

News Release

31 October 2008

Friends Provident plc – Interim Management Statement including third quarter Life & Pensions New Business

Highlights

- Strong capital position with estimated £1.0 billion Insurance Groups Directive (IGD) surplus as at 30 October 2008 with high resilience to equity and credit market movements
- Corporate bond portfolio highly rated, with no material exposure below investment grade
- Total life and pensions sales in the first nine months down 14% to £701 million APE⁵
- Friends Provident International sales for first nine months up 29% to £168 million APE in line with strategy to prioritise international growth
- Activity accelerated and well on track to deliver £40 million of annual cost savings by end 2009
- Lombard International (Lombard) business to be retained
- Intention to distribute 52% stake in F&C Asset Management plc (F&C) to Friends Provident shareholders, expected to complete mid 2009
- No change to dividend policy
- Robin Phipps appointed as non-executive director, subject to FSA approval, and announcement of new permanent chief financial officer imminent

Trevor Matthews, chief executive officer of Friends Provident plc, said:

“Just shy of my first 100 days, it is clear that I have taken charge of a solid and sound business with exciting prospects. It is financially strong and well set to ride out the current financial turmoil. Our estimated IGD surplus at 30 October remains £1.0 billion, there are no equities in our shareholder funds, and our bond portfolio is 97% investment grade.

Friends Provident plc

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FRIENDS PROVIDENT

"Global market conditions will remain challenging for some time but we expect our strengths in our core propositions to persist. Friends Provident International is delivering strong growth, year-on-year, and we continue to evaluate opportunities to extend our international presence. UK conditions remain understandably tough for protection business. Our existing group pension schemes are growing well, and good work is underway to regain our strong position for attracting new schemes in our chosen segment.

"Today we are ending the uncertainty over Lombard and F&C. We received a number of proposals for Lombard but it is clear to me that we should not only retain but also develop this unique business. Having carefully weighed the options for F&C, we intend to distribute our 52% holding to our shareholders by the middle of next year. All the businesses involved will benefit from this clarity.

"I am very confident about the future. The leadership team has been strengthened and we are pursuing our new strategic direction with vigour and a growing momentum. We are confident of achieving the cost reduction commitment we made at the start of this year, and confident too of reshaping the organisation to flourish both in the UK and increasingly overseas."

- Ends -

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Ref: I078

Notes to editors

1. There will be a conference call for investors and analysts at 9.00am GMT hosted by Trevor Matthews, CEO and Charles Bellringer, interim CFO. Dial in telephone number +44 (0)20 7162 0025 (reference: 812456). A recording of this call will be available for 7 days by dialling: +44 (0)20 7031 4064 (access code: 812456.)

2. There will also be a conference call for holders of the £500m 6.292% Perp NC 2015 and £300m 6.875% Per NC 2019 STICS transactions to give an overview of the planned capital reduction. The call is scheduled for 10am on Tuesday 4 November, and holders of the STICS are invited to register for the call by contacting Theo Lentzos at JP Morgan on +44 (0)20 7777 1512 (theo.lentzos@jpmorgancazenove.com) or Jake Atcheson at RBS on +44 (0)20 7085 0639 (jake.atcheson@rbs.com), or your usual JPMorgan or RBS sales representative.
3. Presentation slides for the bondholder call will be available from 9.00am on Monday 3 November on www.friendsprovident.com/presentations
4. This Interim Management Statement (IMS) has been prepared in accordance with section 4.3 of the Disclosure and Transparency Rules (DTR) and approved by the Directors on 30 October 2008. Included within the IMS are the third quarter new business results for Life & Pensions.
5. Headline new business figures are presented on the Annualised Premium Equivalent (APE) basis, representing annualised new regular premiums plus 10% of single premiums. The Present Value of New Business Premiums (PVNBP) basis represents new single premiums plus the expected present value of new business regular premiums.

6. Financial reporting dates

Dividend dates for interim dividends:

Shares go ex-dividend	15 October 2008
Record date	17 October 2008
Dividend paid	21 November 2008

Financial Reporting Calendar:

Friends Provident plc Quarter 4 New Business Announcement	27 January 2009
Friends Provident plc Preliminary Results	17 March 2009
Friends Provident plc Interim Management Statement and Quarter 1 New Business Announcement	28 April 2009
Friends Provident plc Interim Results	11 August 2009
Friends Provident plc Interim Management Statement and Quarter 3 New Business Announcement	27 October 2009

7. Certain statements contained in this announcement constitute 'forward-looking statements'. Such forward-looking statements involve risks, uncertainties and other factors, which, from time to time, may cause the actual results, performance or achievements of Friends Provident plc, its subsidiaries and subsidiary undertakings, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, among others, adverse changes to laws or regulations; risks in respect of taxation; unforeseen liabilities from product reviews; asset shortfalls against product liabilities; changes in the general economic environment; levels and trends in mortality, morbidity and persistency; restrictions on access to product distribution channels; increased competition; and the ability to attract and retain personnel. These forward-looking statements are made only as at the date of this announcement and, save where required in order to comply with the Listing Rules, there is no obligation on Friends Provident plc to update such forward-looking statements.
8. For more information on Friends Provident including, photos, awards, fast facts, presentations, and media contacts please visit the media section at www.friendsprovident.com/media

Interim Management Statement

Overview

Against the backdrop of increasingly challenging trading and investment market conditions, Friends Provident has made considerable progress with implementation of the strategy we announced at the start of the year, including addressing the uncertainty over the position of Lombard and F&C.

Our new CEO Trevor Matthews arrived at the end of July. Today we have announced a further strong addition to the Board. We have appointed Robin Phipps as a non-executive director who brings considerable industry experience. Having considered a number of strong candidates, we expect to be able to announce the appointment of a new permanent chief financial officer shortly. We have also strengthened the management team through the appointment of Tony Brown as HR Director.

Financial strength

Insurance Groups Directive

Surplus capital on the Insurance Groups Directive (IGD) basis at 30 September 2008 was estimated at £1.0 billion, not materially changed from the surplus reported as at 30 June 2008. We further estimate that the surplus as at 30 October 2008 is around £1.0 billion, with a modest impact from falls in bond markets since 30 September. We have actively managed our exposure to equities such that a further 30% fall in equity markets from the level at 30 October would have no material impact on the IGD surplus. In the event of a further widening of corporate bond spreads by 150 basis points from 30 October levels, we estimate we would report an IGD surplus of £0.7 billion. This demonstrates the high degree of resilience in the group's financial strength.

FPLP With Profits Fund

We have been actively managing the asset allocation of our With Profits Fund and, in addition, have introduced Market Value Reductions (MVRs) on certain with-profits policies. As equity markets have fallen, our active hedging strategy has reduced the net equity exposure of the fund. As a result, at 30 October 2008 the proportion of equities and property backing asset shares was close to 20% (30 June 2008: 51%). These actions are in line with Friends Provident's commitment to fair treatment of all its customers and the published Principles and Practices of Financial Management underlying the fund.

Debt securities as at 30 September 2008

- Over 50% of debt securities rated AAA
- 97% of debt securities rated investment grade (BBB or above)
- 94% of corporate bonds rated investment grade
- The remainder of debt securities are almost entirely strong quality, unrated issues

Excluding unit-linked funds, the fair value of debt and other securities of £11.7 billion at 30 September 2008 is analysed by credit rating as follows:

Debt securities £m	Ratings							Total
	AAA	AA	A	BBB	BB	B and below	Unrated	
Government bonds	4,520	-	-	-	-	-	-	4,520
Corporate bonds	1,069	2,541	1,601	353	8	9	314	5,895
Asset backed securities (ABS)	534	345	278	55	5	6	36	1,259
Total	6,123	2,886	1,879	408	13	15	350	11,674
	53%	25%	16%	3%	0%	0%	3%	100%

Unrated assets represent legacy holdings in credits considered good quality, with spreads on average broadly equivalent to AA- rated securities.

In addition to the assets shown above, a further £266 million of AAA rated securities were held as collateral related to derivative transactions to hedge equity and interest rate risk. Friends Provident Pension Scheme has exposure to ABS of approximately £230 million, the vast majority being AAA rated, of which approximately £150 million is via its investment in F&C Liability Driven Investment Pools.

Credit Quality

Debt securities issued by Lehman Brothers and Washington Mutual, held within non-linked funds, with a value of £22 million at 30 June 2008 and £3 million at 30 September are now in default. In addition, and included within the table shown above, are bonds issued by Bradford & Bingley and AIG with a combined value of £56 million.

Friends Provident's allowance for credit risk when calculating liabilities for certain policies, primarily annuity business, has been to limit that part of corporate bond spreads due to illiquidity to 40 bps above the yield available on government debt. It is recognised by the FSA* in its recent guidance and by the Bank of England** that in the current market environment, corporate bond spreads are likely to reflect a much greater premium for illiquidity than previously was the case.

As a result our previous allowance is being reviewed ahead of the full year 2008 results, but with a working assumption that we will move to treat half the spread above risk-free as due to illiquidity. Such an approach would result in an allowance for credit risk on our bond portfolio of 175 bps, over ten times the long-term expected default rate on a portfolio of highly rated bonds such as ours, and well above both current and expected levels of defaults.

* FSA Insurance Sector Briefing: Risk and Capital Management, September 2008

** Bank of England Quarterly Bulletin: 2007 Q4, Volume 47 No. 4

Liquidity

The position of Friends Provident remains strong. Friends Provident's insurance operations contain high levels of liquidity, with around £1.2 billion of liquid assets as at 30 September 2008. We do not need to refinance either of our 'STICS' debt issues in the near future as the first interest step-up date is not until 2015.

Implementation of new strategy and cost savings

We have continued to progress implementation of the strategy set out at the start of the year. Further significant steps in the third quarter include reorganisation of UK sales and marketing operations to replace a functional structure with one aligned to our two major customer groups, individual and corporate. In addition, we have streamlined our structure to provide a faster and more responsive decision making process.

We have accelerated our cost saving activities over the quarter to ensure the business has the appropriate cost base. We are well on track in meeting the commitment to reduce 2007 operating costs by £40 million by the end of 2009. Firm plans are in place to deliver the balance of cost savings and a number of the required decisions have been made. In particular, we are well advanced with the outsourcing of certain IT operations. A cost benchmarking study has identified that we compare well with competitors in customer services and distribution, and we are evaluating whether our cost savings initiatives can be extended further. We have launched a zero-based budgeting approach to cost management which challenges cost assumptions on core activities and will ensure a sustainable cost position in the future.

Life & Pensions new business

Full details of Life & Pensions new business results are contained in the attached appendix.

New life & pensions business in the UK in the first nine months of 2008 decreased by 24% to £425m (2007: £559m). This figure largely reflects the decision taken early in the year to focus on protection and group pensions operations. The protection market has slowed, due to continued low levels of housing market transactions. In group pensions, new business from existing schemes continues to grow year-on-year while new scheme wins have slowed.

FPI new life & pensions business in the first nine months increased strongly by 29% to £168 million. We continue to make encouraging progress in the Middle East and Germany. Third quarter sales were 8% down year-on-year, but still more than double the third quarter 2006 sales, reflecting a very strong third quarter in 2007 with relatively good market conditions in Hong Kong. Excluding Asia, FPI third quarter sales were up by over 20%. We continue to explore opportunities in new territories.

Lombard new business decreased by 16% to £108m (2007: £128m). Excluding large cases (of more than €10 million each) in both years, new business is up 18% in the first nine months, indicative of a higher number of large cases written at this stage in 2007.

Sesame and Pantheon Financial are the UK distribution businesses owned by Friends Provident. Sesame, which provides services to a significant proportion of independent financial advisers in the UK, continues to trade profitably in challenging market conditions. Pantheon Financial has made a modest profit in the year to date.

Lombard

Lombard is a niche business offering bespoke estate tax-planning solutions for high net-worth (HNW) clients across Europe. It offers high returns on new business with attractive cash payback periods. Lombard is self-funding, although its net shareholder cash generation and IFRS profits have been relatively modest to date, as almost all income from existing policies has been reinvested in growing the business. The conclusion of the strategy review at the start of 2008 was that the Friends Provident and Lombard management teams would work to identify appropriate strategies to maximise value for shareholders. Given the clear strengths of Lombard's business model, we have decided to retain and develop the business, and will manage it to deliver improved net cash returns.

Lombard offers a unique position in an attractive market with high barriers to entry. It operates in a quality-driven market segment that demands multi-jurisdictional expertise, which would be difficult for a new entrant to build up quickly. It has wide-ranging distribution partnerships with private banks and high-end financial advisers across a large number of European territories, and the business and its management have built up a considerable reputation among these partners over a number of years. Lombard's prospects remain strong. Notwithstanding the current investment market environment, which will affect sales in the short term as clients delay long-term planning decisions, the business is well positioned to participate in the growth potential of the HNW market segment across Europe.

F&C Asset Management plc

In the strategic review announcement earlier this year we set out the reasons why F&C no longer fitted with our long-term strategy. We undertook to devise an appropriate strategy with the overriding objective of creating value for our shareholders. Whilst we remain in a number of discussions, the recent turmoil in the financial markets has meant that we have not been able to agree transaction terms that we believe reflect F&C's inherent value. We will pursue our stated alternative of making a pro-rata distribution of our stake in F&C to our shareholders.

In order to achieve this in the most efficient manner, we intend to carry out a capital reduction. This requires court approval to enable a reduction in our share premium account and is likely to entail the creation of a newly listed holding company. We expect to complete the distribution by mid 2009.

Friends Provident remains confident about the long term prospects of F&C and through the distribution of the stake, our shareholders will retain their interest in F&C and be able to participate directly in its growth. We also believe that F&C will gain certain advantages from being established as a wholly independent third party manager and listed company. Friends Provident looks forward to a long term relationship with F&C that is consistent with F&C's independent status. We are currently engaged in negotiations with F&C with regards to extending contractual arrangements with terms and conditions in line with commercial best practice and taking into account the interests of stakeholders in both companies.

F&C is a good business with a well diversified model. The resilience of F&C's business is demonstrated by a reduction in its funds under management of 3% over the quarter to £93.3 billion despite significant declines in equity markets in the same period. Furthermore, F&C's revenues have proved robust with management fees 4% lower over the quarter than those achieved during Q3 2007. Further commentary is given in the F&C Interim Management Statement dated 31 October 2008.

Dividend and share capital

There is no change to the company's dividend policy.

The interim dividend declared for 2008 of 1.3 pence per share is payable on 21 November 2008. During the quarter no new ordinary shares in the company were issued and at 30 September 2008 the issued share capital excluding treasury shares amounted to 2,324m ordinary shares of 10p each (30 June 2008: 2,323m shares).

Appendix: Life & Pensions new business

UK Protection

Protection sales are down 23% for the first nine months at £41 million (2007: £53m). Our experience overall is consistent with figures recently published by the FSA* showing a 20% decline in the market for pure protection products in the year to the end of March.

Within individual protection products, we expect to have retained a very strong market position in income protection, where year-to-date sales of around £7 million are 9% down on the equivalent 2007 result. Our life and critical illness distribution is aligned to a larger extent to the housing market. Sales of around £28 million for the first nine months compare to £38 million in 2007. During the past six months sales have been impacted while we have refocused our salesforce for individual protection products, a process that is now complete.

Group income protection sales of around £6 million over the first nine months are 20% down on 2007, reflecting strong competition in this market.

* Source: FSA, Pure Protection Contracts, Product Sales Data Trends Report, September 2008

UK Pensions

UK pensions sales are down 20% in the first nine months at £356 million (2007: £444m), reflecting our transition to focus on nil-commission and funded-commission new group pensions schemes.

Group pensions sales are 17% lower than 2007 for the first nine months at £319 million (2007: £383m), and 44% lower in the third quarter. The reductions year-on-year reflect reduced new scheme business following our decision early in the year not to tender for new schemes on an unfunded commission basis. We completed writing the existing pipeline of this business by the end of the first half. New business in the first nine months relating to increments and new members on existing schemes is up year-on-year by over 20%.

As noted in previous statements, corporate uncertainty early in the year led to many of the key advisors in the segments of the market that we continue to target taking a cautious approach to Friends Provident. We are making steady progress in building confidence in Friends Provident's commitment to the pensions market. We are optimistic of reporting further positive progress at future trading updates, notwithstanding the inevitable lag of some months between restoring the flow of tender opportunities and writing new business.

Individual pensions sales of around £4 million in the third quarter were lower than the equivalent quarter of 2007 and in line with our expectations for the short term. DWP rebates are consistent with previous years, although we continue to expect these to trend downward.

UK Other

We continue to provide annuities for over 40% of our own vesting pensions customers. We have maintained a consistent pricing approach, balancing economics of the business against our competitive position in the market.

Following our change of focus in the UK, savings and investment sales were £1 million APE in the third quarter. We expect the run-rate to remain low through the remainder of the year.

Friends Provident International (FPI)

New business (APE)	9m 2008	9m 2007
	£m	£m
Asia	86	67
UK	11	16
Middle East	32	14
Europe (excluding UK)	26	22
Rest of World	13	11
Total FPI	168	130

FPI continues to show excellent growth in year-to-date new business with 29% growth in the first nine months, and continues to pursue positive development opportunities. New business in the third quarter is 8% below the level seen in 2007, largely due to very good market conditions in Hong Kong during the second half of 2007, but third quarter sales in 2008 are 108% up on those in 2006. Funds under management are £4.4 billion, down from £4.7 billion at the start of the year, mainly due to investment market movements.

We have seen some slowing in sales in Asia after four consecutive strong quarters. During this time the Hong Kong market has provided opportunities for FPI to grow strongly through a combination of excellent products backed by high service standards. Going forward, we expect some impact on this market from investment market uncertainty. We have continued to develop our presence in Singapore over the last quarter, and are working to expand our product range.

In the UK market, sales have fallen due to investment market uncertainty. We expect sales to remain subdued.

Sales in the Middle East have more than doubled on 2007, supported by increased business through distribution agreements with banks. Further developments in the third quarter include the establishment of a larger regional centre in Dubai and the launch of Optus, a group savings product based on Friends Provident's UK group pensions platform. Both of these developments position us well in this region.

In Europe, the driver of growth is the German pensions proposition. We expect further year-on-year growth in the fourth quarter.

Lombard International (Lombard)

New business (APE)	9m 2008	9m 2007
	£m	£m
UK and Nordic	33	21
Northern Europe	35	24
Southern Europe	36	70
Rest of World	5	13
Total including large cases	108	128
Of which, large cases (greater than €10m)	30	62
Total excluding large cases	78	66

Lombard sales in the first nine months are down 16% at £108 million (2007: £128m), and down 27% before the impact of exchange rate movements. Excluding large cases (of €10 million or greater) in both years, sales were up by around 18%. In sterling terms funds under management have increased from £10.1 billion to £10.4 billion. On a constant currency basis, funds under management are consistent with the start-year level.

Continuing the first half-year's trend, sales in Northern Europe and the UK and Nordic regions were up by more than half on 2007, partly as a result of increased business with UK resident, non-domiciled clients. Results in Southern Europe (France, Spain and Italy) benefited from a number of large cases in the first nine months of 2007, not repeated in 2008, and combined with potential adverse changes to the tax environment in Spain, resulted in lower new business this year.

Whilst Lombard performed well in Germany in the earlier part of the year, draft tax law proposals currently under discussion may affect Lombard's business. The impact of this is unlikely to be known until the tax legislation is finalised towards the end of the year, and in the meantime we expect a marked slowdown of business in this market.

In more general terms, the current severe financial turmoil is affecting client confidence and we anticipate a slow-down in business compared to previous years as clients defer decision-making.

Analysis of Life and Pensions New Business

In classifying new business premiums the following basis of recognition is adopted:

- Single new business premiums consist of those contracts under which there is no expectation of continuing premiums being paid at regular intervals;
- Regular new business premiums consist of those contracts under which there is an expectation of continuing premiums being paid at regular intervals, including repeated or recurrent single premiums where the level of premiums is defined, or where a regular pattern in the receipt of premiums has been established;
- Non-contractual increments under existing group pensions schemes are classified as new business premiums;
- Transfers between products where open market options are available are included as new business; and
- Regular new business premiums are included on an annualised basis.

New Business – Regular and Single Premiums:

	Regular premiums			Single premiums		
	9m 2008 £m	9m 2007 £m	Change %	9m 2008 £m	9m 2007 £m	Change %
Protection	40.8	53.0	(23)	0.0	0.0	-
Pensions						
- Group pensions	280.1	322.8	(13)	389.8	596.5	(35)
- Individual pensions	9.2	18.9	(51)	150.0	301.5	(50)
- DWP rebates	0.0	0.0	-	131.4	126.8	4
Total pensions	289.3	341.6	(15)	671.2	1024.8	(35)
Annuities	0.0	0.0	-	205.5	210.0	(2)
Savings & Investments	0.6	1.0	(40)	63.3	395.1	(84)
Total UK Life & Pensions	330.7	395.6	(16)	940.0	1629.9	(42)
FPI	134.1	87.8	53	343.0	423.7	(19)
Lombard	0.0	0.0	-	1082.2	1283.0	(16)
Total International Life & Pensions	134.1	87.8	53	1425.2	1706.7	(16)
Total	464.8	483.4	(4)	2365.2	3336.6	(29)

	Q3 2008 £m	Q3 2007 £m	Change %	Q3 2008 £m	Q3 2007 £m	Change %
	Protection	11.9	18.4	(35)	0.0	0.0
Pensions						
- Group pensions	69.4	121.5	(43)	85.0	164.5	(48)
- Individual pensions	1.5	6.9	(77)	22.2	98.6	(77)
- DWP rebates	0.0	0.0	-	39.2	39.5	(1)
Total pensions	70.9	128.4	(45)	146.4	302.6	(52)
Annuities	0.0	0.0	-	66.0	63.8	3
Savings & Investments	0.0	0.2	(100)	9.2	131.8	(93)
Total UK Life & Pensions	82.8	147.0	(44)	221.6	498.2	(56)
FPI	41.3	41.9	(1)	98.9	136.7	(28)
Lombard	0.0	0.0	-	380.0	634.9	(40)
Total International Life & Pensions	41.3	41.9	(1)	478.9	771.6	(38)
Total	124.1	188.9	(34)	700.5	1269.8	(45)

New Business - Annual Premium Equivalent (APE):

Annualised Premium Equivalent (APE) represents annualised new regular premiums plus 10% of single premiums.

	9m 2008 £m	9m 2007 £m	Change %
Protection	40.8	53.0	(23)
Pensions			
- Group pensions	319.1	382.5	(17)
- Individual pensions	24.2	49.0	(51)
- DWP rebates	13.1	12.7	3
Total pensions	356.4	444.2	(20)
Annuities	20.5	21.0	(2)
Savings & Investments	7.0	40.5	(83)
Total UK Life & Pensions	424.7	558.8	(24)
FPI	168.4	130.1	29
Lombard	108.2	128.3	(16)
Total International Life & Pensions	276.6	258.4	7
Total	701.3	817.0	(14)

	Q3 2008 £m	Q3 2007 £m	Change %
Protection	11.9	18.4	(35)
Pensions			
- Group pensions	77.9	138.0	(44)
- Individual pensions	3.8	16.7	(77)
- DWP rebates	3.9	4.0	(2)
Total pensions	85.6	158.7	(46)
Annuities	6.6	6.4	3
Savings & Investments	1.0	13.5	(93)
Total UK Life & Pensions	105.1	197.0	(47)
FPI	51.2	55.5	(8)
Lombard	38.0	63.5	(40)
Total International Life & Pensions	89.2	119.0	(25)
Total	194.3	316.0	(39)

New business APE at constant exchange rates

All amounts in currency in the tables above other than sterling are translated into sterling at a monthly average exchange rate. The estimated new business assuming constant currency rates would be as follows:

	9m 2008 £m	9m 2007 (as reported) £m	Change %
FPI	163.0	130.1	25
Lombard	93.9	128.3	(27)
Total International Life & Pensions	256.9	258.4	(1)

	Q3 2008 £m	Q3 2007 (as reported) £m	Change %
FPI	47.5	55.5	(14)
Lombard	33.3	63.5	(48)
Total International Life & Pensions	80.8	119.0	(32)

New Business – Present Value of New Business Premiums (PVNBP):

PVNBP equals new single premiums plus the expected present value of new regular premiums. Premium values are calculated on a consistent basis with the EEV contribution to profits from new business. Start of period assumptions are used for the economic basis and end of period assumptions are used for the operating basis. A risk free rate is used to discount expected premiums in future years. The impact of operating assumption changes across a whole reporting period will normally be reflected in the PVNBP figures for the final quarter of the period that the basis changes relate to. No change in operating assumptions will be reflected in the PVNBP for the first and third quarters, when the contribution to profits from new business is not published. All amounts in currency other than sterling are translated into sterling at a monthly average exchange rate.

	9m 2008 £m	9m 2007 £m	Change %
Protection	240	311	(23)
Pensions			
- Group pensions	1537	1988	(23)
- Individual pensions	184	387	(52)
- DWP rebates	131	127	3
Total pensions	1852	2502	(26)
Annuities	205	210	(2)
Savings & Investments	67	401	(83)
Total UK Life & Pensions	2364	3424	(31)
FPI	1059	875	21
Lombard	1082	1283	(16)
Total International Life & Pensions	2141	2158	(1)
Total	4505	5582	(19)

	Q3 2008 £m	Q3 2007 £m	Change %
Protection	71	109	(35)
Pensions			
- Group pensions	372	690	(46)
- Individual pensions	26	131	(80)
- DWP rebates	39	40	(2)
Total pensions	437	861	(49)
Annuities	66	64	3
Savings & Investments	9	133	(93)
Total UK Life & Pensions	583	1167	(50)
FPI	322	352	(9)
Lombard	380	635	(40)
Total International Life & Pensions	702	987	(29)
Total	1285	2154	(40)