

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 2015

IPRU(INS) Appendices 9.1, 9.3, 9.4, 9.6

Contents

Balance Sheet and Profit and Loss Account

Form 2	Statement of solvency - long-term insurance business	1
Form 3	Components of capital resources	2
Form 13	Analysis of admissible assets	5
Form 15	Liabilities (other than long term insurance business)	8
Form 16	Profit and loss account (non-technical account)	9

Abstract of the Valuation Report	10
---	----

Supplementary notes to the return	13
--	----

Directors' Certificate	16
-------------------------------	----

Auditor's Report	17
-------------------------	----

Additional information on derivative contracts	20
---	----

Additional information on controllers	21
--	----

Statement of solvency - long-term insurance business

Name of insurer Prudential Holborn Life Limited

Global business

Financial year ended 31 December 2015

Solo solvency calculation

Company registration number	GL/UK/CM	day	month	year	Units	
R2	793051	GL	31	12	2015	£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		27256	22271
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13		27256	22271

Guarantee fund

Guarantee fund requirement	21		2657	2902
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22		24599	19369

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31			
Resilience capital requirement	32			
Base capital resources requirement	33		2657	2902
Individual minimum capital requirement	34		2657	2902
Capital requirements of regulated related undertakings	35			
Minimum capital requirement (34+35)	36		2657	2902
Excess (deficiency) of available capital resources to cover 50% of MCR	37		25927	20821
Excess (deficiency) of available capital resources to cover 75% of MCR	38		25263	20095

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		2657	2902
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42		24599	19369

Contingent liabilities

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51			
--	----	--	--	--

Components of capital resources

Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31 December 2015**

	Company registration number	GL/UK/CM	day month year			Units	
	R3	793051	GL	31	12	2015	£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	

Core tier one capital

Permanent share capital	11			20885	20885	20885
Profit and loss account and other reserves	12			34573	34573	26577
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			55458	55458	47462

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			55458	55458	47462
Investments in own shares	32					
Intangible assets	33					
Amounts deducted from technical provisions for discounting	34					
Other negative valuation differences	35			1483	1483	
Deductions in related undertakings	36					
Deductions from tier one (32 to 36)	37			1483	1483	
Total tier one capital after deductions (31-37)	39			53975	53975	47462

Components of capital resources

Name of insurer Prudential Holborn Life Limited

Global business

Financial year ended 31 December 2015

R3	Company registration number	GL/UK/CM	day month year			Units
			31	12	2015	
	793051	GL				£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	

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				
Upper tier two capital (44 to 47)	49				

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

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

Components of capital resources

Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31 December 2015**

	Company registration number	GL/UK/CM	day month year			Units
R3	793051	GL	31	12	2015	£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

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72		53975	53975	47462
Inadmissible assets other than intangibles and own shares	73				
Assets in excess of market risk and counterparty limits	74		581	581	1013
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76		26138	26138	24178
Deductions of ineligible surplus capital	77				
Total capital resources after deductions (72-73-74-75-76-77)	79		27256	27256	22271

Available capital resources for GENPRU/INSPRU tests

Available capital resources for guarantee fund requirement	81		27256	27256	22271
Available capital resources for 50% MCR requirement	82		27256	27256	22271
Available capital resources for 75% MCR requirement	83		27256	27256	22271

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				
Sum of financial engineering adjustments (91+92-93+94+95)	96				

Analysis of admissible assets

Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31 December 2015**

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	2015	£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	2106			1937	
	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	17271			17967	
	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	4016			3536	
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 2015**

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	2015	£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	
	due in more than 12 months	79	

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	8032	2886
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	210	261
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
---	----	--	--

Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	31635	26587
---	----	-------	-------

Analysis of admissible assets

Name of insurer **Prudential Holborn Life Limited**

Global business

Financial year ended **31 December 2015**

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	2015	£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	31635	26587
Admissible assets in excess of market and counterparty limits	92	581	1013
Inadmissible assets directly held	93	1483	
Capital resources requirement deduction of regulated related undertakings	94	13759	12125
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96	12378	12053
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	59837	51778
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103	4016	3536

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

Global business

Financial year ended **31 December 2015**

	Company registration number	GL/UK/CM	day month year			Units	
	R15	793051	GL	31	12	2015	£000
				As at end of this financial year			As at end of the previous year
				1			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	21	0
	Foreseeable dividend	48		
	Other	49	4358	4316
Accruals and deferred income		51		
Total (19 to 51)		59	4379	4316
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63		
Total (59 to 63)		69	4379	4316

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71		
---	----	--	--

Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83		
Capital and reserves	84	55458	47462
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	59837	51778

Profit and loss account (non-technical account)

Name of insurer Prudential Holborn Life Limited

Global business

Financial year ended 31 December 2015

		Company registration number	GL/UK/CM	day	month	year	Units	
		R16	793051	GL	31	12	2015	£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			6602	678	
	Value re-adjustments on investments		15			1965	5396	
	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			527	477	
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			(23)		
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)			29			8018	5597	
Tax on profit or loss on ordinary activities			31			21	18	
Profit or loss on ordinary activities after tax (29-31)			39			7996	5579	
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			7996	5579	
Dividends (paid or foreseeable)			51					
Profit or loss retained for the financial year (49-51)			59			7996	5579	

PRUDENTIAL HOLBORN LIFE LIMITED

Appendix 9.4

VALUATION REPORT ON PRUDENTIAL HOLBORN LIFE LIMITED

INTRODUCTION

1. (1) The investigation relates to 31 December 2015.

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 2014.
- (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 2015

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	2015 £000
Form 13 Line 89 (Other than long term) Grand total of admissible assets	31,635
Form 15 Line 69 Total	(4,379)
	<hr/> 27,256
Form 3 Line 79 Capital resources after deductions	27,256
Difference	<hr/> <hr/> 0

0310 Valuation Differences	2015 £000
Inadmissible Assets Directly Held	(1,483)
Form 3 Line 35 Negative Valuation Differences	<hr/> (1,483) <hr/>

0313 Reconciliation of profit and loss account change	2015 £000
Profit and loss account and reserves b/fwd	26,577
Profit and loss account and reserves c/fwd	34,573
Movement	<hr/> 7,996
Form 16 Line 59 Profit retained for the financial year	<hr/> <hr/> 7,996

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 2015

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 £4,597k at 2015 year end of which £581k was over the counterparty limit and unsecured loans issued by the company's Vietnamese subsidiary amounting to £8,468k of which £6,460k 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. During the financial year the bank balance exceeded the INSPRU 2.1.22 limit. The bank balance was £9,514k at year end 2015, of which £1,483k was over the counterparty limit.

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 £9.5m.

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 2015

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.

1603 Other Income and Charges

	2015
	£000
Exchange Gains / (Losses)	(23)
Form 16 Line 21 Other Income and Charges	<u>(23)</u>

Form 17

1700 Form 17 has been omitted, as no such contracts were used.

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

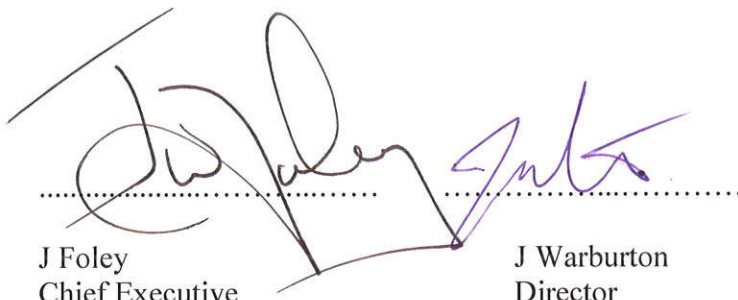
Financial year ended 31 December 2015

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 the Fundamental Rules as well as the provisions of IPRU(INS), GENPRU, and INSPRU;


The statement required by IPRU(INS) Appendix 9.6 paragraph 1(1)(b)(ii) in respect of compliance since the end of the financial year in question with the requirements in SYSC, Fundamental Rules and the provisions of IPRU(INS), GENPRU and INSPRU and ongoing compliance has not been provided. This is because the current regulatory regime has been replaced as from 1 January 2016, the commencement date of Solvency II, so the firm is subject to a new regulatory regime.

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 Foley
Chief Executive

J Warburton
Director



J S Deeks
Director

16 March 2016

PRUDENTIAL HOLBORN LIFE LIMITED

Global Business

Financial year ended 31 December 2015

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 Prudential Regulation Authority ("PRA") 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 Statements and 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 Statements 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.

Caroline Gilbertson

Caroline Gilbertson
for and on behalf of KPMG LLP, Senior Statutory Auditor
Chartered Accountants
15 Canada Square,
Canary Wharf,
London
E14 5GL

16 March 2016

PRUDENTIAL HOLBORN LIFE LIMITED

Financial Year ended 31 December 2015

Rule 9.29 Statement on Derivative Contracts

- a. **Investment Guidelines**
During 2015, 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 2015

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.

