



PRUDENTIAL

Prudential Pensions Limited

Incorporated in England and Wales Registered No. 992726
121 Kings Road, Reading RG1 3ES
Registered office 142 Holborn Bars, London EC1 2NH

**Annual FSA Insurance Returns for the year ended
31st December 2002**



(Appendices 9.1 , 9.3 , 9.4 , 9.6)

Prudential Pensions Limited

Year ended 31st December 2002

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Statement of solvency

Name of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2002**

R9	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
	992726	GL	31	12	2002	£000
		As at the end of this financial year	As at the end of the previous year		Source	
		1	2		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
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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	3290068	3442825	10	11
Other than long term insurance business assets allocated towards long term insurance business required minimum margin	22	25951	23568	See instructions 1 and 3	
Total mathematical reserves (after distribution of surplus)	23	3260602	3406305	See instruction 4	
Other insurance and non-insurance liabilities	24	25306	32360	See instruction 5	
Available assets for long term insurance business required minimum margin (21+22-23-24)	25	30111	27728		

Implicit Items admitted under Rule 2.10(5) as modified

Future profits	31				
Zillmerising	32				
Hidden reserves	33				

Total of available assets and implicit items (25+31+32+33)	34	30111	27728		
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Required minimum margin

Required minimum margin for long term insurance business	41	3741	3616	60	69
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42	624	603		
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43	29487	27125		
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44	26370	24112		

CONTINGENT LIABILITIES

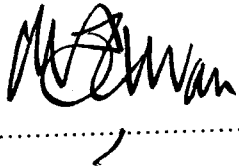
Quantifiable contingent liabilities in respect of other than long term insurance business as shown in a supplementary note to Form 15	51			See instruction 6	
Quantifiable contingent liabilities in respect of long term insurance business as shown in a supplementary note to Form 14	52			See instruction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

Covering sheet to Form 9

Name of insurer **Prudential Pensions Limited**

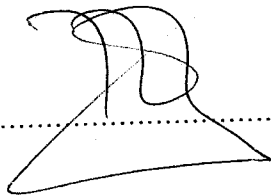
Global business

Financial year ended **31st December 2002**



G M Wood

Chief Executive



T J W Tookey

Director



D J Belsham

Director

London 25 March 2003

Analysis of the effect of financial engineering on long-term available assets

Name of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2002**

	R9A	Company registration number 992726	GL/UK/CM GL	Period ended			Units £000
				day	month	year	
				31	12	2002	
		As at the end of this financial year 1	As at the end of the previous year 2	Source			
Required minimum margin for long term insurance business	11	3741		See instruction 2			
Excess (deficiency) of available assets and implicit items over the required minimum margin	12	26370		See instruction 3			
Total available assets and implicit items (11+12)	13	30111					
Analysed as follows:							
Value of implicit items	14			See instruction 5			
Financial reinsurance- ceded	15			See instruction 6			
Financial reinsurance- accepted	16			See instruction 7			
Outstanding contingent loans	17			See instruction 8			
Any other charges on future profits	18			See instruction 9			
Sum of financial engineering adjustments (14+15-16+17+18)	19						
Other assets (13-19)	20	30111					
Total available assets and implicit items (19+20)	21	30111					

Statement of net assets

Name of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2002**

R10	Company registration number 992726	GL/UK/CM GL	Period ended			Units £000
			day	month	year	
			31	12	2002	
			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	3290068	3442825		13 . 89 . 1	
Long term insurance business - liabilities and margins	12	3290068	3442825		14 . 59 . 1	

Other than Long term insurance business - admissible assets	21	31896	31372		13 . 89 . 1
Other than Long term insurance business - liabilities	22	5945	7804		15 . 69 . 1
Net admissible assets (21-22)	23	25951	23568		
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	25951	23568		

Represented by:

Paid up share capital (other than cumulative preference share capital)	51	6000	6000		
Amounts included in lines 24 to 27 above	52				
Amounts representing the balance of net assets	56	19951	17568		
Total (51 to 56) and equal to line 29 above	59	25951	23568		

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

Balance brought forward at the beginning of the financial year	61	17568	10178		10 . 56 . 2
Retained profit/(loss) for the financial year	62	2383	6696		16 . 59 . 1
Movement in asset valuation differences	63		694		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	19951	17568		

Analysis of admissible assets

Name of insurer **Prudential Pensions Limited**
 Global business
 Financial year ended **31st December 2002**
 Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
				day	month	year			
		R13	992726	GL	31	12	2002	£000	1
Investments					As at the end of this financial year 1		As at the end of the previous year 2		
Land and buildings					11				
Investments in group undertakings and participating interests	UK insurance business dependants	Shares	21						
		Debt securities issued by, and loans to, dependants	22						
	Other insurance dependants	Shares	23						
		Debt securities issued by, and loans to, dependants	24						
	Non-insurance dependants	Shares	25						
		Debt securities issued by, and loans to, dependants	26						
	Other group undertakings and participating interests	Shares	27						
		Debt securities issued by, and loans to, group undertakings	28						
		Participating interests	29						
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest	30						
Total sheet 1 (11 to 30)					39				

Analysis of admissible assets

Name of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2002**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
				day	month	year			
		R13	992726	GL	31	12	2002	£000	1
Investments (continued)				As at the end of this financial year			As at the end of the previous year		
Deposits with ceding undertakings				1			2		
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				
			Other		46				
		Variable interest	Approved securities		47				
			Other		48				
	Participation in investment pools				49				
	Loans secured by mortgages				50				
	Other loans	Loans to public or local authorities and nationalised industries or undertakings				51			
		Loans secured by policies of insurance issued by the company				52			
		Other				53			
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less				54	31564	31028	
		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	31564	31028			

Analysis of admissible assets

Name of insurer **Prudential Pensions Limited**
 Global business
 Financial year ended **31st December 2002**
 Category of assets **Total other than long term business assets**

		Company registration number	GLUK/CM	Period ended			Units	Category of assets	
		R13	992726	GL	31	12	2002	£000	1
					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				
	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		5		7	
		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		312	317	
	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		15	20	
	Deferred acquisition costs				85				
	Other prepayments and accrued income				86				
Deductions (under rules 4.14(2)(b) and 4.14(3)) from the aggregate value of assets					87				
Total sheet 3 (71 to 86 less 87)					88		332	344	
Grand total of admissible assets (39+69+88)					89		31896	31372	
Reconciliation to asset values determined in accordance with the insurance accounts rules									
Total admissible assets (as per line 89 above)					91		31896	31372	
Total assets in excess of the admissibility limits of Appendix 4.2 (as valued in accordance with those Rules before applying admissibility limits)					92				
Solvency margin deduction for subsidiary undertakings which are insurance undertakings					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 insurance accounts rules)					95				
Total assets determined in accordance with the insurance accounts rules (91 to 95)					99		31896	31372	
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance					100				

Analysis of admissible assets

Name of insurer **Prudential Pensions Limited**
 Global business
 Financial year ended **31st December 2002**
 Category of assets **Total long term business assets**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R13	992726	GL	31	12	2002	£000	10
Investments						As at the end of this financial year 1	As at the end of the previous year 2	
Land and buildings						11		
Investments in group undertakings and participating interests	UK insurance business dependants	Shares			21			
		Debt securities issued by, and loans to, dependants			22			
	Other insurance dependants	Shares			23			
		Debt securities issued by, and loans to, dependants			24			
	Non-insurance dependants	Shares			25			
		Debt securities issued by, and loans to, dependants			26			
	Other group undertakings and participating interests	Shares			27			
		Debt securities issued by, and loans to, group undertakings			28			
		Participating interests			29			
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest			30			
Total sheet 1 (11 to 30)					39			

Analysis of admissible assets

Name of insurer **Prudential Pensions Limited**
 Global business
 Financial year ended **31st December 2002**
 Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	992726	GL	31	12	2002	£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		2129		2042
			Other		46				
		Variable interest	Approved securities		47				
			Other		48				
	Participation in investment pools				49				
	Loans secured by mortgages				50				
	Other loans	Loans to public or local authorities and nationalised industries or undertakings			51				
		Loans secured by policies of insurance issued by the company			52				
		Other			53				
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less			54		13635		11972
		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		3266021		3419801
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		3281785		3433815	

