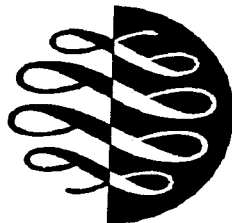




Prudential Retirement Income Limited

Incorporated and registered in Scotland Registered number 47842
Registered Office PO Box 25, Craigforth, Stirling, FK9 4UE

**Annual FSA Insurance Returns for the year ended
31st December 2001**



Returns under the Accounts and Statements Rules

(Appendices 1 , 3 , 4 , 6)

Returns under the Accounts and Statements Rules

Prudential Retirement Income Limited

Year ended 31st December 2001

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Statement of solvency

Name of insurer **Prudential Retirement Income Limited**

Global business

Financial year ended **31st December 2001**

| R9 | Company registration number 47842 | GLUK/CM GL | Period ended | | | Units £000 |
|----|---|---|--------------|-------|--------|---------------|
| | | | day | month | year | |
| | | | 31 | 12 | 2001 | |
| | As at the end of this financial year 1 | As at the end of the previous year 2 | Source | | | |
| | | | Form | Line | Column | |

GENERAL INSURANCE BUSINESS**Available assets**

| | | | | |
|---|----|--|--|--------------------------|
| Other than long term insurance business assets allocated towards general insurance business required minimum margin | 11 | | | See instructions 1 and 2 |
|---|----|--|--|--------------------------|

Required minimum margin

| | | | | |
|--|----|--|--|---------|
| Required minimum margin for general insurance business | 12 | | | 12 . 49 |
| Excess (deficiency) of available assets over the required minimum margin (11-12) | 13 | | | |

LONG TERM INSURANCE BUSINESS**Available assets**

| | | | | |
|---|----|---------|--------|--------------------------|
| Long term insurance business admissible assets | 21 | 1056106 | 373300 | 10 . 11 |
| Other than long term insurance business assets allocated towards long term insurance business required minimum margin | 22 | 59617 | 38697 | See instructions 1 and 3 |
| Total mathematical reserves (after distribution of surplus) | 23 | 1042767 | 370543 | See instruction 4 |
| Other insurance and non-insurance liabilities | 24 | 13339 | 2757 | See instruction 5 |
| Available assets for long term insurance business required minimum margin (21+22-23-24) | 25 | 59617 | 38697 | |

Implicit Items admitted under Rule 2.10 [Regulation 23(5) of the Insurance Companies Regulations 1994]

| | | | | |
|-----------------|----|--|--|--|
| Future profits | 31 | | | |
| Zillmerising | 32 | | | |
| Hidden reserves | 33 | | | |

| | | | | |
|--|----|-------|-------|--|
| Total of available assets and implicit items (25+31+32+33) | 34 | 59617 | 38697 | |
|--|----|-------|-------|--|

Required minimum margin

| | | | | |
|---|----|-------|-------|---------|
| Required minimum margin for long term insurance business | 41 | 41711 | 14821 | 60 . 69 |
| Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater) | 42 | 6952 | 2470 | |
| Excess (deficiency) of available assets over explicit required minimum margin (25-42) | 43 | 52665 | 36227 | |
| Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41) | 44 | 17906 | 23876 | |

CONTINGENT LIABILITIES

| | | | | |
|---|----|--|--|-------------------|
| Quantifiable contingent liabilities in respect of other than long term insurance business as shown in a supplementary note to Form 15 | 51 | | | See instruction 6 |
| Quantifiable contingent liabilities in respect of long term insurance business as shown in a supplementary note to Form 14 | 52 | | | See instruction 6 |

Covering sheet to Form 9

Name of insurer **Prudential Retirement Income Limited**

Global business

Financial year ended **31st December 2001**

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

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

..... **M J Moores** **Director**

London 24 April 2002

Statement of net assetsName of insurer **Prudential Retirement Income Limited**

Global business

Financial year ended **31st December 2001**

| | R10 | Company registration number | GL/UK/CM | Period ended | | | Units |
|--|-----|--|--------------------------------------|--------------|-------|--------|-------|
| | | 47842 | GL | day | month | year | |
| | | | | 31 | 12 | 2001 | £000 |
| | | As at the end of this financial year 1 | As at the end of the previous year 2 | Source | | | |
| | | | | Form | Line | Column | |
| Long term insurance business - admissible assets | 11 | 1056106 | 373300 | 13 | 89 | 1 | |
| Long term insurance business - liabilities and margins | 12 | 1056106 | 373300 | 14 | 59 | 1 | |

| | | | | | | | |
|---|---|-------|-------|----|----|---|--|
| Other than Long term insurance business - admissible assets | 21 | 62627 | 43721 | 13 | 89 | 1 | |
| Other than Long term insurance business - liabilities | 22 | 3010 | 5024 | 15 | 69 | 1 | |
| Net admissible assets (21-22) | 23 | 59617 | 38697 | | | | |
| Other assets allowed to be taken into account in covering the required minimum margin | Unpaid amounts (including share premium) on partly paid shares | 24 | | | | | |
| | Supplementary contributions for a mutual carrying on general insurance business | 25 | | | | | |
| Liabilities allowed to be left out of account in covering the required minimum margin | Subordinated loan capital | 26 | | | | | |
| | Cumulative preference share capital | 27 | | | | | |
| Available assets (23 to 27) | 29 | 59617 | 38697 | | | | |

Represented by:

| | | | | | | | |
|--|----|---------|--------|--|--|--|--|
| Paid up share capital (other than cumulative preference share capital) | 51 | 93700 | 45700 | | | | |
| Amounts included in lines 24 to 27 above | 52 | | | | | | |
| Amounts representing the balance of net assets | 56 | (34083) | (7003) | | | | |
| Total (51 to 56) and equal to line 29 above | 59 | 59617 | 38697 | | | | |

Movement of balance of net assets for solvency purposes - as per line 56

| | | | | | | | |
|--|----|---------|--------|----|----|---|-------------------|
| Balance brought forward at the beginning of the financial year | 61 | (7003) | 62 | 10 | 56 | 2 | |
| Retained profit/(loss) for the financial year | 62 | (27080) | (7082) | 16 | 59 | 1 | |
| Movement in asset valuation differences | 63 | | 17 | | | | See instruction 2 |
| Decrease/(increase) in the provision for adverse changes | 64 | | | | | | See instruction 3 |
| Other movements (particulars to be specified by way of supplementary note) | 65 | | | | | | |
| Balance carried forward at the end of the financial year (61 to 65) | 69 | (34083) | (7003) | | | | |

Analysis of admissible assets

Name of insurer **Prudential Retirement Income Limited**

Global business

Financial year ended **31st December 2001**Category of assets **Total other than long term business assets**

| | | Company registration number | GL/UK/CM | Period ended | | | Units | Category of assets | |
|---|--|---|----------|--------------|---|-------|---|--------------------|---|
| | | R13 | 47842 | GL | 31 | 12 | 2001 | £000 | 1 |
| | | | | | day | month | year | | |
| 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 Retirement Income Limited**

Global business

Financial year ended **31st December 2001**Category of assets **Total other than long term business assets**

| | | Company registration number | GL/UK/CM | Period ended | | | Units | Category of assets | |
|--|--|--|---------------------|--------------|--|-------|--------------------------------------|--------------------|---|
| | | R13 | 47842 | GL | 31 | 12 | 2001 | £000 | 1 |
| | | | | | day | month | year | | |
| Investments (continued) | | | | | As at the end of this financial year 1 | | As at the end of the previous year 2 | | |
| Deposits with ceding undertakings | | | | | | | | | |
| Assets held to cover linked liabilities | | | | | | | | | |
| 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 | 15733 | | 20249 | |
| | | | Other | | 46 | 11864 | | 5908 | |
| | | Variable interest | Approved securities | | 47 | 14785 | | | |
| | | | Other | | 48 | | | 3702 | |
| | 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 | 813 | | | |
| | | 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 | | | | | |
| 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 | 43195 | | 29859 | | |

Analysis of admissible assetsName of insurer **Prudential Retirement Income Limited**

Global business

Financial year ended **31st December 2001**Category of assets **Total other than long term business assets**

| | | Company registration number | GL/UK/CM | Period ended | | | Units | Category of assets | |
|---|---|--|----------|--|-------|----|--------------------------------------|--------------------|---|
| | | R13 | 47842 | GL | 31 | 12 | 2001 | £000 | 1 |
| | | | | As at the end of this financial year 1 | | | As at the end of the previous year 2 | | |
| Debtors | | | | | | | | | |
| 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 | 9796 | | 3061 | | |
| | | 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 | 8937 | | 10187 | | |
| | 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 | 699 | | 614 | | |
| | Deferred acquisition costs | | | 85 | | | | | |
| | Other prepayments and accrued income | | | 86 | | | | | |
| Deductions (under rules 4.14(2)(b) and 4.14(3)) [regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994] from the aggregate value of assets | | | | 87 | | | | | |
| Total sheet 3 (71 to 86 less 87) | | | | 88 | 19432 | | 13862 | | |
| Grand total of admissible assets (39+69+88) | | | | 89 | 62627 | | 43721 | | |
| Reconciliation to asset values determined in accordance with the shareholder accounts rules | | | | | | | | | |
| Total admissible assets (as per line 89 above) | | | | 91 | 62627 | | 43721 | | |
| Total assets in excess of the admissibility limits of Appendix 4.2, [Schedule 12 of the Insurance Companies Regulations 1994] (as valued in accordance with those Rules before applying admissibility limits) | | | | 92 | | | | | |
| Solvency margin deduction for insurance dependants | | | | 93 | | | | | |
| Other differences in the valuation of assets (other than for assets not valued above) | | | | 94 | | | | | |
| Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules) | | | | 95 | | | | | |
| Total assets determined in accordance with the shareholder accounts rules (91 to 95) | | | | 99 | 62627 | | 43721 | | |
| Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance | | | | 100 | 4 | | 10 | | |

Analysis of admissible assets

Name of insurer **Prudential Retirement Income Limited**

Global business

Financial year ended **31st December 2001**Category of assets **Total long term business assets**

| | | Company registration number | GL/UK/CM | Period ended | | | Units | Category of assets | | |
|---|--|---|----------|--------------|----|--|--------------------------------------|--------------------|----|--|
| | | R13 | 47842 | GL | 31 | 12 | 2001 | £000 | 10 | |
| | | | | | | day | month | year | | |
| Investments | | | | | | As at the end of this financial year 1 | As at the end of the previous year 2 | | | |
| Land and buildings | | | | | | 11 | 18321 | | | |
| 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 | 18321 | | | |

Analysis of admissible assets

Name of insurer **Prudential Retirement Income Limited**

Global business

Financial year ended **31st December 2001**Category of assets **Total long term business assets**

| | | Company registration number | GL/UK/CM | Period ended | | | Units | Category of assets | |
|--|--|--|---------------------|--------------|--|--------|--------------------------------------|--------------------|----|
| | | R13 | 47842 | GL | 31 | 12 | 2001 | £000 | 10 |
| | | | | | day | month | year | | |
| Investments (continued) | | | | | As at the end of this financial year 1 | | As at the end of the previous year 2 | | |
| Deposits with ceding undertakings | | | | | | | | | |
| Assets held to cover linked liabilities | | | | | | | | | |
| 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 | 144706 | 109302 | | |
| | | | Other | | 46 | 485484 | 214878 | | |
| | | Variable interest | Approved securities | | 47 | 2369 | | | |
| | | | Other | | 48 | 3657 | | | |
| | Participation in investment pools | | | | 49 | | | | |
| | Loans secured by mortgages | | | | 50 | 4323 | | | |
| | 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 | 1094 | | | |
| | Deposits with approved credit institutions and approved financial institutions | Withdrawal subject to a time restriction of one month or less | | | 54 | 6452 | | | |
| | | 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 | 373338 | 28509 | | | |
| | 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 | 1021423 | 352689 | | | |

Analysis of admissible assetsName of insurer **Prudential Retirement Income Limited**

Global business

Financial year ended **31st December 2001**Category of assets **Total long term business assets**

| | | Company registration number | GL/UK/CM | Period ended | | | Units | Category of assets | |
|---|---|--|----------|--------------|--|-------|-------|--------------------------------------|----|
| | | R13 | 47842 | GL | 31 | 12 | 2001 | £000 | 10 |
| | | | | | day | month | year | | |
| 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 | 1336 | | | | |
| | 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 | 2238 | | | 8916 | |
| | | 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 | | | | 3670 | |
| | 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 | 12788 | | | 8025 | |
| | Deferred acquisition costs | | | 85 | | | | | |
| | Other prepayments and accrued income | | | 86 | | | | | |
| Deductions (under rules 4.14(2)(b) and 4.14(3) [regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994] from the aggregate value of assets | | | | 87 | | | | | |
| Total sheet 3 (71 to 86 less 87) | | | | 88 | 16362 | | | 20611 | |
| Grand total of admissible assets (39+69+88) | | | | 89 | 1056106 | | | 373300 | |
| Reconciliation to asset values determined in accordance with the shareholder accounts rules | | | | | | | | | |
| Total admissible assets (as per line 89 above) | | | | 91 | 1056106 | | | 373300 | |
| Total assets in excess of the admissibility limits of Appendix 4.2, [Schedule 12 of the Insurance Companies Regulations 1994] (as valued in accordance with those Rules before applying admissibility limits) | | | | 92 | | | | | |
| Solvency margin deduction for insurance dependants | | | | 93 | | | | | |
| Other differences in the valuation of assets (other than for assets not valued above) | | | | 94 | 279 | | | | |
| Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules) | | | | 95 | | | | | |
| Total assets determined in accordance with the shareholder accounts rules (91 to 95) | | | | 99 | 1056385 | | | 373300 | |
| Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance | | | | 100 | 1013 | | | 6830 | |

