

Certificate on the proposed transfer of Equitable Life's with-profits annuities to the Prudential Assurance Company Limited

Purpose

The purpose of this certificate is to confirm that I am content that the provisions of the proposed scheme of transfer of Equitable Life's with-profits annuities to the Prudential Assurance Company Limited (PAC) are fair to the policyholders of PAC and also that the terms offered to the transferring policies are fair.

Status

I am a Fellow of the Institute of Actuaries, having qualified as such in 1989 and hold a certificate issued by the Institute of Actuaries to act as a Life Actuary (including with-profits).

I have 27 years experience of working in the life assurance industry and have been employed by Prudential since 1993. I was appointed With-Profits Actuary for PAC on 1 January 2005.

Opinion

In preparing this certificate, I have considered the impact on the existing policyholders of PAC, as well as the policy terms offered to the transferring Equitable Life policyholders.

I have been involved in the determination of the terms of the transfer, including consideration of:

- 1) The appropriate treatment and pricing of mortality risk;
- 2) The charges for guarantees;
- 3) The arrangements for capital support;
- 4) The terms under which this business will be managed; and
- 5) The mechanism by which bonus smoothing will operate.

I have reviewed the report from PAC's Actuarial Function Holder and agree with its contents insofar as it relates to the treatment of PAC's with-profits policyholders.

I can confirm I have been provided with adequate information and explanations on the proposed transfer, including access to legal advice.

In my opinion, the provisions of the proposed scheme of transfer constitute fair treatment of the existing policyholders of PAC, offer fair terms to the transferring Equitable Life policyholders, and maintain fairness between the relevant groups of policyholders.



**G A Gallagher FIA
With-Profits Actuary
Prudential Assurance Company Limited**

29 August 2007