

# **Prudential Holborn Life Limited**

Incorporated in England and Wales Registered No. 793051  
121 Kings Road, Reading RG1 3ES  
Registered Office 142 Holborn Bars, London EC1 2NH

**Annual FSA Insurance Returns for the year ended  
31st December 2003**



(Appendices 9.1 , 9.3 , 9.4 , 9.6 )

# Prudential Holborn Life Limited

Year ended 31st December 2003

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**Statement of solvency**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**

R9	Company registration number 793051	GL/UK/CM GL	Period ended			Units £000
			day	month	year	
	As at the end of this financial year <b>1</b>	As at the end of the previous year <b>2</b>	Source			
			<	>	?	

**GENERAL INSURANCE BUSINESS****Available assets**

Other than long term insurance business assets allocated towards general insurance business required minimum margin	<b>11</b>			See instructions 1 and 2
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**Required minimum margin**

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

**LONG TERM INSURANCE BUSINESS****Available assets**

Long term insurance business admissible assets	<b>21</b>	731298	581044	10 . 11
Other than long term insurance business assets allocated towards long term insurance business required minimum margin	<b>22</b>	19034	9950	See instructions 1 and 3
Total mathematical reserves (after distribution of surplus)	<b>23</b>	702633	561363	See instruction 4
Other insurance and non-insurance liabilities	<b>24</b>	28665	19681	See instruction 5
Available assets for long term insurance business required minimum margin (21+22-23-24)	<b>25</b>	19034	9950	

**Implicit Items admitted under Rule 2.10(5) as modified**

Future profits	<b>31</b>			
Zillmerising	<b>32</b>			
Hidden reserves	<b>33</b>			

Total of available assets and implicit items (25+31+32+33)	<b>34</b>	19034	9950	
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**Required minimum margin**

Required minimum margin for long term insurance business	<b>41</b>	3284	3380	60 . 69
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	<b>42</b>	550	563	
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	<b>43</b>	18484	9387	
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	<b>44</b>	15750	6570	

**CONTINGENT LIABILITIES**

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

**Covering sheet to Form 9**

Name of insurer      **Prudential Holborn Life Limited**

Global business

Financial year ended    **31st December 2003**

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

.....      **J W Jack**      **Director**

.....      **R C Everett**      **Director**

**London, 25 March 2004**

**Analysis of the effect of financial engineering on long-term available assets**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**

	R9A	Company registration number 793051	GL/UK/CM GL	Period ended			Units £000
				day	month	year	
				31	12	2003	
		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	3284	3380	See instruction 2			
Excess (deficiency) of available assets and implicit items over the required minimum margin	12	15750	6570	See instruction 3			
Total available assets and implicit items (11+12)	13	19034	9950				
<b>Analysed as follows:</b>							
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	19034	9950				
Total available assets and implicit items (19+20)	21	19034	9950				

**Statement of net assets**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**

	R10	Company registration number 793051	GL/UK/CM GL	Period ended			Units £000
				day	month	year	
				31	12	2003	
				As at the end of this financial year			Source
				1			< > ?
				As at the end of the previous year			
				2			
Long term insurance business - admissible assets	11	731298		581044			13 . 89 . 1
Long term insurance business - liabilities and margins	12	731298		581044			14 . 59 . 1

Other than Long term insurance business - admissible assets	21	19034		9950			13 . 89 . 1
Other than Long term insurance business - liabilities	22						15 . 69 . 1
Net admissible assets (21-22)	23	19034		9950			
Other assets allowed to be taken into account in covering the required minimum margin	24	Unpaid amounts (including share premium) on partly paid shares					
	25	Supplementary contributions for a mutual carrying on general insurance business					
Liabilities allowed to be left out of account in covering the required minimum margin	26	Subordinated loan capital					
	27	Cumulative preference share capital					
Available assets (23 to 27)	29	19034		9950			

**Represented by:**

Paid up share capital (other than cumulative preference share capital)	51	11000		11000			
Amounts included in lines 24 to 27 above	52						
Amounts representing the balance of net assets	56	8034		(1050)			
Total (51 to 56) and equal to line 29 above	59	19034		9950			

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

Balance brought forward at the beginning of the financial year	61	(1050)					10 . 56 . 2
Retained profit/(loss) for the financial year	62	9084		(1050)			16 . 59 . 1
Movement in asset valuation differences	63						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	8034		(1050)			

**Analysis of admissible assets**

Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**

Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	793051	GL	31	12	2003	£000	1
					day	month	year		
<b>Investments</b>					As at the end of this financial year		As at the end of the previous year		
					<b>1</b>		<b>2</b>		
Land and buildings					<b>11</b>				
Investments in group undertakings and participating interests	UK insurance business dependants	Shares		<b>21</b>					
		Debt securities issued by, and loans to, dependants		<b>22</b>					
	Other insurance dependants	Shares		<b>23</b>					
		Debt securities issued by, and loans to, dependants		<b>24</b>					
	Non-insurance dependants	Shares		<b>25</b>					
		Debt securities issued by, and loans to, dependants		<b>26</b>					
	Other group undertakings and participating interests	Shares		<b>27</b>					
		Debt securities issued by, and loans to, group undertakings		<b>28</b>					
		Participating interests		<b>29</b>					
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest		<b>30</b>					
Total sheet 1 (11 to 30)					<b>39</b>				

**Analysis of admissible assets**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	793051	GL	31	12	2003	£000	1
					day	month	year		
<b>Investments (continued)</b>					As at the end of this financial year		As at the end of the previous year		
<b>Deposits with ceding undertakings</b>					1		2		
<b>Assets held to cover linked liabilities</b>									
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				1846
			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			18113	5510
		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			18113	7356	

**Analysis of admissible assets**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**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			
	<b>R13</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>1</b>
<b>Debtors</b>								
<b>Other assets</b>								
						As at the end of this financial year		As at the end of the previous year
						<b>1</b>		<b>2</b>
Debtors arising out of direct insurance operations	Policyholders			<b>71</b>				
	Intermediaries			<b>72</b>				
Salvage and subrogation recoveries				<b>73</b>				
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			<b>74</b>				
	Due from reinsurers and intermediaries under reinsurance contracts ceded			<b>75</b>				
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		<b>76</b>				
		Due more than 12 months after the end of the financial year		<b>77</b>				
	Other	Due in 12 months or less after the end of the financial year		<b>78</b>		753		2062
		Due more than 12 months after the end of the financial year		<b>79</b>				
Tangible assets			<b>80</b>					
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			<b>81</b>		123		518
	Cash in hand			<b>82</b>				
Other assets (particulars to be specified by way of supplementary note)				<b>83</b>				
Prepayments and accrued income	Accrued interest and rent			<b>84</b>		45		14
	Deferred acquisition costs			<b>85</b>				
	Other prepayments and accrued income			<b>86</b>				
Deductions (under rules 4.14(2)(b) and 4.14(3)) from the aggregate value of assets				<b>87</b>				
Total sheet 3 (71 to 86 less 87)				<b>88</b>		921		2594
Grand total of admissible assets (39+69+88)				<b>89</b>		19034		9950
<b>Reconciliation to asset values determined in accordance with the insurance accounts rules</b>								
Total admissible assets (as per line 89 above)				<b>91</b>		19034		9950
Total assets in excess of the admissibility limits of Appendix 4.2 (as valued in accordance with those Rules before applying admissibility limits)				<b>92</b>				
Solvency margin deduction for subsidiary undertakings which are insurance undertakings				<b>93</b>				
Other differences in the valuation of assets (other than for assets not valued above)				<b>94</b>				
Assets of a type not valued above, (as valued in accordance with the insurance accounts rules)				<b>95</b>				
Total assets determined in accordance with the insurance accounts rules (91 to 95)				<b>99</b>		19034		9950
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				<b>100</b>				

**Analysis of admissible assets**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	793051	GL	31	12	2003	£000	10
						day	month	year	
<b>Investments</b>						As at the end of this financial year	As at the end of the previous year		
						<b>1</b>	<b>2</b>		
Land and buildings						<b>11</b>			
Investments in group undertakings and participating interests	UK insurance business dependants	Shares			<b>21</b>				
		Debt securities issued by, and loans to, dependants			<b>22</b>				
	Other insurance dependants	Shares			<b>23</b>				
		Debt securities issued by, and loans to, dependants			<b>24</b>				
	Non-insurance dependants	Shares			<b>25</b>				
		Debt securities issued by, and loans to, dependants			<b>26</b>				
	Other group undertakings and participating interests	Shares			<b>27</b>				
		Debt securities issued by, and loans to, group undertakings			<b>28</b>				
		Participating interests			<b>29</b>				
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest			<b>30</b>				
Total sheet 1 (11 to 30)						<b>39</b>			

**Analysis of admissible assets**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	793051	GL	31	12	2003	£000	10
					day	month	year		
<b>Investments (continued)</b>					As at the end of this financial year		As at the end of the previous year		
<b>Deposits with ceding undertakings</b>					1		2		
<b>Assets held to cover linked liabilities</b>									
Other financial investments	Equity shares			41					
	Other shares and other variable yield securities			42					
	Holdings in collective investment schemes			43			56		50
	Rights under derivative contracts			44					
	Debt securities and other fixed income securities	Fixed interest	Approved securities		45			8360	1629
			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			248	248
		Other			53				
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less			54			27687	36126
		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			688783	540065	
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			725134	578118		

**Analysis of admissible assets**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets		
		R13	793051	GL	31	12	2003	£000	10	
						day	month	year		
<b>Debtors</b>					As at the end of this financial year			As at the end of the previous year		
<b>Other assets</b>					1			2		
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		2452	2626		
		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		3545	253		
	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		167	47		
	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		6164	2926		
Grand total of admissible assets (39+69+88)					89		731298	581044		
<b>Reconciliation to asset values determined in accordance with the insurance accounts rules</b>										
Total admissible assets (as per line 89 above)					91		731298	581044		
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		731298	581044		
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance					100					

**Long term insurance business liabilities and margins**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**Category of assets **Total long term business assets**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
R14	793051	GL	31	12	2003	£000	10	
			As at the end of this financial year 1	As at the end of the previous year 2			Source	
Mathematical reserves, after distribution of surplus	11	702633		561363			See Instruction 2	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12						See Instruction 3	
Balance of surplus/(valuation deficit)	13						See Instruction 4	
Long term insurance business fund carried forward (11 to 13)	14	702633		561363			See Instruction 5	
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount	15	5897	3620				
	Reinsurers' share	16						
	Net (15-16)	17	5897	3620				
Provisions for other risks and charges	Taxation	21	1201	1012				
	Other	22	836					
Deposits received from reinsurers	23							
Creditors and other liabilities	Arising out of insurance operations	Direct insurance business	31					
		Reinsurance accepted	32					
		Reinsurance ceded	33	4172				
	Debenture loans	Secured	34					
		Unsecured	35					
	Amounts owed to credit institutions		36					
	Other creditors	Taxation	37					
		Other	38	16559	15049			
Accruals and deferred income	39							
Provision for adverse changes (calculated in accordance with rule 5.3)	41							
Total other insurance and non-insurance liabilities (17 to 41)	49	28665		19681				
Excess of the value of net admissible assets	51						See Instruction 6	
Total liabilities and margins	59	731298		581044				
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	4497		6043				
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	688783		540065				
Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate	63						See Instruction 7	

**Liabilities (other than long term insurance business)**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**

		Company registration number	GL/UK/CM	Period ended			Units	
		R15	793051	GL	31	12	2003	£000
				As at the end of this financial year 1			As at the end of the previous year 2	
Technical provisions (gross amount)	Provision for unearned premiums		11					
	Claims outstanding		12					
	Provision for unexpired risks		13					
	Equalisation provisions	Credit business	14					
		Other than credit business	15					
	Other		16					
Total (11 to 16)		19						
Provisions for other risks and charges	Taxation		21					
	Other		22					
Deposits received from reinsurers			31					
Creditors	Arising out of insurance operations	Direct insurance business	41					
		Reinsurance accepted	42					
		Reinsurance ceded	43					
	Debenture loans	Secured	44					
		Unsecured	45					
	Amounts owed to credit institutions		46					
	Other creditors	Taxation	47					
		Recommended dividend	48					
		Other	49					
Accruals and deferred income			51					
Total (19 to 51)			59					
Provision for adverse changes (calculated in accordance with rule 5.3) [Regulation 61 of the Insurance Companies Regulations 1994]			61					
Cumulative preference share capital			62					
Subordinated loan capital			63					
Total (59 to 63)			69					
Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance			71					

**Profit and loss account (non-technical account)**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**

		Company registration number	GL/UK/CM	Period ended			Units	
		R16	793051	GL	31	12	2003	£000
		This financial year		Previous year		Source		
		1		2		<	>	?
Transfer (to)/from the general insurance business technical account	From Form 20	11				20 . 59		
	Equalisation provisions	12						
Transfer from the long term insurance business revenue account		13	8855		(1290)	40 . 26		
Investment income	Income	14	327		343			
	Value re-adjustments on investments	15						
	Gains on the realisation of investments	16						
Investment charges	Investment management charges, including interest	17						
	Value re-adjustments on investments	18						
	Loss on the realisation of investments	19						
Allocated investment return transferred to the general insurance business technical account		20				20 . 51		
Other income and charges (particulars to be specified by way of supplementary note)		21						
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	9182		(947)			
Tax on profit or loss on ordinary activities		31	98		103			
Profit or loss on ordinary activities after tax (29-31)		39	9084		(1050)			
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41						
Tax on extraordinary profit or loss		42						
Other taxes not shown under the preceding items		43						
Profit or loss for the financial year (39+41-(42+43))		49	9084		(1050)			
Dividends (paid and proposed)		51						
Profit or loss retained for the financial year (49-51)		59	9084		(1050)			

**Long term insurance business : Revenue account**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund
			day	month	year				
<b>R40</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>OB</b>	<b>1</b>	<b>0</b>
<b>Items to be shown net of reinsurance ceded</b>						The financial year	Previous year		
							<b>1</b>	<b>2</b>	
Earned premiums						<b>11</b>	151154	84078	
Investment income receivable before deduction of tax						<b>12</b>	29825	25724	
Increase (decrease) in the value of non-linked assets brought into account						<b>13</b>	(12)	12	
Increase (decrease) in the value of linked assets						<b>14</b>	54108	(78150)	
Other income						<b>15</b>			
Total income (11 to 15)						<b>19</b>	235075	31664	
Claims incurred						<b>21</b>	71469	54831	
Expenses payable						<b>22</b>	7159	5875	
Interest payable before deduction of tax						<b>23</b>	88	94	
Taxation						<b>24</b>	6234	1673	
Other expenditure						<b>25</b>			
Transfer to (from) non technical account						<b>26</b>	8855	(1290)	
Total expenditure (21 to 26)						<b>29</b>	93805	61183	
Increase (decrease) in fund in financial year (19-29)						<b>39</b>	141270	(29519)	
Fund brought forward						<b>49</b>	561363	590882	
Fund carried forward (39+49)						<b>59</b>	702633	561363	

**Long term insurance business : Analysis of premiums and expenses**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund	
			day	month	year					
	<b>R41</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>OB</b>	<b>1</b>	<b>0</b>
						Gross <b>1</b>	Payable to or recoverable from reinsurers <b>2</b>	Net of reinsurance (1-2) <b>3</b>		
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium	<b>11</b>		151121		1132	149989		
		Regular premium	<b>12</b>		1165			1165		
	Pension business contracts	Single premium	<b>13</b>							
		Regular premium	<b>14</b>							
	Permanent health contracts	Single premium	<b>15</b>							
		Regular premium	<b>16</b>							
	Other contracts	Single premium	<b>17</b>							
		Regular premium	<b>18</b>							
	Total premiums	Single premium	<b>19</b>		151121		1132	149989		
		Regular premium	<b>29</b>		1165			1165		
Total premiums at lines 19 and 29 attributable to	UK contracts	<b>31</b>		152286		1132	151154			
	Overseas contracts	<b>32</b>								
Expenses payable in the financial year	Commission payable in connection with acquisition of business		<b>41</b>							
	Other commission payable		<b>42</b>							
	Management expenses in connection with acquisition of business		<b>43</b>							
	Management expenses in connection with maintenance of business		<b>44</b>		6288			6288		
	Other management expenses		<b>45</b>		871			871		
	Total expenses (41 to 45)		<b>49</b>		7159			7159		
	Total expenses at line 49 attributable to	UK contracts	<b>51</b>		7159			7159		
		Overseas contracts	<b>52</b>							

**Long term insurance business : Analysis of claims**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund	
				day	month	year					
		<b>R42</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>OB</b>	<b>1</b>	<b>0</b>
<b>Claims incurred in the financial year</b>					Gross		Recoverable from reinsurers	Net of reinsurance (1-2)			
					<b>1</b>		<b>2</b>	<b>3</b>			
Life assurance and annuity contracts	On death	<b>11</b>	14610	5165	9445						
	By way of lump sums on maturity	<b>12</b>	487	223	264						
	By way of annuity payments	<b>13</b>									
	By way of payments arising from other insured events	<b>14</b>									
	On surrender or partial surrender	<b>15</b>	69994	8234	61760						
	Total life assurance and annuity claims (11 to 15)	<b>19</b>	85091	13622	71469						
Pension business contracts	On death	<b>21</b>									
	By way of lump sums on vesting	<b>22</b>									
	By way of vested annuity payments	<b>23</b>									
	On surrender or partial surrender	<b>24</b>									
	Total pension business claims (21 to 24)	<b>29</b>									
Permanent health contracts	By way of lump sums	<b>31</b>									
	By way of periodical payments	<b>32</b>									
	Total permanent health claims (31+32)	<b>39</b>									
Other contracts	By way of lump sums	<b>41</b>									
	By way of periodical payments	<b>42</b>									
	Total claims (41+42)	<b>49</b>									
Total claims (19+29+39+49)		<b>59</b>	85091	13622	71469						
Total claims at line 59 attributable to	UK contracts	<b>61</b>	85091	13622	71469						
	Overseas contracts	<b>62</b>									

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
Balanced Growth Series 1	1735	103	1838				1838									
Balanced Growth Series 2		1803	1803				1803									
Cash Series 1	43408		43408				43408									
Cash Series 2		24928	24928				24928									
Cash Series 3		92	92				92									
Cash Series 4		4419	4419				4419									
Cash Series 5		10054	10054				10054									
Cautious UK Managed Series 2	39		39				39									
Cautious UK Managed Series 3		1	1				1									
Cautious UK Managed Series 4		1	1				1									
Cautious UK Managed Series 5		37	37				37									
Distribution Series 1	262292		262292			957	261335									
Distribution Series 2		256347	256347				256347									
Total																

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
Distribution Cash Series 1	175		175				175									
Distribution Cash Series 2		175	175				175									
Equity Series 1	32733		32733				32733									
Equity Series 2		12924	12924				12924									
Equity Series 3		56	56				56									
Equity Series 4		553	553				553									
Equity Series 5		830	830				830									
Equity Income Unit Trust Series 1	141		141				141									
Equity Income Unit Trust Series 2		139	139				139									
Equity Unit Trust Series 1	74		74				74									
Equity Unit Trust Series 2		73	73				73									
European Series 1	8169		8169				8169									
European Series 2		7688	7688				7688									
Total																

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
European Series 3																
European Series 4		37	37				37									
European Series 5		232	232				232									
European Unit Trust Series 1	458		458				458									
European Unit Trust Series 2		445	445				445									
Fixed Interest Series 1	18667		18667			1452	17215									
Fixed Interest Series 2		4676	4676				4676									
Fixed Interest Series 3		54	54				54									
Fixed Interest Series 4		650	650				650									
Fixed Interest Series 5		3233	3233				3233									
Global Growth Unit Trust Series 1	103		103				103									
Global Growth Unit Trust Series 2		100	100				100									
High Income Unit Trust Series 1	70		70				70									
<b>Total</b>																

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
High Income Unit Trust Series 2		70	70				70									
International Series 1	13838		13838				13838									
International Series 2		7671	7671				7671									
International Series 3																
International Series 4		48	48				48									
International Series 5		37	37				37									
International Growth Unit Trust Series 1	120		120				120									
International Growth Unit Trust Series 2		117	117				117									
Intl Small Co's Unit Trust Series 1	71		71				71									
Intl Small Co's Unit Trust Series 2		70	70				70									
Inveco Perp Mgt Series 2	2335		2335				2335									
Inveco Perp Mgt Series 3		1	1				1									
Inveco Perp Mgt Series 4		746	746				746									
Total																

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
1	2	3	4	5	6	7	8			day	month	year				
Inveco Perp MgtSeries 5		1348	1348				1348									
INVESCO PERPETUAL INC.Series 2	665		665			7	658									
INVESCO PERPETUAL INC.Series 3		1	1				1									
INVESCO PERPETUAL INC.Series 4		25	25				25									
INVESCO PERPETUAL INC.Series 5		281	281				281									
Japanese Unit Trust Series 1	369		369				369									
Japanese Unit Trust Series 2		327	327				327									
Japanese Unit Trust Series 3																
Japanese Unit Trust Series 4		3	3				3									
Japanese Unit Trust Series 5		39	39				39									
M&G GILT & FI IncomeSeries 2	1341		1341			55	1286									
M&G GILT & FI IncomeSeries 3		3	3				3									
M&G GILT & FI IncomeSeries 4		242	242				242									
Total																

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
1	2	3	4	5	6	7	8									
M&G GILT & FI IncomeSeries 5		990	990				990									
M&G Cazenove Balanced Series 2	327		327				327									
M&G Cazenove Balanced Series 3		1	1				1									
M&G Cazenove Balanced Series 4		257	257				257									
M&G Cazenove Balanced Series 5		40	40				40									
M&G Cazenove Cautious Series 2	238		238			9	229									
M&G Cazenove Cautious Series 3		1	1				1									
M&G Cazenove Cautious Series 4		19	19				19									
M&G Cazenove Cautious Series 5		86	86				86									
M&G Cazenove Growth Series 2	95		95				95									
M&G Cazenove Growth Series 3		1	1				1									
M&G Cazenove Growth Series 4		29	29				29									
M&G Cazenove Growth Series 5		65	65				65									
Total																

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
M&G Corporate BondSeries 2	28890		28890				28890									
M&G Corporate BondSeries 3		102	102				102									
M&G Corporate BondSeries 4		6376	6376				6376									
M&G Corporate BondSeries 5		20801	20801				20801									
M&G High Yield CORP BD.Series 2	1053		1053			74	979									
M&G High Yield CORP BD.Series 3		1	1				1									
M&G High Yield CORP BD.Series 4		157	157				157									
M&G High Yield CORP BD.Series 5		678	678				678									
M&G Managed GrowthSeries 2	939		939				939									
M&G Managed GrowthSeries 3		1	1				1									
M&G Managed GrowthSeries 4		260	260				260									
M&G Managed GrowthSeries 5		548	548				548									
Managed Series 1	121073	5633	126706				126706									
Total																

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
Managed Series 2		68490	68490				68490									
Managed Series 3		458	458				458									
Managed Series 4		681	681				681									
Managed Series 5		1584	1584				1584									
Managed Defensive Series 2	133	108	241			59	182									
Managed Defensive Series 3		2	2				2									
Managed Defensive Series 4		2	2				2									
Managed Defensive Series 5		169	169				169									
Merrill Lynch MgdSeries 2	823		823				823									
Merrill Lynch MgdSeries 3		1	1				1									
Merrill Lynch MgdSeries 4		290	290				290									
Merrill Lynch MgdSeries 5		481	481				481									
NEWTON HIGHER INC.Series 2	882		882			8	874									
Total																

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
1	2	3	4	5	6	7	8									
NEWTON HIGHER INC.Series 3		1	1				1									
NEWTON HIGHER INC.Series 4		163	163				163									
NEWTON HIGHER INC.Series 5		437	437				437									
Newton ManagedSeries 2	2655		2655				2655									
Newton ManagedSeries 3		8	8				8									
Newton ManagedSeries 4		844	844				844									
Newton ManagedSeries 5		1457	1457				1457									
North America Unit Trust Series 1	93		93				93									
North America Unit Trust Series 2		93	93				93									
North American Series 1	2626		2626				2626									
North American Series 2		2288	2288				2288									
North American Series 3																
North American Series 4		54	54				54									
Total																

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
North American Series 5		238	238				238									
Pacific Basin Series 1	3765		3765				3765									
Pacific Basin Series 2		3470	3470				3470									
Pacific Basin Series 3																
Pacific Basin Series 4		32	32				32									
Pacific Basin Series 5		119	119				119									
Pacific Markets Unit Trust Series 1	410		410				410									
Pacific Markets Unit Trust Series 2		394	394				394									
Pacific Markets Unit Trust Series 3		1	1				1									
Pacific Markets Unit Trust Series 4		1	1				1									
Pacific Markets Unit Trust Series 5		1	1				1									
Premier Income Unit Trust Series 1	17		17				17									
Premier Income Unit Trust Series 2		17	17				17									
Total																

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
Property Series 1	131978		131978			1946	130032									
Property Series 2		30166	30166				30166									
Property Series 3		713	713				713									
Property Series 4		17616	17616				17616									
Property Series 5		63670	63670				63670									
Pru (SAUT) Corporate Bond Series 2	11		11				11									
Pru (SAUT) Corporate Bond Series 3																
Pru (SAUT) Corporate Bond Series 4																
Pru (SAUT) Corporate Bond Series 5		9	9				9									
Pru (SAUT) Equity Income Series 2	2		2				2									
Pru (SAUT) Equity Income Series 3		1	1				1									
Pru (SAUT) Equity Income Series 4		1	1				1									
Pru (SAUT) Equity Income Series 5		1	1				1									
<b>Total</b>																

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
1	2	3	4	5	6	7	8									
Pru DWS American Growth Series 2	8		8				8									
Pru DWS American Growth Series 3		1	1				1									
Pru DWS American Growth Series 4		1	1				1									
Pru DWS American Growth Series 5		7	7				7									
Pru DWS Japan Growth Series 2	2		2				2									
Pru DWS Japan Growth Series 3		1	1				1									
Pru DWS Japan Growth Series 4		1	1				1									
Pru DWS Japan Growth Series 5		1	1				1									
Pru DWS Managed Portfolio Series 2	6		6				6									
Pru DWS Managed Portfolio Series 3		1	1				1									
Pru DWS Managed Portfolio Series 4		1	1				1									
Pru DWS Managed Portfolio Series 5		4	4				4									
Pru DWS UK Growth Series 2	168		168									9				159
Total																

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
Pru DWS UK Growth Series 3		1	1				1									
Pru DWS UK Growth Series 4		132	132				132									
Pru DWS UK Growth Series 5		26	26				26									
Pru Ethical Series 2	2		2				2									
Pru Ethical Series 3		1	1				1									
Pru Ethical Series 4		1	1				1									
Pru Ethical Series 5		1	1				1									
Pru European Tracker Series 2	2		2				2									
Pru European Tracker Series 3		1	1				1									
Pru European Tracker Series 4		1	1				1									
Pru European Tracker Series 5		1	1				1									
Pru Invesco Perpetual UK Growth Series 2	189		189				189						8			181
Pru Invesco Perpetual UK Growth Series 3		1	1				1									1
Total																

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
1	2	3	4	5	6	7	8									
Pru Invesco Perpetual UK Growth Series 4		157	157				157									
Pru Invesco Perpetual UK Growth Series 5		23	23				23									
Pru Newton Balanced Series 2	9		9				9									
Pru Newton Balanced Series 3		1	1				1									
Pru Newton Balanced Series 4		1	1				1									
Pru Newton Balanced Series 5		8	8				8									
Pru Newton Continental European Series 2	5		5				5									
Pru Newton Continental European Series 3		1	1				1									
Pru Newton Continental European Series 4		1	1				1									
Pru Newton Continental European Series 5		3	3				3									
Pru Newton International Growth Series 2	166		166			19	147									
Pru Newton International Growth Series 3		1	1				1									
Pru Newton International Growth Series 4		93	93				93									
Total																

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
1	2	3	4	5	6	7	8									
Pru Newton International Growth Series 5		43	43				43									
Pru Newton Oriental Series 2	2		2				2									
Pru Newton Oriental Series 3		1	1				1									
Pru Newton Oriental Series 4		1	1				1									
Pru Newton Oriental Series 5		1	1				1									
Pru UK Tracker Series 2	36		36				36									
Pru UK Tracker Series 3		1	1				1									
Pru UK Tracker Series 4		26	26				26									
Pru UK Tracker Series 5		9	9				9									
Schroders ManagedSeries 2	1041		1041			32	1009									
Schroders ManagedSeries 3		1	1				1									
Schroders ManagedSeries 4		264	264				264									
Schroders ManagedSeries 5		540	540				540									
Total																

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
Small Companies Unit Trust Series 1	266		266				266									
Small Companies Unit Trust Series 2		246	246				246									
Small Companies Unit Trust Series 3																
Small Companies Unit Trust Series 4		3	3				3									
Small Companies Unit Trust Series 5		5	5				5									
Special Situations Unit Trust Series 1	89		89				89									
Special Situations Unit Trust Series 2		89	89				89									
Strategic Growth Series 1	2129		2129				2129									
Strategic Growth Series 2		2046	2046				2046									
Strategic Growth Series 3																
Strategic Growth Series 4		5	5				5									
Strategic Growth Series 5		38	38				38									
UBS ManagedSeries 2	1468		1468				1434					34				
Total																

**Long term insurance business : Summarised balance sheet for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
								R43	793051	GL	31	12	2003	£000	OB	1
UBS ManagedSeries 3		1	1				1									
UBS ManagedSeries 4		553	553				553									
UBS ManagedSeries 5		796	796				796									
UK Growth Unit Trust Series 1	382		382				382									
UK Growth Unit Trust Series 2		375	375				375									
<b>Total</b>	<b>688783</b>	<b>576303</b>	<b>1265086</b>									<b>4669</b>		<b>1260417</b>		

**Long term insurance business : Aggregate revenue account for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary Long Term 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
			day	month	year				
<b>R44</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>OB</b>	<b>1</b>	<b>0</b>
Value of total creation of units						<b>11</b>			147993
Investment income attributable to the funds before deduction of tax						<b>12</b>			28284
Increase (decrease) in the value of investments in the financial year						<b>13</b>			54108
Other income						<b>14</b>			
Total income (11 to 14)						<b>19</b>			230385
Value of total cancellation of units						<b>21</b>			73660
Charges for management						<b>22</b>			6177
Charges in respect of tax on investment income						<b>23</b>			3984
Taxation on realised capital gains						<b>24</b>			100
Increase (decrease) in amount set aside for tax on capital gains not yet realised						<b>25</b>			
Other expenditure						<b>26</b>			
Total expenditure (21 to 26)						<b>29</b>			83921
Increase (decrease) in funds in financial year (19-29)						<b>39</b>			146464
Internal linked funds brought forward						<b>49</b>			537650
Internal linked funds carried forward (39+49)						<b>59</b>			684114

**Long term insurance business : Supplementary information for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund **Ordinary Long Term 1**

Name of fund 1	Company registration number 793051	GL/UK/CM GL	Period ended			Units £000	OB/IB OB	No of fund 1	No of part of Fund 0
			day 31	month 12	year 2003				
		Amount of taxable unrealised capital gain or loss 2	Percentage provision for tax on unrealised capital gains 3	Percentage provision for tax on realised capital gains 4	Liquidity percentage 5	Valuation price per unit 6			
Balanced Growth Series 1					14.25	2.19749			
Balanced Growth Series 2						2.19749			
Cash Series 1					64.44	5.51259			
Cash Series 2						5.01332			
Cash Series 3						0.97905			
Cash Series 4						0.97989			
Cash Series 5						0.97537			
Cautious UK Managed Series 2					51.04	0.989690			
Cautious UK Managed Series 3						0.98913			
Cautious UK Managed Series 4						0.98917			
Cautious UK Managed Series 5						0.9867			
Distribution Series 1		(362363)			20.00	9.88	1.111040		
Distribution Series 2							1.11104		
Distribution Cash Series 1						99.56	0.95655		
Distribution Cash Series 2							0.95655		
Equity Series 1						(2.02)	24.95554		
Equity Series 2							22.74158		
Equity Series 3							0.82515		
Equity Series 4							0.82526		
Equity Series 5							0.82145		
Equity Income Unit Trust Series 1						(0.06)	3.75226		
Equity Income Unit Trust Series 2							3.75226		
Equity Unit Trust Series 1						0.33	2.40081		

**Long term insurance business : Supplementary information for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund **Ordinary Long Term 1**

Name of fund <b>1</b>	Company registration number <b>793051</b>	GL/UK/CM <b>GL</b>	Period ended			Units <b>£000</b>	OB/IB <b>OB</b>	No of fund <b>1</b>	No of part of Fund <b>0</b>
			day <b>31</b>	month <b>12</b>	year <b>2003</b>				
		Amount of taxable unrealised capital gain or loss <b>2</b>	Percentage provision for tax on unrealised capital gains <b>3</b>	Percentage provision for tax on realised capital gains <b>4</b>	Liquidity percentage <b>5</b>	Valuation price per unit <b>6</b>			
Equity Unit Trust Series 2								2.40081	
European Series 1						(2.56)		5.10489	
European Series 2								4.69575	
European Series 3								0.82596	
European Series 4								0.82777	
European Series 5								0.82409	
European Unit Trust Series 1						(0.22)		3.81849	
European Unit Trust Series 2								3.81849	
Fixed Interest Series 1						89.34		9.90315	
Fixed Interest Series 2								8.99132	
Fixed Interest Series 3								1.0111	
Fixed Interest Series 4								1.01116	
Fixed Interest Series 5								1.0064	
Global Growth Unit Trust Series 1						(1.24)		2.45881	
Global Growth Unit Trust Series 2								2.45881	
High Income Unit Trust Series 1						1.22		3.33913	
High Income Unit Trust Series 2								3.33913	
International Series 1						0.02		8.23398	
International Series 2								7.5256	
International Series 3								0.83364	
International Series 4								0.83471	
International Series 5								0.83195	
International Growth Unit Trust Series 1						0.65		2.22158	

**Long term insurance business : Supplementary information for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund **Ordinary Long Term 1**

Name of fund	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund	No of part of Fund	
			day	month	year					
	<b>R45</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>OB</b>	<b>1</b>	<b>0</b>
1	2	3	4	5	6	Amount of taxable unrealised capital gain or loss	Percentage provision for tax on unrealised capital gains	Percentage provision for tax on realised capital gains	Liquidity percentage	Valuation price per unit
International Growth Unit TrustSeries 2										2.22158
Intl Small Co's Unit Trust Series 1								(0.97)		2.53577
Intl Small Co's Unit Trust Series 2										2.53577
Invenco Perp MgtSeries 2						20.00		0.38		0.84674
Invenco Perp MgtSeries 3										0.84256
Invenco Perp MgtSeries 4										0.84449
Invenco Perp MgtSeries 5										0.84007
INVESCO PERPETUAL INC.Series 2						20.00		1.11		1.201690
INVESCO PERPETUAL INC.Series 3										1.20001
INVESCO PERPETUAL INC.Series 4										1.19976
INVESCO PERPETUAL INC.Series 5										1.19668
Japanese Unit Trust Series 1								(0.12)		0.92996
Japanese Unit Trust Series 2										0.92996
Japanese Unit Trust Series 3										0.81015
Japanese Unit Trust Series 4										0.80955
Japanese Unit Trust Series 5										0.80239
M&G GILT & FI IncomeSeries 2								1.29		0.932620
M&G GILT & FI IncomeSeries 3										0.93063
M&G GILT & FI IncomeSeries 4										0.93089
M&G GILT & FI IncomeSeries 5										0.92871
M&G Cazenove Balanced Series 2						20.00		(0.09)		1.081790
M&G Cazenove Balanced Series 3										1.0809
M&G Cazenove Balanced Series 4										1.08035

**Long term insurance business : Supplementary information for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund **Ordinary Long Term 1**

Name of fund 1	Company registration number 793051	GL/UK/CM GL	Period ended			Units £000	OB/IB OB	No of fund 1	No of part of Fund 0
			day 31	month 12	year 2003				
		Amount of taxable unrealised capital gain or loss 2	Percentage provision for tax on unrealised capital gains 3	Percentage provision for tax on realised capital gains 4	Liquidity percentage 5	Valuation price per unit 6			
M&G Cazenove Balanced Series 5						1.07721			
M&G Cazenove Cautious Series 2				20.00	(0.05)	1.024670			
M&G Cazenove Cautious Series 3						1.02379			
M&G Cazenove Cautious Series 4						1.02326			
M&G Cazenove Cautious Series 5						1.0203			
M&G Cazenove Growth Series 2				20.00	(0.08)	1.126800			
M&G Cazenove Growth Series 3						1.12589			
M&G Cazenove Growth Series 4						1.12524			
M&G Cazenove Growth Series 5						1.12205			
M&G Corporate BondSeries 2					(1.22)	1.02681			
M&G Corporate BondSeries 3						1.02193			
M&G Corporate BondSeries 4						1.02499			
M&G Corporate BondSeries 5						1.01919			
M&G High Yield CORP BD.Series 2					6.90	1.018540			
M&G High Yield CORP BD.Series 3						1.01765			
M&G High Yield CORP BD.Series 4						1.01675			
M&G High Yield CORP BD.Series 5						1.01429			
M&G Managed GrowthSeries 2				20.00	1.82	0.89395			
M&G Managed GrowthSeries 3						0.88963			
M&G Managed GrowthSeries 4						0.8916			
M&G Managed GrowthSeries 5						0.88705			
Managed Series 1					14.15	12.2398			
Managed Series 2						11.18424			

**Long term insurance business : Supplementary information for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund **Ordinary Long Term 1**

Name of fund	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund	No of part of Fund	
			day	month	year					
	<b>R45</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>OB</b>	<b>1</b>	<b>0</b>
1	2	3	4	5	6	Amount of taxable unrealised capital gain or loss	Percentage provision for tax on unrealised capital gains	Percentage provision for tax on realised capital gains	Liquidity percentage	Valuation price per unit
Managed Series 3										0.88249
Managed Series 4										0.87537
Managed Series 5										0.87112
Managed Defensive Series 2								15.98		0.963000
Managed Defensive Series 3										0.96294
Managed Defensive Series 4										0.96294
Managed Defensive Series 5										0.96283
Merrill Lynch MgdSeries 2						20.00		2.04		0.8608
Merrill Lynch MgdSeries 3										0.85672
Merrill Lynch MgdSeries 4										0.85881
Merrill Lynch MgdSeries 5										0.85454
NEWTON HIGHER INC.Series 2						20.00		(0.21)		1.224370
NEWTON HIGHER INC.Series 3										1.22169
NEWTON HIGHER INC.Series 4										1.22269
NEWTON HIGHER INC.Series 5										1.21929
Newton ManagedSeries 2						20.00		1.21		0.83298
Newton ManagedSeries 3										0.82894
Newton ManagedSeries 4										0.83145
Newton ManagedSeries 5										0.82658
North America Unit Trust Series 1								0.08		4.65207
North America Unit Trust Series 2										4.65207
North American Series 1								(1.25)		4.66739
North American Series 2										4.29273

**Long term insurance business : Supplementary information for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund **Ordinary Long Term 1**

Name of fund <b>1</b>	Company registration number <b>793051</b>	GL/UK/CM <b>GL</b>	Period ended			Units <b>£000</b>	OB/IB <b>OB</b>	No of fund <b>1</b>	No of part of Fund <b>0</b>
			day <b>31</b>	month <b>12</b>	year <b>2003</b>				
		Amount of taxable unrealised capital gain or loss <b>2</b>	Percentage provision for tax on unrealised capital gains <b>3</b>	Percentage provision for tax on realised capital gains <b>4</b>	Liquidity percentage <b>5</b>	Valuation price per unit <b>6</b>			
North American Series 3								0.80993	
North American Series 4								0.81162	
North American Series 5								0.80773	
Pacific Basin Series 1						(0.29)		3.63821	
Pacific Basin Series 2								3.34805	
Pacific Basin Series 3								0.90206	
Pacific Basin Series 4								0.90359	
Pacific Basin Series 5								0.89972	
Pacific Markets Unit Trust Series 1						(1.19)		2.28781	
Pacific Markets Unit Trust Series 2								2.28781	
Pacific Markets Unit Trust Series 3								1.14446	
Pacific Markets Unit Trust Series 4								1.14451	
Pacific Markets Unit Trust Series 5								1.14155	
Premier Income Unit Trust Series 1						0.94		2.58325	
Premier Income Unit Trust Series 2								2.58325	
Property Series 1		(825426)				23.58		10.097680	
Property Series 2								9.17227	
Property Series 3								1.16349	
Property Series 4								1.16252	
Property Series 5								1.15704	
Pru (SAUT) Corporate Bond Series 2						44.56		0.926010	
Pru (SAUT) Corporate Bond Series 3								0.92549	
Pru (SAUT) Corporate Bond Series 4								0.92551	

**Long term insurance business : Supplementary information for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund **Ordinary Long Term 1**

Name of fund <b>1</b>	Company registration number <b>R45</b>	GL/UK/CM <b>793051</b>	Period ended			Units <b>£000</b>	OB/IB <b>OB</b>	No of fund <b>1</b>	No of part of Fund <b>0</b>
			GL	day	month				
			<b>31</b>	<b>12</b>	<b>2003</b>				
		Amount of taxable unrealised capital gain or loss <b>2</b>	Percentage provision for tax on unrealised capital gains <b>3</b>	Percentage provision for tax on realised capital gains <b>4</b>	Liquidity percentage <b>5</b>	Valuation price per unit <b>6</b>			
Pru (SAUT) Corporate Bond Series 5						0.92305			
Pru (SAUT) Equity Income Series 2					0.81	1.035270			
Pru (SAUT) Equity Income Series 3						1.03469			
Pru (SAUT) Equity Income Series 4						1.03473			
Pru (SAUT) Equity Income Series 5						1.03215			
Pru DWS American Growth Series 2					(0.12)	0.981260			
Pru DWS American Growth Series 3						0.98072			
Pru DWS American Growth Series 4						0.98076			
Pru DWS American Growth Series 5						0.97828			
Pru DWS Japan Growth Series 2					(0.99)	1.079000			
Pru DWS Japan Growth Series 3						1.07839			
Pru DWS Japan Growth Series 4						1.07844			
Pru DWS Japan Growth Series 5						1.07567			
Pru DWS Managed Portfolio Series 2					(0.15)	1.001800			
Pru DWS Managed Portfolio Series 3						1.00122			
Pru DWS Managed Portfolio Series 4						1.00128			
Pru DWS Managed Portfolio Series 5						0.99874			
Pru DWS UK Growth Series 2					20.00	1.017810	21.09		
Pru DWS UK Growth Series 3						1.01725			
Pru DWS UK Growth Series 4						1.01712			
Pru DWS UK Growth Series 5						1.01478			
Pru Ethical Series 2						1.034780	(1.04)		
Pru Ethical Series 3						1.03422			

**Long term insurance business : Supplementary information for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund **Ordinary Long Term 1**

Name of fund <b>1</b>	Company registration number <b>793051</b>	GL/UK/CM <b>GL</b>	Period ended			Units <b>£000</b>	OB/IB <b>OB</b>	No of fund <b>1</b>	No of part of Fund <b>0</b>
			day <b>31</b>	month <b>12</b>	year <b>2003</b>				
		Amount of taxable unrealised capital gain or loss <b>2</b>	Percentage provision for tax on unrealised capital gains <b>3</b>	Percentage provision for tax on realised capital gains <b>4</b>	Liquidity percentage <b>5</b>	Valuation price per unit <b>6</b>			
Pru Ethical Series 4							1.03426		
Pru Ethical Series 5							1.03168		
Pru European Tracker Series 2						(0.83)	1.060610		
Pru European Tracker Series 3							1.06002		
Pru European Tracker Series 4							1.06005		
Pru European Tracker Series 5							1.05734		
Pru Invesco Perpetual UK Growth Series 2				20.00		37.16	1.056440		
Pru Invesco Perpetual UK Growth Series 3							1.05588		
Pru Invesco Perpetual UK Growth Series 4							1.05588		
Pru Invesco Perpetual UK Growth Series 5							1.05339		
Pru Newton Balanced Series 2						(2.07)	1.039260		
Pru Newton Balanced Series 3							1.03868		
Pru Newton Balanced Series 4							1.03872		
Pru Newton Balanced Series 5							1.03624		
Pru Newton Continental European Series 2						(0.11)	1.053300		
Pru Newton Continental European Series 3							1.05272		
Pru Newton Continental European Series 4							1.05276		
Pru Newton Continental European Series 5							1.05019		
Pru Newton International Growth Series 2				20.00		24.03	1.057200		
Pru Newton International Growth Series 3							1.05664		
Pru Newton International Growth Series 4							1.05647		
Pru Newton International Growth Series 5							1.05413		
Pru Newton Oriental Series 2						(0.67)	1.097110		

**Long term insurance business : Supplementary information for internal linked funds**Name of insurer **Prudential Holborn Life Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund **Ordinary Long Term 1**

Name of fund <b>1</b>	Company registration number <b>793051</b>	GL/UK/CM <b>GL</b>	Period ended			Units <b>£000</b>	OB/IB <b>OB</b>	No of fund <b>1</b>	No of part of Fund <b>0</b>
			day <b>31</b>	month <b>12</b>	year <b>2003</b>				
		Amount of taxable unrealised capital gain or loss <b>2</b>	Percentage provision for tax on unrealised capital gains <b>3</b>	Percentage provision for tax on realised capital gains <b>4</b>	Liquidity percentage <b>5</b>	Valuation price per unit <b>6</b>			
Pru Newton Oriental Series 3						1.09653			
Pru Newton Oriental Series 4						1.09655			
Pru Newton Oriental Series 5						1.0937			
Pru UK Tracker Series 2						69.81	1.039110		
Pru UK Tracker Series 3						1.03855			
Pru UK Tracker Series 4						1.03859			
Pru UK Tracker Series 5						1.036			
Schroders ManagedSeries 2					20.00	0.44	0.86815		
Schroders ManagedSeries 3						0.86406			
Schroders ManagedSeries 4						0.86615			
Schroders ManagedSeries 5						0.86156			
Small Companies Unit Trust Series 1						(1.43)	2.19673		
Small Companies Unit Trust Series 2						2.19673			
Small Companies Unit Trust Series 3						0.88414			
Small Companies Unit Trust Series 4						0.88405			
Small Companies Unit Trust Series 5						0.87866			
Special Situations Unit Trust Series 1						(1.28)	2.39101		
Special Situations Unit Trust Series 2						2.39101			
Strategic Growth Series 1						(0.94)	2.25565		
Strategic Growth Series 2						2.25565			
Strategic Growth Series 3						0.82934			
Strategic Growth Series 4						0.82831			
Strategic Growth Series 5						0.82339			



**Long term insurance business : Summary of changes in ordinary long term business**Name of insurer **Prudential Holborn Life Limited**

Global business

United Kingdom business

Non-linked

Financial year ended **31st December 2003**

	Company registration number	GL/UK/CM	Period ended			Units	UK/OS	NL/LN	
			day	month	year				
	<b>R46</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>UK</b>	<b>NL</b>
	Life assurance and general annuity		Pensions business		Permanent health		Other business		
	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	
In force at beginning of year	<b>11</b>	8	8						
New business and increases	<b>12</b>								
Net transfers and other alterations 'on'	<b>13</b>								
Total 'on' (12+13)	<b>19</b>								
Deaths	<b>21</b>								
Other insured events	<b>22</b>								
Maturities	<b>23</b>								
Surrenders	<b>24</b>								
Forfeitures	<b>25</b>								
Conversions to paid-up policies for reduced benefits	<b>26</b>								
Net transfers, expiries and other alterations 'off'	<b>27</b>								
Total 'off' (21 to 27)	<b>29</b>								
In force at end of year (11+19-29)	<b>39</b>	8	8						

**Long term insurance business : Summary of changes in ordinary long term business**Name of insurer **Prudential Holborn Life Limited**

Global business

United Kingdom business

Linked

Financial year ended **31st December 2003**

	Company registration number	GL/UK/CM	Period ended			Units	UK/OS	NL/LN	
			day	month	year				
	<b>R46</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>UK</b>	<b>LN</b>
	Life assurance and general annuity		Pensions business		Permanent health		Other business		
	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	
In force at beginning of year	<b>11</b>	36655	1381						
New business and increases	<b>12</b>								
Net transfers and other alterations 'on'	<b>13</b>	136	143						
Total 'on' (12+13)	<b>19</b>	136	143						
Deaths	<b>21</b>	733	46						
Other insured events	<b>22</b>								
Maturities	<b>23</b>	14	6						
Surrenders	<b>24</b>	1012	94						
Forfeitures	<b>25</b>								
Conversions to paid-up policies for reduced benefits	<b>26</b>		20						
Net transfers, expiries and other alterations 'off'	<b>27</b>	1134	88						
Total 'off' (21 to 27)	<b>29</b>	2893	254						
In force at end of year (11+19-29)	<b>39</b>	33898	1270						



**Long term insurance business : Expected income from admissible assets not held to match liabilities in respect of linked benefits**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**Category of assets **Total long term business assets**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	<b>R48</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>10</b>
Type of asset			Value of admissible assets as shown on Form 13 <b>1</b>	Expected income from admissible assets <b>2</b>	Yield % <b>3</b>			
Land and buildings	<b>11</b>							
Fixed interest securities	Approved securities	<b>12</b>	8386	385	4.69			
	Other	<b>13</b>						
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities	<b>14</b>						
	Other	<b>15</b>						
Equity shares and holdings in collective investment schemes	<b>16</b>		56					
Loans secured by mortgages	<b>17</b>							
All other assets	Producing income	<b>18</b>	31232	1221	3.91			
	Not producing income	<b>19</b>	2841					
Total (11 to 19)	<b>29</b>		42515	1606	3.80			

**Long term insurance business : Analysis of admissible fixed interest and variable interest and variable yield securities not held to match liabilities in respect of linked benefits**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**Category of assets **Total long term business assets**Company  
registration  
number

GL/UK/CM

Period ended

day month year

Units

Category  
of assets

<b>R49</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>10</b>
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Redemption period in years			Value of admissible assets as shown on Form 13 <b>1</b>	Gross redemption yield % <b>2</b>	Value of admissible higher yielding assets <b>3</b>		Value of admissible assets as shown on Form 13 <b>4</b>	Gross redemption yield % <b>5</b>	Value of admissible higher yielding assets <b>6</b>
One year or less	<b>11</b>	Fixed interest approved securities				Variable interest and variable yield approved securities excluding equities			
More than one year but not more than five years	<b>12</b>								
More than five years but not more than ten years	<b>13</b>								
More than ten years but not more than fifteen years	<b>14</b>		875	4.79					
More than fifteen years but not more than twenty years	<b>15</b>								
More than twenty years but not more than twenty five years	<b>16</b>								
More than twenty five years	<b>17</b>		7511	4.68					
Irredeemable	<b>18</b>								
Total (11 to 18)	<b>19</b>		8386	4.69					
One year or less	<b>21</b>	Other fixed interest securities				Other variable interest and variable yield securities excluding equities			
More than one year but not more than five years	<b>22</b>								
More than five years but not more than ten years	<b>23</b>								
More than ten years but not more than fifteen years	<b>24</b>								
More than fifteen years but not more than twenty years	<b>25</b>								
More than twenty years but not more than twenty five years	<b>26</b>								
More than twenty five years	<b>27</b>								
Irredeemable	<b>28</b>								
Total (21 to 28)	<b>29</b>								

# PRUDENTIAL HOLBORN LIFE LIMITED

## Appendix 9.4

### VALUATION REPORT ON PRUDENTIAL HOLBORN LIFE LIMITED

1. The investigation relates to 31 December 2003.
2. The previous investigation related to 31 December 2002.
3. The valuation conforms with rule 5.6 of the Interim Prudential Sourcebook for Insurers.
4. (a) Not applicable.  
(b) Not applicable.  
(c) Not applicable.
- 5.(1) Categories of in force linked business are as follows: -
  - (i) Total Growth Policies
    - (a) Total Growth Policies
    - (b) These policies are United Kingdom, life assurance and general annuity, direct written, unit linked endowment and whole life assurances issued by Vavas seur.
    - (c) Frequency of premium can be regular or single.
    - (d) Premiums are applied to secure units in an internal series 1 fund.

The recurring premium policies are endowment assurance policies where the amount payable on death or maturity is the greater of the sum assured or the bid value of units.

The single premium policies are whole life contracts where the amount payable on death is the greater of the total bid value of the attributed units or the minimum guaranteed amount determined as follows:

Attained age of life assured at commencement of policy	Minimum amount guaranteed to be payable on death per £1,000 single premium £
Under 35	1,500
35 - 39	1,400
40 - 44	1,300
45 - 49	1,200
50 - 54	1,100
55 and over	1,000

The policy owner has the option of transferring all or part of their investment from the fund to a separate account known as the Fixed Account. No interest is payable in respect of any amounts so transferred and the policy owner may, from time to time, transfer any such balances back into the fund (to the extent that no loan exists on the security of the policy).

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

- (e) There are no guaranteed investment returns.
- (f) There is an initial charge equal to the difference between the bid price and the offer price (the "bid/offer spread") which is never greater than 5% of the offer price plus a rounding adjustment not exceeding 0.1p.

For the series 1 Managed, Equity, Fixed Interest, Property, Cash and International funds the Company deducts a fund management charge equal to 1/24% per month of the bid value of the units of that fund, excluding the bid value of any units held by that fund in any other fund.

For other series 1 funds, the Company deducts a fund management charge equal to 1/12% per month of the bid value of the units of that fund.

The percentage of premium invested is as shown below.

Recurring premium: amount invested each year is equal to the sum assured divided by the number of years of the policy's term.

Single premium: 100%

- (g) The bid offer spread is limited to 5%. The fund management charge is restricted to 1/24% per month of the bid value of the units for the series 1 Managed, Equity, Fixed Interest, Property, Cash and International funds. The management charges for other series 1 funds may be varied without upward limit.
- (h) The policy can be surrendered at any time without penalty, i.e. the surrender value is the bid value of the units.
- (i) Policies written directly by or reassured to Prudential Holborn Life Limited may have benefits linked to relevant series 1 or 2 units of the funds listed below. Total Growth policies invest in series 1 funds.

Balanced Growth Fund  
Cash Fund  
Distribution Cash  
Distribution Fund  
Equity Fund  
Equity Income Unit Trust Linked Fund  
Equity Unit Trust Linked Fund  
European Fund  
European Unit Trust Linked Fund  
Fixed Interest Fund  
Global Growth Unit Trust Linked Fund  
High Income Unit Trust Linked Fund  
International Fund  
International Growth Unit Trust Linked Fund  
International Small Companies Unit Trust Linked Fund  
Japanese Unit Trust Linked Fund  
Managed Fund  
North American Fund  
North American Unit Trust Linked Fund  
Pacific Basin Fund  
Pacific Markets Unit Trust Linked Fund  
Premier Income Unit Trust Linked Fund  
Property Fund  
Small Companies Unit Trust Linked Fund  
Special Situations Unit Trust Linked Fund  
Strategic Growth Fund  
UK Growth Unit Trust Linked Fund

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

In addition the following funds are available in series 2 and series 3, 4 and 5, business reassured from The Prudential Assurance Company Limited ( refer 5(1)(xvi) below ). Annual management charges depend on fund and series and are fully rebated to The Prudential Assurance Company Limited.

Cautious UK Managed Fund  
Corporate Bond Fund  
DWS American Growth Fund  
DWS Japan Growth Fund  
DWS Managed Portfolio Fund  
DWS UK Growth Fund  
Ethical Fund  
European Tracker Fund  
Equity Income Fund  
Invesco Perpetual Income Fund  
Invesco Perpetual Managed  
Invesco Perpetual UK Growth Fund  
M&G Cazenove Growth Portfolio  
M&G Cazenove Balanced Portfolio  
M&G Cazenove Cautious Managed Portfolio  
M&G High Yield Corporate Bond Fund  
M&G Gilt and Fixed Interest Income Fund  
Newton Higher Income Fund  
Newton International Growth Fund  
Newton Balanced Fund  
Newton Continental  
Newton Oriental Fund  
Prudential Managed Defensive Fund  
UK Tracker Fund  
M&G Corporate Bond  
M&G Managed Growth  
Merrill Lynch Managed  
Newton Managed  
Schroders Managed  
UBS Managed

The general nature of the investments of each Prudential Holborn Life Limited internal linked fund is as follows.

The investments funds may be direct or via other Prudential Life Funds or Prudential Unit Trusts.

Balanced Growth Fund:	Ordinary shares, index linked securities, fixed interest stocks and money market instruments
Cash Fund:	Short term money market deposits and instruments
Distribution Cash Fund:	Direct investment in short-term money market deposits
Distribution Fund:	Direct investment in equities, gilt edged and fixed interest securities, convertibles, cash and property
Equity Fund:	Ordinary shares of companies in the United Kingdom
European Fund:	European (excluding UK) securities
Fixed Interest Fund:	UK Government gilt-edged securities and other fixed-interest securities
International Fund:	UK and overseas stocks and shares
Managed Fund:	Ordinary shares in companies in the UK and overseas, fixed interest and index-linked securities, property and

cash

North American Fund:	North American stocks and shares
Pacific Basin Fund:	Investment in the securities markets of Japan, Hong Kong, Singapore and Australia
Property Fund:	Direct investment in commercial, industrial and agricultural properties, development projects and property modernisation programmes
Strategic Growth Fund:	Stocks and shares in a range of international companies (including UK)

The investments of the following funds are via M&G unit trusts

M&G Corporate Bond	Sterling fixed and variable rate securities including corporate bonds and debentures
M&G Managed Growth	M&G's range of authorised unit trusts
M&G Growth Portfolio	M&G's range of authorised unit trusts
M&G Balanced Portfolio	M&G's range of authorised unit trusts
M&G Cautious Managed Portfolio	M&G's range of authorised unit trusts
M&G High Yield Corporate Bond Fund	Fixed interest fund
M&G Gilt and Fixed Interest Income Fund	Fixed interest fund
M&G UK Tracker Fund	Tracks UK stocks and shares
M&G European Tracker Fund	tracks the FT/S&P World Index-Europe (excluding UK) by investing in representative stocks included in that index selected from all economic sectors

The investments of the following funds are via Scottish Amicable Unit Trusts

Corporate Bond Fund	UK and overseas equities and bonds
Invesco Perpetual Managed	UK and overseas equities and bonds
Equity Income Fund	UK and overseas equities and bonds
Ethical Fund	UK and overseas equities and bonds
Merrill Lynch Managed	UK and overseas equities and bonds
Newton Managed	UK and overseas equities and bonds
Schroders Managed	UK and overseas equities and bonds
UBS Managed	UK and overseas equities and bonds

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

The following funds invest in Prudential Unit Trusts:

Cautious UK Managed Fund	High percentage invested in fixed interest stocks in the UK
Equity Income Unit Trust Linked Fund:	UK stocks and shares and fixed interest securities
Equity Unit Trust Linked Fund:	Principally UK stocks and shares
European Unit Trust Linked Fund:	Stocks and shares of European companies (excluding UK)
Global Growth Unit Trust Linked Fund:	Ordinary stocks and shares of international companies
High Income Unit Trust Linked Fund:	UK stocks and shares and fixed interest securities
International Growth Unit Trust Linked Fund:	Mainly international stocks and shares
International Small Companies Unit Trust Linked Fund:	Mainly international stocks and shares
Prudential Managed Defensive Fund	Mixture of UK equities, properties and gilts
Japanese Unit Trust Linked Fund:	Japanese stocks and shares
North American Unit Trust Linked Fund:	United States and Canadian stocks and shares
Pacific Markets Unit Trust Linked Fund:	Investment primarily in the major Pacific markets (excluding Japan)
Premier Income Unit Trust Linked Fund:	Mainly fixed interest securities
Small Companies Unit Trust Linked Fund:	Stocks and shares of relatively small companies, principally in the UK
Special Situations Unit Trust Linked Fund:	Principally UK stocks and shares
UK Growth Unit Trust Linked Fund:	Principally UK stocks and shares

The following funds invest in DWS unit trusts

DWS American Growth Fund	American stocks and shares
DWS Japan Growth Fund	Japanese stocks and shares
DWS Managed Portfolio Fund	Investments may be made in all economic sectors and in any part of the world
DWS UK Growth Fund	Invests in UK top sectors

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

The following funds invest in Newton unit trusts

Newton Balanced Fund	UK and overseas equities and bonds
Newton Higher Income Fund	UK stocks and shares
Newton International Growth Fund	Portfolio of international securities
Newton Continental	Invest in European Stocks and Shares
Newton Oriental Fund	Investing in Asian and Pacific markets including Australia and New Zealand but excluding Japan.

The following funds invest in Invesco unit trusts

Invesco Perpetual Income Fund	UK stocks and shares
Invesco Perpetual UK Growth Fund	UK stocks and shares

Investment dealing costs are charged to the respective funds.

(j) Not applicable.

(k) The contract was not open to new business in the year to the valuation date.

(l) There were no increases in the rates of charges applied generally to contracts during the report period.

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

(ii) Capital Investment Portfolio (Mark 1)

(a) Capital Investment Portfolio (Mark 1)

(b) These policies are United Kingdom, life assurance and general annuity, direct written, unit linked whole life assurances.

(c) Single premiums only

(d) These bonds are similar to the Total Growth single premium policies in all major respects except that:

(1) There is no Fixed Account facility.

(2) Minimum guaranteed death benefits are determined as follows:

Attained age of life assured at commencement of policy	Minimum amount guaranteed to be payable on death per £1,000 single premium £
Under 35	2,000
35 – 39	1,750
40 – 44	1,500
45 – 49	1,400
50 – 54	1,300
55 – 59	1,200
60 – 64	1,100
65 and over	1,000

(e) There are no guaranteed investment returns.

(f) For details of the bid offer spread and fund management charges see 5(1)(i)(f)

The percentage of premium invested is: 100%.

(g) The bid offer spread is limited to 5%. The fund management charge is restricted to 1/24% per month of the bid value of the units for the series 1 Managed, Equity, Fixed Interest, Property, Cash and International funds.

(h) The policy can be surrendered in full or in part (minimum £50) at any time without penalty, i.e. the surrender value is the bid value of the units.

(i) See (5)(1)(i)(i).

(j) Not applicable.

(k) The contract was not open to new business.

(l) There were no increases in the rates of charges.

(iii) Maximum Investment Plan (Mark 1)

(a) Maximum Investment Plan (Mark 1)

(b) These policies are United Kingdom, life assurance and general annuity, direct written, unit linked whole life assurances.

(c) Frequency of premium can be annual or monthly.

(d) Premiums are invested in units of one or more of the internal series 1 funds.

The death benefit is the greater of the premiums paid and the bid value of units.

These policies have no surrender value if they are discontinued before the payment of one complete year's premium. Thereafter the cash surrender value is equal to the bid value of the units cancelled less a discontinuance charge, (unless the policy has previously become paid-up):

Number of complete years' premiums paid	Discontinuance charge as a percentage of one year's premium
1	40
2	37
3	34
4	30
5	26
6	22
7	17
8	12
9	6
10 or more	Nil

(e) There are no guaranteed investment returns.

(f) For details of the bid offer spread and fund management charge see 5(1)(i)(f).

The percentage of premium invested is as shown below:

First 10 years	:	100% (excluding any service charge)
Thereafter	:	105% (excluding any service charge)

The following premium charges are made:

£10 per annum if premium between £250 pa and £499.99 pa  
£1 per month if premium between £25 per month and £49.99 per month

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

(g) The bid offer spread is limited to 5%. The fund management charge is restricted to 1/24% per month of the bid value of the units for the series 1 Managed, Equity, Fixed Interest, Property, Cash and International funds.

(h) See (d) above for calculation of surrender value.

(i) See 5(1)(i)(i)

(j) Not applicable.

(k) The contract was not open to new business.

(l) There were no increases in the rates of charges.

(iv) Maximum Investment Plan (Mark 2)

(a) Maximum Investment Plan (Mark 2)

(b) These policies are United Kingdom, life assurance and general annuity direct written, unit linked whole life assurances.

(c) Frequency of premium can be annual or monthly.

(d) A percentage of each premium is invested in units of one or more of the internal series 1 funds.

The sum assured is 75% of the total premiums payable and the death benefit is the greater of the sum assured and the bid value of units.

The discontinuance charge on surrender depends upon the premium paying term and remains constant until 10 years prior to the end of that term. Thereafter the charge reduces each year to zero by the end of the term. Specimen discontinuance charges are as follows:

Term in years	Discontinuance charge as a % of first year's annual premium
10	35
15	50
20	65
25	80
30	90
35	100

(e) There are no guaranteed investment returns.

(f) For details of the bid offer spread and fund management charge see 5(1)(i)(f).  
Specimen percentages of premium invested are shown below:

Age next birthday at entry	Premium paying term					
	10	15	20	25	30	35
Up to 30	99.5	99.5	99.1	98.7	98.7	98.4
35	99.5	99.3	98.8	98.2	97.9	97.4
40	99.4	98.9	98.0	97.1	96.3	95.3
45	98.8	98.0	96.6	94.9	93.4	91.0
50	98.1	96.4	94.0	90.9	87.5	
55	96.6	93.6	89.3	83.5		
60	94.2	88.8	80.5			
65	90.3	80.0				
70	83.0					

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued).

(g) The bid offer spread is limited to 5%. The fund management charge is restricted to 1/24% per month of the bid value of the units for the series 1 Managed, Equity, Fixed Interest, Property, Cash and International funds.

(h) See (d) above for calculation of surrender value.

(i) See 5(1)(i)(i)

(j) Not applicable

(k) The contract was not open to new business.

(l) There were no increases in the rates of charges.

(v) Maximum Cover Plan

(a) Maximum Cover Plan

(b) These policies are United Kingdom, life assurance and general annuity direct written, unit linked whole life assurances.

(c) Frequency of premium can be annual or monthly.

(d) A percentage of each premium (excluding any service charge) is invested in units of one or more of the internal series 1 funds.

The death benefit is the greater of fifteen times one year's premium and the bid value of units.

The terms on which the Company grants surrender values for Maximum Cover Plan policies are the same as those for Maximum Investment Plan (Mark 1) policies.

(e) There are no guaranteed investment returns.

(f) For details of the bid offer spread and fund management charge see 5(1)(i)(f).

Specimen percentages of premium invested are shown below:

First 10 years:	Age next birthday at entry	Percentage of each premium invested (excluding any service charge)
	Up to 30	99.0
	35	98.6
	40	97.5
	45	95.8
	50	92.3
	55	85.0
Thereafter		105.0

The following premium charges are made:

£10 per annum if premium between £250 pa and £499.99 pa

£1 per month if premium between £25 per month and £49.99 per month

(g) The bid offer spread is limited to 5%. The fund management charge is restricted to 1/24% per month of the bid value of units for the series 1 Managed, Equity, Fixed Interest, Property, Cash and International funds.

(h) See (d) above for calculation of surrender value.

(i) See 5(1)(i)(i)

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

- (j) Not applicable.
- (k) The contract was not open to new business.
- (l) There were no increases in the rates of charges.

(vi) Flexible Investment Plan

- (a) Flexible Investment Plan
- (b) These policies are United Kingdom, life assurances and general annuity direct written unit linked whole life assurances.
- (c) Frequency of premium can be annual or monthly.
- (d) A percentage of each full rate premium (excluding any service charge) is invested in units of one or more of the internal series 1 funds.

The premiums are level until the policy anniversary prior to the life assured's 65th birthday, or until 10 years duration if later. Thereafter, the policyholder has the option to continue paying premiums at one half of the original amount.

The sum assured is 75% of the total premium payable until the policy anniversary following the life assured's 75th birthday and the death benefit is the greater of the sum assured and the bid value of units.

The basis of determining surrender values on these policies is identical to that applicable to Maximum Investment Plan (Mark 2) policies, the term being that for which full-rate premiums are paid.

- (e) There are no guaranteed investment returns.
- (f) For details of the bid offer spread and fund management charge see 5(1)(i)(f).

Specimen percentages of premium invested are shown below:

Age next birthday at entry	Percentage of each full-rate Premium invested
30	97.5
35	97.1
40	95.8
45	94.7
50	93.2
55	91.9
60	90.3
65	89.0

The percentage of each half-rate premium: 105% (excluding service charge).

The following premium charges are made:

£10 per annum if premium between £250 pa and £499.99 pa  
£1 per month if premium between £25 per month and £49.99 per month

- (g) The bid offer spread is limited to 5%. The fund management charge is restricted to 1/24% per month of the bid value of the units for the series 1 Managed, Equity, Fixed Interest, Property, Cash and International funds.

# PRUDENTIAL HOLBORN LIFE LIMITED

## Appendix 9.4 (continued)

(h) See (d) above for calculation of surrender value.

(i) See 5(1)(i)(i)

(j) Not applicable.

(k) The contract was not open to new business.

(l) There were no increases in the rates of charges.

(vii) Maximum Investment Plan (Mark 3)

(a) Maximum Investment Plan (Mark 3)

(b) These policies are United Kingdom, life assurance and general annuity direct written unit linked endowment assurances.

(c) Frequency of premium can be annual or monthly.

(d) A percentage of each premium is invested in units of one or more of the internal series 1 funds .

These policies have premiums payable for a specified term between 10 and 30 years. Thereafter, the policyholder has the option of continuing premium payments at the same level, with an increased investment percentage.

The sum assured is a percentage of premiums payable throughout the selected term. Up to age 56 next birthday at entry this is 75%. Above this age the percentage reduces by 2% for each year, to 47% at age 70 next birthday.

The death benefit is the greater of the sum assured and the bid value of units.

The terms on which the Company grants surrender values on these policies are identical to those applicable to Maximum Investment Plan (Mark 2) policies.

(e) There are no guaranteed investment returns.

(f) For details of the bid offer spread and fund management charge see 5 (1)(i)(f).

Specimen percentages of premium invested are shown below:

Age next birthday at entry	Premium paying term				
	10	15	20	25	30
Up to 35	98	98	98	98	98
40	98	98	97	97	97
45	97	97	96	95	94
50	96	95	93	91	88
55	95	92	89	84	
60	93	90	84		
65	92	87			
70	91				

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

Where premiums are paid annually, and are not less than £1,000 pa, the allocation to units is increased by 1%. In calculating the percentage, female ages are rated down by 3 years.

Premiums continued after selected term: 105%.

(g) The bid offer spread is limited to 5%. The fund management charge is restricted to 1/24% per month of the bid value of the units for the series 1 Managed, Equity, Fixed Interest, Property, Cash and International funds.

(h) See (d) above for calculation of surrender value.

(i) See 5(1)(i)(i)

(j) Not applicable

(k) The contract was not open to new business.

(l) There were no increases in the rates of charges.

#### (viii) Capital Investment Portfolio (Mark 2)

(a) Capital Investment Portfolio (Mark 2)

(b) These policies are United Kingdom life assurance and general annuity, direct written, unit linked whole life assurances.

(c) Single premium only.

(d) These bonds are similar in all respects to the Capital Investment Portfolio (Mark 1) bonds except that units are attributed in one or more of the series 2 funds.

(e) There are no guaranteed investment returns.

(f) There is an initial charge equal to the difference between the bid price and the offer price (the "bid/offer spread") which is never greater than 5% of the offer price plus a rounding adjustment not exceeding 0.1p.

For the series 1 Managed, Equity, Fixed Interest, Property, Cash and International funds, the Company deducts a fund management charge equal to 1/24% per month of the bid value of the units of that fund, excluding the bid value of any units held by that fund in any other fund. The assets of the corresponding series 2 funds currently consist entirely of units of the respective series 1 funds. The Company deducts from each of these series 2 funds an additional fund management charge, currently equal to 1/24% per month of the bid value of the series 1 units held; the effective fund management charge on these series 2 funds is thus currently 1/12% per month. The management charge on these series 2 funds can be varied, without upward limit.

For other series 1 funds, the Company deducts a fund management charge equal to 1/12% per month of the bid value of the units of that fund. The assets of the series 2 funds currently consist entirely of units of the respective series 1 funds. The Company does not currently deduct an additional fund management charge from the series 2 funds. The management charges for these series 1 and series 2 funds may be varied without upward limit.

The percentage of premium invested is as shown below:

100%. For investments made after 1 June 1982, increased percentages apply for policyholders with large investments up to 101% for total investments of £100,000 or more.

(g) The bid offer spread is limited to 5%.

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

(h) The policy can be surrendered in full or in part (minimum £50) at any time without penalty, i.e. the surrender value is the bid value of the units.

(i) See 5(1)(i)(i)

(j) Not applicable.

(k) The contract was not open to new business.

(l) There were no increases in the rates of charges.

(ix) Maximum Investment Plan (Mark 4)

(a) Maximum Investment Plan (Mark 4)

(b) These policies are United Kingdom life assurance and general annuity, direct written, unit linked endowment assurances.

(c) Frequency of premium can be annual or monthly.

(d) These policies are similar to the Maximum Investment Plan (Mark 3) policies except that:

(1) A percentage of each premium is invested in units of one or more of the series 2 funds.

(2) The maximum age next birthday at entry is 80 less the term, except for a 10 year term where it is 76. The scale of percentages for calculating sums assured has been extended. The percentage at age 76 next birthday is 35%.

(3) The policy is also issued on a joint-life and last survivor basis. The sum assured is based on the age next birthday of the younger life and is the same percentage of premiums payable throughout the selected term as for a single life plan at this age next birthday.

(4) At maturity the policyholder has the option to convert the policy to a whole of life contract or to extend the term by a minimum of 10 years, subject to (2) above.

(e) There are no guaranteed investment returns.

(f) For details of the bid offer spread and fund management charge see 5 (1) (viii) (f).

The percentage of premium invested is as shown below:

The percentage is the same as for Maximum Investment Plan (Mark 3). For ages at entry above 70, the percentage is 91, increased to 92 for annual premiums not less than £1,000. For joint lives, provided that the age next birthday of both lives is less than or equal to 80 minus the specified term, subject to a maximum term of 30 years, the percentage of each premium invested in units is the percentage for a single life policy on a male life whose age next birthday is equal to that of the male life less 20 years or the female life less 23 years whichever is the lower. Special rules apply where one of the lives is over age 80 minus the specified term at entry.

(g) The bid offer spread is limited to 5%.

(h) A surrender value is available at any time after payment of one complete years premium. Early surrender penalties are as for Maximum Investment Plan (Mark 3).

(i) See 5(1)(i)(i)

(j) Not applicable.

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

(k) The contract was not open to new business.

(l) There were no increases in the rates of charges.

(x) Maximum Investment Plan (Mark 4a)

(a) Maximum Investment Plan (Mark 4a)

(b) These policies are United Kingdom life assurance and general annuity, direct written, unit linked endowment assurances.

(c) Frequency of premium can be annual or monthly.

(d) These policies are similar to the Maximum Investment Plan (Mark 4) policies with different rates of allocation to units for varying sizes of premium.

(e) There are no guaranteed investment returns.

(f) For details of the bid offer spread and fund management charge see 5 (1) (viii) (f).

The percentage of premium invested is as shown below:

The percentage is the same as for Maximum Investment Plan (Mark 4) with the following variations:

Annual Premium	Monthly Premium	Change in Allocation
£2,500 - £4,999	Up to £499	+1%
£5,000 and over	£500 and over	+2%

For male lives over 55 next birthday and female lives over 58 next birthday there is a further 1% allocation for annual premiums of £10,000 and above.

The following premium charges are made:

monthly premiums - £1 per month policy fee per proposal  
annual premiums - no charge

(g) The bid offer spread is limited to 5%.

(h) Same as for Maximum Investment Plan (Mark 4)

(i) See 5(1)(i)(i)

(j) Not applicable.

(k) The contract was not open to new business.

(l) There were no increases in the rates of charges.

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

(xi) Flexible Investment Portfolio

(a) Flexible Investment Portfolio

(b) These policies are United Kingdom life assurance and general annuity, direct written, unit linked whole life assurances.

(c) Frequency of premium can be single or regular.

(d) Premiums are invested in units of one or more of the series 2 funds.

The single premium policies are similar in all respects to the Capital Investment Portfolio (Mark 2) policies.

The regular premium policies are purchased by level annual or monthly premiums.  
The death benefit is the greater of twice the yearly premium and the bid value of units.

The terms on which the Company grants surrender values on these policies are the same as those applicable to Maximum Investment Plan (Mark 1) policies, except for the scale of discontinuance charges, which are as follows:

Number of complete years' premiums paid	Discontinuance charge, as a percentage of one year's premium
Under 3	25
3	16
4	8
5 or more	Nil

(e) There are no guaranteed investment returns.

(f) For details of the bid offer spread and fund management charge see 5 (1) (viii) (f).  
The percentage of premium invested is as shown below:

Single and Regular investments: 100%. Increased percentages apply for policyholders with large single investments, up to 101% for total investments of £100,000 or more.

(g) The bid offer spread is limited to 5%.

(h) See (d) above for surrender value calculation.

(i) See 5(1)(i)(i)

(j) Not applicable

(k) The contract was not open to new business.

(l) There were no increases in the rates of charges.

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

(xii) Launch Bond

(a) Launch Bond

(b) These policies are United Kingdom life assurance and general annuity, direct written, unit linked whole life assurances.

(c) Single premium only.

(d) These are similar in most respects to the Capital Investment Portfolio (Mark 2) bonds. These contracts were only available for a limited period and offered an enhanced allocation rate.

The cash surrender amount is the bid value of the units cancelled less a discontinuance charge.

Policy year of surrender	Discontinuance charge, as a percentage of bid value of units
1	2.0%
2	1.5%
3	1.0%
4	0.5%
greater than 4	nil

(e) There are no guaranteed investment returns.

(f) For details of the bid offer spread and fund management charge see 5 (1) (viii) (f).

The percentage of premium invested is as shown below:

Application received by	Unit allocation
8 Jan 1988	103.5%
29 Jan 1988	102.5%

(g) The bid offer spread is limited to 5%.

(h) See (d) above for surrender value calculation.

(i) See 5(1)(i)(i)

(j) Not applicable

(k) The contract was not open to new business.

(l) There were no increases in the rates of charges.

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

(xiii) Private Portfolio

(a) Private Portfolio

(b) These policies are United Kingdom life assurance and general annuity, direct written, unit linked whole life assurances.

(c) Single premium only.

(d) These are invested in units in one or more of the series 2 funds. The policy may be written on the life of the investor alone, or on the joint lives of husband and wife with the death benefits payable on the second death.

The death benefit is 101% of the bid value of the units and the benefit on surrender is the bid value of the units.

(e) There are no guaranteed investment returns.

(f) For details of the bid offer spread and fund management charge see 5 (1) (viii) (f).

The percentage of premium invested is as shown below:

Premium received prior to 6 April 1990	Percentage of premium allocated
£2,500 - £4,999	99.0%
£5,000 - £9,999	100.5%
£10,000 - £24,999	101.5%
£25,000 and over	102.0%

Premium received after 5 April 1990	Percentage of premium allocated
£5,000 - £9,999	100.0%
£10,000 - £24,999	101.0%
£25,000 - £49,999	101.5%
£50,000 and over	102.0%

(g) The bid offer spread is limited to 5%.

(h) See (d) above for surrender value calculation.

(i) See 5(1)(i)(i)

(j) Not applicable

(k) The contract was not open to new business.

(l) There were no increases in the rates of charges.

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

(xiv) Money Manager 1

(a) Money Manager 1

(b) These policies, originally issued by London Indemnity and General Insurance Company Limited are United Kingdom life assurance and general annuity, direct written, unit linked whole life assurances.

(c) Monthly premiums only.

(d) Level monthly premiums are invested in Managed Fund series 1.

The death benefit is the greater of 180 times the monthly premium and the bid value of units.

(e) There are no guaranteed investment returns.

(f) For details of the bid offer spread and fund management charges see 5(1)(i)(f).

The percentage of premium invested is as shown below:

Year	Percentage of premium Allocated
1	50.0%
2 to 15 inclusive	90.0%
16 thereafter	100.0%

(g) The bid offer spread is limited to 5%. The fund management charge is restricted to 1/24% per month of the bid value of the units for the series 1 Managed, Equity, Fixed Interest, Property, Cash and International funds.

(h) The surrender value is the bid value of the units.

(i) See 5(1)(i)(i)

(j) Not applicable.

(k) The contract was not open to new business.

(l) There were no increases in the rates of charge.

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

(xv) Money Manager 2

(a) Money Manager 2

(b) These policies, originally issued by London Indemnity and General Insurance Company Limited are United Kingdom life assurance and general annuity, direct written, unit linked whole life assurances.

(c) Monthly or annual premiums only.

(d) These are similar to Money Manager 1, except for different allocation rates and the ability to pay annual premiums.

The death benefit is the greater of 180 times the monthly premium (or 15 times the annual premium) and the bid value of units.

(e) There are no guaranteed investment returns.

(f) For details of the bid offer spread and fund management charges see 5(i)(i)(f)

The percentage of premium invested is as shown below:

Year	Percentage of premium Allocated
1	55%
2 to 10 inclusive	88%
11 thereafter	100%

(g) The bid offer spread is limited to 5%. The fund management charge is restricted to 1/24% per month of the bid value of the units for the series 1 Managed, Equity, Fixed Interest, Property, Cash and International funds.

(h) The surrender value is the bid value of the units.

(i) See 5(1)(i)(i)

(j) Not applicable

(k) The contract was not open to new business.

(l) There were no increases in the rates of charges.

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

(xvi) Reassurance accepted from The Prudential Assurance Company Limited (PACL)

- (a) Reassurance accepted from The Prudential Assurance Company Limited (PACL)
  - (b) This reassurance is of unit linked Life Business which is linked to Prudential Holborn Life Limited internal linked funds, i.e. United Kingdom, life assurance and general annuity, reassurance accepted, unit linked whole life assurances.
  - (c) Single premiums only.
  - (d) The benefit payable on death is 101% of the bid value of units.
  - (e) There are no guaranteed investment returns.
  - (f) The premiums receivable are: The bid value of units credited to the agreement; the value, on 70% A67/70 Ultimate mortality, of the death benefits; and the administration and maintenance expenses of the business.
  - (g) Mortality charges cannot be varied at the company's discretion.
  - (h) The benefit payable on policy surrender or withdrawal is the bid value of the units.
  - (i) See 5(1)(i)(i)
  - (j) Not applicable
  - (k) The contract was open to new business in the year to the valuation date.
  - (l) There were no increases in the rates of charges applied generally to contracts during the report period.
- (2) Not applicable.
- (3) No categories of contract have been included under the miscellaneous heading in Forms 53 or 54.
- (4) A smoothed equity approach is taken to unit pricing. Current practice is as follows.

While the trend in the number of units in a unit fund is believed to be upward, the bid price is the creation price. While the trend in the number of units is believed to be downward, the bid price is the cancellation price. Where the trend is unclear or changing, the bid price may be between the creation price and the cancellation price. The offer price is then set equal to the bid price plus the initial charge plus a rounding adjustment not exceeding 0.1p.

The creation price is the cash cost of purchasing an identical portfolio of assets to that in the unit fund including all the costs that would be incurred in purchasing such assets, divided by the number of units in existence. The cancellation price is the cash amount for which the assets of the unit fund can be sold net of all costs that would be incurred in disposing of the assets, divided by the number of units in existence.

Unit prices are calculated and allocations to policies made daily. The associated cash is invested or withdrawn from the unit fund the day following the allocation.

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

- (5) Realised gains are taxed at 20% on crystallisation net of any amounts met by non linked reserves (refer below) and the tax is due immediately from the linked funds to the trading account. The instalment of tax arising on the deemed disposal of unit trust holdings is deducted annually from the fund at a similar rate.

No credit is taken for tax relief on realised losses in a fund until they are covered by gains in the same fund. A non linked reserve is held (within the 'unit price timing adjustment' described in 9(a) below) in respect of tax relief on realised losses not covered by gains in the same fund.

Reserves for tax on unrealised gains and outstanding instalments of deemed disposals, reduced as necessary to allow for realised losses in accordance with the above approach, have been made within the fund by purchasing units of the same fund. These reserves are currently between 19.54% and 20.00% of the corresponding liabilities. Transfers to and from the reserves take place on a daily basis.

- (6) Where investments are in Prudential Unit Trusts the purchase price is the underlying creation price. In the case of disinvestments the sale price is the underlying cancellation price. Prudential Unit Trusts rebate the fund management charge deducted from the unit trusts less a share of investment management expenses of the unit trusts. The full rebate (without deduction for the investment management expenses of the unit trusts) is credited to the respective linked funds with the deduction for investment management expenses being met by non linked funds.

6. (1) The general principles adopted in the valuation were as follows:

(a) Not applicable

- (b) For all business, the mathematical reserve is not less than any surrender value which a policyholder might reasonably expect to receive, excluding any element related to terminal bonus.

For linked business the company reserves the right to increase the annual management charge in some cases. The calculation of non unit reserves takes no credit for such increases.

- (c) The net premium method of valuation has been employed for the non-linked whole life assurances and deferred annuities. The only modification is the restriction of the net premium to a maximum of 95% of the office premium.

Under deferred annuities the cash option has been valued where this produces a higher liability.

Ordinary life and temporary annuities in course of payment were valued by discounting future payments.

- (d) Negative values have been eliminated from the liability. Additionally, all negative values which would arise at future valuations using the current basis projected forward have also been eliminated.

(e) No specific reserve has been made for future bonuses.

(f) See 5(5) above.

- (g) The recurring premium Total Growth policies guarantee that, at maturity, the value of units attributed will be not less than the minimum sum assured. No additional reserve is considered necessary for the 1 remaining contract, as the value of units exceeds the minimum sum assured by a sufficient margin.

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

(h) An additional reserve of £9,710,000 is held in respect of :-

	£
AIDS	100,000
Resilience (rule 5.17(b))	1,100,000
Exceptional development costs	1,000,000
Allowance for partial withdrawals	1,385,000
Profit share pending agreement	4,364,000
Other contingencies	1,761,000
Total	9,710,000

(2) Not applicable.

7. (1) See Forms 51 and 53.

7. (2) Not applicable.

7. (3) All business is issued in the United Kingdom, and United Kingdom tables of mortality and morbidity have been used.

7. (4) Annuities are generally valued using a percentage of the 92 series (year of birth) tables for annuitants and pensioners. In order to allow for mortality improvement, the CMIR 17 mortality improvement factors are applied up to and including 2004 and future improvement factors from 2005 are in line with the CMI medium cohort projections. Male future improvement factors are subject to a minimum improvement of 2%.

7. (5) An additional reserve of £100,000 is held in respect of AIDS. The provision for AIDS has been assessed on the assumptions underlying Projection R6A of the Institute of Actuaries Working Party Bulletin No. 5 but modified so that mortality rates are assumed not to decline from their peak values.

7. (6) The scenarios of future changes in the value of assets which have been tested were:

(a) a rise of 2% on short and long term gilts and cash, a fall in equity values of 19%, and a fall in property values of 20%.

(b) a rise of 1% on short and long term gilts and cash, a fall in equity values of 19%, and a fall in property values of 20%.

(c) a fall of 1% on short and long term gilts and cash, a fall in equity values of 20%, and a fall in property values of 20%.

Scenario (a) proved to be the most onerous.

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

- 7.(7) The assets backing the non-unit liabilities are shown in Form 57 and are primarily gilts and short term deposits. A comparison was made of the cashflows required on the valuation basis shown in 7(8) below and the actual cashflows from these assets, with any surplus asset cashflows being placed on short term deposit. As this indicated the asset cashflows were sufficient without selling the gilts before maturity or borrowing to meet the liability cashflows, no additional reserve has been made for cashflow mismatching.
- 7.(8) An additional reserve of £1,100,000 has been made. This was calculated as follows:
- (a) No changes in assumptions other than those stated in 7(6)(a) above, and interest rate changes as shown in Form 57, were made.
  - (b) The non-unit reserves were recalculated at the revised valuation interest rates and levels of fund management charge income.
  - (c)(i) There was a £305,000 increase in the aggregate amount of the long term liabilities.
  - (ii) The assets allocated to match such liabilities decreased in value by £706,000.
- 7.(9) Not applicable.
8. (a) See Form 51.
- (b) A conservative valuation rate of interest has been adopted for whole life assurances so that future expenses are covered by the margin in the assumed interest earnings. 2.0% of each payment is reserved for expenses of annuities in payment.
  - (c) Not applicable.
  - (d) Not applicable.
9. (a) For those policies on impaired lives which are subject to an extra premium, the additional reserve required is covered by the reserve held in 7(5) above. Most policies on under-average lives have been issued subject to a debt which has been disregarded in the calculation of policy reserves.
- For linked policy reinsurance accepted from PACL, units have been attributed to policies to cover benefits payable on surrender or switch, together with a further 1% of this amount to cover benefits payable on death. No reserve for future expenses is necessary.
- The liability for other linked policies has been taken as the sum of:
- (i) The value of attributed units at bid prices.
  - (ii) The amount (if any) on Fixed Account.
  - (iii) The value of future death benefits.
  - (iv) The value of future expenses and renewal commission.
  - (v) Less the value of future management charges allowing for any existing regular withdrawal instructions.

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

(vi) Less the value of that portion of future premiums not attributed to units.

In the case of regular premium contracts, in calculating (v) and (vi) premiums are assumed to continue in payment for the remaining term of the contract unless a higher reserve is obtained by assuming immediate cessation of premiums but with no change to the premium paying expenses in calculating (iv).

Where necessary (v) and then (vi) were adjusted to ensure that the reserve for an individual policy both currently and at any future date was at least equal to the value of attributed units.

A reserve, the "unit price timing adjustment" is held in respect of tax relief on realised losses not covered by gains in the same fund. No credit is taken in the calculation of the unit price for tax relief on realised losses not covered by gains in the same fund whereas in practice the Company is taxed as a single entity.

Valuation rate	3.20% net
Fund growth rate	4.0%

The fund growth rate is shown before reduction for annual fund charge (0.5% 1st Series, 1.0% 2nd Series).

Mortality: AM/AF92 – 3 years, with allowance for joint lives where appropriate.

Renewal expenses (net of tax relief at 20%) in respect of direct written business.

#### Single premium business

per policy	£21.30
------------	--------

#### Regular premium business

##### Premium paying

per policy	£36.35
------------	--------

per payment	£0.00
-------------	-------

##### Non premium paying

per policy	£21.30
------------	--------

There is no specific loading for claim expenses.

Inflation: 3.5% pa throughout (1st Series); 3.5% pa throughout (2nd Series).

Fund Charge: 0.5% pa (1st Series), and 1.0% pa (2nd Series) less rebate of the full fund management charge to The Prudential Assurance Company Limited in respect of reinsurance accepted business.

Investment expenses: 0.25% pa in respect of direct written business.

Minimum liability: bid value of units allocated. The value of future income is also restricted to ensure that the liability on the current basis projected to any future date is not less than the minimum liability at that date.

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

- (b) Not applicable.
- 10. (1) See answer to paragraph 9.
- 10. (2) The grossed up aggregate amount of expense allowance arising in the next twelve months from the loadings described in paragraph 9 is £1,996,000. This excludes the annual management charge rebated to PACL, where the amount due to PACL is that arising from the associated linked funds. In 2003 this amounted to £5,344,000 which is included in line 44 of Form 41.
- 10. (3) None of the directly written contracts is open to new business. The administration and maintenance expenses of reinsurance accepted are met by the ceding company.
- 10. (4) None of the directly written contracts is open to new business. The administration and maintenance expenses of reinsurance accepted are met by the ceding company.
- 11. (1) All mathematical reserves are matched by assets in the same currency.
- 12. (1) The Company has no reinsurance ceded on a facultative basis to a reinsurer who is not authorised to carry on insurance business in the United Kingdom.
- 12. (2)
  - (a) Swiss Re Life & Health plc.
  - (b) The reinsurer is permitted to carry on business in the United Kingdom.
  - (c) The reinsurer is not a connected company.
  - (d)(i) Prudential Holborn Life Limited has agreed to cede to the reinsurer and the latter is bound to accept, the excess of the amount at risk on any one life over £25,000 up to a maximum amount of £400,000. For linked assurances the amount at risk reflects the bid value of the units attributed to the reinsured policy, as valued daily, with due allowance for any discontinuance charges. Premiums for such reinsurances are payable on a monthly basis, calculated according to the amount at risk on the first day of each calendar month.

Any policies underwritten for larger benefits are offered to the reinsurer on a facultative basis.
  - (ii) Most linked benefits, with the exception of those linked to the Property and Distribution linked funds are reassured on a 50% quota share basis. This agreement commenced on 1 July 1994.

There is a credit risk in the event of the failure of the reinsurer. In the event that the reinsurer failed to meet 10% of its obligation, the short fall would be less than the assets of the company available to meet the required minimum margin at 31 December 2003.
  - (e)(i) The net yearly office premiums payable to the reinsurer for the year ending 31 December 2003 amounted to nil.
  - (ii) The premium payable to the reinsurer for the year ending 31 December 2003 was £1,132,000.
  - (f) Not applicable.
  - (g) Not applicable.
  - (h)(i) The treaty is open to new business.
  - (ii) The treaty is closed to new business.
- 12. (3) Not applicable

## PRUDENTIAL HOLBORN LIFE LIMITED

### Appendix 9.4 (continued)

13. There is only one with profits policy, and no with profits fund is maintained.
14. (1) The distribution of profits between participating policyholders and shareholders is determined by the Directors on the advice of the Appointed Actuary.
- (2) Not applicable.
- (3) Not applicable.
- (4) Not applicable.
15. A terminal bonus has been declared in respect of the with profit non-linked whole life assurance if it becomes a claim by death during 2003 at the rate of 708% of the sum assured.
16. See 15 above.
17. See Form 46.
18. See Form 47.
19. (1) See Forms 48 and 49.
- (2) Not applicable.
- (3) Not applicable.
- (4) Not applicable.
- (5) Not applicable.
20. See Forms 51, 53 and 55.
21. (1) See Form 57.
21. (2) The yield on assets other than equity shares and land was adjusted as follows:
- (i) gilts - no adjustment
- (ii) cash deposits - 0.20% reduction to take account of risk of default
21. (3) Not applicable.
22. See Form 58.
23. See Form 60.

.....  
D J Belsham  
Appointed Actuary  
March 2004

## Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Prudential Holborn Life Limited**

Global business

United Kingdom business

Financial year ended **31st December 2003**

Type of business **Life Assurance & General Annuity Insurance Business**      Company registration number **R51**      GL/UK/CM **GL**      Period ended **31 12 2003**      Units **£000**      UK/OS **UK**      Type of business **L&GA**      Category of surplus **11**

Category of surplus **Ordinary Long Term**

Type of insurance or name of contract <b>1</b>	Valuation basis		No of contracts <b>4</b>	Amount of sums assured or annuities per annum, including vested reversionary bonuses <b>5</b>	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits <b>8</b>	Value of sums assured or annuities per annum, including vested reversionary bonuses <b>9</b>	Value of annual premiums		Amount of mathematical reserves <b>12</b>
	Rate of interest <b>2</b>	Mortality or morbidity table <b>3</b>			Office premiums <b>6</b>	Net premiums <b>7</b>			Office premiums <b>10</b>	Net premiums <b>11</b>	
<b>DIRECT WRITTEN INSURANCE BUSINESS</b>											
<b>With-Profits Policies</b>											
Whole Life Assurance	3.20%	(c)	1	1			0.484				
<b>Sub total: With-Profits Policies</b>			<b>1</b>	<b>1</b>							
<b>Non-Profit Policies</b>											
Whole Life Assurance	3.20%	(c)	1	1			0.342	1			1
Annuities in payment	3.20%	(a)	5	3 3 pa				26			26
Deferred Annuity	3.20%	(b)	1	1 pa				13			13
<b>Sub total: Non-Profit Policies</b>			<b>7</b>	<b>4</b> <b>4 pa</b>				<b>40</b>			<b>40</b>
<b>Sub total: Direct Written Insurance Business</b>			<b>8</b>	<b>5</b> <b>4 pa</b>				<b>40</b>			<b>40</b>

## Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Prudential Holborn Life Limited**

Global business

United Kingdom business

Financial year ended **31st December 2003**

Type of business **Life Assurance & General Annuity Insurance Business**      Company registration number **R51**      GL/UK/CM **GL**      Period ended **31 12 2003**      Units **£000**      UK/OS **UK**      Type of business **L&GA**      Category of surplus **11**

Category of surplus **Ordinary Long Term**

Type of insurance or name of contract  1	Valuation basis		No of contracts  4	Amount of sums assured or annuities per annum, including vested reversionary bonuses  5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits  8	Value of sums assured or annuities per annum, including vested reversionary bonuses  9	Value of annual premiums		Amount of mathematical reserves  12
	Rate of interest  2	Mortality or morbidity table  3			Office premiums  6	Net premiums  7			Office premiums  10	Net premiums  11	
<b>REASSURANCE CEDED</b>											
<b>Non-Profit Policies</b>											
Deferred Annuity	3.20%	(b)	1	1 pa				13			13
<b>Sub total: Non-Profit Policies</b>			<b>1</b>	<b>1 pa</b>				<b>13</b>			<b>13</b>
<b>Sub total: Reassurance Ceded</b>			<b>1</b>	<b>1 pa</b>				<b>13</b>			<b>13</b>
<b>Net total: Life Assurance &amp; General Annuity Insurance Business</b>			<b>8</b>	<b>5 3 pa</b>				<b>27</b>			<b>27</b>

**Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)**Name of insurer **Prudential Holborn Life Limited**

Global business

United Kingdom business

Financial year ended **31st December 2003**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums	
1	2	3	4	5	6	7	8	9	10	11	12
<b>DIRECT WRITTEN INSURANCE BUSINESS</b>											
<b>Non-Profit Policies</b>											
Deferred Annuity	3.20%	(b)	8					1			1
<b>Sub total: Non-Profit Policies</b>			<b>8</b>					<b>1</b>			<b>1</b>
<b>Sub total: Direct Written Insurance Business</b>			<b>8</b>					<b>1</b>			<b>1</b>
<b>Net total: Pension Insurance Business</b>			<b>8</b>					<b>1</b>			<b>1</b>
<b>Net total: United Kingdom Insurance Business</b>			<b>16</b>	<b>5</b> <b>3 pa</b>				<b>28</b>			<b>28</b>

## Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Prudential Holborn Life Limited**

Global business

United Kingdom business

Financial year ended **31st December 2003**Type of business **Life Assurance & General Annuity Insurance Business**Category of surplus **Ordinary Long Term**Company  
registration  
number

GL/UK/CM

Period ended  
day month year

Units

UK/OS

Type of  
businessCategory  
of surplus

<b>R53</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>UK</b>	<b>L&amp;GA</b>	<b>11</b>
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Name of contract  <b>1</b>	Valuation basis		No of contracts  <b>4</b>	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link  <b>10</b>	Unit liability		Other liabilities		Amount of mathematical reserves  <b>15</b>
	Rate of interest  <b>2</b>	Mortality or morbidity table  <b>3</b>		Guaranteed on death  <b>5</b>	Current on death/current payable per annum  <b>6</b>	Guaranteed on maturity  <b>7</b>	Office premiums  <b>8</b>	Net premiums  <b>9</b>		Current benefit value  <b>11</b>	Discounted value  <b>12</b>	Mortality and expenses  <b>13</b>	Options and guarantees other than investment performance guarantees  <b>14</b>	
<b>DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies</b>														
WHOLE LIFE														
Total Growth Policies by single premium	(a)	(a)	58	186	1090				Internal Fund	1090	1090		248	1337
Capital Investment Portfolio Mk 1	(a)	(a)	4105	7333	46099				Internal Fund	46099	46099	306		46406
Maximum Investment Plan Mk 1	(a)	(a)	2633	23320	100861		844		Internal Fund	100861	100861	133		100993
Maximum Investment Plan Mk 2	(a)	(a)	841	716	5533		1		Internal Fund	5533	5533	196		5729
Maximum Cover Plan	(a)	(a)	152	727	5796		49		Internal Fund	5796	5796	8		5804
Flexible Investment Plan	(a)	(a)	179	1491	6335		54		Internal Fund	6335	6335	2		6337
Capital Investment Mk2 and Flexible Investment Portfolio (single)	(a)	(a)	17991	31764	101349				Internal Fund	100927	100927	834		101761
Capital Investment Mk2 and Flexible Investment Portfolio (regular)	(a)	(a)	144	113	1283		30		Internal Fund	1283	1283	8		1291
Launch Bond	(a)	(a)	1360	1498	3478				Internal Fund	3478	3478	188		3665
Private Portfolio	(a)	(a)	1996		9292				Internal Fund	9200	9200	182		9382
Money Manager 1	(a)	(a)	67	94	954		6		Internal Fund	954	954	97		1051
Money Manager 2	(a)	(a)	79	35	893		2		Internal Fund	893	893	115		1008

**Long term insurance business : Valuation summary of property linked contracts**Name of insurer **Prudential Holborn Life Limited**

Global business

United Kingdom business

Financial year ended **31st December 2003**Type of business **Life Assurance & General Annuity Insurance Business**Category of surplus **Ordinary Long Term**Company  
registration  
number

GL/UK/CM

Period ended  
day month year

Units

UK/OS

Type of  
businessCategory  
of surplus

<b>R53</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>UK</b>	<b>L&amp;GA</b>	<b>11</b>
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Name of contract <b>1</b>	Valuation basis		No of contracts <b>4</b>	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link <b>10</b>	Unit liability		Other liabilities		Amount of mathematical reserves <b>15</b>
	Rate of interest <b>2</b>	Mortality or morbidity table <b>3</b>		Guaranteed on death <b>5</b>	Current on death/current payable per annum <b>6</b>	Guaranteed on maturity <b>7</b>	Office premiums <b>8</b>	Net premiums <b>9</b>		Current benefit value <b>11</b>	Discounted value <b>12</b>	Mortality and expenses <b>13</b>	Options and guarantees other than investment performance guarantees <b>14</b>	
ENDOWMENTS														
Total Growth Policies by annual premium	(a)	(a)	1	1	4	1			Internal Fund	4	4			4
Maximum Investment Plan Mk 3	(a)	(a)	331	133	3083		10		Internal Fund	3083	3083	122		3206
Maximum Investment Plan Mk 4	(a)	(a)	2177	1096	16511		103		Internal Fund	16511	16511	503		17013
Maximum Investment Plan Mk 4a	(a)	(a)	1783	1786	17395		170		Internal Fund	17395	17395	301		17696
Reserve for Capital Gains										7159	7159			7159
UNIT PRICING TIMING ADJUSTMENT													10442	10442
ADDITIONAL RESERVE													9711	9711
<b>Sub total: Non-Profit Policies</b>			<b>33897</b>	<b>70293</b>	<b>319956</b>	<b>1</b>	<b>1269</b>			<b>326601</b>	<b>326601</b>	<b>2995</b>	<b>20401</b>	<b>349995</b>
<b>Sub total: Direct Written Insurance Business</b>			<b>33897</b>	<b>70293</b>	<b>319956</b>	<b>1</b>	<b>1269</b>			<b>326601</b>	<b>326601</b>	<b>2995</b>	<b>20401</b>	<b>349995</b>
REASSURANCE ACCEPTED														

**Long term insurance business : Valuation summary of property linked contracts**Name of insurer **Prudential Holborn Life Limited**

Global business

United Kingdom business

Financial year ended **31st December 2003**Type of business **Life Assurance & General Annuity Insurance  
Business**Category of surplus **Ordinary Long Term**Company  
registration  
number

GL/UK/CM

Period ended  
day month year

Units

UK/OS

Type of  
businessCategory  
of surplus

<b>R53</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>UK</b>	<b>L&amp;GA</b>	<b>11</b>
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Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Non-Profit Policies</b>														
WHOLE LIFE														
Prudence Bond					109655				Internal Fund	109575	109574			109574
Managed Bond					143413				Internal Fund	143351	139413			139413
Flexible bond					7808				Internal Fund	7803	7592			7592
Distribution bond					258569				Internal Fund	258361	258361			258361
Additional mortality reserve														
<b>Sub total: Non-Profit Policies</b>					<b>519445</b>					<b>519090</b>	<b>514940</b>			<b>514940</b>
<b>Sub total: Reassurance Accepted</b>					<b>519445</b>					<b>519090</b>	<b>514940</b>			<b>514940</b>
<b>REASSURANCE CEDED</b>														
<b>Non-Profit Policies</b>														
WHOLE LIFE														
Total Growth Policies by single premium	(a)	(a)		93	540				Internal Fund	540	540			540
Capital Investment Portfolio Mk 1	(a)	(a)		3666	20846				Internal Fund	20846	20846			20846

## Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Prudential Holborn Life Limited**

Global business

United Kingdom business

Financial year ended **31st December 2003**Type of business **Life Assurance & General Annuity Insurance Business**

Company registration number

GL/UK/CM

Period ended  
day month year

Units

UK/OS

Type of business

Category of surplus

Category of surplus **Ordinary Long Term**

<b>R53</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>UK</b>	<b>L&amp;GA</b>	<b>11</b>
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Name of contract <b>1</b>	Valuation basis		No of contracts <b>4</b>	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link <b>10</b>	Unit liability		Other liabilities		Amount of mathematical reserves <b>15</b>
	Rate of interest <b>2</b>	Mortality or morbidity table <b>3</b>		Guaranteed on death <b>5</b>	Current on death/current payable per annum <b>6</b>	Guaranteed on maturity <b>7</b>	Office premiums <b>8</b>	Net premiums <b>9</b>		Current benefit value <b>11</b>	Discounted value <b>12</b>	Mortality and expenses <b>13</b>	Options and guarantees other than investment performance guarantees <b>14</b>	
Maximum Investment Plan Mk 1	(a)	(a)		11660	47292		422		Internal Fund	47292	47292			47292
Maximum Investment Plan Mk 2	(a)	(a)		358	2530		1		Internal Fund	2530	2530			2530
Maximum Cover Plan	(a)	(a)		364	2760		21		Internal Fund	2760	2760			2760
Flexible Investment Plan	(a)	(a)		746	2961		25		Internal Fund	2961	2961			2961
Capital Investment Mk 2 and Flexible Investment Portfolio (single)	(a)	(a)		15882	46022				Internal Fund	45830	45830			45830
Capital Investment Mk2 and Flexible Investment Portfolio (regular)	(a)	(a)		57	592		15		Internal Fund	592	592			592
Launch Bond	(a)	(a)		749	1738				Internal Fund	1738	1738			1738
Private Portfolio	(a)	(a)			4378				Internal Fund	4335	4335			4335
Money Manager 1	(a)	(a)		47	434		3		Internal Fund	434	434			434
Money Manager 2	(a)	(a)		17	406		1		Internal Fund	406	406			406
Reassurances accepted from PAC					8291					8219	8219			8219
ENDOWMENTS														
Total Growth Policies by annual premium	(a)	(a)			2				Internal Fund	2	2			2
Maximum Investment Plan Mk 3	(a)	(a)		67	1405		5		Internal Fund	1405	1405			1405
Maximum Investment Plan Mk 4	(a)	(a)		548	6924		48		Internal Fund	6924	6924			6924

## Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Prudential Holborn Life Limited**

Global business

United Kingdom business

Financial year ended **31st December 2003**Type of business **Life Assurance & General Annuity Insurance  
Business**Category of surplus **Ordinary Long Term**Company  
registration  
number

GL/UK/CM

Period ended  
day month year

Units

UK/OS

Type of  
businessCategory  
of surplus

<b>R53</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>UK</b>	<b>L&amp;GA</b>	<b>11</b>
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Name of contract  <b>1</b>	Valuation basis		No of contracts  <b>4</b>	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link  <b>10</b>	Unit liability		Other liabilities		Amount of mathematical reserves  <b>15</b>
	Rate of interest  <b>2</b>	Mortality or morbidity table  <b>3</b>		Guaranteed on death  <b>5</b>	Current on death/current payable per annum  <b>6</b>	Guaranteed on maturity  <b>7</b>	Office premiums  <b>8</b>	Net premiums  <b>9</b>		Current benefit value  <b>11</b>	Discounted value  <b>12</b>	Mortality and expenses  <b>13</b>	Options and guarantees other than investment performance guarantees  <b>14</b>	
Maximum Investment Plan Mk 4a	(a)	(a)		893	7663		78		Internal Fund	7663	7663			7663
RESERVE FOR CAPITAL GAINS										2947	2947			2947
UNIT PRICING TIMING ADJUSTMENT												4906		4906
<b>Sub total: Non-Profit Policies</b>				<b>35147</b>	<b>154784</b>		<b>619</b>			<b>157424</b>	<b>157424</b>		<b>4906</b>	<b>162330</b>
<b>Sub total: Reassurance Ceded</b>				<b>35147</b>	<b>154784</b>		<b>619</b>			<b>157424</b>	<b>157424</b>		<b>4906</b>	<b>162330</b>
<b>Net total: Life Assurance &amp; General Annuity Insurance Business</b>			<b>33897</b>	<b>35146</b>	<b>684617</b>	<b>1</b>	<b>650</b>			<b>688267</b>	<b>684117</b>	<b>2995</b>	<b>15495</b>	<b>702605</b>
<b>Net total: United Kingdom Insurance Business</b>			<b>33897</b>	<b>35146</b>	<b>684617</b>	<b>1</b>	<b>650</b>			<b>688267</b>	<b>684117</b>	<b>2995</b>	<b>15495</b>	<b>702605</b>



## Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of insurer **Prudential Holborn Life Limited**

(Sheet 2)

Global business

United Kingdom business

Financial year ended **31st December 2003**Category of surplus **Ordinary Long Term**

Internal linked fund

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Company registration number			Period ended			Units	UK/OS	Category of surplus	IL/DH				
							R55	793051	GL	day month year							£000	UK	11	ILH
										31	12	2003								
1	2	3	4	5	6	7	Value of units or directly held assets deemed allocated to contracts		8	9	10									
							Gross	Reinsurance ceded												
Distribution Cash	Series 1	0.956550	183180	175	175		175	175												
Distribution Cash	Series 2	0.956550	183180	175		175	175													
<b>Sub total: Distribution Cash</b>				<b>350</b>	<b>175</b>	<b>175</b>	<b>350</b>	<b>175</b>												
Equity	Series 1	24.955540	1311634	32733	14364	18369	33752	15383												
Equity	Series 2	22.741580	568304	12924		12924	24953	12029												
Equity	Series 3	0.825150	68219	56		56	56													
Equity	Series 4	0.825260	670221	553		553	553													
Equity	Series 5	0.821450	1010033	830		830	830													
<b>Sub total: Equity</b>				<b>47096</b>	<b>14364</b>	<b>32732</b>	<b>60144</b>	<b>27412</b>												
Equity Income Unit Trust	Series 1	3.752260	37526	141	140	1	2	1												
Equity Income Unit Trust	Series 2	3.752260	37139	139		139	227	88												
<b>Sub total: Equity Income Unit Trust</b>				<b>280</b>	<b>140</b>	<b>140</b>	<b>229</b>	<b>89</b>												
Equity Unit Trust	Series 1	2.400810	30668	74	73	1	1													
Equity Unit Trust	Series 2	2.400810	30216	73		73	104	31												
<b>Sub total: Equity Unit Trust</b>				<b>147</b>	<b>73</b>	<b>74</b>	<b>105</b>	<b>31</b>												
European	Series 1	5.104890	1600256	8169	7957	212	348	136												

## Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of insurer **Prudential Holborn Life Limited**

(Sheet 3)

Global business

United Kingdom business

Financial year ended **31st December 2003**Category of surplus **Ordinary Long Term**

Internal linked fund

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Company registration number			Period ended			Units	UK/OS	Category of surplus	IL/DH				
							R55	793051	GL	day month year							£000	UK	11	ILH
										31	12	2003								
1	2	3	4	5	6	7	Value of units or directly held assets deemed allocated to contracts		8	9	10									
							Gross	Reinsurance ceded												
European	Series 2	4.695750	1637139	7688		7688	12801	5113												
European	Series 3	0.825960	526																	
European	Series 4	0.827770	45236	37		37	37													
European	Series 5	0.824090	281581	232		232	232													
<b>Sub total: European</b>				<b>16126</b>	<b>7957</b>	<b>8169</b>	<b>13418</b>	<b>5249</b>												
European Unit Trust	Series 1	3.818490	119813	458	446	12	16	4												
European Unit Trust	Series 2	3.818490	116559	445		445	544	99												
<b>Sub total: European Unit Trust</b>				<b>903</b>	<b>446</b>	<b>457</b>	<b>560</b>	<b>103</b>												
Fixed Interest	Series 1	9.903150	1738336	17215	8721	8494	14072	5578												
Fixed Interest	Series 2	8.991320	520034	4676		4676	10331	5655												
Fixed Interest	Series 3	1.011100	53010	54		54	54													
Fixed Interest	Series 4	1.011160	643012	650		650	650													
Fixed Interest	Series 5	1.006400	3212557	3233		3233	3233													
<b>Sub total: Fixed Interest</b>				<b>25828</b>	<b>8721</b>	<b>17107</b>	<b>28340</b>	<b>11233</b>												
Global Growth Unit Trust	Series 1	2.458810	41765	103	100	3	4	1												
Global Growth Unit Trust	Series 2	2.458810	40709	100		100	156	56												
<b>Sub total: Global Growth Unit Trust</b>				<b>203</b>	<b>100</b>	<b>103</b>	<b>160</b>	<b>57</b>												

## Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of insurer **Prudential Holborn Life Limited**

(Sheet 4)

Global business

United Kingdom business

Financial year ended **31st December 2003**Category of surplus **Ordinary Long Term**

Internal linked fund

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Company registration			Units	UK/OS	Category of surplus	IL/DH							
							R55	793051	GL					Period ended			£000	UK	11	ILH
														day	month	year				
1	2	3	4	5	6	7	Value of units or directly held assets deemed allocated to contracts		8	9	10									
							Gross	Reinsurance ceded												
High Income Unit Trust	Series 1	3.339130	20877	70	70															
High Income Unit Trust	Series 2	3.339130	20877	70		70		102		32										
<b>Sub total: High Income Unit Trust</b>				<b>140</b>	<b>70</b>	<b>70</b>		<b>102</b>		<b>32</b>										
International	Series 1	8.233980	1680650	13838	7756	6082		11192		5110										
International	Series 2	7.525600	1019348	7671		7671		14187		6516										
International	Series 3	0.833640	526																	
International	Series 4	0.834710	57121	48		48		48												
International	Series 5	0.831950	44502	37		37		37												
<b>Sub total: International</b>				<b>21594</b>	<b>7756</b>	<b>13838</b>		<b>25464</b>		<b>11626</b>										
International Growth Unit Trust	Series 1	2.221580	53928	120	117	3		4		1										
International Growth Unit Trust	Series 2	2.221580	52801	117		117		175		58										
<b>Sub total: International Growth Unit Trust</b>				<b>237</b>	<b>117</b>	<b>120</b>		<b>179</b>		<b>59</b>										
Intl Small Co's Unit Trust	Series 1	2.535770	28115	71	69	2		3		1										
Intl Small Co's Unit Trust	Series 2	2.535770	27472	70		70		112		42										
<b>Sub total: Intl Small Co's Unit Trust</b>				<b>141</b>	<b>69</b>	<b>72</b>		<b>115</b>		<b>43</b>										
Inveco Perp Mgt	Series 2	0.846740	2757735	2335	2095	240		240												

## Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of insurer **Prudential Holborn Life Limited**

(Sheet 5)

Global business

United Kingdom business

Financial year ended **31st December 2003**Category of surplus **Ordinary Long Term**

Internal linked fund

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Company registration number			Period ended			Units	UK/OS	Category of surplus	IL/DH				
							R55	793051	GL	day month year							£000	UK	11	ILH
										31	12	2003								
1	2	3	4	5	6	7	Value of units or directly held assets deemed allocated to contracts		8	9	10									
							Gross	Reinsurance ceded												
Inveco Perp Mgt	Series 3	0.842560	1579	1		1	1		1											
Inveco Perp Mgt	Series 4	0.844490	883439	746		746	746		746											
Inveco Perp Mgt	Series 5	0.840070	1604047	1348		1348	1348		1348											
<b>Sub total: Inveco Perp Mgt</b>				<b>4430</b>	<b>2095</b>	<b>2335</b>	<b>2335</b>		<b>2335</b>											
Invesco Perpetual Inc.	Series 2	1.201690	547920	658	307	351	351		351											
Invesco Perpetual Inc.	Series 3	1.200010	526	1		1	1		1											
Invesco Perpetual Inc.	Series 4	1.199760	21168	25		25	25		25											
Invesco Perpetual Inc.	Series 5	1.196680	234785	281		281	281		281											
<b>Sub total: Invesco Perpetual Inc.</b>				<b>965</b>	<b>307</b>	<b>658</b>	<b>658</b>		<b>658</b>											
Japanese Unit Trust	Series 1	0.929960	397274	369	369															
Japanese Unit Trust	Series 2	0.929960	351118	327		327	528	201												
Japanese Unit Trust	Series 3	0.810150	526																	
Japanese Unit Trust	Series 4	0.809550	4234	3		3	3		3											
Japanese Unit Trust	Series 5	0.802390	48691	39		39	39		39											
<b>Sub total: Japanese Unit Trust</b>				<b>738</b>	<b>369</b>	<b>369</b>	<b>570</b>	<b>201</b>												
M&G Gilt & Fixed Interest Income	Series 2	0.932620	1379401	1286	1235	51	51		51											
M&G Gilt & Fixed Interest Income	Series 3	0.930630	3663	3		3	3		3											

## Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of insurer **Prudential Holborn Life Limited**

(Sheet 6)

Global business

United Kingdom business

Financial year ended **31st December 2003**Category of surplus **Ordinary Long Term**

Internal linked fund

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)		
							Category of surplus			IL/DH	
							Units	UK/OS			R55
							Gross	Reinsurance ceded			
							8	9	10		
M&G Gilt & Fixed Interest Income	Series 4	0.930890	259781	242		242	242				
M&G Gilt & Fixed Interest Income	Series 5	0.928710	1066141	990		990	990				
<b>Sub total: M&amp;G Gilt &amp; Fixed Interest Income</b>				<b>2521</b>	<b>1235</b>	<b>1286</b>	<b>1286</b>				
M&G Cazenove Balanced	Series 2	1.081790	301913	327	298	29	29				
M&G Cazenove Balanced	Series 3	1.080900	526	1		1	1				
M&G Cazenove Balanced	Series 4	1.080350	237923	257		257	257				
M&G Cazenove Balanced	Series 5	1.077210	37295	40		40	40				
<b>Sub total: M&amp;G Cazenove Balanced</b>				<b>625</b>	<b>298</b>	<b>327</b>	<b>327</b>				
M&G Cazenove Cautious	Series 2	1.024670	223293	229	105	124	124				
M&G Cazenove Cautious	Series 3	1.023790	526	1		1	1				
M&G Cazenove Cautious	Series 4	1.023260	18640	19		19	19				
M&G Cazenove Cautious	Series 5	1.020300	83964	86		86	86				
<b>Sub total: M&amp;G Cazenove Cautious</b>				<b>335</b>	<b>105</b>	<b>230</b>	<b>230</b>				
M&G Cazenove Growth	Series 2	1.126800	84412	95	94	1	1				
M&G Cazenove Growth	Series 3	1.125890	526	1		1	1				
M&G Cazenove Growth	Series 4	1.125240	25642	29		29	29				
M&G Cazenove Growth	Series 5	1.122050	57605	65		65	65				



## Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of insurer **Prudential Holborn Life Limited**

(Sheet 8)

Global business

United Kingdom business

Financial year ended **31st December 2003**Category of surplus **Ordinary Long Term**

Internal linked fund

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Company registration number			Period ended			Units	UK/OS	Category of surplus	IL/DH				
							R55	793051	GL	day month year							£000	UK	11	ILH
										31	12	2003								
1	2	3	4	5	6	7	Value of units or directly held assets deemed allocated to contracts		8	9	10									
							Gross	Reinsurance ceded												
Managed	Series 1	12.239800	10351961	126706	71212	55494	90714	35220												
Managed	Series 2	11.184240	6123818	68490		68490	118794	50304												
Managed	Series 3	0.882490	518720	458		458	458													
Managed	Series 4	0.875370	777399	681		681	681													
Managed	Series 5	0.871120	1817904	1584		1584	1584													
<b>Sub total: Managed</b>				<b>197919</b>	<b>71212</b>	<b>126707</b>	<b>212231</b>	<b>85524</b>												
Managed Defensive	Series 2	0.963000	189007	182	172	10	10													
Managed Defensive	Series 3	0.962940	1579	2		2	2													
Managed Defensive	Series 4	0.962940	1579	2		2	2													
Managed Defensive	Series 5	0.962830	175354	169		169	169													
<b>Sub total: Managed Defensive</b>				<b>355</b>	<b>172</b>	<b>183</b>	<b>183</b>													
Merrill Lynch Mgd	Series 2	0.860800	956291	823	772	51	51													
Merrill Lynch Mgd	Series 3	0.856720	1579	1		1	1													
Merrill Lynch Mgd	Series 4	0.858810	337170	290		290	290													
Merrill Lynch Mgd	Series 5	0.854540	563070	481		481	481													
<b>Sub total: Merrill Lynch Mgd</b>				<b>1595</b>	<b>772</b>	<b>823</b>	<b>823</b>													
Newton Higher Inc.	Series 2	1.224370	713680	874	602	272	272													

## Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of insurer **Prudential Holborn Life Limited**

(Sheet 9)

Global business

United Kingdom business

Financial year ended **31st December 2003**Category of surplus **Ordinary Long Term**

Internal linked fund

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Company registration number			Units	UK/OS	Category of surplus	IL/DH	
							GL/UK/CM	Period ended						
							R55	793051	GL					31
1	2	3	4	5	6	7	Value of units or directly held assets deemed allocated to contracts		8	9	10			
							Gross	Reinsurance ceded						
Newton Higher Inc.	Series 3	1.221690	526	1		1	1							
Newton Higher Inc.	Series 4	1.222690	133713	163		163	163							
Newton Higher Inc.	Series 5	1.219290	358607	437		437	437							
<b>Sub total: Newton Higher Inc.</b>				<b>1475</b>	<b>602</b>	<b>873</b>	<b>873</b>							
Newton Managed	Series 2	0.832980	3187440	2655	2308	347	347							
Newton Managed	Series 3	0.828940	9167	8		8	8							
Newton Managed	Series 4	0.831450	1014586	844		844	844							
Newton Managed	Series 5	0.826580	1762096	1457		1457	1457							
<b>Sub total: Newton Managed</b>				<b>4964</b>	<b>2308</b>	<b>2656</b>	<b>2656</b>							
North America Unit Trust	Series 1	4.652070	19938	93	93									
North America Unit Trust	Series 2	4.652070	19938	93		93	123			30				
<b>Sub total: North America Unit Trust</b>				<b>186</b>	<b>93</b>	<b>93</b>	<b>123</b>			<b>30</b>				
North American	Series 1	4.667390	562521	2626	2581	45	73			28				
North American	Series 2	4.292730	533000	2288		2288	3923			1635				
North American	Series 3	0.809930	526											
North American	Series 4	0.811620	67063	54		54	54							
North American	Series 5	0.807730	294473	238		238	238							

**Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits**

Name of insurer **Prudential Holborn Life Limited**

(Sheet 10)

Global business

United Kingdom business

Financial year ended **31st December 2003**

Category of surplus **Ordinary Long Term**

Internal linked fund

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Company registration number			Period ended			Units	UK/OS	Category of surplus	IL/DH				
							R55	793051	GL	day month year							£000	UK	11	ILH
										31	12	2003								
1	2	3	4	5	6	7	Value of units or directly held assets deemed allocated to contracts		8	9	10									
							Gross	Reinsurance ceded												
<b>Sub total: North American</b>				<b>5206</b>	<b>2581</b>	<b>2625</b>	<b>4288</b>	<b>1663</b>												
Pacific Basin	Series 1	3.638210	1034944	3765	3621	144	265	121												
Pacific Basin	Series 2	3.348050	1036412	3470		3470	6507	3037												
Pacific Basin	Series 3	0.902060	526																	
Pacific Basin	Series 4	0.903590	35590	32		32	32													
Pacific Basin	Series 5	0.899720	132087	119		119	119													
<b>Sub total: Pacific Basin</b>				<b>7386</b>	<b>3621</b>	<b>3765</b>	<b>6923</b>	<b>3158</b>												
Pacific Markets Unit Trust	Series 1	2.287810	179417	410	396	14	21	7												
Pacific Markets Unit Trust	Series 2	2.287810	172423	394		394	602	208												
Pacific Markets Unit Trust	Series 3	1.144460	526	1		1	1													
Pacific Markets Unit Trust	Series 4	1.144510	526	1		1	1													
Pacific Markets Unit Trust	Series 5	1.141550	526	1		1	1													
<b>Sub total: Pacific Markets Unit Trust</b>				<b>807</b>	<b>396</b>	<b>411</b>	<b>626</b>	<b>215</b>												
Premier Income Unit Trust	Series 1	2.583250	6561	17	17															
Premier Income Unit Trust	Series 2	2.583250	6559	17		17	34	17												
<b>Sub total: Premier Income Unit Trust</b>				<b>34</b>	<b>17</b>	<b>17</b>	<b>34</b>	<b>17</b>												

## Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of insurer **Prudential Holborn Life Limited**

(Sheet 11)

Global business

United Kingdom business

Financial year ended **31st December 2003**Category of surplus **Ordinary Long Term**

Internal linked fund

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Company registration number			Period ended			Units	UK/OS	Category of surplus	IL/DH				
							R55	793051	GL	day month year							£000	UK	11	ILH
										31	12	2003								
1	2	3	4	5	6	7	Value of units or directly held assets deemed allocated to contracts		8	9	10									
							Gross	Reinsurance ceded												
Property	Series 1	10.097680	12877413	130032	117900	12132	12132													
Property	Series 2	9.172270	3288807	30166		30166	30166													
Property	Series 3	1.163490	612662	713		713	713													
Property	Series 4	1.162520	15153067	17616		17616	17616													
Property	Series 5	1.157040	55028380	63670		63670	63670													
<b>Sub total: Property</b>				<b>242197</b>	<b>117900</b>	<b>124297</b>	<b>124297</b>													
Pru (SAUT) Corporate Bond	Series 2	0.926010	11601	11	11															
Pru (SAUT) Corporate Bond	Series 3	0.925490	526																	
Pru (SAUT) Corporate Bond	Series 4	0.925510	526																	
Pru (SAUT) Corporate Bond	Series 5	0.923050	10055	9		9		9												
<b>Sub total: Pru (SAUT) Corporate Bond</b>				<b>20</b>	<b>11</b>	<b>9</b>		<b>9</b>												
Pru (SAUT) Equity Income	Series 2	1.035270	2135	2	1	1		1												
Pru (SAUT) Equity Income	Series 3	1.034690	526	1		1		1												
Pru (SAUT) Equity Income	Series 4	1.034730	526	1		1		1												
Pru (SAUT) Equity Income	Series 5	1.032150	526	1		1		1												
<b>Sub total: Pru (SAUT) Equity Income</b>				<b>5</b>	<b>1</b>	<b>4</b>		<b>4</b>												
Pru DWS American Growth	Series 2	0.981260	8318	8	7	1		1												

## Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of insurer **Prudential Holborn Life Limited**

(Sheet 12)

Global business

United Kingdom business

Financial year ended **31st December 2003**Category of surplus **Ordinary Long Term**

Internal linked fund

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Company registration number			Units	UK/OS	Category of surplus	IL/DH	
							GL/UK/CM	Period ended						
							R55	793051	GL					31
1	2	3	4	5	6	7	Value of units or directly held assets deemed allocated to contracts		8	9	10			
							Gross	Reinsurance ceded						
Pru DWS American Growth	Series 3	0.980720	526	1		1	1							
Pru DWS American Growth	Series 4	0.980760	526	1		1	1							
Pru DWS American Growth	Series 5	0.978280	6719	7		7	7							
<b>Sub total: Pru DWS American Growth</b>				<b>17</b>	<b>7</b>	<b>10</b>	<b>10</b>							
Pru DWS Japan Growth	Series 2	1.079000	2164	2	1	1	1							
Pru DWS Japan Growth	Series 3	1.078390	526	1		1	1							
Pru DWS Japan Growth	Series 4	1.078440	526	1		1	1							
Pru DWS Japan Growth	Series 5	1.075670	526	1		1	1							
<b>Sub total: Pru DWS Japan Growth</b>				<b>5</b>	<b>1</b>	<b>4</b>	<b>4</b>							
Pru DWS Managed Portfolio	Series 2	1.001800	6005	6	5	1	1							
Pru DWS Managed Portfolio	Series 3	1.001220	526	1		1	1							
Pru DWS Managed Portfolio	Series 4	1.001280	526	1		1	1							
Pru DWS Managed Portfolio	Series 5	0.998740	4406	4		4	4							
<b>Sub total: Pru DWS Managed Portfolio</b>				<b>12</b>	<b>5</b>	<b>7</b>	<b>7</b>							
Pru DWS UK Growth	Series 2	1.017810	156695	159	158	1	1							
Pru DWS UK Growth	Series 3	1.017250	526	1		1	1							
Pru DWS UK Growth	Series 4	1.017120	129788	132		132	132							

## Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of insurer **Prudential Holborn Life Limited**

(Sheet 13)

Global business

United Kingdom business

Financial year ended **31st December 2003**Category of surplus **Ordinary Long Term**

Internal linked fund

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Company registration number			Units	UK/OS	Category of surplus	IL/DH	
							GL/UK/CM	Period ended						
							R55	793051	GL					31
1	2	3	4	5	6	7	Value of units or directly held assets deemed allocated to contracts		8	9	10			
							Gross	Reinsurance ceded						
Pru DWS UK Growth	Series 5	1.014780	25734	26		26	26							
<b>Sub total: Pru DWS UK Growth</b>				<b>318</b>	<b>158</b>	<b>160</b>	<b>160</b>							
Pru Ethical	Series 2	1.034780	2139	2	1	1	1							
Pru Ethical	Series 3	1.034220	526	1		1	1							
Pru Ethical	Series 4	1.034260	526	1		1	1							
Pru Ethical	Series 5	1.031680	526	1		1	1							
<b>Sub total: Pru Ethical</b>				<b>5</b>	<b>1</b>	<b>4</b>	<b>4</b>							
Pru European Tracker	Series 2	1.060610	2149	2	1	1	1							
Pru European Tracker	Series 3	1.060020	526	1		1	1							
Pru European Tracker	Series 4	1.060050	526	1		1	1							
Pru European Tracker	Series 5	1.057340	526	1		1	1							
<b>Sub total: Pru European Tracker</b>				<b>5</b>	<b>1</b>	<b>4</b>	<b>4</b>							
Pru Invesco Perpetual UK Growth	Series 2	1.056440	171416	181	180	1	1							
Pru Invesco Perpetual UK Growth	Series 3	1.055880	526	1		1	1							
Pru Invesco Perpetual UK Growth	Series 4	1.055880	148268	157		157	157							
Pru Invesco Perpetual UK Growth	Series 5	1.053390	22073	23		23	23							
<b>Sub total: Pru Invesco Perpetual UK Growth</b>				<b>362</b>	<b>180</b>	<b>182</b>	<b>182</b>							

## Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of insurer **Prudential Holborn Life Limited**

(Sheet 14)

Global business

United Kingdom business

Financial year ended **31st December 2003**Category of surplus **Ordinary Long Term**

Internal linked fund

Company  
registration  
number

GL/UK/CM

Period ended  
day month year

Units

UK/OS

Category  
of surplus

IL/DH

R55	793051	GL	31	12	2003	£000	UK	11	ILH
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1	2	3	4	5	6	7	8		9	10
							Gross	Reinsurance ceded		
Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)	
Pru Newton Balanced	Series 2	1.039260	9035	9	8	1	1			
Pru Newton Balanced	Series 3	1.038680	526	1		1	1			
Pru Newton Balanced	Series 4	1.038720	526	1		1	1			
Pru Newton Balanced	Series 5	1.036240	7403	8		8	8			
<b>Sub total: Pru Newton Balanced</b>				<b>19</b>	<b>8</b>	<b>11</b>	<b>11</b>			
Pru Newton Continental European	Series 2	1.053300	4465	5	4	1	1			
Pru Newton Continental European	Series 3	1.052720	526	1		1	1			
Pru Newton Continental European	Series 4	1.052760	526	1		1	1			
Pru Newton Continental European	Series 5	1.050190	2843	3		3	3			
<b>Sub total: Pru Newton Continental European</b>				<b>10</b>	<b>4</b>	<b>6</b>	<b>6</b>			
Pru Newton International Growth	Series 2	1.057200	139277	147	137	10	10			
Pru Newton International Growth	Series 3	1.056640	526	1		1	1			
Pru Newton International Growth	Series 4	1.056470	88261	93		93	93			
Pru Newton International Growth	Series 5	1.054130	41146	43		43	43			
<b>Sub total: Pru Newton International Growth</b>				<b>284</b>	<b>137</b>	<b>147</b>	<b>147</b>			
Pru Newton Oriental	Series 2	1.097110	2167	2	1	1	1			
Pru Newton Oriental	Series 3	1.096530	526	1		1	1			

## Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of insurer **Prudential Holborn Life Limited**

(Sheet 15)

Global business

United Kingdom business

Financial year ended **31st December 2003**Category of surplus **Ordinary Long Term**

Internal linked fund

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Company registration number			Units	UK/OS	Category of surplus	IL/DH	
							GL/UK/CM	Period ended						
							R55	793051	GL					31
1	2	3	4	5	6	7	Value of units or directly held assets deemed allocated to contracts		8	9	10			
							Gross	Reinsurance ceded						
Pru Newton Oriental	Series 4	1.096550	526	1		1	1							
Pru Newton Oriental	Series 5	1.093700	526	1		1	1							
<b>Sub total: Pru Newton Oriental</b>				<b>5</b>	<b>1</b>	<b>4</b>	<b>4</b>							
Pru UK Tracker	Series 2	1.039110	34853	36	35	1	1							
Pru UK Tracker	Series 3	1.038550	526	1		1	1							
Pru UK Tracker	Series 4	1.038590	24931	26		26	26							
Pru UK Tracker	Series 5	1.036000	8836	9		9	9							
<b>Sub total: Pru UK Tracker</b>				<b>72</b>	<b>35</b>	<b>37</b>	<b>37</b>							
Schroders Managed	Series 2	0.868150	1162316	1009	805	204	204							
Schroders Managed	Series 3	0.864060	1579	1		1	1							
Schroders Managed	Series 4	0.866150	304966	264		264	264							
Schroders Managed	Series 5	0.861560	626215	540		540	540							
<b>Sub total: Schroders Managed</b>				<b>1814</b>	<b>805</b>	<b>1009</b>	<b>1009</b>							
Small Companies Unit Trust	Series 1	2.196730	121269	266	255	11	20				9			
Small Companies Unit Trust	Series 2	2.196730	112040	246		246	449				203			
Small Companies Unit Trust	Series 3	0.884140	526											
Small Companies Unit Trust	Series 4	0.884050	3895	3		3	3							

## Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of insurer **Prudential Holborn Life Limited**

(Sheet 16)

Global business

United Kingdom business

Financial year ended **31st December 2003**Category of surplus **Ordinary Long Term**

Internal linked fund

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Company registration number			Period ended			Units	UK/OS	Category of surplus	IL/DH				
							R55	793051	GL	day month year							£000	UK	11	ILH
										31	12	2003								
1	2	3	4	5	6	7	Value of units or directly held assets deemed allocated to contracts		8	9	10									
							Gross	Reinsurance ceded												
Small Companies Unit Trust	Series 5	0.878660	6055	5		5	5													
<b>Sub total: Small Companies Unit Trust</b>				<b>520</b>	<b>255</b>	<b>265</b>	<b>477</b>	<b>212</b>												
Special Situations Unit Trust	Series 1	2.391010	37053	89	89															
Special Situations Unit Trust	Series 2	2.391010	37053	89		89	138	49												
<b>Sub total: Special Situations Unit Trust</b>				<b>178</b>	<b>89</b>	<b>89</b>	<b>138</b>	<b>49</b>												
Strategic Growth	Series 1	2.255650	943926	2129	2090	39	64	25												
Strategic Growth	Series 2	2.255650	907071	2046		2046	3381	1335												
Strategic Growth	Series 3	0.829340	526																	
Strategic Growth	Series 4	0.828310	6455	5		5	5													
Strategic Growth	Series 5	0.823390	46587	38		38	38													
<b>Sub total: Strategic Growth</b>				<b>4218</b>	<b>2090</b>	<b>2128</b>	<b>3488</b>	<b>1360</b>												
UBS Managed	Series 2	0.885260	1620409	1434	1350	84	84													
UBS Managed	Series 3	0.881130	1579	1		1	1													
UBS Managed	Series 4	0.882950	626596	553		553	553													
UBS Managed	Series 5	0.877900	906742	796		796	796													
<b>Sub total: UBS Managed</b>				<b>2784</b>	<b>1350</b>	<b>1434</b>	<b>1434</b>													



**Long term insurance business : Matching rectangle**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**

Sterling liabilities

Valuation rate(s) of interest **0.00%**Type of business **Life Assurance and Annuity Insurance Business**

Non profit

Category of assets **Total long term business assets**

Company registration number	GL/UK/CM	Period ended			Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets	
		day	month	year							
<b>R57</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>Stg</b>	<b>0.00</b>	<b>L&amp;GA</b>	<b>NP</b>	<b>10</b>
Type of asset notionally allocated	The valuation				The resilience scenario						
	Value of asset notionally allocated	Risk adjusted yield %	Value of assets notionally allocated			Risk adjusted yield %					
			On original allocation	Increase or decrease	Total under resilience scenario						
1	2	3	4	5	6						
Land and buildings	11										
Fixed interest securities	Approved securities	12									
	Other	13									
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14									
	Other	15									
Equity shares and holdings in collective investment schemes	16										
Loans secured by mortgages	17										
All other assets	Producing income	18	12908	3.70	12908			12908	5.70		
	Not producing income	19									
Total (11 to 19)	29	12908	3.70	12908			12908	5.70			
Gross valuation interest rate %	31			0					0		
Net valuation interest rate % (where appropriate)	32			0					0		
Mathematical reserve or other liability, net of reinsurance	33	12908						12908			

**Long term insurance business : Matching rectangle**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**

Sterling liabilities

Valuation rate(s) of interest **3.20%**

Type of business

**Life Assurance and Annuity Insurance Business**

Non profit

Category of assets

**Total long term business assets**

Company registration number	GL/UK/CM	Period ended			Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets	
		day	month	year							
<b>R57</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>Stg</b>	<b>3.20</b>	<b>L&amp;GA</b>	<b>NP</b>	<b>10</b>
Type of asset notionally allocated	The valuation				The resilience scenario						
	Value of asset notionally allocated	Risk adjusted yield %	Value of assets notionally allocated			Risk adjusted yield %					
			On original allocation	Increase or decrease	Total under resilience scenario						
1	2	3	4	5	6						
Land and buildings	11										
Fixed interest securities	Approved securities	12	5608	4.75	5608	(795)	4813	6.75			
	Other	13									
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14									
	Other	15									
Equity shares and holdings in collective investment schemes	16										
Loans secured by mortgages	17										
All other assets	Producing income	18									
	Not producing income	19									
Total (11 to 19)	29	5608	4.75	5608	(795)	4813	6.75				
Gross valuation interest rate %	31		4.00				5.50				
Net valuation interest rate % (where appropriate)	32		3.20				4.40				
Mathematical reserve or other liability, net of reinsurance	33	5608					4813				

**Long term insurance business : Matching rectangle**

Sterling/Non sterling liabilities

Name of insurer **Prudential Holborn Life Limited**Valuation rate(s) of interest **Total**

Global business

Type of business

Financial year ended **31st December 2003**

With profits/Non profit

Category of assets

**Total long term business assets**

Company registration number	GL/UK/CM	Period ended			Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets
		day	month	year						
<b>R57</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>99</b>			<b>10</b>
Type of asset notionally allocated	The valuation				The resilience scenario					
	Value of asset notionally allocated	Risk adjusted yield %	Value of assets notionally allocated			Risk adjusted yield %				
			On original allocation	Increase or decrease	Total under resilience scenario					
	1	2	3	4	5	6				
Land and buildings	11									
Fixed interest securities	Approved securities	12	5608	4.75	5608	(795)	4813	6.75		
	Other	13								
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14								
	Other	15								
Equity shares and holdings in collective investment schemes	16									
Loans secured by mortgages	17									
All other assets	Producing income	18	12908	3.70	12908		12908	5.70		
	Not producing income	19								
Total (11 to 19)	29	18516	4.02	18516	(795)	17721	5.99			
Gross valuation interest rate %	31									
Net valuation interest rate % (where appropriate)	32									
Mathematical reserve or other liability, net of reinsurance	33	18516					17721			

**Long term insurance business : Valuation result and distribution of surplus**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**Company  
registration  
number

GL/UK/CM

Period ended

Units

Category  
of surplusCategory of surplus **Ordinary Long Term**

R58	793051	GL	31	12	2003	£000	11
-----	--------	----	----	----	------	------	----

Valuation result	Fund carried forward		11	702633	
	Bonus payments made to policyholders in anticipation of a surplus		12		
	Transfers out of fund/ parts of fund	Transfer to non-technical account	13	8855	
		Transfer to other funds/parts of funds	14		
	Net transfer out of funds/parts of funds (13+14)		15	8855	
	Total (11+12+15)		16	711488	
	Mathematical reserves for accumulating with profit policies		17		
	Mathematical reserves for other non linked contracts		18	28	
	Mathematical reserves for property linked contracts		19	702605	
	Mathematical reserves for index linked contracts		20		
	Total (17 to 20)		21	702633	
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16-21)		29	8855	
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation		31		
	Transfers into fund/part of fund	Transfer from non-technical account	32		
		Transfer from other funds/parts of fund	33		
	Net transfer into fund/part of fund (32+33)		34		
	Surplus arising since the last valuation		35	8855	
Total (31+34+35)		39	8855		
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus		41		
	Allocated to policyholders by way of	Cash bonuses	42		
		Reversionary bonuses	43		
		Other bonuses	44		
		Premium reductions	45		
	Total allocated to policyholders (41 to 45)		46		
	Net transfer out of fund/part of fund		47	8855	
	Total distributed surplus (46+47)		48	8855	
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated		49		
Total (48+49)		59	8855		
Percentage of distributed surplus allocated to policyholders of fund/part of fund			61		
Corresponding percentage at three immediately previous valuations	Latest	(year of valuation <b>2002</b> )	62		
	Earlier	(year of valuation <b>2001</b> )	63		
	Earliest	(year of valuation <b>2000</b> )	64		

**Long term insurance business : Valuation result and distribution of surplus**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31st December 2003**Company  
registration  
number

GL/UK/CM

Period ended

Units

Category  
of surplusCategory of surplus **12: Life Assurance**

<b>R58</b>	<b>793051</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2003</b>	<b>£000</b>	<b>12</b>
------------	---------------	-----------	-----------	-----------	-------------	-------------	-----------

			Period ended			Units	Category of surplus
			day	month	year		
Valuation result	Fund carried forward		11				
	Bonus payments made to policyholders in anticipation of a surplus		12				
	Transfers out of fund/ parts of fund	Transfer to non-technical account	13				
		Transfer to other funds/parts of funds	14				
	Net transfer out of funds/parts of funds (13+14)		15				
	Total (11+12+15)		16				
	Mathematical reserves for accumulating with profit policies		17				
	Mathematical reserves for other non linked contracts		18				
	Mathematical reserves for property linked contracts		19				
	Mathematical reserves for index linked contracts		20				
	Total (17 to 20)		21				
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16-21)		29				
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation		31				
	Transfers into fund/part of fund	Transfer from non-technical account	32				
		Transfer from other funds/parts of fund	33				
	Net transfer into fund/part of fund (32+33)		34				
	Surplus arising since the last valuation		35				
Total (31+34+35)		39					
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus		41				
	Allocated to policyholders by way of	Cash bonuses	42				
		Reversionary bonuses	43				
		Other bonuses	44				
		Premium reductions	45				
	Total allocated to policyholders (41 to 45)		46				
	Net transfer out of fund/part of fund		47				
	Total distributed surplus (46+47)		48				
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated		49				
Total (48+49)		59					
Percentage of distributed surplus allocated to policyholders of fund/part of fund			61				
Corresponding percentage at three immediately previous valuations	Latest (year of valuation )	62					
	Earlier (year of valuation )	63					
	Earliest (year of valuation )	64					

**Long term insurance business : Required minimum margin**Name of insurer **Prudential Holborn Life Limited**

Global business

Company  
registration  
number

GL/UK/CM

Period ended

day month year

Units

Financial year ended **31st December 2003**

Class		Classes I, II & IX	Class III business with relevant factor of				Class IV and VI	Classes VII and VIII business with relevant factor of					Unallocated additional mathematical reserves with relevant factor of		Total for all classes		
			4% 1	4% 2	1% 3	Nil 4		Total 5	4% 6	4% 7	1% 8	Nil 9	Total 10	4% 11	1% 12	The financial year 13	The previous year 14
Relevant factor (Instruction 1)																	
Mathematical reserves before deduction of reinsurance	Reserves before distribution of surplus	11	41	54636	167722	642577	864935									864976	716219
	Reserves for bonus allocated to policyholders	12															
	Reserves after distribution of surplus	13	41	54636	167722	642577	864935									864976	716219
Mathematical reserves after deduction of reinsurance	Reserves before distribution of surplus	14	28	42198	106062	554343	702603									702631	561363
	Reserves for bonus allocated to policyholders	15															
	Reserves after distribution of surplus	16	28	42198	106062	554343	702603									702631	561363
Ratio of 16 to 13 or 0.85 if greater (see Instruction 2)	17	0.85				0.85											
Required margin of solvency - first result = (line 13) * (line 17) * relevant factor	19	1				3283										3284	3380
Non negative capital at risk before reinsurance (see Instruction 3)	Temporary assurances with required margin of solvency of 0.1%	21															
	Temporary assurances with required margin of solvency of 0.15%	22															
	All other assurances with required margin of solvency of 0.3%	23	1				92									93	95
	Total (21 to 23)	29	1				92									93	95
Non negative capital at risk after reinsurance (all contracts) (see Instruction 3)	31	1				92										93	95
Ratio of line 31 to line 29, or 0.50 if greater	32	1.00				1.00											
Required margin of solvency - second result (see Instruction 4)	39																
Sum of first and second results (19+39)	49	1				3283										3284	3380
Required margin of solvency for supplementary Accident & Sickness Insurance & Class V business	51																
Total required margin of solvency for long term insurance business (49+51)	59															3284	3380
Minimum guarantee fund	61															550	507
Required minimum margin (greater of lines 59 and 61)	69															3284	3380

## PRUDENTIAL HOLBORN LIFE LIMITED

Financial Year ended 31 December 2003

Notes to Appendices 9.1 and 9.3

### Form 9

\*0901\* Section 148 waivers and section 68 orders

- (a) The Secretary of State, on the application of the Company, has issued to the Company an Order under section 68 of the Insurance Companies Act 1982 directing that Section 31(2)(c) of the Insurance Companies Act 1982 shall not apply to the Company's reinsurance agreements with The Prudential Assurance Company Limited.

The section 68 order granted under the Insurance Companies Act 1982 continues to have effect under the transitional arrangements set out in the supervision manual. Section 31(2)(c) of the Insurance Companies Act 1982 has been replaced by Rule 3.4 of the Interim Prudential Sourcebook for Insurers.

### Form 10

\*1001\* Reconciliation to shareholder assets

	<b>2003</b>	<b>2002</b>
	<b>£'000s</b>	<b>£'000s</b>
<i>Net assets per Annual return</i>		
line 99 on Form 13 (Other than Long Term Business)	19,034	9,950
line 59 on Form 15	<u>19,034</u>	<u>9,950</u>
<i>Per shareholder accounts</i>		
Capital + reserves	<u>28,448</u>	<u>21,804</u>
Difference:		
Reserves established for FSA accounts purposes but not for Companies Act accounts purposes	(10,353)	(13,027)
Deferred tax thereon	<u>939</u>	<u>1,173</u>
	<u>(9,414)</u>	<u>(11,854)</u>

## **PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2003**

**Notes to Appendices 9.1 and 9.3 (continued)**

### **Form 13**

Notes 1301 to 1306 apply to the other than long term business fund.

\*1301\* Assets specified in instructions 5

The company held no unlisted investments, listed investments that are not readily realisable, or any other investments specified in instruction 5.

\*1304\* Statement on set-off

Amounts due to or from the Company have been set off to the extent permitted by generally accepted accounting principles.

\*1305\* Maximum Counterparty Limits

The Company's investment guidelines set maximum counterparty limits in order to maintain the admissibility of assets in accordance with Rule 4.14. The limits were not breached throughout the financial year. In respect of the Company's main working capital bank accounts within both the other than long-term and long-term funds, the balances are reviewed daily and compared to expected cashflows to ensure the Company is technically solvent. The balances did not exceed the Rule 4.14 limit during the year.

Notes 1308 to 1311 apply to the long term business fund.

\*1308\* Assets specified in instruction 5

The company held no unlisted investments, listed investments that are not readily realisable, or any other investments specified in instruction 5.

\*1310\* Statement on set-off

Amounts due to or from the Company have been set off to the extent permitted by generally accepted accounting principles.

\*1311\* Maximum Counterparty Limits

The company's investment guidelines set maximum counterparty limits in order to maintain the admissibility of assets in accordance with Rule 4.14. The limits were breached in three respects in the year. International Bond Fund and Managed Life Fund exceeded 5% of their value in a single non-government issuer rated AAA for one month. It is considered appropriate to

## **PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2003**

### **Notes to Appendices 9.1 and 9.3 (continued)**

resolve this breach by increasing the limits set by the company internally. Also, cash exposure in the Property Life Fund exceeded the company's internal rules throughout the year while purchases were being negotiated. Additionally the number of stocks in the Distribution Bond Fund was one lower than target for one month. This breach has been brought back into line.

#### **Form 14**

##### **\*1401\* Provision for Adverse Changes**

The long-term business fund does not hold derivatives and does not require a provision for adverse changes.

##### **\*1402\* Details of charges over assets, etc.**

- (a) There were no charges attributable to the long term business assets.
- (b) The long-term business fund held a provision of £4,212,604 (2002: £2,475,587) for potential tax on capital gains in respect of linked business in the long term business fund, in line 11 of Form 14. If properties on which capital allowances have been claimed were disposed of, tax of not more than £939,074 (2002: £687,067) would be payable in respect of balancing charges. This amount has been provided in line 21 of Form 14.
- (c) There were no contingent liabilities at the year end.
- (d) There were no guarantees, indemnities or other contractual commitments other than in the ordinary course of insurance business in respect of related companies.
- (e) There were no fundamental uncertainties.

##### **\*1403\* Other provisions**

The company has instigated a review of underlying unit trust charges in the linked funds and has set up a reasonable and prudent provision to cover the cost of performing the review and the cost of any contingent loss, if any, arising out of the review's findings. The expected completion of the review is 2004.

#### **Form 15**

##### **\*1501\* Provision for Adverse Changes**

No derivatives were held by the other than long term fund at any time during the year and therefore no provision for adverse changes is required.

##### **\*1502\* Details of charges over assets, etc.**

- (a) There were no charges attributable to the other than long term business assets.

## **PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2003**

### **Notes to Appendices 9.1 and 9.3 (continued)**

- (b) There was no potential tax liability arising in the other than long-term fund.
- (c) There were no contingent liabilities at the year end.
- (d) Under the terms of the Company's arrangements with the Prudential Group's main UK banker, the bank has a right of set-off between credit balances and all overdrawn balances of those group undertakings with similar arrangements. Total credit balances relating to this arrangement amount to £123,000.
- (e) There were no fundamental uncertainties.

### **Form 16**

#### **\*1601\* Foreign Currencies**

Foreign currency revenue transactions, assets and liabilities are translated at year end exchange rates, except that certain revenue transactions are translated at rates ruling at the transaction dates.

### **Form 17**

#### **\*1700\* Derivative Contracts**

All figures, including comparatives, are zero for both the other than long-term term fund and long-term fund and therefore form 17 has been omitted.

### **Form 40**

#### **\*4008\* Provision of Management Services**

The Company was provided throughout the year with management services by M&G Investment Management Limited, Prudential Property Investment Managers Limited, Prudential Unit Trusts Limited, Prudential Financial Services Limited, Prudential UK Services Limited and The Prudential Assurance Company Limited. The Company was further assisted during the year with day to day management services by Mellon European Fund Services, a third party.

## **PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2003**

**Notes to Appendices 9.1 and 9.3 (continued)**

\*4009\* Details of material connected party transactions

The Company has a reinsurance agreement with a related company, The Prudential Assurance Company Limited. Included in earned premiums for the year is an amount of £147.7m received under this reinsurance agreement. Also included within claims incurred is an amount of £57.7m arising from claims under this reinsurance agreement. The reinsurance agreement was drawn up under normal commercial terms which reflect the level of business transacted with the company. There were no amounts written off in the period in respect of debts due to or from connected parties.

The rebate of fund management charge to The Prudential Assurance Company Limited for the year amounted to £5,344,000 (2002: £4,013,000). In addition, The Prudential Assurance Company Limited met the expenses associated with this business.

\*4010\* Tax savings from the reinsurance agreement with Swiss Re Life & Health plc have been included in Earned Premiums, Line 11, in line with the Reinsurance treaty.

### **Form 43**

\*4301\* Valuation of Linked Assets

These assets are included at market value or, in the case of properties, on the basis of an annual external professional valuation by Allsop & Co, Chartered Surveyors. Securities are valued at a market bid price except where a linked fund is priced on a full offer basis in which case the securities are valued on an offer basis. In accordance with the policy document, an appropriate adjustment is made to the linked asset prices to account for buying or selling expenses.

\*4304\* Provisions for Capital Gains Tax

Provisions for tax on unrealised gains and deemed disposals of unit trust holdings are held as units in the respective linked funds. These provisions are shown in Form 53.

## **PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2003**

### **Notes to Appendix 9.4**

#### **Form 48**

\*4801\* Line 12, column 1 includes £26,000 accrued interest.

#### **Form 51**

\*5101\* The tables of mortality and disability assumed in the valuation are indicated in columns 3 of Forms 51 by the following code letters:

- A** 102% PMA92 (U=2004) medium cohort improvement table with 2% floor  
84% PFA92 (U = 2004) medium cohort improvement table
- B** [AM / AF92] –3 years (in deferment), 102% PMA92 (U=2004) medium  
cohort improvement table with 2% floor + 2 years / 84% PFA92 (U = 2004)  
medium cohort improvement table + 2 years (in possession)
- C** [AM / AF92] –3 years (in deferment)

For A& B the CMIR17 improvement factors from 1992 to 2004 are applied to PMA92 and PFA92 mortality tables respectively. Future improvement factors from 2005 onwards are in line with the Medium Cohort projection (CMI mortality subcommittee 2002: Working paper 1: An interim basis for adjusting the '92' series mortality projections for cohort effects). Male future improvement factors are subject to a minimum improvement of 2% in any year.

#### **Form 53**

\*5301\* Mortality Bases

The table of mortality assumed in the valuation indicated in Form 53 by the code letter (a) is AM/AF92 minus 3 years, with allowance for joint lives when appropriate.

\*5302\* Interest Rates

The rate of interest assumed in the valuation indicated in Form 53 by the code letter (a) is 3.20%.

**PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2003**

**Notes to Appendix 9.4**

**Form 55**

\*5501\* Reconciliation to unit linked assets in Form 13

	<b>2003</b>	<b>2002</b>
	<b>£'000s</b>	<b>£'000s</b>
Value of units per Form 55	684,114	537,650
Linked Fund other liabilities per Form 43	4,669	2,415
Linked Fund assets per Form 13	<u>688,783</u>	<u>540,065</u>

**Form 57**

\*5701\* The resilience reserve is contained within the 3.20% rectangle.

## **PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2003**

### **Directors' Certificate required by Rule 9.34(a) of the Accounts and Statements Rules**

We certify:

1. (a) that in relation to the part of this return comprising Forms 9, 9A, 10, 13 to 17 and 40 to 45, (including the supplementary notes thereto) and the statements required by rules 9.29 and 9.30:
  - (i) the return has been prepared in accordance with the Accounts and Statements Rules as modified by the section 68 order granted on 11 April 1991 under the Insurance Companies Act 1982 which continues to have effect;
  - (ii) proper accounting records have been maintained and adequate information has been obtained by the Company; and
  - (iii) an appropriate system of control has been established and maintained by the Company over its transactions and records;
- (b) that in respect of the Company's business which is not excluded by Rule 7.6, the assets held throughout the financial year enabled the Company to comply with rules 7.1 to 7.5 (matching and localisation);
- (bb) that reasonable enquiries have been made by the insurer for the purpose of identifying material connected-party transactions;
- (c) in relation to the statement required by rule 9.36:
  - (i) that for the purpose of preparing the statement, proper accounts and records have been maintained; and
  - (ii) that the information given has been ascertained in conformity with that rule.

## **PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2003**

### **Certificate required by rule 9.34(a) (continued)**

2. that the margin of solvency required by rule 2.1 has been maintained throughout the financial year.
  
3.
  - (a) that the requirements of rules 3.1 to 3.4 have been fully complied with and in particular that, subject to the provisions of rules 3.2(2) to (4) and 3.3, assets attributable to long-term business, the income arising therefrom, the proceeds of any realisation of such assets and any other income or proceeds allocated to the long-term business fund have not been applied otherwise than for the purpose of the long-term business;
  
  - (b) that any amount payable from or receivable by the long term business fund in respect of services rendered by or to any other business carried on by the Company or by a person who, for the purposes of rule 3.4, is connected with it or is a subordinate company of it has been determined and where appropriate apportioned on terms which are believed to be no less than fair to the fund, and any exchange of assets representing the fund for other assets of the Company have been made at fair market value;
  
  - (c) that all guarantees given by the Company of the performance by a related company of a contract binding on the related company which would fall to be met by any long term business fund have been disclosed in the return, and that the fund on which each such guarantee would fall has been identified therein;
  
  - (d) that in respect of each internal linked fund or funds the investment policy and practice of the Company was during the financial year consistent with any representations made to policyholders or potential policyholders of the Company;
  
  - (e) that the returns in respect of long-term business are not distorted by agreements with any other company carrying on insurance business with which the company has financial ,commercial or administrative links or by any arrangements which could affect the apportionment of expenses and income; and
  
  - (f) that the Company has fully complied with the requirements of rule 3.5.

**PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2003**

**Certificate required by Rule 9.34(a) (continued)**

4. (a) that the systems of control established and maintained by the Company in respect of its business complied at the end of the financial year, and it is reasonable to believe that those systems continued to so comply subsequently and will continue to so comply in the future, with the following published guidance:
- Guidance Note P.1 – ‘Systems and controls over the investments (and counterparty exposure) of insurers with particular reference to the use of derivatives’;
  - Money Laundering - Guidance Notes for Insurance and Retail Products (revised December 2001) issued by the Joint Money Laundering Steering Group;
- (b) that the return has been prepared in accordance with the following published guidance:
- Guidance Note 4.1 – ‘Guidance for insurers and auditors on the Valuation of Assets Rules’;
  - Guidance Note 4.2 – ‘Use of derivatives in insurance funds’; and
  - Guidance Note 9.1 – ‘Preparation of annual returns’.

.....  
G M Wood  
Chief Executive

.....  
J W Jack  
Director

.....  
R C Everett  
Director

March 2004

## **PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2003**

### **Appointed Actuary's Certificate required by Rule 9.34b of the Accounts and Statements Rules**

I certify that:

- (a)
  - (i) in my opinion, proper records have been kept by the Company adequate for the purpose of the valuation of the liabilities of its long-term insurance business;
  - (ii) the sum of the mathematical reserves and the deposits received from reinsurers, as shown in Form 14, constitute proper provision at the end of the financial year for the long-term insurance business liabilities (including all liabilities arising from deposit back arrangements, but excluding other liabilities which had fallen due before the end of the financial year) including any increase in those liabilities arising from a distribution of surplus as a result of actuarial investigation as at 31 December 2003 into the financial condition of the long-term insurance business;
  - (iii) for the purpose of paragraph (ii) above, the liabilities have been assessed in accordance with the Determination of Liabilities Rules in the context of assets valued in accordance with the Valuation of Asset Rules, as shown in Form 13;
  - (iv) the valuation complies with the guidance notes "The Prudential Supervision in the UK of Long-Term Insurance Business (GN1 version 6.1)" dated 1 September 2003 and "Additional Guidance on Valuation of Long-Term Insurance Business (GN8 version 7.0)" dated 30 December 2002, both issued by the Institute of Actuaries and the Faculty of Actuaries;
  - (v) in my opinion, premiums for contracts entered into during the financial year and the income earned thereon are sufficient, on reasonable actuarial assumption, and taking into account the other financial resources of the Company that are available for the purpose, to enable the Company to meet its commitments in respect of those contracts and, in particular, to establish adequate mathematical reserves;
- (b) that the amount of required minimum margin applicable to the Company's long-term insurance business immediately following the end of the financial year (including any amounts resulting from any increase in liabilities arising from a distribution of surplus as a result of the investigation into the financial condition of the long-term insurance business) is £3,284,000.

D J Belsham  
Appointed Actuary

March 2004

## **PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2003**

### **Report of the auditor to the Directors pursuant to rule 9.35 of the Accounts and Statements Rules**

We have examined the following documents prepared by the Company pursuant to the Accounts and Statements Rules set out in part I of chapter 9 to the Interim Prudential Sourcebook for Insurers (“the Rules”) made by the Financial Services Authority (“FSA”) under section 138 of the Financial Services and Markets Act 2000 :

- Forms 9, 9A, 10, 13 to 17 and 40 to 45 (including the supplementary notes thereto) (‘the Forms’);
- the statement required by rule 9.29 on page 122 (‘the statement’); and
- the certificate signed in accordance with rule 9.34(a) on pages 115 to 117 (‘the certificate’).

In the case of the certificate, our examination did not extend to:

- (a) paragraph 1 in relation to the statements required by rules 9.30 and 9.36 concerning shareholder controllers and information on the appointed actuary.
- (b) paragraph 3(d) concerning the investment policy and practice of internal linked funds required by paragraph 4(d) of Appendix 9.6; and
- (c) paragraph 4(a) in so far as it relates to controls with respect to Money Laundering.

This report is made solely to the company's directors, as a body, in accordance with the requirements of rule 9.35 of the Rules. We acknowledge that the directors are required to submit this report to the FSA, to enable the FSA to verify that an auditor's report has been commissioned by the company's directors and issued in accordance with the requirements of rule 9.35 of the Rules and to facilitate the discharge by the FSA of its regulatory functions in respect of the company, conferred on the FSA by or under the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an auditor's report issued pursuant to rule 9.35 of the Rules and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

## **PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2003**

### **Report of the auditors (continued)**

#### **Respective responsibilities of the Company and its auditors**

The Company is responsible for the preparation of an annual return (including the Forms, statements and certificate) under the provisions of the Rules. The requirements of the Rules have been modified by a waiver/order dated 11 April 1991 issued under section 148 of the Financial Services and Markets Act 2000 and Section 68 of the Insurance Companies Act 1982. Under rule 9.11 the Forms and statement are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules.

It is our responsibility to form an independent opinion as to whether the Forms and statement meet these requirements, and in the case of the certificate whether it was or was not unreasonable for the persons giving the certificate to have made the statements therein, and to report our opinions to you. Our responsibilities, as independent auditors, are established in the United Kingdom, by statute, the Auditing Practices Board, and by our profession's ethical guidance.

#### **Bases of opinions**

We conducted our audit in accordance with Practice Note 20: 'The audit of insurers in the United Kingdom' issued by the Auditing Practices Board."

Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms and statement. The evidence included that previously obtained by us relating to the audit of the financial statements of the Company for the financial year on which we reported on 25 March 2004. It also included an assessment of the significant estimates and judgements made by the Company in the preparation of the Forms and statement.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms and statement are free from material misstatement, whether caused by fraud or other irregularity or error and comply with rule 9.11.

In the case of the certificate, the work performed involves a review of the procedures undertaken by the signatories to enable them to make the statements therein, and does not extend to an evaluation of the effectiveness of the Company's internal control systems.

In giving our opinion we have relied on:

- (a) the certificate of the actuary on page 118 with respect to the mathematical reserves and the required minimum margin; and

**PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2003**

**Report of the auditors (continued)**

**Opinions**

In our opinion:

- (a) the Forms and statement fairly state the information provided on the basis required by the Rules as modified and have been properly prepared in accordance with the provisions of those Rules; and
- (b) based on the information and explanations received by us:
  - (i) the certificate has been properly prepared in accordance with the provisions of the Rules; and
  - (ii) it was not unreasonable for the persons giving the certificate to have made the statement therein.

KPMG Audit Plc  
Registered Auditor  
London  
March 2004

## **PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2003**

### **Rule 9.29 Statement on Derivative Contracts**

a. **Investment Guidelines**

During 2003, investment guidelines allowed the use of derivative contracts in the Distribution, Fixed Interest, Balanced Growth and Managed internal linked funds. The derivatives and use thereof was restricted to that permitted by Appendix 3.2. The use of derivatives was not permitted in the non-linked funds.

Derivatives are limited to: exchange traded warrants; exchange traded index or stock futures; forward currency contracts; hedging of overseas holdings into £ sterling; partly paid shares; and convertible bonds. Derivatives must be listed or with an approved counterparty and must be capable of being readily closed out at a price the basis of which is pre-determined. Exchange traded index and stock futures must be based on underlying assets which are themselves permitted links.

b. **Derivatives where exercise is unlikely**

The Company was not party to any derivative contracts during the financial year.

c. **Quantification of derivatives in (b) above**

The Company was not party to any derivative contracts during the financial year.

d. **Effect on Form 13 of exercising derivatives where it would be prudent to assume options would be exercised**

The Company was not party to any derivative contracts during the financial year.

e. **Effect on Form 13 of exercising all derivatives**

The Company was not party to any derivative contracts during the financial year.

f. **Effect on Form 13 during the financial year**

The Company was not party to any derivative contracts during the financial year.

g. **Maximum loss which would be incurred by the Company**

The Company was not party to any derivative contracts during the financial year.

h. **Derivatives not falling within rule 4.12(2) or the definition of a permitted derivative contract**

The Company was not party to any derivative contracts during the financial year.

i. **Consideration received for granting rights under derivative contracts**

The investment guidelines did not allow the writing of options.

## **PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2003**

### **Rule 9.30 Statement on Shareholder Controllers**

The following companies were shareholder controllers of Prudential Holborn Life Limited for the year: Prudential Financial Services Limited, being its immediate holding company, holding 100% of its issued share capital and voting power ; and Prudential plc, being its ultimate holding company, holding 100% of the issued share capital and voting power of Prudential Financial Services Limited.

## **PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2003**

### **Statement of information on the Appointed Actuary required by Rule 9.36 of the Interim Prudential Sourcebook for Insurers Instrument 2001.**

In the paragraphs below, references to “the year” are references to the year ended 31 December 2003, and the details relate to P. S. K Hawes who ceased to be Appointed Actuary on 13 November 2003.

- 1(a) The Appointed Actuary participates in the Prudential Savings Related Share Option Scheme. At the beginning of the year he held options in respect of 7,656 shares, during the year he was granted options over a further 5,866 shares, exercised options over 1,133 shares, allowed 4,747 options to lapse and at the end of the year held options in respect of 7,642 shares.

The Appointed Actuary and his wife owned 17,756 shares in Prudential Corporation plc, at the beginning of the year, and 19,416 shares at the end of the year.

The Appointed Actuary owned 470 shares in Egg plc at the beginning and end of the year.

- 1(b) During the year the Appointed Actuary and his wife held the following insurance policies issued by the Prudential Assurance Company Ltd.

- endowment assurances and attaching term assurance, with a combined with profit sum assured of £58,698, a minimum death benefit before bonuses of £120,000, and a total annual premium of £3,106.

and home and car insurance policies purchased through the Prudential which were underwritten by Churchill Insurance Co Ltd.

At the end of the year, the Appointed Actuary and his wife held the following PEPs administered by M&G Financial Services Ltd.,

- 7,266 units in M&G British Opportunities Fund
- 33,945 units in M&G Dividend Fund

- 1(c)(i) The remuneration and value of other benefits under the Actuary’s contract of service with The Prudential Assurance Company Ltd, amounted to £115,896 for the year.

(ii) Not applicable.

- 1(d) The Actuary is a member of the Prudential Staff Pension Scheme.

2. The Company made a request to the Appointed Actuary to furnish particulars specified in Rule 9.36 of the Interim Prudential Sourcebook for Insurers. In response to that request the Actuary provided the information set out in paragraphs 1(a) to 1(d) above.

## PRUDENTIAL HOLBORN LIFE LIMITED

### Year ended 31 December 2003

#### Statement of information on the appointed actuary pursuant to Rule 9.36 of the Interim Prudential Sourcebook for Insurers

In the paragraphs below, references to “the year” are references to the year ended 31 December 2003, and the details relate to David Belsham who became Appointed Actuary on 13 November 2003.

In accordance with Rule 9.36 of the above sourcebook, David Belsham, the appointed actuary of the Company, was requested to furnish and has provided the following information:

- (a) (i) He had an interest in 56,085 and 56,188 shares in the share capital of the holding company, Prudential plc, at the beginning and at the end of the year respectively.
- (ii) He had an interest under the Prudential Restricted Share Plan in shares in Prudential plc held in trust, representing the maximum award that could be made if performance requirements of the Plan were met, of 34,262 and 47,748 shares at the beginning and at the end of the year respectively. During the year no shares were released to him but under the 2003 Scheme 23,251 shares were conditionally awarded to him.
- (iii) He held the following options granted under the Prudential Savings-Related Share Option Scheme to subscribe for shares in Prudential plc:

<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Exercise Dates</u>
5,866	280p	Between June 2008 and December 2008

- (iv) He also had an interest in 1,410 shares in Egg plc, a subsidiary of Prudential plc, both at the beginning and the end of the year.
- (b) He was interested in the following life and general insurance policies issued by The Prudential Assurance Company Limited:
    - (i) Three endowment assurance with-profits policies maturing between 2009 and 2011 with participating sums assured totalling £18,720, non-participating minimum death benefits of £48,000 and annual premiums of £776.
    - (ii) Two temporary assurance without-profits policies expiring in 2011 with sums assured totalling £202,000 and annual premiums of £457.
    - (iii) A home insurance policy covering buildings, household contents, travel and personal effects and a motor insurance policy (now underwritten by Churchill).
  - (c) His total remuneration for the year was £256,581.
  - (d) He is a member of the Prudential Staff Pension Scheme and contributions in respect of the year were paid by The Prudential Assurance Company Limited.