Consolidated statement of changes in equity Year ended 31 December 2008

Reserves Loss for the year titem srecognised directly in equity: Exchange movements classified as available-for-sale: Direction disposal and impairmentPid(396)5Unrealised valuation uscurities of US insurance operations classified as available-for-sale: income statement on disposal and impairmentDirection (3,197)(3,197)(3,197)Related change in amortisation of deferred income and acquisition costsHI10701,070(7,710)Related change in amortisation of deferred income and acquisition costsHI1,0701,070(2,710)(2,11)Total items of income and expense recognised directly in equity750(1,071)(3,21)50Total items of income and operation share-based paymentsBI(396)750(1,071)(3,21)Total items of income and of other consolidated investment fundsBI(396)750(1,071)(3,21)Total items of income and operation share-based paymentsBI(396)750(1,071)(3,21)Total items of income and appense recognised directly in equityE181818Total items of income and appense principally from purchase and sale of property partnerships of the PAC with-profits fund and of other consolidated investment funds(396)750(1,071)(1,004)(47)Treasury shares Movement in Pudential plc share-based payment plans Movement in Pudential plc shares purchased by unit trusts consolidated under IPRS212(697)750(1,071)(1,004)(47)(4			2008 £m							
Name Share Share Balare								Chore		
Loss for the year (396)		Note				lation	securities	holders'		Total equity
Items recognised directly in equity: Exchange movements 631 631 Exchange movements on securities of US insurance operations Cassified available for-sale: DCas Unrealised holding losses DCas (3,197) (3,197) Unrealised holding losses DCas (3,197) (3,197) (3,197) Less net losse included in the income statement on disposal and impairment 10,70 1,070 1,070 (2,710) (2,710) Related change in amortisation of deferred income and acquisition costs III 10,70 1,071 1					(20.0)			(20.4)	_	(204)
Exchange movementsB4631631Unrealised valuation movements on securities of US insurance operations classified as valiable-for-sale: income statement on disposal 					(396)			(396)	5	(391)
Unrealised valuation movements on securities of US insurance operations classified as available-for-sale: D360 Unrealised holding losses 13,197) (3,197) <		B4				631		631		631
classified as valiable-for-sale: D360 Unrealised holding losses arising during the year Less net losses included in the i.v. income statement on disposal 487 Related change in amortisation of deferred income and acquisition costs HI Related tax 1070 1,070 1,070 Total items of income and expense 750 (1,071) (321) Total items of income and expense for the year (453) 750 (1,071) (321) Total items of income and expense for the year (453) 750 (1,071) (321) Total income and expense for the year (453) 750 (1,071) (321) Total income and expense for the year 18 18 18 18 Change in minority interests arising principally from purchase and sale of property partnerships of the PAC with-profits fund and of other (50) Share-based payments 111 156 156 150 Transfer to relained earnings in respect (50) 156 150 150 Transfer to relained earnings in respect (50) (50) 15		DI				0.5 1		021		021
Unrealised holding losses arising during the year income statement on disposal and impairment (3,197) (487) (487) (487) (1,070) (2,710) (3,96) (1,971) (3,121) Total income and expense recognised directly in equity (453) (1,071) (453) (2) Reserve movements in respect of share-based payments B3 18 18 18 18 18 18 18 18 18 170 170 170 170 170 170 170 170 171 171 170 170	securities of US insurance operations									
arising during the year (3,197) (4,17) (5,17) (4,17) (5,17) (4,17) (5,17) (4,17) (5,17) (4,17) (5,17) (4,17) (5,17) (4,17) (5,17) (4,17) (5,17) (4,17) (5,17) (4,17) (4,17) (5,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (5,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4,17) (4		D3(a)								
Less net losses included in the income statement on disposal and impairment 487 487 Related change in amortisation of deferred income and acquisition costs 110 1,070 1,070 1,070 Related tax 119 569 688 688 119 569 688 Total items of income and expense recognised directly in equity 750 (1,071) (321) 569 Total items of income and expense for the year 119 569 688 (2) Dividends 88 (453) (1,071) (321) (2) Reserve movements in respect of share-based payments (453) (2) (2) (2) Share capital and share premium New share capital and share premium funds 18 18 18 18 Transfer to retained earnings in respect of shares issued in lieu of cash dividends 111 (156) 156 170 Treasury shares 181 126 126 120 102 (47) (7) Related tax 123 1,828 4,440 (112) (78) 6,201 102 0 Sher capital and share premium New share sin respect of shares issued in lieu of cash dividends	8						(2 107)	(2 107)		(2 107)
income statement on disposal and impairment 487 487 Related change in amortisation of deferred income and acquisition costs 100 2,710 2,710 2,710 1,070 1,070 1,070 1,070 1,070 1,070 1,070 1,070 1,070 1,071 321 1 569 688 1							(5,197)	(5,197)		(3,197)
Related change in amortisation of deferred income and acquisition costsIII(2,710)(2,710)(2Related taxIII1,0701,0701,0701,0701,0701,070Related taxIII1195696886881Total income and expense recognised directly in equity750(1,071)(321)1Total income and expense for the year DividendsB3(453)750(1,071)(717)5Reserve movements in respect of share-based paymentsB318181818Change in minority interests arising principally from purchase and sale of property partnerships of the PAC with-profits fund and of other consolidated investment funds11617050Share capital subscribedH11116156170100100Treasury shares Movement in nown shares in respect of share-based payment plans Movement in Prudential plc shares purchased by unit trusts consolidated under IFRS212(697)750(1,071)(1,004)(47)100Reserve in equity At beginning of year: As previously reported Effect of adoption of principles of IFRIC 14 for accounting for pension schemes1231,8284,400(112)(78)6,2011020After adoption of IFRIC141231,8284,301(112)(78)6,0621020										
Related change in amortisation of deferred income and acquisition costsIII1.0701.0701.070Related tax11956968868810111010101010101010Total income and expense recognised directly in equity10110 <td>and impairment</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>487</td> <td>487</td> <td></td> <td>487</td>	and impairment						487	487		487
Related change in amortisation of deferred income and acquisition costsIII1.0701.0701.070Related tax1195696886881011Total income and expense recognised directly in equity2(493)(2)(1,071)(321)Total income and expense for the year Dividends1818(453)(2)(2)Reserve movements in respect of share-based payments18181818(50)Change in minority interests arising principally from purchase and sale of property partnerships of the PAC with-profits fund and of other consolidated investment funds11618170150Share capital and share premium New share capital subscribedHII cash dividends2168170170100Transfer to retained earnings in or sepect of share-issued in lieu of cash dividends116156156156150Treasury shares Movement in own shares in respect of share-based payment plans Movement in prudential plc shares purchased by unit trusts consolidated under IFRS212(697)750(1,071)(1,004)(47)(47)Net increase (decrease) in equity Atbegining of year: pension schemes21231,8284,400(112)(78)6,2011020After adoption of IFRIC141231,8284,301(112)(78)6,0621020							(2,710)	(2,710)		(2,710)
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Related tax 119 569 688 Total items of income and expense recognised directly in equity 750 (1,071) (321) Total income and expense for the year Dividends (396) 750 (1,071) (453) (2) Reserve movements in respect of share-based payments 18 18 18 18 18 18 Change in minority interests arising principally from purchase and sale of property partnerships of the PAC with-profits fund and of other consolidated investment funds 168 170 170 Share capital and share premium New share capital subscribed HII 2 168 170 170 Transfer to retained earnings in respect of shares issued in lieu of cash dividends HII 2 168 3 3 Movement in own shares in respect of share-based payment plans HII 2 1697 750 (1,071) (1,004) (47) (47) Notement in Prudential plc shares purchased by unit trusts consolidated under IFRS 2 12 (697) 750 (1,071) (1,004) (47) (47) Atbeginning of year: As previously reported Effect of adoption of principles of IFIRCI 14 123 1,828 4,301 (112)										
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recognised directly in equity 750 (1,071) (321) Total income and expense for the year (396) 750 (1,071) (717) 5 Dividends (453) (453) (2) (453) (2) Reserve movements in respect of share-based payments 18 18 18 18 18 18 18 18 (50) Share capital and share premium PAC with-profits fund and of other consolidated investment funds (50) 5 (50) (50) 5 Share capital and share premium New share capital subscribed HII 2 168 170 170 5 Novement in own shares in respect of shares issued in lieu of cash dividends HII (156) 156 1						119	209	000		688
DividendsB3(453)(2)Reserve movements in respect of share-based payments181818Change in minority interests arising principally from purchase and sale of property partnerships of the PAC with-profits fund and of other consolidated investment funds181818Share capital and share premium New share capital subscribedH112168170150Transfer to retained earnings in respect of shares issued in lieu of cash dividends116156156156Treasury shares Movement in own shares in respect of share-based payment plans Movement in Prudential plc shares purchased by unit trusts consolidated under IFRS212(697)750(1,071)(1,004)(47)(7)At beginning of year: As previously reported Effect of adoption of principles of IFRIC 141231,8284,301(112)(78)6,0211026After adoption of IFRIC 141231,8284,301(112)(78)6,0621026						750	(1,071)	(321)		(321)
Reserve movements in respect of share-based payments1818Change in minority interests arising principally from purchase and sale of property partnerships of the PAC with-profits fund and of other consolidated investment funds1818Share capital and share premium New share capital subscribedHII2168170Transfer to retained earnings in respect of share-based payment plans170170170Treasury shares Movement in orwn shares in respect of share-based payment plans15615633Treasury shares movement in Prudential plc shares purchased by unit trusts consolidated under IFRS212(697)750(1,071)(1,004)(47)(47)At tegrinning of year: A spreviously reported Elfect of adoption of principles of IFRIC 14 for accounting for pension schemes1231,8284,301(112)(78)6,0621020	Total income and expense for the year				(396)	750	(1,071)	(717)	5	(712)
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Change in minority interests arising principally from purchase and sale of property partnerships of the PAC with-profits fund and of other consolidated investment funds(50)Share capital and share premium New share capital subscribedHII2168170Share capital and share premium respect of shares issued in lieu of cash dividendsHII2168170Treasury shares Movement in own shares in respect of share-based payment plansHII2168170Movement in Prudential plc shares purchased by unit trusts consolidated under IFRS212(25)(25)Net increase (decrease) in equity At beginning of year: As previously reported Effect of adoption of principles of IFRIC 14 for accounting for pension schemes21218284,440(112)(78)6,0611024After adoption of IFRIC 141231,8284,301(112)(78)6,0621024					10			10		10
principally from purchase and sale of property partnerships of the PAC with-profits fund and of other consolidated investment funds(50)Share capital and share premium New share capital subscribed1102168170Share capital and share premium of cash dividends1112168170Transfer to retained earnings in respect of shares issued in lieu of cash dividends111166156156Treasury shares Movement in own shares in respect of share-based payment plans Movement in Prudential plc shares purchased by unit trusts consolidated under IFRS212318284.440(112)(78)6.20110202Net increase (decrease) in equity At beginning of year: As previously reported Effect of adoption of principles of IFRIC 14 for accounting for pension schemes1231.8284.301(112)(78)6.06210202After adoption of IFRIC 141231.8284.301(112)(78)6.06210202					18			18		18
of property partnerships of the PAC with-profits fund and of other consolidated investment funds(50)Share capital and share premium New share capital subscribedHII2168170Transfer to retained earnings in respect of shares issued in lieu of cash dividendsHII2168170Treasury shares Movement in own shares in respect of share-based payment plans Movement in Prudential plc shares purchased by unit trusts consolidated under IFRS15633Net increase (decrease) in equity At beginning of year: As previously reported Effect of adoption of principles of I FRIC 14 for accounting for pension schemes212(697)750(1,071)(1,004)(47)(47)After adoption of IFRIC 141231,8284,301(112)(78)6,0621024										
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New share capital subscribedHII2168170Transfer to retained earnings in respect of shares issued in lieu of cash dividendsHII(156)156Treasury shares Movement in own shares in respect of share-based payment plans Movement in Prudential plc shares purchased by unit trusts consolidated under IFRS15633Net increase (decrease) in equity At beginning of year: As previously reported Effect of adoption of principles of IFRIC 14 for accounting for pension schemes212(697)750(1,071)(1,004)(47)(47)After adoption of IFRIC 141231,8284,400(112)(78)6,2011026After adoption of IFRIC 141231,8284,301(112)(78)6,0621026	consolidated investment funds								(50)	(50)
New share capital subscribedHII2168170Transfer to retained earnings in respect of shares issued in lieu of cash dividendsHII(156)156Treasury shares Movement in own shares in respect of share-based payment plans Movement in Prudential plc shares purchased by unit trusts consolidated under IFRS15633Net increase (decrease) in equity At beginning of year: As previously reported Effect of adoption of principles of IFRIC 14 for accounting for pension schemes212(697)750(1,071)(1,004)(47)(47)After adoption of IFRIC 141231,8284,400(112)(78)6,2011026	Share capital and share premium									
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of cash dividendsHII(156)156Treasury shares Movement in own shares in respect of share-based payment plans33Movement in Prudential plc shares purchased by unit trusts consolidated under IFRS212(697)750(1,071)(1,004)(47)(7)Net increase (decrease) in equity At beginning of year: As previously reported Effect of adoption of principles of I IFRIC 14 for accounting for pension schemes212(697)750(1,071)(1,004)(47)(7)After adoption of IFRIC 141231,8284,440(112)(78)6,201102(4)										
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Movement in own shares in respect of share-based payment plans33Movement in Prudential plc shares purchased by unit trusts consolidated under IFRS(25)(25)Net increase (decrease) in equity At beginning of year: As previously reported Effect of adoption of principles of IFRIC 14 for accounting for pension schemes212(697)750(1,071)(1,004)(47)(1After adoption of IFRIC 141231,8284,440(112)(78)6,062102(112)	of cash dividends	HII		(156)	156					
Movement in own shares in respect of share-based payment plans33Movement in Prudential plc shares purchased by unit trusts consolidated under IFRS(25)(25)Net increase (decrease) in equity At beginning of year: As previously reported Effect of adoption of principles of IFRIC 14 for accounting for pension schemes212(697)750(1,071)(1,004)(47)(1After adoption of IFRIC 141231,8284,440(112)(78)6,062102(112)	Treasury shares									
Movement in Prudential plc shares purchased by unit trusts consolidated under IFRS(25)(25)Net increase (decrease) in equity At beginning of year: As previously reported Effect of adoption of principles of IFRIC 14 for accounting for pension schemes212(697)750(1,071)(1,004)(47)(7)After adoption of IFRIC 141231,8284,440(112)(78)6,062102(12)	Movement in own shares in respect									
purchased by unit trusts consolidated under IFRS(25)(25)Net increase (decrease) in equity At beginning of year: As previously reported Effect of adoption of principles of IFRIC 14 for accounting for pension schemes212(697)750(1,071)(1,004)(47)(47)(47)(47)After adoption of IFRIC 141231,8284,440(112)(78)6,062102(47)					3			3		3
consolidated under IFRS (25) (25) Net increase (decrease) in equity 2 12 (697) 750 (1,071) (1,004) (47) (47) At beginning of year: As previously reported 123 1,828 4,440 (112) (78) 6,201 102 6 Effect of adoption of principles of IFRIC 14 for accounting for pension schemes 123 1,828 4,301 (112) (78) 6,062 102 6										
Net increase (decrease) in equity 2 12 (697) 750 (1,071) (1,004) (47) (7) At beginning of year: As previously reported 123 1,828 4,440 (112) (78) 6,201 102 6 Effect of adoption of principles of IFRIC 14 for accounting for (139) (139) (139) 123 1,828 4,301 (112) (78) 6,062 102 6					(25)			(25)		(25)
At beginning of year: As previously reported1231,8284,440(112)(78)6,2011026Effect of adoption of principles of IFRIC 14 for accounting for pension schemes1231,8284,440(112)(78)6,0211026After adoption of IFRIC 141231,8284,301(112)(78)6,0621026			2	12		750	(1 071)			
As previously reported 123 1,828 4,440 (112) (78) 6,201 102 6 Effect of adoption of principles of IFRIC 14 for accounting for pension schemes 1 1,828 4,440 (112) (78) 6,201 102 6 After adoption of IFRIC 14 123 1,828 4,301 (112) (78) 6,062 102 6			2	12	(377)	, 50	(1,071)	(1,00-1)	(+/)	(1,051)
IFRIC 14 for accounting for pension schemes I (139) (139) After adoption of IFRIC 14 123 1,828 4,301 (112) (78) 6,062 102 6	As previously reported		123	1,828	4,440	(112)	(78)	6,201	102	6,303
pension schemes I (139) (139) After adoption of IFRIC 14 123 1,828 4,301 (112) (78) 6,062 102 6										
After adoption of IFRIC 14 123 1,828 4,301 (112) (78) 6,062 102 6		74			(120)			(120)		(120)
	•	11	400	4 000		14.4.4				(139)
At and at year III 125 1040 2604 620 /1140 5050 55 1										6,164
At end of year H11 125 1,840 3,604 638 (1,149) 5,058 55 5	At end of year	H11	125	1,840	3,604	638	(1,149)	5,058	55	5,113

						2007 £m				
						Available-				
	Note	Share capital	Share premium	Retained earnings	Trans- lation reserve	for-sale securities reserve	Hedging reserve	Share- holders' equity	Minority interests	Total equity
Reserves										
Profit for the year				947				947	3	950
Items recognised directly in equity:										
Exchange movements	Β4				11			11		11
Movement on cash flow hedges							(3)	(3)		(3)
Unrealised valuation movements										
on securities classified as										
available-for-sale of discontinued										
banking operations						(2)		(2)		(2)
Unrealised valuation movements										
on securities of US insurance										
operations classified as										
available-for-sale:	D3(a)									
Unrealised holding losses										
arising during the year						(231)		(231)		(231)
Less net gains included in the										
income statement on disposa						(12)		(1-)		(1-)
and impairment						(13)		(13)		(13)
						(244)		(244)		(244)
Related change in amortisation										
of deferred income and	T T1					00		00		00
acquisition costs Related tax	H1				2	88 53	1	88 56		88 56
					Z))	I	0		50
Total items of income and expense recognised directly in equity					13	(105)	(2)	(94)		(94)
Total income and expense for the year				947	13	(105)	(2)	853	3	856
Dividends	ВЗ			(426)				(426)	(5)	(431)
Reserve movements in respect of										
share-based payments				18				18		18
Change in minority interests arising										
principally from purchase and sale of										
venture investment companies and										
property partnerships of the PAC										
with-profits fund and of other										
consolidated investment funds									(28)	(28)
Share capital and share premium										
New share capital subscribed	H11	1	181					182		182
Transfer to retained earnings in respect of	T T11		(175)	175						
shares issued in lieu of cash dividends	H11		(175)	175						
Treasury shares										
Movement in own shares in respect of										
share-based payment plans				7				7		7
Movement in Prudential plc shares										
purchased by unit trusts										
consolidated under IFRS				4				4		4
Net increase (decrease) in equity		1	6	725	13	(105)	(2)	638	(30)	608
At beginning of year:		122	1,822	3 6 10	(125) 27	2	5 100	132	5 600
As previously reported Effect of adoption of principles of		122	1,022	3,640	(12)	, 2/	Z	5,488	152	5,620
IFRIC 14 for accounting for										
pension schemes	I1			(64)				(64)		(64)
I	11	400	4 000		1405	\ ~ ~	~			
After adoption of IFRIC 14		122	1,822	3,576	(125)		2	5,424	132	5,556
At end of year	H11	123	1,828	4,301	(112) (78)	0	6,062	102	6,164

Primary statements