12+49)	71	7556620	7214936
Increase to liabilities - DAC related	72		
Reinsurers' share of technical provisions	73	613443	104115
Other adjustments to liabilities (may be negative)	74	8691	16109
Capital and reserves and fund for future appropriations	75	436	(7026)
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)	76	8179190	7328134

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

Global business

Financial year ended **31 December 2007**

R15	Company registration number	GL/UK/CM	day month year			Units
	992726	GL	31	12	2007	£000
			As at end of this financial year		As at end of the previous year	
			1		2	

Technical provisions (gross amount)

Provisions for unearned premiums	11		
Claims outstanding	12		
Provision for unexpired risks	13		
Equalisation provisions	Credit business	14	
	Other than credit business	15	
Other technical provisions	16		
Total gross technical provisions (11 to 16)	19		

Provisions and creditors

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers		31		
Creditors	Direct insurance business	41		
	Reinsurance accepted	42		
	Reinsurance ceded	43		
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions		46		
Creditors	Taxation	47		
	Foreseeable dividend	48		
	Other	49		
Accruals and deferred income		51		
Total (19 to 51)		59		
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63		
Total (59 to 63)		69		

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71		
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Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83		
Capital and reserves	84	11041	10552
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	85	11041	10552

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

Global business

Financial year ended **31 December 2007**

		Company registration number	GL/UK/CM	day	month	year	Units
	R16	992726	GL	31	12	2007	£000
				This financial year		Previous year	
				1		2	
Transfer (to)/from the general insurance business technical account	From Form 20	11					
	Equalisation provisions	12					
Transfer from the long term insurance business revenue account		13					
Investment income	Income	14			698		1340
	Value re-adjustments on investments	15					
	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					
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			698		1340
Tax on profit or loss on ordinary activities		31			209		402
Profit or loss on ordinary activities after tax (29-31)		39			489		938
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			489		938
Dividends (paid or foreseeable)		51					10000
Profit or loss retained for the financial year (49-51)		59			489		(9062)

Long-term insurance business : Revenue account

Name of insurer **Prudential Pensions Limited**
 Total business / subfund **10 Ordinary Long Term**
 Financial year ended **31 December 2007**
 Units **£000**

Financial year	Previous year
1	2

Income

Earned premiums	11	1409863	(604815)
Investment income receivable before deduction of tax	12	299754	304234
Increase (decrease) in the value of non-linked assets brought into account	13	9	149
Increase (decrease) in the value of linked assets	14	(507425)	351773
Other income	15		
Total income	19	1202201	51341

Expenditure

Claims incurred	21	857663	644096
Expenses payable	22	15064	13761
Interest payable before the deduction of tax	23	89	
Taxation	24	1863	(7949)
Other expenditure	25	4319	14000
Transfer to (from) non technical account	26		
Total expenditure	29	878998	663908

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	323203	(612567)
Fund brought forward	49	7184884	7797451
Fund carried forward (39+49)	59	7508087	7184884

Long-term insurance business : Analysis of premiums

Name of insurer **Prudential Pensions Limited**
 Total business / subfund **10 Ordinary Long Term**
 Financial year ended **31 December 2007**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Regular premiums	11		750		750	807
Single premiums	12		1621195		1621195	(605622)

Reinsurance - external

Regular premiums	13					
Single premiums	14		212082		212082	

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17		750		750	807
Single premiums	18		1409113		1409113	(605622)

Total

Gross	19		1621945		1621945	(604815)
Reinsurance	20		212082		212082	
Net	21		1409863		1409863	(604815)

Long-term insurance business : Analysis of claims

Name of insurer **Prudential Pensions Limited**
 Total business / subfund **10 Ordinary Long Term**
 Financial year ended **31 December 2007**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Death or disability lump sums	11		1944		1944	1724
Disability periodic payments	12					
Surrender or partial surrender	13		865389		865389	640693
Annuity payments	14		9701		9701	9807
Lump sums on maturity	15					
Total	16		877034		877034	652224

Reinsurance - external

Death or disability lump sums	21		106		106	
Disability periodic payments	22					
Surrender or partial surrender	23		12773		12773	
Annuity payments	24					
Lump sums on maturity	25					
Total	26		12879		12879	

Reinsurance - intra-group

Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34		6492		6492	8128
Lump sums on maturity	35					
Total	36		6492		6492	8128

Net of reinsurance

Death or disability lump sums	41		1838		1838	1724
Disability periodic payments	42					
Surrender or partial surrender	43		852616		852616	640693
Annuity payments	44		3209		3209	1679
Lump sums on maturity	45					
Total	46		857663		857663	644096

Long-term insurance business : Analysis of expenses

Name of insurer **Prudential Pensions Limited**
 Total business / subfund **10 Ordinary Long Term**
 Financial year ended **31 December 2007**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Commission - acquisition	11				
Commission - other	12				
Management - acquisition	13		1741	1741	2197
Management - maintenance	14		12843	12843	11075
Management - other	15		480	480	489
Total	16		15064	15064	13761

Reinsurance - external

Commission - acquisition	21				
Commission - other	22				
Management - acquisition	23				
Management - maintenance	24				
Management - other	25				
Total	26				

Reinsurance - intra-group

Commission - acquisition	31				
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
Total	36				

Net of reinsurance

Commission - acquisition	41				
Commission - other	42				
Management - acquisition	43		1741	1741	2197
Management - maintenance	44		12843	12843	11075
Management - other	45		480	480	489
Total	46		15064	15064	13761

Long-term insurance business : Linked funds balance sheet

Name of insurer **Prudential Pensions Limited**
 Total business
 Financial year ended **31 December 2007**
 Units **£000**

Financial year	Previous year
1	2

Internal linked funds (excluding cross investment)

Directly held assets (excluding collective investment schemes)	11	7466767	6934700
Directly held assets in collective investment schemes of connected companies	12	22143	
Directly held assets in other collective investment schemes	13	30663	269492
Total assets (excluding cross investment) (11+12+13)	14	7519573	7204192
Provision for tax on unrealised capital gains	15		
Secured and unsecured loans	16		
Other liabilities	17	33019	34159
Total net assets (14-15-16-17)	18	7486554	7170033

Directly held linked assets

Value of directly held linked assets	21		
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Total

Value of directly held linked assets and units held (18+21)	31	7486554	7170033
Surplus units	32		
Deficit units	33		
Net unit liability (31-32+33)	34	7486554	7170033

Long-term insurance business : Revenue account for internal linked fundsName of insurer **Prudential Pensions Limited**

Total business

Financial year ended **31 December 2007**Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

Income

Value of total creation of units	11	1409863	835140
Investment income attributable to the funds before deduction of tax	12	293850	263477
Increase (decrease) in the value of investments in the financial year	13	(506264)	426251
Other income	14		
Total income	19	1197449	1524868

Expenditure

Value of total cancellation of units	21	857663	593882
Charges for management	22	19772	19335
Charges in respect of tax on investment income	23	2797	2418
Taxation on realised capital gains	24		
Increase (decrease) in amount set aside for tax on capital gains not yet realised	25		
Other expenditure	26	696	484
Total expenditure	29	880928	616119

Increase (decrease) in funds in financial year (19-29)	39	316521	908749
Internal linked fund brought forward	49	7170033	6261284
Internal linked funds carried forward (39+49)	59	7486554	7170033

Long-term insurance business : Summary of new business

Name of insurer **Prudential Pensions Limited**
 Total business
 Financial year ended **31 December 2007**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Number of new policyholders/
scheme members for direct
insurance business**

Regular premium business	11					
Single premium business	12		177		177	120
Total	13		177		177	120

**Amount of new regular
premiums**

Direct insurance business	21					
External reinsurance	22					
Intra-group reinsurance	23					
Total	24					

**Amount of new single
premiums**

Direct insurance business	25		982162		982162	503924
External reinsurance	26		7898		7898	6219
Intra-group reinsurance	27		631135		631135	321663
Total	28		1621195		1621195	831806

Long-term insurance business : Analysis of new business

Name of insurer

Prudential Pensions Limited

Total business

Financial year ended

31 December 2007

Units

£000

UK Pension / Direct Insurance Business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
400	Annuity non-profit (CPA)			177	2191
735	Group money purchase pensions property linked				979971

Long-term insurance business : Analysis of new business

Name of insurer

Prudential Pensions Limited

Total business

Financial year ended

31 December 2007

Units

£000

UK Pension / Reinsurance accepted external

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
735	Group money purchase pensions property linked				7898

Long-term insurance business : Analysis of new business

Name of insurer

Prudential Pensions Limited

Total business

Financial year ended

31 December 2007

Units

£000

UK Pension / Reinsurance accepted intra-group

Product code number 1	Product description 2	Regular premium business		Single premium business	
		Number of policyholders / scheme members 3	Amount of premiums 4	Number of policyholders / scheme members 5	Amount of premiums 6
735	Group money purchase pensions property linked				631135

Long-term insurance business : Non- linked assets

Name of insurer **Prudential Pensions Limited**
 Category of assets **10 Total long term insurance business assets**
 Financial year ended **31 December 2007**
 Units **£000**

Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
1	2	3	4	5

Assets backing non-profit liabilities and non-profit capital requirements

Land and buildings	11					
Approved fixed interest securities	12	1936	1936	126	4.57%	
Other fixed interest securities	13					
Variable interest securities	14					
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18	44238	44238	2051	4.64%	
Total	19	46174	46174	2177	4.63%	

Assets backing with-profits liabilities and with-profits capital requirements

Land and buildings	21					
Approved fixed interest securities	22					
Other fixed interest securities	23					
Variable interest securities	24					
UK listed equity shares	25					
Non-UK listed equity shares	26					
Unlisted equity shares	27					
Other assets	28					
Total	29					

Overall return on with-profits assets

Post investment costs but pre-tax	31					
Return allocated to non taxable 'asset shares'	32					
Return allocated to taxable 'asset shares'	33					

Long-term insurance business : Summary of mathematical reserves

Name of insurer **Prudential Pensions Limited**
 Total business / subfund **10 Ordinary Long Term**
 Financial year ended **31 December 2007**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Form 51 - with-profits	11				
Form 51 - non-profit	12		95209	95209	102813
Form 52	13				
Form 53 - linked	14		8014377	8014377	7175492
Form 53 - non-linked	15		12406	12406	5768
Form 54 - linked	16				
Form 54 - non-linked	17				
Total	18		8121992	8121992	7284073

Reinsurance - external

Form 51 - with-profits	21				
Form 51 - non-profit	22				
Form 52	23				
Form 53 - linked	24		527823	527823	5459
Form 53 - non-linked	25				
Form 54 - linked	26				
Form 54 - non-linked	27				
Total	28		527823	527823	5459

Reinsurance - intra-group

Form 51 - with-profits	31				
Form 51 - non-profit	32		95209	95209	102813
Form 52	33				
Form 53 - linked	34				
Form 53 - non-linked	35				
Form 54 - linked	36				
Form 54 - non-linked	37				
Total	38		95209	95209	102813

Net of reinsurance

Form 51 - with-profits	41				
Form 51 - non-profit	42				
Form 52	43				
Form 53 - linked	44		7486554	7486554	7170033
Form 53 - non-linked	45		12406	12406	5768
Form 54 - linked	46				
Form 54 - non-linked	47				
Total	48		7498960	7498960	7175801

Long-term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profits contracts)

Name of insurer **Prudential Pensions Limited**
 Total business / subfund **10 Ordinary Long Term**
 Financial year ended **31 December 2007**
 Units **£000**
 UK Pension / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
400	Annuity non-profit (CPA)	6918	8140					95190
405	Annuity non-profit (CPA impaired life)	1	1					19

Long-term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profits contracts)

Name of insurer **Prudential Pensions Limited**
Total business / subfund **10 Ordinary Long Term**
Financial year ended **31 December 2007**
Units **£000**
UK Pension / Reinsurance ceded intra-group

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
400	Annuity non-profit (CPA)		8140					95190
405	Annuity non-profit (CPA impaired life)		1					19

Long-term insurance business : Valuation summary of property linked contracts

Name of insurer **Prudential Pensions Limited**
 Total business / subfund **10 Ordinary Long Term**
 Financial year ended **31 December 2007**
 Units **£000**
 UK Pension / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
725	Individual pensions property linked	4079	64392	750	64392	64392	206	64598
735	Group money purchase pensions property linked		7949985		7949985	7949985	2615	7952600
800	Additional reserves property linked						9585	9585

Long-term insurance business : Valuation summary of property linked contracts

Name of insurer **Prudential Pensions Limited**
 Total business / subfund **10 Ordinary Long Term**
 Financial year ended **31 December 2007**
 Units **£000**
 UK Pension / Reinsurance ceded external

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
735	Group money purchase pensions property linked		527823		527823	527823		527823

Long-term insurance business : Unit prices for internal linked funds

Name of insurer **Prudential Pensions Limited**
 Total business
 Financial year ended **31 December 2007**
 Units **£000**

Fund name 1	Type of fund 2	Net assets 3	Main series 4	Unit management charge 5	Price at previous valuation date 6	Price at current valuation date 7	Change in price during year 8
All Stocks Corporate Bond	24 - group managed fund - other managed fund	1539468	GILP	0.30	15.9266	16.0563	0.81
Corporate Bond	24 - group managed fund - other managed fund	580685	GILP	0.30	19.6088	19.3895	(1.12)
Discretionary	22 - group managed fund - balanced managed fund	949288	GILP	0.40	694.5071	742.2952	6.88
UK Equity	21 - group managed fund - stock market managed	324827	GILP	0.40	862.5525	887.5987	2.90
UK Equity Passive	24 - group managed fund - other managed fund	183826	GILP	0.10	16.1106	16.8779	4.76
Fixed Interest	24 - group managed fund - other managed fund	168055	GILP	0.25	315.7272	332.1138	5.19
Global Equity Passive	26 - group managed fund - overseas equity	212002	GILP	0.10	14.1498	15.1582	7.13
Index Linked	24 - group managed fund - other managed fund	163282	GILP	0.25	233.3496	251.8061	7.91
Index Linked Passive	24 - group managed fund - other managed fund	161005	GILP	0.10	18.6357	20.1908	8.34
Long Term GILT	24 - group managed fund - other managed fund	517967	GILP	0.10	27.9664	28.6645	2.50
Property	27 - group managed fund - property	627010	GILP	0.55	560.3323	514.8071	(8.12)
UK Specialist Equity	21 - group managed fund - stock market managed	390433	GILP	0.50	24.4778	27.0004	10.31
Europe	26 - group managed fund - overseas equity	106090	GILP	0.50	19.8842	22.8345	14.84
UK Equity 350 Passive	24 - group managed fund - other managed fund	123983	GILP	0.10	1.4332	1.5046	4.98

Long-term insurance business : Distribution of surplus

Name of insurer **Prudential Pensions Limited**
 Total business / subfund **10 Ordinary Long Term**
 Financial year ended **31 December 2007**
 Units **£000**

Financial year 1	Previous year 2
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Valuation result

Fund carried forward	11	7508087	7184884
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	7508087	7184884
Mathematical reserves	21	7498960	7175801
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	9127	9083

Composition of surplus

Balance brought forward	31	9083	34912
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	44	(25829)
Total	39	9127	9083

Distribution of surplus

Bonus paid in anticipation of a surplus	41		
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		
Total distributed surplus (46+47)	48		
Surplus carried forward	49	9127	9083
Total (48+49)	59	9127	9083

Percentage of distributed surplus allocated to policyholders

Current year	61		
Current year - 1	62		
Current year - 2	63		
Current year - 3	64		

Long-term insurance capital requirementName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31 December 2007**Units **£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

Life protection reinsurance	11	0.0%				
Classes I (other), II and IX	12	0.1%				
Classes I (other), II and IX	13	0.15%				
Classes I (other), II and IX	14	0.3%				
Classes III, VII and VIII	15	0.3%				
Total	16					

Insurance health risk and life protection reinsurance capital component

Class IV supplementary classes 1 and 2 and life protection reinsurance	21					
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Insurance expense risk capital component

Life protection and permanent health reinsurance	31	0%					
Classes I (other), II and IX	32	1%	95209		0.85	809	874
Classes III, VII and VIII (investment risk)	33	1%	13176	13176	1.00	132	60
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%					
Classes III, VII and VIII (other)	35	25%				3167	2611
Class IV (other)	36	1%					
Class V	37	1%					
Class VI	38	1%					
Total	39					4108	3545

Insurance market risk capital component

Life protection and permanent health reinsurance	41	0%					
Classes I (other), II and IX	42	3%	95209		0.85	2428	2622
Classes III, VII and VIII (investment risk)	43	3%	13176	13176	1.00	395	179
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%					
Classes III, VII and VIII (other)	45	0%	8013607	7485784			
Class IV (other)	46	3%					
Class V	47	0%					
Class VI	48	3%					
Total	49		8121992	7498960		2823	2801

Long term insurance capital requirement	51					6931	6346
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VALUATION REPORT ON PRUDENTIAL PENSIONS LIMITED

Valuation Report as at 31 December 2007

1. Introduction

- (1) The investigation relates to 31 December 2007.
- (2) The previous investigation related to 31 December 2006.
- (3) No interim valuations have been carried out for the purposes of rule 9.4 since 31 December 2006.

2. Product range

There were no significant changes in products during 2007.

3. Discretionary charges and benefits

- (1) Not applicable.
- (2) Not applicable.
- (3) Not applicable.
- (4) The annual management charge for investments in the Property fund has increased to 0.55% from 0.30%. Otherwise there have been no changes to service charges on linked policies.
- (5) There have been no changes to benefit charges on linked policies.
- (6) Not applicable.
- (7)
- (a) 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.

Specific points for each of the groups of internal linked funds are as follows:

GILP Funds

The “Single Swinging Pricing” approach is used. If the net cashflow on the day is positive, all transactions are at the offer price. If the net cashflow on the day is negative, all transactions are at the cancellation (bid/bid) price.

Unit prices are calculated daily and transactions in these funds are carried out at the next available price (i.e. on a forward pricing basis). The valuation point of each fund is 9.00 p.m.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

Series I, II, III & IV Funds

Series I, II, III & IV funds are mainly invested in the GILP Funds or funds managed by external companies such as Barclays Global Investment, Baillie Gifford, UBS, Newton and Northern Trust. Series I and II funds buy the GILP fund units at the creation price and sell at the cancellation price. Series III and IV buy and sell the GILP fund units at the creation price. Creation and cancellation prices are determined daily by reference to the appropriate GILP price.

A smoothed equity approach is taken to unit pricing. This is different to the approach adopted for GILP funds. Units are allocated to policyholders at the offer price and de-allocated at the bid price. When the trend in the number of units in a unit fund is believed to be upward, the bid price is the creation price. If 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 (there is no initial charge for Series II, Series III and Series IV funds and so there is only a single price applied to policyholders).

Pru-Link Funds

The Pru-Link Managed Fund is wholly invested in units of the Series I Discretionary Fund. The Pru-Link Cash Fund is wholly invested in units of the Series I Cash Fund. The creation and cancellation prices are determined once a week by reference to the appropriate Series I price. Transactions are carried out at the next available price (i.e. on a forward pricing basis).

Pru-Link Funds buy and sell Series I units at the current Series I bid price. No further adjustments are made for buying or selling expenses.

A smoothed equity approach is taken to unit pricing. This is different to the approach adopted for GILP funds. Units are allocated to policyholders at the offer price and deallocated at the bid price. When the trend in the number of units is believed to be upward, the bid price is the creation price. If 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 initial charge was removed on 1 April 2001).

- (b) Unit pricing bases are determined at fund level, so all policies invested in the same fund have the same basis applied.
- (c) Not applicable.
- (8) Not applicable as the Company writes pension business only.
- (9) Not applicable as the Company writes pension business only.
- (10) Not applicable.

4. Valuation basis (other than for special reserves)

At 31 December 2007 the total gross mathematical reserves amounted to £8,122m. The lesser of £10m and 1% of the total gross mathematical reserves was therefore equal to £10.0m.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

(1) Non-linked and index-linked annuities in payment

The mathematical reserve for annuities in payment is the present value of future annuity payments, plus a provision for expenses of payment.

Unit-linked deferred annuities and group pensions

The mathematical reserves for linked business consist of the unit liability together with a non-unit liability. A discounted cashflow method of valuation is used to determine the non-unit liability allowing for the value of future attributable expenses and renewal commission less the value of future management charges. An additional reserve for non-attributable expenses is calculated at a homogenous risk group level as described in section 6 (6).

No allowance has been made for increasing fund management charges. However, the Company reserves the right to do so after the appropriate period of notice and to a level consistent with industry practice.

No reserve for tax on unrealised capital gains is required, as only pension business is written.

No reserve for investment performance guarantees is held, because the only investment performance guarantee is that the unit price of the Pru-Link Cash Fund will not go down. Units of this fund are ultimately invested in units of the GILP Cash Fund where the practice is to invest only in short term assets.

The unit liability has been obtained by valuing the units allocated to policyholders at the valuation unit price. This price is based on the expense free bid price of the assets and includes investment income received.

(2) The interest rates used are as follows:

Product code number	Product description	31 December 2007	31 December 2006
400	Annuity non-profit (CPA) – individual annuities in payment (reassurance ceded to Prudential Annuities Limited)	5.31	4.66
400	Annuity non-profit (CPA) – individual annuities in payment (reassurance ceded to Prudential Retirement Income Limited)	5.25	4.73
725	Individual pensions property linked	4.00	4.00
735	Group money purchase pensions property linked	4.00	4.00

(3) Not applicable.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

(4)

Product code number	Product description	31 December 2007 %	31 December 2006 %
400	Annuity non-profit (CPA) – individual annuities in payment (reassurance ceded to Prudential Annuities Limited)		
	Mortality table	Modified 106% PNMA00 / 84% PNFA00	Modified 106% PNMA00 / 84% PNFA00
	Expectation of life age 65	23.1 (M), 25.6 (F)	21.8 (M), 25.1 (F)
	Expectation of life age 75	13.8 (M), 16.4 (F)	13.2 (M), 16.1 (F)
400	Annuity non-profit (CPA) – individual annuities in payment (reassurance ceded to Prudential Retirement Income Limited)		
	Mortality table	Modified 99% PNMA00/ 85% PNFA00	Modified 99% PNMA00/ 85% PNFA00
	Expectation of life age 65	23.7 (M), 25.5 (F)	22.4 (M), 25.0 (F)
	Expectation of life age 75	14.3 (M), 16.3 (F)	13.7 (M), 16.0 (F)

Mortality bases used at 31 December 2007

Annuities are generally valued using a percentage of the 00 series (year of birth) tables for annuitants and pensioners (normal retirements). In order to allow for mortality improvement, improvement factors are applied from 2001. For males these are in line with 100% of the CMI medium cohort projections, subject to future improvement factors not being less than 2.25% p.a. until age 90, tapering linearly to zero at age 120. For females, future improvement factors are in line with 75% of the CMI medium cohort projections, subject to future improvement factors not being less than 1.25% p.a. until age 90, tapering linearly to zero at age 120. For impaired lives, an adjustment is made to the annuitant's age to allow for impairment.

Mortality bases used at 31 December 2006

Annuities are generally valued using a percentage of the 00 series (year of birth) tables for annuitants and pensioners (normal retirements). In order to allow for mortality improvement, improvement factors are applied from 2001. For males these are in line with 100% of the CMI medium cohort projections, subject to future improvement factors not being less than 1.25% p.a. For females, future improvement factors are in line with 75% of the CMI medium cohort projections, subject to future improvement factors not being less than 0.75% p.a. For impaired lives, an adjustment is made to the annuitant's age to allow for impairment.

(5) Not applicable.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

(6) The renewal expenses per annum used are described in the tables below:

Product code number	Product description	31 December 2007 %	31 December 2006 %
400	Annuity non-profit (CPA) – individual annuities in payment (reassurance ceded to Prudential Annuities Limited)	£22.11 (equivalent to 2.26% of annuity amount)	£22.33 (equivalent to 2.41% of annuity amount)
400	Annuity non-profit (CPA) – individual annuities in payment (reassurance ceded to Prudential Retirement Income Limited)	£17.92 (equivalent to 1.97% of annuity amount)	£23.25 (equivalent to 2.51% of annuity amount)
725	Individual pensions property linked	£22.98 p.a. per policy for premium-paying policies; £15.32 p.a. per policy for other policies; £89.15 per claim	£22.27 p.a. per policy for premium-paying policies; £14.84 p.a. per policy for other policies; £86.38 per claim
735	Group money purchase pensions property linked	GILP: £3,904,898 p.a. including £1,023 p.a. per scheme (of which £725,556 p.a. is covered by charges for additional administration services) PIA: £66,566 p.a. including £140 p.a. per scheme Reassurance from PACL: £540,235 p.a.	GILP: £3,517,725 p.a. including £986 p.a. per scheme (of which £655,551 p.a. is covered by charges for additional administration services) PIA: £52,932 p.a. including £111 p.a. per scheme Reassurance from PACL: £328,966 p.a.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

- (7) The unit growth rates (before management charges) and the inflation rates assumed for future expenses and the future increases in policy charges are as follows:

Product code number	Parameter	31 December 2007 %	31 December 2006 %
725 and 735	Unit fund growth rate	5.25%	5.25%
All products	Expense inflation rate	3.75%	3.75%
725 and 735	Policy charge inflation rate	Nil	Nil

(8) Not applicable.

(9) Not applicable.

(10) There were no other material assumptions not stated elsewhere.

(11) No derivatives were held outside of the internal linked funds.

Since the movement in linked assets would be offset by a corresponding change in the linked liability, no allowance is made for derivative contracts that were held inside of the internal linked funds.

Derivatives used in the internal linked funds were entered into only if they would have been reasonably likely to be exercised.

(12) There have been no changes made to the mathematical reserves at the current valuation date as a result of the changes to the INSPRU valuation rules effective from 31 December 2006.

5. Options and guarantees

(1) Not applicable.

(2) Not applicable.

(3) Not applicable.

(4) Not applicable.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

6. Expense reserves

(1)

Homogeneous risk group	Implicit allowances	Explicit allowances (investment)	Explicit allowances (other)	Non – attributable expenses	Total
GILP	-	£3,120,967	£4,795,989	£780,980	£8,697,936
PIA	-	£2,928	£53,253	£13,313	£69,494
Prulink SP	-	£2,449	£809	£202	£3,460
Prulink RP	-	£63,540	£56,468	£14,117	£134,125
Total	-	£3,189,884	£4,906,519	£808,612	£8,905,015

(2) Not applicable.

(3) This excludes the annual management charge rebates of £5,011,491 which are included in line 14 of Form 43.

(4) For new business expected to be written in the twelve months following the valuation date, the income and outgo are projected on a prudent basis over the entire lifetime of the business and discounted to the valuation date. A reserve is held if the present value of the outgo exceeds the present value of income to the extent that the excess exceeds the projected surplus on prudent assumptions from existing business. No reserve is held at 31 December 2007.

(5) In the first instance, expense reserves are calculated on the assumption that Prudential's UK insurance operations will continue to write new business indefinitely and hence that there will be no loss of economies of scale. In this scenario, the expense loadings for the remaining lifetime of the contracts in force at the valuation date are included in the reserves reported in Form 50.

In order to allow for the possibility that the firm will cease to write new business twelve months after the valuation date, the expense loading is recalculated on the assumption that, over a two year period, unit costs would be reduced by 20% and that thereafter loss of economies of scale would result in overall expenses being cut more slowly than the rate at which policies run off. If this revised calculation results in a higher reserve than described in the paragraph above, then the difference is held as an additional reserve. In addition the costs associated with closing to new business, such as redundancy costs or the costs of terminating management agreements, are estimated. To the extent that these costs exceed the projected surplus, on prudent assumptions, from existing business, a further additional reserve is held. At the valuation date an additional reserve of £703,000 is held for the impact of closing to new business.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

- (6) The additional reserve for non-attributable expenses at a homogenous risk group level is calculated as the present value of all futures expenses less charges, subject to a maximum of the non-attributable expenses for policies in that risk group. All future charges and expenses are projected allowing for lapses on a prudent basis. Any future valuation strain is removed at the homogenous risk group level. The additional reserves for non-attributable expenses at 31 December 2007 were as follows:

Homogeneous Risk Group	Homogeneous Risk Group Reserve (£000)
GILP	-
PIA	311
Prulink SP	-
Prulink RP/PUP	-
TOTAL	311

7. Mismatching reserves

- (1) and (2) All assets and liabilities are denominated in sterling. There is no currency mismatching.
- (3) There is no reserve for currency mismatching.
- (4) In accordance with INSPRU 3.1.16R, for the purposes of calculating the resilience capital requirement in INSPRU 3.1.10R the most onerous scenario is as follows (prior year in brackets):

Asset class	Scenario
Equities:	
Market values – UK and overseas (excl. US and euro zone)	-10% (-10%)
Market values – US	-10% (-15%)
Market values – euro zone	-25% (-25%)
Earnings	-10% (-10%)
Dividends	0% (0%)
Property:	
Market values	-20% (-20%)
Rental income	-10% (-10%)
Fixed interest:	
Yields – UK and overseas	+91 bps (+93 bps)
Index-linked real yields	+25% (+25%)

- (5) Not applicable.
- (6) A Resilience Capital Requirement of £651,000 was held.

There was an increase of £516,013 in the aggregate amount of the long term liabilities.

The assets allocated to match such liabilities decreased in value by £101,391 from the amount of the assets shown in Form 13.

- (7) There is no reserve held under INSPRU 1.1.34R (2).

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

8. Other special reserves

Not applicable.

9. Reinsurance

(1) No premiums were paid in 2007 in respect of reinsurance business ceded on a facultative basis to reinsurers not authorised to carry on business in the United Kingdom.

(2) The reinsurance treaties shown in the table below meet the FSA criteria for being reported in this section and were in force as at 31 December 2007.

(d) Reinsurer	(e) Nature of cover	(f) Premiums £'000	(h) Open / Closed	(j) Reserves Ceded £'000	(k) Retention
Prudential Annuities Limited *	Immediate annuities which are wholly reassured on original terms. The reinsurer is a member of the Prudential group of companies and the business is covered by a pari passu charge on assets	Nil	Closed	89,744	Nil
Barclays Global Investors Pensions Management Ltd	Reinsurance of unit-linked pension liabilities of the Company arising in relation to reinsurance of certain unit-linked pensions contracts issued by a member of the Prudential Group. The business is covered by a pari passu charge on assets.	119,525	Open	524,574	Nil

(g) There were no deposit back arrangements under the above treaties.

(i) There are no “undischarged obligations of the insurer”. Premiums are only payable if the gross business remains in force.

(l) The above reinsurers are authorised to carry on insurance business in the United Kingdom.

(m) An asterisk denotes companies connected to the cedant (*)

(n) In general the treaties are exposed to the credit risk of the reinsurers, against which a reserve is held.

(o) The net liability includes no allowance for the refund of any reinsurance commission.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

10. Reversionary (or annual) bonus

(1) Not applicable.

(2) Not applicable.

(3) Not applicable.

(4) Not applicable.

PRUDENTIAL PENSIONS LIMITED

Returns for the year ended 31 December 2007

Notes to the Return

Form 2

*0201*Waivers issued disapplying or modifying any of the provisions of the Accounts and Statement Rules in respect of long term insurance business

(67652I) The Financial Services Authority, on application of the firm, made a direction in December 2006 under section 148 of the Act. The effect of the direction was to modify rule IPRU (INS) 3.7 so that the firm could continue to retain a holding of Planestation Group PLC shares or warrants which are in default as assets within the Specialist UK Equity Fund. This direction came into effect from 29 December 2006 and ended on 30 September 2007.

(736504) The Financial Services Authority, on application of the firm, made a direction in June 2007 under section 148 of the Act. The effect of that direction was to modify rule IPRU (INS) 3.7 so that the firm could continue to retain a holding of Edinburgh UK Smaller Companies Investment Trust shares which are in default as assets within the Equity Passive Fund. This direction ended on 31 December 2007.

Form 3

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

	£'000
Form 13 Line 89 (Long term) Grand total of admissible assets	7,565,747
Form 14 Line 11 Mathematical reserves after distribution of surplus	(7,498,960)
Form 14 Line 49 Total other insurance and non-insurance liabilities	(57,660)
Form 13 Line 89 (Other than long term) Grand total of admissible assets	11,041
Form 15 Line 69 Total	-
	<hr/>
	20,168
Form 3 Line 79 Capital resources after deductions	<hr/>
Difference	20,168
	<hr/> <hr/>
	0

0308 There is one contingent loan at the year end repayable to a related group undertaking, Prudential Capital plc. The loan and interest on the loan is repayable out of the surplus emerging on its business and is contingent on surpluses arising, but can be repaid by the Company at any time.

The loan is repayable to the extent of a specified percentage of surplus of the Company (determined by reference to line 34 of Form 58), a repayment obligation crystallising on the last day of the Company's financial year and being discharged by application of funds on a date nominated by the Company (being prior to the last working day for submission of its regulatory returns for such financial year).

In accordance with its terms, the loan may be prepaid upon prior notice, and the repayment obligation discharged in whole or part.

PRUDENTIAL PENSIONS LIMITED

Notes to the Return (continued)

Form 3 (continued)

0310 Valuation differences

	£'000
<i>Positive valuation differences where liabilities are lower than in the shareholder accounts</i>	
Contingent loan	17,638
	<u>17,638</u>
<i>Negative valuation differences where liabilities are higher than in the shareholder accounts</i>	
Additional reserves held in the long term fund	(12,387)
Deferred tax on additional reserves held in the long term fund	3,440
	<u>(8,947)</u>
Form 3 Line 14 Positive Valuation Differences	<u>8,691</u>

0313 Reconciliation of profit and loss account change

	£'000
Profit and loss account and reserves b/fwd	(2,474)
Profit and loss account and reserves c/fwd	5,477
Movement	<u>7,951</u>
Movement in additional reserves held for FSA	(6,858)
Movement in deferred tax	2,320
Movement in contingent loan balance	(2,880)
Movement in unallocated surplus	(44)
Form 16 Line 59 Profit retained for the financial year	<u>489</u>

Form 13

Notes 1301 to 1319 apply to other than long term business fund.

1301 Assets specified 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 during the financial year.

PRUDENTIAL PENSIONS LIMITED

Notes to the Return (continued)

Form 13 (continued)

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

There were counterparty exposures held at year end that were greater than 5% of the sum of the base capital resources requirements and long term insurance liabilities, excluding property linked liabilities and net of reinsurance ceded. These include cash on deposit with; Banco Popolare Di Venice £1m, Close Brother Ltd £3m, I I B Bank £2m and a cash balance of £0.9m with HSBC Bank.

Notes 1308 to 1321 apply to 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, except as referred to in note 0201.

***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.

***1312* Counterparty exposures at year end**

There were counterparty exposures held at year end that were greater than 5% of the sum of the base capital resources requirements and long term insurance liabilities, excluding property linked liabilities and net of reinsurance ceded. These include cash on deposit with; Deutsche Postbank £8m, Banco Popolare Di Venice £5m, Nordea £5m, Fortis Bank £10m and a cash balance of £5m with HSBC Bank.

***1319* 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 during the financial year.

Form 14

***1401* Provision for adverse changes**

No derivatives were held outside of the internally linked funds at any time during the year and therefore no provision for adverse changes is required.

PRUDENTIAL PENSIONS LIMITED

Notes to the Return (continued)

Form 14 (continued)

***1402* Uncertain and Potential Liabilities**

- a) There were no potential capital gains tax liabilities at the year end.
- b) There was one contingent loan, not in Form 14, at the year end repayable to a related group undertaking, Prudential Capital plc. The loan and interest on the loan is repayable out of the surplus emerging on its business and is contingent on surpluses arising, but can be repaid by the Company at any time. The value of this loan is £17,638k.

The loan is repayable to the extent of a specified percentage of surplus of the Company (determined by reference to line 34 of Form 58), a repayment obligation crystallising on the last day of the Company's financial year and being discharged by application of funds on a date nominated by the Company (being prior to the last working day for submission of its regulatory returns for such financial year).

In accordance with their terms, the loans may be prepaid upon prior notice, and the repayment obligation discharged in whole or part.

- c) There were no guarantees, indemnities or other contractual commitments other than in the ordinary course of insurance business and in respect of related companies.
- d) Provision for claims outstanding: the Company has instigated a full review of its defined benefit payment processes and has set up a reasonable and prudent provision to cover the cost of performing the review and the cost of any contingent loss, if any, arising out of the review's findings. A provision of £366,000 is included on F14 line 15 (2006: £366,000).

***1405* Other adjustments to liabilities**

Included in line 74 are:

	£'000
Positive valuation differences (see note 0310)	17,638
Negative valuation differences (see note 0310)	(8,947)
Form 14 Line 74	<u>8,691</u>

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* Charges, potential tax liability, contingent liabilities, guarantees and fundamental uncertainties**

- 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 at the year end.
- c) There were no contingent liabilities at the year-end.
- d) There are no guarantees, indemnities or other contractual commitments, effected other than in the ordinary course of insurance business, in respect of related companies.
- e) There were no fundamental uncertainties at the year-end.

PRUDENTIAL PENSIONS LIMITED

Notes to the Return (continued)

Form 16

***1601* Foreign Currencies**

Foreign currency assets and liabilities are translated at year-end exchange rates. Foreign currency revenue transactions are translated at rates ruling at the transaction dates, except for accrued revenue items that are translated at year-end exchange rates.

1700 Form 17 has been omitted, as no such contracts were used.

Form 40

4002 Other expenditure represents a repayment of a contingent loan repayable to a related group undertaking, Prudential Capital plc. The loan and interest on the loan is repayable out of the surplus emerging on its business and is contingent on surpluses arising, but can be repaid by the Company at any time. The loan has no repayment obligation during the first year.

The loan is repayable to the extent of a specified percentage of surplus of the Company (determined by reference to line 34 of Form 58), a repayment obligation crystallising on the last day of the Company's financial year and being discharged by application of funds on a date nominated by the Company (being prior to the last working day for submission of its regulatory returns for such financial year).

In accordance with their terms, the loans may be prepaid upon prior notice, and the repayment obligation discharged in whole or part.

4008 Provision of management services

The Company was provided throughout the year with day to day management services by The Prudential Assurance Company Limited (the immediate holding Company), and Prudential Property Investment Managers Limited, Prudential UK Services Limited, Prudential Distribution Limited, Prudential Services Limited and M&G Investment Management Limited, all group companies. The Company was further assisted during the year with day to day management services by Mellon European Fund Services, a third party.

4009 The Company has a reinsurance agreement with a related Company, The Prudential Assurance Company Limited, in respect of linked premiums. Included in earned premiums for the year is an amount of £424m received under this reinsurance agreement. The reinsurance agreement was drawn up under normal commercial terms which reflect the level of business transacted with the Company.

Also included within claims incurred is an amount of £101m arising from claims under this reinsurance agreement and a claims recovery of £6m received from a related Company, Prudential Annuities Limited.

The Company has a reinsurance agreement with a related Company, Prudential Retirement Income Limited, in respect of annuities. No claims have been paid during the year under this reinsurance agreement. The reinsurance agreement was drawn up under normal commercial terms which reflect the level of business transacted with the Company.

A contingent loan of £17.6m is in place with a related group undertaking, Prudential Capital plc.

PRUDENTIAL PENSIONS LIMITED

Notes to the Return (continued)

Form 44

4401 Valuation of Linked Assets

Linked assets are valued at market value.

Investment properties, though, are independently valued each month on the basis of open market value in accordance with the RICS Appraisal and Valuation Manual. All the properties are currently valued by CB Richard Ellis Limited. Securities are valued at a bid-market price.

4402 Derivative Contracts

The value of rights under derivative contracts held by each internal linked fund was as follows. The figures are gross of variation margin and net of variation margin:

	Gross Assets £'000	Gross Liabilities £'000	Net Assets £'000	Net Liabilities £'000
International Bond	2,181	(2,183)	2,181	(2,183)
All Stocks Corporate Bond	93,442	(96,041)	93,442	(96,041)
Corporate Bond	44,500	(45,689)	44,500	(45,689)
UK Equity Passive	2,828	-	2,828	-
Diversified Growth	891	(914)	891	(914)
Equity Passive	51	(2)	51	(2)
North America Passive	332	(100)	332	(100)

Form 45

4502 Other Expenditure

	2007 £000's	2006 £000's
Other investment expenses	-	276
Safe custody fees	(499)	(517)
Transaction fees	(197)	(243)
Total	<u>(696)</u>	<u>(484)</u>

Form 47

4701 for code 735 there are 62 schemes.

Form 48

4804 other assets

Included in Line 18 (Other assets) are:

	£000's
Assets producing income	35,058
Assets not producing income	9,180
Total	<u>44,238</u>

PRUDENTIAL PENSIONS LIMITED

Notes to the Return (continued)

Form 53

5301 For product code 735 there are 473 schemes.

5305 Non-unit reserves

Certain expenses associated with managing a property portfolio have not been included in the renewal expense margins used in the calculation of the non-unit reserves. These expenses are deducted from the investment return credited to policyholders.

PRUDENTIAL PENSIONS LIMITED

Financial year ended 31 December 2007

Directors' Certificate required by rule 9.34 of the Accounts and Statements Rules

We certify:

1. (a) that the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU as modified by a waiver as detailed in supplementary note 0201 issued under section 148 of the Financial Services and Markets Act 2000; 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), GENPRU and INSPRU; 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 advice in preparing the return from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R.

.....
A M Crossley
For and on behalf of N
Prettejohn, Chief Executive

.....
D J Belsham
Director

.....
M Thompson
Director

March 2008

Report of the auditor to the Directors pursuant to the Interim Prudential Sourcebook IPRU(INS) rule 9.35

PRUDENTIAL PENSIONS LIMITED

Financial year ended 31 December 2007

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 IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Insurance 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, 58 and 60, (including the supplementary notes) on pages 1 to 33 (‘the Forms’) and pages 44 to 50;
- the statement required by IPRU(INS) rule 9.29 on page 54 to 55 (‘the Statement’); and
- the valuation report required by rule IPRU(INS) 9.31(a) (‘the valuation report’).

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

- Forms 46, 47, 50 to 55 (including the supplementary notes) on pages 21 to 31 and page 50;
- the statement required by IPRU(INS) rule 9.30 on page 56; and
- the certificate required by IPRU(INS) rule 9.34 on page 51 (‘the certificate’).

This report is made solely to the company’s directors, as a body, in accordance with the requirements of IPRU(INS) rule 9.35. 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 IPRU(INS) rule 9.35 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 IPRU(INS) rule 9.35 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.

Respective responsibilities of the company and its auditors

The company is responsible for the preparation of an annual return (including the Forms, the Statement and the valuation report, the forms and statement not examined by us and the certificate) under the provisions of the Rules. The requirements of the Rules have been modified by a waiver issued under section 148 of the Financial Services and Markets Act 2000 on 1 November 2005. Under IPRU(INS) rule 9.11 the Forms, the Statement, valuation report, the forms and statement not examined by us and the 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 company and used to perform the actuarial investigation as set out in the valuation report, prepared in accordance with IPRU(INS) rule 9.31 are required to reflect appropriately the requirements of INSPRU 1.2.

It is our responsibility to form an independent opinion as to whether the Forms, the Statement, 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 (revised)” 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 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 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 valuation report are free from material misstatement, whether caused by fraud or other irregularity or error, and comply with IPRU(INS) rule 9.11.

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

Opinion

In our opinion:

- i) the Forms, the Statement and the valuation report 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 company and used to perform the actuarial investigation as set out in the valuation report prepared in accordance with IPRU(INS) rule 9.31 appropriately reflect the requirements of INSPRU 1.2.

KPMG Audit Plc
Registered Auditor

London

Date

PRUDENTIAL PENSIONS LIMITED

Returns for the year ended 31 December 2007

Statement in accordance with Rule 9.29 of the Accounts and Statements Rules

a. **Investment Guidelines**

During 2007, investment guidelines allowed the use of derivative contracts in the GILP (and hence MPP) internal linked funds. The derivatives and use thereof was restricted to that permitted by Appendix 3.2 of the Accounts and Statements Rules. 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; 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**

Derivatives used in the internal linked funds were entered into only if they would have been reasonably likely to be exercised.

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

No such contracts were used by the Company.

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

The only derivatives on Form 13 relate to property linked assets and are included on line 59 of Form 13, which would not change in value.

The Company would not be exposed to any fluctuation in asset values.

e. **Effect on Form 13 of exercising all derivatives at year end**

The only change would be to line 59 of Form 13 which would not reduce by a significant amount and would be directly offset by a reduction in the long-term liabilities shown on Form 14.

The assets of the Company would not be impacted.

f. **Effect on Form 13 of exercising all derivatives at any time during year**

The assets of the Company would not be impacted. Movement in linked assets would be offset by a corresponding change in the linked liability.

The assets of the Company would not be impacted.

g. **Maximum loss**

The net assets of the Company would not be impacted. At the year end, linked assets would be reduced by a maximum of:

Existing market conditions £7,041k

Foreseeable market conditions £7,393k

The highest exposure throughout the year was £9,827k

h. **Provisions for reasonably foreseeable variations arising from derivative contracts, rule INSPRU 3.2.17R**

The only derivatives on Form 13, relate to property linked assets and are included on line 59 of Form 13, which would not change in value.

The Company would not be exposed to any fluctuation in asset values.

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

The investment guidelines did not allow the writing of options.

PRUDENTIAL PENSIONS LIMITED

Returns for the year ended 31 December 2007

Statement in accordance with rule 9.30 of the Accounts and Statements Rules

Additional information on shareholder controllers

We confirm that the following is a list of:

- (a) Persons who, to the knowledge of Prudential Pensions Limited (“the Company”), have been, at any time during the year ended 31 December 2007, a shareholder controller of the Company; and
- (b) In the case of each person who was a shareholder controller of the Company at 31 December 2007:
 - (i) the percentage of shares he held at that time in the Company, or in another Company of which the Company was a subsidiary undertaking; and
 - (ii) the percentage of the voting power which he was entitled at that time to exercise, or control the exercise of, at any general meeting of the Company, or another Company of which it was a subsidiary undertaking;

in each case, either alone or with any associate or associates.

Persons who, to the knowledge of the Company, have been, at any time during the year ended 31 December 2007, a shareholder controller of the Company.	In the case of each person who was a shareholder controller of the Company at 31 December 2007:	
	The percentage of shares he held at that time in the Company, or in another Company of which the Company was a subsidiary undertaking, either alone or (<i>shown separately</i>) with any associate or associates	The percentage of the voting power which he was entitled at that time to exercise, or control the exercise of, at any general meeting of the Company, or another Company of which it was a subsidiary undertaking, either alone or (<i>shown separately</i>) with any associate or associates
The Prudential Assurance Company Limited, being its immediate holding Company	100%	100%
Prudential plc, being its ultimate holding Company	100%	100%