Primary statement: Statement of changes in equity

Statement of changes in equity Year ended 31 December 2006

| | | 2006 | | | | | | | | | |
|----------------------------------------|------|---------------|---------------|----------------|---------------|-------------------------------------------------|---------------|--------------|-----------------|----------------|--|
| | Note | Share | Share | Retained | Translation | Available- for-sale securities reserve | Hedging St | | Minority | Tota equity | |
| | | capital £m | premium £m | earnings £m | reserve £m | £m | reserve £m | equity £m | interests £m | equity £n | |
| Reserves Profit for the year | | | | 874 | | | | 874 | 1 | 875 | |
| Items recognised directly in equit | ty: | | | | | | | | | | |
| Exchange movements | | | | | (224) | | | (224) | | (224 | |
| Movement on cash flow hedge | | | | | | | 7 | 7 | | 7 | |
| Unrealised valuation movemer | nts | | | | | | | | | | |
| on securities classified as | | | | | | | | | | | |
| available-for-sale: | | | | | | | | | | | |
| Unrealised holding losses | | | | | | | | | | | |
| arising during the year | | | | | | (210) | | (210) | | (210 | |
| Less losses included in the | | | | | | | | | | | |
| income statement | | | | | | 7 | | 7 | | | |
| | | | | | | (203) | | (203) | | (203 | |
| Related change in amortisati | on | | | | | | | | | | |
| of deferred income and | | | | | | | | | | | |
| acquisition costs | | | | | | 75 | | 75 | | 75 | |
| Related tax | | | | | (74) | 50 | (2) | (26) | | (20 | |
| Total items of income and expens | se | | | | | | | | | | |
| recognised directly in equity | | | | | (298) | (78) | 5 | (371) | | (37 | |
| Total income and expense for | | | | | | | | | | | |
| the year | | | | 874 | (298) | (78) | 5 | 503 | 1 | 50 | |
| Dividends | B3 | | | (399) | | | | (399) | | (39 | |
| Reserve movements in respect of | f | | | | | | | | | | |
| share-based payments | | | | 15 | | | | 15 | | 1 | |
| Change in minority interests arisi | ng | | | | | | | | | | |
| principally from purchase and | sale | | | | | | | | | | |
| of venture investment compan | ies | | | | | | | | | | |
| and property partnerships of t | he | | | | | | | | | | |
| PAC with-profits fund and of | | | | | | | | | | | |
| other investments | | | | | | | | | 43 | 4 | |
| Acquisition of Egg minority | | | | | | | | | | | |
| interests | 16 | | | (167) | | | | (167) | (84) | (25 | |
| Share capital and share premi | ium | | | | | | | | | | |
| New share capital subscribed | H11 | 3 | 333 | | | | | 336 | | 336 | |
| Transfer to retained earnings in | | | | | | | | | | | |
| respect of shares issued in | | | | | | | | | | | |
| lieu of cash dividends | H11 | | (75) | 75 | | | | | | | |
| Treasury shares | | | | | | | | | | | |
| Movement in own shares in | | | | | | | | | | | |
| respect of share-based | | | | | | | | | | | |
| payment plans | | | | 6 | | | | 6 | | | |
| Movement in Prudential plc share | es | | | - | | | | - | | | |
| purchased by unit trusts | | | | | | | | | | | |
| consolidated under IFRS | | | | 0 | | | | 0 | | (| |
| Net increase (decrease) in equity | , | 3 | 258 | 404 | (298) | (78) | 5 | 294 | (40) | 254 | |
| At beginning of year | | 119 | 1,564 | 3,236 | 173 | 105 | (3) | 5,194 | 172 | 5,366 | |
| | | | | | | | | | | | |
| At end of year | | 122 | 1,822 | 3,640 | (125) | 27 | 2 | 5,488 | 132 | 5,620 | |

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Primary statement: Statement of changes in equity

| | | | | | | 2005 | | | | | |
|------------------------------------------------------------------|------|------------------------|------------------------|----------------------------|------------------------------|-----------------------------------------|--------------------------|-------------------------------|-----------------------------|-----------------------|------------|
| | | | | | | 2005 Available- | | | | | stat |
| | Note | Share capital £m | Share premium £m | Retained earnings £m | Translation reserve £m | for-sale securities reserve £m | Hedging reserve £m | Shareholders' equity £m | Minority interests £m | Total equity £m | statements |
| Reserves | | | | | | | | | | | A |
| Profit for the year | | | | 748 | | | | 748 | 12 | 760 | |
| Items recognised directly in equity | : | | | | | | | | | | |
| Exchange movements | | | | | 268 | | | 268 | | 268 | |
| Movement on cash flow hedges | | | | | | | (4) | (4) | 1 | (3) | |
| Unrealised valuation movements on securities classified as | 5 | | | | | | | | | | B |
| available-for-sale | | | | | | | | | | | |
| from 1 January 2005: | | | | | | | | | | | |
| Unrealised holding losses | | | | | | | | | | | |
| arising during the year | | | | | | (773) | | (773) | | (773) | C |
| Less losses included in the | | | | | | | | | | . , | |
| income statement | | | | | | 22 | | 22 | | 22 | |
| | | | | | | (751) | | (751) | | (751) | |
| Related change in amortisation | n | | | | | (, , , , , , | | (, , , , , | | (1-1) | D |
| of deferred income and | | | | | | | | | | | |
| acquisition costs | | | | | | 307 | | 307 | | 307 | |
| Related tax | | | | | 65 | 152 | 1 | 218 | | 218 | |
| Total items of income and expense | | | | | | | | | | | E |
| recognised directly in equity | | | | | 333 | (292) | (3) | 38 | 1 | 39 | |
| Total income and expense for | | | | | | | | | | | |
| the year | | | | 748 | 333 | (292) | (3) | 786 | 13 | 799 | |
| Cumulative effect of changes in | | | | , 10 | | (=>=) | (-) | | 12 | | - |
| accounting policies on adoption | | | | | | | | | | | F |
| of IAS 32, IAS 39 and IFRS 4, | | | | | | | | | | | |
| net of applicable taxes at | | | | | | | | | | | |
| 1 January 2005 | A5 | | 2 | (173) | | 397 | | 226 | (3) | 223 | |
| Dividends | B3 | | | (380) | | | | (380) | | (380) | G |
| Reserve movements in respect | | | | | | | | | | | |
| of share-based payments | | | | 15 | | | | 15 | (1) | 14 | |
| Change in minority interests arising | 5 | | | | | | | | | | |
| principally from purchase and sale of venture investment | | | | | | | | | | | Η |
| companies and property | | | | | | | | | | | |
| partnerships of the PAC | | | | | | | | | | | |
| with-profits fund | | | | | | | | | 26 | 26 | |
| | | | | | | | | | | | |
| Share capital and share premiu | | 0 | 55 | | | | | 55 | | 55 | 11 |
| New share capital subscribed Transfer to retained earnings in | H11 | 0 | رر | | | | | رر | | رر | |
| respect of shares issued in lieu | | | | | | | | | | | |
| of cash dividends | H11 | | (51) | 51 | | | | | | | |
| | | | <u> </u> | | | | | | | | JON 2 |
| Treasury shares | | | | | | | | | | | company |
| Movement in own shares in respect of share-based | | | | | | | | | | | NV. |
| payment plans | | | | 0 | | | | 0 | | 0 | |
| Movement in Prudential plc | | | | 0 | | | | U | | U | EEV |
| shares purchased by unit trusts | | | | | | | | | | | < |
| consolidated under IFRS | | | | 3 | | | | 3 | | 3 | |
| | | | 6 | 264 | 333 | 105 | (2) | 705 | 35 | 740 | |
| Net increase (decrease) in equity At beginning of year | A5 | 119 | 6 1,558 | 264 2,972 | 333 (160) | 105 | (3) | 705 4,489 | 35 137 | 740 4,626 | |
| | ~~ | | | | | 40- | | | | | |
| At end of year | | 119 | 1,564 | 3,236 | 173 | 105 | (3) | 5,194 | 172 | 5,366 | |