

# **The Prudential Assurance Company Limited**

**Annual FSA Insurance Returns for the year ended**

**31 December 2007**

**Appendices 9.1, 9.2, 9.3 (forms 40-45), 9.5 & 9.6**

**The Prudential Assurance Company Limited is registered in England and Wales.**

**Registered Office at Laurance Pountney Hill, London EC4R 0HH. Registered number 15454**

**Authorised and regulated by the Financial Services Authority.**

**Statement of solvency - general insurance business**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

Adjusted solo solvency calculation

	Company registration number	GL/ UK/ CM	day	month	year	Units	
	<b>R1</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>
				<b>As at end of this financial year</b>		<b>As at end of the previous year</b>	
				<b>1</b>		<b>2</b>	

**Capital resources**

Capital resources arising outside the long-term insurance fund	<b>11</b>	2306822	1304729
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	<b>12</b>	2256822	1254729
Capital resources available to cover general insurance business capital resources requirement (11-12)	<b>13</b>	50000	50000

**Guarantee fund**

Guarantee fund requirement	<b>21</b>	11109	9277
Excess (deficiency) of available capital resources to cover guarantee fund requirement	<b>22</b>	38891	40723

**Minimum capital requirement (MCR)**

General insurance capital requirement	<b>31</b>	18296	18296
Base capital resources requirement	<b>33</b>	2231	2139
Individual minimum capital requirement	<b>34</b>	18296	18296
Capital requirements of regulated related undertakings	<b>35</b>	5010	3179
Minimum capital requirement (34+35)	<b>36</b>	23307	21475
Excess (deficiency) of available capital resources to cover 50% of MCR	<b>37</b>	38347	39263
Excess (deficiency) of available capital resources to cover 75% of MCR	<b>38</b>	32520	33894

**Capital resources requirement (CRR)**

Capital resources requirement	<b>41</b>	23307	21475
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	<b>42</b>	26693	28526

**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>		
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**Statement of solvency - long-term insurance business**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

Adjusted solo solvency calculation

R2	Company registration number	GL/UK/CM	day month year			Units
			31	12	2007	
	15454	GL				£000
			As at end of this financial year			As at end of the previous year
			1			2

**Capital resources**

Capital resources arising within the long-term insurance fund	11	28765129	27506411
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	2256822	1254729
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	31021951	28761140

**Guarantee fund**

Guarantee fund requirement	21	2182650	2155853
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	28839301	26605287

**Minimum capital requirement (MCR)**

Long-term insurance capital requirement	31	2954004	2876000
Resilience capital requirement	32		
Base capital resources requirement	33	2231	2139
Individual minimum capital requirement	34	2954004	2876000
Capital requirements of regulated related undertakings	35	1201868	1201303
Minimum capital requirement (34+35)	36	4155872	4077303
Excess (deficiency) of available capital resources to cover 50% of MCR	37	28944015	26722488
Excess (deficiency) of available capital resources to cover 75% of MCR	38	27905047	25703163

**Enhanced capital requirement**

With-profits insurance capital component	39	16369437	15042389
Enhanced capital requirement	40	20525308	19119692

**Capital resources requirement (CRR)**

Capital resources requirement (greater of 36 and 40)	41	20525308	19119692
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	10496643	9641448

**Contingent liabilities**

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51	32712	17583
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**Components of capital resources**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

	Company registration number	GL/ UK/ CM	day month year			Units
<b>R3</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	

**Core tier one capital**

Permanent share capital	<b>11</b>	242617		242617	204217
Profit and loss account and other reserves	<b>12</b>	281969	2680784	2962753	2840056
Share premium account	<b>13</b>				
Positive valuation differences	<b>14</b>	19620	15164984	15184604	14218071
Fund for future appropriations	<b>15</b>		14409592	14409592	13989536
Core tier one capital in related undertakings	<b>16</b>	(132634)	(55785)	(188419)	(760156)
Core tier one capital (sum of 11 to 16)	<b>19</b>	411572	32199575	32611147	30491724

**Tier one waivers**

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	<b>21</b>				
Implicit Items	<b>22</b>				
Tier one waivers in related undertakings	<b>23</b>		25320	25320	
Total tier one waivers as restricted (21+22+23)	<b>24</b>		25320	25320	

**Other tier one capital**

Perpetual non-cumulative preference shares as restricted	<b>25</b>	86900		86900	86900
Perpetual non-cumulative preference shares in related undertakings	<b>26</b>				
Innovative tier one capital as restricted	<b>27</b>				
Innovative tier one capital in related undertakings	<b>28</b>				

<b>Total tier one capital before deductions (19+24+25+26+27+28)</b>	<b>31</b>	498472	32224895	32723367	30578624
Investments in own shares	<b>32</b>				
Intangible assets	<b>33</b>		123398	123398	167421
Amounts deducted from technical provisions for discounting	<b>34</b>				
Other negative valuation differences	<b>35</b>				
Deductions in related undertakings	<b>36</b>	386333	598154	984487	1076922
Deductions from tier one (32 to 36)	<b>37</b>	386333	721552	1107885	1244343
<b>Total tier one capital after deductions (31-37)</b>	<b>39</b>	112139	31503343	31615482	29334281

**Components of capital resources**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

	Company registration number	GL/ UK/ CM	day	month	year	Units
<b>R3</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>
		General insurance business			Total as at the end of this financial year	Total as at the end of the previous year
		<b>1</b>			<b>3</b>	<b>4</b>

**Tier two capital**

Implicit items, (tier two waivers and amounts excluded from line 22)	<b>41</b>				
Perpetual non-cumulative preference shares excluded from line 25	<b>42</b>				
Innovative tier one capital excluded from line 27	<b>43</b>				
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	<b>44</b>				
Perpetual cumulative preference shares	<b>45</b>				
Perpetual subordinated debt and securities	<b>46</b>				
Upper tier two capital in related undertakings	<b>47</b>				
<b>Upper tier two capital (44 to 47)</b>	<b>49</b>				

Fixed term preference shares	<b>51</b>	1000		1000	1000
Other tier two instruments	<b>52</b>				
Lower tier two capital in related undertakings	<b>53</b>				
<b>Lower tier two capital (51+52+53)</b>	<b>59</b>	1000		1000	1000

<b>Total tier two capital before restrictions (49+59)</b>	<b>61</b>	1000		1000	1000
Excess tier two capital	<b>62</b>				
Further excess lower tier two capital	<b>63</b>				
<b>Total tier two capital after restrictions, before deductions (61-62-63)</b>	<b>69</b>	1000		1000	1000

**Components of capital resources**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

	Company registration number	GL/UK/CM	day	month	year	Units
<b>R3</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>
		General insurance business		Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year
		<b>1</b>		<b>2</b>	<b>3</b>	<b>4</b>

**Total capital resources**

Positive adjustments for regulated non-insurance related undertakings	<b>71</b>				
<b>Total capital resources before deductions (39+69+71)</b>	<b>72</b>	113139	31503343	31616482	29335281
Inadmissible assets other than intangibles and own shares	<b>73</b>	13068	481393	494460	469841
Assets in excess of market risk and counterparty limits	<b>74</b>	50071		50071	54300
Deductions for related ancillary services undertakings	<b>75</b>				
Deductions for regulated non-insurance related undertakings	<b>76</b>				
Deductions of ineligible surplus capital	<b>77</b>				
<b>Total capital resources after deductions (72-73-74-75-76-77)</b>	<b>79</b>	50000	31021951	31071951	28811140

**Available capital resources for GENPRU/INSPRU tests**

Available capital resources for guarantee fund requirement	<b>81</b>	50000	31021951	31071951	28811140
Available capital resources for 50% MCR requirement	<b>82</b>	50000	31021951	31071951	28811140
Available capital resources for 75% MCR requirement	<b>83</b>	50000	31021951	31071951	28811140

**Financial engineering adjustments**

Implicit items	<b>91</b>				
Financial reinsurance - ceded	<b>92</b>				
Financial reinsurance - accepted	<b>93</b>				
Outstanding contingent loans	<b>94</b>		32432	32432	16583
Any other charges on future profits	<b>95</b>				
<b>Sum of financial engineering adjustments (91+92-93+94+95)</b>	<b>96</b>		32432	32432	16583

## Form 11

## Calculation of general insurance capital requirement - premiums amount and brought forward amount

Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

General insurance business

		Company registration number	GL/UK/CM	day	month	year	Units
		R11	15454	GL	31	12	2007
					This financial year		Previous year
					1		2
							£000
Gross premiums written				11	23375		23699
Premiums taxes and levies (included in line 11)				12			
Premiums written net of taxes and levies (11-12)				13	23375		23699
Premiums for classes 11, 12 or 13 (included in line 13)				14	3657		3894
Premiums for "actuarial health insurance" (included in line 13)				15			
<b>Sub-total A (13 + 1/2 14 - 2/3 15)</b>				16	25204		25646
Gross premiums earned				21	22425		23044
Premium taxes and levies (included in line 21)				22			
Premiums earned net of taxes and levies (21-22)				23	22425		23044
Premiums for classes 11, 12 or 13 (included in line 23)				24	3612		3899
Premiums for "actuarial health insurance" (included in line 23)				25			
<b>Sub-total H (23 + 1/2 24 - 2/3 25)</b>				26	24231		24994
<b>Sub-total I (higher of sub-total A and sub-total H)</b>				30	25204		25646
<b>Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure</b>				31			
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18			32	4537		4616
	Excess (if any) over 53.1M EURO x 0.02			33			
<b>Sub-total J (32-33)</b>				34	4537		4616
Claims paid in period of 3 financial years				41	88310		146839
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis			42	3150		3150
	For insurance business accounted for on an accident year basis			43	101602		103011
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis			44	44800		81687
	For insurance business accounted for on an accident year basis			45	128198		160746
<b>Sub-total C (41+42+43-44-45)</b>				46	20065		10567
Amounts recoverable from reinsurers in respect of claims included in Sub-total C				47	(11958)		(19078)
<b>Sub-total D (46-47)</b>				48	32023		29645
<b>Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.5 or, if less, 1.00)</b>				49	1.00		1.00
<b>Premiums amount (Sub-total J x reinsurance ratio)</b>				50	4537		4616
Provision for claims outstanding (before discounting and net of reinsurance)				51	79145		70413
Provision for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero				52			
<b>Brought forward amount (See instruction 4)</b>				53	18296		18296
Greater of lines 50 and 53				54	18296		18296

## Form 11

## Calculation of general insurance capital requirement - premiums amount and brought forward amount

Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

Long term insurance business

		Company registration number	GL/UK/CM	day	month	year	Units
		R11	15454	GL	31	12	2007
					This financial year		Previous year
					1		2
							£000
Gross premiums written				11	134541		486391
Premiums taxes and levies (included in line 11)				12			
Premiums written net of taxes and levies (11-12)				13	134541		486391
Premiums for classes 11, 12 or 13 (included in line 13)				14			
Premiums for "actuarial health insurance" (included in line 13)				15	78028		69652
<b>Sub-total A (13 + 1/2 14 - 2/3 15)</b>				16	82522		439956
Gross premiums earned				21	130796		138242
Premium taxes and levies (included in line 21)				22			
Premiums earned net of taxes and levies (21-22)				23	130796		138242
Premiums for classes 11, 12 or 13 (included in line 23)				24			
Premiums for "actuarial health insurance" (included in line 23)				25	78028		69652
<b>Sub-total H (23 + 1/2 24 - 2/3 25)</b>				26	78777		91807
<b>Sub-total I (higher of sub-total A and sub-total H)</b>				30	82522		439956
<b>Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure</b>				31			
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18			32	14854		79192
	Excess (if any) over 53.1M EURO x 0.02			33	910		8089
<b>Sub-total J (32-33)</b>				34	13944		71103
Claims paid in period of 3 financial years				41	182555		155574
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis			42	35821		34107
	For insurance business accounted for on an accident year basis			43	6142		4896
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis			44	28816		14178
	For insurance business accounted for on an accident year basis			45	4802		4770
<b>Sub-total C (41+42+43-44-45)</b>				46	190900		175629
Amounts recoverable from reinsurers in respect of claims included in Sub-total C				47	33967		36886
<b>Sub-total D (46-47)</b>				48	156933		138743
<b>Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.5 or, if less, 1.00)</b>				49	0.82		0.79
<b>Premiums amount (Sub-total J x reinsurance ratio)</b>				50	11463		56170
Provision for claims outstanding (before discounting and net of reinsurance)				51	51339		49905
Provision for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero				52			
<b>Brought forward amount (See instruction 4)</b>				53	75929		75929
Greater of lines 50 and 53				54	75929		75929



**Calculation of general insurance capital requirement - claims amount and result**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

General insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		<b>R12</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>
				This financial year 1			Previous year 2	
Reference period (No. of months) See INSPRU 1.1.63R		<b>11</b>		36			36	
Claims paid in reference period		<b>21</b>		88310			146839	
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis	<b>22</b>		3150			3150	
	For insurance business accounted for on an accident year basis	<b>23</b>		101602			103011	
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis	<b>24</b>		44800			81687	
	For insurance business accounted for on an accident year basis	<b>25</b>		128198			160746	
Claims incurred in reference period (21+22+23-24-25)		<b>26</b>		20065			10567	
Claims incurred for classes 11, 12 or 13 (included in 26)		<b>27</b>		15024			12921	
Claims incurred for "actuarial health insurance" (included in 26)		<b>28</b>						
<b>Sub-total E (26 +1/2 27 - 2/3 28)</b>		<b>29</b>		27577			17027	
<b>Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)</b>		<b>31</b>		9192			5676	
Division of sub-total F (gross adjusted claims amount)	x 0.26	<b>32</b>		2390			1476	
	Excess (if any) over 37.2M EURO x 0.03	<b>33</b>						
<b>Sub-total G (32-33)</b>		<b>39</b>		2390			1476	
<b>Claims amount Sub-total G x reinsurance ratio (11.49)</b>		<b>41</b>		2390			1476	
Higher of premiums amount and brought forward amount (11.54)		<b>42</b>		18296			18296	
<b>General insurance capital requirement (higher of lines 41 and 42)</b>		<b>43</b>		18296			18296	

**Calculation of general insurance capital requirement - claims amount and result**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

Long term insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		<b>R12</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>
				This financial year 1			Previous year 2	
Reference period (No. of months) See INSPRU 1.1.63R		<b>11</b>		36			36	
Claims paid in reference period		<b>21</b>		182555			155574	
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis	<b>22</b>		35821			34107	
	For insurance business accounted for on an accident year basis	<b>23</b>		6142			4896	
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis	<b>24</b>		28816			14178	
	For insurance business accounted for on an accident year basis	<b>25</b>		4802			4770	
Claims incurred in reference period (21+22+23-24-25)		<b>26</b>		190900			175629	
Claims incurred for classes 11, 12 or 13 (included in 26)		<b>27</b>						
Claims incurred for "actuarial health insurance" (included in 26)		<b>28</b>		65002			60687	
<b>Sub-total E (26 +1/2 27 - 2/3 28)</b>		<b>29</b>		147565			135171	
<b>Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)</b>		<b>31</b>		49188			45057	
Division of sub-total F (gross adjusted claims amount)	x 0.26	<b>32</b>		12789			11715	
	Excess (if any) over 37.2M EURO x 0.03	<b>33</b>		697			606	
<b>Sub-total G (32-33)</b>		<b>39</b>		12092			11109	
<b>Claims amount Sub-total G x reinsurance ratio (11.49)</b>		<b>41</b>		9940			8776	
Higher of premiums amount and brought forward amount (11.54)		<b>42</b>		75929			75929	
<b>General insurance capital requirement (higher of lines 41 and 42)</b>		<b>43</b>		75929			75929	

**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total other than long term insurance business assets**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
<b>R13</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>1</b>
						<b>As at end of this financial year</b>	<b>As at end of the previous year</b>
						<b>1</b>	<b>2</b>
Land and buildings			<b>11</b>				

**Investments in group undertakings and participating interests**

UK insurance dependants	Shares	<b>21</b>		274254	208549
	Debts and loans	<b>22</b>			
Other insurance dependants	Shares	<b>23</b>			117986
	Debts and loans	<b>24</b>			
Non-insurance dependants	Shares	<b>25</b>		37714	13353
	Debts and loans	<b>26</b>			
Other group undertakings	Shares	<b>27</b>		7439	6295
	Debts and loans	<b>28</b>			
Participating interests	Shares	<b>29</b>			
	Debts and loans	<b>30</b>			

**Other financial investments**

Equity shares		<b>41</b>			
Other shares and other variable yield participations		<b>42</b>			
Holdings in collective investment schemes		<b>43</b>		83737	52122
Rights under derivative contracts		<b>44</b>			
Fixed interest securities	Approved	<b>45</b>		66281	73140
	Other	<b>46</b>			
Variable interest securities	Approved	<b>47</b>			
	Other	<b>48</b>			
Participation in investment pools		<b>49</b>			
Loans secured by mortgages		<b>50</b>			
Loans to public or local authorities and nationalised industries or undertakings		<b>51</b>			
Loans secured by policies of insurance issued by the company		<b>52</b>			
Other loans		<b>53</b>			
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>		45584	62190
	More than one month withdrawal	<b>55</b>		6536	5663
Other financial investments		<b>56</b>			
Deposits with ceding undertakings		<b>57</b>			
Assets held to match linked liabilities	Index linked	<b>58</b>			
	Property linked	<b>59</b>			

**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
<b>R13</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>1</b>
					<b>As at end of this financial year</b>	<b>As at end of the previous year</b>	
					<b>1</b>	<b>2</b>	

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>	1689	1877
Claims outstanding	<b>61</b>	25640	35385
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>		
	Intermediaries	<b>72</b>	4534	4073
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>		
	Ceded	<b>75</b>	136	157
Dependants	due in 12 months or less	<b>76</b>		
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	955061	6068
	due in more than 12 months	<b>79</b>	15576	15897

**Other assets**

Tangible assets	<b>80</b>	4	25
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	328987	295057
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	37	50
Deferred acquisition costs (general business only)	<b>85</b>	4196	3850
Other prepayments and accrued income	<b>86</b>	1391	1493

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	1858797	903232
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**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2007	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	<b>91</b>	1858797	903232
Admissible assets in excess of market and counterparty limits	<b>92</b>	50071	54300
Inadmissible assets directly held	<b>93</b>	1065	
Capital resources requirement deduction of regulated related undertakings	<b>94</b>	621229	574796
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>	1555	1282808
Inadmissible assets of regulated related undertakings	<b>96</b>	12003	600
Book value of related ancillary services undertakings	<b>97</b>	4554	
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>	485119	
Deferred acquisition costs excluded from line 89	<b>99</b>		
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>		
Other asset adjustments (may be negative)	<b>101</b>	(19620)	(13265)
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	3014773	2802471

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		
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**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total long term insurance business assets**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
	R13	15454	GL	31	12	2007	£000
						As at end of this financial year	As at end of the previous year
						1	2
Land and buildings			11			9586841	10947173

**Investments in group undertakings and participating interests**

UK insurance dependants	Shares	21	601679	549494
	Debts and loans	22		
Other insurance dependants	Shares	23	33104	34191
	Debts and loans	24		
Non-insurance dependants	Shares	25	2198374	1542576
	Debts and loans	26	810039	912834
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

**Other financial investments**

Equity shares	41	45833556	48154559	
Other shares and other variable yield participations	42			
Holdings in collective investment schemes	43	5456345	1589688	
Rights under derivative contracts	44	336934	246756	
Fixed interest securities	Approved	45	4310249	3606796
	Other	46	19477643	17753608
Variable interest securities	Approved	47		
	Other	48	2549401	1863894
Participation in investment pools	49	1073872	806415	
Loans secured by mortgages	50	2367	2761	
Loans to public or local authorities and nationalised industries or undertakings	51			
Loans secured by policies of insurance issued by the company	52	78062	81367	
Other loans	53	763149	1003735	
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	4076240	4945361
	More than one month withdrawal	55	5059	670
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58	7162	10493
	Property linked	59	7903805	7856165

**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
<b>R13</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>10</b>
					<b>As at end of this financial year</b>	<b>As at end of the previous year</b>	
					<b>1</b>	<b>2</b>	

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	63461	78319
	Intermediaries	<b>72</b>	971	1920
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>	4282	89
	Ceded	<b>75</b>	7443	10373
Dependants	due in 12 months or less	<b>76</b>	30071	2306
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	1533533	827050
	due in more than 12 months	<b>79</b>	103191	36837

**Other assets**

Tangible assets	<b>80</b>	6431	7444
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	239711	258325
Cash in hand	<b>82</b>		1
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	596900	561354
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>	23181	22870

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	107713054	103715425
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**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2007	£000	10
					As at end of this financial year	As at end of the previous year	
					1	2	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	<b>91</b>	107713054	103715425
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>	434225	
Capital resources requirement deduction of regulated related undertakings	<b>94</b>	585649	629686
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		535731
Inadmissible assets of regulated related undertakings	<b>96</b>	12585	1500
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>	646270	(9540)
Deferred acquisition costs excluded from line 89	<b>99</b>	157980	167151
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	15312266	14673448
Other asset adjustments (may be negative)	<b>101</b>	13753	567708
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	124875782	120281109
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>	31275	23405



**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Scottish Amicable Insurance Fund**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
<b>R13</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>11</b>
						<b>As at end of this financial year</b>	<b>As at end of the previous year</b>
						<b>1</b>	<b>2</b>
Land and buildings			<b>11</b>			1182210	1355004

**Investments in group undertakings and participating interests**

UK insurance dependants	Shares	<b>21</b>				
	Debts and loans	<b>22</b>				
Other insurance dependants	Shares	<b>23</b>				
	Debts and loans	<b>24</b>				
Non-insurance dependants	Shares	<b>25</b>			201623	157161
	Debts and loans	<b>26</b>			108785	122544
Other group undertakings	Shares	<b>27</b>				
	Debts and loans	<b>28</b>				
Participating interests	Shares	<b>29</b>				
	Debts and loans	<b>30</b>				

**Other financial investments**

Equity shares		<b>41</b>			6640530	7151598
Other shares and other variable yield participations		<b>42</b>				
Holdings in collective investment schemes		<b>43</b>			322724	305765
Rights under derivative contracts		<b>44</b>			69701	65129
Fixed interest securities	Approved	<b>45</b>			710336	857120
	Other	<b>46</b>			3421223	3119253
Variable interest securities	Approved	<b>47</b>				
	Other	<b>48</b>			489280	354450
Participation in investment pools		<b>49</b>			172484	123460
Loans secured by mortgages		<b>50</b>			71	71
Loans to public or local authorities and nationalised industries or undertakings		<b>51</b>				
Loans secured by policies of insurance issued by the company		<b>52</b>			12352	14111
Other loans		<b>53</b>			194068	245356
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>			383595	487485
	More than one month withdrawal	<b>55</b>				
Other financial investments		<b>56</b>				
Deposits with ceding undertakings		<b>57</b>				
Assets held to match linked liabilities	Index linked	<b>58</b>				
	Property linked	<b>59</b>				

**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Scottish Amicable Insurance Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
<b>R13</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>11</b>
					<b>As at end of this financial year</b>	<b>As at end of the previous year</b>	
					<b>1</b>	<b>2</b>	

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	2761	1795
	Intermediaries	<b>72</b>		
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>		
	Ceded	<b>75</b>		
Dependants	due in 12 months or less	<b>76</b>		
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	212382	154194
	due in more than 12 months	<b>79</b>	4400	

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	19863	10220
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	96756	87921
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>	4692	2959

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	14249836	14615596
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**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Scottish Amicable Insurance Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2007	£000	11
					As at end of this financial year	As at end of the previous year	
					1	2	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	<b>91</b>	14249836	14615596
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>		
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>	4285	(2107)
Deferred acquisition costs excluded from line 89	<b>99</b>	3963	5106
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	524530	551997
Other asset adjustments (may be negative)	<b>101</b>	3873	74619
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	14786486	15245210
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **With-Profits Sub-Fund**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
<b>R13</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>12</b>
						<b>As at end of this financial year</b>	<b>As at end of the previous year</b>
						<b>1</b>	<b>2</b>
Land and buildings			<b>11</b>			8135686	9525847

**Investments in group undertakings and participating interests**

UK insurance dependants	Shares	<b>21</b>		601679	549494
	Debts and loans	<b>22</b>			
Other insurance dependants	Shares	<b>23</b>			
	Debts and loans	<b>24</b>			
Non-insurance dependants	Shares	<b>25</b>		1996746	1385410
	Debts and loans	<b>26</b>		701254	790290
Other group undertakings	Shares	<b>27</b>			
	Debts and loans	<b>28</b>			
Participating interests	Shares	<b>29</b>			
	Debts and loans	<b>30</b>			

**Other financial investments**

Equity shares		<b>41</b>		38327992	40276340
Other shares and other variable yield participations		<b>42</b>			
Holdings in collective investment schemes		<b>43</b>		4557160	845274
Rights under derivative contracts		<b>44</b>		247802	181615
Fixed interest securities	Approved	<b>45</b>		1965150	2127087
	Other	<b>46</b>		14546012	13555250
Variable interest securities	Approved	<b>47</b>			
	Other	<b>48</b>		1994177	1505686
Participation in investment pools		<b>49</b>		901388	682955
Loans secured by mortgages		<b>50</b>		2296	2690
Loans to public or local authorities and nationalised industries or undertakings		<b>51</b>			
Loans secured by policies of insurance issued by the company		<b>52</b>		65630	67183
Other loans		<b>53</b>		569081	758380
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>		2900806	3715271
	More than one month withdrawal	<b>55</b>		1606	670
Other financial investments		<b>56</b>			
Deposits with ceding undertakings		<b>57</b>			
Assets held to match linked liabilities	Index linked	<b>58</b>		5532	5363
	Property linked	<b>59</b>			

**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **With-Profits Sub-Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
<b>R13</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>12</b>
					<b>As at end of this financial year</b>	<b>As at end of the previous year</b>	
					<b>1</b>	<b>2</b>	

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	50952	57420
	Intermediaries	<b>72</b>	971	1920
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>		
	Ceded	<b>75</b>	5166	7271
Dependants	due in 12 months or less	<b>76</b>	30071	2306
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	1248023	558271
	due in more than 12 months	<b>79</b>	25255	22761

**Other assets**

Tangible assets	<b>80</b>	6431	7444
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	61452	139677
Cash in hand	<b>82</b>		1
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	467464	444916
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>	5251	8281

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	79421032	77225074
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**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **With-Profits Sub-Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2007	£000	12
					As at end of this financial year	As at end of the previous year	
					1	2	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	<b>91</b>	79421032	77225074
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>	310719	
Capital resources requirement deduction of regulated related undertakings	<b>94</b>	535196	564384
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		509335
Inadmissible assets of regulated related undertakings	<b>96</b>	1050	1500
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>	594601	(7433)
Deferred acquisition costs excluded from line 89	<b>99</b>	15477	26083
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	11463108	11299160
Other asset adjustments (may be negative)	<b>101</b>	10624	327265
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	92351807	89945367
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>	25369	18929

**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Defined Charge Participating Sub-Fund**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
	R13	15454	GL	31	12	2007	£000
						As at end of this financial year	As at end of the previous year
						1	2
Land and buildings			11			268945	66322

**Investments in group undertakings and participating interests**

UK insurance dependants	Shares	21		
	Debts and loans	22		
Other insurance dependants	Shares	23		
	Debts and loans	24		
Non-insurance dependants	Shares	25		
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

**Other financial investments**

Equity shares		41		865035	726621
Other shares and other variable yield participations		42			
Holdings in collective investment schemes		43		568720	426500
Rights under derivative contracts		44		5339	12
Fixed interest securities	Approved	45		1005376	
	Other	46		573290	197148
Variable interest securities	Approved	47			
	Other	48		295	2866
Participation in investment pools		49			
Loans secured by mortgages		50			
Loans to public or local authorities and nationalised industries or undertakings		51			
Loans secured by policies of insurance issued by the company		52			
Other loans		53			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54		128759	130730
	More than one month withdrawal	55		3452	
Other financial investments		56			
Deposits with ceding undertakings		57			
Assets held to match linked liabilities	Index linked	58			
	Property linked	59			

**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Defined Charge Participating Sub-Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
<b>R13</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>13</b>
					<b>As at end of this financial year</b>	<b>As at end of the previous year</b>	
					<b>1</b>	<b>2</b>	

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	126	44
	Intermediaries	<b>72</b>		
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>		
	Ceded	<b>75</b>		
Dependants	due in 12 months or less	<b>76</b>		
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	3807	22668
	due in more than 12 months	<b>79</b>		

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	140313	1286
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	1314	1240
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>		

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	3564770	1575437
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**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Defined Charge Participating Sub-Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2007	£000	13
					As at end of this financial year	As at end of the previous year	
					1	2	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	<b>91</b>	3564770	1575437
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>		
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>		
Deferred acquisition costs excluded from line 89	<b>99</b>		
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>		
Other asset adjustments (may be negative)	<b>101</b>	(744)	
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	3564026	1575437
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		1443

**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Non-Profit Sub-Fund**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
<b>R13</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>14</b>
						<b>As at end of this financial year</b>	<b>As at end of the previous year</b>
						<b>1</b>	<b>2</b>
Land and buildings			<b>11</b>				

**Investments in group undertakings and participating interests**

UK insurance dependants	Shares	<b>21</b>		
	Debts and loans	<b>22</b>		
Other insurance dependants	Shares	<b>23</b>	33104	34191
	Debts and loans	<b>24</b>		
Non-insurance dependants	Shares	<b>25</b>	5	5
	Debts and loans	<b>26</b>		
Other group undertakings	Shares	<b>27</b>		
	Debts and loans	<b>28</b>		
Participating interests	Shares	<b>29</b>		
	Debts and loans	<b>30</b>		

**Other financial investments**

Equity shares	<b>41</b>			
Other shares and other variable yield participations	<b>42</b>			
Holdings in collective investment schemes	<b>43</b>	7741	12149	
Rights under derivative contracts	<b>44</b>	14092		
Fixed interest securities	Approved	<b>45</b>	629386	622589
	Other	<b>46</b>	937119	881957
Variable interest securities	Approved	<b>47</b>		
	Other	<b>48</b>	65649	892
Participation in investment pools	<b>49</b>			
Loans secured by mortgages	<b>50</b>			
Loans to public or local authorities and nationalised industries or undertakings	<b>51</b>			
Loans secured by policies of insurance issued by the company	<b>52</b>	79	73	
Other loans	<b>53</b>			
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	663080	611875
	More than one month withdrawal	<b>55</b>		
Other financial investments	<b>56</b>			
Deposits with ceding undertakings	<b>57</b>			
Assets held to match linked liabilities	Index linked	<b>58</b>	1630	5130
	Property linked	<b>59</b>	7903805	7856165

**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Non-Profit Sub-Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
<b>R13</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>14</b>
					<b>As at end of this financial year</b>	<b>As at end of the previous year</b>	
					<b>1</b>	<b>2</b>	

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	9622	19061
	Intermediaries	<b>72</b>		
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>	4282	89
	Ceded	<b>75</b>	2277	3102
Dependants	due in 12 months or less	<b>76</b>		
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	69322	91916
	due in more than 12 months	<b>79</b>	73536	14076

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	18083	107142
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	31367	27276
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>	13238	11630

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	10477416	10299318
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**Analysis of admissible assets**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Non-Profit Sub-Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2007	£000	14
					As at end of this financial year	As at end of the previous year	
					1	2	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	<b>91</b>	10477416	10299318
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>	123506	
Capital resources requirement deduction of regulated related undertakings	<b>94</b>	50453	65302
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		26396
Inadmissible assets of regulated related undertakings	<b>96</b>	11535	
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>	47384	
Deferred acquisition costs excluded from line 89	<b>99</b>	138541	135962
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	3324628	2822291
Other asset adjustments (may be negative)	<b>101</b>		165824
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	14173463	13515094
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>	5906	3033

**Long term insurance business liabilities and margins**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Total business/Sub fund **10 Summary**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Mathematical reserves, after distribution of surplus	<b>11</b>	75126177	72428367	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>	1198	1174	
Balance of surplus/(valuation deficit)	<b>13</b>	39406	84457	
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	75166781	72513998	
Claims outstanding	Gross	<b>15</b>	338707	455598
	Reinsurers' share	<b>16</b>	3147	2839
	Net (15-16)	<b>17</b>	335560	452759
Provisions	Taxation	<b>21</b>	1675039	1926307
	Other risks and charges	<b>22</b>	192308	178916
Deposits received from reinsurers	<b>23</b>			
Creditors	Direct insurance business	<b>31</b>	49909	73960
	Reinsurance accepted	<b>32</b>	2559	
	Reinsurance ceded	<b>33</b>	50359	20259
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions	<b>36</b>	62618	60253	
Creditors	Taxation	<b>37</b>	291973	331068
	Other	<b>38</b>	1603353	1218475
Accruals and deferred income	<b>39</b>	142522	147162	
Provision for "reasonably foreseeable adverse variations"	<b>41</b>			
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	4406199	4409160	
Excess of the value of net admissible assets	<b>51</b>	28140074	26792268	
Total liabilities and margins	<b>59</b>	107713054	103715426	

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	192158	197375
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	7903805	7856165

Total liabilities (11+12+49)	<b>71</b>	79533574	76838701
Increase to liabilities - DAC related	<b>72</b>	72419	30011
Reinsurers' share of technical provisions	<b>73</b>	15312268	14673448
Other adjustments to liabilities (may be negative)	<b>74</b>	15123960	14264811
Capital and reserves and fund for future appropriations	<b>75</b>	14833562	14474138
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)	<b>76</b>	124875783	120281108

**Long term insurance business liabilities and margins**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Total business/Sub fund **21 Scottish Amicable Insurance Fund**Units **£000**

As at end of this financial year	As at end of the previous year
1	2

Mathematical reserves, after distribution of surplus		<b>11</b>	10117249	10585482
Cash bonuses which had not been paid to policyholders prior to end of the financial year		<b>12</b>		
Balance of surplus/(valuation deficit)		<b>13</b>		
Long term insurance business fund carried forward (11 to 13)		<b>14</b>	10117249	10585482
Claims outstanding	Gross	<b>15</b>	85237	74914
	Reinsurers' share	<b>16</b>	845	559
	Net (15-16)	<b>17</b>	84392	74355
Provisions	Taxation	<b>21</b>	209183	236731
	Other risks and charges	<b>22</b>		
Deposits received from reinsurers		<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	710	1599
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>	6159	
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions		<b>36</b>		
Creditors	Taxation	<b>37</b>	44730	14650
	Other	<b>38</b>	359790	291079
Accruals and deferred income		<b>39</b>	17071	11134
Provision for "reasonably foreseeable adverse variations"		<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)		<b>49</b>	722035	629548
Excess of the value of net admissible assets		<b>51</b>	3410551	3400566
Total liabilities and margins		<b>59</b>	14249835	14615596

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		<b>61</b>	104300	104300
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		<b>62</b>		

Total liabilities (11+12+49)		<b>71</b>	10839284	11215030
Increase to liabilities - DAC related		<b>72</b>	793	
Reinsurers' share of technical provisions		<b>73</b>	524532	551997
Other adjustments to liabilities (may be negative)		<b>74</b>	3421877	3478226
Capital and reserves and fund for future appropriations		<b>75</b>		(42)
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)		<b>76</b>	14786486	15245211

**Long term insurance business liabilities and margins**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Total business/Sub fund **22 With-Profits Sub-Fund**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Mathematical reserves, after distribution of surplus		<b>11</b>	51480754	50553868
Cash bonuses which had not been paid to policyholders prior to end of the financial year		<b>12</b>	1198	1174
Balance of surplus/(valuation deficit)		<b>13</b>		
Long term insurance business fund carried forward (11 to 13)		<b>14</b>	51481952	50555042
Claims outstanding	Gross	<b>15</b>	217371	358697
	Reinsurers' share	<b>16</b>	482	1547
	Net (15-16)	<b>17</b>	216889	357150
Provisions	Taxation	<b>21</b>	1504732	1741872
	Other risks and charges	<b>22</b>	192300	171100
Deposits received from reinsurers		<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	41278	39090
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>	27814	16165
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions		<b>36</b>	61453	60253
Creditors	Taxation	<b>37</b>	219349	304855
	Other	<b>38</b>	1076994	747429
Accruals and deferred income		<b>39</b>	125427	135813
Provision for "reasonably foreseeable adverse variations"		<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)		<b>49</b>	3466234	3573727
Excess of the value of net admissible assets		<b>51</b>	24472845	23096305
Total liabilities and margins		<b>59</b>	79421032	77225074

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		<b>61</b>	71702	79162
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		<b>62</b>		

Total liabilities (11+12+49)		<b>71</b>	54948187	54128769
Increase to liabilities - DAC related		<b>72</b>	4082	4082
Reinsurers' share of technical provisions		<b>73</b>	11463107	11299160
Other adjustments to liabilities (may be negative)		<b>74</b>	11640432	10649021
Capital and reserves and fund for future appropriations		<b>75</b>	14296000	13864334
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)		<b>76</b>	92351807	89945367

**Long term insurance business liabilities and margins**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Total business/Sub fund **23 Defined Charge Participating Sub-Fund**Units **£000**

As at end of this financial year	As at end of the previous year
1	2

Mathematical reserves, after distribution of surplus	<b>11</b>	3354173	1326054
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>		
Balance of surplus/(valuation deficit)	<b>13</b>		
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	3354173	1326054
Claims outstanding	Gross	248	30
	Reinsurers' share		
	Net (15-16)	248	30
Provisions	Taxation		
	Other risks and charges	8	20
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business		108
	Reinsurance accepted		
	Reinsurance ceded		
Debenture loans	Secured		
	Unsecured		
Amounts owed to credit institutions	<b>36</b>		
Creditors	Taxation		
	Other	678	842
Accruals and deferred income	<b>39</b>		
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	934	1000
Excess of the value of net admissible assets	<b>51</b>	209663	248383
Total liabilities and margins	<b>59</b>	3564770	1575438

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>		
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>		

Total liabilities (11+12+49)	<b>71</b>	3355107	1327054
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>	209571	247838
Capital and reserves and fund for future appropriations	<b>75</b>	(652)	545
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)	<b>76</b>	3564026	1575437



**Long term insurance business liabilities and margins**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Total business/Sub fund **31 Non-Profit Sub-Fund**Units **£000**

As at end of this financial year	As at end of the previous year
1	2

Mathematical reserves, after distribution of surplus		<b>11</b>	10174001	9962963
Cash bonuses which had not been paid to policyholders prior to end of the financial year		<b>12</b>		
Balance of surplus/(valuation deficit)		<b>13</b>	39406	84457
Long term insurance business fund carried forward (11 to 13)		<b>14</b>	10213407	10047420
Claims outstanding	Gross	<b>15</b>	35850	21957
	Reinsurers' share	<b>16</b>	1820	733
	Net (15-16)	<b>17</b>	34030	21224
Provisions	Taxation	<b>21</b>	(38875)	(52296)
	Other risks and charges	<b>22</b>		7796
Deposits received from reinsurers		<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	7921	33162
	Reinsurance accepted	<b>32</b>	2559	
	Reinsurance ceded	<b>33</b>	16386	4094
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions		<b>36</b>	1165	
Creditors	Taxation	<b>37</b>	27893	11563
	Other	<b>38</b>	165891	179125
Accruals and deferred income		<b>39</b>	24	216
Provision for "reasonably foreseeable adverse variations"		<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)		<b>49</b>	216995	204884
Excess of the value of net admissible assets		<b>51</b>	47014	47014
Total liabilities and margins		<b>59</b>	10477416	10299318

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		<b>61</b>	16156	13913
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		<b>62</b>	7903805	7856165

Total liabilities (11+12+49)		<b>71</b>	10390996	10167847
Increase to liabilities - DAC related		<b>72</b>	67544	25929
Reinsurers' share of technical provisions		<b>73</b>	3324629	2822291
Other adjustments to liabilities (may be negative)		<b>74</b>	(147920)	(110275)
Capital and reserves and fund for future appropriations		<b>75</b>	538214	609302
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)		<b>76</b>	14173463	13515094

**Liabilities (other than long term insurance business)**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

	Company registration number	GL/ UK/ CM	day month year			Units
R15	15454	GL	31	12	2007	£000
			As at end of this financial year 1			As at end of the previous year 2

**Technical provisions (gross amount)**

Provisions for unearned premiums	<b>11</b>	11591	10845
Claims outstanding	<b>12</b>	104785	105798
Provision for unexpired risks	<b>13</b>		37
Equalisation provisions	Credit business	<b>14</b>	
	Other than credit business	<b>15</b>	487 493
Other technical provisions	<b>16</b>		
Total gross technical provisions (11 to 16)	<b>19</b>	116863	117173

**Provisions and creditors**

Provisions	Taxation	<b>21</b>	
	Other risks and charges	<b>22</b>	27740 18538
Deposits received from reinsurers	<b>31</b>		
Creditors	Direct insurance business	<b>41</b>	1911 1632
	Reinsurance accepted	<b>42</b>	
	Reinsurance ceded	<b>43</b>	765 1381
Debenture loans	Secured	<b>44</b>	
	Unsecured	<b>45</b>	
Amounts owed to credit institutions	<b>46</b>		
Creditors	Taxation	<b>47</b>	
	Foreseeable dividend	<b>48</b>	
	Other	<b>49</b>	25926 34574
Accruals and deferred income	<b>51</b>		
Total (19 to 51)	<b>59</b>	173206	173297
Provision for "reasonably foreseeable adverse variations"	<b>61</b>		
Cumulative preference share capital	<b>62</b>	1000	1000
Subordinated loan capital	<b>63</b>		
Total (59 to 63)	<b>69</b>	174206	174297

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	<b>71</b>		
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Amounts deducted from technical provisions for discounting	<b>82</b>		
Other adjustments (may be negative)	<b>83</b>	(27740)	(19409)
Capital and reserves	<b>84</b>	2868308	2647582
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	<b>85</b>	3014774	2802470

**Profit and loss account (non-technical account)**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R16	15454	GL	31	12	2007	£000
				This financial year			Previous year	
				1			2	
Transfer (to)/from the general insurance business technical account	From Form 20	11	(10071)				(8428)	
	Equalisation provisions	12	9				2167	
Transfer from the long term insurance business revenue account		13	289426				269254	
Investment income	Income	14	72685				41443	
	Value re-adjustments on investments	15	178954				272809	
	Gains on the realisation of investments	16						
Investment charges	Investment management charges, including interest	17	302				341	
	Value re-adjustments on investments	18						
	Loss on the realisation of investments	19	911				5752	
Allocated investment return transferred to the general insurance business technical account		20						
Other income and charges (particulars to be specified by way of supplementary note)		21	(108240)				19354	
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	421549				590506	
Tax on profit or loss on ordinary activities		31	10822				16669	
Profit or loss on ordinary activities after tax (29-31)		39	410727				573837	
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	410727				573837	
Dividends (paid or foreseeable)		51	288030				248027	
Profit or loss retained for the financial year (49-51)		59	122697				325810	

**Analysis of derivative contracts**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total other than long term insurance business assets**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		<b>R17</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>1</b>
		As at the end of this financial year			As at the end of the previous year				
		Assets		Liabilities		Assets		Liabilities	
		<b>1</b>		<b>2</b>		<b>3</b>		<b>4</b>	
<b>Derivative contracts</b>									
Futures contracts	Fixed-interest securities	<b>11</b>							
	Equity shares	<b>12</b>							
	Land	<b>13</b>							
	Currencies	<b>14</b>							
	Other	<b>15</b>							
Options	Fixed-interest securities	<b>21</b>							
	Equity shares	<b>22</b>							
	Land	<b>23</b>							
	Currencies	<b>24</b>							
	Other	<b>25</b>							
Contracts for differences	Fixed-interest securities	<b>31</b>							
	Equity shares	<b>32</b>							
	Land	<b>33</b>							
	Currencies	<b>34</b>							
	Other	<b>35</b>							
Adjustment for variation margin		<b>41</b>							
Total (11 to 41)		<b>49</b>							

**Analysis of derivative contracts**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total long term insurance business assets**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		<b>R17</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>10</b>
<b>Derivative contracts</b>		As at the end of this financial year			As at the end of the previous year				
		Assets <b>1</b>		Liabilities <b>2</b>		Assets <b>3</b>		Liabilities <b>4</b>	
Futures contracts	Fixed-interest securities	<b>11</b>							
	Equity shares	<b>12</b>							
	Land	<b>13</b>							
	Currencies	<b>14</b>	110775	460547	166055	17828			
	Other	<b>15</b>							
Options	Fixed-interest securities	<b>21</b>							
	Equity shares	<b>22</b>	825	257	911	838			
	Land	<b>23</b>							
	Currencies	<b>24</b>							
	Other	<b>25</b>	20430		33833				
Contracts for differences	Fixed-interest securities	<b>31</b>	4671	7029	5471	23664			
	Equity shares	<b>32</b>	6336	9551	3318	14010			
	Land	<b>33</b>	66538	92688	1175	128250			
	Currencies	<b>34</b>	6932		7896				
	Other	<b>35</b>	131433	18555	36886	11317			
Adjustment for variation margin		<b>41</b>	(11007)	(15094)	(8788)	(37675)			
Total (11 to 41)		<b>49</b>	336933	573534	246757	158232			

**Analysis of derivative contracts**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Scottish Amicable Insurance Fund**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		<b>R17</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>11</b>
		As at the end of this financial year				As at the end of the previous year			
		Assets		Liabilities		Assets		Liabilities	
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>				
<b>Derivative contracts</b>									
Futures contracts	Fixed-interest securities	<b>11</b>							
	Equity shares	<b>12</b>							
	Land	<b>13</b>							
	Currencies	<b>14</b>	14451	84429	26598	2666			
	Other	<b>15</b>							
Options	Fixed-interest securities	<b>21</b>							
	Equity shares	<b>22</b>	129	40	144	131			
	Land	<b>23</b>							
	Currencies	<b>24</b>							
	Other	<b>25</b>	20430		33833				
Contracts for differences	Fixed-interest securities	<b>31</b>	608	1366	1494	5261			
	Equity shares	<b>32</b>	1010	2039	40	2812			
	Land	<b>33</b>	12325	21862	41	22664			
	Currencies	<b>34</b>							
	Other	<b>35</b>	22421	2440	4513	2532			
Adjustment for variation margin		<b>41</b>	(1673)	(3873)	(1534)	(8073)			
Total (11 to 41)		<b>49</b>	69701	108303	65129	27993			

**Analysis of derivative contracts**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **With-Profits Sub-Fund**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		<b>R17</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>12</b>
<b>Derivative contracts</b>		As at the end of this financial year			As at the end of the previous year				
		Assets <b>1</b>		Liabilities <b>2</b>		Assets <b>3</b>		Liabilities <b>4</b>	
Futures contracts	Fixed-interest securities	<b>11</b>							
	Equity shares	<b>12</b>							
	Land	<b>13</b>							
	Currencies	<b>14</b>	90985		374248		139444		14642
	Other	<b>15</b>							
Options	Fixed-interest securities	<b>21</b>							
	Equity shares	<b>22</b>	696		217		767		707
	Land	<b>23</b>							
	Currencies	<b>24</b>							
	Other	<b>25</b>							
Contracts for differences	Fixed-interest securities	<b>31</b>	4063		5663		3977		18403
	Equity shares	<b>32</b>	5296		7302		198		10902
	Land	<b>33</b>	54213		70826		1134		105586
	Currencies	<b>34</b>	6932				7896		
	Other	<b>35</b>	94920		16115		32373		8785
Adjustment for variation margin		<b>41</b>	(9303)		(11053)		(4174)		(29306)
Total (11 to 41)		<b>49</b>	247802		463318		181615		129720

**Analysis of derivative contracts**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Defined Charge Participating Sub-Fund**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		<b>R17</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>13</b>
		As at the end of this financial year				As at the end of the previous year			
		Assets		Liabilities		Assets		Liabilities	
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>				
<b>Derivative contracts</b>									
Futures contracts	Fixed-interest securities	<b>11</b>							
	Equity shares	<b>12</b>							
	Land	<b>13</b>							
	Currencies	<b>14</b>	5339	298	13	520			
	Other	<b>15</b>							
Options	Fixed-interest securities	<b>21</b>							
	Equity shares	<b>22</b>							
	Land	<b>23</b>							
	Currencies	<b>24</b>							
	Other	<b>25</b>							
Contracts for differences	Fixed-interest securities	<b>31</b>							
	Equity shares	<b>32</b>	30	210	3080	296			
	Land	<b>33</b>							
	Currencies	<b>34</b>							
	Other	<b>35</b>							
Adjustment for variation margin		<b>41</b>	(30)	(168)	(3080)	(296)			
Total (11 to 41)		<b>49</b>	5339	340	12	520			



**Analysis of derivative contracts**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Non-Profit Sub-Fund**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		<b>R17</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>14</b>
		As at the end of this financial year			As at the end of the previous year				
		Assets		Liabilities		Assets		Liabilities	
		<b>1</b>		<b>2</b>		<b>3</b>		<b>4</b>	
<b>Derivative contracts</b>									
Futures contracts	Fixed-interest securities	<b>11</b>							
	Equity shares	<b>12</b>							
	Land	<b>13</b>							
	Currencies	<b>14</b>			1572				
	Other	<b>15</b>							
Options	Fixed-interest securities	<b>21</b>							
	Equity shares	<b>22</b>							
	Land	<b>23</b>							
	Currencies	<b>24</b>							
	Other	<b>25</b>							
Contracts for differences	Fixed-interest securities	<b>31</b>							
	Equity shares	<b>32</b>							
	Land	<b>33</b>							
	Currencies	<b>34</b>							
	Other	<b>35</b>		14092					
Adjustment for variation margin		<b>41</b>							
Total (11 to 41)		<b>49</b>		14092		1572			

**With-profits insurance capital component for the fund**

Name of insurer **The Prudential Assurance Company Limited**

With-profits fund **Summary**

Financial year ended **31 December 2007**

Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	97235637	93416108
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	1283919	1200198
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	176889	186506
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	95774828	92029404
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	63668258	61265206
	Regulatory current liabilities of the fund	<b>22</b>	4190401	4205450
	Total (21+22)	<b>29</b>	67858659	65470656
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	2536216	2440648
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	70394876	67911304
Regulatory excess capital (19-39)		<b>49</b>	25379953	24118100

**Realistic excess capital**

Realistic excess capital	<b>51</b>	6746697	6801489
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	18633256	17316611
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>	2263819	2274222
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	16369437	15042389

**With-profits insurance capital component for the fund**

Name of insurer **The Prudential Assurance Company Limited**

With-profits fund **21 Scottish Amicable Insurance Fund**

Financial year ended **31 December 2007**

Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	14249835	14615596
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	263597	238114
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	52778	56356
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	13933460	14321126
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	9853652	10347368
	Regulatory current liabilities of the fund	<b>22</b>	722035	629548
	Total (21+22)	<b>29</b>	10575687	10976916
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	344099	363312
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	10919787	11340228
Regulatory excess capital (19-39)		<b>49</b>	3013673	2980897

**Realistic excess capital**

Realistic excess capital	<b>51</b>		
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	3013673	2980897
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	3013673	2980897

**With-profits insurance capital component for the fund**

Name of insurer **The Prudential Assurance Company Limited**

With-profits fund **22 With-Profits Sub-Fund**

Financial year ended **31 December 2007**

Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	79421032	77225074
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	1020322	962084
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	124112	130150
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	78276598	76132840
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	50460432	49591784
	Regulatory current liabilities of the fund	<b>22</b>	3467432	3574901
	Total (21+22)	<b>29</b>	53927864	53166685
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	2057950	2024294
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	55985814	55190979
Regulatory excess capital (19-39)		<b>49</b>	22290784	20941861

**Realistic excess capital**

Realistic excess capital	<b>51</b>	6746697	6801489
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	15544087	14140372
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>	2263819	2274222
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	13280268	11866150

**With-profits insurance capital component for the fund**

Name of insurer **The Prudential Assurance Company Limited**

With-profits fund **23 Defined Charge Participating Sub-Fund**

Financial year ended **31 December 2007**

Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	3564770	1575438
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>		
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>		
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	3564770	1575438
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	3354174	1326054
	Regulatory current liabilities of the fund	<b>22</b>	934	1000
	Total (21+22)	<b>29</b>	3355108	1327054
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	134167	53042
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	3489275	1380096
Regulatory excess capital (19-39)		<b>49</b>	75495	195341

**Realistic excess capital**

Realistic excess capital	<b>51</b>		
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	75495	195341
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	75495	195341

**Realistic balance sheet**Name of insurer **The Prudential Assurance Company Limited**With-profits fund **Summary**Financial year end **31 December 2007**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic value of assets available to the fund**

Regulatory value of assets	11	95774828	92029404
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13	601679	549494
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	742676	771011
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24	953679	910494
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	96869505	93161414
Support arrangement assets	27		
Assets available to the fund (26+27)	29	96869505	93161414

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	79355274	76770692	
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	47400	
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	1247323	1466146
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	1777469	1554042
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	236549	94361
	Future costs of contractual guarantees (other than financial options)	41	1984825	1393641
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	563825	608120
	Future costs of smoothing (possibly negative)	44	1138161	100318
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	1802881	1754689
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	4722998	3721912	
Realistic current liabilities of the fund	51	4072784	4049343	
Realistic value of liabilities of fund (31+49+51)	59	88151055	84541946	

**Realistic balance sheet**Name of insurer **The Prudential Assurance Company Limited**With-profits fund **Summary**Financial year ended **31 December 2007**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	90122807	86359926
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	90122807	86359926
Risk capital margin for fund (62-59)	<b>65</b>	1971752	1817979
Realistic excess capital for fund (26-(59+65))	<b>66</b>	6746697	6801489
Realistic excess available capital for fund (29-(59+65))	<b>67</b>	6746697	6801489
Working capital for fund (29-59)	<b>68</b>	8718449	8619468
Working capital ratio for fund (68/29)	<b>69</b>	9.00	9.25

**Other assets potentially available if required to cover the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**Name of insurer **The Prudential Assurance Company Limited**With-profits fund **21 Scottish Amicable Insurance Fund**Financial year end **31 December 2007**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic value of assets available to the fund**

Regulatory value of assets	11	13933460	14321126
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	318020	323078
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	14251480	14644203
Support arrangement assets	27		
Assets available to the fund (26+27)	29	14251480	14644203

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	11939174	12483416	
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32		
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	891535	1103866
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	286811	327988
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36		
	Future costs of contractual guarantees (other than financial options)	41	107160	84326
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	518725	561220
	Future costs of smoothing (possibly negative)	44	183468	(83473)
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	189338	210481
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	1603414	1548432	
Realistic current liabilities of the fund	51	708892	612355	
Realistic value of liabilities of fund (31+49+51)	59	14251480	14644203	



**Realistic balance sheet**Name of insurer **The Prudential Assurance Company Limited**With-profits fund **21 Scottish Amicable Insurance Fund**Financial year ended **31 December 2007**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	14251480	14644203
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	14251480	14644203
Risk capital margin for fund (62-59)	<b>65</b>		
Realistic excess capital for fund (26-(59+65))	<b>66</b>		
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		
Working capital for fund (29-59)	<b>68</b>		
Working capital ratio for fund (68/29)	<b>69</b>		

**Other assets potentially available if required to cover the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**Name of insurer **The Prudential Assurance Company Limited**With-profits fund **22 With-Profits Sub-Fund**Financial year end **31 December 2007**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic value of assets available to the fund**

Regulatory value of assets	<b>11</b>	78276598	76132840
Implicit items allocated to the fund	<b>12</b>		
Value of shares in subsidiaries held in fund (regulatory)	<b>13</b>	601679	549494
Excess admissible assets	<b>21</b>		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	<b>22</b>	424656	447933
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	<b>23</b>		
Value of shares in subsidiaries held in fund (realistic)	<b>24</b>	953679	910494
Prepayments made from the fund	<b>25</b>		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	<b>26</b>	79053254	76941774
Support arrangement assets	<b>27</b>		
Assets available to the fund (26+27)	<b>29</b>	79053254	76941774

**Realistic value of liabilities of fund**

With-profits benefit reserve	<b>31</b>	63852263	62712839	
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	<b>32</b>		47400
	Past miscellaneous deficit attributed to with-profits benefits reserve	<b>33</b>		
	Planned enhancements to with-profits benefits reserve	<b>34</b>	355789	362280
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	<b>35</b>	1395153	1164575
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	<b>36</b>	236549	94361
	Future costs of contractual guarantees (other than financial options)	<b>41</b>	1877665	1277827
	Future costs of non-contractual commitments	<b>42</b>		
	Future costs of financial options	<b>43</b>	45100	46900
	Future costs of smoothing (possibly negative)	<b>44</b>	954694	183791
	Financing costs	<b>45</b>		
	Any other liabilities related to regulatory duty to treat customers fairly	<b>46</b>		
	Other long-term insurance liabilities	<b>47</b>	1518038	1514217
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	<b>49</b>	3119583	2173479	
Realistic current liabilities of the fund	<b>51</b>	3362958	3435987	
Realistic value of liabilities of fund (31+49+51)	<b>59</b>	70334805	68322306	

**Realistic balance sheet**Name of insurer **The Prudential Assurance Company Limited**With-profits fund **22 With-Profits Sub-Fund**Financial year ended **31 December 2007**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	72306557	70140285
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	72306557	70140285
Risk capital margin for fund (62-59)	<b>65</b>	1971752	1817979
Realistic excess capital for fund (26-(59+65))	<b>66</b>	6746697	6801489
Realistic excess available capital for fund (29-(59+65))	<b>67</b>	6746697	6801489
Working capital for fund (29-59)	<b>68</b>	8718449	8619468
Working capital ratio for fund (68/29)	<b>69</b>	11.03	11.20

**Other assets potentially available if required to cover the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**Name of insurer **The Prudential Assurance Company Limited**With-profits fund **23 Defined Charge Participating Sub-Fund**Financial year end **31 December 2007**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic value of assets available to the fund**

Regulatory value of assets	11	3564770	1575438
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22		
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	3564770	1575438
Support arrangement assets	27		
Assets available to the fund (26+27)	29	3564770	1575438

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	3563836	1574437	
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32		
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34		
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	95505	61479
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36		
	Future costs of contractual guarantees (other than financial options)	41		31489
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43		
	Future costs of smoothing (possibly negative)	44		
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
Other long-term insurance liabilities	47	95505	29990	
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49			
Realistic current liabilities of the fund	51	934	1000	
Realistic value of liabilities of fund (31+49+51)	59	3564770	1575438	

**Realistic balance sheet**Name of insurer **The Prudential Assurance Company Limited**With-profits fund **23 Defined Charge Participating Sub-Fund**Financial year ended **31 December 2007**Units **£000**

As at end of this financial year	As at end of the previous year
1	2

**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	3564770	1575438
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	3564770	1575438
Risk capital margin for fund (62-59)	<b>65</b>		
Realistic excess capital for fund (26-(59+65))	<b>66</b>		
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		
Working capital for fund (29-59)	<b>68</b>		
Working capital ratio for fund (68/29)	<b>69</b>		

**Other assets potentially available if required to cover the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

## General insurance business : Summary of business carried on

Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

		Company registration number	GL/UK/CM	day month year			units	
		R20A	15454	GL	31	12	2007	£000
Category number	FSA return general insurance business reporting category	Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year			
			Reported	Incurred but not reported				
		1	2	3	4			
1	Total business	1	23375	37885	63368	11522		
2	Total primary (direct) and facultative business	2	23375	37885	63368	11522		
3	Total treaty reinsurance accepted business	3						
110	Total primary (direct) and facultative accident and health (category numbers 111 to 114)	4	14739	717	476	7330		
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5	1458	15564	3648	760		
160	Primary (direct) and facultative household and domestic all risks	6	1944	3456	3370	970		
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7	376	1	21	76		
220	Total primary (direct) and facultative commercial motor business (category numbers 221 to 223)	8	55	8	2	28		
260	Total primary (direct) and facultative commercial lines property (category numbers 261 to 263)	9	791	1511	40	396		
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)	10	3680	16608	52632	1798		
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)	11	116	17	21	60		
330	Total primary (direct) and facultative aviation (category numbers 331 to 333)	12						
340	Total primary (direct) and facultative marine (category numbers 341 to 347)	13			3150			
350	Total primary (direct) and facultative goods in transit	14	216	4	8	105		
400	Miscellaneous primary (direct) and facultative business	15						
500	Total non-proportional treaty reinsurance business accepted (category numbers 510 to 590)	16						
600	Total proportional treaty reinsurance business accepted (category numbers 610 to 690)	17						
700	Miscellaneous treaty reinsurance accepted business	18						
	Total (lines 4 to 18)	20	23375	37885	63368	11522		

## General insurance business : Summary of business carried on

Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
		R20A	15454	GL	31	12	2007
		Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year		
		1	Reported	Incurring but not reported			4
			2	3			

## Primary (direct) and facultative personal lines business

111	Medical insurance	21	8789	220	290	4424
112	HealthCare cash plans	22	52	1	1	30
113	Travel	23	1253	73	23	652
114	Personal accident or sickness	24	4646	422	162	2224
121	Private motor - comprehensive	25	1213	11927	3550	632
122	Private motor - non-comprehensive	26	245	3636	98	128
123	Motor cycle	27				
160	Household and domestic all risks (equals line 6)	28	1944	3456	3370	970
181	Assistance	29				
182	Creditor	30				
183	Extended warranty	31				
184	Legal expenses	32				
185	Mortgage indemnity	33				
186	Pet insurance	34				
187	Other personal financial loss	35	376	1	21	76

## Primary (direct) and facultative commercial lines business

221	Fleets	41				
222	Commercial vehicles (non-fleet)	42	55	8	2	28
223	Motor other	43				
261	Commercial property	44	704	150	38	351
262	Consequential loss	45	64	1360	2	33
263	Contractors or engineering all risks	46	24			12
271	Employers liability	47	3003	11778	49228	1454
272	Professional indemnity	48	23	1047	284	12
273	Public and products liability	49	654	3783	3120	332
274	Mixed commercial package	50				
281	Fidelity and contract guarantee	51	116	17	21	60
282	Credit	52				
283	Suretyship	53				
284	Commercial contingency	54				

## Primary (direct) and facultative aviation

331	Aviation liability	61				
332	Aviation hull	62				
333	Space and satellite	63				





**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total business**

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		<b>R20</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>001</b>
Items to be shown net of reinsurance			This financial year				Previous year		
			1				2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	18295	18499					
	Claims incurred (22.17.4)	12	8238	8726					
	Claims management costs (22.18.4)	13	256	263					
	Adjustment for discounting (22.52.4)	14							
	Increase in provision for unexpired risks (22.19.4)	15	(36)	38					
	Other technical income or charges (particulars to be specified by way of supplementary note)	16	55	10					
	Net operating expenses (22.42.4)	17	8138	8123					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	1755	1360					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	9760	3819					
	Claims management costs (22.14.4)	23	484	238					
	Adjustment for discounting (22.51.4)	24							
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22.41.4)	26	2338	2309					
	Balance (21-22-23+24+25-26)	29	(12582)	(6366)					
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31	756	(3422)					
	Other technical income or charges (particulars to be specified by way of supplementary note)	32							
	Total	39	756	(3422)					
Balance of all years' underwriting (19+29+39)		49	(10071)	(8428)					
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	(10071)	(8428)					

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total primary (direct) and facultative business**

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		<b>R20</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>002</b>
Items to be shown net of reinsurance			This financial year				Previous year		
			<b>1</b>				<b>2</b>		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	<b>11</b>	18295	18499					
	Claims incurred (22.17.4)	<b>12</b>	8238	8726					
	Claims management costs (22.18.4)	<b>13</b>	256	263					
	Adjustment for discounting (22.52.4)	<b>14</b>							
	Increase in provision for unexpired risks (22.19.4)	<b>15</b>	(36)	38					
	Other technical income or charges (particulars to be specified by way of supplementary note)	<b>16</b>	55	10					
	Net operating expenses (22.42.4)	<b>17</b>	8138	8123					
	Balance of year's underwriting (11-12-13+14-15+16-17)	<b>19</b>	1755	1360					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	<b>21</b>							
	Claims incurred (22.13.4)	<b>22</b>	9760	3819					
	Claims management costs (22.14.4)	<b>23</b>	484	238					
	Adjustment for discounting (22.51.4)	<b>24</b>							
	Other technical income or charges (particulars to be specified by way of supplementary note)	<b>25</b>							
	Net operating expenses (22.41.4)	<b>26</b>	2338	2309					
	Balance (21-22-23+24+25-26)	<b>29</b>	(12582)	(6366)					
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	<b>31</b>	756	(3422)					
	Other technical income or charges (particulars to be specified by way of supplementary note)	<b>32</b>							
	Total	<b>39</b>	756	(3422)					
Balance of all years' underwriting (19+29+39)		<b>49</b>	(10071)	(8428)					
Allocated investment income		<b>51</b>							
Transfer to non-technical account (49+51)		<b>59</b>	(10071)	(8428)					

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total primary (direct) and facultative accident and health**

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		<b>R20</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>110</b>
Items to be shown net of reinsurance			This financial year				Previous year		
			1				2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	11253	11101					
	Claims incurred (22.17.4)	12	5385	5647					
	Claims management costs (22.18.4)	13	187	183					
	Adjustment for discounting (22.52.4)	14							
	Increase in provision for unexpired risks (22.19.4)	15							
	Other technical income or charges (particulars to be specified by way of supplementary note)	16	55	10					
	Net operating expenses (22.42.4)	17	4388	4219					
Balance of year's underwriting (11-12-13+14-15+16-17)	19	1348	1062						
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	35	(9)					
	Claims management costs (22.14.4)	23	14	12					
	Adjustment for discounting (22.51.4)	24							
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22.41.4)	26							
Balance (21-22-23+24+25-26)	29	(49)	(3)						
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31							
	Other technical income or charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)		49	1299	1058					
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	1299	1058					

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total primary (direct) and facultative personal lines motor business**

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		<b>R20</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>120</b>
Items to be shown net of reinsurance			This financial year				Previous year		
			1				2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	985	985					
	Claims incurred (22.17.4)	12	235	255					
	Claims management costs (22.18.4)	13	8	3					
	Adjustment for discounting (22.52.4)	14							
	Increase in provision for unexpired risks (22.19.4)	15	(36)	38					
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses (22.42.4)	17	749	705					
Balance of year's underwriting (11-12-13+14-15+16-17)	19	28	(15)						
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	(38)	(68)					
	Claims management costs (22.14.4)	23	(1)	(2)					
	Adjustment for discounting (22.51.4)	24							
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22.41.4)	26							
Balance (21-22-23+24+25-26)	29	39	71						
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31							
	Other technical income or charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)		49	67	55					
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	67	55					

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Primary (direct) and facultative household and domestic all risks**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		<b>R20</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>160</b>
Items to be shown net of reinsurance			This financial year				Previous year		
			1				2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	1688	1717					
	Claims incurred (22.17.4)	12	523	687					
	Claims management costs (22.18.4)	13	24	28					
	Adjustment for discounting (22.52.4)	14							
	Increase in provision for unexpired risks (22.19.4)	15							
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses (22.42.4)	17	878	851					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	264	151					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	(135)	(8)					
	Claims management costs (22.14.4)	23	(3)	(2)					
	Adjustment for discounting (22.51.4)	24							
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22.41.4)	26							
	Balance (21-22-23+24+25-26)	29	138	10					
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31							
	Other technical income or charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)		49	402	160					
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	402	160					

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total primary (direct) and facultative commercial lines liability business**

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		<b>R20</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>270</b>
Items to be shown net of reinsurance			This financial year				Previous year		
			1				2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	3065	3282					
	Claims incurred (22.17.4)	12	1787	1776					
	Claims management costs (22.18.4)	13	26	31					
	Adjustment for discounting (22.52.4)	14							
	Increase in provision for unexpired risks (22.19.4)	15							
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses (22.42.4)	17	1523	1658					
Balance of year's underwriting (11-12-13+14-15+16-17)	19	(271)	(183)						
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	8679	5840					
	Claims management costs (22.14.4)	23	415	323					
	Adjustment for discounting (22.51.4)	24							
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22.41.4)	26	2290	2157					
Balance (21-22-23+24+25-26)	29	(11383)	(8320)						
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31							
	Other technical income or charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)	49	(11654)	(8503)						
Allocated investment income	51								
Transfer to non-technical account (49+51)	59	(11654)	(8503)						

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Balance of all primary (direct) and facultative business**

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		<b>R20</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>409</b>
Items to be shown net of reinsurance			This financial year				Previous year		
			1				2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	1304	1415					
	Claims incurred (22.17.4)	12	307	361					
	Claims management costs (22.18.4)	13	12	17					
	Adjustment for discounting (22.52.4)	14							
	Increase in provision for unexpired risks (22.19.4)	15							
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses (22.42.4)	17	600	691					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	385	345					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	1220	(1936)					
	Claims management costs (22.14.4)	23	59	(94)					
	Adjustment for discounting (22.51.4)	24							
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22.41.4)	26	48	152					
	Balance (21-22-23+24+25-26)	29	(1328)	1877					
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31	756	(3422)					
	Other technical income or charges (particulars to be specified by way of supplementary note)	32							
	Total	39	756	(3422)					
Balance of all years' underwriting (19+29+39)		49	(186)	(1199)					
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	(186)	(1199)					

**General insurance business (accident year accounting) : Analysis of premiums**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		<b>R21</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>001</b>
<b>Premiums receivable during the financial year</b>		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years <b>1</b>		Earned in previous financial years <b>3</b>		Earned in previous financial years <b>5</b>			
In respect of risks incepted in previous financial years		<b>11</b>							
		Earned In this financial year <b>1</b>	Unearned at end of this financial year <b>2</b>	Earned In this financial year <b>3</b>	Unearned at end of this financial year <b>4</b>	Earned In this financial year <b>5</b>	Unearned at end of this financial year <b>6</b>		
In respect of risks incepted in previous financial years		<b>12</b>							
In respect of risks incepted in this financial year	For periods of less than 12 months	<b>13</b>							
	For periods of 12 months	<b>14</b>	11854	11522	2301	1678	9553	9843	
	For periods of more than 12 months	<b>15</b>							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		<b>16</b>	10571		1830		8742		
Total (12 to 16)		<b>19</b>	22425	11522	4130	1678	18295	9843	



**General insurance business (accident year accounting) : Analysis of premiums**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total primary (direct) and facultative business**

Company registration number	GL/UK/CM	day	month	year	Units	Category number
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		<b>R21</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>002</b>
<b>Premiums receivable during the financial year</b>		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years		Earned in previous financial years		Earned in previous financial years			
In respect of risks incepted in previous financial years		<b>11</b>							
		Earned In this financial year	Unearned at end of this financial year	Earned In this financial year	Unearned at end of this financial year	Earned In this financial year	Unearned at end of this financial year		
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>		
In respect of risks incepted in previous financial years		<b>12</b>							
In respect of risks incepted in this financial year	For periods of less than 12 months	<b>13</b>							
	For periods of 12 months	<b>14</b>	11854	11522	2301	1678	9553	9843	
	For periods of more than 12 months	<b>15</b>							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		<b>16</b>	10571		1830		8742		
Total (12 to 16)		<b>19</b>	22425	11522	4130	1678	18295	9843	

**General insurance business (accident year accounting) : Analysis of premiums**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total primary (direct) and facultative accident and health**

Company registration number	GL/UK/CM	day	month	year	Units	Category number
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<b>R21</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>110</b>
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Premiums receivable during the financial year		Gross premiums written		Reinsurers' share		Net of reinsurance	
		Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5	
In respect of risks incepted in previous financial years		11					
		Earned In this financial year 1	Unearned at end of this financial year 2	Earned In this financial year 3	Unearned at end of this financial year 4	Earned In this financial year 5	Unearned at end of this financial year 6
In respect of risks incepted in previous financial years		12					
In respect of risks incepted in this financial year	For periods of less than 12 months	13					
	For periods of 12 months	14	7387	7300	1611	926	5776
	For periods of more than 12 months	15					
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	6534		1057		5477
Total (12 to 16)		19	13921	7300	2668	926	11253

**General insurance business (accident year accounting) : Analysis of premiums**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total primary (direct) and facultative personal lines motor business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		<b>R21</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>120</b>
<b>Premiums receivable during the financial year</b>		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years <b>1</b>		Earned in previous financial years <b>3</b>		Earned in previous financial years <b>5</b>			
In respect of risks incepted in previous financial years		<b>11</b>							
		Earned In this financial year <b>1</b>	Unearned at end of this financial year <b>2</b>	Earned In this financial year <b>3</b>	Unearned at end of this financial year <b>4</b>	Earned In this financial year <b>5</b>	Unearned at end of this financial year <b>6</b>		
In respect of risks incepted in previous financial years		<b>12</b>							
In respect of risks incepted in this financial year	For periods of less than 12 months	<b>13</b>							
	For periods of 12 months	<b>14</b>	581	632	72	92	509 540		
	For periods of more than 12 months	<b>15</b>							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		<b>16</b>	562	86		475			
Total (12 to 16)		<b>19</b>	1142	632	158	92	985 540		

**General insurance business (accident year accounting) : Analysis of premiums**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Primary (direct) and facultative household and domestic all risks**

Company registration number	GL/UK/CM	day	month	year	Units	Category number
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		<b>R21</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>160</b>
<b>Premiums receivable during the financial year</b>		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years		Earned in previous financial years		Earned in previous financial years			
In respect of risks incepted in previous financial years		<b>11</b>							
		Earned In this financial year	Unearned at end of this financial year	Earned In this financial year	Unearned at end of this financial year	Earned In this financial year	Unearned at end of this financial year		
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>		
In respect of risks incepted in previous financial years		<b>12</b>							
In respect of risks incepted in this financial year	For periods of less than 12 months	<b>13</b>							
	For periods of 12 months	<b>14</b>	974	970	91	95	883	874	
	For periods of more than 12 months	<b>15</b>							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		<b>16</b>	899		94		805		
Total (12 to 16)		<b>19</b>	1873	970	185	95	1688	874	

**General insurance business (accident year accounting) : Analysis of premiums**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total primary (direct) and facultative commercial lines liability business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		<b>R21</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>270</b>
<b>Premiums receivable during the financial year</b>		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years <b>1</b>		Earned in previous financial years <b>3</b>		Earned in previous financial years <b>5</b>			
In respect of risks incepted in previous financial years		<b>11</b>							
		Earned In this financial year <b>1</b>	Unearned at end of this financial year <b>2</b>	Earned In this financial year <b>3</b>	Unearned at end of this financial year <b>4</b>	Earned In this financial year <b>5</b>	Unearned at end of this financial year <b>6</b>		
In respect of risks incepted in previous financial years		<b>12</b>							
In respect of risks incepted in this financial year	For periods of less than 12 months	<b>13</b>							
	For periods of 12 months	<b>14</b>	1871	1786	195	340	1676	1446	
	For periods of more than 12 months	<b>15</b>							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		<b>16</b>	1741		352		1389		
Total (12 to 16)		<b>19</b>	3612	1786	547	340	3065	1446	

**General insurance business (accident year accounting) : Analysis of premiums**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Balance of all primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		<b>R21</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>409</b>
<b>Premiums receivable during the financial year</b>		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years <b>1</b>		Earned in previous financial years <b>3</b>		Earned in previous financial years <b>5</b>			
In respect of risks incepted in previous financial years		<b>11</b>							
		Earned In this financial year <b>1</b>	Unearned at end of this financial year <b>2</b>	Earned In this financial year <b>3</b>	Unearned at end of this financial year <b>4</b>	Earned In this financial year <b>5</b>	Unearned at end of this financial year <b>6</b>		
In respect of risks incepted in previous financial years		<b>12</b>							
In respect of risks incepted in this financial year	For periods of less than 12 months	<b>13</b>							
	For periods of 12 months	<b>14</b>	1041	834	332	225	709	608	
	For periods of more than 12 months	<b>15</b>							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		<b>16</b>	836		241		595		
Total (12 to 16)		<b>19</b>	1877	834	573	225	1304	608	

**General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R22	15454	GL	31	12	2007	£000	001
				Amount brought forward from previous financial year 1		Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11		99406		12368		94907	7869
	Reinsurers' share	12		35377		7998		25486	(1892)
	Net (11-12)	13		64030		4369		69421	9760
	Claims management costs	14		3100		142		3441	484
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15				5403		3197	8600
	Reinsurers' share	16				210		152	362
	Net (15-16)	17				5193		3045	8238
	Claims management costs	18				199		57	256
Provision for unexpired risks		19		36					(36)
Net operating expenses	Commissions	21		2969		7003		3298	6675
	Other acquisition expenses	22		1366				1425	(59)
	Administrative expenses	23				4599			4599
	Reinsurance commissions and profit participations	24		582		709		552	739
	Total (21+22+23-24)	29		3753		10894		4170	10476
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41				2338			2338
	This financial year	42		3753		8556	4170		8138
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

**General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R22	15454	GL	31	12	2007	£000	002
				Amount brought forward from previous financial year 1		Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11		99406		12368		94907	7869
	Reinsurers' share	12		35377		7998		25486	(1892)
	Net (11-12)	13		64030		4369		69421	9760
	Claims management costs	14		3100		142		3441	484
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15				5403		3197	8600
	Reinsurers' share	16				210		152	362
	Net (15-16)	17				5193		3045	8238
	Claims management costs	18				199		57	256
Provision for unexpired risks		19		36					(36)
Net operating expenses	Commissions	21		2969		7003		3298	6675
	Other acquisition expenses	22		1366				1425	(59)
	Administrative expenses	23				4599			4599
	Reinsurance commissions and profit participations	24		582		709		552	739
	Total (21+22+23-24)	29		3753		10894		4170	10476
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41				2338			2338
	This financial year	42		3753		8556	4170		8138
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							



**General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total primary (direct) and facultative accident and health**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R22	15454	GL	31	12	2007	£000	110
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	1182			878	293	(11)	
	Reinsurers' share	12	116			38	33	(45)	
	Net (11-12)	13	1066			840	260	35	
	Claims management costs	14	32			36	10	14	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15				4707	898	5605	
	Reinsurers' share	16				176	44	220	
	Net (15-16)	17				4532	853	5385	
	Claims management costs	18				165	21	187	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	1491			3718	1694	3515	
	Other acquisition expenses	22	872				939	(67)	
	Administrative expenses	23				1462		1462	
	Reinsurance commissions and profit participations	24	368			501	347	522	
	Total (21+22+23-24)	29	1995			4679	2286	4388	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41							
	This financial year	42	1995			4679	2286	4388	
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

**General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total primary (direct) and facultative personal lines motor business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R22	15454	GL	31	12	2007	£000	120
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	20302		5055		15354	106	
	Reinsurers' share	12	20148		5005		15287	144	
	Net (11-12)	13	154		49		67	(38)	
	Claims management costs	14	5		2		2	(1)	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			112		124	235	
	Reinsurers' share	16							
	Net (15-16)	17			112		124	235	
	Claims management costs	18			6		3	8	
Provision for unexpired risks		19	36					(36)	
Net operating expenses	Commissions	21	301		698		364	635	
	Other acquisition expenses	22	72				77	(5)	
	Administrative expenses	23			117			117	
	Reinsurance commissions and profit participations	24	14		1		16	(2)	
	Total (21+22+23-24)	29	359		814		424	749	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41							
	This financial year	42	359		814		424	749	
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

**General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Primary (direct) and facultative household and domestic all risks**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R22	15454	GL	31	12	2007	£000	160
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	11399			2637	6563		(2198)
	Reinsurers' share	12	10979			2467	6450		(2063)
	Net (11-12)	13	419			170	114		(135)
	Claims management costs	14	17			9	5		(3)
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15				269	262		531
	Reinsurers' share	16				6	1		8
	Net (15-16)	17				263	261		523
	Claims management costs	18				12	11		24
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	364			848	422		791
	Other acquisition expenses	22	124				126		(2)
	Administrative expenses	23				195			195
	Reinsurance commissions and profit participations	24	77			101	73		106
	Total (21+22+23-24)	29	411			942	475		878
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41							
	This financial year	42	411			942	475		878
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

**General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total primary (direct) and facultative commercial lines liability business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R22	15454	GL	31	12	2007	£000	270
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	60587		3184		66246	8844	
	Reinsurers' share	12	29		157		36	165	
	Net (11-12)	13	60558		3027		66210	8679	
	Claims management costs	14	2953		83		3284	415	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			186		1663	1849	
	Reinsurers' share	16					61	61	
	Net (15-16)	17			186		1601	1787	
	Claims management costs	18			9		16	26	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	576		1177		575	1178	
	Other acquisition expenses	22	213				206	7	
	Administrative expenses	23			2637			2637	
	Reinsurance commissions and profit participations	24	77		4		71	10	
	Total (21+22+23-24)	29	713		3810		710	3813	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41			2290			2290	
	This financial year	42	713		1520		710	1523	
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

**General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Balance of all primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R22	15454	GL	31	12	2007	£000	409
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	5937		613		6451	1127	
	Reinsurers' share	12	4105		331		3681	(93)	
	Net (11-12)	13	1832		283		2770	1220	
	Claims management costs	14	93		12		140	59	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			129		251	380	
	Reinsurers' share	16			28		45	73	
	Net (15-16)	17			101		206	307	
	Claims management costs	18			6		5	12	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	237		562		243	556	
	Other acquisition expenses	22	84				77	7	
	Administrative expenses	23			188			188	
	Reinsurance commissions and profit participations	24	47		102		46	103	
	Total (21+22+23-24)	29	275		649		275	648	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41			48			48	
	This financial year	42	275		601		275	600	
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

**General insurance business (accident year accounting) : Analysis of net claims and premiums**

Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

**Total business**

										Company registration number	GL/UK/CM	day month year			Units	Category number	
										R23	15454	GL	31	12	2007	£000	001
Accident year ended	Month	Year	Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %		
							Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)							
			1	2	3	4	5	6	7	8	9	10	11	12	13		
12	2007	11				5193	1228	1817			8238		18405		44.8		
12	2006	12	5237	2812		1601	687	235	1233	1562	(272)		17065	(10.3)	45.5		
12	2005	13	4776	2600	1373	631	351	99	692	224	164		15807	(5.6)	45.7		
12	2004	14	3586	2515	1755	357	507	132	604	161	232		13673	9.4	46.4		
12	2003	15	2192	1932	1578	221	119	31	274	71	25		9994	0.8	41.4		
12	2002	16	1993	1686	1455	50	78	20	153	40	(44)		42761	(4.9)	8.4		
12	2001	17	118684	1645	1237	(73)	8	2	103	27	(193)		197168	(28.6)	60.8		
12	2000	18	108734	113548	80962								317099	(28.7)	59.8		
12	1999	19	115357	76638	57615								306094	(24.8)	56.5		
12	1998	20	110279	75454	66374		2	1	2	1			296613	(12.0)	59.6		
Prior accident years		21				1582	16221	50928	14067	44815	9849						
Reconciliation		22															
Total (11 to 22)		29				9562	19200	53266	17128	46901	17998						

**General insurance business (accident year accounting) : Analysis of net claims and premiums**

Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

**Total primary (direct) and facultative business**

		Company registration number		GL/UK/CM		day month year			Units		Category number			
		R23	15454	GL	31	12	2007	£000	002					
Accident year ended		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %
Month	Year					Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
		1	2	3	4	5	6	7	8	9	10	11	12	13
12	2007	11			5193	1228	1817			8238		18405		44.8
12	2006	12	5237	2812	1601	687	235	1233	1562	(272)		17065	(10.3)	45.5
12	2005	13	4776	2600	1373	631	351	99	692	224	164	15807	(5.6)	45.7
12	2004	14	3586	2515	1755	357	507	132	604	161	232	13673	9.4	46.4
12	2003	15	2192	1932	1578	221	119	31	274	71	25	9994	0.8	41.4
12	2002	16	1993	1686	1455	50	78	20	153	40	(44)	42761	(4.9)	8.4
12	2001	17	118684	1645	1237	(73)	8	2	103	27	(193)	197168	(28.6)	60.8
12	2000	18	108734	113548	80962							317099	(28.7)	59.8
12	1999	19	115357	76638	57615							306094	(24.8)	56.5
12	1998	20	110279	75454	66374		2	1	2	1		296613	(12.0)	59.6
Prior accident years		21			1582	16221	50928	14067	44815	9849				
Reconciliation		22												
Total (11 to 22)		29			9562	19200	53266	17128	46901	17998				

**General insurance business (accident year accounting) : Analysis of net claims and premiums**

Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

**Total primary (direct) and facultative accident and health**

			Company registration number	GL/UK/CM	day month year			Units	Category number					
			<b>R23</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>110</b>				
Accident year ended		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %
Month	Year					Reported (net)	Incurring but not reported (net)	Reported (net)	Incurring but not reported (net)					
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>
12	2007	<b>11</b>			4532	466	388			5385		11321		47.6
12	2006	<b>12</b>	4451	758	785	78	24	373	381	134		10240	17.1	52.1
12	2005	<b>13</b>	4113	773	716	40	21	6	70	21	(24)	9302	1.4	52.6
12	2004	<b>14</b>	2833	741	799	9	41	10	74	18	(32)	7652	16.0	48.3
12	2003	<b>15</b>	1482	520	396	6	46	12	59	15	(11)	4950	(11.5)	39.2
12	2002	<b>16</b>	1525	491	350		15	4	19	5	(6)	4375	(25.0)	43.3
12	2001	<b>17</b>	1049	360	238				22	6	(27)	2878	(33.8)	44.7
12	2000	<b>18</b>	684	253	110							2235	(56.6)	35.5
12	1999	<b>19</b>	541	249	145							1767	(41.5)	38.8
12	1998	<b>20</b>	420	150	47		2	1	2	1		1389	(67.5)	33.8
Prior accident years		<b>21</b>												
Reconciliation		<b>22</b>												
Total (11 to 22)		<b>29</b>			5372	669	445	619	447	5420				



**General insurance business (accident year accounting) : Analysis of net claims and premiums**

Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

**Total primary (direct) and facultative personal lines motor business**

		Company registration number		GL/UK/CM		day month year			Units		Category number			
		R23	15454	GL		31	12	2007	£000		120			
Accident year ended		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %
Month	Year					Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
		1	2	3	4	5	6	7	8	9	10	11	12	13
12	2007	11			112	83	41			235		991		23.8
12	2006	12	137	97	38	40	14	65	32	(4)		909	(4.9)	25.3
12	2005	13	101	85	41	(1)	1	2	11	6	(15)	816	(50.1)	17.5
12	2004	14	120	109	(16)	13	1	23	7	(17)		648	(102.5)	18.1
12	2003	15	51	202	131		4	1	6	2	(2)	487	(32.5)	38.5
12	2002	16	68	152	42		2		2	1	(1)	3067	(71.1)	3.7
12	2001	17	26987	293	48							3403	(83.5)	794.3
12	2000	18	18576	21074	9847							47352	(53.3)	60.0
12	1999	19	16468	19317	10266							38302	(46.9)	69.8
12	1998	20	15342	19359	12168							35723	(37.1)	77.0
Prior accident years		21												
Reconciliation		22												
Total (11 to 22)		29			161	131	59	107	47	197				

**General insurance business (accident year accounting) : Analysis of net claims and premiums**

Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

**Primary (direct) and facultative household and domestic all risks**

		Company registration number	GL/UK/CM	day month year			Units	Category number						
		<b>R23</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>160</b>					
Accident year ended		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %
Month	Year					Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>
12	2007	<b>11</b>			263	205	56			523		1699		30.8
12	2006	<b>12</b>	307	327	157	56	16	257	68	(97)		1584	(30.1)	33.8
12	2005	<b>13</b>	243	227	107	10	4	47	14	(31)		1487	(40.0)	25.6
12	2004	<b>14</b>	400	416	149	3	2	17	5	(5)		1445	(60.0)	39.2
12	2003	<b>15</b>	219	326	134		1	7	1	(1)		1616	(56.6)	22.3
12	2002	<b>16</b>	165	287	133		1	2		(1)		17552	(53.3)	1.7
12	2001	<b>17</b>	89389	214	127							171988	(40.4)	52.0
12	2000	<b>18</b>	88969	90666	69817							260393	(23.0)	61.0
12	1999	<b>19</b>	98000	55895	46285							260748	(17.2)	55.3
12	1998	<b>20</b>	94118	54981	53549							255157	(2.6)	57.9
Prior accident years		<b>21</b>												
Reconciliation		<b>22</b>												
Total (11 to 22)		<b>29</b>			433	294	81	330	89	388				

**General insurance business (accident year accounting) : Analysis of net claims and premiums**

Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

**Total primary (direct) and facultative commercial lines liability business**

		Company registration number		GL/UK/CM		day month year			Units		Category number			
		R23	15454	GL	31	12	2007	£000	270					
Accident year ended		1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		9	10	11	12	13
Month	Year					Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
12	2007	11			186	344	1257			1787		3084		58.0
12	2006	12	174	1463	543	487	164	439	1015	(261)		3028	(18.5)	45.2
12	2005	13	162	1291	436	525	289	75	498	158	233	2894	2.6	51.4
12	2004	14	179	1173	706	271	443	116	456	119	256	2570	31.0	66.8
12	2003	15	119	855	890	214	61	16	199	52	39	2406	38.1	54.0
12	2002	16	170	729	925	50	52	14	119	31	(34)	1786	42.7	67.8
12	2001	17	69	614	741	(75)	5	1	79	21	(168)	1291	9.5	57.4
12	2000	18	75	404	517							847	27.8	69.9
12	1999	19	53	426	261							632	(38.7)	49.6
12	1998	20	51	326	181							857	(44.5)	27.1
Prior accident years		21			1498	13828	50659	12808	44562	8615				
Reconciliation		22												
Total (11 to 22)		29			3213	15510	52302	14599	45959	10466				

**General insurance business (accident year accounting) : Analysis of net claims and premiums**

Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

**Balance of all primary (direct) and facultative business**

		Company registration number		GL/UK/CM		day month year			Units		Category number			
		R23	15454	GL	31	12	2007	£000	409					
Accident year ended		1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		9	10	11	12	13
Month	Year					Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
12	2007	11			101	130	76			307		1312		23.4
12	2006	12	167	166	78	26	17	100	66	(45)		1305	(27.5)	22.0
12	2005	13	158	223	74	57	11	66	25	1		1309	(25.7)	24.7
12	2004	14	54	77	117	61	11	4	33	12	30	1358	150.2	18.1
12	2003	15	321	30	28	1	1	2	1			536	(0.1)	65.5
12	2002	16	64	27	6		8	2	9	2	2	15980	(41.9)	0.5
12	2001	17	1190	164	83	2	2	1	2	1	2	17607	(46.4)	7.3
12	2000	18	430	1151	671							6272	(41.7)	17.6
12	1999	19	295	751	658							4644	(12.4)	20.5
12	1998	20	347	638	429							3487	(32.7)	22.2
Prior accident years		21			84	2393	269	1259	253	1234				
Reconciliation		22												
Total (11 to 22)		29			383	2596	379	1473	360	1527				

**General insurance business (underwriting year accounting) : Analysis of premiums, claims and expenses**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total business**Company  
registration  
numberGL/  
UK/  
CM

day month year

Units

Category  
number

Underwriting year ended		Prior underwriting years		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		Total all previous columns						
		29	29	12	98	12	99	12	00	12	01	12	02	12	03	12	04	12	05	12	06	12	07	99	99	
Premiums written	Gross amount	11																								
	Reinsurers' share	12																								
	Net (11-12)	19																								
Claims paid	Gross amount	21	27																					27		
	Reinsurers' share	22																								
	Net (21-22)	29	27																					27		
Claims management costs		39																								
Net operating expenses	Commissions	41																								
	Other acquisition expenses	42																								
	Administrative expenses	43	(783)																						(783)	
	Reinsurers' commissions and profit participations	44																								
	Payable net (41+42+43-44)	49	(783)																						(783)	
Technical provisions	Brought forward	Undiscounted	51	3150																					3150	
		Adjustment for discounting	52																							
	Carried forward	Undiscounted	53	3150																						3150
		Adjustment for discounting	54																							
	Increase (decrease) in the financial year (53-54-51+52)		59																							
Balance on each underwriting year (19-29-39-49-59)		69	756																						756	

**General insurance business (underwriting year accounting) : Analysis of premiums, claims and expenses**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Total primary (direct) and facultative business**Company  
registration  
numberGL/  
UK/  
CM

day month year

Units

Category  
number

Underwriting year ended		Prior underwriting years		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		Total all previous columns						
		29	29	12	98	12	99	12	00	12	01	12	02	12	03	12	04	12	05	12	06	12	07	99	99	
Premiums written	Gross amount	11																								
	Reinsurers' share	12																								
	Net (11-12)	19																								
Claims paid	Gross amount	21	27																					27		
	Reinsurers' share	22																								
	Net (21-22)	29	27																					27		
Claims management costs		39																								
Net operating expenses	Commissions	41																								
	Other acquisition expenses	42																								
	Administrative expenses	43	(783)																						(783)	
	Reinsurers' commissions and profit participations	44																								
	Payable net (41+42+43-44)	49	(783)																						(783)	
Technical provisions	Brought forward	Undiscounted	51	3150																					3150	
		Adjustment for discounting	52																							
	Carried forward	Undiscounted	53	3150																						3150
		Adjustment for discounting	54																							
	Increase (decrease) in the financial year (53-54-51+52)		59																							
Balance on each underwriting year (19-29-39-49-59)		69	756																						756	

**General insurance business (underwriting year accounting) : Analysis of premiums, claims and expenses**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007****Balance of all primary (direct) and facultative business**Company  
registration  
numberGL/  
UK/  
CM

day month year

Units

Category  
number

Underwriting year ended		Prior underwriting years		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		Total all previous columns						
		29	29	12	98	12	99	12	00	12	01	12	02	12	03	12	04	12	05	12	06	12	07	99	99	
Premiums written	Gross amount	11																								
	Reinsurers' share	12																								
	Net (11-12)	19																								
Claims paid	Gross amount	21	27																					27		
	Reinsurers' share	22																								
	Net (21-22)	29	27																					27		
Claims management costs		39																								
Net operating expenses	Commissions	41																								
	Other acquisition expenses	42																								
	Administrative expenses	43	(783)																						(783)	
	Reinsurers' commissions and profit participations	44																								
	Payable net (41+42+43-44)	49	(783)																						(783)	
Technical provisions	Brought forward	Undiscounted	51	3150																					3150	
		Adjustment for discounting	52																							
	Carried forward	Undiscounted	53	3150																						3150
		Adjustment for discounting	54																							
	Increase (decrease) in the financial year (53-54-51+52)		59																							
Balance on each underwriting year (19-29-39-49-59)		69	756																						756	

**General insurance business (underwriting year accounting) : Analysis of technical provisions**

Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

**Total business**

Company registration number      GL/UK/CM      day month year      Units      Category number

**R25      15454      GL      31 12 2007      £000      001**

Underwriting year ended		Prior underwriting years		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		Total all previous columns					
		29	29	12	98	12	99	12	00	12	01	12	02	12	03	12	04	12	05	12	06	12	07	99	99
Reported claims outstanding	Gross amount	11																							
	Reinsurers' share	12																							
Claims incurred but not reported	Gross amount	13	3150																						3150
	Reinsurers' share	14																							
Claims management costs		15																							
Adjustment for discounting	Gross amount	16																							
	Reinsurers' share	17																							
	Claims management costs	18																							
Allocation to/(from) another risk category of anticipated surplus		19																							
Balance of the fund		20																							
Claims outstanding (11-12+13-14+15-16+17-18+19+20)		21	3150																						3150
Provision for unearned premiums		22																							
Provision for unexpired risks		23																							
Deferred acquisition costs		24																							
Other technical provisions (particulars to be specified by way of supplementary note)		25																							
Total (21+22+23-24+25)		29	3150																						3150



**General insurance business (underwriting year accounting) : Analysis of technical provisions**

Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

**Total primary (direct) and facultative business**

Company registration number      GL/UK/CM      day month year      Units      Category number

**R25      15454      GL      31 12 2007      £000      002**

Underwriting year ended		Prior underwriting years		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		Total all previous columns					
		29	29	12	98	12	99	12	00	12	01	12	02	12	03	12	04	12	05	12	06	12	07	99	99
Reported claims outstanding	Gross amount	11																							
	Reinsurers' share	12																							
Claims incurred but not reported	Gross amount	13	3150																					3150	
	Reinsurers' share	14																							
Claims management costs		15																							
Adjustment for discounting	Gross amount	16																							
	Reinsurers' share	17																							
	Claims management costs	18																							
Allocation to/(from) another risk category of anticipated surplus		19																							
Balance of the fund		20																							
Claims outstanding (11-12+13-14+15-16+17-18+19+20)		21	3150																					3150	
Provision for unearned premiums		22																							
Provision for unexpired risks		23																							
Deferred acquisition costs		24																							
Other technical provisions (particulars to be specified by way of supplementary note)		25																							
Total (21+22+23-24+25)		29	3150																					3150	

**General insurance business (underwriting year accounting) : Analysis of technical provisions**

Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

**Balance of all primary (direct) and facultative business**

Company registration number **R25**      GL/UK/CM **15454**      day month year **GL 31 12 2007**      Units **£000**      Category number **409**

Underwriting year ended		Prior underwriting years		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		Total all previous columns					
		29	29	12	98	12	99	12	00	12	01	12	02	12	03	12	04	12	05	12	06	12	07	99	99
Reported claims outstanding	Gross amount	11																							
	Reinsurers' share	12																							
Claims incurred but not reported	Gross amount	13	3150																						3150
	Reinsurers' share	14																							
Claims management costs		15																							
Adjustment for discounting	Gross amount	16																							
	Reinsurers' share	17																							
	Claims management costs	18																							
Allocation to/(from) another risk category of anticipated surplus		19																							
Balance of the fund		20																							
Claims outstanding (11-12+13-14+15-16+17-18+19+20)		21	3150																						3150
Provision for unearned premiums		22																							
Provision for unexpired risks		23																							
Deferred acquisition costs		24																							
Other technical provisions (particulars to be specified by way of supplementary note)		25																							
Total (21+22+23-24+25)		29	3150																						3150

06

**General insurance business (accident year accounting) : Analysis of gross claims and premiums by risk category for direct insurance and facultative reinsurance**

Name of insurer **The Prudential Assurance Company Limited**

Currency **Hong Kong Dollar**

Global business

Reporting Territory **Overseas**

Financial year ended **31 December 2007**

Company registration number **15454** GL/UK/CM **GL** day month year **31 12 2007** Monetary units **000** Category number **111** Currency code **HKD** Reporting territory code **XX**

**Medical insurance**

<b>R31</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>000</b>	<b>111</b>	<b>HKD</b>	<b>XX</b>
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Accident year ended			Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported			
			1	2	3	4	5	6	7	8	9	10	11
12	2007	<b>11</b>	4389	281		53763	3084	4454			61301	129921	47.2
12	2006	<b>12</b>	5898	31	53464	5749	120	25	2596	4528	(1230)	119722	49.6
12	2005	<b>13</b>	5745	34	56967	10	65	14	195	41	(147)	106807	53.4
12	2004	<b>14</b>	1403	18	43534		174	36	552	115	(457)	92418	47.3
12	2003	<b>15</b>											
12	2002	<b>16</b>											
12	2001	<b>17</b>											
12	2000	<b>18</b>											
12	1999	<b>19</b>											
12	1998	<b>20</b>											
Prior accident years		<b>21</b>											
Total (11 to 21)		<b>29</b>		364		59522	3443	4529	3343	4684	59467		
Line 29 expressed in sterling		<b>30</b>				3812	220	290	214	300	3808		

**General insurance business (accident year accounting) : Analysis of gross claims and premiums by risk category for direct insurance and facultative reinsurance**

Name of insurer **The Prudential Assurance Company Limited**

Currency **Hong Kong Dollar**

Global business

Reporting Territory **Overseas**

Financial year ended **31 December 2007**

Company registration number **15454** GL/UK/CM **GL** day month year **31 12 2007** Monetary units **000** Category number **113** Currency code **HKD** Reporting territory code **XX**

**Travel**

Accident year ended		Number of claims	Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %		
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported				Reported	Incurred but not reported
		1	2	3	4	5	6	7	8	9	10	11	
12	2007	11	2014	236		4471	692	230			5393	18738	28.8
12	2006	12	2548	115	3339	960	154	55	839	261	69	16902	26.7
12	2005	13	1926	62	3273	24	195	52	235	74	(38)	14854	23.9
12	2004	14	887	46	3516		93	24	179	48	(110)	13235	27.4
12	2003	15											
12	2002	16											
12	2001	17											
12	2000	18											
12	1999	19											
12	1998	20											
Prior accident years		21											
Total (11 to 21)		29		459		5455	1134	361	1253	383	5314		
Line 29 expressed in sterling		30				349	73	23	80	25	340		

**General insurance business (accident year accounting) : Analysis of gross claims and premiums by risk category for direct insurance and facultative reinsurance**

Name of insurer **The Prudential Assurance Company Limited**

Currency **Hong Kong Dollar**

Global business

Reporting Territory **Overseas**

Financial year ended **31 December 2007**

Company  
registration  
number

GL/  
UK/  
CM

day month year

Monetary  
units

Category  
number

Currency  
code

Reporting  
territory  
code

**Personal accident or sickness**

<b>R31</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>000</b>	<b>114</b>	<b>HKD</b>	<b>XX</b>
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Accident year ended			Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported			
			1	2	3	4	5	6	7	8	9	10	11
12	2007	<b>11</b>	16916	866		15272	3808	1747			20827	68724	30.3
12	2006	<b>12</b>	17759	274	14265	6137	1041	331	2793	1655	3061	62539	34.8
12	2005	<b>13</b>	16145	143	17130	608	231	65	872	278	(246)	58180	31.0
12	2004	<b>14</b>	3640	87	17342	142	439	114	614	165	(84)	56511	31.9
12	2003	<b>15</b>	2346	184	40576	86	781	202	1208	298	(437)	115856	35.9
12	2002	<b>16</b>	12367	66	42012		260	64	359	87	(122)	97641	43.4
12	2001	<b>17</b>	8397	1	34684		1		336	89	(424)	71389	48.6
12	2000	<b>18</b>	9856		23326							56613	41.2
12	1999	<b>19</b>	2079	1	16515							44597	37.0
12	1998	<b>20</b>	1392	1	11552		30	8	30	8		34501	33.6
Prior accident years		<b>21</b>											
Total (11 to 21)		<b>29</b>		1623		22245	6591	2531	6212	2580	22575		
Line 29 expressed in sterling		<b>30</b>				1425	422	162	398	165	1446		

**General insurance business (accident year accounting) : Analysis of gross claims and premiums by risk category for direct insurance and facultative reinsurance**Name of insurer **The Prudential Assurance Company Limited**Currency **British Pound**

Global business

Reporting Territory **United Kingdom other than home foreign**Financial year ended **31 December 2007**Company  
registration  
numberGL/  
UK/  
CM

day month year

Monetary  
unitsCategory  
numberCurrency  
codeReporting  
territory  
code**Primary (direct) and facultative household and domestic all risks**

<b>R31</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>000</b>	<b>160</b>	<b>GBP</b>	<b>AA</b>
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Accident year ended			Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported			
			1	2	3	4	5	6	7	8	9	10	11
12	2007	<b>11</b>											
12	2006	<b>12</b>											
12	2005	<b>13</b>											
12	2004	<b>14</b>											
12	2003	<b>15</b>	57629	65	62511	859	496	1638	1257	2201	(465)	118909	55.1
12	2002	<b>16</b>	173882	56	163596	492	1406	472	1550	880	(59)	263415	63.0
12	2001	<b>17</b>	163026	19	145400	267	287	501	539	778	(263)	266534	54.9
12	2000	<b>18</b>	193677	25	174631	103	270	270	1088	435	(880)	267007	65.6
12	1999	<b>19</b>	195572	7	142653	20	37	364	48	548	(177)	267500	53.5
12	1998	<b>20</b>	224760	10	155149	402	215	5	601	94	(73)	265136	58.8
Prior accident years		<b>21</b>		18		305	421	31	557	315	(116)		
Total (11 to 21)		<b>29</b>		200		2446	3132	3282	5641	5251	(2031)		
Line 29 expressed in sterling		<b>30</b>				2446	3132	3282	5641	5251	(2031)		

**General insurance business (accident year accounting) : Analysis of gross claims and premiums by risk category for direct insurance and facultative reinsurance**Name of insurer **The Prudential Assurance Company Limited**Currency **Hong Kong Dollar**

Global business

Reporting Territory **Overseas**Financial year ended **31 December 2007**Company  
registration  
numberGL/  
UK/  
CM

day month year

Monetary  
unitsCategory  
numberCurrency  
codeReporting  
territory  
code**Primary (direct) and facultative household and domestic all risks**

<b>R31</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>000</b>	<b>160</b>	<b>HKD</b>	<b>XX</b>
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Accident year ended			Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported			
			1	2	3	4	5	6	7	8	9	10	11
12	2007	<b>11</b>	1855	584		4201	3212	882			8295	29253	28.4
12	2006	<b>12</b>	2548	227	4821	2763	875	263	4527	1195	(1821)	27539	31.7
12	2005	<b>13</b>	2127	80	5924	162	242	73	751	225	(499)	27417	23.3
12	2004	<b>14</b>	1566	60	6696	53	174	39	273	74	(81)	27258	25.5
12	2003	<b>15</b>	1282	47	9155		157	31	179	38	(29)	42351	22.1
12	2002	<b>16</b>	867	18	10550		19	4	36	8	(21)	45299	23.3
12	2001	<b>17</b>	786		9137							41321	22.1
12	2000	<b>18</b>	541	1	5447	2					2	32743	16.6
12	1999	<b>19</b>	539	4	8133		373	78	373	78		27105	31.7
12	1998	<b>20</b>	469	1	5706	1			134	28	(161)	26568	21.5
Prior accident years		<b>21</b>		1					6	1	(7)		
Total (11 to 21)		<b>29</b>		1023		7182	5052	1370	6279	1647	5678		
Line 29 expressed in sterling		<b>30</b>				460	324	88	402	105	364		

**General insurance business (accident year accounting) : Analysis of gross claims and premiums by risk category for direct insurance and facultative reinsurance**

Name of insurer **The Prudential Assurance Company Limited**

Currency **British Pound**

Global business

Reporting Territory **United Kingdom other than home foreign**

Financial year ended **31 December 2007**

Company registration number	GL/UK/CM	day	month	year	Monetary units	Category number	Currency code	Reporting territory code
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**Employers liability**

<b>R31</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>000</b>	<b>271</b>	<b>GBP</b>	<b>AA</b>
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Accident year ended			Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported			
			1	2	3	4	5	6	7	8	9	10	11
12	2007	11											
12	2006	12											
12	2005	13											
12	2004	14											
12	2003	15											
12	2002	16											
12	2001	17											
12	2000	18											
12	1999	19											
12	1998	20											
Prior accident years		21		1567		1777	10447	47938	8698	41812	9652		
Total (11 to 21)		29		1567		1777	10447	47938	8698	41812	9652		
Line 29 expressed in sterling		30				1777	10447	47938	8698	41812	9652		



**General insurance business (accident year accounting) : Analysis of gross claims and premiums by risk category for direct insurance and facultative reinsurance**Name of insurer **The Prudential Assurance Company Limited**Currency **Hong Kong Dollar**

Global business

Reporting Territory **Overseas**Financial year ended **31 December 2007****Employers liability**Company  
registration  
numberGL/  
UK/  
CM

day month year

Monetary  
unitsCategory  
numberCurrency  
codeReporting  
territory  
code

<b>R31</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>000</b>	<b>271</b>	<b>HKD</b>	<b>XX</b>
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Accident year ended			Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported			
			1	2	3	4	5	6	7	8	9	10	11
12	2007	<b>11</b>	518	487		2708	3261	15129			21098	46547	45.3
12	2006	<b>12</b>	978	259	2574	7664	6877	2241	5256	12564	(1038)	46418	41.7
12	2005	<b>13</b>	932	130	8673	7044	3841	1003	6227	1979	3682	45501	45.2
12	2004	<b>14</b>	764	79	13000	3832	4538	1184	5041	1319	3194	40118	56.2
12	2003	<b>15</b>	657	42	16249	3588	961	251	3309	867	624	43598	48.3
12	2002	<b>16</b>	864	6	17380	1045	1219	318	1863	487	232	34404	58.0
12	2001	<b>17</b>	51	2	13279	778	83	21	1239	324	(681)	22331	63.4
12	2000	<b>18</b>	545		9629							15455	62.3
12	1999	<b>19</b>	1198		5074							13488	37.6
12	1998	<b>20</b>	835		3555							14685	24.2
Prior accident years		<b>21</b>											
Total (11 to 21)		<b>29</b>		1005		26659	20780	20147	22935	17540	27111		
Line 29 expressed in sterling		<b>30</b>				1707	1331	1290	1469	1123	1736		

**General insurance business (accident year accounting) : Analysis of gross claims and premiums by risk category for direct insurance and facultative reinsurance**

Name of insurer **The Prudential Assurance Company Limited**

Currency **British Pound**

Global business

Reporting Territory **United Kingdom other than home foreign**

Financial year ended **31 December 2007**

Company registration number **R31** GL/UK/CM **GL** day month year **31 12 2007** Monetary units **000** Category number **273** Currency code **GBP** Reporting territory code **AA**

**Public and products liability**

Accident year ended		Number of claims	Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %	
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported				Reported
		1	2	3	4	5	6	7	8	9	10	11
12	2007	11										
12	2006	12										
12	2005	13										
12	2004	14										
12	2003	15										
12	2002	16										
12	2001	17										
12	2000	18										
12	1999	19										
12	1998	20										
Prior accident years		21		189		(279)	3381	2721	4110	2750	(1037)	
Total (11 to 21)		29		189		(279)	3381	2721	4110	2750	(1037)	
Line 29 expressed in sterling		30				(279)	3381	2721	4110	2750	(1037)	

**General insurance business (accident year accounting) : Analysis of gross claims and premiums by risk category for direct insurance and facultative reinsurance**

Name of insurer **The Prudential Assurance Company Limited**

Currency **Hong Kong Dollar**

Global business

Reporting Territory **Overseas**

Financial year ended **31 December 2007**

Company registration number **15454** GL/UK/CM **GL** day month year **31 12 2007** Monetary units **000** Category number **273** Currency code **HKD** Reporting territory code **XX**

**Public and products liability**

<b>R31</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>000</b>	<b>273</b>	<b>HKD</b>	<b>XX</b>
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Accident year ended			Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported			
			1	2	3	4	5	6	7	8	9	10	11
12	2007	<b>11</b>	39	252		197	2480	5091			7768	9854	78.8
12	2006	<b>12</b>	111	289	137	814	735	331	1663	3400	(3183)	9400	21.5
12	2005	<b>13</b>	103	189	600	1158	670	175	1559	500	(56)	9553	27.2
12	2004	<b>14</b>	70	72	831	407	2396	626	2084	546	799	7911	53.8
12	2003	<b>15</b>											
12	2002	<b>16</b>											
12	2001	<b>17</b>											
12	2000	<b>18</b>											
12	1999	<b>19</b>											
12	1998	<b>20</b>											
Prior accident years		<b>21</b>											
Total (11 to 21)		<b>29</b>		802		2576	6281	6223	5306	4446	5328		
Line 29 expressed in sterling		<b>30</b>				165	402	399	340	285	341		

**General insurance business (accident year accounting) : Analysis of gross claims and premiums for motor vehicle direct insurance and facultative reinsurance**

Name of insurer **The Prudential Assurance Company Limited**

Currency

**British Pound**

Global business

Reporting Territory

**United Kingdom other than home foreign**

Financial year ended **31 December 2007**

Company  
registration  
number

GL/  
UK/  
CM

day month year

Monetary  
units

Category  
number

Currency  
code

Reporting  
territory  
code

**Private motor - comprehensive**

Accident year ended		Number of claims	Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %	Vehicle years (000's)	Claims frequency %		
Month	Year		Closed at some cost during this or previous years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported						Reported	Incurred but not reported
		1	2	3	4	5	6	7	8	9	10	11	12	13	
12	2007	11													
12	2006	12													
12	2005	13													
12	2004	14													
12	2003	15	14278	35	15426	578	773	1118	1311	1356	(198)	28736	62.3	102	14.0
12	2002	16	37045	39	46316	1194	1567	1323	2651	2351	(918)	74652	67.5	92	40.3
12	2001	17	39038	18	48068	743	600	778	834	1715	(428)	70393	71.3	229	17.1
12	2000	18	28440	7	35612	329	786	276	363	652	377	45366	81.6	200	14.2
12	1999	19	24677	2	30514	8	45	(4)	89		(40)	34798	87.8	172	14.3
12	1998	20	21132		24773							30498	81.2	147	14.4
Prior accident years		21		3		2153	8025		8826		1352				
Total (11 to 21)		29		104		5005	11796	3491	14074	6074	144				
Line 29 expressed in sterling		30				5005	11796	3491	14074	6074	144				

**General insurance business (accident year accounting) : Analysis of gross claims and premiums for motor vehicle direct insurance and facultative reinsurance**

Name of insurer **The Prudential Assurance Company Limited**

Currency **Hong Kong Dollar**

Global business

Reporting Territory **Overseas**

Financial year ended **31 December 2007**

Company registration number **R32** GL/UK/CM **GL** day month year **31 12 2007** Monetary units **000** Category number **121** Currency code **HKD** Reporting territory code **XX**

**Private motor - comprehensive**

Accident year ended		Number of claims	Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %	Vehicle years (000's)	Claims frequency %		
Month	Year		Closed at some cost during this or previous years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported						Reported	Incurred but not reported
		1	2	3	4	5	6	7	8	9	10	11	12	13	
12	2007	11	64	56		1743	1294	638			3675	17838	20.6	2	6.0
12	2006	12	92	33	2134	597	626	223	1014	497	(65)	16596	21.6	2	6.3
12	2005	13	101	9	2190	(23)	19	32	167	89	(228)	15289	14.5	2	5.5
12	2004	14	69	4	1605	196	13	4	360	112	(259)	11714	15.5	3	2.4
12	2003	15	59	3	2740		71	18	96	25	(32)	9296	30.4	1	6.2
12	2002	16	68	2	1407		27	7	37	10	(13)	9787	14.7	1	7.0
12	2001	17	94		2715							9157	29.6	1	9.4
12	2000	18	98		2619							9885	26.5	1	9.8
12	1999	19	91		5201							9417	55.2	1	9.1
12	1998	20	93		1910							7791	24.5	1	9.3
Prior accident years		21													
Total (11 to 21)		29		107		2513	2050	922	1674	733	3078				
Line 29 expressed in sterling		30				161	131	59	107	47	197				



**Equalisation provisions**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

		Business grouping A (property)	Business grouping B (business interruption)	Business grouping C (marine and aviation)	Business grouping D (nuclear)	Business grouping E (non-proportional treaty)	Company registration number			GL/UK/CM			day month year			Units
							R37	15454	GL	31	12	2007	£000			
<b>Calculation of the maximum provision</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>			<b>7</b>			<b>8</b>			
Total net premiums written in the previous 4 years	<b>11</b>	9478														
Net premiums written in the current year	<b>12</b>	2625														
Maximum provision	<b>13</b>	484								484						

**Calculation of the transfer to/from the provision**

Equalisation provision brought forward	<b>21</b>						493						
Transfers in	<b>22</b>	79					79						
Total abnormal loss	<b>23</b>												
Provisional transfers out	<b>24</b>												
Excess of provisional transfer out over fund available	<b>25</b>												
Provisional amount carried forward (21+22-24+25)	<b>26</b>						572						
Excess, if any, of 26 over 13	<b>27</b>						88						
Equalisation provision carried forward (26-27)	<b>28</b>						484						
Transfer in/(out) for financial year (28-21)	<b>29</b>						(9)						

**Equalisation provisions technical account : Accident year accounting**Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2007**

		Company registration number	GL/ UK/ CM	day month year			Units
	<b>R38</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>
	Business grouping A (property) <b>1</b>	Business grouping B (business interruption) <b>2</b>	Business grouping C (marine and aviation) <b>3</b>	Business grouping D (nuclear) <b>4</b>		Business grouping E (non-proportional treaty) <b>5</b>	
<b>Other than credit business</b>							
Net premiums earned	<b>11</b>	2526					
Claims incurred net of reinsurance	<b>12</b>	563					
Trigger claims value	<b>13</b>	1832					
Abnormal loss	<b>19</b>						
Trigger claims ratio		72.5%	72.5%	95%	25%	100%	

**Credit business**

Net premiums earned	<b>21</b>	
Claims incurred net of reinsurance	<b>22</b>	
Claims management costs	<b>23</b>	
Net operating expenditure	<b>24</b>	
Technical surplus/ (deficit) (21-22-23-24)	<b>29</b>	



**Long-term insurance business : Revenue account**

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **10 Summary**  
 Financial year ended **31 December 2007**  
 Units **£000**

Financial year	Previous year
1	2

**Income**

Earned premiums	11	4457059	4279927
Investment income receivable before deduction of tax	12	4461961	4374314
Increase (decrease) in the value of non-linked assets brought into account	13	1596466	706366
Increase (decrease) in the value of linked assets	14	378654	615404
Other income	15	57005	41078
<b>Total income</b>	<b>19</b>	<b>10951144</b>	<b>10017089</b>

**Expenditure**

Claims incurred	21	8740093	8640539
Expenses payable	22	735923	1304584
Interest payable before the deduction of tax	23	108647	103446
Taxation	24	81383	346176
Other expenditure	25	49063	69131
Transfer to (from) non technical account	26	289426	269254
<b>Total expenditure</b>	<b>29</b>	<b>10004534</b>	<b>10733130</b>

Business transfers - in	31	1703551	
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	2650161	(716042)
Fund brought forward	49	72516620	73230040
Fund carried forward (39+49)	59	75166781	72513998

**Long-term insurance business : Revenue account**

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **21 Scottish Amicable Insurance Fund**  
 Financial year ended **31 December 2007**  
 Units **£000**

Financial year	Previous year
1	2

**Income**

Earned premiums	11	280220	(272276)
Investment income receivable before deduction of tax	12	676658	697664
Increase (decrease) in the value of non-linked assets brought into account	13	238381	24435
Increase (decrease) in the value of linked assets	14		
Other income	15		
<b>Total income</b>	<b>19</b>	<b>1195258</b>	<b>449823</b>

**Expenditure**

Claims incurred	21	1537858	1648750
Expenses payable	22	56704	73551
Interest payable before the deduction of tax	23	13423	14456
Taxation	24	38761	25866
Other expenditure	25	16745	22993
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>1663491</b>	<b>1785616</b>

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(468233)	(1335793)
Fund brought forward	49	10585482	11921275
Fund carried forward (39+49)	59	10117249	10585482

**Long-term insurance business : Revenue account**

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **22 With-Profits Sub-Fund**  
 Financial year ended **31 December 2007**  
 Units **£000**

Financial year	Previous year
1	2

**Income**

Earned premiums	11	2824873	2577109
Investment income receivable before deduction of tax	12	3411041	3346265
Increase (decrease) in the value of non-linked assets brought into account	13	1346762	716147
Increase (decrease) in the value of linked assets	14		
Other income	15	19921	27336
<b>Total income</b>	<b>19</b>	<b>7602597</b>	<b>6666857</b>

**Expenditure**

Claims incurred	21	5564758	5781547
Expenses payable	22	604910	730638
Interest payable before the deduction of tax	23	93048	86370
Taxation	24	72284	298669
Other expenditure	25		
Transfer to (from) non technical account	26	289426	269254
<b>Total expenditure</b>	<b>29</b>	<b>6624425</b>	<b>7166479</b>

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	978171	(499621)
Fund brought forward	49	50503781	51054663
Fund carried forward (39+49)	59	51481952	50555042

**Long-term insurance business : Revenue account**

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **23 Defined Charge Participating Sub-Fund**  
 Financial year ended **31 December 2007**  
 Units **£000**

Financial year	Previous year
1	2

**Income**

Earned premiums	11	307653	231253
Investment income receivable before deduction of tax	12	40532	33847
Increase (decrease) in the value of non-linked assets brought into account	13	54156	33511
Increase (decrease) in the value of linked assets	14		
Other income	15		
<b>Total income</b>	<b>19</b>	<b>402341</b>	<b>298611</b>

**Expenditure**

Claims incurred	21	123024	55174
Expenses payable	22	(4241)	(2052)
Interest payable before the deduction of tax	23		
Taxation	24	2524	1890
Other expenditure	25	14590	12392
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>135897</b>	<b>67404</b>

Business transfers - in	31	1703551	
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	1969995	231207
Fund brought forward	49	1384178	1094847
Fund carried forward (39+49)	59	3354173	1326054

**Long-term insurance business : Revenue account**

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **31 Non-Profit Sub-Fund**  
 Financial year ended **31 December 2007**  
 Units **£000**

Financial year	Previous year
1	2

**Income**

Earned premiums	11	1044313	1743841
Investment income receivable before deduction of tax	12	333730	296537
Increase (decrease) in the value of non-linked assets brought into account	13	(42832)	(67727)
Increase (decrease) in the value of linked assets	14	378654	615404
Other income	15	37084	13741
<b>Total income</b>	<b>19</b>	<b>1750948</b>	<b>2601797</b>

**Expenditure**

Claims incurred	21	1514454	1155068
Expenses payable	22	78550	502446
Interest payable before the deduction of tax	23	2175	2621
Taxation	24	(32186)	19751
Other expenditure	25	17728	33747
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>1580720</b>	<b>1713632</b>

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	170228	888165
Fund brought forward	49	10043179	9159255
Fund carried forward (39+49)	59	10213407	10047420

**Long-term insurance business : Analysis of premiums**

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **10 Summary**  
 Financial year ended **31 December 2007**  
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Gross**

Regular premiums	11	604489	1084103	510456	2199048	2222747
Single premiums	12	684396	2682253	820791	4187440	4436745

**Reinsurance - external**

Regular premiums	13	34756	4375	13691	52822	62120
Single premiums	14		162321		162321	5003

**Reinsurance - intra-group**

Regular premiums	15		289075		289075	173219
Single premiums	16	271975	1153236		1425212	2139224

**Net of reinsurance**

Regular premiums	17	569733	790652	496766	1857151	1987408
Single premiums	18	412421	1366696	820791	2599907	2292518

**Total**

Gross	19	1288885	3766355	1331247	6386488	6659492
Reinsurance	20	306731	1609007	13691	1929429	2379565
Net	21	982154	2157348	1317557	4457059	4279927

**Long-term insurance business : Analysis of premiums**

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **21 Scottish Amicable Insurance Fund**  
 Financial year ended **31 December 2007**  
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Gross**

Regular premiums	11	189504	78866		268370	269887
Single premiums	12	45	11982		12026	18454

**Reinsurance - external**

Regular premiums	13	97	80		177	201
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					560416

**Net of reinsurance**

Regular premiums	17	189407	78786		268193	269686
Single premiums	18	45	11982		12026	(541962)

**Total**

Gross	19	189549	90847		280396	288341
Reinsurance	20	97	80		177	560617
Net	21	189452	90768		280220	(272276)

**Long-term insurance business : Analysis of premiums**

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **22 With-Profits Sub-Fund**  
 Financial year ended **31 December 2007**  
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Gross**

Regular premiums	11	322635	724437	358978	1406050	1459551
Single premiums	12	394973	1838641	345181	2578795	2223428

**Reinsurance - external**

Regular premiums	13	16421	910	5263	22595	30675
Single premiums	14		803		803	1344

**Reinsurance - intra-group**

Regular premiums	15		117819		117819	77067
Single premiums	16	4521	1014234		1018755	996784

**Net of reinsurance**

Regular premiums	17	306213	605707	353715	1265635	1351809
Single premiums	18	390452	823605	345181	1559237	1225300

**Total**

Gross	19	717608	2563077	704159	3984844	3682979
Reinsurance	20	20943	1133766	5263	1159972	1105870
Net	21	696665	1429312	698896	2824873	2577109



**Long-term insurance business : Analysis of premiums**

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **23 Defined Charge Participating Sub-Fund**  
 Financial year ended **31 December 2007**  
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Gross**

Regular premiums	11					
Single premiums	12			307653	307653	231253

**Reinsurance - external**

Regular premiums	13					
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17					
Single premiums	18			307653	307653	231253

**Total**

Gross	19			307653	307653	231253
Reinsurance	20					
Net	21			307653	307653	231253

**Long-term insurance business : Analysis of premiums**

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **31 Non-Profit Sub-Fund**  
 Financial year ended **31 December 2007**  
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Gross**

Regular premiums	11	92350	280800	151478	524629	493309
Single premiums	12	289379	831630	167957	1288966	1963609

**Reinsurance - external**

Regular premiums	13	18238	3385	8427	30050	31244
Single premiums	14		161518		161518	3659

**Reinsurance - intra-group**

Regular premiums	15		171256		171256	96151
Single premiums	16	267454	139003		406457	582023

**Net of reinsurance**

Regular premiums	17	74113	106159	143051	323323	365914
Single premiums	18	21924	531110	167957	720991	1377927

**Total**

Gross	19	381729	1112430	319435	1813594	2456919
Reinsurance	20	285692	475162	8427	769281	713077
Net	21	96037	637269	311008	1044313	1743841

## Long-term insurance business : Analysis of claims

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **10 Summary**  
 Financial year ended **31 December 2007**  
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Gross**

Death or disability lump sums	11	393939	121488	41303	556729	708406
Disability periodic payments	12	1677		1519	3196	2185
Surrender or partial surrender	13	2245262	1282110	296337	3823709	4169351
Annuity payments	14	5565	1072956	2538	1081059	995092
Lump sums on maturity	15	1453370	2964175	15270	4432815	4016424
<b>Total</b>	<b>16</b>	<b>4099813</b>	<b>5440729</b>	<b>356967</b>	<b>9897509</b>	<b>9891457</b>

**Reinsurance - external**

Death or disability lump sums	21	13732	333	5281	19346	28058
Disability periodic payments	22	87		56	143	375
Surrender or partial surrender	23	17779	2914		20694	7275
Annuity payments	24					
Lump sums on maturity	25	153	570		724	1592
<b>Total</b>	<b>26</b>	<b>31751</b>	<b>3817</b>	<b>5337</b>	<b>40906</b>	<b>37299</b>

**Reinsurance - intra-group**

Death or disability lump sums	31	12857	1705		14562	16491
Disability periodic payments	32					
Surrender or partial surrender	33	168377	44159		212536	371129
Annuity payments	34		835802		835802	765520
Lump sums on maturity	35		53610		53610	60478
<b>Total</b>	<b>36</b>	<b>181234</b>	<b>935276</b>		<b>1116510</b>	<b>1213619</b>

**Net of reinsurance**

Death or disability lump sums	41	367350	119450	36022	522821	663857
Disability periodic payments	42	1591		1463	3054	1810
Surrender or partial surrender	43	2059106	1235037	296337	3590480	3790946
Annuity payments	44	5565	237154	2538	245257	229572
Lump sums on maturity	45	1453216	2909994	15270	4378481	3954354
<b>Total</b>	<b>46</b>	<b>3886828</b>	<b>4501635</b>	<b>351630</b>	<b>8740093</b>	<b>8640539</b>

## Long-term insurance business : Analysis of claims

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **21 Scottish Amicable Insurance Fund**  
 Financial year ended **31 December 2007**  
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Gross**

Death or disability lump sums	11	37159	15441		52600	60219
Disability periodic payments	12	183			183	200
Surrender or partial surrender	13	168502	168737		337239	401568
Annuity payments	14		45388		45388	51747
Lump sums on maturity	15	516647	638798		1155445	1156623
<b>Total</b>	<b>16</b>	<b>722490</b>	<b>868364</b>		<b>1590855</b>	<b>1670357</b>

**Reinsurance - external**

Death or disability lump sums	21	1103	333		1436	1235
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>	<b>1103</b>	<b>333</b>		<b>1436</b>	<b>1235</b>

**Reinsurance - intra-group**

Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34		51562		51562	20372
Lump sums on maturity	35					
<b>Total</b>	<b>36</b>		<b>51562</b>		<b>51562</b>	<b>20372</b>

**Net of reinsurance**

Death or disability lump sums	41	36056	15108		51164	58984
Disability periodic payments	42	183			183	200
Surrender or partial surrender	43	168502	168737		337239	401568
Annuity payments	44		(6173)		(6173)	31375
Lump sums on maturity	45	516647	638798		1155445	1156623
<b>Total</b>	<b>46</b>	<b>721387</b>	<b>816470</b>		<b>1537858</b>	<b>1648750</b>

## Long-term insurance business : Analysis of claims

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **22 With-Profits Sub-Fund**  
 Financial year ended **31 December 2007**  
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Gross**

Death or disability lump sums	11	217233	92108	19100	328441	479446
Disability periodic payments	12	336			336	369
Surrender or partial surrender	13	1466530	929344	105787	2501661	2797053
Annuity payments	14	5565	891629	2538	899732	827728
Lump sums on maturity	15	894202	1777477	15270	2686950	2519796
<b>Total</b>	<b>16</b>	<b>2583867</b>	<b>3690558</b>	<b>142696</b>	<b>6417120</b>	<b>6624392</b>

**Reinsurance - external**

Death or disability lump sums	21	12612		2150	14762	17082
Disability periodic payments	22					119
Surrender or partial surrender	23	161	236		396	183
Annuity payments	24					
Lump sums on maturity	25	153	499		653	1399
<b>Total</b>	<b>26</b>	<b>12926</b>	<b>735</b>	<b>2150</b>	<b>15811</b>	<b>18784</b>

**Reinsurance - intra-group**

Death or disability lump sums	31		1257		1257	1684
Disability periodic payments	32					
Surrender or partial surrender	33	5805	20583		26388	47444
Annuity payments	34		759804		759804	720291
Lump sums on maturity	35		49103		49103	54641
<b>Total</b>	<b>36</b>	<b>5805</b>	<b>830746</b>		<b>836551</b>	<b>824061</b>

**Net of reinsurance**

Death or disability lump sums	41	204621	90851	16951	312423	460680
Disability periodic payments	42	336			336	250
Surrender or partial surrender	43	1460564	908525	105787	2474877	2749427
Annuity payments	44	5565	131825	2538	139928	107437
Lump sums on maturity	45	894049	1727875	15270	2637194	2463755
<b>Total</b>	<b>46</b>	<b>2565135</b>	<b>2859077</b>	<b>140546</b>	<b>5564758</b>	<b>5781547</b>

## Long-term insurance business : Analysis of claims

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **23 Defined Charge Participating Sub-Fund**  
 Financial year ended **31 December 2007**  
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Gross**

Death or disability lump sums	11		2596	2596	2814
Disability periodic payments	12				
Surrender or partial surrender	13		120428	120428	52359
Annuity payments	14				
Lump sums on maturity	15				
<b>Total</b>	<b>16</b>		<b>123024</b>	<b>123024</b>	<b>55174</b>

**Reinsurance - external**

Death or disability lump sums	21				
Disability periodic payments	22				
Surrender or partial surrender	23				
Annuity payments	24				
Lump sums on maturity	25				
<b>Total</b>	<b>26</b>				

**Reinsurance - intra-group**

Death or disability lump sums	31				
Disability periodic payments	32				
Surrender or partial surrender	33				
Annuity payments	34				
Lump sums on maturity	35				
<b>Total</b>	<b>36</b>				

**Net of reinsurance**

Death or disability lump sums	41		2596	2596	2814
Disability periodic payments	42				
Surrender or partial surrender	43		120428	120428	52359
Annuity payments	44				
Lump sums on maturity	45				
<b>Total</b>	<b>46</b>		<b>123024</b>	<b>123024</b>	<b>55174</b>

## Long-term insurance business : Analysis of claims

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **31 Non-Profit Sub-Fund**  
 Financial year ended **31 December 2007**  
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Gross**

Death or disability lump sums	11	139547	13939	19607	173093	165927
Disability periodic payments	12	1158		1519	2677	1616
Surrender or partial surrender	13	610230	184029	70122	864381	918370
Annuity payments	14		135939		135939	115617
Lump sums on maturity	15	42520	547900		590420	340004
<b>Total</b>	<b>16</b>	<b>793456</b>	<b>881807</b>	<b>91248</b>	<b>1766511</b>	<b>1541534</b>

**Reinsurance - external**

Death or disability lump sums	21	17		3131	3148	9741
Disability periodic payments	22	87		56	143	256
Surrender or partial surrender	23	17618	2679		20297	7092
Annuity payments	24					
Lump sums on maturity	25		71		71	192
<b>Total</b>	<b>26</b>	<b>17722</b>	<b>2750</b>	<b>3187</b>	<b>23659</b>	<b>17281</b>

**Reinsurance - intra-group**

Death or disability lump sums	31	12857	449		13306	14807
Disability periodic payments	32					
Surrender or partial surrender	33	162572	23576		186148	323686
Annuity payments	34		24437		24437	24856
Lump sums on maturity	35		4507		4507	5837
<b>Total</b>	<b>36</b>	<b>175429</b>	<b>52969</b>		<b>228398</b>	<b>369186</b>

**Net of reinsurance**

Death or disability lump sums	41	126673	13490	16476	156638	141379
Disability periodic payments	42	1072		1463	2535	1361
Surrender or partial surrender	43	430040	157774	70122	657936	587593
Annuity payments	44		111502		111502	90760
Lump sums on maturity	45	42520	543321		585842	333975
<b>Total</b>	<b>46</b>	<b>600305</b>	<b>826088</b>	<b>88061</b>	<b>1514454</b>	<b>1155068</b>

**Long-term insurance business : Analysis of expenses**

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **10 Summary**  
 Financial year ended **31 December 2007**  
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Gross**

Commission - acquisition	11	(101937)	1036	79439	(21462)	386366
Commission - other	12	12146	7561	23082	42789	40727
Management - acquisition	13	54489	77372	42317	174178	173256
Management - maintenance	14	177986	323179	17702	518868	650366
Management - other	15	17456	13008	(4228)	26236	61726
<b>Total</b>	<b>16</b>	<b>160140</b>	<b>422157</b>	<b>158312</b>	<b>740609</b>	<b>1312442</b>

**Reinsurance - external**

Commission - acquisition	21	54	557	414	1025	727
Commission - other	22	142	1447	1967	3557	4145
Management - acquisition	23			26	26	56
Management - maintenance	24			78	78	25
Management - other	25					
<b>Total</b>	<b>26</b>	<b>196</b>	<b>2004</b>	<b>2485</b>	<b>4686</b>	<b>4953</b>

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					757
Management - maintenance	34					2148
Management - other	35					
<b>Total</b>	<b>36</b>					<b>2905</b>

**Net of reinsurance**

Commission - acquisition	41	(101991)	479	79025	(22487)	385639
Commission - other	42	12004	6114	21115	39233	36582
Management - acquisition	43	54489	77372	42291	174152	172442
Management - maintenance	44	177986	323179	17624	518790	648193
Management - other	45	17456	13008	(4228)	26236	61726
<b>Total</b>	<b>46</b>	<b>159944</b>	<b>420152</b>	<b>155827</b>	<b>735923</b>	<b>1304584</b>



**Long-term insurance business : Analysis of expenses**

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **21 Scottish Amicable Insurance Fund**  
 Financial year ended **31 December 2007**  
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Gross**

Commission - acquisition	11	2	1831		1833	2774
Commission - other	12	3035	1189		4224	3801
Management - acquisition	13					1095
Management - maintenance	14	17676	32977		50652	65887
Management - other	15					
<b>Total</b>	<b>16</b>	<b>20712</b>	<b>35997</b>		<b>56709</b>	<b>73557</b>

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22	1	4		5	6
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>	<b>1</b>	<b>4</b>		<b>5</b>	<b>6</b>

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41	2	1831		1833	2774
Commission - other	42	3034	1185		4219	3795
Management - acquisition	43					1095
Management - maintenance	44	17676	32977		50652	65887
Management - other	45					
<b>Total</b>	<b>46</b>	<b>20711</b>	<b>35993</b>		<b>56704</b>	<b>73551</b>

**Long-term insurance business : Analysis of expenses**

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **22 With-Profits Sub-Fund**  
 Financial year ended **31 December 2007**  
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Gross**

Commission - acquisition	11	34604	(8364)	45878	72118	64995
Commission - other	12	6512	2337	14017	22866	21520
Management - acquisition	13	21208	36539	27765	85512	100612
Management - maintenance	14	157448	236173	13445	407066	495203
Management - other	15	7794	10961	30	18785	50164
<b>Total</b>	<b>16</b>	<b>227566</b>	<b>277645</b>	<b>101135</b>	<b>606346</b>	<b>732493</b>

**Reinsurance - external**

Commission - acquisition	21			243	243	353
Commission - other	22	2		1093	1094	1426
Management - acquisition	23			22	22	53
Management - maintenance	24			77	77	23
Management - other	25					
<b>Total</b>	<b>26</b>	<b>2</b>		<b>1435</b>	<b>1436</b>	<b>1855</b>

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41	34604	(8364)	45635	71875	64643
Commission - other	42	6510	2337	12924	21771	20093
Management - acquisition	43	21208	36539	27743	85489	100559
Management - maintenance	44	157448	236173	13368	406989	495179
Management - other	45	7794	10961	30	18785	50164
<b>Total</b>	<b>46</b>	<b>227565</b>	<b>277645</b>	<b>99701</b>	<b>604910</b>	<b>730638</b>

**Long-term insurance business : Analysis of expenses**

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **23 Defined Charge Participating Sub-Fund**  
 Financial year ended **31 December 2007**  
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Gross**

Commission - acquisition	11		17	17	17
Commission - other	12				435
Management - acquisition	13				
Management - maintenance	14				415
Management - other	15		(4258)	(4258)	(2918)
<b>Total</b>	<b>16</b>		<b>(4241)</b>	<b>(4241)</b>	<b>(2052)</b>

**Reinsurance - external**

Commission - acquisition	21				
Commission - other	22				
Management - acquisition	23				
Management - maintenance	24				
Management - other	25				
<b>Total</b>	<b>26</b>				

**Reinsurance - intra-group**

Commission - acquisition	31				
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
<b>Total</b>	<b>36</b>				

**Net of reinsurance**

Commission - acquisition	41		17	17	17
Commission - other	42				435
Management - acquisition	43				
Management - maintenance	44				415
Management - other	45		(4258)	(4258)	(2918)
<b>Total</b>	<b>46</b>		<b>(4241)</b>	<b>(4241)</b>	<b>(2052)</b>

**Long-term insurance business : Analysis of expenses**

Name of insurer **The Prudential Assurance Company Limited**  
 Total business / subfund **31 Non-Profit Sub-Fund**  
 Financial year ended **31 December 2007**  
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Gross**

Commission - acquisition	11	(136543)	7569	33543	(95431)	318580
Commission - other	12	2599	4036	9065	15700	14972
Management - acquisition	13	33282	40833	14552	88666	71549
Management - maintenance	14	2863	54030	4257	61149	88862
Management - other	15	9662	2047		11709	14480
<b>Total</b>	<b>16</b>	<b>(88138)</b>	<b>108515</b>	<b>61417</b>	<b>81794</b>	<b>508443</b>

**Reinsurance - external**

Commission - acquisition	21	54	557	171	782	374
Commission - other	22	139	1444	874	2457	2712
Management - acquisition	23			4	4	4
Management - maintenance	24			1	1	1
Management - other	25					
<b>Total</b>	<b>26</b>	<b>193</b>	<b>2001</b>	<b>1050</b>	<b>3244</b>	<b>3092</b>

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					757
Management - maintenance	34					2148
Management - other	35					
<b>Total</b>	<b>36</b>					<b>2905</b>

**Net of reinsurance**

Commission - acquisition	41	(136597)	7012	33372	(96213)	318206
Commission - other	42	2460	2592	8191	13243	12259
Management - acquisition	43	33282	40833	14548	88662	70788
Management - maintenance	44	2863	54030	4256	61148	86712
Management - other	45	9662	2047		11709	14480
<b>Total</b>	<b>46</b>	<b>(88331)</b>	<b>106514</b>	<b>60367</b>	<b>78550</b>	<b>502446</b>

**Long-term insurance business : Linked funds balance sheet**Name of insurer **The Prudential Assurance Company Limited**

Total business

Financial year ended **31 December 2007**Units **£000**

Financial year	Previous year
1	2

**Internal linked funds (excluding cross investment)**

Directly held assets (excluding collective investment schemes)	11	1972535	2052858
Directly held assets in collective investment schemes of connected companies	12	5693901	5535648
Directly held assets in other collective investment schemes	13	194717	233921
<b>Total assets (excluding cross investment) (11+12+ 13)</b>	<b>14</b>	<b>7861153</b>	<b>7822426</b>
Provision for tax on unrealised capital gains	15	27711	36632
Secured and unsecured loans	16		
Other liabilities	17	424	1163
<b>Total net assets (14-15-16-17)</b>	<b>18</b>	<b>7833018</b>	<b>7784631</b>

**Directly held linked assets**

Value of directly held linked assets	21	76433	82847
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**Total**

Value of directly held linked assets and units held (18+21)	31	7909451	7867478
Surplus units	32	5647	11314
Deficit units	33		
<b>Net unit liability (31-32+33)</b>	<b>34</b>	<b>7903805</b>	<b>7856165</b>

**Long-term insurance business : Revenue account for internal linked funds**Name of insurer **The Prudential Assurance Company Limited**

Total business

Financial year ended **31 December 2007**Units **£000**

Financial year	Previous year
1	2

**Income**

Value of total creation of units	11	579438	905157
Investment income attributable to the funds before deduction of tax	12	237006	246811
Increase (decrease) in the value of investments in the financial year	13	374641	592830
Other income	14		
<b>Total income</b>	<b>19</b>	<b>1191085</b>	<b>1744798</b>

**Expenditure**

Value of total cancellation of units	21	1007372	992331
Charges for management	22	77981	74796
Charges in respect of tax on investment income	23	26791	23807
Taxation on realised capital gains	24	4579	29489
Increase (decrease) in amount set aside for tax on capital gains not yet realised	25	185	1068
Other expenditure	26		
<b>Total expenditure</b>	<b>29</b>	<b>1116908</b>	<b>1121492</b>

Increase (decrease) in funds in financial year (19-29)	39	74177	623305
Internal linked fund brought forward	49	7758840	7161326
Internal linked funds carried forward (39+49)	59	7833018	7784632

# THE PRUDENTIAL ASSURANCE COMPANY LIMITED

Year ended 31 December 2007

## Supplementary Notes to the Forms

### APPENDIX 9.1

\*0101\* Waivers modifying the Accounts and Statements rules

#### Section 68 (Insurance Companies Act 1982) Orders modifying 1996 Regulation provisions continued under transitional arrangements

The Financial Services Authority has used its powers under section 156(2) of the Financial Services and Markets Act 2000 to allow waivers granted under section 68 of the Insurance Companies Act 1982 to continue without the need for companies to request a waiver under the Financial Services and Markets Act 2000.

(906) An Order modifying The Insurance Companies (Accounts and Statements) Regulations 1996 was issued on 16 January 1997 by the Secretary of State with the consent of the Company. The Order permits the Company when completing Forms 20 to 34 to include premiums relating to business accepted in the Netherlands net of local cessions for accident or underwriting years from 1984 to 1995. The section 68 Order under the Insurance Companies Act 1982 continues to have effect under the transitional arrangements set out in the Supervision manual. The Insurance Companies (Accounts and Statements) Regulations 1996 has now been replaced by the Interim Prudential Sourcebook for Insurers, the Prudential Sourcebook for Insurers and the General Prudential Sourcebook.

(826) The Treasury issued to the Company in February 1999 an Order under section 68 of the Insurance Companies Act 1982 modifying the provisions of Regulation 13 of The Insurance Companies (Accounts and Statements) Regulations 1996 so that the Company is not required to submit a Form 31 in respect of the business written through its Dutch branch in the years 1976 to 1979. The section 68 Order under the Insurance Companies Act 1982 continues to have effect under the transitional arrangements set out in the Supervision manual. Regulation 13 of The Insurance Companies (Accounts and Statements) Regulation 1996 has been replaced by Rule 9.19 of the Interim Prudential Sourcebook for Insurers.

#### Application of Section 148 Waiver

(333971) The FSA, on the application of the firm, made a direction under section 148 of the Financial Services and Markets Act 2000 in November 2004. The effect of the direction is to reduce the level of detail reported in Forms 23, 24, 25, 31 and 32 (by showing all business as written in prior years), and to exclude Forms 28, 29, 34, 37, 38 and 39, in the firm's return to the FSA, in respect of the firm's UK Commercial lines general insurance business, which has been in run off since 31 December 1992. The direction ended on 31 October 2007.

(777110) The FSA, on the application of the firm, made a direction under section 148 of the Financial Services and Markets Act 2000 in September 2007. The effect of the direction is to reduce the level of detail reported in Forms 23, 24, 25, 31 and 32 (by showing all business as written in prior years), and to exclude Forms 28, 29, 34, 37, 38 and 39, in the firm's return to the FSA, in respect of the firm's UK Commercial lines general insurance business, which has been in run off since 31 December 1992. The direction ends on 31 October 2010.

(534493) The FSA, on the application of the firms, issued to the firms in November 2005 a direction under section 148 of FSMA 2000. The effect of the direction is to enable the Prudential Assurance Company and Prudential Holborn Life Limited to contract to pay benefits under linked long term contracts related to the PHL Prudential Property (Unit Linked) Life Fund which are themselves determined, either wholly or partly, by reference to units in the M&G Property Portfolio. This direction ended on 15 November 2007.

(350789) The FSA made a direction in December 2004 under section 148 of the Financial Services and Markets Act 2000. The effect of the direction is to permit the firm, when calculating the group capital resources requirement, to modify the treatment of the long-term life and health liabilities incurred by Prudential Life Assurance Company Limited of Taiwan on or before 31 December 2002 in respect of voluntary discontinuance and valuation rates of interest. The direction ends on 31 March 2010.

(626291) The FSA made a direction in December 2004, which it varied in July 2006, under section 148 of the Financial Services and Markets Act 2000. The effect of the direction is to permit the firm, when calculating the group capital resources requirement, to modify the treatment of the long-term life and health liabilities incurred by Prudential Life Assurance Company Limited of Taiwan on or before 31 December 2002 in respect of voluntary discontinuance and valuation rates of interest. This direction varies direction number 350789 made on 31 December 2004, took effect on 6 July 2006 and ends on 30 June 2011.

(766500) The FSA made a direction in December 2004, which it varied in July 2006 and August 2007, under section 148 of the Financial Services and Markets Act 2000. The effect of the direction is to permit the firm, when calculating the group capital resources requirement, to modify the treatment of the long-term life and health liabilities incurred by Prudential Life Assurance Company Limited of Taiwan on or before 31 December 2002 in respect of valuation rates of interest. This direction varies direction number 626291 and ends on June 2012.

(350792) The FSA issued to the firm in December 2004 a direction under section 148 of the Financial Services and Markets Act 2000. The effect of the direction is to permit the firm, when calculating the group capital resources requirement, to modify the treatment of the term, increasing term, cancer, endowment and whole-life insurance liabilities of Prudential Life Insurance Company Limited of Japan, incurred on or before 31 December 2002 in respect of voluntary discontinuance. This direction ends on 31 March 2010.

(626294) The FSA issued to the firm in December 2004 a direction, which it varied in July 2006, under section 148 of the Financial Services and Markets Act 2000. The effect of the direction is to permit the firm, when calculating the group capital resources requirement, to modify the treatment of the term, increasing term, cancer, endowment and whole-life insurance liabilities of Prudential Life Insurance Company Limited of Japan, incurred on or before 31 December 2002 in respect of voluntary discontinuance. The variation of direction, which varied direction number 350792, was revoked on 12 July 2007, at the Company's request.



\*0301\* Reconciliation of net assets to total capital resources

	2007 £000
Total assets per Form 13 (other than long-term business) line 89	1,858,797
Total assets per Form 13 (long-term business) line 89	107,713,054
Less: the sum of lines 11, 12 and 49 in Form 14	79,533,572
Less: liabilities per Form 15 line 69	174,206
Add: assets backing the capital resource requirements of dependants	1,206,878
Add: preference shares	1,000
Net assets per Form 3 line 79	<u>31,071,951</u>

\*0305\* Details of other financing arrangements

Not included in lines 91 to 95 is an arrangement with Swiss Re Life and Health Limited to provide financing for Mortgage Protection contracts. The amount to be repaid is a proportion of each premium received in respect of this business. The payment of a proportion of each future premium to the reinsurer has been allowed for when calculating the mathematical reserves.

If a policy lapses then a further repayment equal to the amount of any intermediary commission clawback due also becomes payable.

\*0308\* Nature of outstanding contingent loans

Included in Line 94 is a contingent liability that arises from a contingent loan arrangement with Prudential Health Holdings Limited. This agreement was entered into on 3 September 2007 and allows Prudential Assurance Company Limited to borrow from Prudential Health Holdings Limited, sums from time to time in an aggregate amount of up to £250m. The loan amount is principally linked to the emergence of regulatory losses arising in respect of all income and costs associated with selling and underwriting the Flexible Protection Plan and PruProtect Plan. The loan is to be repaid as regulatory surplus arises in the future.

The commutation value of this arrangement is £18.7m.

The Prudential Assurance Company Limited is entitled, if it has given Prudential Health Holdings Limited prior notice to that effect, at any time, to repay any amount of the loan balance.

Included in line 94 for 2007 is a contingent liability that arises from a contingent loan arrangement with Prudential Finance (UK) Plc and is linked to the performance of the non-profit sub-fund with the exception of policies issued prior to 28 December 2000 by M&G Pensions.

The contingent loan allows the Prudential Assurance Company Limited to take advantage of certain future margins, which are expected to arise on the business, when calculating statutory solvency. The contingent loan is repayable as certain future margins emerge. The emergence of future margins would be adversely affected by increased lapse rates and adverse mortality experience.

The contingent loan arrangement for £20m was entered into on 22 December 2005.

Under the terms of the contingent loan arrangement none of the loan will become due for repayment on 31 March 2008 (£4.4m was repaid on 31 March 2007).

The £11.3m of the initial loan plus £2.4m of interest that remains contingent upon future margins including interest has been included in line 94 as financial engineering.

The commutation value of this arrangement is £13.7m

\*0310\* Details of valuation differences

<u>Other than long-term</u>	2007 £'000
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Positive valuation differences in respect of liabilities where valuation in GENPRU is lower than the firm uses for external reporting purposes being:-

Pension deficit funding net of tax	19,620
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Total line 14 column 1	<u>19,620</u>
------------------------	---------------

<u>Long-term</u>	2007 £'000
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Positive valuation differences in respect of liabilities where valuation in GENPRU is lower than the firm uses for external reporting purposes being:-

Deferred tax on accounts deferred acquisition costs	72,419
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Deferred tax on additional reserves.	12,248
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Difference in valuation basis for actuarial liabilities	15,257,827
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Creditors in respect of contingent loans net of tax	32,432
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Negative valuation differences in respect of assets where valuation in GENPRU is lower than the firm uses for external reporting purposes being:-

Mortgages and loans valuation difference	(17,642)
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Pension deficit funding net of tax – see note 1405	(192,300)
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Total line 14 column 2	<u>15,164,984</u>
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\*0313\* Reconciliation of the profit & loss a/c movement to the profit and loss retained on Form 16

Form 3 line 12 column 3 (2007)	2,962,753
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Form 3 line 12 column 4 (2006)	2,840,056
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Movement in profit & loss a/c per Form 3	122,697
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Form 16 line 59 column 1 profit & loss for the year	<u>122,697</u>
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\*1301\* Aggregate value of certain investments

The other than long-term business fund held units of beneficial interest in collective investment schemes with an aggregate value of £84m. There are no unlisted investments, no listed investments which are not readily realisable, and no reversionary interests or remainders in property other than land or buildings in the other than long-term funds.

\*1302\* Aggregate value of hybrid securities

The aggregate value of hybrid securities is nil for the other than long-term business fund.

\*1304\*      Use of set off

Amounts have been set off to the extent permitted by generally accepted accounting principles.

\*1305\*      Counterparty limits

Under the Company's investment guidelines, the maximum permitted exposure to any one counterparty is set at 5% of the business amount, with the exception of short-term deposits with approved credit institutions, where the limit for any one institution is 20%. The 5% limit for the other than long-term fund has not been exceeded.

\*1306\*      Exposure at the year end to large counterparties

There were no exposures in excess of 5% of the relevant business amount within the other than long-term business fund at the year-end.

\*1307\*      Secured Obligations

No secured obligations were held by the other than long-term fund.

\*1308\*      Aggregate value of certain investments

The long-term business fund held unlisted investments with an aggregate value of £2,162m and units of beneficial interest in collective investment schemes with an aggregate value of £1,000m. There are no listed investments which are not readily realisable, and no reversionary interests or remainders in property other than land or buildings in either the long-term or other than long-term funds.

\*1309\*      Aggregate value of hybrid securities

The aggregate value of hybrid securities is £4,624m for the long-term business fund.

\*1310\*      Use of set off

Amounts have been set off to the extent permitted by generally accepted accounting principles.

\*1311\*      Counterparty limits

Under the Company's investment guidelines, the maximum permitted exposure to any one counterparty is set at 5% of the business amount, with the exception of short-term deposits with approved credit institutions, where the limit for any one institution is 20%. During the year the 5% limit for the long-term fund was not exceeded.

\*1312\*      Exposure at the year end to large counterparties

There were no exposures in excess of 5% of the relevant business amount within the long-term business fund at the year-end.

\*1313\*      Secured Obligations

At the year end the Company's long-term business fund had £68m of secured obligations to which para 14 of part 1 of Appendix 4.2 applies.

\*1314\*      Tangible lease assets

No tangible lease assets are included for the other than long-term business fund.

\*1316\*      Tangible lease assets

No tangible lease assets are included for the long-term business fund.

\*1318\*      Particulars of other assets adjustments

The amount in line 101 is made up of the following:

Other than long-term inadmissible assets:

	£'000
Pension scheme deficit netted off against surplus in accounts	(19,620)
Total Line 101 (other than long-term)	<u>(19,620)</u>

Long-term assets:

	£'000
Long-term assets netted off with liabilities	13,753
Total Line 101 (long-term)	<u>13,753</u>

\*1319\*      Total Other Than Long Term Business Assets Analysis of derivative contracts

Form 17 has been submitted in blank, as no such contracts were used.

\*1322\*      Acquisition of Scottish Amicable Life Assurance Society

In 1997 the business of Scottish Amicable Life Assurance Society (SALAS) was transferred to the Company. In effecting the transfer, a separate sub-fund, the Scottish Amicable Insurance Fund (SAIF) was established within the Company's long-term fund. This sub-fund contains all the with-profits business and all other pension business that was transferred from SALAS and is closed to new business. As separate assets are managed for SAIF, separate Forms 13, 14 and 17 have been prepared for that fund.

The Non-Profit Sub-Fund of the other long-term PAC funds contributed £185m to the purchase cost of SALAS in respect of expected expense synergies. This amount was treated as an asset of a type not valued and included in Form 13 line 95 of the 1997 Return. £160m of this amount represented the value of an agreement with a fellow subsidiary company for the use of Scottish Amicable and Prudential trademarks which is being amortised in the shareholder accounts over a period of 20 years to 30 September 2017 on a basis consistent with the revenue stream from the agreement. Under this basis, the amortisation commenced in the year 2000, when the benefits from the agreement first arose. The remaining £25m related to the estimated net present value of income from current service agreements and has been amortised in the shareholder accounts from 1 January 1998 over a period of 10 years to 31 December 2007. Accordingly in the 2007 Return, Form 13 line 93 includes the unamortised balance of £114m.

The other than long-term business fund contributed £489.3m to the purchase cost via the Non-Profit Sub-Fund. Admissible assets, after revaluation, of £113.6m were treated as surplus carried forward in the fund and the balance of £375.7m was written off in Form 40 in 1997. In the shareholder accounts, £13.8m of the contribution related to the value of a service agreement which is being amortised on the same basis as the trademarks agreement described above. In addition, goodwill of £328m was recognised which has been amortised from 1 January 1998 over a period of 10 years to 31 December 2007. Accordingly Form 16, which corresponds to the Company's non-technical account, includes £32.8m in respect of this amortisation (although in the admissible assets reconciliation, and the long-term business Form 13 line 93 of the 2007 Return includes the unamortised balance of £10m).

\*1323\*            Reclassification of reconciliation lines

Lines 92, 95, 96, 97 and 98 reconciling the total admissible assets on Form 13 to the statutory accounts assets have been reclassified.

\*1401\*            Provision for "reasonably foreseeable adverse variations"

No provision has been made for reasonably foreseeable adverse variations as all contracts are strictly covered by assets.

\*1402\*            Long-term charges, contingent liabilities and guarantees

- a) There were no charges over assets.  
The Company has adopted the provisions of Financial Reporting Standard 19 - Deferred Tax. Full provision has been made.
- b) The ordinary long-term business fund held a provision of £0.4m for potential tax on capital gains in respect of linked business in the ordinary long-term business fund, in line 11 of Form 14. Provision of £1,868m for tax on capital gains in respect of other long-term business has been included in line 21 of Form 14, including £202m in respect of SAIF. These provisions have been determined in accordance with the procedures outlined in paragraph 3 of the Valuation Report in Appendix 9.4 of this Return. The actual provisions and the maximum potential tax are the same.
- c) The Company has contingent liabilities in respect of insurance and other agreements entered into in the normal course of business and in respect of litigation arising therefrom.
- d) The Company has guaranteed up to £0.3m (2006: £1m) of a £2.8m loan issued by the Royal Bank of Scotland to Pension Advisors Support Systems (PASS) to assist independent financial advisors with their review of pension transfers and opt outs.
- e) For guaranteed annuity products sold in the UK, the Company held a provision of £70m at December 31 2007, (2006: £47m), within the With-Profits Sub-Fund to honour guarantees on these products. The Company's main exposure to guaranteed annuities in the UK is through SAIF and a provision of £806m was held in SAIF at 31 December 2007, (2006: £769m) to honour annuity and other guarantees.
- f) Inherited Estate in the With-Profits Sub-Fund.  
The assets of the main with-profits fund within the long-term insurance fund of the Company comprise the amounts that it expects to pay out to meet its obligations to existing policyholders and an additional amount used as working capital. The amount payable over time to policyholders from the with-profits fund is equal to the policyholders' accumulated asset shares plus any additional payments that may be required by way of smoothing or to meet guarantees.

The balance of the assets of the with-profits fund is called the 'inherited estate' and has accumulated over many years from various sources.

The inherited estate represents the major part of the working capital of the Company's long-term insurance fund. This enables the Company to support with-profits business by providing the benefits associated with smoothing and guarantees, by providing investment flexibility for the fund's assets, by meeting the regulatory capital requirements that demonstrate solvency and by absorbing the costs of significant events or fundamental changes in its long-term business without affecting the bonus and investment policies. The size of the inherited estate fluctuates from year to year depending on the investment return and the extent to which it has been required to meet smoothing costs, guarantees and other events.

The Company believes that it would be beneficial if there were greater clarity as to the status of the Inherited Estate. As a result the Company has announced that it has begun a process to determine whether it can achieve that clarity through a reattribution of the inherited estate. As part of this process a Policyholder Advocate has been nominated to represent policyholders' interests. This nomination does not mean that a reattribution will occur.

Given the size of the Company's with-profits business any proposal is likely to be time consuming and complex to implement and is likely to involve a payment to policyholders from shareholders funds. If a reattribution is completed the inherited estate will continue to provide working capital for the long-term insurance fund.

- g) In common with several other UK insurance companies, the Company used to sell low-cost endowment products related to repayment of residential mortgages. At sale, the initial sum assured is set at a level such that the projected benefits, including an estimate of the annual bonus receivable over the life of the policy, will equal or exceed the mortgage debt. Because of a decrease in expected future investment returns since these products were sold, the FSA is concerned that the maturity value of some of these products will be less than the mortgage debt. The FSA has worked with insurance companies to devise a programme whereby the companies write to customers indicating whether they may have a possible shortfall and outline the actions that the customers can take to prevent this possibility.

The Company is exposed to mortgage endowment products in respect of policies issued by Scottish Amicable Life plc (SAL) and policies issued by Scottish Amicable Life Assurance Society (SALAS) and transferred into the Scottish Amicable Insurance Fund (SAIF). Provisions of £11 million in the non-profit sub-fund and £101 million in SAIF were held at 31 December 2007 to cover potential compensation in respect of mortgage endowment product mis-selling claims. As SAIF is a separate sub-fund of the Company's long-term business fund, this provision has no impact on shareholders.

In addition, the Company's main with-profits fund paid compensation of £5 million in respect of mortgage endowment products mis-selling claims in the year ended 31 December 2007 and held a provision of £136 million at 31 December 2007, in respect of further compensation. This provision has no impact on the Company's profit before tax.

- h) Contingent liabilities arise in connection with the financial reinsurance arrangements described in note 0308 and the Guarantee noted in item (d) above. The total of these is £33m.
- i) There are no other fundamental uncertainties.
- j) There are no other guarantees, indemnities or other contractual commitments effected, other than in the ordinary course of its insurance business, or in respect of related companies.

\*1405\*      Particulars of other adjustments

The amount in line 74 is made up of the following:	£000
Difference in valuation basis for actuarial liabilities	15,257,827
Pension deficit funding net of tax (note 1)	(192,300)
Creditors in respect of contingent loan	32,432
Deferred tax on additional reserves	12,248
Long-term liabilities netted off with assets	13,753
Total Line 74	<u>15,123,960</u>

Note 1 - The pensions surplus in the statutory accounts is the actual pensions surplus for the Company's main schemes. The amount provided for in the FSA returns is the deficit reduction amount i.e. the additional funding (net of tax) that will be required to be paid into that scheme by the firm over the following five year period for the purpose of reducing the firm's defined benefit liability. The deficit shown at line 22 of the With-Profits Sub-Fund Form 14 is £192.3m. The surplus in the statutory accounts is £303.9m and is included in line 93 of the With-Profits Sub-Fund Form 13. The net difference between the FSA returns (£192.6m) deficit and the accounts (£303.9m) surplus is therefore £496.5m.

\*1407\*      Provision for deferred tax

The provision for deferred tax on line 21 was negative for the Non-Profit Sub-Fund. However overall the balance for the long-term fund was a liability. A right of set off exists with the counterparty and the disclosure is considered appropriate. Reclassification of the provision as an asset would have incorrectly grossed up Forms 13 and 14 and created a reconciling difference with the financial statements.

\*1501\*      Provision for "reasonably foreseeable adverse variations"

There is no provision for reasonably foreseeable adverse variations on swap contracts as the contracts that were in place at the end of 2006 were closed out during 2007.

\*1502\*      Other than long-term charges, contingent liabilities and guarantees

- a) There were no charges over assets.
- b) The potential tax on capital gains in respect of the other than long-term business assets shown on Form 13 is nil.
- c) Under the terms of the Company's arrangements with the Prudential Group's main UK bank, the bank has a right of set-off between credit balances (other than those of long-term business funds) and all overdrawn balances of those group undertakings with similar arrangements. The Company also has contingent liabilities in respect of insurance and other agreements entered into in the normal course of business and in respect of litigation arising therefrom.
- d) Provisions in respect of the costs associated with the pensions mis-selling review have been included in the long-term technical provision. The directors believe that, based on current information, the pension mis-selling provision, together with future investment return on the assets backing the provision, will be adequate to cover the costs of pension mis-selling as well as the costs and expenses of the Company to identify and settle such cases. The costs associated with the pensions mis-selling review have been met from the inherited estate. Given the strength of the with-profits fund, the directors believe that charging the costs to the inherited estate will not have an adverse effect on the level of bonuses paid to policyholders or on their reasonable expectations. In the unlikely event of this proving not to be the case, an appropriate contribution to the with-profits fund would be made from the shareholders' funds.

e) There are no other fundamental uncertainties.

\*1503\* Dividend on Cumulative Preference Shares

A dividend on cumulative preference shares of £29,506 had accrued at 31 December 2007.

\*1504\* Deficit in valuation of insurance undertakings

An amount of £27,740k has been included in line 22 of Form 15 in respect of a deficit on the valuation of certain overseas insurance and insurance holding undertakings.

\*1507\* Particulars of other adjustments

The amount in line 83 is made up of the following:	£000
Deficit in subsidiaries	27,740
Total Line 83	<u>27,740</u>

Note 1 - In respect of the Company's main pension schemes there has been no provision in these returns for any deficits impacting the shareholders fund. For the Prudential Staff Pension Scheme the shareholders element of the surplus/deficit is being met by the holding company. In respect of the Scottish Amicable Pension Scheme, as at the last valuation date (1 April 2005) the scheme actuaries decided that no additional contributions were required, and on that basis there was no "deficit funding amount" to be included in these returns.

\*1601\* Basis of foreign currency conversion

Foreign currency revenue transactions have generally been translated at average exchange rates for the year.

\*1602\* Restatement of brought forward balances

Brought forward balances in the Return denominated in foreign currencies have been retranslated at 2007 rates of exchange.



\*1603\*      Other income and charges

	2007 £000	2006 £000
Other long-term business losses	(55,935)	27,177
Amortisation of goodwill	(32,800)	(32,800)
Amortisation of licence fee	(723)	(552)
Transfer in respect of closure provision for Operations in run-off	7,417	12,709
Corporate expenditure	-	-
St James' Place income/(expenditure)	449	(84)
Commission on sale of general insurance products	4,156	3,819
Release of LAHC provision	10,881	2,757
Pension deficit actuarial (losses)/gains	(4,428)	11,165
Pensions charge	(450)	(1,600)
Review costs associated with the reattribution of the inherited estate	(33,577)	-
Other items	(3,230)	(3,237)
Total	<u>(108,240)</u>	<u>19,354</u>

Other long-term business losses relate to losses that are retained within the long-term business fund.

Goodwill of £328m arose on the purchase of Scottish Amicable Life Assurance Society and has been amortised from 1 January 1998 to 31 December 2007 over a period of 10 years.

Operations in run-off include the former UK general insurance broker and commercial, London Market, marine and aviation and overseas agencies business which the Company ceased writing between 1990 and 1992, and the UK general insurance personal lines business. There is a contingency within other creditors in respect of these operations.

\*1701\*      Variation margins

No excess variation margin has been received. A variation margin of £15m has been included in line 38 of Form 14 of the long-term business fund. No variation margin is included in respect of the other than long-term business fund.

## APPENDIX 9.2

### \*20Aa\* Details of risk categories

No contracts of insurance were allocated under Rule 9.14B.

### \*20Ab\* Death or injury to passenger risk categories

No such contracts were entered into.

### \*20Ac\* Business allocated to categories 187, 223, 400 & 700

Risk category 187 relates to credit card products with the following features:

Death benefit – cash payment equivalent to the outstanding balance of nominated credit card up to a maximum amount if the insured cardholder dies while the policy is still in force.

Temporary total disability benefit – monthly cash payment equivalent to 10% of the outstanding card balance, up to 10 months.

Unemployment benefit - monthly cash payment equivalent to 10% of the outstanding card balance, up to 6 months.

### \*20Ad\* Details of claims made policies

No amount reported on Form 20A contains both claims made policies and policies that are not claims made.

### \*20Ae\* Amount of facultative business included under category 002

All business included under category 002 relates to direct business.

### \*20Af\* Amounts reported under categories 113, 274 & 343

All business within category 113 has arisen from business falling within classes 1 and 2 (Accident and Health).

\*20Ag\*

Gross premiums written attributable to home foreign or overseas business

Category	No.	Gross premiums
		Written (£000)
		Overseas <sup>1</sup>
Medical Insurance	111	8,789
Healthcare cash plans	112	51
Travel	113	1,253
Personal accident or sickness	114	4,645
Private motor – comprehensive	121	1,213
Private motor – non-comprehensive	122	245
House and domestic all risks	160	1,944
Other personal financial loss	187	376
Commercial vehicle (non-fleet)	222	55
Commercial property	261	704
Consequential loss	262	64
Contractors or engineering all risks	263	24
Employers liability	271	3,003
Professional indemnity	272	23
Public and products liability	273	654
Fidelity and contract guarantee	281	116
Total primary and facultative goods in transit	350	216
Total		<u>23,375</u>

1. All overseas business is written and carried on in Hong Kong.
2. The above notes may disagree in some instances with the Forms as the underlying figures feeding into the Forms are in pounds whereas the Forms are in £'000's.

\*20A1\*

Differences between Form 20A and Form 15

The gross provision for unearned premiums in Form 20A differs from Form 15 by £69k due to the revenue account and the balance sheet being translated at different rates of exchange.

\*2005\*

Other technical income or charges

The other technical income at line 16 of Form 20 is a handling charge for a Hong Kong Government levy.

\*2007\*

Material connected party transactions

The payment of the 2007 interim dividend of £288m to the holding company (Prudential plc).

The increase in share capital (£27m) of the Joint Venture in Prudential Healthcare Holdings Limited in which PAC has a 50% shareholding.

The increase in share capital (£23.9m) of the wholly owned subsidiary Prudential Lifetime Mortgages Limited.

The increase in the Company's ordinary share capital of £38.4m.

The transfer of a subsidiary company in Singapore to a fellow subsidiary Prudential Corporation Holdings Limited at European Embedded Value of £949.4m.

\*2102\*            Provision for unearned premiums

Unearned premiums continue to be calculated on a daily basis to give a strict day by day apportionment.

\*2103\*            Differences between Forms 21 and Forms 13 and 15

The net provision for unearned premium in Forms 13 and 15 differs from Form 21 by £59k due to the balance sheet and revenue account being translated at different rates of exchange.

\*2202\*            Claims management expenses

Claims management expenses comprise internal and external costs directly attributable to claims negotiation and settlement and indirect costs incurred in respect of maintaining a claims settlement function. Claims management expenses carried forward are based on the level of outstanding claims. The expense ratios applied to outstanding claims are determined separately for motor and non-motor accounting classes. Lower ratios are applied to the reported outstanding claims to allow for claims expenses, which have already been paid on these claims.

\*2204\*            Acquisition expenses

Acquisition costs comprise fixed and variable costs arising from the completion of an insurance contract including commission, sales related bonuses, initial processing costs, underwriting costs, marketing costs and a proportion of customer servicing costs based on time allocation. Other overhead costs are included in administrative expenses. Acquisition costs are deferred and released on a 24th's basis to approximate the method used to recognise earned premiums.

\*2402\*            Underwriting year accounting

Underwriting year accounting is used for Marine hull business. This business is long-tail as there may be a long delay between the occurrence and notification of these types of claims. Business reported in the return on an underwriting year basis is in run-off.

\*2404\*            Claims management expenses

There are no claims management expenses carried forward in respect of underwriting year basis business. This is due to the low level of outstanding claims for this business. There is a closure provision, which will absorb any future claims management expenses.

### APPENDIX 9.3

#### \*4002\* Other income and expenditure in the long-term business revenue accounts (£000)

	WPSF	NPSF	SAIF	DCPSF	Summary
<b>Other income</b>					
Transfer in respect of support assets	16,745				16,745
Annual management charge received from DCPSF		14,590			14,590
Rebate from the fund manager	3,176	3,761			6,937
Contingent loan receipt		18,733			18,733
Total	19,921	37,084	-	-	57,005
<b>Other expenditure</b>					
Transfer in respect of support assets			16,745		16,745
Annual management charge paid to the NPSF				14,590	14,590
Annual management charge paid to another group company		13,428			13,428
Contingent loan repayment		4,300			4,300
Total	-	17,728	16,745	14,590	49,063

Notes:

1. The transfer in respect of support assets reflects 1% of the Capital Support Fund paid by SAIF to the With-Profits Sub-Fund.

#### \*4004\* Details of business transfers in

The item in line 31 column 1 in is a bulk transfer of business from Equitable Life.

#### \*4006\* Apportionment of income and expenses of the long-term business

The Company's long-term business fund comprises four separately managed sub-funds, namely the Scottish Amicable Insurance Fund (SAIF), Defined Charge Participating Sub-Fund (DCPSF), With-Profits Sub-Fund (WPSF) and Non-Profit Sub-Fund (NPSF), with separate pools of assets.

##### 1 Scottish Amicable Insurance Fund

- a) Investment income is determined by the assets held.
- b) The increase or decrease in the value of assets is determined by the assets held.
- c) Expenses are charged in accordance with the provisions under the Scheme of Transfer.
- d) The tax charge is determined on the equivalent of a mutual office basis as provided under the Scheme of Transfer.

##### 2&3 Defined Charge Participating Sub-Fund and Non-Profit Sub-Fund

- a) Investment income is determined by the assets held.
- b) Expenses which are incurred directly are charged to the revenue account. In addition for the Non-Profit Sub-Fund other expenses are allocated having regard to such measures as business volumes or time spent as considered necessary.
- c) The tax charge is incurred directly and charged to the revenue account.

#### 4 With-Profits Sub-Fund

- a) A single pool of assets is maintained in respect of the With-Profits Sub-Fund which comprises three separate elements, these being the ordinary (other), ordinary (pensions) and industrial business. Investment income and investment expenses are apportioned between the three elements of the fund on a mean fund basis.
- b) The increase or decrease in value of non-linked assets brought into account by way of transfer from investment and revaluation reserves and allocated to the ordinary (other), ordinary (pensions) and industrial business elements is apportioned so as to maintain reasonable compatibility in the amounts payable to the respective policyholders.
- c) Expenses (except investment expenses which are apportioned on a mean fund basis) which are incurred directly for the purpose of an element of the fund are allocated to that element. Other expenses are allocated having regard to such measures as business volumes or time spent as considered appropriate.
- d) The tax charge is allocated directly to the three elements of the fund to the extent that the charge can be separately identified. The balance of the charge is apportioned using a mean fund basis or a derivative thereof.

#### \*4008\* Statement on provision of management services

- a) The Company was provided with management services by M&G Investment Management Limited, PPM Capital Limited, Prudential Services Limited, Prudential UK Services Limited, St Helen's Trust Limited, Prudential Property Investments Managers Limited, PPM America Inc, PAM Singapore and Prudential Distribution Limited.
- b) The Company seconded employees to provide management and other services throughout the year to Prudential Pensions Limited, Prudential Holborn Life Limited, Prudential (AN) Limited (formerly Prudential Holborn Pensions Limited), Prudential Annuities Limited, Prudential Pensions Administration Limited, Prudential Retirement Income Limited, Prudential Healthcare Holdings Limited, Prudential Lifetime Mortgages Limited and Prudential Distribution Limited.

All the companies mentioned above are subsidiaries or fellow subsidiaries of the Company.

#### \*4101\* Bulk reinsurance

Line 18 column 5 of the Scottish Amicable Insurance Fund is negative due to a bulk reinsurance deal to another group company.

#### \*4201\* Adjustment to previous year's annuity payments

Line 44 column 2 of the Scottish Amicable Insurance Fund is negative due to an adjustment to previous year's figures.

#### \*4302\* Reinsurance commission

Line 41 of the With-Profits Form 43 column 2 includes an amount of £17.6m in respect of reinsurance commission for business reinsured to another group company.

\*4303\*      Refund of investment management expenses

Line 45 of the Defined Charge Participating sub-fund Form 43 column 3 includes a refund of investment management expenses of £4.3m .

\*4304\*      Clawback of commission

Line 41 of the Non Profit sub-fund Form 43 column 1 includes a negative amount of £158.7m being the clawback of commission previously paid.

\*4401\*      Basis of valuation of assets

The assets have principally been valued at a bid price. Funds closed to new business have been valued on a bid basis.

## APPENDIX 9.4

The following notes are included for completeness. They relate to Forms which are included in a separate document 'Appendix 9.4 Annual FSA Insurance Returns for the year ended 31 December 2007'.

### \*4701\* Number of group schemes for which there is no member count

Product Code	Product description	Number of schemes
735	Group money purchase pension property linked	6

### \*4702\* Approximations used on Form 47

For protection policies that can include

- term and decreasing term assurance and
  - accelerated or stand-alone critical illness insurance by guaranteed or reviewable premiums
- the split of number of contracts and amount of premium for product codes 325 to 355 is estimated from the data for in force policies.

For individual pensions on Form 52 other than those sold direct to customers (codes 525 and 530) and on Form 53 (codes 725 and 730) the split of premiums between new policies and increments to existing policies is estimated from the data for in force policies.

For some group pensions on Form 52 (code 535) and Form 53 (code 735) the split of premiums between with-profits and unit linked is estimated from in force premiums.

### \*4802\* Assets where the payment of interest is in default

There are 7 assets in the WPSF and 4 in SAIF where the payment of interest is in default. The expected interest from these assets has been reduced to nil.

### \*4803\* Securities that may be redeemed over a period

Where securities may be redeemed over a period at the option of the guarantor or issuer, and they are valued "above par" they have been classified on the assumption that they will be redeemed at the earliest possible date. Where they are valued "below par" they have been classified on the basis that they will be redeemed at the latest possible date.

### \*4806\* Non-linked Assets

The returns shown in column 5 are those arising on the following asset portfolios:

SAIF

Line number and portfolio for the sub-fund

21 - Property portfolio

22, 23 & 24 - Fixed interest portfolio

25 - UK equity portfolio

26 - Overseas equity portfolio

27 - Weighted average by market value of the UK equity and overseas equity portfolios



- 28 - Weighted average by market value of the alternative assets and cash portfolios
- 29 - Overall return on the SAIF with-profits portfolio

WPSF

Line number and portfolio for the sub-fund

- 21 - Property portfolio
- 22, 23 & 24 - Fixed interest portfolio
- 25 - UK equity portfolio
- 26 - Overseas equity portfolio
- 27 - Weighted average by market value of the UK equity and overseas equity portfolios
- 28 - Weighted average by market value of the alternative assets, cash and other assets portfolios
- 29 - Overall return on the main WPSF with-profits portfolio

DCPSF

Line number and portfolio for the sub-fund

- 21 - European property portfolio
- 22, 23 & 24 - European fixed interest portfolio
- 26 & 27 - European equity portfolio
- 29 - Overall return on the DCPSF euro fund

\*4807\* Non-linked Assets

The returns shown in lines 32 and 33 column 5 are before investment costs and, for the WPSF and SAIF, exclude any allocation to asset shares arising from surplus on non-profit business.

\*4901\* Credit rating agency used on Form 49

Credit ratings used on Form 49 are the lowest of three external rating agencies, namely Fitch, Standard & Poor's and Moody's.

\*5101\* Number of group schemes for which there is no member count

Product Code	Product description	Number of schemes
165	Conventional deferred annuity with-profits	38
175	Group conventional deferred annuity with-profits	2,522
390	Deferred annuity non-profit	2,067
415	Collective life	2

**\*5104\* Approximations used in apportioning between product codes on Form 51**

For protection policies that can include

- term and decreasing term assurance
  - accelerated or stand-alone critical illness insurance by guaranteed or reviewable premiums
  - income protection insurance by guaranteed or reviewable premiums
- annual office premiums are estimated from the reinsurance premiums. Mathematical reserves are then estimated from this split of office premiums.

Some reserves for outstanding terminal bonus and additional reserves were apportioned between product codes by base mathematical reserves.

**\*5201\* Number of group schemes for which there is no member count**

Product Code	Product description	Number of schemes
535	Group money purchase pensions UWP	95

**\*5301\* Number of group schemes for which there is no member count**

Product Code	Product description	Number of schemes
735	Group money purchase pensions property linked	13
755	Trustee investment plan	86

**\*5304\* Approximations used on Form 53**

For M&G Personal Security policies included in product codes 700 and 710, the current death benefit and the other liabilities are split in proportion to the value of units.

**\*5801\* Other bonuses**

Line 44 of the With-Profits Sub-Fund Form 58 includes the cost of final (terminal) bonus in the following year on conventional with-profits whole life and endowment assurances in the ordinary and industrial branches and on conventional with-profits deferred annuities. These bonuses are declared out of surplus arising at the valuation date and not declared in anticipation of surplus arising subsequently.

THE PRUDENTIAL ASSURANCE COMPANY LIMITED

**Year ended 31 December 2007**

Statement of information pursuant to Rule 9.25 of the Interim Prudential Sourcebook for Insurers

Rule 9.25: Additional information on general insurance business major treaty reinsurers

Proportional Treaty Reinsurance

<u>Name of Reinsurer</u>	<u>Premiums Payable (£000)</u>	<u>Amount due to Company (£000)</u>	<u>Anticipated Recovery from Reinsurer (£000)</u>
Munich Reinsurance Company 11 <sup>th</sup> Floor Fairmont House 8 Cotton Tree Drive, Central Hong Kong	103	-	-
China Intl Reinsurance Co (HK) Ltd 29A United Centre 95 Queensway Admiralty Hong Kong	153	-	-
The Toa Reinsurance Co Ltd Room 801 8 <sup>th</sup> Floor, Admiralty Centre, Tower 1 18 Harbour Road Hong Kong	175	-	-
Cassie Centrale De Reassurance 31, Rue De Courcelles Paris France	70	-	-

<u>Name of Reinsurer</u>	<u>Premiums Payable (£000)</u>	<u>Amount due to Company (£000)</u>	<u>Anticipated Recovery from Reinsurer (£000)</u>
Harbour King Limited Unit A2, 12/F Guangdong Investment Tower 148 Connaught Road Central Hong Kong	1,364	-	-
Federal Insurance Company 24/F Harcourt House 39 Gloucester Road Wanchai Hong Kong	229	-	-
European Specialty Reinsurance (Ireland) Limited 2 <sup>nd</sup> Floor 12/13 Exchange Place IFSC Dublin 1 Ireland	288	-	-
Ming An Insurance (HK) Co Ltd 18/F Ming An Plaza 8 Sunnung Road Causway Bay Hong Kong	173	-	-
Berkley Insurance Company Suite 6708, 67/F Central Plaza 18 Harbour Road Hong Kong	52	-	-
Sompo Japan Reinsurance Co Ltd Room 1908 Lincoln House Taikoo Place 979 King's Rd Island East Hong Kong	52	-	-

<u>Name of Reinsurer</u>	<u>Premiums Payable (£000)</u>	<u>Amount due to Company (£000)</u>	<u>Anticipated Recovery from Reinsurer (£000)</u>
	52	-	-
AXA Re Asia Pacific PTE Ltd 152 Beach Rd #27-01 Gateway East Singapore 189721			
	33	-	-
SCOR Reinsurance Co (Asia) Ltd Rm 1603-1606 Shui On Centre 6-8 Harbour Rd Wanchai Hong Kong			

Non-Proportional Treaty Reinsurance

<u>Name of Reinsurer</u>	<u>Premiums Payable (£000)</u>	<u>Amount due to Company (£000)</u>	<u>Anticipated Recovery from Reinsurer (£000)</u>
	157	-	-
Munich Reinsurance Company 11 <sup>th</sup> Floor Fairmont House 8 Cotton Tree Drive, Central Hong Kong			
	197	-	-
China Intl Reinsurance Co (HK) Ltd 29A United Centre 95 Queensway Admiralty Hong Kong			
	225	-	-
The Toa Reinsurance Co Ltd Room 801 8 <sup>th</sup> Floor, Admiralty Centre, Tower 1 18 Harbour Road Hong Kong			

<u>Name of Reinsurer</u>	<u>Premiums Payable (£000)</u>	<u>Amount due to Company (£000)</u>	<u>Anticipated Recovery from Reinsurer (£000)</u>
Federal Insurance Company 24/F Harcourt House 39 Gloucester Road Wanchai Hong Kong	-	-	-
European Specialty Reinsurance (Ireland) Limited 2 <sup>nd</sup> Floor 12/13 Exchange Place IFSC Dublin 1 Ireland	-	-	-
Ming An Insurance (HK) Co Ltd 18/F Ming An Plaza 8 Sunning Road Causway Bay Hong Kong	-	-	-

Notes:

1. Premiums include amounts payable to companies connected with the reinsurer.
2. The Company was not connected at any time in the year with any of the above reinsurers.
3. No deposits were received from any of the above reinsurers.

# **THE PRUDENTIAL ASSURANCE COMPANY LIMITED**

**Year ended 31 December 2007**

## **Statement of information pursuant to Rule 9.26 of the Interim Prudential Sourcebook for Insurers**

Rule 9.26: Additional information on general insurance business major facultative reinsurers

The Company had no major facultative reinsurers in the year.

## **Statement of information pursuant to Rule 9.27 of the Interim Prudential Sourcebook for Insurers**

Rule 9.27: Information on general insurance business major reinsurance cedants

The Company had no major cedants in the year.

# THE PRUDENTIAL ASSURANCE COMPANY LIMITED

## Returns for the year ended 31 December 2007

### Statement required by Rule 9.29 of the Interim Prudential Sourcebook

#### (a) **Investment guidelines**

As requested by Rule 9.29 of the Interim Prudential Sourcebook, the investment guidelines for the use of derivative contracts in the long-term fund are set out below. These are fully explained in the Company's Investment Management Agreement with its fund managers and are consistent with the investment strategy.

- (i) Derivatives are used for the purpose of efficient portfolio management or to reduce risk, specific examples being to implement tactical asset allocation changes around the strategic benchmark, hedge cash flows, or control the risk profile of an identified strategy.
- (ii) A number of restrictions on the use of derivatives have been agreed with the Company's fund managers and can only be overruled by prior agreement between the two parties:
  - all derivatives that impose obligations on the fund must be strictly covered.
  - all derivative contracts must satisfy the definition of approved under the Interim Prudential Sourcebook.
  - the maximum allowable exposure to counterparties should not be exceeded.
  - only certain permitted exchanges and contracts can be used.
- (iii) The company has used a number of derivative instruments; principally exchange traded futures and options, over the counter swaps (including total return swaps), options, swaptions, warrants and currency forwards. The company has also used redeemable convertible corporate bonds. These bonds have not been categorised as derivative contracts as the derivative element is minimal and have therefore not been reported on form 17. The total value of these bonds on the long-term form 13 is £479m.

#### (b) **Derivatives where exercise is unlikely.**

There are no specific guidelines for the use of contracts not reasonably likely to be exercised. However the Investment Management Agreement only allows the use of derivatives for the purpose of efficient portfolio management or to reduce risk and the Company's investment managers work within these constraints.

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

##### Long-term funds

The largest exposure during the year to call options was £13m. The largest exposure during the year to put options was £5m.



- (d) **Effect on form 13 at 31 December 2007 of exercising derivatives where it would be prudent to assume options would be exercised. Decreases are shown in brackets.**

**Long-term funds**

Form 13 line 11;	(£791m)
Form 13 line 45;	£5,086m
Form 13 line 46;	(£4,798m)
Form 13 line 41;	(£554m)
Form 13 line 44;	£160m
Form 13 line 78;	(£1m)
Form 13 line 54/55/81;	£3,633m

- (e) **Effect on form 13 at 31 December 2007 of exercising all derivatives. Decreases are shown in brackets.**

**Long-term funds**

Form 13 line 11;	(£791m)
Form 13 line 45;	£5,086m
Form 13 line 46;	(£4,798m)
Form 13 line 41;	(£577m)
Form 13 line 44;	£788m
Form 13 line 78;	(£1m)
Form 13 line 54/55/81;	£3,662m

- (f) **Effect on form 13 under the conditions noted in (d) and (e) above at any other time during the year. Decreases are shown in brackets.**

**Conditions noted in (d)**

**Long-term funds**

Form 13 line 11;	(£688m)
Form 13 line 45;	£725m
Form 13 line 46;	£4m
Form 13 line 41;	£407m
Form 13 line 44;	£883m
Form 13 line 78;	£11m
Form 13 line 54/55/81;	(£479m)

**Conditions noted in (e)**

**Long-term funds**

Form 13 line 11;	(£688m)
Form 13 line 45;	£725m
Form 13 line 46;	£4m
Form 13 line 41;	£392m
Form 13 line 44;	£527m
Form 13 line 78;	£11m

Form 13 line 54/55/81; (£462m)

The above figures are the maximum impact on the individual line items of exercising derivatives at any time during the year. The maximum impacts for each line will not necessarily occur on the same day.

**(g) Maximum exposure.**

**Long-term funds**

The maximum loss which would have been incurred by the Company on the failure by any one counterparty to fulfil its obligations under derivative contracts at the end of the year was £196m.

Under foreseeable market conditions this would increase to £401m. The maximum loss at any other time during the year would have been £260m.

**(h) Derivatives not covered by the definition of an admissible derivative contract in the Interim Prudential Sourcebook.**

**Long-term funds**

No such derivatives were held.

**(i) Consideration for granting rights under derivative contracts**

**Long-term funds**

The total consideration received for granting rights under derivative contracts totalled £296m.

## **Statement of information pursuant to Rule 9.30 of the Interim Prudential Sourcebook for Insurers**

Rule 9.30 of the Interim Sourcebook for Insurers: Additional information on shareholder controllers

Throughout the year Prudential plc held all the shares of the Company and controlled the whole of the voting power.

## **THE PRUDENTIAL ASSURANCE COMPANY LIMITED**

**Year ended 31 December 2007**

Statement of additional information on general insurance business ceded pursuant to Rules 9.32, 9.32A and 9.32B of the Interim Prudential Sourcebook for Insurers

The objective of the Company's general business reinsurance strategy is to minimise the risk of significant adverse movements in the general business result and hence to protect shareholder value. This is achieved by the transfer of exposure risk to reinsurers at cost-effective rates. Cover is purchased in excess of a retention level that is set as low as is economically attainable and, where appropriate, in programme sizes above that level. Cover is placed across worldwide markets with reinsurers whose selection and capacity allocations are determined by security ratings supplemented by market knowledge and input from reinsurance brokers. There is no co-reinsurance.

The policies purchased are either quota share treaties or standard non-proportional reinsurance treaties providing excess-of-loss cover, which include a significant transfer of risk to the reinsurer.

None of the policies contain the features detailed in Rule 9.32B(5).

The Company has taken into account the effect of any agreements, correspondence (including side-letters) or understandings that amend or modify the contracts or their operation when considering whether a contract of insurance meets one or both of the conditions in rule 9.32A(2).

The Company is satisfied that there are no contracts of insurance under which general insurance has been ceded by the insurer where –

- (a) the value placed on future payments in respect of the contract is not commensurate with the economic value provided by that contract, after taking account of the level of risk transferred; or
- (b) there are terms or foreseeable contingencies (other than the insured event) that have the potential to affect materially the value placed on the contract in the Company's balance sheet at, or any time after, the end of the financial year in question.

The Company is also satisfied that there are no financing arrangements which include terms for:

- (a) the transfer of assets to the insurer, the creation of a debt to the insurer or the transfer from the insurer to another party of liabilities to policyholders; and
- (b) either an obligation for the insurer to return some or all of such assets, a provision for the diminution of such debt or a provision for the recapture of such liabilities, in each case, in specified circumstances.

On 31 December 2001 the Company transferred its personal lines General Insurance liabilities to Winterthur Swiss Insurance Company. The policies transferred left no net retention to the Company. From January 2003, Prudential branded new business policies were underwritten by Winterthur/Churchill. Winterthur has subsequently been acquired by the Royal Bank of Scotland Plc.

During 2005 the Company entered into a Solvent Scheme of Arrangement under Section 425 of the Companies Act 1985, in respect of certain closed Marine and London Market business.

All claims lodged by creditors by the Scheme submission date have now been settled, and related provisions released. In accordance with the terms of the Scheme claims notified after the final claims submission date are not valid, however an IBNR reserve has been maintained to meet legal fees incurred repudiating late reported claims and to meet claims from outside the jurisdiction of the Scheme.

Policies were purchased to protect the exposures of its Hong Kong branch operation. Details of these policies are set out below.

Reporting categories covered	Type of cover	Period of cover	Policy limits
113 114 187 273	Hong Kong Accident	1/1/07 – 31/12/07	Reinsurers potential liability: £3,842,000 in excess of £192,000
113 114	Hong Kong Accident Catastrophe Excess of Loss 1 <sup>st</sup> Layer 2 <sup>nd</sup> Layer	1/1/07 – 31/12/07	Reinsurers potential liability:  £769,000 in excess of £192,000 £2,241,000 in excess of £961,000
121 122 222 271 272 (except 5 <sup>th</sup> layer) 273 (except 5 <sup>th</sup> layer)	Hong Kong Motor and Liability Excess of Loss 1 <sup>st</sup> Layer 2 <sup>nd</sup> Layer 3 <sup>rd</sup> Layer 4 <sup>th</sup> Layer 5 <sup>th</sup> Layer	1/1/07 – 31/12/07	Reinsurers potential liability:  £192,000 in excess of £128,000 £641,000 in excess of £320,000 £961,000 in excess of £961,000 £4,483,000 in excess of £1,922,000 Unlimited in excess of £6,405,000
271	Liability Excess of Loss	1/1/07 – 31/12/07	Reinsurers potential liability: £1,153,000 in excess of £128,000
111 112	Hong Kong Medical	1/1/07 – 31/12/07	Reinsurers potential liability: 50:50 Quota share
350	Hong Kong Marine Cargo Combined Quota Share  And Surplus	1/1/07 – 31/12/07	Reinsurers potential liability: Quota share £26,000 in excess of £38,000  Surplus £640,000 in excess of £38,000
160 261 263	Hong Kong Fire Surplus	1/1/07 – 31/12/07	Reinsurers potential liability: £3,842,000 in excess of £192,000

Reporting categories covered	Type of cover	Period of cover	Policy limits
160 261 263	Hong Kong Property Combined Quota Share  And Surplus	1/1/07 – 31/12/07	Reinsurers potential liability: Quota share £307,000 in excess of £77,000  Surplus £1,153,000 in excess of £77,000
114 187	CPP/CPS Quota Share	1/1/07 – 31/12/07	Reinsurers potential liability: 50:50 Quota share
160 261 263	Hong Kong Fire Catastrophe Excess of Loss 1 <sup>st</sup> Layer 2 <sup>nd</sup> Layer 3 <sup>rd</sup> Layer	1/1/07 – 31/12/07	Reinsurers potential liability:  £448,000 in excess of £192,000 £640,000 in excess of £640,000 £1,921,000 in excess of £1,280,000
281	Hong Kong Bond Quota Share	1/1/07 – 31/12/07	Reinsurers potential liability: £144,000 in excess of £48,000

Details of the Company's maximum probable loss (net of reinsurance) for each business category are set out below:

Risk category	No.	Any one risk/event £'000
Travel	113	192
Personal accident or sickness	114	192
Private motor-comprehensive	121	128
Private motor-non-comprehensive	122	128
Household and domestic all risks	160	192
Other personal financial loss	187	192
Commercial vehicles (non-fleet)	222	128
Commercial property	261	192
Consequential loss	262	192
Contractors or engineering all risks	263	192
Employers liability	271	192
Professional indemnity	272	192
Public and products liability	273	192
Fidelity and contract guarantee	281	48
Total primary (direct) and facultative goods in transit	350	38

The split of reinsurance premiums (as shown on forms 21) for each accounting class by facultative and non-facultative reinsurance is set out below:

Risk category	No.	Facultative £'000	Non- Facultative £'000	Total £'000
Medical insurance	111	267	1,368	1,635
HealthCare cash plan	112	-	-	-
Travel	113	-	413	413
Personal accident or sickness	114	-	490	490
Private motor-comprehensive	121	-	163	163
Private motor-non-comprehensive	122	4	33	37
Household and domestic all risks	160	12	174	186
Other personal financial loss	187	-	115	115
Commercial vehicles (non-fleet)	222	-	7	7
Commercial property	261	25	229	254
Consequential loss	262	12	4	16
Contractors or engineering all risks	263	1	9	10
Employers liability	271	-	448	448
Professional indemnity	272	-	3	3
Public and products liability	273	11	76	87
Fidelity and contract guarantee	281	17	5	22
Total primary (direct) and facultative goods in transit	350	1	92	93
<b>Total</b>		<b>350</b>	<b>3,629</b>	<b>3,979</b>

# THE PRUDENTIAL ASSURANCE COMPANY LIMITED

Year ended 31 December 2007

## Statement of information on the actuary who has been appointed to perform the with-profits actuary function pursuant to Rule 9.36 of the Interim Prudential Sourcebook for Insurers

In accordance with Rule 9.36 of the above sourcebook, Gerry Gallagher, the actuary who has been appointed to perform the with-profits actuary function of the Company, was requested to furnish and has provided the following information:

- (a) (i) He had an interest in 5,891 shares in the share capital of the holding company, Prudential plc, at the end of the year.
- (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 6,673 shares at the end of the year.
- (iii) He had an interest under the Prudential Share Incentive Plan in 942 shares in Prudential Plc, held in trust at the end of the year.
- (iv) 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> |
|-------------------------|-----------------------|-----------------------|
| 6,153                   | 266p                  | June 2008             |
- (v) He had an interest under the Prudential plc Employee Share Trust in 1,976 shares in Prudential plc receivable in September 2008.
- (vi) He had an interest under the 2007 Prudential Group Performance Share Plan in shares in Prudential plc, representing the maximum award that could be made if the performance requirements of the plan were met, of 2,115 shares at the end of the year.
- (vii) He had an interest under the 2007 Prudential UK Business Unit Performance Plan in shares in Prudential plc, representing the maximum award that could be made if the performance requirements of the plan were met, of 3,172 shares at the end of the year.
- (b) He was interested in a general insurance policy issued by the Company, being a home insurance policy covering buildings, household contents, travel and personal effects.
- (c) Under the 2005 UK Long-Term Incentive Plan, he had a potential cash award payable in 2008, ranging from nil to a maximum of £33,000 dependent on the growth in the appraisal value of Prudential's UK and Europe business.
- (d) Under the 2007 Prudential UK Business Unit Performance Plan, he had a potential cash award payable in 2010, ranging from nil to a maximum of £19,500 dependent on the growth in the appraisal value of Prudential's UK and Europe business.



- (e) His total remuneration for the year was £192,500.
- (f) He is a member of the Prudential Staff Pension Scheme and contributions in respect of the year were paid by the Company.

# THE PRUDENTIAL ASSURANCE COMPANY LIMITED

Year ended 31 December 2007

## Directors' Certificate required by rule 9.34 of the Accounts and Statements Rules

We certify:

1. (a) that the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU as modified by waivers as detailed in supplementary note 0101 issued under section 148 of the Financial Services and Markets Act 2000 and section 68 of the Insurance Companies Act 1982 which continues to have effect; and
  - (b) We are satisfied that:
    - (i) throughout the financial year in question, the insurer has complied in all material respects with the requirements of SYSC and PRIN as well as the provisions of IPRU(INS), GENPRU and INSPRU, applicable; and
    - (ii) it is reasonable to believe that the insurer has continued so to comply subsequently, and will continue so to comply in future.
2. (a) that in our opinion, premiums for contracts entered into during the financial year and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the insurer that are available for the purpose, to enable the insurer to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;
  - (b) that 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 in question for the long-term insurance 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 an actuarial investigation as at that date into the financial condition of the long-term insurance business;
  - (c) that the with-profits fund has been managed in accordance with the Principles and Practice of Financial Management, as established, maintained and recorded under COBS 20.3; and
  - (d) that we have, in preparing the return, taken and paid due regard to-

- (i) advice in preparing the return from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R; and
- (ii) advice from every actuary appointed by the insurer to perform the with-profits actuary function in accordance with SUP 4.3.16R

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Mark Tucker  
Director

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Andrew Crossley  
Director

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David Belsham  
Director

27 March 2008

# **THE PRUDENTIAL ASSURANCE COMPANY LIMITED**

**Year ended 31 December 2007**

## **Report of the auditors to the directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers**

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

- Forms 1 to 3, 11 to 25, 31 to 32, 36 to 38, 40 to 45, 48, 49, 56, 58 and 60, (including the supplementary notes) on Volume 1 pages 1 to 146, and pages 138 to 147, 212, 217 to 221 and 228 on Volume 2 (‘the Forms’);
- the statements required by IPRU(INS) rules 9.25, 9.26, 9.27 and 9.29 on pages 147 to 154 of Volume 1 (‘the Statements’);
- the valuation report required by IPRU(INS) rule 9.31(a) (‘the methods and assumptions included in the valuation report’); and
- the statements, analysis and reports required by IPRU(INS) rule 9.31(b) (‘the realistic valuation report’)

We are not required to examine and do not express an opinion on:

- Forms 46, 47, 50 to 55, 57, 59A and 59B (including the supplementary notes) on pages 127 to 137, 148 to 211, 213 to 216 and 222 to 227 of volume 2;
- the statements required by IPRU(INS) rules 9.30, 9.32 and 9.36 on pages 155 to 161 of Volume 1;
- the certificate required by IPRU(INS) rule 9.34 on pages 162 to 163 of Volume 1 (‘the certificate’); and

This report is made solely to the Company’s directors, as a body, in accordance with the requirements of IPRU(INS) rule 9.35. 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 IPRU(INS) rule 9.35 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 IPRU(INS) rule 9.35 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.

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

The Company is responsible for the preparation of an annual return (including the Forms, the Statement, the valuation report, and the realistic valuation report, the forms and statements not examined by us and the certificate) under the provisions of the Rules. The requirements of the Rules have been modified by waivers issued under section 148 of the Financial Services and Markets Act 2000 and orders granted under section 68 of the Insurance Companies Act 1982 which continue to have effect as referred to in supplementary notes 0101 and 0201 on pages 127 and 128. Under IPRU(INS) rule 9.11 the Forms, the Statement, valuation report, realistic valuation report, the forms and statements not examined by us and the certificate 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.

The methods and assumptions determined by the Company and used to perform the actuarial investigation as set out in the valuation report, and the realistic valuation report, prepared in accordance with IPRU(INS) rule 9.31 are required to reflect appropriately the requirements of INSPRU 1.2 and 1.3.

It is our responsibility to form an independent opinion as to whether the Forms, the Statements, the valuation report and the realistic valuation report meet these requirements, and to report our opinions to you. We also report to you if, in our opinion, the Company has not kept proper accounting records or if we have not received all the information we require for our examination.

## **Basis of opinion**

We conducted our work in accordance with Practice Note 20 “The audit of insurers in the United Kingdom” and Bulletin 2004/5 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, the Statements, the valuation report and the realistic valuation report. The evidence included that previously obtained by us relating to the audit of the financial statements of the Company for the financial year. It also included an assessment of the significant estimates and judgements made by the Company in the preparation of the Forms, the Statement, the valuation report and the realistic valuation report.

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, the Statement, the valuation report and the realistic valuation report are free from material misstatement, whether caused by fraud or other irregularity or error, and comply with IPRU(INS) rule 9.11.

In accordance with IPRU(INS) rule 9.35(1A), to the extent that any document, Form, Statement, analysis or report to be examined under IPRU(INS) rule 9.35(1) contains amounts or information abstracted from the actuarial investigation performed pursuant to IPRU(INS) rule 9.4, we have obtained and paid due regard to advice from a suitably qualified actuary who is independent of the Company.

## **Opinion**

In our opinion:

- i) the Forms, the Statements, the valuation report and the realistic valuation report 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
- ii) the methods and assumptions determined by the Company and used to perform the actuarial investigation as set out in the valuation report and the realistic valuation report prepared in accordance with IPRU(INS) rule 9.31 appropriately reflect the requirements of INSPRU 1.2 and 1.3.

KPMG Audit Plc  
Registered Auditor

London

27 March 2008