

IPRU INS 9.42 A Information

31 December 2009

**INSURANCE GROUP CAPITAL ADEQUACY**

|   |   |
|---|---|
| Name of reporting insurance firm                  | Friends Provident Life and Pensions Limited   |
| Name of ultimate EEA insurance parent undertaking | Friends Provident Holdings UK Limited         |
| Head office                                       | Pixham End, Dorking, Surrey, England, RH4 1QA |
| Principal activity                                | Long-term insurance business                  |

|  | £m           |
|--|--------------|
| <b>Total Group Capital Resources</b>             | <b>2,536</b> |
| <b>Total Group Capital Resources Requirement</b> | <b>1,513</b> |
| <b>Group surplus/(deficit)</b>                   | <b>1,023</b> |

IPRU (INS) 9.40 (1A)(a) reconciliation

**Per ultimate EEA insurance parent undertaking consolidated accounts:**

|   | £m           |
|---|--------------|
| Equity attributable to equity holders of the parent                             | 3,230        |
| Equity attributable to holders of Step-up Tier one Insurance Capital Securities | 483          |
| Fund for future appropriations  | 274          |
| Subordinated liabilities  | 165          |
|   | <b>4,152</b> |

**Deductions and restrictions**

|  |              |
|--|--------------|
| Deductions for inadmissible assets (largely intangibles)   | (3,810)      |
| Valuation differences between accounts and regulatory requirements (largely actuarial liabilities) | 2,631        |
| Restricted assets that cannot be readily transferred (on a regulatory basis)                       | (437)        |
| <b>Group capital resources</b>   | <b>2,536</b> |

IPRU (INS) 9.40 (1A)(b) reconciliation

|  | £m           |
|--|--------------|
| <b>Capital resources per Capital Statement (CS)</b>                                | <b>1,932</b> |
| FPLP With-Profits Fund calculated on a regulatory basis for Group Capital purposes | 1,136        |
| Entities excluded from CS  | (103)        |
| Entities excluded from Group Capital   | (5)          |
| Restricted assets that cannot be readily transferred (on a regulatory basis)       | (437)        |
| Other inadmissible assets  | 13           |
| <b>Group capital resources</b>   | <b>2,536</b> |