

# **Prudential Holborn Life Limited**

Incorporated in England and Wales Registered No. 793051

Laurence Pountney Hill, London, EC4R 0HH

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

**31 December 2013**

IPRU(INS) Appendices 9.1, 9.4, 9.6



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**Statement of solvency - long-term insurance business**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31 December 2013**

Solo solvency calculation

	Company registration number	GL/ UK/ CM	day	month	year	Units
R2	793051	GL	31	12	2013	£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		
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	22681	22413
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	22681	22413

**Guarantee fund**

Guarantee fund requirement	21	3146	2984
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	19535	19429

**Minimum capital requirement (MCR)**

Long-term insurance capital requirement	31		
Resilience capital requirement	32		
Base capital resources requirement	33	3146	2984
Individual minimum capital requirement	34	3146	2984
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	3146	2984
Excess (deficiency) of available capital resources to cover 50% of MCR	37	21108	20921
Excess (deficiency) of available capital resources to cover 75% of MCR	38	20322	20175

**Enhanced capital requirement**

With-profits insurance capital component	39		
Enhanced capital requirement	40		

**Capital resources requirement (CRR)**

Capital resources requirement (greater of 36 and 40)	41	3146	2984
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	19535	19429

**Contingent liabilities**

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

Global business

Financial year ended **31 December 2013**

	Company registration number	GL/ UK/ CM	day month year			Units
R3	793051	GL	31	12	2013	£000
		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
		1	2	3		4

**Core tier one capital**

Permanent share capital	11		20885	20885	20885
Profit and loss account and other reserves	12		20998	20998	18458
Share premium account	13				
Positive valuation differences	14				
Fund for future appropriations	15				
Core tier one capital in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19		41883	41883	39343

**Tier one waivers**

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

**Other tier one capital**

Perpetual non-cumulative preference shares as restricted	25				
Perpetual non-cumulative preference shares in related undertakings	26				
Innovative tier one capital as restricted	27				
Innovative tier one capital in related undertakings	28				

Total tier one capital before deductions (19+24+25+26+27+28)	31		41883	41883	39343
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37				
Total tier one capital after deductions (31-37)	39		41883	41883	39343

**Components of capital resources**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31 December 2013**

	Company registration number	GL/ UK/ CM	day	month	year	Units
R3	793051	GL	31	12	2013	£000
		General insurance business  1	Long-term insurance business  2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

**Tier two capital**

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

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

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

**Components of capital resources**

Name of insurer

Prudential Holborn Life Limited

Global business

Financial year ended

31 December 2013

	Company registration number	GL/ UK/ CM	day month year			Units
R3	793051	GL	31	12	2013	£000
		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
		1	2	3		4

**Total capital resources**

Positive adjustments for regulated non-insurance related undertakings	71				
<b>Total capital resources before deductions (39+69+71)</b>	<b>72</b>		41883	41883	39343
Inadmissible assets other than intangibles and own shares	73				
Assets in excess of market risk and counterparty limits	74		773	773	957
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76		18429	18429	15973
Deductions of ineligible surplus capital	77				
<b>Total capital resources after deductions (72-73-74-75-76-77)</b>	<b>79</b>		22681	22681	22413

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

Available capital resources for guarantee fund requirement	81		22681	22681	22413
Available capital resources for 50% MCR requirement	82		22681	22681	22413
Available capital resources for 75% MCR requirement	83		22681	22681	22413

**Financial engineering adjustments**

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



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

Global business

Financial year ended **31 December 2013**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	793051	GL	31	12	2013	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	
Land and buildings				11			

**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	2172	2443
	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		
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43		
Rights under derivative contracts		44		
Fixed interest securities	Approved	45	18264	18337
	Other	46		
Variable interest securities	Approved	47		
	Other	48		
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	3734	3495
Bank and approved credit & financial institution deposits	One month or less withdrawal	54		
	More than one month withdrawal	55		
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 **Prudential Holborn Life Limited**

Global business

Financial year ended **31 December 2013**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	793051	GL	31	12	2013	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

**Reinsurers' share of technical provisions**

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

**Debtors and salvage**

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78		107
	due in more than 12 months	79		

**Other assets**

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	2708	2007
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	130	260
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
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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)	89	27008	26649
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**Analysis of admissible assets**Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31 December 2013**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	793051	GL	31	12	2013	£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)	91	27008	26649
Admissible assets in excess of market and counterparty limits	92	773	957
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94	8351	8224
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96	10078	7749
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
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)	102	46210	43579
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103	3734	3495

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

Global business

Financial year ended **31 December 2013**

Company registration number		GL/ UK/ CM	day month year			Units
R15	793051	GL	31	12	2013	£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		11		
Claims outstanding		12		
Provision for unexpired risks		13		
Equalisation provisions	Credit business	14		
	Other than credit business	15		
Other technical provisions		16		
Total gross technical provisions (11 to 16)		19		

**Provisions and creditors**

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers		31		
Creditors	Direct insurance business	41		
	Reinsurance accepted	42		
	Reinsurance ceded	43		
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions		46		
Creditors	Taxation	47	49	
	Foreseeable dividend	48		
	Other	49	4278	4236
Accruals and deferred income		51		
Total (19 to 51)		59	4327	4236
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63		
Total (59 to 63)		69	4327	4236

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71		
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Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83		
Capital and reserves	84	41883	39343
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)	85	46210	43579

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

Global business

Financial year ended **31 December 2013**

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R16	793051	GL	31	12	2013	£000
				This financial year			Previous year	
				1			2	
Transfer (to)/from the general insurance business technical account		From Form 20	11					
		Equalisation provisions	12					
Transfer from the long term insurance business revenue account			13					
Investment income	Income		14	914			488	
	Value re-adjustments on investments		15	2315			2463	
	Gains on the realisation of investments		16					
Investment charges	Investment management charges, including interest		17					
	Value re-adjustments on investments		18					
	Loss on the realisation of investments		19	581			465	
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					
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)			29	2648			2486	
Tax on profit or loss on ordinary activities			31	108			(88)	
Profit or loss on ordinary activities after tax (29-31)			39	2540			2574	
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	2540			2574	
Dividends (paid or foreseeable)			51					
Profit or loss retained for the financial year (49-51)			59	2540			2574	

## **PRUDENTIAL HOLBORN LIFE LIMITED**

### **Appendix 9.4**

## **VALUATION REPORT ON PRUDENTIAL HOLBORN LIFE LIMITED**

### **INTRODUCTION**

1. (1) The investigation relates to 31 December 2013.

The assets and liabilities of the insurer relating to long-term insurance business were transferred to The Prudential Assurance Company Limited (PAC) on 31 October 2010 in accordance with Part VII of the Financial Services and Markets Act 2002. No new contracts have been effected since the date of transfer. Consequently the insurer had no in force long term insurance business at the date of the investigation.

- (2) The previous investigation related to 31 December 2012.
- (3) Not applicable.

### **PRODUCT RANGE**

2. Not applicable.

### **DISCRETIONARY CHARGES AND BENEFITS**

3. (1) Not applicable.  
(2) Not applicable.  
(3) Not applicable.  
(4) Not applicable.  
(5) Not applicable.  
(6) Not applicable.  
(7) Not applicable.  
(8) Not applicable.  
(9) Not applicable.  
(10) Not applicable.

## **PRUDENTIAL HOLBORN LIFE LIMITED**

### **Appendix 9.4 (continued)**

#### **VALUATION BASIS (OTHER THAN FOR SPECIAL RESERVES)**

- 4. (1) Not applicable.
- (2) Not applicable.
- (3) Not applicable.
- (4) Not applicable.
- (5) Not applicable.
- (6) Not applicable.
- (7) Not applicable.
- (8) Not applicable.
- (9) Not applicable.
- (10) Not applicable.
- (11) Not applicable.
- (12) Not applicable.

#### **OPTIONS AND GUARANTEES**

- 5. (1) Not applicable.
- (2) Not applicable.
- (3) Not applicable.
- (4) Not applicable.

#### **EXPENSE RESERVES**

- 6. (1) Not applicable.
- (2) Not applicable.
- (3) Not applicable.
- (4) Not applicable.
- (5) Not applicable.
- (6) Not applicable.

**PRUDENTIAL HOLBORN LIFE LIMITED**

**Appendix 9.4 (continued)**

**VALUATION BASIS (OTHER THAN FOR SPECIAL RESERVES)**

**MISMATCHING RESERVES**

- 7. (1) Not applicable.
- (2) Not applicable.
- (3) Not applicable.
- (4) Not applicable.
- (5) Not applicable.
- (6) Not applicable.
- (7) Not applicable.

**OTHER SPECIAL RESERVES**

- 8. Not applicable.

**REINSURANCE**

- 9. (1) Not applicable.
- (2) Not applicable.
- (3) Not applicable.

**REVERSIONARY BONUS**

- 10. Not applicable.



## PRUDENTIAL HOLBORN LIFE LIMITED

Financial Year ended 31 December 2013

### Notes to the returns

#### Form 2

\*0201\* There are no waivers issued disapplying or modifying any of the provisions of the Accounts and Statements Rules in respect of long-term insurance business.

#### Form 3

\*0301\* Reconciliation of net admissible assets to total capital resources after deductions

	<b>2013</b>
	<b>£000</b>
Form 13 Line 89 (Other than long term) Grand total of admissible assets	27,008
Form 15 Line 69 Total	(4,327)
	<hr/> 22,681
Form 3 Line 79 Capital resources after deductions	22,681
Difference	<hr/> <hr/> 0

\*0313\* Reconciliation of profit and loss account change

	<b>2013</b>
	<b>£000</b>
Profit and loss account and reserves b/fwd	18,458
Profit and loss account and reserves c/fwd	20,998
Movement	<hr/> 2,540
Form 16 Line 59 Profit retained for the financial year	<hr/> <hr/> 2,540

#### Form 13

\*1300\* Form 13 Total long term insurance business assets has been omitted, as the amounts required to be shown would be zero.

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

\*1301\* Assets specified in IPRU(INS) Form 13 instruction 5

The Company held no unlisted investments, listed investments that are not readily realisable, or any other investments specified in IPRU(INS) Form 13 instruction 5.

## **PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2013**

### **Notes to the returns (continued)**

#### **\*1304\* Statement on set-off**

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

#### **\*1305\* Maximum Counterparty Limits**

The Company's investment guidelines set maximum counterparty limits in order to maintain the admissibility of assets in accordance with INSPRU 2.1.22. During the financial year the balance exceeded the INSPRU 2.1.22 limit. This was due to an intragroup loan with The Prudential Assurance Company Ltd amounting to £4,507k at 2013 year end of which £773k was over the counterparty limit and unsecured loans issued by the company's Vietnamese subsidiary amounting to £11,423k of which £9,556k was over the counterparty limit. In respect of the Company's main working capital bank accounts within the other than long-term fund, the balances are reviewed daily and compared to expected cashflows to ensure the Company is technically solvent. The balances did not exceed the INSPRU 2.1.22 limit during the year.

#### **\*1306\* Counterparty exposures at year end**

Counterparty exposures were held at year end that were greater than five percent of the sum of the base capital resources requirement and long term insurance liabilities, excluding property linked liabilities and net of reinsurance ceded. This was held as cash at bank with HSBC Bank £2.7m.

### **Form 15**

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

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

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

- (a) There were no charges attributable to the other than long term business assets.
- (b) There was no potential tax liability arising in the other than long-term fund.
- (c) There were no contingent liabilities at the year end.
- (d) There were no guarantees, indemnities or other contractual commitments other than in the ordinary course of insurance business and in respect of related companies.
- (e) There were no fundamental uncertainties.

**PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2013**

**Notes to the returns (continued)**

**Form 16**

**\*1601\* Foreign Currencies**

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

**Form 40**

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

The Company was provided throughout the year with management services by M&G Investment Management Limited, Prudential Distribution Limited, Prudential Services Limited and The Prudential Assurance Company Limited.

**PRUDENTIAL HOLBORN LIFE LIMITED**

Global Business

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

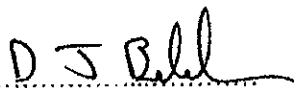
**Financial year ended 31 December 2013**

We certify:

1. (a) that the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU, and INSPRU; 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, INSPRU 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. the statements required by paragraph 2 of Part 1 of Appendix 9.6 of the Interim Prudential Sourcebook for Insurers have been omitted as the insurer no longer carries on long-term insurance business.



J Hunt  
Chief Executive



D J Belsham  
Director



J S Deeks  
Director

25 March 2014

## **PRUDENTIAL HOLBORN LIFE LIMITED**

Global Business

**Financial year ended 31 December 2013**

### **Independent auditor's report to the Directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers (IPRU(INS))**

We have examined the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in part I and part IV of chapter 9 to IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Insurance Prudential Sourcebook, ("the Rules") made by the Financial Services Authority under section 137G of the Financial Services and Markets Act 2000:

- Forms 2, 3, 13, 15 and 16 (including the supplementary notes) on pages 1 to 9 ('the Forms') and pages 13 to 15;
- the statement required by IPRU(INS) rule 9.29 on page 20 ('the Statement'); and
- the valuation report required by IPRU(INS) 9.31(a) (i) on pages 10 to 12 ('the valuation reports').

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

- the statement required by IPRU(INS) rule 9.30 on page 21;
- the certificate required by IPRU(INS) rule 9.34 on page 16 ('the certificate').

This report is made solely to the insurer'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 PRA, to enable the PRA to verify that an auditor's report has been commissioned by the insurer's directors and issued in accordance with the requirements of IPRU(INS) rule 9.35 and to facilitate the discharge by the PRA of its regulatory functions in respect of the insurer, conferred on the PRA by or under the Financial Services and Markets Act 2000. Our work (including our examination) has been undertaken so that we might state to the insurer's directors, as a body, 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 insurer and the insurer's directors as a body, for our work (including our examination), for this report, or for the opinions we have formed.

## **Independent auditor's report to the Directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers (IPRU(INS))**

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

The insurer is responsible for the preparation of an annual return (including the Forms, the Statement, the valuation reports) under the provisions of the Rules. Under IPRU(INS) rule 9.11 the Forms, the Statements and the valuation reports, 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 insurer and used to perform the actuarial investigation as set out in the valuation reports, are required to reflect appropriately the requirements of INSPRU 1.2.

It is our responsibility to form an independent opinion as to whether the Forms, the Statement and the valuation reports meet these requirements, and to report our opinions to you. We also report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the Forms, the Statements and the valuation reports are not in agreement with the accounting records and returns; or
- 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 (Revised)' 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 and the valuation reports. The evidence included that previously obtained by us relating to the audit of the financial statements of the insurer for the financial year. It also included an assessment of the significant estimates and judgements made by the insurer in the preparation of the Forms, the Statement and the valuation reports.

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 Statements and the valuation reports 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 rule IPRU(INS) 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 insurer.

**Independent auditor's report to the Directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers (IPRU(INS))**

**Opinion**

In our opinion:

- i) the Forms, the Statements and the 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 insurer and used to perform the actuarial investigation as set out in the valuation report appropriately reflect the requirements of INSPRU 1.2.



Marie Williams (Senior Statutory Auditor)  
for and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants  
15 Canada Square,  
Canary Wharf,  
London  
E14 5GL

25 March 2014

## **PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2013**

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

- a.     **Investment Guidelines**  
During 2013, investment guidelines did not allow the use of derivative contracts.
- b.     **Derivatives where exercise is unlikely**  
The Company was not subject to any counterparty derivative exposure during the financial year.
- c.     **Quantification of derivatives in (b) above**  
The Company was not subject to any counterparty derivative exposure during the financial year.
- h.     **Provisions for reasonably foreseeable variations arising from derivative contracts, rule INSPRU 3.2.17R**  
The Company was not subject to any counterparty derivative exposure during the financial year.
- i.     **Consideration received for granting rights under derivative contracts**  
The investment guidelines did not allow the writing of options.



## **PRUDENTIAL HOLBORN LIFE LIMITED**

**Financial Year ended 31 December 2013**

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

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