ADDITIONAL UNAUDITED FINANCIAL INFORMATION

I: SELECTED HISTORICAL FINANCIAL INFORMATION OF PRUDENTIAL

The following table sets forth Prudential's selected consolidated financial data for the periods indicated. Certain data is derived from Prudential's audited consolidated financial statements prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and as adopted by the European Union ('EU') and European Embedded Value (EEV).

This table is only a summary and should be read in conjunction with Prudential's consolidated financial statements and the related notes included elsewhere in this document.

Income statement data

	Year Ended 31 December				
	2010 £m	**2009** £m	**2008** £m	**2007** £m	**2006** £m
IFRS basis results					
Gross premium earned	**24,568**	20,299	18,993	18,359	16,157
Outward reinsurance premiums	**(357)**	(323)	(204)	(171)	(171)
Earned premiums, net of reinsurance	**24,211**	19,976	18,789	18,188	15,986
Investment return	**21,769**	26,889	(30,202)	12,225	17,141
Other income	**1,666**	1,234	1,146	2,457	1,917
Total revenue, net of reinsurance	**47,646**	48,099	(10,267)	32,870	35,044
Benefits and claims and movement in unallocated surplus of with-profits funds, net of reinsurance	**(40,518)**	(41,195)	10,824	(26,785)	(28,267)
Acquisition costs and other expenditure	**(4,799)**	(4,572)	(2,459)	(4,859)	(4,489)
Finance costs: interest on core structural borrowings of shareholder-financed operations	**(257)**	(209)	(172)	(168)	(177)
Loss on sale of Taiwan agency business	**–**	(559)	–	–	–
Total charges, net of reinsurance	**(45,574)**	(46,535)	8,193	(31,812)	(32,933)
Profit (loss) before tax (being tax attributable to shareholders' and policyholders' returns)[1]	**2,072**	1,564	(2,074)	1,058	2,111
Tax (charge) credit attributable to policyholders' returns	**(611)**	(818)	1,624	5	(830)
Profit (loss) before tax attributable to shareholders	**1,461**	746	(450)	1,063	1,281
Tax (charge) credit attributable to shareholders' returns	**(25)**	(55)	59	(354)	(365)
Profit (loss) from continuing operations after tax	**1,436**	691	(391)	709	916
Discontinued operations (net of tax)	**–**	(14)	–	241	(105)
Profit (loss) for the year	**1,436**	677	(391)	950	811
Based on profit (loss) for the year attributable to the equity holders of the Company:					
Basic earnings per share (in pence)	**56.7p**	27.0p	(16.0)p	38.7p	33.6p
Diluted earnings per share (in pence)	**56.6p**	27.0p	(16.0)p	38.6p	33.6p
Dividend per share declared and paid in reporting period (in pence)	**20.17p**	19.2p	18.29p	17.42p	16.44p

Supplementary IFRS income statement data

	2010 £m	2009 £m	2008 £m	2007 £m	2006 £m
Operating profit based on longer-term investment returns[2]	1,941	1,564	1,212	1,152	1,068
Short-term fluctuations in investment returns on shareholder-backed business	(123)	(123)	(1,650)	(51)	88
Shareholders' share of actuarial and other gains and losses on defined benefit pension schemes	(10)	(74)	(13)	(1)	76
Costs of terminated AIA transaction	(377)	–	–	–	–
Gain on dilution of holding in PruHealth	30	–	–	–	–
Loss on sale and results of Taiwan agency business	–	(621)	1	(37)	49
Profit (loss) from continuing operations before tax attributable to shareholders[2]	1,461	746	(450)	1,063	1,281
Operating earnings per share (reflecting operating profit based on longer-term investment returns after related tax and non-controlling interests and excluding 2010 exceptional tax credit) (in pence)	62.0p	47.5p	38.1p	31.3p	28.8p
Operating earnings per share (reflecting operating profit based on longer-term investment returns after related tax and non-controlling interests and including 2010 exceptional tax credit) (in pence)	68.3p	47.5p	38.1p	31.3p	28.8p

Supplementary EEV income statement data

	2010 £m	2009 £m	2008 £m	2007 £m	2006 £m
Operating profit based on longer-term investment returns[2]	3,696	3,090	2,865	2,353	1,998
Short-term fluctuations in investment returns on shareholder-backed business	(30)	351	(4,967)	200	692
Mark to market value movements on core borrowings	(164)	(795)	656	223	85
Shareholders' share of actuarial and other gains and losses on defined benefit pension schemes	(11)	(84)	(14)	(5)	207
Effect of changes in economic assumptions	(10)	(910)	(398)	632	163
Costs of terminated AIA transaction	(377)	–	–	–	–
Gain on dilution of holding in PruHealth	3	–	–	–	–
Profit on sale and results of Taiwan agency business	–	91	(248)	267	77
Profit (loss) from continuing operations before tax attributable to shareholders	3,107	1,743	(2,106)	3,670	3,222
Operating earnings per share (reflecting operating profit based on longer-term investment returns after related tax and non-controlling interests and excluding 2010 exceptional tax credit) (in pence)	106.9p	88.8p	85.1p	69.2p	58.2p
Operating earnings per share (reflecting operating profit based on longer-term investment returns after related tax and non-controlling interests and including 2010 exceptional tax credit) (in pence)	113.2p	88.8p	85.1p	69.2p	58.2p

ADDITIONAL UNAUDITED FINANCIAL INFORMATION CONTINUED

I: SELECTED HISTORICAL FINANCIAL INFORMATION OF PRUDENTIAL > CONTINUED

New business data

New business[3] excluding Japan and Taiwan.

	AER				
	2010 £m	**2009** £m	**2008** £m	**2007** £m	**2006** £m
Annual premium equivalent (APE) sales:					
– Asia	**1,501**	1,209	1,174	1,044	814
– US	**1,164**	912	716	671	613
– UK	**820**	723	947	910	900
– Total APE sales	**3,485**	2,844	2,837	2,625	2,327
EEV new business profit (NBP)	**2,028**	1,619	1,205	1,103	975
NBP margin (% APE)	**58%**	57%	42%	42%	42%

Statement of financial position data

As of and for the Year Ended 31 December	**2010** £m	**2009** £m	**2008** £m	**2007** £m	**2006** £m
IFRS basis results					
Total assets	**260,806**	227,754	215,542	219,382	216,528
Total policyholder liabilities and unallocated surplus of with-profits funds	**224,980**	196,417	182,391	190,317	178,539
Core structural borrowings of shareholder – financed operations	**3,676**	3,394	2,958	2,492	3,063
Total liabilities	**252,731**	221,451	210,429	213,218	210,972
Total equity	**8,075**	6,303	5,113	6,164	5,556

Other data

As of and for the Year Ended 31 December	**2010** £bn	**2009** £bn	**2008** £bn	**2007** £bn	**2006** £bn
Funds under management[4]	**340**	290	249	267	251
EEV shareholders' equity, excluding non-controlling interests	**18.2**	15.3	15.0	14.6	11.9
Insurance Groups Directive capital surplus (as adjusted)[5]	**4.3**	3.4	1.5	1.9	1.2

Notes

1 This measure is the formal profit (loss) before tax measure under IFRS but is not the result attributable to shareholders.

2 Operating profits are determined on the basis of including longer-term investment returns. EEV and IFRS operating profits are stated after excluding the effect of short-term fluctuations in investment returns against long-term assumptions, the shareholders' share of actuarial and other gains and losses on defined benefit pension schemes, transaction costs arising from business combinations in the period, costs associated with the terminated AIA transaction, and the effect of disposal and results of the Taiwan agency business, for which the sale process was completed in June 2009. In 2010, the Group amended the presentation of IFRS operating profit for its US insurance operations to remove the net equity hedge accounting effect (incorporating related amortisation of deferred acquisition costs) and include it in short-term fluctuations. The prior period comparatives for 2009 and 2008 have been amended accordingly.
In addition, for EEV basis results, operating profit excludes the effect of changes in economic assumptions and the market value movement on core borrowings.

3 New business sales exclude the results of the Japanese life operation which ceased writing new business in February 2010, and the results of the Taiwan agency business for which the sale process was completed in June 2009.

4 Funds under management comprise funds of the Group held in the statement of financial position and external funds that are managed by Prudential asset management operations.

5 The surpluses shown are before allowing for the final dividends for each year, which are paid in the following year. The 2010 surplus is estimated. Since 2007, following the sale of Egg Banking, Prudential has been subject to the capital adequacy requirements of the Insurance Groups Directive (IGD) which applies to groups whose activities are mainly in the insurance sector. Prior to the sale of Egg Banking, Prudential was subject to the capital adequacy requirements of the Financial Conglomerates Directive (FCD) which applies to groups with significant cross-sector activities in insurance and banking/investment services. Prudential was classified as an insurance conglomerate under the FCD. As the requirements for insurance conglomerates under the FCD are closely aligned to the requirements for insurance groups under the IGD, the move for Prudential from FCD to IGD did not result in a significant impact.

II(a): ANALYSIS OF LONG-TERM INSURANCE BUSINESS PRE-TAX IFRS OPERATING PROFIT BASED ON LONGER-TERM INVESTMENT RETURNS BY DRIVER

This schedule classifies the Group's pre-tax operating earnings from long-term insurance operations into the underlying drivers of those profits, using the following categories:

i **Spread income** represents the difference between net investment income (or premium income in the case of the UK annuities new business) and amounts credited to policyholder accounts. It excludes the longer-term investment return on assets in excess of those covering shareholder-backed policyholder liabilities, which has been separately disclosed as **expected return on shareholder assets**.

ii **Fee income** represents profits driven by net investment performance, being asset management fees that vary with the size of the underlying policyholder funds net of investment management expenses.

iii **With-profits** business represents the shareholders' transfer from the with-profits fund in the period.

iv **Insurance margin** primarily represents profits derived from the insurance risks of mortality, morbidity and persistency.

v **Margin on revenues** primarily represents amounts deducted from premiums to cover acquisition costs and administration expenses.

vi **Acquisition costs and administration expenses** represent expenses incurred in the period attributable to shareholders. It excludes items such as restructuring costs and Solvency II costs which are not included in the segment profit for insurance as well as items that are more appropriately included in other source of earnings lines (e.g. investment expenses are netted off investment income as part of spread income or fee income as appropriate).

vii **DAC adjustments** comprises DAC amortisation for the period, excluding amounts related to short-term fluctuations, net of costs deferred in respect of new business.

Analysis of pre-tax IFRS operating profit by source

	2010 £m				
	Asia	US	UK	Unallocated	Total
Spread income	70	692	251	–	1,013
Fee income	122	506	60	–	688
With-profits	32	–	310	–	342
Insurance margin	392	188	12	–	592
Margin on revenues	1,018	–	223	–	1,241
Expenses					
Acquisition costs	(656)	(851)	(167)	–	(1,674)
Administration expenses	(467)	(344)	(113)	–	(924)
DAC adjustments	2	517	(1)	–	518
Expected return on shareholder assets	19	125	98	–	242
Long-term business operating profit	532	833	673	–	2,038
Asset management operating profit	72	22	284	–	378
GI commission	–	–	46	–	46
Other income and expenditure*	–	–	–	(521)	(521)
Total operating profit based on longer-term investment returns	604	855	1,003	(521)	1,941

* Including restructuring and Solvency II implementation costs.

ADDITIONAL UNAUDITED FINANCIAL INFORMATION CONTINUED

II(a): ANALYSIS OF LONG-TERM INSURANCE BUSINESS PRE-TAX IFRS OPERATING PROFIT BASED ON LONGER-TERM INVESTMENT RETURNS BY DRIVER > CONTINUED

	2009[i] £m				
	Asia	US	UK	Unallocated	Total
Spread income	31	524	198	–	753
Fee income	80	324	54	–	458
With-profits	29	–	281	–	310
Insurance margin	253	154	41	–	448
Margin on revenues	766	–	275	–	1,041
Expenses					
Acquisition costs	(605)	(690)	(192)	–	(1,487)
Administration expenses	(382)	(259)	(173)	–	(814)
DAC adjustments	150	467	(3)	–	614
Expected return on shareholder assets	25	98	125	–	248
Non-recurrent release of reserves for Malaysia life operations	63	–	–	–	63
Long-term business operating profit	410	618	606	–	1,634
Asset management operating profit	55	4	238	–	297
GI commission	–	–	51	–	51
Other income and expenditure*	–	–	–	(418)	(418)
Total operating profit based on longer-term investment returns	465	622	895	(418)	1,564

	2008[i] £m				
	Asia	US	UK	Unallocated	Total
Spread income	38	461	35	–	534
Fee income	54	292	57	–	403
With-profits	30	–	395	–	425
Insurance margin	198	161	(12)	–	347
Margin on revenues	672	–	314	–	986
Expenses					
Acquisition costs	(619)	(451)	(172)	–	(1,242)
Administration expenses	(331)	(217)	(212)	–	(760)
DAC adjustments	173	–	32	–	205
Expected return on shareholder assets	16	89	108	–	213
Long-term business operating profit	231	335	545	–	1,111
Asset management operating profit	52	7	286	–	345
GI commission	–	–	44	–	44
Other income and expenditure*	–	–	–	(288)	(288)
Total operating profit based on longer-term investment returns	283	342	875	(288)	1,212

* Including restructuring and Solvency II implementation costs.

Note

i During 2010 the Group amended its presentation of operating profit for its US insurance operations to remove the net equity hedge accounting effect associated with Jackson's variable annuity and fixed index annuity products, which are now classified in the Group's supplementary analysis of profit before tax attributable to shareholders as part of short-term fluctuations in investment returns. 2009 and 2008 operating profit have been amended accordingly and so net equity hedge effects of £159 million negative and £71 million positive have been removed from the previously stated operating profits of £1,405 million and £1,283 million to give restated values of £1,564 million and £1,212 million, respectively.

Margin analysis of long-term insurance business

The following analysis expresses certain of the Group's sources of operating profit as a margin of policyholder liabilities or other suitable driver. Details of the Group's average policyholder liability balances are given in note B6(e).

	Total								
	2010			2009			2008		
Long-term business	Profit £m	Average Liability £m	Margin bps	Profit £m	Average Liability £m	Margin bps	Profit £m	Average Liability £m	Margin bps
Spread income	1,013	53,858	188	753	51,000	148	534	44,281	121
Fee income	688	57,496	120	458	43,373	106	403	38,850	104
With-profits	342	89,693	38	310	84,063	37	425	89,075	48
Insurance margin	592			448			347		
Margin on revenues	1,241			1,041			986		
Expenses									
Acquisition costs*	(1,674)	3,492	(48)%	(1,487)	2,896	(51)%	(1,242)	2,879	(43)%
Administration expenses	(924)	111,354	(83)	(814)	94,373	(86)	(760)	83,131	(91)
DAC adjustments	518			614			205		
Expected return on shareholder assets	242			248			213		
Non-recurrent release of reserve for Malaysia Life	–			63			–		
Operating profit	2,038			1,634			1,111		

	Asia								
	2010			2009			2008		
Long-term business	Profit £m	Average Liability £m	Margin bps	Profit £m	Average Liability £m	Margin bps	Profit £m	Average Liability £m	Margin bps
Spread income	70	4,393	159	31	3,152	98	38	2,421	157
Fee income	122	11,222	109	80	8,107	99	54	6,419	84
With-profits	32	10,135	32	29	8,371	35	30	7,168	42
Insurance margin	392			253			198		
Margin on revenues	1,018			766			672		
Expenses									
Acquisition costs*	(656)	1,508	(44)%	(605)	1,261	(48)%	(619)	1,216	(51)%
Administration expenses	(467)	15,615	(299)	(382)	11,259	(339)	(331)	8,840	(374)
DAC adjustments	2			150			173		
Expected return on shareholder assets	19			25			16		
Non-recurrent release of reserve for Malaysia Life	–			63			–		
Operating profit	532			410			231		

* The ratio for acquisition costs is calculated as a percentage of APE including with-profits sales and Japan (2010: £7 million; 2009: £52 million). Acquisition costs include only those relating to shareholders.

ADDITIONAL UNAUDITED FINANCIAL INFORMATION CONTINUED

II(a): ANALYSIS OF LONG-TERM INSURANCE BUSINESS PRE-TAX IFRS OPERATING PROFIT BASED ON LONGER-TERM INVESTMENT RETURNS BY DRIVER > CONTINUED

Analysis of Asian operating profit drivers:

- **Spread income** has increased from £31 million in 2009 to £70 million in 2010. This increase arises primarily as a result of improved investment return in Vietnam (where the return in 2009 was particularly low compared to both 2008 and 2010) and additional dividend income received in Japan.
- **Fee income** has increased both in absolute terms by £42 million and as an improvement in margin, which has increased 10 bps to 109 bps. This primarily relates in a change in mix towards those countries with a higher asset management fee margin (e.g. Indonesia) from countries where fees charged are lower.
- **Insurance margin** has increased by £139 million from £253 million in 2009 to £392 million in 2010. This reflects the continued growth in the in-force book, which has a relatively high proportion of risk-based products. 2010 includes £19 million relating to reserving changes in India and China.
- **Margin on revenues** has increased by £252 million, reflecting the growth in the size of the portfolio and changes in country mix.
- **Acquisition cost**s – the costs as a percentage of APE new business sales has fallen over the period 2008-2010, reflecting management's continued focus on capital management activities, such as the closure of Japan to new business in the first quarter of 2010 and changes to business and country mix. The analysis above uses shareholder acquisition costs as a proportion of total APE, excluding with-profits sales from the denominator the margin would become 2010: 53 per cent, 2009: 56 per cent and 2008: 58 per cent.
- **Administration expenses** – margin has reduced from 339 bps in 2009 in part reflecting operational leverage benefit and a shift in mix towards countries with highly efficient business models (e.g. Indonesia).

	US								
	2010			2009			2008		
	Profit £m	Average Liability £m	Margin bps	Profit £m	Average Liability £m	Margin bps	Profit £m	Average Liability £m	Margin bps
Spread income	692	28,496	243	524	29,248	179	461	25,322	182
Fee income	506	25,921	195	324	17,589	184	292	14,783	198
With-profits	–			–			–		
Insurance margin	188			154			161		
Margin on revenues	–			–			–		
Expenses									
Acquisition costs	(851)	1,164	(73)%	(690)	912	(76)%	(451)	716	(63)%
Administration expenses	(344)	54,417	(63)	(259)	46,837	(55)	(217)	40,105	(54)
DAC adjustments	517			467			–		
Expected return on shareholder assets	125			98			89		
Operating profit	833			618			335		

Analysis of US operating profit drivers:

- **Spread income** benefited from the effect of transactions to more closely match the overall asset and liability duration in 2010. Excluding this effect (£108 million), spread margin in 2010 would have been 205 bps. The increase over the 2009 margin of 179 bps is due in part to decreased crediting rates on fixed annuities.
- **Fee income** margins are based on the average of the opening and closing separate account balances. In normal years this is expected to be a reasonable proxy for the average balances throughout the year. In 2009 separate account flows were weighted towards the end of the year artificially lowering the 2009 margin. Using an average based on end of month balances, margins show little movement between years, (2010: 200 bps; 2009: 203 bps; 2008: 200 bps) indicating that absolute revenue amounts are growing in line with separate accounts values. Separate account values increased between 2008 and 2010 both as a result of strong sales and improving equity markets.
- **Insurance margin** represents operating profits from insurance risks, including variable annuity guarantees and other sundry net income. Positive net flows into variable annuity business with life contingent and other guarantees have helped to improve the margin from £154 million in 2009 to £188 million in 2010.

- **Acquisition costs** have increased in 2010 in absolute terms compared to 2009 following an increase in sales volumes. However, acquisition costs as a percentage of APE has fallen from 76 per cent in 2009 to 73 per cent in 2010 as more advisers are electing to take asset-based commission, which is paid over the life of the policy based on fund value. This asset-based commission is treated as an administration expense in this analysis as opposed to a cost of acquisition, resulting in a lower acquisition cost ratio but a higher administration expenses margin.

  2008 acquisition costs as a percentage of APE sales were 63 per cent, lower than 2009 and 2010. This is primarily because sales of GICs in 2008 (APE £120 million), on which no acquisition costs are incurred, reduces the margin for that year. Excluding GIC APE sales the acquisition cost ratio for 2008 becomes 76 per cent, in line with 2009.

- **Administration expenses** margin has increased to 63 bps in 2010, partly as a result of higher asset based commission, which lowers acquisition costs but increases the expenses classified as administration expenses in the table above.

	UK								
	2010			2009			2008		
	Profit £m	Average Liability £m	Margin bps	Profit £m	Average Liability £m	Margin bps	Profit £m	Average Liability £m	Margin bps
Spread income	251	20,969	120	198	18,600	106	35	16,538	21
Fee income	60	20,353	29	54	17,677	31	57	17,648	32
With-profits	310	79,558	39	281	75,692	37	395	81,907	48
Insurance margin	12			41			(12)		
Margin on revenues	223			275			314		
Expenses									
Acquisition costs*	(167)	820	(20)%	(192)	723	(27)%	(172)	947	(18)%
Administration expenses	(113)	41,322	(27)	(173)	36,277	(48)	(212)	34,186	(62)
DAC adjustments	(1)			(3)			32		
Expected return on shareholder assets	98			125			108		
Operating profit	673			606			545		

* The ratio for acquisition costs is calculated as a percentage of APE including with-profits sales. Acquisition costs include only those relating to shareholders.

Analysis of UK operating profit drivers:

- **Spread income** has increased by £53 million to £251 million in 2010, reflecting in a higher margin of 120 bps, up from 106 bps in 2009. The improved margin primarily reflects the beneficial impacts of the bulk annuity deal written in 2010, improved margins on retail annuity new business and improved spread on equity release business following its closure to new business. Spread income was lower in 2008 due to lower margins on new business and the establishment of credit default and deflation reserves in that year in light of the credit crisis offset by the impact of actions to rebalance the credit portfolio.

- **Fee income** has increased by 11 per cent to £60 million broadly in line with the value of unit-linked liabilities following the improvement in equity markets.

- **Margin on revenues** represents premiums charges for expenses and other sundry net income received by the UK. Lower amounts were recorded in 2010 (£223 million) compared to 2009 (£275 million) reflecting, in part, lower premiums from shareholder-backed retail business in 2010 as compared to 2009.

- **Insurance margin** has fallen by £29 million to £12 million in 2010, reflecting that 2009 included a one-off benefit of £34 million in respect of a longevity swap on certain aspects of the UK's annuity back-book liabilities, which was not repeated in 2010.

- **Acquisition costs** as a percentage of new business sales has fallen from 27 per cent in 2009 to 20 per cent in 2010. This reflects in part the impact of the bulk annuity deal which contributed £88 million APE in the period with a relatively low level of acquisition costs, together with the closure of equity release to new business as well as on-going cost saving initiatives.

  The ratio above expresses the percentage of shareholder acquisition costs as a percentage of total APE sales. It is therefore impacted by the level of with-profits sales in the year. Acquisition costs as a percentage of shareholder-backed new business sales were 36 per cent in 2010 (49 per cent in 2009), with the most significant impact being the effect of the bulk annuity deal.

- **Administration expenses** have fallen by £60 million to £113 million and the ratio from 48 bps in 2009 to 27 bps in 2010. This is primarily the result of cost savings initiatives initiated by the UKIO in line with the business' stated objectives.

ADDITIONAL UNAUDITED FINANCIAL INFORMATION CONTINUED

II(b): ASIAN OPERATIONS – ANALYSIS OF IFRS OPERATING PROFIT BY TERRITORY

Operating profit based on longer-term investment returns for Asian operations is analysed as follows:

	2010 £m	2009 £m
China[note ii]	(12)	4
Hong Kong	51	48
India[note iii]	60	12
Indonesia	157	102
Japan	(6)	(18)
Korea	12	6
Malaysia		
– Underlying results	97	65
– Exceptional credit[note i]		63
Philippines	2	2
Singapore	129	112
Taiwan bancassurance business[note iv]	(4)	(7)
Thailand	2	(1)
Vietnam	43	30
Other	5	(2)
TOTAL INSURANCE OPERATIONS[note v]	536	416
Development expenses	(4)	(6)
TOTAL LONG-TERM BUSINESS OPERATING PROFIT	532	410
Asset management	72	55
TOTAL ASIAN OPERATIONS	604	465

Notes

i For the Malaysia life business, under the basis applied previously, 2008 IFRS basis liabilities were determined on the local regulatory basis using prescribed interest rates such that a high degree of prudence resulted. As of 1 January 2009, the local regulatory basis has been replaced by the Malaysian authority's risk-based capital (RBC) framework. In the light of this development, the Company has re-measured the liabilities by reference to the method applied under the new RBC framework, which is more realistic than the previous approach, but with an overlay constraint to the method such that negative reserves derived at an individual policyholder level are not included. This change has resulted in a one-off release from liabilities at 1 January 2009 of £63 million.

ii China's operating loss of £12 million is after a net charge of £17 million for local reserving changes and associated impacts that have been reflected in the Group's IFRS accounts. Excluding this effect, China's underlying result is a £5 million profit.

iii The operating profit of £60 million from India, a joint venture, includes £36 million arising from changes that improve the reserving estimation technique.

iv Sale of Taiwan agency business
In order to facilitate comparisons of operating profit based on longer-term investment returns that reflect the Group's retained operations, the results attributable to the Taiwan agency business for which the sale process was completed in June 2009 are excluded from analysis of operating profit.

v Analysis of operating profit between new and in-force business
The result for insurance operations comprises amounts in respect of new business and business in-force as follows:

	2010 £m	2009 £m
New business strain (excluding Japan)	(56)	(72)
Japan	(1)	(6)
New business strain (including Japan)	(57)	(78)
Business in force	593	494
Total	536	416

The IFRS new business strain corresponds to approximately four per cent of new business APE premiums for 2010 (2009: approximately six per cent of new business APE).
The strain reflects the aggregate of the pre-tax regulatory basis strain to net worth after IFRS adjustments for deferral of acquisition costs and deferred income where appropriate.

II(c): ANALYSIS OF ASSET MANAGEMENT OPERATING PROFIT BASED ON LONGER-TERM INVESTMENT RETURNS

	2010 £m				
	M&G[i]	Asia[i]	PruCap	US	Total
Operating income before performance-related fees	615	185	88	229	1,117
Performance-related fees	17	6	–	–	23
Operating income*	632	191	88	229	1,140
Operating expense	(386)	(119)	(50)	(207)	(762)
Operating profit based on longer-term investment returns	246	72	38	22	378
Average funds under management (FUM)†	£186.5 bn	£47.2 bn			
Margin based on operating income†	34 bps	40 bps			
Cost/income ratio‡	63%	64%			

	2009 £m				
	M&G[i]	Asia[i]	PruCap	US	Total
Operating income before performance-related fees	470	157	89	183	899
Performance-related fees	12	3	–	–	15
Operating income*	482	160	89	183	914
Operating expense	(305)	(105)	(28)	(179)	(617)
Operating profit based on longer-term investment returns	177	55	61	4	297
Average funds under management (FUM)†	£157.5 bn	£39.6 bn			
Margin based on operating income†	31 bps	40 bps			
Cost/income ratio‡	65%	67%			

	2008 £m				
	M&G[i]	Asia[i]	PruCap	US	Total
Operating income before performance-related fees	480	144	123	139	886
Performance-related fees	43	3	–	–	46
Operating income*	523	147	123	139	932
Operating expense	(295)	(95)	(65)	(132)	(587)
Operating profit based on longer-term investment returns	228	52	58	7	345
Average funds under management (FUM)†	£154.0 bn	£36.9 bn			
Margin based on operating income†	34 bps	40 bps			
Cost/income ratio‡	61%	66%			

* Operating income is net of commissions and includes performance related fees.

† Margin represents operating income as a proportion of the related funds under management (FUM). Opening and closing internal and external funds managed by the respective entity have been used to derive the average. Any funds held by the Group's insurance operations which are managed by third parties outside of the Prudential Group are excluded from these amounts.

‡ Cost/income ratio is calculated as a percentage of income excluding performance-related fees.

ADDITIONAL UNAUDITED FINANCIAL INFORMATION CONTINUED

II(c): ANALYSIS OF ASSET MANAGEMENT OPERATING PROFIT BASED ON LONGER-TERM INVESTMENT RETURNS > CONTINUED

i M&G and Asia asset management businesses can be further analysed as follows:

	M&G					
	Operating income*					
	Retail £m	Margin of FUM† bps	Institutional§ £m	Margin of FUM† bps	Total £m	Margin of FUM† bps
2010	**345**	**93**	**287**	**19**	**632**	**34**
2009	255	102	227	17	482	31
2008	243	122	280	21	523	34

	Asia					
	Operating income*					
	Retail £m	Margin of FUM† bps	Institutional§ £m	Margin of FUM† bps	Total £m	Margin of FUM† bps
2010	**120**	**62**	**71**	**26**	**191**	**40**
2009	98	60	62	27	160	40
2008	91	59	56	26	147	40

* Operating income is net of commissions and includes performance-related fees.
† Margin represents operating income as a proportion of the related funds under management (FUM). Opening and closing internal and external funds managed by the respective entity have been used to derive the average. Any funds held by the Group's insurance operations which are managed by third-parties outside of the Prudential Group are excluded from these amounts.
§ Institutional includes internal funds.

III(a): MEMORANDUM FAIR VALUE OF JACKSON'S GMDB AND GMWB LIABILITIES

The IFRS accounting for minimum death and withdrawal benefits guarantees of the Group's US insurance operations has a mixed measurement approach.

'Not for life' Guaranteed Minimum Withdrawal Benefits (GMWB) are accounted for as 'embedded derivatives'. Where the economic characteristics and risks of embedded derivatives are not closely related to the economic characteristics and risks of the host insurance contract, and where the contract is not measured at fair value with the changes in fair value recognised in the income statement, the embedded derivative is bifurcated and carried at fair value as a derivative in accordance with IAS 39. In Jackson, the embedded derivative liabilities for GMWB liabilities are fair valued using the economic assumptions shown below, in line with IAS 39 (FAS 157 – 'Fair Value Measurements'.)

Where a significant insurance element is present, such as for Guaranteed Minimum Death Benefit (GMDB) and 'for life' GMWB, the guarantees are accounted for as part of the accounting applied to the host insurance contracts. Under IFRS 4, the insurance contract accounting applied prior to IFRS adoption has continued to be applied. Accordingly for US variable annuity business the US GAAP standards applicable to insurance contract accounting are applied. Consistent with that approach, the GMDB and 'for life' GMWB guarantees are valued under FASB Accounting Standards codification Topic 944 (sub-topics 944-20, 944-40 and 944-80), formerly known as 'SOP 03-1' (Statement of Position 03-1: 'Accounting and Reporting by Insurance Enterprises Contracts and for Separate Accounts').

The two reserving methodologies typically produce quite different patterns of results. It is the variation in assumptions, and the way the two reserving methods react to emerging experience, that produces potentially significant differences in reserve patterns through time.

Both methods determine a hypothetical fee or charge (referred to in the rest of this note as 'fee assessment') that is anticipated to fund future projected benefit payments arising using the assumptions applicable for that method. After determination at issue, the FAS 157 fee assessment is fixed for the life of the policy, so that variations in experience from that assumed at issue, as well as cash flow timing issues, will create a liability or asset as the value of future benefits becomes more or less, respectively, than the value of the fee assessments.

The SOP 03-1 fee assessment, on the other hand, is recomputed at each valuation date to take into account emerging experience and cash flow timing differences. After redetermination based on valuation date parameters, the new fee assessment is applied retrospectively from issue date to recompute the current reserve provision. This retrospective aspect of the calculation is not present in the FAS 157 methodology.

The chart below compares the assumption bases for the two methods in general terms as well as showing representative comparative values as of 31 December 2010. The comparative values for the projected earned rate and AA corporate bond rate are the 10-year rate in both cases, and the comparative value for volatility is the 5-year rate.

Assumption	SOP 03-1	IAS 39 (FAS 157)
Fund earned rate	8.4% before fees	Quoted rate swap curve (10-year rate: 3.4% before fees)
Discount rate	8.4%	AA corporate rate curve (10-year rate: 4.8%)
Equity volatility	15%	Implied curve (5-year volatility: 24%)

To provide an approximate translation of values from the SOP 03-1 basis to the IAS 39 basis, the table below shows estimates of the impact of changing each primary economic assumption from the SOP 03-1 values to the IAS 39 values.

Two other items are shown in addition: a reconciling item to account for the difference in how each method adjusts for emerging economic experience (labelled as the 'method' component below), and a further adjustment to recognise the impact of additional fees collected over and above those considered for reserving purposes (i.e. the difference between fees actually collected and the hypothetical fee assessment referenced earlier).

ADDITIONAL UNAUDITED FINANCIAL INFORMATION CONTINUED

III(a): MEMORANDUM FAIR VALUE OF JACKSON'S GMDB AND GMWB LIABILITIES > CONTINUED

Guaranteed benefit liability supplemental disclosure as of 31 December 2010

As recorded in the 31 December 2010 financial statements:	Note	GMDB £m	GMWB 'for life' £m	GMWB 'not for life' £m	Total £m
– SOP 03-1	1	220	29		249
– IAS 39 fair value	1			201	201
Total per 31 December 2010 financial statements					450
Change in assumed fund earned rate	2	375	25	n/a	400
Change in discount rate	3	200	50	n/a	250
Change in equity volatility assumption	4	225	0	n/a	225
Change in method	5	(150)	(25)	n/a	(175)
					700
Hypothetical IAS 39 basis fair value	6	870	280		1,150
Adjustment to full fees	7	(200)	(600)		(800)
Hypothetical fair value with full fee recognition	8	670	(320)		350

Notes

1 Note GMWB benefits have reported components on both an SOP 03-1 and IAS 39 basis.
2 Change in fund earned rate: 8.4 per cent to 3.4 per cent, producing significantly higher values of future benefit payments due to lower future assumed fund growth and therefore greater potential for future guaranteed benefit payouts. For GMWBs, future fee income is less dramatically affected, given that for most benefit forms fee income is based on a more stable benefit base rather than a current account value.
3 Change in discount rate: 8.4 per cent to 4.8 per cent, producing significantly higher values, both for future benefit payments and future fees, with a net increase in liability. The absolute impact of this item will be influenced not only by the rate difference, but also by current market conditions, as the proportional impact of a particular rate change will be diluted if applied to a lower absolute value of future cash flows.
4 Change in equity volatility assumption: 15 per cent to 24 per cent, producing higher values, primarily for future benefit payments. The impact is muted for GMWBs due primarily to the length of time until benefit payments occur, and also by the SOP 03-1 methodology itself.
5 Generally, it is expected that the SOP 03-1 methodology will 'lag' market events in terms of reflecting their impact in the reserve calculation. This is because of the retrospective aspect of the calculation described above. This line item is also the balancing item in the reconciliation so contains any cross-effects from other variables.
6 Representation of an approximate hypothetical IAS 39 (FAS 157) value were all guaranteed benefits to be reported on this basis.
7 Value of actual fees collected, on an IAS 39 assumption basis, over and above those already considered in the reserve calculation. The reserve calculation restricts the level of future guarantee fees to a level that is sufficient to meet the expected benefit payments at issue using at issue assumptions to avoid profit recognition at inception.
8 Resulting modified hypothetical IAS 39 value including adjustment for the value of fees in excess of those considered in the reserve calculation.

In all cases, values shown above, were they to be reflected in actual financial statements, would be significantly offset by an adjustment to deferred acquisition costs, which is impacted by changes in gross profit elements of the variable annuity product. Thus, for example, it might be expected that the GMDB impacts shown would be offset by some 70 to 75 per cent of the change illustrated, and the GMWB impacts shown would be offset by some 50 to 55 per cent of the change illustrated. The table below illustrates the approximate impact on shareholders' equity.

Estimated impact on shareholders' equity

	Accounts carrying value to hypothetical IAS 39 basis fair value £m	Accounts carrying value to hypothetical fair value with full fee recognition £m
Estimated increase/(decrease) in liability	700	(100)
Related adjustments to:		
DAC	(475)	(50)
Deferred tax	(75)	50
Estimated decrease/(increase) in shareholders' equity	150	(100)

All numbers rounded to the nearest £25 million.

III(b): IFRS SHAREHOLDERS' FUNDS SUMMARY BY BUSINESS UNIT AND NET ASSET VALUE PER SHARE

i Shareholders' funds summary

	2010 £m	2009 £m
ASIAN OPERATIONS		
Insurance operations		
Net assets of operation	1,913	1,382
Acquired goodwill	236	80
Total	2,149	1,462
Asset management		
Net assets of operation	197	161
Acquired goodwill	61	61
Total	258	222
Total	2,407	1,684
US OPERATIONS		
Jackson (net of surplus note borrowings)	3,815	3,011
Broker-dealer and asset management operations:		
Net assets of operation	106	95
Acquired goodwill	16	16
Total	122	111
Total	3,937	3,122
UK OPERATIONS		
Insurance operations:		
Long-term business operations	2,115	1,902
Other	33	37
Total	2,148	1,939
M&G		
Net assets of operation	254	173
Acquired goodwill	1,153	1,153
Total	1,407	1,326
Total	3,555	3,265
OTHER OPERATIONS		
Holding company net borrowings	(2,035)	(1,754)
Shareholders' share of provision for future deficit funding of the Prudential Staff Pension Scheme (net of tax)	(10)	(16)
Other net assets (liabilities)	177	(30)
Total	(1,868)	(1,800)
TOTAL OF ALL OPERATIONS	8,031	6,271

ii Net asset value per share

	2010 £m	2009 £m
Closing equity shareholders' funds	8,031	6,271
Net asset value per share attributable to equity shareholders[note i]	315p	248p

Note

i Based on the closing issued share capital as at 31 December 2010 of 2,546 million shares (2009: 2,532 million shares).

ADDITIONAL UNAUDITED FINANCIAL INFORMATION CONTINUED

IV(a): FUNDS UNDER MANAGEMENT

i Summary

	2010 £bn	2009 £bn
Business area		
Asian operations	30.9	23.7
US operations	63.6	49.6
UK operations	145.2	135.6
Internal funds under management	239.7	208.9
External funds[note i]	100.4	80.9
Total funds under management	340.1	289.8

Note

i External funds shown above for 2010 of £100.4 billion (2009: £80.9 billion) comprise £111.4 billion (2009: £89.8 billion) in respect of investment products, as published in the New Business schedules (see Note B5) less £11.0 billion (2009: £8.9 billion) that are classified within internal funds.

ii Internal funds under management – analysis by business area

	Asian operations		US operations		UK operations		Total	
	2010 £bn	2009 £bn	2010 £bn	2009 £bn	2010 £bn	2009 £bn	2010 £bn	2009 £bn
Investment properties[note i]	–	–	0.1	0.1	11.5	11.0	11.6	11.1
Equity securities	14.5	11.4	31.5	21.0	40.7	37.0	86.7	69.4
Debt securities	14.1	10.0	26.4	22.8	75.9	69.1	116.4	101.9
Loans and receivables	1.3	1.2	4.2	4.3	3.8	3.3	9.3	8.8
Other investments	1.0	1.1	1.4	1.4	13.3	15.2	15.7	17.7
Total	30.9	23.7	63.6	49.6	145.2	135.6	239.7	208.9

Note

i As included in the investments section of the consolidated statement of financial position at 31 December 2010 except for £0.4 billion (2009: £0.2 billion) investment properties which are held-for-sale or occupied by the Group and, accordingly under IFRS, are included in other statement of financial position captions.

IV(b): EFFECT OF FOREIGN CURRENCY RATE MOVEMENTS ON RESULTS

i Rates of exchange

The profit and loss accounts of foreign subsidiaries are translated at average exchange rates for the year. Assets and liabilities of foreign subsidiaries are translated at closing exchange rates. Foreign currency borrowings that have been used to provide a hedge against Group equity investments in overseas subsidiaries are also translated at closing exchange rates. The impact of these translations is recorded as a component of the movement in shareholders' equity.

The following translation rates have been applied:

	Closing	Average	Closing	Average
Local currency: £	2010	2010	2009	2009
Hong Kong	12.17	12.01	12.52	12.14
Indonesia	14,106.51	14,033.41	15,171.52	16,173.28
Malaysia	4.83	4.97	5.53	5.51
Singapore	2.01	2.11	2.27	2.27
India	70.01	70.66	75.15	75.70
Vietnam	30,526.26	29,587.63	29,832.74	27,892.39
USA	1.57	1.55	1.61	1.57

ii Effect of rate movements on results

IFRS basis results

	As published 2010 note i £m	Memorandum 2009 note i and ii £m
Asian operations:		
Long-term operations	536	451
Development expenses	(4)	(6)
Total Asian insurance operations after development costs	532	445
Asset management	72	58
Total Asia operations	604	503
US operations		
Jackson[note iii]	833	626
Broker-dealer, asset management and Curian operations	22	4
Total US operations	855	630
UK operations		
Long-term business	673	606
General insurance commission	46	51
Total UK insurance operations	719	657
M&G	284	238
Total UK operations	1,003	895
Total segment profit	2,462	2,028
Other income and expenditure	(450)	(396)
Restructuring costs	(26)	(23)
Solvency II costs	(45)	–
Operating profit from continuing operations based on longer-term investment returns	1,941	1,609
Shareholders' funds	8,031	6,473

Notes

i The 'as published' operating profit for 2010 and 'memorandum' operating profit for 2009 have been calculated by applying average 2010 exchange rates (CER).
The 'as published' shareholders' funds for 2010 and 'memorandum' shareholders' funds for 2009 have been calculated by applying closing period end 2010 exchange rates.

ii The 2009 operating profit of Asian long-term operations excludes the results of the Taiwan agency business for which the sale process was completed in June 2009.

iii The Company has amended the presentation of IFRS operating profit for its US insurance operations to remove the net equity hedge accounting credit/charge (incorporating related amortisation of deferred acquisition costs) and include it in short-term fluctuations.
The 2009 'memorandum' operating profit amounts have been amended accordingly.

ADDITIONAL UNAUDITED FINANCIAL INFORMATION CONTINUED

IV(b): EFFECT OF FOREIGN CURRENCY RATE MOVEMENTS ON RESULTS > CONTINUED

EEV basis results

	As published 2010 note i £m	Memorandum 2009 note i and ii £m
Asian operations:		
New business:		
Excluding Japan	902	783
Japan	(1)	(13)
Total	901	770
Business in force	549	420
Long-term operations	1,450	1,190
Asset management	72	58
Development expenses	(4)	(6)
Total Asia operations	1,518	1,242
US operations		
New business	761	673
Business in force	697	576
Jackson	1,458	1,249
Broker-dealer, asset management and Curian operations	22	4
Total US operations	1,480	1,253
UK operations		
New business	365	230
Business in force	571	640
Long-term business	936	870
General insurance commission	46	51
Total insurance	982	921
M&G	284	238
Total UK operations	1,266	1,159
Other income and expenditure	(494)	(434)
Restructuring costs	(28)	(27)
Solvency II costs	(46)	–
Operating profit from continuing operations based on longer-term investment returns	3,696	3,193
Shareholders' funds	18,207	15,904

Notes

i The 'as published' operating profit for 2010 and 'memorandum' operating profit for 2009 have been calculated by applying average 2010 exchange rates (CER).
The 'as published' shareholders' funds for 2010 and 'memorandum' shareholders' funds for 2009 have been calculated by applying closing period end 2010 exchange rates.

ii The 2009 operating profit of Asian long-term operations excludes the results of the Taiwan agency business for which the sale process was completed in June 2009.

IV(c): OPTION SCHEMES

The Group maintains four share option schemes satisfied by the issue of new shares. UK-based executive directors are eligible to participate in the UK Savings Related Share Option Scheme, and Asia-based executives can participate in the International Savings Related Share Option Scheme. Dublin-based employees are eligible to participate in the Prudential International Assurance Sharesave Plan, and Hong Kong-based agents can participate in the Non-employee Savings Related Share Option Scheme. Further details of the schemes and accounting policies are detailed in Note I4 of the IFRS basis condensed consolidated financial statements.

All options were granted at £nil consideration. No options have been granted to substantial shareholders, suppliers of goods or services (excluding options granted to agents under the Non-employee Savings Related Share Option Scheme) or in excess of the individual limit for the relevant scheme.

The options schemes will terminate as follows, unless the directors resolve to terminate the plans at an earlier date:

- UK Savings Related Share Option Scheme: 8 May 2013
- International Savings Related Share Option Scheme: 19 May 2011
- Prudential International Assurance Sharesave Plan: 19 May 2011
- Non-employee Savings Related Share Option Scheme: 9 May 2012

The weighted average share price of Prudential plc for the year ended 31 December 2010 was £5.68 (2009: £4.17).

Particulars of options granted to directors are included in the Directors' Remuneration Report on page 124.

The closing price of the shares immediately before the dates on which the options were granted during the current period was £6.16.

The following analyses show the movement in options for each of the option schemes for the year ended 31 December 2010.

ADDITIONAL UNAUDITED FINANCIAL INFORMATION CONTINUED

IV(c): OPTION SCHEMES > CONTINUED

UK Savings Related Share Option Scheme

		Exercise period		Number of options						
Date of grant	Exercise price £	Beginning	End	Beginning of period	Granted	Exercised	Cancelled	Forfeited	Lapsed	End of period
09 Oct 2002	3.29	01 Dec 2009	31 May 2010	27,010	–	20,231	–	–	6,779	–
17 Apr 2003	2.66	01 Jun 2010	30 Nov 2010	273,250	–	273,250	–	–	–	–
01 Oct 2003	3.62	01 Dec 2010	31 May 2011	4,343	–	1,568	–	–	–	2,775
15 Apr 2004	3.46	01 Jun 2009	30 Nov 2009	942	–	–	–	–	942	–
15 Apr 2004	3.46	01 Jun 2011	30 Nov 2011	17,946	–	–	–	–	–	17,946
30 Sep 2004	3.43	01 Dec 2009	31 May 2010	15,014	–	6,543	–	191	8,280	–
30 Sep 2004	3.43	01 Dec 2011	31 May 2012	8,430	–	–	–	–	–	8,430
12 Apr 2005	3.87	01 Jun 2008	30 Nov 2008	8,121	–	–	8,121	–	–	–
12 Apr 2005	3.87	01 Jun 2010	30 Nov 2010	49,694	–	45,256	–	–	4,438	–
12 Apr 2005	3.87	01 Jun 2012	30 Nov 2012	12,222	–	–	–	–	–	12,222
29 Sep 2005	4.07	01 Dec 2010	31 May 2011	37,483	–	26,426	–	–	460	10,597
29 Sep 2005	4.07	01 Dec 2012	31 May 2013	11,172	–	–	1,680	–	–	9,492
20 Apr 2006	5.65	01 Dec 2009	31 May 2010	661	–	661	–	–	–	–
20 Apr 2006	5.65	01 Jun 2011	30 Nov 2011	15,933	–	678	569	–	802	13,884
20 Apr 2006	5.65	01 Jun 2013	30 Nov 2013	8,169	–	–	605	–	–	7,564
28 Sep 2006	4.75	01 Dec 2009	31 May 2010	83,095	–	42,821	21,690	–	18,584	–
28 Sep 2006	4.75	01 Dec 2011	31 May 2012	55,381	–	–	1,033	3,449	2,896	48,003
28 Sep 2006	4.75	01 Dec 2013	31 May 2014	13,325	–	–	–	–	–	13,325
26 Apr 2007	5.72	01 Jun 2010	30 Nov 2010	48,685	–	11,119	132	1,653	32,223	3,558
26 Apr 2007	5.72	01 Jun 2012	30 Nov 2012	10,284	–	–	1,374	–	573	8,337
26 Apr 2007	5.72	01 Jun 2014	30 Nov 2014	1,118	–	–	615	–	–	503
27 Sep 2007	5.52	01 Dec 2010	31 May 2011	53,257	–	25,015	1,874	695	640	25,033
27 Sep 2007	5.52	01 Dec 2012	31 May 2013	19,960	–	–	874	–	1,216	17,870
27 Sep 2007	5.52	01 Dec 2014	31 May 2015	5,249	–	–	2,653	928	–	1,668
25 Apr 2008	5.51	01 Jun 2011	30 Nov 2011	63,326	–	3,187	5,145	2,455	1,587	50,952
25 Apr 2008	5.51	01 Jun 2013	30 Nov 2013	35,835	–	1,595	3,128	–	2,892	28,220
25 Apr 2008	5.51	01 Jun 2015	30 Nov 2015	4,836	–	–	–	3,166	–	1,670
25 Sep 2008	4.38	01 Dec 2011	31 May 2012	181,003	–	4,055	9,642	1,140	12,168	153,998
25 Sep 2008	4.38	01 Dec 2013	31 May 2014	62,042	–	2,054	4,207	765	5,980	49,036
25 Sep 2008	4.38	01 Dec 2015	31 May 2016	23,161	–	2,341	–	–	5,963	14,857
27 Apr 2009	2.88	01 Jun 2012	30 Nov 2012	3,454,462	–	54,222	124,900	52,437	84,581	3,138,322
27 Apr 2009	2.88	01 Jun 2014	30 Nov 2014	2,099,760	–	13,349	44,054	1,735	47,092	1,993,530
27 Apr 2009	2.88	01 Jun 2016	30 Nov 2016	212,170	–	1,040	3,637	113	4,646	202,734
25 Sep 2009	4.25	01 Dec 2012	31 May 2013	299,769	–	2,444	22,705	3,157	6,651	264,812
25 Sep 2009	4.25	01 Dec 2014	31 May 2015	109,447	–	442	1,463	4,390	1,825	101,327
28 Sep 2010	4.61	01 Dec 2013	31 May 2014	–	317,521	–	2,730	234	–	314,557
28 Sep 2010	4.61	01 Dec 2015	31 May 2016	–	138,655	–	4,017	–	–	134,638
				7,326,555	456,176	538,297	266,848	76,508	251,218	6,649,860

The total number of securities available for issue under the scheme is 6,649,860, which represents 0.261 per cent of the issued share capital at 31 December 2010.

The weighted average closing price of the shares immediately before the dates on which the options were exercised during the current period was £5.70.

The fair value of options granted under the Plan in the period was £2.91.

International Savings Related Share Option Scheme

		Exercise period		Number of options						
Date of grant	Exercise price £	Beginning	End	Beginning of period	Granted	Exercised	Cancelled	Forfeited	Lapsed	End of period
30 Sep 2004	3.43	01 Dec 2009	31 May 2010	741	–	–	–	–	741	–
12 Apr 2005	3.87	01 Jun 2010	30 Nov 2010	758	–	–	–	–	–	758
20 Apr 2006	5.65	01 Jun 2009	30 Nov 2009	5,732	–	–	–	4,021	1,711	–
20 Apr 2006	5.65	01 Jun 2011	30 Nov 2011	820	–	–	–	–	–	820
28 Sep 2006	4.75	01 Dec 2009	31 May 2010	26,951	–	20,387	–	4,435	2,129	–
28 Sep 2006	4.75	01 Dec 2011	31 May 2012	968	–	–	–	259	–	709
26 Apr 2007	5.72	01 Jun 2010	30 Nov 2010	93,401	–	3,179	1,612	–	–	88,610
26 Apr 2007	5.72	01 Jun 2012	30 Nov 2012	17,847	–	–	–	–	–	17,847
27 Sep 2007	5.52	01 Dec 2010	31 May 2011	44,517	–	2,584	1,108	360	–	40,465
25 Apr 2008	5.51	01 Jun 2011	30 Nov 2011	32,754	–	–	5,686	–	–	27,068
25 Apr 2008	5.51	01 Jun 2013	30 Nov 2013	4,192	–	–	–	–	–	4,192
25 Sep 2008	4.38	01 Dec 2011	31 May 2012	252,450	–	11,410	4,340	–	–	236,700
25 Sep 2008	4.38	01 Dec 2013	31 May 2014	6,951	–	–	–	–	–	6,951
27 Apr 2009	2.88	01 Jun 2012	30 Nov 2012	2,105,236	–	47,332	83,676	68,123	–	1,906,105
27 Apr 2009	2.88	01 Jun 2014	30 Nov 2014	116,072	–	6,490	14,246	5,307	–	90,029
25 Sep 2009	4.25	01 Dec 2012	31 May 2013	141,426	–	–	5,595	2,994	–	132,837
25 Sep 2009	4.25	01 Dec 2014	31 May 2015	3,529	–	–	847	–	–	2,682
28 Sep 2010	4.61	01 Dec 2013	31 May 2014	–	176,353	–	1,303	–	–	175,050
28 Sep 2010	4.61	01 Dec 2015	31 May 2016	–	6,501	–	–	–	–	6,501
				2,854,345	182,854	91,382	118,413	85,499	4,581	2,737,324

The total number of securities available for issue under the scheme is 2,737,324, which represents 0.108 per cent of the issued share capital at 31 December 2010.

The weighted average closing price of the shares immediately before the dates on which the options were exercised during the current period was £5.83.

The fair value of options granted under the Plan in the period was £2.91.

Prudential International Assurance Sharesave Plan

		Exercise period		Number of options						
Date of grant	Exercise price £	Beginning	End	Beginning of period	Granted	Exercised	Cancelled	Forfeited	Lapsed	End of period
29 Sep 2005	4.07	01 Dec 2008	31 May 2009	495	–	–	–	–	495	–
20 Apr 2006	5.65	01 Jun 2009	30 Nov 2009	1,469	–	–	–	–	1,469	–
28 Sep 2006	4.75	01 Dec 2009	31 May 2010	1,110	–	–	–	–	1,110	–
27 Sep 2007	5.52	01 Dec 2010	31 May 2011	618	–	–	–	–	–	618
25 Sep 2008	4.38	01 Dec 2011	31 May 2012	1,520	–	–	–	–	–	1,520
27 Apr 2009	2.88	01 Jun 2012	30 Nov 2012	34,125	–	1,184	–	2,621	–	30,320
27 Apr 2009	2.88	01 Jun 2014	30 Nov 2014	6,567	–	–	–	–	–	6,567
25 Sep 2009	4.25	01 Dec 2012	31 May 2013	4,327	–	–	–	1,901	–	2,426
				50,231	–	1,184	–	4,522	3,074	41,451

The total number of securities available for issue under the scheme is 41,451, which represents 0.002 per cent of the issued share capital at 31 December 2010.

The weighted average closing price of the shares immediately before the dates on which the options were exercised during the current period was £5.47.

The fair value of options granted under the Plan in the period was £2.91.

ADDITIONAL UNAUDITED FINANCIAL INFORMATION CONTINUED

IV(c): OPTION SCHEMES > CONTINUED

Non-employee Savings Related Share Option Scheme

		Exercise period		Number of options						
Date of grant	Exercise price £	Beginning	End	Beginning of period	Granted	Exercised	Cancelled	Forfeited	Lapsed	End of period
15 Apr 2004	3.46	1 Jun 2009	30 Nov 2009	11,538	–	–	–	–	11,538	–
12 Apr 2005	3.87	1 Jun 2010	30 Nov 2010	3,876	–	3,876	–	–	–	–
29 Sep 2005	4.07	1 Dec 2008	31 May 2009	3,659	–	–	–	3,659	–	–
20 Apr 2006	5.65	1 Jun 2009	30 Nov 2009	8,305	–	–	–	8,305	–	–
28 Sep 2006	4.75	1 Dec 2009	31 May 2010	49,824	–	6,051	–	–	43,773	–
28 Sep 2006	4.75	1 Dec 2011	31 May 2012	8,577	–	–	–	–	–	8,577
26 Apr 2007	5.72	1 Jun 2010	30 Nov 2010	16,947	–	3,414	–	–	–	13,533
26 Apr 2007	5.72	1 Jun 2012	30 Nov 2012	15,557	–	–	–	–	–	15,557
27 Sep 2007	5.52	1 Dec 2010	31 May 2011	19,595	–	–	–	–	–	19,595
27 Sep 2007	5.52	1 Dec 2012	31 May 2013	5,748	–	–	–	–	–	5,748
25 Apr 2008	5.51	1 Jun 2011	30 Nov 2011	20,951	–	–	–	–	–	20,951
25 Apr 2008	5.51	1 Jun 2013	30 Nov 2013	6,934	–	–	2,739	–	–	4,195
25 Sep 2008	4.38	1 Dec 2011	31 May 2012	42,913	–	–	172	–	–	42,741
25 Sep 2008	4.38	1 Dec 2013	31 May 2014	17,135	–	–		–	–	17,135
27 Apr 2009	2.88	1 Jun 2012	30 Nov 2012	919,475	–	–	21,627	–	–	897,848
27 Apr 2009	2.88	1 Jun 2014	30 Nov 2014	785,662	–	–	35,754	–	–	749,908
25 Sep 2009	4.25	1 Dec 2012	31 May 2013	51,289	–	–	677	–	–	50,612
25 Sep 2009	4.25	1 Dec 2014	31 May 2015	11,717	–	–	–	–	–	11,717
28 Sep 2010	4.61	1 Dec 2013	31 May 2014	–	1,136,477	–	–	–	–	1,136,477
28 Sep 2010	4.61	1 Dec 2015	31 May 2016	–	382,504	–	3,251	–	–	379,253
				1,999,702	1,518,981	13,341	64,220	11,964	55,311	3,373,847

The total number of securities available for issue under the scheme is 3,373,847, which represents 0.133 per cent of the issued share capital at 31 December 2010.

The weighted average closing price of the shares immediately before the dates on which the options were exercised during the current period was £5.59.

The fair values of options granted under the Plan in the period was £2.91.