

The Prudential Assurance Company Limited

Annual FSA Insurance Returns for the year ended

31 December 2006

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

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

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

Authorised and regulated by the Financial Services Authority.

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

Global business

Financial year ended **31 December 2006**

Adjusted solo solvency calculation

	Company registration number	GL/ UK/ CM	day month year			Units
			day	month	year	
R1	15454	GL	31	12	2006	£000
			As at end of this financial year			As at end of the previous year
			1			2

Capital resources

Capital resources arising outside the long-term insurance fund	11	1304729	1103368
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	1254729	1053368
Capital resources available to cover general insurance business capital resources requirement (11-12)	13	50000	50000

Guarantee fund

Guarantee fund requirement	21	9277	7118
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	40723	42882

Minimum capital requirement (MCR)

General insurance capital requirement	31	18296	18836
Base capital resources requirement	33	2139	2030
Individual minimum capital requirement	34	18296	18836
Capital requirements of regulated related undertakings	35	3179	839
Minimum capital requirement (34+35)	36	21475	19675
Excess (deficiency) of available capital resources to cover 50% of MCR	37	39263	40163
Excess (deficiency) of available capital resources to cover 75% of MCR	38	33894	35244

Capital resources requirement (CRR)

Capital resources requirement	41	21475	19675
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	28526	30325

Contingent liabilities

Quantifiable contingent liabilities in respect of other than long-term insurance business as shown in a supplementary note to Form 15	51		
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Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2006**

Nick Prettejohn

Chief Executive

David Belsham

Director

Gary Shaughnessy

Director

Date

Statement of solvency - long-term insurance businessName of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2006**

Adjusted solo solvency calculation

Company registration number	GL/UK/CM	day	month	year	Units	
R2	15454	GL	31	12	2006	£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	27506411	22352749
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	1254729	1053368
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	28761140	23406117

Guarantee fund

Guarantee fund requirement	21	2155853	2053644
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	26605287	21352473

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31	2876000	2938344
Resilience capital requirement	32		4345000
Base capital resources requirement	33	2139	2030
Individual minimum capital requirement	34	2876000	7283344
Capital requirements of regulated related undertakings	35	1201303	1074196
Minimum capital requirement (34+35)	36	4077303	8357540
Excess (deficiency) of available capital resources to cover 50% of MCR	37	26722488	19227347
Excess (deficiency) of available capital resources to cover 75% of MCR	38	25703163	17137962

Enhanced capital requirement

With-profits insurance capital component	39	15042389	9054969
Enhanced capital requirement	40	19119692	17412509

Capital resources requirement (CRR)

Capital resources requirement (greater of 36 and 40)	41	19119692	17412509
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	9641448	5993608

Contingent liabilities

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51	17583	39019
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Components of capital resources

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

Global business

Financial year ended **31 December 2006**

	Company registration number	GL/UK/CM	day month year			Units	
	R3	15454	GL	31	12	2006	£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	204217		204217	193717
Profit and loss account and other reserves	12	1100736	1739320	2840056	2515728
Share premium account	13				
Positive valuation differences	14	14455	14203616	14218071	10969009
Fund for future appropriations	15		13989536	13989536	11816735
Core tier one capital in related undertakings	16	(719916)	(40240)	(760156)	(609621)
Core tier one capital (sum of 11 to 16)	19	599492	29892232	30491724	24885568

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	86900		86900	68400
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	686392	29892232	30578624	24953968
Investments in own shares	32				
Intangible assets	33		167421	167421	209673
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				31551
Deductions in related undertakings	36	581431	495491	1076922	1072037
Deductions from tier one (32 to 36)	37	581431	662912	1244343	1313261
Total tier one capital after deductions (31-37)	39	104961	29229320	29334281	23640708

Components of capital resources

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

Global business

Financial year ended **31 December 2006**

	Company registration number	GL/ UK/ CM	day	month	year	Units	
	R3	15454	GL	31	12	2006	£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	1000		1000	1000
Other tier two instruments	52				
Lower tier two capital in related undertakings	53				
Lower tier two capital (51+52+53)	59	1000		1000	1000

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

Components of capital resources

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

Global business

Financial year ended **31 December 2006**

Company registration number	GL/UK/CM	day	month	year	Units	
R3	15454	GL	31	12	2006	£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				
Total capital resources before deductions (39+69+71)	72	105961	29229320	29335281	23641707
Inadmissible assets other than intangibles and own shares	73	1661	468180	469841	185589
Assets in excess of market risk and counterparty limits	74	54300		54300	
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Deductions of ineligible surplus capital	77				
Total capital resources after deductions (72-73-74-75-76-77)	79	50000	28761140	28811140	23456118

Available capital resources for PRU tests

Available capital resources for guarantee fund requirement	81	50000	28761140	28811140	23456118
Available capital resources for 50% MCR requirement	82	50000	28761140	28811140	23456118
Available capital resources for 75% MCR requirement	83	50000	28761140	28811140	23456118

Financial engineering adjustments

Implicit items	91				
Financial reinsurance - ceded	92				
Financial reinsurance - accepted	93				
Outstanding contingent loans	94		16583	16583	38019
Any other charges on future profits	95				
Sum of financial engineering adjustments (91+92-93+94+95)	96		16583	16583	38019

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

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

Global business

Financial year ended **31 December 2006**

General insurance business

	Company registration number	GL/UK/CM	day month year			Units	
	R11	15454	GL	31	12	2006	£000
				This financial year 1		Previous year 2	
Gross premiums written			11	23699		22541	
Premiums taxes and levies (included in line 11)			12				
Premiums written net of taxes and levies (11-12)			13	23699		22541	
Premiums for classes 11, 12 or 13 (included in line 13)			14	3894		3947	
Premiums for "actuarial health insurance" (included in line 13)			15				
Sub-total A (13 + 1/2 14 - 2/3 15)			16	25646		24515	
Gross premiums earned			21	23044		21857	
Premium taxes and levies (included in line 21)			22				
Premiums earned net of taxes and levies (21-22)			23	23044		21857	
Premiums for classes 11, 12 or 13 (included in line 23)			24	3899		3891	
Premiums for "actuarial health insurance" (included in line 23)			25				
Sub-total H (23 + 1/2 24 - 2/3 25)			26	24994		23802	
Sub-total I (higher of sub-total A and sub-total H)			30	25646		24515	
Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure			31				
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18		32	4616		4413	
	Excess (if any) over 53.1M EURO x 0.02		33				
Sub-total J (32-33)			34	4616		4413	
Claims paid in period of 3 financial years			41	146839		278633	
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis		42	3150		1066	
	For insurance business accounted for on an accident year basis		43	103011		112829	
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis		44	81687		91940	
	For insurance business accounted for on an accident year basis		45	160746		222181	
Sub-total C (41+42+43-44-45)			46	10567		78407	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C			47	(19078)		56059	
Sub-total D (46-47)			48	29645		22348	
Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.5 or, if less, 1.00)			49	1.00		0.50	
Premiums amount (Sub-total J x reinsurance ratio)			50	4616		2206	
Provision for claims outstanding (before discounting and net of reinsurance)			51	70413		72492	
Brought forward amount (12.43.2 x 51.1 / 51.2 or, if less, 12.43.2)			52	18296		18836	
Greater of lines 50 and 52			53	18296		18836	

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

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

Global business

Financial year ended **31 December 2006**

Long term insurance business

	Company registration number	GL/UK/CM	day month year			Units	
	R11	15454	GL	31	12	2006	£000
				This financial year 1		Previous year 2	
Gross premiums written			11	486391		552681	
Premiums taxes and levies (included in line 11)			12				
Premiums written net of taxes and levies (11-12)			13	486391		552681	
Premiums for classes 11, 12 or 13 (included in line 13)			14				
Premiums for "actuarial health insurance" (included in line 13)			15	69652		69645	
Sub-total A (13 + 1/2 14 - 2/3 15)			16	439956		506251	
Gross premiums earned			21	138242		123369	
Premium taxes and levies (included in line 21)			22				
Premiums earned net of taxes and levies (21-22)			23	138242		123369	
Premiums for classes 11, 12 or 13 (included in line 23)			24				
Premiums for "actuarial health insurance" (included in line 23)			25	69652		69645	
Sub-total H (23 + 1/2 24 - 2/3 25)			26	91807		76939	
Sub-total I (higher of sub-total A and sub-total H)			30	439956		506251	
Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure			31				
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18		32	79192		91125	
	Excess (if any) over 53.1M EURO x 0.02		33	8089		9448	
Sub-total J (32-33)			34	71103		81677	
Claims paid in period of 3 financial years			41	155574		125334	
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis		42	34107		38206	
	For insurance business accounted for on an accident year basis		43	4896		5455	
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis		44	14178		33487	
	For insurance business accounted for on an accident year basis		45	4770		3553	
Sub-total C (41+42+43-44-45)			46	175629		131955	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C			47	36886		38905	
Sub-total D (46-47)			48	138743		93050	
Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.5 or, if less, 1.00)			49	0.79		0.71	
Premiums amount (Sub-total J x reinsurance ratio)			50	56170		57596	
Provision for claims outstanding (before discounting and net of reinsurance)			51	49905		36533	
Brought forward amount (12.43.2 x 51.1 / 51.2 or, if less, 12.43.2)			52	75929		75929	
Greater of lines 50 and 52			53	75929		75929	

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

Global business

Financial year ended **31 December 2006**

General insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		R12	15454	GL	31	12	2006	£000
				This financial year 1			Previous year 2	
Reference period (No. of months) See PRU 7.2.63R				11	36			36
Claims paid in reference period				21	146839			278633
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis			22	3150			1066
	For insurance business accounted for on an accident year basis			23	103011			112829
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis			24	81687			91940
	For insurance business accounted for on an accident year basis			25	160746			222181
Claims incurred in reference period (21+22+23-24-25)				26	10567			78407
Claims incurred for classes 11, 12 or 13 (included in 26)				27	12921			3286
Claims incurred for "actuarial health insurance" (included in 26)				28				
Sub-total E (26 +1/2 27 - 2/3 28)				29	17027			80050
Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)				31	5676			26683
Division of sub-total F (gross adjusted claims amount)	x 0.26			32	1476			6938
	Excess (if any) over 37.2M EURO x 0.03			33				90
Sub-total G (32-33)				39	1476			6848
Claims amount Sub-total G x reinsurance ratio (11.49)				41	1476			3424
Higher of premiums amount and brought forward amount (11.53)				42	18296			18836
General insurance capital requirement (higher of lines 41 and 42)				43	18296			18836

Calculation of general insurance capital requirement - claims amount and result

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

Global business

Financial year ended **31 December 2006**

Long term insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		R12	15454	GL	31	12	2006	£000
				This financial year 1			Previous year 2	
Reference period (No. of months) See PRU 7.2.63R				11	36			36
Claims paid in reference period				21	155574			125334
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis			22	34107			38206
	For insurance business accounted for on an accident year basis			23	4896			5455
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis			24	14178			33487
	For insurance business accounted for on an accident year basis			25	4770			3553
Claims incurred in reference period (21+22+23-24-25)				26	175629			131955
Claims incurred for classes 11, 12 or 13 (included in 26)				27				
Claims incurred for "actuarial health insurance" (included in 26)				28	60687			66237
Sub-total E (26 +1/2 27 - 2/3 28)				29	135171			87797
Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)				31	45057			29266
Division of sub-total F (gross adjusted claims amount)	x 0.26			32	11715			7609
	Excess (if any) over 37.2M EURO x 0.03			33	606			167
Sub-total G (32-33)				39	11109			7442
Claims amount Sub-total G x reinsurance ratio (11.49)				41	8776			5248
Higher of premiums amount and brought forward amount (11.53)				42	75929			75929
General insurance capital requirement (higher of lines 41 and 42)				43	75929			75929

Analysis of admissible assets

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

Global business

Financial year ended **31 December 2006**

Category of assets **Total other than long term insurance business assets**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
	R13	15454	GL	31	12	2006	£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	208549	136103
	Debts and loans	22		
Other insurance dependants	Shares	23	117986	158272
	Debts and loans	24		
Non-insurance dependants	Shares	25	13353	13720
	Debts and loans	26		
Other group undertakings	Shares	27	6295	6885
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares	41			
Other shares and other variable yield securities	42			
Holdings in collective investment schemes	43	52122	38931	
Rights under derivative contracts	44			
Fixed interest securities	Approved	45	73140	81632
	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			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	62190	56466
	More than one month withdrawal	55	5663	6213
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58		
	Property linked	59		

Analysis of admissible assets

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

Global business

Financial year ended **31 December 2006**

Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2006	£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	1877	2154
Claims outstanding	61	35385	41791
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72	4073	4685
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	157	122
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	6068	18959
	due in more than 12 months	79	15897	21361

Other assets

Tangible assets	80	25	54
Deposits not subject to time restriction on withdrawal with approved institutions	81	295057	273862
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	50	1254
Deferred acquisition costs (general business only)	85	3850	4023
Other prepayments and accrued income	86	1493	1182

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of market risk and counterparty limits (11 to 86 less 87)	89	903232	867670
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Analysis of admissible assets

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

Global business

Financial year ended **31 December 2006**

Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2006	£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 its external financial reporting

Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)	91	903232	867670
Assets in excess of market and counterparty limits	92	54300	
Capital resources requirement deduction of regulated related undertakings	93	574796	436405
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	94	1282808	1154864
Inadmissible assets of regulated related insurance undertakings	95	600	550
Book value of related ancillary services undertakings	96		
Other differences in the valuation of assets (other than for assets not valued above)	97		
Deferred acquisition costs excluded from line 89	98		
Reinsurers' share of technical provisions excluded from line 89	99		
Other asset adjustments (may be negative)	100	(13265)	34975
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 100)	101	2802471	2494463
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	102		

Analysis of admissible assets

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

Global business

Financial year ended **31 December 2006**

Category of assets **Total long term insurance business assets**

	Company registration number	GL/UK/CM	day month year			Units	Category of assets
	R13	15454	GL	31	12	2006	£000
						As at end of this financial year	As at end of the previous year
						1	2
Land and buildings			11			10947173	10848029

Investments in group undertakings and participating interests

UK insurance dependants	Shares	21	549494	513781
	Debts and loans	22		
Other insurance dependants	Shares	23	34191	31389
	Debts and loans	24		
Non-insurance dependants	Shares	25	1542576	920306
	Debts and loans	26	912834	886335
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares	41	48154559	47288654	
Other shares and other variable yield securities	42			
Holdings in collective investment schemes	43	1589688	1779029	
Rights under derivative contracts	44	246756	116748	
Fixed interest securities	Approved	45	3606796	3454389
	Other	46	17753608	16932072
Variable interest securities	Approved	47		234
	Other	48	1863894	1427118
Participation in investment pools	49	806415	635292	
Loans secured by mortgages	50	2761	3001	
Loans to public or local authorities and nationalised industries or undertakings	51			
Loans secured by policies of insurance issued by the company	52	81367	89175	
Other loans	53	1003735	855052	
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	4945361	4520421
	More than one month withdrawal	55	670	3055
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58	10493	9643
	Property linked	59	7856165	7254698

Analysis of admissible assets

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

Global business

Financial year ended **31 December 2006**

Category of assets **Total long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2006	£000	10
					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	78319	115233
	Intermediaries	72	1920	1344
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74	89	111
	Ceded	75	10373	26516
Dependants	due in 12 months or less	76	2306	9288
	due in more than 12 months	77		
Other	due in 12 months or less	78	827050	732813
	due in more than 12 months	79	36837	25617

Other assets

Tangible assets	80	7444	11091
Deposits not subject to time restriction on withdrawal with approved institutions	81	258325	98437
Cash in hand	82	1	1
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	561354	537847
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	22870	66227

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of market risk and counterparty limits (11 to 86 less 87)	89	103715425	99192948
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Analysis of admissible assets

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

Global business

Financial year ended **31 December 2006**

Category of assets **Total long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2006	£000	10
					As at end of this financial year	As at end of the previous year	
					1	2	

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

Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)	91	103715425	99192948
Assets in excess of market and counterparty limits	92		
Capital resources requirement deduction of regulated related undertakings	93	629686	638630
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	94	535731	513551
Inadmissible assets of regulated related insurance undertakings	95	1500	1900
Book value of related ancillary services undertakings	96		
Other differences in the valuation of assets (other than for assets not valued above)	97	(9540)	599
Deferred acquisition costs excluded from line 89	98	167151	173707
Reinsurers' share of technical provisions excluded from line 89	99	14673448	13408877
Other asset adjustments (may be negative)	100	567708	215816
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 100)	101	120281109	114146028
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	102	23405	24477

Analysis of admissible assets

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

Global business

Financial year ended **31 December 2006**

Category of assets **Scottish Amicable Insurance Fund**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
	R13	15454	GL	31	12	2006	£000	11
						As at end of this financial year	As at end of the previous year	
						1	2	
Land and buildings				11	1355004		1524364	

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	157161	94082
	Debts and loans	26	122544	117030
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares	41	7151598	7252807	
Other shares and other variable yield securities	42			
Holdings in collective investment schemes	43	305765	264857	
Rights under derivative contracts	44	65129	56343	
Fixed interest securities	Approved	45	857120	1105112
	Other	46	3119253	3376800
Variable interest securities	Approved	47		
	Other	48	354450	269823
Participation in investment pools	49	123460	62673	
Loans secured by mortgages	50	71	71	
Loans to public or local authorities and nationalised industries or undertakings	51			
Loans secured by policies of insurance issued by the company	52	14111	16487	
Other loans	53	245356	224487	
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	487485	705882
	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 **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2006**

Category of assets **Scottish Amicable Insurance Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
R13	15454	GL	31	12	2006	£000
					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	1795	629
	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	154194	84314
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	10220	21379
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	87921	93143
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	2959	51555

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of market risk and counterparty limits (11 to 86 less 87)	89	14615596	15321839
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Analysis of admissible assets

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

Global business

Financial year ended **31 December 2006**

Category of assets **Scottish Amicable Insurance Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2006	£000	11
					As at end of this financial year	As at end of the previous year	
					1	2	

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

Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)	91	14615596	15321839
Assets in excess of market and counterparty limits	92		
Capital resources requirement deduction of regulated related undertakings	93		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	94		
Inadmissible assets of regulated related insurance undertakings	95		
Book value of related ancillary services undertakings	96		
Other differences in the valuation of assets (other than for assets not valued above)	97	(2107)	119
Deferred acquisition costs excluded from line 89	98	5106	6443
Reinsurers' share of technical provisions excluded from line 89	99	551997	1793628
Other asset adjustments (may be negative)	100	74619	2616
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 100)	101	15245210	17124645
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	102		

Analysis of admissible assets

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

Global business

Financial year ended **31 December 2006**

Category of assets **With-Profits Sub-Fund**

	Company registration number	GL/UK/CM	day month year			Units	Category of assets
	R13	15454	GL	31	12	2006	£000
						As at end of this financial year	As at end of the previous year
						1	2
Land and buildings			11			9525847	9272469

Investments in group undertakings and participating interests

UK insurance dependants	Shares	21	549494	513781
	Debts and loans	22		
Other insurance dependants	Shares	23		
	Debts and loans	24		
Non-insurance dependants	Shares	25	1385410	821219
	Debts and loans	26	790290	769305
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares	41	40276340	39381710	
Other shares and other variable yield securities	42			
Holdings in collective investment schemes	43	845274	1222344	
Rights under derivative contracts	44	181615	59860	
Fixed interest securities	Approved	45	2127087	1692236
	Other	46	13555250	12648964
Variable interest securities	Approved	47		234
	Other	48	1505686	1150925
Participation in investment pools	49	682955	572619	
Loans secured by mortgages	50	2690	2930	
Loans to public or local authorities and nationalised industries or undertakings	51			
Loans secured by policies of insurance issued by the company	52	67183	72612	
Other loans	53	758380	630545	
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	3715271	3383758
	More than one month withdrawal	55	670	3055
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58	5363	4207
	Property linked	59		

Analysis of admissible assets

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

Global business

Financial year ended **31 December 2006**

Category of assets **With-Profits Sub-Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2006	£000	12
					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	57420	94014
	Intermediaries	72	1920	1344
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	7271	26483
Dependants	due in 12 months or less	76	2306	5620
	due in more than 12 months	77		
Other	due in 12 months or less	78	558271	501081
	due in more than 12 months	79	22761	25617

Other assets

Tangible assets	80	7444	11091
Deposits not subject to time restriction on withdrawal with approved institutions	81	139677	
Cash in hand	82	1	1
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	444916	422434
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	8281	4846

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of market risk and counterparty limits (11 to 86 less 87)	89	77225074	73295306
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Analysis of admissible assets

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

Global business

Financial year ended **31 December 2006**

Category of assets **With-Profits Sub-Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2006	£000	12
					As at end of this financial year	As at end of the previous year	
					1	2	

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

Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)	91	77225074	73295306
Assets in excess of market and counterparty limits	92		
Capital resources requirement deduction of regulated related undertakings	93	564384	592555
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	94	509335	481815
Inadmissible assets of regulated related insurance undertakings	95	1500	1900
Book value of related ancillary services undertakings	96		
Other differences in the valuation of assets (other than for assets not valued above)	97	(7433)	480
Deferred acquisition costs excluded from line 89	98	26083	28086
Reinsurers' share of technical provisions excluded from line 89	99	11299160	8038979
Other asset adjustments (may be negative)	100	327265	19708
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 100)	101	89945367	82458829
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	102	18929	15307

Analysis of admissible assets

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

Global business

Financial year ended **31 December 2006**

Category of assets **Defined Charge Participating Sub-Fund**

	Company registration number	GL/UK/CM	day month year			Units	Category of assets
	R13	15454	GL	31	12	2006	£000
						As at end of this financial year	As at end of the previous year
						1	2
Land and buildings			11			66322	51196

Investments in group undertakings and participating interests

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

Other financial investments

Equity shares		41		726621	654136
Other shares and other variable yield securities		42			
Holdings in collective investment schemes		43		426500	253595
Rights under derivative contracts		44		12	545
Fixed interest securities	Approved	45			9482
	Other	46		197148	165052
Variable interest securities	Approved	47			
	Other	48		2866	3564
Participation in investment pools		49			
Loans secured by mortgages		50			
Loans to public or local authorities and nationalised industries or undertakings		51			
Loans secured by policies of insurance issued by the company		52			
Other loans		53			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54		130730	79953
	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 **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2006**

Category of assets **Defined Charge Participating Sub-Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2006	£000	13
					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	44	10
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		3668
	due in more than 12 months	77		
Other	due in 12 months or less	78	22668	83384
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	1286	1197
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	1240	1375
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 market risk and counterparty limits (11 to 86 less 87)	89	1575437	1307158
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Analysis of admissible assets

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

Global business

Financial year ended **31 December 2006**

Category of assets **Defined Charge Participating Sub-Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2006	£000	13
					As at end of this financial year	As at end of the previous year	
					1	2	

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

Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)	91	1575437	1307158
Assets in excess of market and counterparty limits	92		
Capital resources requirement deduction of regulated related undertakings	93		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	94		
Inadmissible assets of regulated related insurance undertakings	95		
Book value of related ancillary services undertakings	96		
Other differences in the valuation of assets (other than for assets not valued above)	97		
Deferred acquisition costs excluded from line 89	98		
Reinsurers' share of technical provisions excluded from line 89	99		
Other asset adjustments (may be negative)	100		297
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 100)	101	1575437	1307455
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	102	1443	3668

Analysis of admissible assets

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

Global business

Financial year ended **31 December 2006**

Category of assets **Non-Profit Sub-Fund**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
	R13	15454	GL	31	12	2006	£000	14
						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	34191	31389
	Debts and loans	24		
Non-insurance dependants	Shares	25	5	5005
	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 securities	42			
Holdings in collective investment schemes	43	12149	38232	
Rights under derivative contracts	44			
Fixed interest securities	Approved	45	622589	647558
	Other	46	881957	741256
Variable interest securities	Approved	47		
	Other	48	892	2806
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	73	75	
Other loans	53		20	
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	611875	350828
	More than one month withdrawal	55		
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58	5130	5436
	Property linked	59	7856165	7254698

Analysis of admissible assets

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

Global business

Financial year ended **31 December 2006**

Category of assets **Non-Profit Sub-Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2006	£000	14
					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	19061	20581
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74	89	111
	Ceded	75	3102	34
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	91916	64034
	due in more than 12 months	79	14076	

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	107142	75861
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	27276	20895
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	11630	9826

Deductions from the aggregate value of assets	87	
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Grand total of admissible assets after deduction of market risk and counterparty limits (11 to 86 less 87)	89	10299318	9268645
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Analysis of admissible assets

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

Global business

Financial year ended **31 December 2006**

Category of assets **Non-Profit Sub-Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	15454	GL	31	12	2006	£000	14
					As at end of this financial year	As at end of the previous year	
					1	2	

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

Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)	91	10299318	9268645
Assets in excess of market and counterparty limits	92		
Capital resources requirement deduction of regulated related undertakings	93	65302	46075
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	94	26396	31736
Inadmissible assets of regulated related insurance undertakings	95		
Book value of related ancillary services undertakings	96		
Other differences in the valuation of assets (other than for assets not valued above)	97		
Deferred acquisition costs excluded from line 89	98	135962	139178
Reinsurers' share of technical provisions excluded from line 89	99	2822291	3576269
Other asset adjustments (may be negative)	100	165824	193195
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 100)	101	13515094	13255099
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	102	3033	5502

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

Global business

Financial year ended **31 December 2006**Total business/Sub fund **10 Summary**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Mathematical reserves, after distribution of surplus		11	72428367	73540377
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12	1174	926
Balance of surplus/(valuation deficit)		13	84457	53976
Long term insurance business fund carried forward (11 to 13)		14	72513998	73595278
Claims outstanding	Gross	15	455598	440296
	Reinsurers' share	16	2839	1639
	Net (15-16)	17	452759	438657
Provisions	Taxation	21	1926307	1810962
	Other risks and charges	22	178916	117556
Deposits received from reinsurers		23		
Creditors	Direct insurance business	31	73960	56389
	Reinsurance accepted	32		
	Reinsurance ceded	33	20259	6608
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions		36	60253	
Creditors	Taxation	37	331068	273693
	Other	38	1218475	1070328
Accruals and deferred income		39	147162	163337
Provision for "reasonably foreseeable adverse variations"		41		
Total other insurance and non-insurance liabilities (17 to 41)		49	4409160	3937530
Excess of the value of net admissible assets		51	26792268	21660140
Total liabilities and margins		59	103715426	99192948

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61	197375	234968
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62	7856165	7254698

Total liabilities (11+12+49)		71	76838701	77478832
Increase to liabilities - DAC related		72	30011	40894
Reinsurers' share of technical provisions		73	14673448	13408877
Other adjustments to liabilities (may be negative)		74	14264811	10926400
Capital and reserves and fund for future appropriations		75	14474138	12291025
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)		76	120281108	114146028

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

Global business

Financial year ended **31 December 2006**Total business/Sub fund **21 Scottish Amicable Insurance Fund**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Mathematical reserves, after distribution of surplus	11	10585482	11921274	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12			
Balance of surplus/(valuation deficit)	13			
Long term insurance business fund carried forward (11 to 13)	14	10585482	11921274	
Claims outstanding	Gross	15	74914	80257
	Reinsurers' share	16	559	2
	Net (15-16)	17	74355	80255
Provisions	Taxation	21	236731	217653
	Other risks and charges	22		
Deposits received from reinsurers	23			
Creditors	Direct insurance business	31	1599	1794
	Reinsurance accepted	32		
	Reinsurance ceded	33		
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions	36			
Creditors	Taxation	37	14650	37437
	Other	38	291079	301544
Accruals and deferred income	39	11134	13009	
Provision for "reasonably foreseeable adverse variations"	41			
Total other insurance and non-insurance liabilities (17 to 41)	49	629548	651693	
Excess of the value of net admissible assets	51	3400566	2748873	
Total liabilities and margins	59	14615596	15321839	

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	104300	106459
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62		

Total liabilities (11+12+49)	71	11215030	12572966
Increase to liabilities - DAC related	72		
Reinsurers' share of technical provisions	73	551997	1793628
Other adjustments to liabilities (may be negative)	74	3478226	2758051
Capital and reserves and fund for future appropriations	75	(42)	
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)	76	15245211	17124646

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

Global business

Financial year ended **31 December 2006**Total business/Sub fund **22 With-Profits Sub-Fund**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Mathematical reserves, after distribution of surplus	11	50553868	51344992	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12	1174	926	
Balance of surplus/(valuation deficit)	13			
Long term insurance business fund carried forward (11 to 13)	14	50555042	51345918	
Claims outstanding	Gross	15	358697	334527
	Reinsurers' share	16	1547	1291
	Net (15-16)	17	357150	333236
Provisions	Taxation	21	1741872	1679888
	Other risks and charges	22	171100	117500
Deposits received from reinsurers	23			
Creditors	Direct insurance business	31	39090	34966
	Reinsurance accepted	32		
	Reinsurance ceded	33	16165	5683
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions	36	60253		
Creditors	Taxation	37	304855	295601
	Other	38	747429	631415
Accruals and deferred income	39	135813	149835	
Provision for "reasonably foreseeable adverse variations"	41			
Total other insurance and non-insurance liabilities (17 to 41)	49	3573727	3248124	
Excess of the value of net admissible assets	51	23096305	18701263	
Total liabilities and margins	59	77225074	73295306	

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	79162	72670
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62		

Total liabilities (11+12+49)	71	54128769	54594043
Increase to liabilities - DAC related	72	4082	5201
Reinsurers' share of technical provisions	73	11299160	8038979
Other adjustments to liabilities (may be negative)	74	10649021	8162448
Capital and reserves and fund for future appropriations	75	13864334	11658157
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)	76	89945367	82458828

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

Global business

Financial year ended **31 December 2006**Total business/Sub fund **23 Defined Charge Participating Sub-Fund**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Mathematical reserves, after distribution of surplus	11	1326054	1143132	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12			
Balance of surplus/(valuation deficit)	13			
Long term insurance business fund carried forward (11 to 13)	14	1326054	1143132	
Claims outstanding	Gross	15	30	81
	Reinsurers' share	16		
	Net (15-16)	17	30	81
Provisions	Taxation	21		
	Other risks and charges	22	20	56
Deposits received from reinsurers	23			
Creditors	Direct insurance business	31	108	102
	Reinsurance accepted	32		
	Reinsurance ceded	33		
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions	36			
Creditors	Taxation	37		
	Other	38	842	5165
Accruals and deferred income	39			
Provision for "reasonably foreseeable adverse variations"	41			
Total other insurance and non-insurance liabilities (17 to 41)	49	1000	5404	
Excess of the value of net admissible assets	51	248383	158623	
Total liabilities and margins	59	1575438	1307158	

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

Total liabilities (11+12+49)	71	1327054	1148536
Increase to liabilities - DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74	247838	133319
Capital and reserves and fund for future appropriations	75	545	25601
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)	76	1575437	1307456

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

Global business

Financial year ended **31 December 2006**Total business/Sub fund **31 Non-Profit Sub-Fund**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Mathematical reserves, after distribution of surplus	11	9962963	9130978	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12			
Balance of surplus/(valuation deficit)	13	84457	53976	
Long term insurance business fund carried forward (11 to 13)	14	10047420	9184954	
Claims outstanding	Gross	15	21957	25431
	Reinsurers' share	16	733	346
	Net (15-16)	17	21224	25085
Provisions	Taxation	21	(52296)	(86579)
	Other risks and charges	22	7796	
Deposits received from reinsurers	23			
Creditors	Direct insurance business	31	33162	19526
	Reinsurance accepted	32		
	Reinsurance ceded	33	4094	924
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions	36			
Creditors	Taxation	37	11563	(59345)
	Other	38	179125	132205
Accruals and deferred income	39	216	493	
Provision for "reasonably foreseeable adverse variations"	41			
Total other insurance and non-insurance liabilities (17 to 41)	49	204884	32309	
Excess of the value of net admissible assets	51	47014	51381	
Total liabilities and margins	59	10299318	9268645	

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	13913	55839
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	7856165	7254698

Total liabilities (11+12+49)	71	10167847	9163288
Increase to liabilities - DAC related	72	25929	35693
Reinsurers' share of technical provisions	73	2822291	3576269
Other adjustments to liabilities (may be negative)	74	(110275)	(127419)
Capital and reserves and fund for future appropriations	75	609302	607268
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)	76	13515094	13255098

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

Global business

Financial year ended **31 December 2006**

R15	Company registration number	GL/UK/CM	day month year			Units
	15454	GL	31	12	2006	£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	10845	11697
Claims outstanding	12	105798	114283
Provision for unexpired risks	13	37	2
Equalisation provisions	Credit business	14	
	Other than credit business	15	2660
Other technical provisions	16		
Total gross technical provisions (11 to 16)	19	117173	128642

Provisions and creditors

Provisions	Taxation	21	
	Other risks and charges	22	13243
Deposits received from reinsurers	31		
Creditors	Direct insurance business	41	1830
	Reinsurance accepted	42	
	Reinsurance ceded	43	1513
Debenture loans	Secured	44	
	Unsecured	45	
Amounts owed to credit institutions	46		
Creditors	Taxation	47	
	Declared dividend	48	
	Other	49	33415
Accruals and deferred income	51		8
Total (19 to 51)	59	173297	178651
Provision for "reasonably foreseeable adverse variations"	61		22051
Cumulative preference share capital	62	1000	1000
Subordinated loan capital	63		
Total (59 to 63)	69	174297	201702

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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Reinsurers' share of DAC	81		
Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83	(19409)	(11794)
Capital and reserves	84	2647582	2304555
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69+81-82+83+84)	85	2802470	2494463

Proposed Dividend	91		
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Profit and loss account (non-technical account)

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

Global business

Financial year ended **31 December 2006**

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R16	15454	GL	31	12	2006	£000
				This financial year			Previous year	
				1			2	
Transfer (to)/from the general insurance business technical account	From Form 20	11				(8428)	5377	
	Equalisation provisions	12				2167	11358	
Transfer from the long term insurance business revenue account		13				269254	208207	
Investment income	Income	14				41443	25147	
	Value re-adjustments on investments	15				272809	355035	
	Gains on the realisation of investments	16					8829	
Investment charges	Investment management charges, including interest	17				341	356	
	Value re-adjustments on investments	18						
	Loss on the realisation of investments	19				5752		
Allocated investment return transferred to the general insurance business technical account		20						
Other income and charges (particulars to be specified by way of supplementary note)		21				19354	19646	
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29				590506	633243	
Tax on profit or loss on ordinary activities		31				16669	10371	
Profit or loss on ordinary activities after tax (29-31)		39				573837	622872	
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				573837	622872	
Dividends (paid or declared)		51				248027	382730	
Profit or loss retained for the financial year (49-51)		59				325810	240142	

Analysis of derivative contractsName of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Total other than long term insurance business assets**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	15454	GL	31	12	2006	£000	1
			As at the end of this financial year			As at the end of the previous year			
			Assets 1	Liabilities 2	Assets 3	Liabilities 4			
Derivative contracts									
Futures contracts	Fixed-interest securities	11							
	Equity shares	12							
	Land	13							
	Currencies	14							
	Other	15							
Options	Fixed-interest securities	21							
	Equity shares	22							
	Land	23							
	Currencies	24							
	Other	25							
Contracts for differences	Fixed-interest securities	31							
	Equity shares	32							
	Land	33							
	Currencies	34							
	Other	35							
Adjustment for variation margin		41							
Total (11 to 41)		49							

Analysis of derivative contractsName of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Total long term insurance business assets**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	15454	GL	31	12	2006	£000	10
		As at the end of this financial year				As at the end of the previous year			
		Assets		Liabilities		Assets		Liabilities	
		1		2		3		4	
Derivative contracts									
Futures contracts	Fixed-interest securities	11							
	Equity shares	12							
	Land	13							
	Currencies	14	166055	17828	3461	168729			
	Other	15							
Options	Fixed-interest securities	21							
	Equity shares	22	911	838	11355	1073			
	Land	23							
	Currencies	24							
	Other	25	33833		44621				
Contracts for differences	Fixed-interest securities	31	5471	23664	446	9174			
	Equity shares	32	3318	14010	15216	5325			
	Land	33	1175	128250		79935			
	Currencies	34	7896		5886				
	Other	35	36886	11317	51295				
Adjustment for variation margin		41	(8788)	(37675)	(15532)	(14404)			
Total (11 to 41)		49	246757	158232	116748	249832			

Analysis of derivative contractsName of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Scottish Amicable Insurance Fund**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	15454	GL	31	12	2006	£000	11
		As at the end of this financial year				As at the end of the previous year			
		Assets		Liabilities		Assets		Liabilities	
		1		2		3		4	
Derivative contracts									
Futures contracts	Fixed-interest securities	11							
	Equity shares	12							
	Land	13							
	Currencies	14	26598	2666	529	32422			
	Other	15							
Options	Fixed-interest securities	21							
	Equity shares	22	144	131	1907	181			
	Land	23							
	Currencies	24							
	Other	25	33833		44621				
Contracts for differences	Fixed-interest securities	31	1494	5261	59	1746			
	Equity shares	32	40	2812	564	1003			
	Land	33	41	22664		13048			
	Currencies	34							
	Other	35	4513	2532	9273				
Adjustment for variation margin		41	(1534)	(8073)	(610)	(2733)			
Total (11 to 41)		49	65129	27993	56343	45667			

Analysis of derivative contractsName of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2006**Category of assets **With-Profits Sub-Fund**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	15454	GL	31	12	2006	£000	12
		As at the end of this financial year				As at the end of the previous year			
		Assets		Liabilities		Assets		Liabilities	
		1		2		3		4	
Derivative contracts									
Futures contracts	Fixed-interest securities	11							
	Equity shares	12							
	Land	13							
	Currencies	14	139444	14642	2387	136259			
	Other	15							
Options	Fixed-interest securities	21							
	Equity shares	22	767	707	9448	892			
	Land	23							
	Currencies	24							
	Other	25							
Contracts for differences	Fixed-interest securities	31	3977	18403	387	7428			
	Equity shares	32	198	10902	10612	4026			
	Land	33	1134	105586		66887			
	Currencies	34	7896		5886				
	Other	35	32373	8785	42022				
Adjustment for variation margin		41	(4174)	(29306)	(10882)	(11375)			
Total (11 to 41)		49	181615	129720	59860	204117			

Analysis of derivative contractsName of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Defined Charge Participating Sub-Fund**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	15454	GL	31	12	2006	£000	13
		As at the end of this financial year				As at the end of the previous year			
		Assets		Liabilities		Assets		Liabilities	
		1		2		3		4	
Derivative contracts									
Futures contracts	Fixed-interest securities	11							
	Equity shares	12							
	Land	13							
	Currencies	14	13	520	545	48			
	Other	15							
Options	Fixed-interest securities	21							
	Equity shares	22							
	Land	23							
	Currencies	24							
	Other	25							
Contracts for differences	Fixed-interest securities	31							
	Equity shares	32	3080	296	4040	296			
	Land	33							
	Currencies	34							
	Other	35							
Adjustment for variation margin		41	(3080)	(296)	(4040)	(296)			
Total (11 to 41)		49	12	520	545	48			

Analysis of derivative contractsName of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Non-Profit Sub-Fund**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	15454	GL	31	12	2006	£000	14
			As at the end of this financial year			As at the end of the previous year			
			Assets 1	Liabilities 2	Assets 3	Liabilities 4			
Derivative contracts									
Futures contracts	Fixed-interest securities	11							
	Equity shares	12							
	Land	13							
	Currencies	14							
	Other	15							
Options	Fixed-interest securities	21							
	Equity shares	22							
	Land	23							
	Currencies	24							
	Other	25							
Contracts for differences	Fixed-interest securities	31							
	Equity shares	32							
	Land	33							
	Currencies	34							
	Other	35							
Adjustment for variation margin		41							
Total (11 to 41)		49							

With-profits insurance capital component for the fundName of insurer **The Prudential Assurance Company Limited**With-profits fund **Summary**Financial year ended **31 December 2006**Units **£000**

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

Regulatory value of assets	Long-term admissible assets of the fund	11	93416108	89924303
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	13	1200198	1855249
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	14	186506	179906
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	15		92663
	Total (11+12-(13+14+15))	19	92029404	87796485
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	21	61265206	62554148
	Regulatory current liabilities of the fund	22	4205450	3906148
	Total (21+22)	29	65470656	66460296
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31	2440648	2508842
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		4233337
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		39	67911304	73202475
Regulatory excess capital (19-39)		49	24118100	14594010

Realistic excess capital

Realistic excess capital	51	6801489	5539041
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Excess assets allocated to with-profits insurance business

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	61	17316611	9054969
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	63		
Present value of future shareholder transfers arising from distribution of surplus	64	2274222	
Present value of other future internal transfers not already taken into account	65		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	66	15042389	9054969

With-profits insurance capital component for the fundName of insurer **The Prudential Assurance Company Limited**With-profits fund **21 Scottish Amicable Insurance Fund**Financial year ended **31 December 2006**Units **£000**

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

Regulatory value of assets	Long-term admissible assets of the fund	11	14615596	15321839
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	13	238114	903427
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	14	56356	64365
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	15		
	Total (11+12-(13+14+15))	19	14321126	14354047
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	21	10347368	11017847
	Regulatory current liabilities of the fund	22	629548	651693
	Total (21+22)	29	10976916	11669540
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31	363312	396363
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		320000
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		39	11340228	12385903
Regulatory excess capital (19-39)		49	2980897	1968144

Realistic excess capital

Realistic excess capital	51		(644977)
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Excess assets allocated to with-profits insurance business

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	61	2980897	2613121
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	63		
Present value of future shareholder transfers arising from distribution of surplus	64		
Present value of other future internal transfers not already taken into account	65		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	66	2980897	2613121

With-profits insurance capital component for the fundName of insurer **The Prudential Assurance Company Limited**With-profits fund **22 With-Profits Sub-Fund**Financial year ended **31 December 2006**Units **£000**

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

Regulatory value of assets	Long-term admissible assets of the fund	11	77225074	73295306
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	13	962084	951822
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	14	130150	115541
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	15		92663
	Total (11+12-(13+14+15))	19	76132840	72135280
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	21	49591784	50393169
	Regulatory current liabilities of the fund	22	3574901	3249051
	Total (21+22)	29	53166685	53642220
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31	2024294	2066754
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		3807337
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		39	55190979	59516311
Regulatory excess capital (19-39)		49	20941861	12618968

Realistic excess capital

Realistic excess capital	51	6801489	6184017
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Excess assets allocated to with-profits insurance business

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	61	14140372	6434951
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	63		
Present value of future shareholder transfers arising from distribution of surplus	64	2274222	
Present value of other future internal transfers not already taken into account	65		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	66	11866150	6434951

With-profits insurance capital component for the fundName of insurer **The Prudential Assurance Company Limited**With-profits fund **23 Defined Charge Participating Sub-Fund**Financial year ended **31 December 2006**Units **£000**

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

Regulatory value of assets	Long-term admissible assets of the fund	11	1575438	1307158
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	13		
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	14		
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	15		
	Total (11+12-(13+14+15))	19	1575438	1307158
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	21	1326054	1143132
	Regulatory current liabilities of the fund	22	1000	5404
	Total (21+22)	29	1327054	1148536
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31	53042	45725
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		106000
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		39	1380096	1300261
Regulatory excess capital (19-39)		49	195341	6897

Realistic excess capital

Realistic excess capital	51		
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Excess assets allocated to with-profits insurance business

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	61	195341	6897
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	63		
Present value of future shareholder transfers arising from distribution of surplus	64		
Present value of other future internal transfers not already taken into account	65		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	66	195341	6897

Realistic balance sheet

Name of insurer **The Prudential Assurance Company Limited**
 With-profits fund **Summary**
 Financial year ended **31 December 2006**
 Units **£000**

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

Regulatory value of assets	11	92029404	87796485
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13	549494	513781
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	771011	1116358
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24	910494	909981
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	93161414	89309043
Support arrangement assets	27		
Assets available to the fund (26+27)	29	93161414	89309043

Realistic value of liabilities of fund

With-profits benefit reserve	31	76770692	73798817	
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	47400	
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	1466146	1263121
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	1554042	1476379
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	94361	66857
	Future costs of contractual guarantees (other than financial options)	41	1393641	1585692
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	608120	670821
	Future costs of smoothing (possibly negative)	44	100318	549267
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	1754689	1230628
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	3721912	3756293	
Realistic current liabilities of the fund	51	4049343	3775239	
Realistic value of liabilities of fund (31+49+51)	59	84541946	81330348	

Realistic balance sheet

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

With-profits fund **Summary**

Financial year end **31 December 2006**

Units **£000**

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

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	62	86359926	83770002
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	63		
Value of relevant assets before applying the most adverse scenario (62+63)	64	86359926	83770002
Risk capital margin for fund (62-59)	65	1817979	2439654
Realistic excess capital for fund (26-(59+65))	66	6801489	5539041
Realistic excess available capital for fund (29-(59+65))	67	6801489	5539041
Working capital for fund (29-59)	68	8619468	7978695
Working capital ratio for fund (68/29)	69	9.25	8.93

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

Additional amount potentially available for inclusion in line 62	81		
Additional amount potentially available for inclusion in line 63	82		

Realistic balance sheet

Name of insurer **The Prudential Assurance Company Limited**
 With-profits fund **21 Scottish Amicable Insurance Fund**
 Financial year ended **31 December 2006**
 Units **£000**

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

Regulatory value of assets	11	14321126	14354047
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	323078	450651
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	14644203	14804698
Support arrangement assets	27		
Assets available to the fund (26+27)	29	14644203	14804698

Realistic value of liabilities of fund

With-profits benefit reserve	31	12483416	12608691	
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32		
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	1103866	894212
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	327988	331627
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36		
	Future costs of contractual guarantees (other than financial options)	41	84326	174855
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	561220	618821
	Future costs of smoothing (possibly negative)	44	(83473)	68155
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	210481	134045
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	1548432	1558461	
Realistic current liabilities of the fund	51	612355	637546	
Realistic value of liabilities of fund (31+49+51)	59	14644203	14804698	

Realistic balance sheet

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

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

Financial year end **31 December 2006**

Units **£000**

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

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	62	14644203	15449675
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	63		
Value of relevant assets before applying the most adverse scenario (62+63)	64	14644203	15449675
Risk capital margin for fund (62-59)	65		644977
Realistic excess capital for fund (26-(59+65))	66		(644977)
Realistic excess available capital for fund (29-(59+65))	67		(644977)
Working capital for fund (29-59)	68		
Working capital ratio for fund (68/29)	69		

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

Additional amount potentially available for inclusion in line 62	81		
Additional amount potentially available for inclusion in line 63	82		

Realistic balance sheet

Name of insurer **The Prudential Assurance Company Limited**
 With-profits fund **22 With-Profits Sub-Fund**
 Financial year ended **31 December 2006**
 Units **£000**

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

Regulatory value of assets	11	76132840	72135280
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13	549494	513781
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	447933	665707
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24	910494	909981
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	76941774	73197186
Support arrangement assets	27		
Assets available to the fund (26+27)	29	76941774	73197186

Realistic value of liabilities of fund

With-profits benefit reserve	31	62712839	59888372	
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	47400	
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	362280	368909
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	1164575	1104534
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	94361	66857
	Future costs of contractual guarantees (other than financial options)	41	1277827	1397819
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	46900	52000
	Future costs of smoothing (possibly negative)	44	183791	481112
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	1514217	1069383
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	2173479	2197831	
Realistic current liabilities of the fund	51	3435987	3132289	
Realistic value of liabilities of fund (31+49+51)	59	68322306	65218492	

Realistic balance sheet

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

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

Financial year ended **31 December 2006**

Units **£000**

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

Realistic excess capital and additional capital available

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	62	70140285	67013169
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	63		
Value of relevant assets before applying the most adverse scenario (62+63)	64	70140285	67013169
Risk capital margin for fund (62-59)	65	1817979	1794677
Realistic excess capital for fund (26-(59+65))	66	6801489	6184017
Realistic excess available capital for fund (29-(59+65))	67	6801489	6184017
Working capital for fund (29-59)	68	8619468	7978695
Working capital ratio for fund (68/29)	69	11.20	10.90

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

Additional amount potentially available for inclusion in line 62	81		
Additional amount potentially available for inclusion in line 63	82		

Realistic balance sheet

Name of insurer **The Prudential Assurance Company Limited**
 With-profits fund **23 Defined Charge Participating Sub-Fund**
 Financial year ended **31 December 2006**
 Units **£000**

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

Regulatory value of assets	11	1575438	1307158
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22		
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	1575438	1307158
Support arrangement assets	27		
Assets available to the fund (26+27)	29	1575438	1307158

Realistic value of liabilities of fund

With-profits benefit reserve	31	1574437	1301754	
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32		
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34		
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	61479	40218
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36		
	Future costs of contractual guarantees (other than financial options)	41	31489	13018
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43		
	Future costs of smoothing (possibly negative)	44		
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
Other long-term insurance liabilities	47	29990	27200	
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49			
Realistic current liabilities of the fund	51	1000	5404	
Realistic value of liabilities of fund (31+49+51)	59	1575438	1307158	

Realistic balance sheet

Name of insurer **The Prudential Assurance Company Limited**
 With-profits fund **23 Defined Charge Participating Sub-Fund**
 Financial year ended **31 December 2006**
 Units **£000**

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

Realistic excess capital and additional capital available

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	62	1575438	1307158
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	63		
Value of relevant assets before applying the most adverse scenario (62+63)	64	1575438	1307158
Risk capital margin for fund (62-59)	65		
Realistic excess capital for fund (26-(59+65))	66		
Realistic excess available capital for fund (29-(59+65))	67		
Working capital for fund (29-59)	68		
Working capital ratio for fund (68/29)	69		

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

Additional amount potentially available for inclusion in line 62	81		
Additional amount potentially available for inclusion in line 63	82		

General insurance business : Summary of business carried on

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

Global business

Financial year ended **31 December 2006**

		Company registration number	GL/UK/CM	day month year			units	
		R20A	15454	GL	31	12	2006	£000
Category number	FSA return general insurance business reporting category		Gross Premium written in this financial year 1	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of the financial year 4		
				Reported 2	Incurred but not reported 3			
1	Total business	1	23699	41099	61950	11530		
2	Total primary (direct) and facultative business	2	23699	41099	61950	11530		
3	Total treaty reinsurance accepted business	3						

110	Total primary (direct) and facultative accident and health (category numbers 111 to 114)	4	14567	755	535	7173
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5	1470	18025	6436	758
160	Primary (direct) and facultative household and domestic all risks	6	1978	6080	5365	980
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7	481	2	31	74
220	Total primary (direct) and facultative commercial motor business (category numbers 221 to 223)	8	76	76	3	39
260	Total primary (direct) and facultative commercial lines property (category numbers 261 to 263)	9	878	323	42	435
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)	10	3914	15818	46363	1909
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)	11	111	17	19	57
330	Total primary (direct) and facultative aviation (category numbers 331 to 333)	12				
340	Total primary (direct) and facultative marine (category numbers 341 to 347)	13			3150	
350	Total primary (direct) and facultative goods in transit	14	224	3	6	105
400	Miscellaneous primary (direct) and facultative business	15				
500	Total non-proportional treaty reinsurance business accepted (category numbers 510 to 590)	16				
600	Total proportional treaty reinsurance business accepted (category numbers 610 to 690)	17				
700	Miscellaneous treaty reinsurance accepted business	18				
	Total (lines 4 to 18)	20	23699	41099	61950	11530

General insurance business : Summary of business carried on

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

Global business

Financial year ended **31 December 2006**

		Company registration number	GL/UK/CM	day month year			units	
		R20A	15454	GL	31	12	2006	£000
Category number	FSA return general insurance business reporting category	Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of the financial year			
			Reported	Incurred but not reported				
		1	2	3	4			

Primary (direct) and facultative personal lines business

111	Medical insurance	21	8573	233	327	4314
112	HealthCare cash plans	22	78		1	45
113	Travel	23	1247	88	27	654
114	Personal accident or sickness	24	4669	434	180	2160
121	Private motor - comprehensive	25	1187	14191	6125	612
122	Private motor - non-comprehensive	26	283	3834	311	146
123	Motor cycle	27				
160	Household and domestic all risks (equals line 6)	28	1978	6080	5365	980
181	Assistance	29				
182	Creditor	30				
183	Extended warranty	31				
184	Legal expenses	32				
185	Mortgage indemnity	33				
186	Pet insurance	34				
187	Other personal financial loss	35	481	2	31	74

Primary (direct) and facultative commercial lines business

221	Fleets	41				
222	Commercial vehicles (non-fleet)	42	76	76	3	39
223	Motor other	43				
261	Commercial property	44	779	147	40	386
262	Consequential loss	45	70	176	2	35
263	Contractors or engineering all risks	46	29			14
271	Employers liability	47	3233	10300	43037	1562
272	Professional indemnity	48	20	1037	265	10
273	Public and products liability	49	661	4481	3061	337
274	Mixed commercial package	50				
281	Fidelity and contract guarantee	51	111	17	19	57
282	Credit	52				
283	Suretyship	53				
284	Commercial contingency	54				

Primary (direct) and facultative aviation

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

General insurance business : Summary of business carried on

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

Global business

Financial year ended **31 December 2006**

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
		R20A	15454	GL	31	12	2006
		Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year			Provision for gross unearned premium at the end of the financial year	
			Reported	Incurred but not reported			
		1	2	3	4		

Primary (direct) and facultative marine and transport

341	Marine liability	64				
342	Marine hull	65			3150	
343	Energy (on and off-shore)	66				
344	Protection and indemnity	67				
345	Freight demurrage and defence	68				
346	War risks	69				
347	Yacht	70				
350	Total primary (direct) and facultative goods in transit (equals line 14)	71	224	3	6	105

Primary (direct) and facultative miscellaneous

400	Miscellaneous primary (direct) and facultative business (equals line 15)	72			
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Non-proportional treaty

510	Non-proportional accident and health	81			
520	Non-proportional motor	82			
530	Non-proportional aviation	83			
540	Non-proportional marine	84			
550	Non-proportional transport	85			
560	Non-proportional property	86			
570	Non-proportional liability (non-motor)	87			
580	Non-proportional financial lines	88			
590	Non-proportional aggregate cover	89			

Proportional treaty

610	Proportional accident and health	91			
620	Proportional motor	92			
630	Proportional aviation	93			
640	Proportional marine	94			
650	Proportional transport	95			
660	Proportional property	96			
670	Proportional liability (non-motor)	97			
680	Proportional financial lines	98			
690	Proportional aggregate cover	99			

Treaty Reinsurance Miscellaneous

700	Miscellaneous treaty reinsurance accepted business (equals line 18)	101			
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	Total (lines 21 to 101)	111	23699	41099	61950	11530
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General insurance business : Technical account (excluding equalisation provisions)Name of insurer **The Prudential Assurance Company Limited**

Global business

Financial year ended **31 December 2006****Total business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	15454	GL	31	12	2006	£000	001
Items to be shown net of reinsurance				This financial year			Previous year		
				1			2		
This year's underwriting (accident year accounting)	Earned premium	(21.19.5)	11				18499	17339	
	Claims incurred	(22.17.4)	12				8726	8091	
	Claims management costs	(22.18.4)	13				263	292	
	Adjustment for discounting	(22.52.4)	14						
	Increase in provision for unexpired risks (22.19.4)		15				38	(45)	
	Other technical income or charges (particulars to be specified by way of supplementary note)		16				10	12	
	Net operating expenses	(22.42.4)	17				8123	7844	
	Balance of year's underwriting (11-12-13+14-15+16-17)		19				1360	1169	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	(21.11.5)	21						
	Claims incurred	(22.13.4)	22				3819	13066	
	Claims management costs	(22.14.4)	23				238	(225)	
	Adjustment for discounting	(22.51.4)	24					(726)	
	Other technical income or charges (particulars to be specified by way of supplementary note)		25						
	Net operating expenses	(22.41.4)	26				2309	681	
	Balance (21-22-23+24+25-26)		29				(6366)	(14248)	
Balance from underwriting year accounting	Per Form 24	(24.69.99-99)	31				(3422)	18457	
	Other technical income or charges (particulars to be specified by way of supplementary note)		32						
	Total		39				(3422)	18457	
Balance of all years' underwriting (19+29+39)			49				(8428)	5377	
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				(8428)	5377	

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

Global business

Financial year ended **31 December 2006****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number
	R20	15454	GL	31	12	2006	£000	002
Items to be shown net of reinsurance			This financial year				Previous year	
			1				2	
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	18499	17339				
	Claims incurred (22.17.4)	12	8726	8091				
	Claims management costs (22.18.4)	13	263	292				
	Adjustment for discounting (22.52.4)	14						
	Increase in provision for unexpired risks (22.19.4)	15	38	(45)				
	Other technical income or charges (particulars to be specified by way of supplementary note)	16	10	12				
	Net operating expenses (22.42.4)	17	8123	7844				
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	1360	1169				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21						
	Claims incurred (22.13.4)	22	3819	13066				
	Claims management costs (22.14.4)	23	238	(225)				
	Adjustment for discounting (22.51.4)	24		(726)				
	Other technical income or charges (particulars to be specified by way of supplementary note)	25						
	Net operating expenses (22.41.4)	26	2309	681				
	Balance (21-22-23+24+25-26)	29	(6366)	(14248)				
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31	(3422)	18457				
	Other technical income or charges (particulars to be specified by way of supplementary note)	32						
	Total	39	(3422)	18457				
Balance of all years' underwriting (19+29+39)			49	(8428)	5377			
Allocated investment income			51					
Transfer to non-technical account (49+51)			59	(8428)	5377			

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

Global business

Financial year ended **31 December 2006****Total primary (direct) and facultative accident and health**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	15454	GL	31	12	2006	£000	110
Items to be shown net of reinsurance				This financial year			Previous year		
				1			2		
This year's underwriting (accident year accounting)	Earned premium	(21.19.5)	11				11101	10203	
	Claims incurred	(22.17.4)	12				5647	5359	
	Claims management costs	(22.18.4)	13				183	179	
	Adjustment for discounting	(22.52.4)	14						
	Increase in provision for unexpired risks	(22.19.4)	15						
	Other technical income or charges (particulars to be specified by way of supplementary note)		16				10	12	
	Net operating expenses	(22.42.4)	17				4219	3948	
	Balance of year's underwriting (11-12-13+14-15+16-17)		19				1062	729	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	(21.11.5)	21						
	Claims incurred	(22.13.4)	22				(9)	147	
	Claims management costs	(22.14.4)	23				12	13	
	Adjustment for discounting	(22.51.4)	24						
	Other technical income or charges (particulars to be specified by way of supplementary note)		25						
	Net operating expenses	(22.41.4)	26						
	Balance (21-22-23+24+25-26)		29				(3)	(160)	
Balance from underwriting year accounting	Per Form 24	(24.69.99-99)	31						
	Other technical income or charges (particulars to be specified by way of supplementary note)		32						
	Total		39						
Balance of all years' underwriting (19+29+39)			49				1058	569	
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				1058	569	

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

Global business

Financial year ended **31 December 2006****Total primary (direct) and facultative personal lines motor business**

	Company registration number	GL/UK/CM	day	month	year	Units	Category number	
	R20	15454	GL	31	12	2006	£000	120
Items to be shown net of reinsurance			This financial year			Previous year		
			1			2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11				985	895	
	Claims incurred (22.17.4)	12				255	203	
	Claims management costs (22.18.4)	13				3	3	
	Adjustment for discounting (22.52.4)	14						
	Increase in provision for unexpired risks (22.19.4)	15				38	(45)	
	Other technical income or charges (particulars to be specified by way of supplementary note)	16						
	Net operating expenses (22.42.4)	17				705	640	
	Balance of year's underwriting (11-12-13+14-15+16-17)	19				(15)	94	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21						
	Claims incurred (22.13.4)	22				(68)	(37)	
	Claims management costs (22.14.4)	23				(2)	(2)	
	Adjustment for discounting (22.51.4)	24						
	Other technical income or charges (particulars to be specified by way of supplementary note)	25						
	Net operating expenses (22.41.4)	26						
	Balance (21-22-23+24+25-26)	29				71	39	
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31						
	Other technical income or charges (particulars to be specified by way of supplementary note)	32						
	Total	39						
Balance of all years' underwriting (19+29+39)		49				55	132	
Allocated investment income		51						
Transfer to non-technical account (49+51)		59				55	132	

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

Global business

Financial year ended **31 December 2006****Primary (direct) and facultative household and domestic all risks**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	15454	GL	31	12	2006	£000	160
Items to be shown net of reinsurance				This financial year			Previous year		
				1			2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)		11				1717	1631	
	Claims incurred (22.17.4)		12				687	516	
	Claims management costs (22.18.4)		13				28	22	
	Adjustment for discounting (22.52.4)		14						
	Increase in provision for unexpired risks (22.19.4)		15						
	Other technical income or charges (particulars to be specified by way of supplementary note)		16						
	Net operating expenses (22.42.4)		17				851	849	
	Balance of year's underwriting (11-12-13+14-15+16-17)		19				151	243	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)		21						
	Claims incurred (22.13.4)		22				(8)	(316)	
	Claims management costs (22.14.4)		23				(2)	(12)	
	Adjustment for discounting (22.51.4)		24						
	Other technical income or charges (particulars to be specified by way of supplementary note)		25						
	Net operating expenses (22.41.4)		26						
	Balance (21-22-23+24+25-26)		29				10	328	
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)		31						
	Other technical income or charges (particulars to be specified by way of supplementary note)		32						
	Total		39						
Balance of all years' underwriting (19+29+39)			49				160	571	
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				160	571	

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

Global business

Financial year ended **31 December 2006****Total primary (direct) and facultative commercial lines liability business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	15454	GL	31	12	2006	£000	270
Items to be shown net of reinsurance				This financial year			Previous year		
				1			2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)		11				3282	3174	
	Claims incurred (22.17.4)		12				1776	1594	
	Claims management costs (22.18.4)		13				31	68	
	Adjustment for discounting (22.52.4)		14						
	Increase in provision for unexpired risks (22.19.4)		15						
	Other technical income or charges (particulars to be specified by way of supplementary note)		16						
	Net operating expenses (22.42.4)		17				1658	1674	
	Balance of year's underwriting (11-12-13+14-15+16-17)		19				(183)	(161)	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)		21						
	Claims incurred (22.13.4)		22				5840	14115	
	Claims management costs (22.14.4)		23				323	(208)	
	Adjustment for discounting (22.51.4)		24					(726)	
	Other technical income or charges (particulars to be specified by way of supplementary note)		25						
	Net operating expenses (22.41.4)		26				2157	614	
	Balance (21-22-23+24+25-26)		29				(8320)	(15247)	
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)		31						
	Other technical income or charges (particulars to be specified by way of supplementary note)		32						
	Total		39						
Balance of all years' underwriting (19+29+39)			49				(8503)	(15408)	
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				(8503)	(15408)	

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

Global business

Financial year ended **31 December 2006****Balance of all primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number
	R20	15454	GL	31	12	2006	£000	409
Items to be shown net of reinsurance				This financial year			Previous year	
				1			2	
This year's underwriting (accident year accounting)	Earned premium (21.19.5)		11			1415		1436
	Claims incurred (22.17.4)		12			361		418
	Claims management costs (22.18.4)		13			17		20
	Adjustment for discounting (22.52.4)		14					
	Increase in provision for unexpired risks (22.19.4)		15					
	Other technical income or charges (particulars to be specified by way of supplementary note)		16					
	Net operating expenses (22.42.4)		17			691		734
	Balance of year's underwriting (11-12-13+14-15+16-17)		19			345		264
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)		21					
	Claims incurred (22.13.4)		22			(1936)		(843)
	Claims management costs (22.14.4)		23			(94)		(16)
	Adjustment for discounting (22.51.4)		24					
	Other technical income or charges (particulars to be specified by way of supplementary note)		25					
	Net operating expenses (22.41.4)		26			152		67
	Balance (21-22-23+24+25-26)		29			1877		791
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)		31			(3422)		18457
	Other technical income or charges (particulars to be specified by way of supplementary note)		32					
	Total		39			(3422)		18457
Balance of all years' underwriting (19+29+39)			49			(1199)		19513
Allocated investment income			51					
Transfer to non-technical account (49+51)			59			(1199)		19513

General insurance business (accident year accounting) : Analysis of premiums

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

Global business

Financial year ended **31 December 2006**

Total business

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		R21	15454	GL	31	12	2006	£000	001
Premiums receivable during the financial year		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5			
In respect of risks incepted in previous financial years		11							
		Earned In this financial year 1	Unearned at end of this financial year 2	Earned In this financial year 3	Unearned at end of this financial year 4	Earned In this financial year 5	Unearned at end of this financial year 6		
In respect of risks Incepted in previous financial years		12							
In respect of risks incepted in this financial year	For periods of less than 12 months	13							
	For periods of 12 months	14	12169	11530	2542	1995	9627	9534	
	For periods of more than 12 months	15							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	10875	2003			8872		
Total (12 to 16)		19	23044	11530	4545	1995	18499	9534	

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

Global business

Financial year ended **31 December 2006****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R21	15454	GL	31	12	2006	£000	002
Premiums receivable during the financial year		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5			
In respect of risks incepted in previous financial years		11							
		Earned In this financial year 1	Unearned at end of this financial year 2	Earned In this financial year 3	Unearned at end of this financial year 4	Earned In this financial year 5	Unearned at end of this financial year 6		
In respect of risks incepted in previous financial years		12							
In respect of risks incepted in this financial year	For periods of less than 12 months	13							
	For periods of 12 months	14	12169	11530	2542	1995	9627	9534	
	For periods of more than 12 months	15							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	10875	2003			8872		
Total (12 to 16)		19	23044	11530	4545	1995	18499	9534	

General insurance business (accident year accounting) : Analysis of premiums

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

Global business

Financial year ended **31 December 2006**

Total primary (direct) and facultative accident and health

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		R21	15454	GL	31	12	2006	£000	110
		Gross premiums written		Reinsurers' share			Net of reinsurance		
Premiums receivable during the financial year		Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5			
In respect of risks incepted in previous financial years		11							
		Earned In this financial year 1	Unearned at end of this financial year 2	Earned In this financial year 3	Unearned at end of this financial year 4	Earned In this financial year 5	Unearned at end of this financial year 6		
In respect of risks Incepted in previous financial years		12							
In respect of risks incepted in this financial year	For periods of less than 12 months	13							
	For periods of 12 months	14	7362	7126	1707	1153	5656	5973	
	For periods of more than 12 months	15							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	6548	1103			5445		
Total (12 to 16)		19	13910	7126	2810	1153	11101	5973	

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

Global business

Financial year ended **31 December 2006****Total primary (direct) and facultative personal lines motor business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R21	15454	GL	31	12	2006	£000	120
Premiums receivable during the financial year		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5			
In respect of risks incepted in previous financial years		11							
		Earned In this financial year 1	Unearned at end of this financial year 2	Earned In this financial year 3	Unearned at end of this financial year 4	Earned In this financial year 5	Unearned at end of this financial year 6		
In respect of risks Incepted in previous financial years		12							
In respect of risks incepted in this financial year	For periods of less than 12 months	13							
	For periods of 12 months	14	574	612	79	94	495	518	
	For periods of more than 12 months	15							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	585	95			490		
Total (12 to 16)		19	1159	612	174	94	985	518	

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

Global business

Financial year ended **31 December 2006****Primary (direct) and facultative household and domestic all risks**

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		R21	15454	GL	31	12	2006	£000	160
Premiums receivable during the financial year		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years		Earned in previous financial years			Earned in previous financial years		
		1		3			5		
In respect of risks incepted in previous financial years		11							
		Earned In this financial year	Unearned at end of this financial year	Earned In this financial year	Unearned at end of this financial year	Earned In this financial year	Unearned at end of this financial year		
		1	2	3	4	5	6		
In respect of risks incepted in previous financial years		12							
In respect of risks incepted in this financial year	For periods of less than 12 months	13							
	For periods of 12 months	14	997	980	104	102	893	878	
	For periods of more than 12 months	15							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	926		102		824		
Total (12 to 16)		19	1923	980	207	102	1717	878	

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

Global business

Financial year ended **31 December 2006****Total primary (direct) and facultative commercial lines liability business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R21	15454	GL	31	12	2006	£000	270
		Gross premiums written		Reinsurers' share			Net of reinsurance		
Premiums receivable during the financial year		Earned in previous financial years 1		Earned in previous financial years 3			Earned in previous financial years 5		
In respect of risks incepted in previous financial years		11							
		Earned In this financial year 1	Unearned at end of this financial year 2	Earned In this financial year 3	Unearned at end of this financial year 4		Earned In this financial year 5	Unearned at end of this financial year 6	
In respect of risks Incepted in previous financial years		12							
In respect of risks incepted in this financial year	For periods of less than 12 months	13							
	For periods of 12 months	14	1996	1899	221	384	1774	1515	
	For periods of more than 12 months	15							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	1903	395			1508		
Total (12 to 16)		19	3899	1899	616	384	3282	1515	

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

Global business

Financial year ended **31 December 2006****Balance of all primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R21	15454	GL	31	12	2006	£000	409
Premiums receivable during the financial year		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years 1		Earned in previous financial years 3			Earned in previous financial years 5		
In respect of risks incepted in previous financial years		11							
		Earned In this financial year 1	Unearned at end of this financial year 2	Earned In this financial year 3	Unearned at end of this financial year 4		Earned In this financial year 5	Unearned at end of this financial year 6	
In respect of risks incepted in previous financial years		12							
In respect of risks incepted in this financial year	For periods of less than 12 months	13							
	For periods of 12 months	14	1240	913	430	263	810	650	
	For periods of more than 12 months	15							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	913	308			605		
Total (12 to 16)		19	2153	913	738	263	1415	650	

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

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

Global business

Financial year ended **31 December 2006****Total business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	15454	GL	31	12	2006	£000	001
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11		108791	19303		96683	7195	
	Reinsurers' share	12		41749	9890		35235	3376	
	Net (11-12)	13		67042	9413		61448	3819	
	Claims management costs	14		2923	117		3044	238	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			5837		3218	9055	
	Reinsurers' share	16			159		169	329	
	Net (15-16)	17			5678		3048	8726	
	Claims management costs	18			196		67	263	
Provision for unexpired risks		19		2			40	38	
Net operating expenses	Commissions	21		2947	6972		3238	6681	
	Other acquisition expenses	22		1396			1489	(94)	
	Administrative expenses	23			4694			4694	
	Reinsurance commissions and profit participations	24		603	881		635	849	
	Total (21+22+23-24)	29		3740	10785		4093	10432	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41			2309			2309	
	This financial year	42		3740	8476		4093	8123	
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

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

Global business

Financial year ended **31 December 2006****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	15454	GL	31	12	2006	£000	002
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11		108791	19303		96683	7195	
	Reinsurers' share	12		41749	9890		35235	3376	
	Net (11-12)	13		67042	9413		61448	3819	
	Claims management costs	14		2923	117		3044	238	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			5837		3218	9055	
	Reinsurers' share	16			159		169	329	
	Net (15-16)	17			5678		3048	8726	
	Claims management costs	18			196		67	263	
Provision for unexpired risks		19		2			40	38	
Net operating expenses	Commissions	21		2947	6972		3238	6681	
	Other acquisition expenses	22		1396			1489	(94)	
	Administrative expenses	23			4694			4694	
	Reinsurance commissions and profit participations	24		603	881		635	849	
	Total (21+22+23-24)	29		3740	10785		4093	10432	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41			2309			2309	
	This financial year	42		3740	8476		4093	8123	
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

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

Global business

Financial year ended **31 December 2006****Total primary (direct) and facultative accident and health**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	15454	GL	31	12	2006	£000	110
			Amount brought forward from previous financial year 1		Amount payable/receivable in this financial year 2			Amount carried forward to next financial year 3	Amount attributable to this financial year 4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	1379		953			404	(22)
	Reinsurers' share	12	127		51			63	(13)
	Net (11-12)	13	1251		902			341	(9)
	Claims management costs	14	39		36			15	12
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			4964			885	5849
	Reinsurers' share	16			138			63	201
	Net (15-16)	17			4826			822	5647
	Claims management costs	18			163			20	183
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	1407		3563			1626	3344
	Other acquisition expenses	22	877					951	(75)
	Administrative expenses	23			1508				1508
	Reinsurance commissions and profit participations	24	377		583			401	559
	Total (21+22+23-24)	29	1907		4488			2176	4219
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41							
	This financial year	42	1907		4488			2176	4219
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

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

Global business

Financial year ended **31 December 2006****Total primary (direct) and facultative personal lines motor business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	15454	GL	31	12	2006	£000	120
			Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2	Amount carried forward to next financial year 3		Amount attributable to this financial year 4		
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	23570	5052	20211		1693		
	Reinsurers' share	12	23404	5017	20148		1761		
	Net (11-12)	13	166	35	63		(68)		
	Claims management costs	14	4		2		(2)		
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		149	106		255		
	Reinsurers' share	16							
	Net (15-16)	17		149	106		255		
	Claims management costs	18			3		3		
Provision for unexpired risks		19	2		40		38		
Net operating expenses	Commissions	21	289	636	328		597		
	Other acquisition expenses	22	69		78		(9)		
	Administrative expenses	23		120			120		
	Reinsurance commissions and profit participations	24	18		15		3		
	Total (21+22+23-24)	29	341	755	392		705		
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41							
	This financial year	42	341	755	392		705		
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

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

Global business

Financial year ended **31 December 2006**

Primary (direct) and facultative household and domestic all risks

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	15454	GL	31	12	2006	£000	160
			Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2	Amount carried forward to next financial year 3		Amount attributable to this financial year 4		
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	14413	4840	11045		1472		
	Reinsurers' share	12	14157	4695	10943		1480		
	Net (11-12)	13	256	145	103		(8)		
	Claims management costs	14	11	6	4		(2)		
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		337	400		736		
	Reinsurers' share	16		4	45		50		
	Net (15-16)	17		332	355		687		
	Claims management costs	18		13	15		28		
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	352	829	397		784		
	Other acquisition expenses	22	122		135		(13)		
	Administrative expenses	23		208			208		
	Reinsurance commissions and profit participations	24	66	145	85		127		
	Total (21+22+23-24)	29	408	891	448		851		
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41							
	This financial year	42	408	891	448		851		
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

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

Global business

Financial year ended **31 December 2006****Total primary (direct) and facultative commercial lines liability business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	15454	GL	31	12	2006	£000	270
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11		61346	7902		59280	5836	
	Reinsurers' share	12		27	4		19	(4)	
	Net (11-12)	13		61319	7898		59261	5840	
	Claims management costs	14		2671	56		2938	323	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			189		1598	1788	
	Reinsurers' share	16					12	12	
	Net (15-16)	17			189		1586	1776	
	Claims management costs	18			9		22	31	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21		614	1289		628	1275	
	Other acquisition expenses	22		229			232	(3)	
	Administrative expenses	23			2545			2545	
	Reinsurance commissions and profit participations	24		83	3		83	2	
	Total (21+22+23-24)	29		761	3831		777	3815	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41			2157			2157	
	This financial year	42		761	1674		777	1658	
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

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

Global business

Financial year ended **31 December 2006****Balance of all primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	15454	GL	31	12	2006	£000	409
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11		8083	556		5743	(1784)	
	Reinsurers' share	12		4033	123		4062	151	
	Net (11-12)	13		4050	433		1681	(1936)	
	Claims management costs	14		198	20		85	(94)	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			198		229	428	
	Reinsurers' share	16			17		49	66	
	Net (15-16)	17			181		180	361	
	Claims management costs	18			11		6	17	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21		284	655		258	681	
	Other acquisition expenses	22		99			92	7	
	Administrative expenses	23			314			314	
	Reinsurance commissions and profit participations	24		60	150		51	159	
	Total (21+22+23-24)	29		323	819		300	843	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41			152			152	
	This financial year	42		323	667		300	691	
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

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

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

Global business

Financial year ended **31 December 2006****Total business**

										Company registration number	GL/UK/CM	day month year			Units	Category number	
										R23	15454	GL	31	12	2006	£000	001
Accident year ended		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %			
Month	Year					Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)								
		1	2	3	4	5	6	7	8	9	10	11	12	13			
12	2006	11			5677	1345	1703			8726		17401		50.1			
12	2005	12	4870	2652	1488	755	245	1274	1502	(289)		16119	(6.2)	45.7			
12	2004	13	3657	2565	1327	491	658	176	942	286		13942	3.4	45.3			
12	2003	14	2229	1970	1530	85	299	78	390	106		10190	1.1	41.4			
12	2002	15	2033	1719	1281	215	167	43	320	84		42935	(0.8)	8.7			
12	2001	16	118715	1675	1070	204	113	30	321	86		197305	(15.4)	60.9			
12	2000	17	108756	113567	80978							317198	(28.7)	59.8			
12	1999	18	115376	76657	57629							306177	(24.8)	56.5			
12	1998	19	110293	75468	66380		2	1	2	1		296685	(12.0)	59.5			
12	1997	20	113461	70284	62190							292276	(11.5)	60.1			
Prior accident years		21			6930	14067	44815	20087	41640	4085							
Reconciliation		22															
Total (11 to 22)		29			15090	17406	47090	23336	43704	12546							

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

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

Global business

Financial year ended **31 December 2006**

Total primary (direct) and facultative accident and health

Company registration number **R23** GL/UK/CM **GL** day month year **31 12 2006** Units **£000** Category number **110**

Accident year ended		11	1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		9	10	11	12	13
Month	Year						5	6	7	8					
12	2006				4826	407	415			5647		10442		54.1	
12	2005	12	4194	789		776	77	23	424	414	38		9485	11.1	53.5
12	2004	13	2889	755	697	125	81	20	207	56	(37)		7803	22.2	48.9
12	2003	14	1511	530	404		65	16	72	19	(9)		5047	(8.4)	39.6
12	2002	15	1555	500	357		21	5	22	6	(1)		4461	(23.4)	43.5
12	2001	16	1070	367	243		23	6	23	6	0		2935	(25.8)	45.7
12	2000	17	697	258	112								2279	(56.6)	35.5
12	1999	18	551	253	148								1802	(41.5)	38.8
12	1998	19	429	153	47		2	1	2		1		1417	(67.3)	33.8
12	1997	20	183	100	66								554	(33.4)	45.1
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29				5727	675	487	750	501	5639				

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

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

Global business

Financial year ended **31 December 2006**

Total primary (direct) and facultative personal lines motor business

Company registration number	GL/UK/CM	day month year	Units	Category number
R23	15454	GL	31 12 2006	£000
				120

Accident year ended			Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %
Month	Year						Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
		1	2	3	4	5	6	7	8	9	10	11	12	13	
12	2006	11				149	71	35			255		926		27.5
12	2005	12	103	87		44	12	6	45	47	(30)		832	(28.6)	19.8
12	2004	13	122	111	(7)	(10)	25	8	25	15	(17)		660	(85.8)	20.9
12	2003	14	52	206	132	1	7	2	23	8	(21)		496	(31.1)	39.0
12	2002	15	69	155	43		3	1	3	1			3077	(69.7)	3.8
12	2001	16	26990	299	49								3415	(83.5)	791.8
12	2000	17	18579	21075	9848								47363	(53.3)	60.0
12	1999	18	16471	19318	10269								38314	(46.8)	69.8
12	1998	19	15344	19360	12168								35731	(37.1)	77.0
12	1997	20	15326	18144	14593								39923	(19.6)	74.9
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29				184	117	51	96	71	186				

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

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

Global business

Financial year ended **31 December 2006**

Primary (direct) and facultative household and domestic all risks

Company registration number **R23** GL/UK/CM **GL** day month year **31 12 2006** Units **£000** Category number **160**

Accident year ended		11	1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		9	10	11	12	13
Month	Year						5	6	7	8					
12	2006	11				332	280	75			687		1615		42.5
12	2005	12	248	232		116	51	15	159	46	(22)		1516	(21.4)	28.4
12	2004	13	408	424	126	28	19	5	28	7	17		1473	(58.0)	39.8
12	2003	14	223	332	137		7	2	9	2	(2)		1647	(56.3)	22.4
12	2002	15	169	293	134	1	3		3	1	(0)		17578	(52.9)	1.7
12	2001	16	89395	218	130								172015	(40.4)	52.0
12	2000	17	88973	90667	69818								260415	(23.0)	61.0
12	1999	18	98004	55899	46287								260769	(17.2)	55.3
12	1998	19	94121	54982	53550								255176	(2.6)	57.9
12	1997	20	97642	51272	47157								247926	(8.0)	58.4
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29				478	360	96	199	56	679				

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

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

Global business

Financial year ended **31 December 2006**

Balance of all primary (direct) and facultative business

Company registration number **R23** GL/UK/CM **GL** day month year **31 12 2006** Units **£000** Category number **409**

Accident year ended		11	1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		9	10	11	12	13
Month	Year						5	6	7	8					
12	2006	11				181	109	72			361		1331		27.2
12	2005	12	161	228		80	72	27	154	88	(63)		1335	(21.3)	25.5
12	2004	13	55	78	89	32	36	13	66	23	(7)		1385	117.4	16.3
12	2003	14	321	31	28		3	1	4	3	(3)		546	3.2	64.8
12	2002	15	66	27	5		10	3	10	3	(0)		15997	(33.6)	0.5
12	2001	16	1191	164	3	86	3	1	109	31	(51)		17624	(43.5)	7.3
12	2000	17	430	1153	673								6278	(41.7)	17.6
12	1999	18	295	752	658								4648	(12.5)	20.5
12	1998	19	347	639	429								3488	(32.9)	22.3
12	1997	20	270	408	204								3376	(49.9)	14.1
Prior accident years		21				234	1259	253	1577	1980	(1811)				
Reconciliation		22													
Total (11 to 22)		29				613	1492	369	1920	2128	(1574)				

General insurance business (underwriting year accounting) : Analysis of premiums, claims and expenses

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

Global business

Financial year ended **31 December 2006****Total business**Company
registration
numberGL/
UK/
CM

day month year

Units

Category number

Underwriting year ended			Prior underwriting years		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		Total all previous columns					
			29	29	12	97	12	98	12	99	12	00	12	01	12	02	12	03	12	04	12	05	12	06	99	99
Premiums written	Gross amount	11																								
	Reinsurers' share	12																								
	Net (11-12)	19																								
Claims paid	Gross amount	21	(1)																					(1)		
	Reinsurers' share	22	227																					227		
	Net (21-22)	29	(228)																					(228)		
Claims management costs		39																								
Net operating expenses	Commissions	41																								
	Other acquisition expenses	42																								
	Administrative expenses	43	1565																						1565	
	Reinsurers' commissions and profit participations	44																								
	Payable net (41+42+43-44)	49	1565																						1565	
Technical provisions	Brought forward	Undiscounted	51	1065																					1065	
		Adjustment for discounting	52																							
	Carried forward	Undiscounted	53	3150																						3150
		Adjustment for discounting	54																							
	Increase (decrease) in the financial year (53-54-51+52)		59	2085																						2085
Balance on each underwriting year (19-29-39-49-59)		69	(3422)																						(3422)	

General insurance business (underwriting year accounting) : Analysis of premiums, claims and expenses

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

Global business

Financial year ended **31 December 2006****Total primary (direct) and facultative business**Company
registration
numberGL/
UK/
CM

day month year

Units

Category number

Underwriting year ended			Prior underwriting years		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		Total all previous columns					
			29	29	12	97	12	98	12	99	12	00	12	01	12	02	12	03	12	04	12	05	12	06	99	99
Premiums written	Gross amount	11																								
	Reinsurers' share	12																								
	Net (11-12)	19																								
Claims paid	Gross amount	21	(1)																						(1)	
	Reinsurers' share	22	227																						227	
	Net (21-22)	29	(228)																						(228)	
Claims management costs		39																								
Net operating expenses	Commissions	41																								
	Other acquisition expenses	42																								
	Administrative expenses	43	1565																						1565	
	Reinsurers' commissions and profit participations	44																								
	Payable net (41+42+43-44)	49	1565																						1565	
Technical provisions	Brought forward	Undiscounted	51	1065																					1065	
		Adjustment for discounting	52																							
	Carried forward	Undiscounted	53	3150																						3150
		Adjustment for discounting	54																							
	Increase (decrease) in the financial year (53-54-51+52)		59	2085																						2085
Balance on each underwriting year (19-29-39-49-59)		69	(3422)																						(3422)	

General insurance business (underwriting year accounting) : Analysis of premiums, claims and expenses

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

Global business

Financial year ended **31 December 2006****Balance of all primary (direct) and facultative business**

Underwriting year ended		Prior underwriting years		MM		YY		MM		YY		MM		YY		MM		YY		MM		YY		Company registration number		GL/UK/CM		day month year			Units		Category number			
		29	29	12	97	12	98	12	99	12	00	12	01	12	02	12	03	12	04	12	05	12	06	R24	15454	GL	31	12	2006	£000	409					
Premiums written	Gross amount	11																																		
	Reinsurers' share	12																																		
	Net (11-12)	19																																		
Claims paid	Gross amount	21	(1)																															(1)		
	Reinsurers' share	22	227																															227		
	Net (21-22)	29	(228)																															(228)		
Claims management costs		39																																		
Net operating expenses	Commissions	41																																		
	Other acquisition expenses	42																																		
	Administrative expenses	43	1565																																1565	
	Reinsurers' commissions and profit participations	44																																		
	Payable net (41+42+43-44)	49	1565																																1565	
Technical provisions	Brought forward	Undiscounted	51	1065																															1065	
		Adjustment for discounting	52																																	
	Carried forward	Undiscounted	53	3150																																3150
		Adjustment for discounting	54																																	
	Increase (decrease) in the financial year (53-54-51+52)		59	2085																																2085
Balance on each underwriting year (19-29-39-49-59)		69	(3422)																																(3422)	

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

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

Global business

Financial year ended **31 December 2006**

Total business

Company registration number **15454** GL/UK/CM **GL** day month year **31 12 2006** Units **£000** Category number **001**

Underwriting year ended		Prior underwriting years		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		Total all previous columns					
		29	29	12	97	12	98	12	99	12	00	12	01	12	02	12	03	12	04	12	05	12	06	99	99
Reported claims outstanding	Gross amount	11																							
	Reinsurers' share	12																							
Claims incurred but not reported	Gross amount	13	3150																						3150
	Reinsurers' share	14																							
Claims management costs		15																							
Adjustment for discounting	Gross amount	16																							
	Reinsurers' share	17																							
	Claims management costs	18																							
Allocation to/(from) another risk category of anticipated surplus		19																							
Balance of the fund		20																							
Claims outstanding (11-12+13-14+15-16+17-18+19+20)		21	3150																						3150
Provision for unearned premiums		22																							
Provision for unexpired risks		23																							
Deferred acquisition costs		24																							
Other technical provisions (particulars to be specified by way of supplementary note)		25																							
Total (21+22+23-24+25)		29	3150																						3150

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

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

Global business

Financial year ended **31 December 2006**

Total primary (direct) and facultative business

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

R25	15454	GL	31	12	2006	£000	002
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Underwriting year ended		Prior underwriting years		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		MM YY		Total all previous columns					
		29	29	12	97	12	98	12	99	12	00	12	01	12	02	12	03	12	04	12	05	12	06	99	99
Reported claims outstanding	Gross amount	11																							
	Reinsurers' share	12																							
Claims incurred but not reported	Gross amount	13	3150																					3150	
	Reinsurers' share	14																							
Claims management costs		15																							
Adjustment for discounting	Gross amount	16																							
	Reinsurers' share	17																							
	Claims management costs	18																							
Allocation to/(from) another risk category of anticipated surplus		19																							
Balance of the fund		20																							
Claims outstanding (11-12+13-14+15-16+17-18+19+20)		21	3150																					3150	
Provision for unearned premiums		22																							
Provision for unexpired risks		23																							
Deferred acquisition costs		24																							
Other technical provisions (particulars to be specified by way of supplementary note)		25																							
Total (21+22+23-24+25)		29	3150																					3150	

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

Name of insurer **The Prudential Assurance Company Limited**Currency **Hong Kong Dollar**

Global business

Reporting Territory **Overseas**Financial year ended **31 December 2006****Medical insurance**

Company registration number	GL/UK/CM	day month year	Monetary units	Category number	Currency code	Reporting territory code
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R31	15454	GL	31	12	2006	000	111	HKD	XX
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Accident year ended			Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported			
			1	2	3	4	5	6	7	8	9	10	11
12	2006	11	5298	158		53464	2596	4528			60588	119722	50.6
12	2005	12	5729	47	50454	6513	195	41	3208	4623	(1082)	106807	53.6
12	2004	13	1389	32	43496	38	552	115	581	122	2	92418	47.8
12	2003	14											
12	2002	15											
12	2001	16											
12	2000	17											
12	1999	18											
12	1998	19											
12	1997	20											
Prior accident years		21											
Total (11 to 21)		29		237		60015	3343	4684	3789	4745	59508		
Line 29 expressed in sterling		30				4192	233	327	265	331	4156		

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

Name of insurer **The Prudential Assurance Company Limited**Currency **Hong Kong Dollar**

Global business

Reporting Territory **Overseas**Financial year ended **31 December 2006**

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

Accident year ended		Number of claims	Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %		
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported				Reported	Incurred but not reported
		1	2	3	4	5	6	7	8	9	10	11	
12	2006	11	2051	376		3339	839	261			4439	16902	26.3
12	2005	12	1881	106	2417	856	235	74	804	244	117	14854	24.1
12	2004	13	870	62	3515	1	179	48	286	85	(143)	13235	28.3
12	2003	14											
12	2002	15											
12	2001	16											
12	2000	17											
12	1999	18											
12	1998	19											
12	1997	20											
Prior accident years		21											
Total (11 to 21)		29		544		4196	1253	383	1090	329	4413		
Line 29 expressed in sterling		30				293	88	27	76	23	308		

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

Name of insurer **The Prudential Assurance Company Limited**Currency **Hong Kong Dollar**

Global business

Reporting Territory **Overseas**Financial year ended **31 December 2006****Personal accident or sickness**

Company registration number	GL/UK/CM	day month year	Monetary units	Category number	Currency code	Reporting territory code
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Accident year ended		Number of claims	Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %		
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurring but not reported				Reported	Incurring but not reported
		1	2	3	4	5	6	7	8	9	10	11	
12	2006	11	15205	1120		14265	2793	1655			18713	62539	29.9
12	2005	12	16025	262	12658	4472	872	278	2628	1608	1386	58180	31.4
12	2004	13	3587	140	15583	1759	614	165	2338	665	(465)	56511	32.1
12	2003	14	2315	215	40576		1208	298	1308	329	(131)	115856	36.3
12	2002	15	12367	82	42012		359	87	359	87		97641	43.5
12	2001	16	8394	4	34684		336	89	336	88	1	71389	49.2
12	2000	17	9856		23326							56613	41.2
12	1999	18	2079	1	16515							44597	37.0
12	1998	19	1392	1	11552		30	8	30	8		34501	33.6
12	1997	20	1015		5499							13279	41.4
Prior accident years		21							1		(1)		
Total (11 to 21)		29		1825		20496	6212	2580	7000	2785	19503		
Line 29 expressed in sterling		30				1432	434	180	489	195	1362		

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

Name of insurer **The Prudential Assurance Company Limited**Currency **British Pound**

Global business

Reporting Territory **United Kingdom other than home foreign**Financial year ended **31 December 2006****Primary (direct) and facultative household and domestic all risks**

Company registration number	GL/UK/CM	day month year	Monetary units	Category number	Currency code	Reporting territory code
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Accident year ended		Number of claims	Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %		
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurring but not reported				Reported	Incurring but not reported
		1	2	3	4	5	6	7	8	9	10	11	
12	2006	11											
12	2005	12											
12	2004	13											
12	2003	14	57517	108	60514	1997	1257	2201	2720	1562	1172	118909	55.5
12	2002	15	173753	101	162137	1460	1550	880	2009	823	1058	263415	63.0
12	2001	16	162972	49	145218	182	539	778	1301	678	(480)	266534	55.0
12	2000	17	193646	36	174329	302	1088	435	1360	521	(57)	267007	66.0
12	1999	18	195553	14	142576	77	48	548	602	300	(228)	267500	53.6
12	1998	19	224753	14	154907	242	601	94	1064	183	(310)	265136	58.8
12	1997	20	212310	13	143209	159	327	200	412	68	205	258663	55.6
Prior accident years		21		17		276	230	115	501		119		
Total (11 to 21)		29		352		4693	5641	5250	9970	4136	1479		
Line 29 expressed in sterling		30				4693	5641	5250	9970	4136	1479		

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

Name of insurer **The Prudential Assurance Company Limited**Currency **Hong Kong Dollar**

Global business

Reporting Territory **Overseas**Financial year ended **31 December 2006****Primary (direct) and facultative household and domestic all risks**

Company registration number	GL/UK/CM	day month year	Monetary units	Category number	Currency code	Reporting territory code
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Accident year ended		Number of claims	Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %		
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported				Reported	Incurred but not reported
		1	2	3	4	5	6	7	8	9	10	11	
12	2006	11	1799	700		4821	4527	1195			10543	27539	38.3
12	2005	12	2011	196	4249	1675	751	225	2788	799	(936)	27417	25.2
12	2004	13	1517	95	6295	401	273	74	469	123	156	27258	25.8
12	2003	14	1275	54	9151	4	179	38	120	33	68	42351	22.1
12	2002	15	853	28	10531	19	36	8	49	11	3	45299	23.4
12	2001	16	786		9137							41321	22.1
12	2000	17	539		5447							32743	16.6
12	1999	18	539	4	8133		373	78			451	27105	31.7
12	1998	19	469	1	5706		134	28			162	26568	22.1
12	1997	20	325		3399							14106	24.1
Prior accident years		21		2			6	1	5	1	1		
Total (11 to 21)		29		1080		6920	6279	1647	3431	967	10448		
Line 29 expressed in sterling		30				483	439	115	240	68	730		

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

Name of insurer **The Prudential Assurance Company Limited**Currency **British Pound**

Global business

Reporting Territory **United Kingdom other than home foreign**Financial year ended **31 December 2006****Employers liability**

Company registration number	GL/UK/CM	day month year	Monetary units	Category number	Currency code	Reporting territory code
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R31	15454	GL	31	12	2006	000	271	GBP	AA
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Accident year ended			Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported			
			1	2	3	4	5	6	7	8	9	10	11
12	2006	11											
12	2005	12											
12	2004	13											
12	2003	14											
12	2002	15											
12	2001	16											
12	2000	17											
12	1999	18											
12	1998	19											
12	1997	20											
Prior accident years		21		477		3037	8698	41812	9268	37168	7111		
Total (11 to 21)		29		477		3037	8698	41812	9268	37168	7111		
Line 29 expressed in sterling		30				3037	8698	41812	9268	37168	7111		

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

Name of insurer **The Prudential Assurance Company Limited**Currency **Hong Kong Dollar**

Global business

Reporting Territory **Overseas**Financial year ended **31 December 2006****Employers liability**

Company registration number	GL/UK/CM	day month year	Monetary units	Category number	Currency code	Reporting territory code
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R31	15454	GL	31	12	2006	000	271	HKD	XX
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Accident year ended			Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported			
			1	2	3	4	5	6	7	8	9	10	11
12	2006	11	593	521		2574	5256	12564			20394	46418	43.9
12	2005	12	887	172	2436	6237	6227	1979	5505	10749	(1811)	45501	37.1
12	2004	13	740	99	9018	3982	5041	1319	6604	2019	1719	40118	48.3
12	2003	14	603	95	15030	1219	3309	867	4144	1084	167	43598	46.8
12	2002	15	845	26	14316	3064	1863	487	4040	1056	318	34404	57.3
12	2001	16	50	3	11600	1679	1239	324	2694	705	(157)	22331	66.5
12	2000	17	545		9629							15455	62.3
12	1999	18	1198		5074							13488	37.6
12	1998	19	835		3555							14685	24.2
12	1997	20	416		3171							9201	34.5
Prior accident years		21											
Total (11 to 21)		29		916		18755	22935	17540	22987	15613	20630		
Line 29 expressed in sterling		30				1310	1602	1225	1605	1090	1441		

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

Name of insurer **The Prudential Assurance Company Limited**Currency **British Pound**

Global business

Reporting Territory **United Kingdom other than home foreign**Financial year ended **31 December 2006****Public and products liability**

Company registration number	GL/UK/CM	day month year	Monetary units	Category number	Currency code	Reporting territory code
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R31	15454	GL	31	12	2006	000	273	GBP	AA
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Accident year ended			Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported			
			1	2	3	4	5	6	7	8	9	10	11
12	2006	11											
12	2005	12											
12	2004	13											
12	2003	14											
12	2002	15											
12	2001	16											
12	2000	17											
12	1999	18											
12	1998	19											
12	1997	20											
Prior accident years		21		36		3659	4110	2750	9240	2492	(1213)		
Total (11 to 21)		29		36		3659	4110	2750	9240	2492	(1213)		
Line 29 expressed in sterling		30				3659	4110	2750	9240	2492	(1213)		

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

Name of insurer **The Prudential Assurance Company Limited**Currency **Hong Kong Dollar**

Global business

Reporting Territory **Overseas**Financial year ended **31 December 2006****Public and products liability**

Company registration number	GL/UK/CM	day month year	Monetary units	Category number	Currency code	Reporting territory code
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R31	15454	GL	31	12	2006	000	273	HKD	XX
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Accident year ended			Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported			
			1	2	3	4	5	6	7	8	9	10	11
12	2006	11	44	331		137	1663	3400			5200	9400	55.3
12	2005	12	50	239	74	526	1559	500	1556	2429	(1400)	9553	27.8
12	2004	13	40	100	267	564	2084	546	2262	655	277	7911	43.7
12	2003	14											
12	2002	15											
12	2001	16											
12	2000	17											
12	1999	18											
12	1998	19											
12	1997	20											
Prior accident years		21											
Total (11 to 21)		29		670		1227	5306	4446	3818	3084	4077		
Line 29 expressed in sterling		30				86	371	311	267	215	285		

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

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

Currency **British Pound**

Global business

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

Financial year ended **31 December 2006**

Company registration number **R32** GL/UK/CM **GL** day month year **31 12 2006** Monetary units **000** Category number **121** Currency code **GBP** Reporting territory code **AA**

Private motor - comprehensive

Accident year ended		Number of claims	Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %	Vehicle years (000's)	Claims frequency %		
Month	Year		Closed at some cost during this or previous years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurrred but not reported						Reported	Incurrred but not reported
		1	2	3	4	5	6	7	8	9	10	11	12	13	
12	2006	11													
12	2005	12													
12	2004	13													
12	2003	14	14224	58	14596	830	1311	1356	1663	1895	(61)	28736	63.0	102	14.0
12	2002	15	36983	77	44115	2200	2651	2351	5249	2302	(349)	74652	68.7	92	40.3
12	2001	16	39007	34	46882	1186	834	1715	2269	1718	(251)	70393	71.9	229	17.0
12	2000	17	28435	9	35302	310	363	652	865	813	(353)	45366	80.7	200	14.2
12	1999	18	24674	3	30480	33	89		217	217	(311)	34798	87.9	172	14.3
12	1998	19	21132		24754	20			14	3	3	30498	81.2	147	14.4
12	1997	20	21339		24321	1					1	32437	75.0	146	14.6
Prior accident years		21		6		437	8826		6181		3082				
Total (11 to 21)		29		187		5017	14074	6074	16458	6946	1761				
Line 29 expressed in sterling		30				5017	14074	6074	16458	6946	1761				

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

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

Currency **Hong Kong Dollar**

Global business

Reporting Territory **Overseas**

Financial year ended **31 December 2006**

Company registration number **R32** GL/UK/CM **15454** **GL** day month year **31 12 2006** Monetary units **000** Category number **121** Currency code **HKD** Reporting territory code **XX**

Private motor - comprehensive

Accident year ended			Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8) 9	Gross earned premiums 10	Claims ratio % 11	Vehicle years (000's) 12	Claims frequency % 13
Month	Year		Closed at some cost during this or previous years 1	Reported claims outstanding 2	In previous financial years 3	In this financial year 4	Reported 5	Incurred but not reported 6	Reported 7	Incurred but not reported 8					
12	2006	11	66	51		2134	1014	497			3645	16596	22.0	2	5.9
12	2005	12	83	27	1561	629	167	89	638	680	(433)	15289	16.0	2	5.5
12	2004	13	62	11	1749	(144)	360	112	363	210	(245)	11714	17.7	3	2.4
12	2003	14	54	8	2721	19	96	25	326	115	(301)	9296	30.8	1	6.2
12	2002	15	67	3	1407		37	10	37	10		9787	14.9	1	7.0
12	2001	16	94		2715							9157	29.6	1	9.4
12	2000	17	98		2619							9885	26.5	1	9.8
12	1999	18	91		5201							9417	55.2	1	9.1
12	1998	19	93		1910							7791	24.5	1	9.3
12	1997	20	113		831							3397	24.5	1	11.3
Prior accident years		21													
Total (11 to 21)		29		100		2638	1674	733	1364	1015	2666				
Line 29 expressed in sterling		30				184	117	51	95	71	186				

Equalisation provisions

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

Global business

Financial year ended **31 December 2006**

				Company registration number	GL/UK/CM	day month year			Units	
				R37	15454	GL	31	12	2006	£000
		Business grouping A (property)	Business grouping B (business interruption)	Business grouping C (marine and aviation)	Business grouping D (nuclear)	Business grouping E (non-proportional treaty)	All business groupings			Credit insurance business
		1	2	3	4	5	6			7
Calculation of the maximum provision										
Total net premiums written in the previous 4 years	11	9613								
Net premiums written in the current year	12	2702								
Maximum provision	13	493							493	

Calculation of the transfer to/from the provision

Equalisation provision brought forward	21								2660	
Transfers in	22	81							81	
Total abnormal loss	23									
Provisional transfers out	24									
Excess of provisional transfer out over fund available	25									
Provisional amount carried forward (21+22-24+25)	26								2741	
Excess, if any, of 26 over 13	27								2248	
Equalisation provision carried forward (26-27)	28								493	
Transfer in/(out) for financial year (28-21)	29								(2167)	

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

Global business

Financial year ended **31 December 2006**

		Company registration number	GL/ UK/ CM	day month year			Units	
		R38	15454	GL	31	12	2006	£000
		Business grouping A (property)	Business grouping B (business interruption)	Business grouping C (marine and aviation)	Business grouping D (nuclear)		Business grouping E (non-proportional treaty)	
		1	2	3	4		5	
Other than credit business								
Net premiums earned	11	2624						
Claims incurred net of reinsurance	12	843						
Trigger claims value	13	1902						
Abnormal loss	19							
Trigger claims ratio		72.5%	72.5%	95%	25%			100%

Credit business

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

Long-term insurance business : Revenue account

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **10 Summary**
 Financial year ended **31 December 2006**
 Units **£000**

Financial year	Previous year
1	2

Income

Earned premiums	11	4279927	4616762
Investment income receivable before deduction of tax	12	4374314	4030700
Increase (decrease) in the value of non-linked assets brought into the account	13	706366	3082382
Increase (decrease) in the value of linked assets	14	615404	1008631
Other income	15	41078	59165
Total income	19	10017089	12797640

Expenditure

Claims incurred	21	8640539	7894537
Expenses payable	22	1304584	1376900
Interest payable before the deduction of tax	23	103446	71314
Taxation	24	346176	160994
Other expenditure	25	69131	52838
Transfer to (from) non technical account	26	269254	208207
Total expenditure	29	10733130	9764789

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(716042)	3032851
Fund brought forward	49	73230040	70562427
Fund carried forward (39+49)	59	72513998	73595278

Long-term insurance business : Revenue account

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **21 Scottish Amicable Insurance Fund**
 Financial year ended **31 December 2006**
 Units **£000**

Financial year	Previous year
1	2

Income

Earned premiums	11	(272276)	345661
Investment income receivable before deduction of tax	12	697664	677414
Increase (decrease) in the value of non-linked assets brought into the account	13	24435	640158
Increase (decrease) in the value of linked assets	14		
Other income	15		
Total income	19	449823	1663233

Expenditure

Claims incurred	21	1648750	1319491
Expenses payable	22	73551	8315
Interest payable before the deduction of tax	23	14456	9799
Taxation	24	25866	55115
Other expenditure	25	22993	21076
Transfer to (from) non technical account	26		
Total expenditure	29	1785616	1413794

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(1335793)	249439
Fund brought forward	49	11921275	11671836
Fund carried forward (39+49)	59	10585482	11921275

Long-term insurance business : Revenue account

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **22 With-Profits Sub-Fund**
 Financial year ended **31 December 2006**
 Units **£000**

Financial year	Previous year
1	2

Income

Earned premiums	11	2577109	2320428
Investment income receivable before deduction of tax	12	3346265	3041138
Increase (decrease) in the value of non-linked assets brought into the account	13	716147	2355424
Increase (decrease) in the value of linked assets	14		
Other income	15	27336	25374
Total income	19	6666857	7742363

Expenditure

Claims incurred	21	5781547	5400610
Expenses payable	22	730638	758477
Interest payable before the deduction of tax	23	86370	57344
Taxation	24	298669	166535
Other expenditure	25		
Transfer to (from) non technical account	26	269254	222673
Total expenditure	29	7166479	6605638

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(499621)	1136726
Fund brought forward	49	51054663	50209192
Fund carried forward (39+49)	59	50555042	51345918

Long-term insurance business : Revenue account

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **23 Defined Charge Participating Sub-Fund**
 Financial year ended **31 December 2006**
 Units **£000**

Financial year	Previous year
1	2

Income

Earned premiums	11	231253	325641
Investment income receivable before deduction of tax	12	33847	23430
Increase (decrease) in the value of non-linked assets brought into the account	13	33511	46714
Increase (decrease) in the value of linked assets	14		
Other income	15		
Total income	19	298611	395786

Expenditure

Claims incurred	21	55174	49336
Expenses payable	22	(2052)	(1604)
Interest payable before the deduction of tax	23		
Taxation	24	1890	2059
Other expenditure	25	12392	12355
Transfer to (from) non technical account	26		
Total expenditure	29	67404	62146

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	231207	333640
Fund brought forward	49	1094847	809492
Fund carried forward (39+49)	59	1326054	1143132

Long-term insurance business : Revenue account

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **31 Non-Profit Sub-Fund**
 Financial year ended **31 December 2006**
 Units **£000**

Financial year	Previous year
1	2

Income

Earned premiums	11	1743841	1625032
Investment income receivable before deduction of tax	12	296537	288718
Increase (decrease) in the value of non-linked assets brought into the account	13	(67727)	40086
Increase (decrease) in the value of linked assets	14	615404	1008631
Other income	15	13741	33791
Total income	19	2601797	2996258

Expenditure

Claims incurred	21	1155068	1125100
Expenses payable	22	502446	611712
Interest payable before the deduction of tax	23	2621	4172
Taxation	24	19751	(62714)
Other expenditure	25	33747	19407
Transfer to (from) non technical account	26		(14466)
Total expenditure	29	1713632	1683211

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	888165	1313047
Fund brought forward	49	9159255	7871907
Fund carried forward (39+49)	59	10047420	9184954

Long-term insurance business : Analysis of premiums

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **10 Summary**
 Financial year ended **31 December 2006**
 Units **£000**

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

Gross

Regular premiums	11	684856	1075521	462371	2222747	2247014
Single premiums	12	1079304	2763316	594125	4436745	4129716

Reinsurance - external

Regular premiums	13	33704	13427	14990	62120	96319
Single premiums	14	250	4753		5003	26291

Reinsurance - intra-group

Regular premiums	15		173219		173219	50426
Single premiums	16	177856	1961368		2139224	1586932

Net of reinsurance

Regular premiums	17	651153	888875	447381	1987408	2100269
Single premiums	18	901198	797196	594125	2292518	2516493

Total

Gross	19	1764160	3838837	1056495	6659492	6376730
Reinsurance	20	211809	2152766	14990	2379565	1759968
Net	21	1552351	1686071	1041505	4279927	4616762

Long-term insurance business : Analysis of premiums

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **21 Scottish Amicable Insurance Fund**
 Financial year ended **31 December 2006**
 Units **£000**

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

Gross

Regular premiums	11	198504	71383		269887	300888
Single premiums	12	13	18441		18454	45022

Reinsurance - external

Regular premiums	13	109	92		201	249
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16		560416		560416	

Net of reinsurance

Regular premiums	17	198395	71291		269686	300639
Single premiums	18	13	(541975)		(541962)	45022

Total

Gross	19	198517	89824		288341	345910
Reinsurance	20	109	560508		560617	249
Net	21	198408	(470684)		(272276)	345661

Long-term insurance business : Analysis of premiums

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **22 With-Profits Sub-Fund**
 Financial year ended **31 December 2006**
 Units **£000**

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

Gross

Regular premiums	11	355940	765751	337859	1459551	1538733
Single premiums	12	216876	1681571	324981	2223428	1736918

Reinsurance - external

Regular premiums	13	18725	5852	6098	30675	49374
Single premiums	14		1344		1344	684

Reinsurance - intra-group

Regular premiums	15		77067		77067	31096
Single premiums	16	4692	992092		996784	874069

Net of reinsurance

Regular premiums	17	337216	682832	331761	1351809	1458263
Single premiums	18	212184	688135	324981	1225300	862165

Total

Gross	19	572816	2447323	662840	3682979	3275651
Reinsurance	20	23416	1076355	6098	1105870	955223
Net	21	549400	1370967	656741	2577109	2320428

Long-term insurance business : Analysis of premiums

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **23 Defined Charge Participating Sub-Fund**
 Financial year ended **31 December 2006**
 Units **£000**

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

Gross

Regular premiums	11				
Single premiums	12		231253	231253	325641

Reinsurance - external

Regular premiums	13				
Single premiums	14				

Reinsurance - intra-group

Regular premiums	15				
Single premiums	16				

Net of reinsurance

Regular premiums	17				
Single premiums	18		231253	231253	325641

Total

Gross	19		231253	231253	325641
Reinsurance	20				
Net	21		231253	231253	325641

Long-term insurance business : Analysis of premiums

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **31 Non-Profit Sub-Fund**
 Financial year ended **31 December 2006**
 Units **£000**

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

Gross

Regular premiums	11	130412	238386	124511	493309	407393
Single premiums	12	862414	1063304	37891	1963609	2022135

Reinsurance - external

Regular premiums	13	14870	7483	8891	31244	46696
Single premiums	14	250	3409		3659	25607

Reinsurance - intra-group

Regular premiums	15		96151		96151	19330
Single premiums	16	173164	408860		582023	712863

Net of reinsurance

Regular premiums	17	115542	134752	115620	365914	341367
Single premiums	18	689001	651036	37891	1377927	1283665

Total

Gross	19	992826	1301690	162402	2456919	2429528
Reinsurance	20	188283	515903	8891	713077	804496
Net	21	804543	785787	153511	1743841	1625032

Long-term insurance business : Analysis of claims

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **10 Summary**
 Financial year ended **31 December 2006**
 Units **£000**

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

Gross

Death or disability lump sums	11	555050	116172	37184	708406	952550
Disability periodic payments	12	1892	199	94	2185	3645
Surrender or partial surrender	13	2711434	1293368	164549	4169351	4477733
Annuity payments	14	6014	986651	2427	995092	909812
Lump sums on maturity	15	1341536	2658528	16359	4016424	2544101
Total	16	4615926	5054917	220613	9891457	8887841

Reinsurance - external

Death or disability lump sums	21	23090	141	4827	28058	23042
Disability periodic payments	22	332		43	375	332
Surrender or partial surrender	23	5811	1464		7275	31580
Annuity payments	24					
Lump sums on maturity	25	769	823		1592	1077
Total	26	30002	2427	4870	37299	56031

Reinsurance - intra-group

Death or disability lump sums	31	13947	2544		16491	12172
Disability periodic payments	32					
Surrender or partial surrender	33	278896	92231	2	371129	194456
Annuity payments	34		765520		765520	697230
Lump sums on maturity	35		60478		60478	33415
Total	36	292843	920773	2	1213619	937273

Net of reinsurance

Death or disability lump sums	41	518012	113487	32357	663857	917336
Disability periodic payments	42	1561	199	50	1810	3313
Surrender or partial surrender	43	2426727	1199673	164547	3790946	4251697
Annuity payments	44	6014	221131	2427	229572	212582
Lump sums on maturity	45	1340767	2597227	16359	3954354	2509609
Total	46	4293081	4131717	215741	8640539	7894537

Long-term insurance business : Analysis of claims

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **21 Scottish Amicable Insurance Fund**
 Financial year ended **31 December 2006**
 Units **£000**

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

Gross

Death or disability lump sums	11	42503	17716		60219	54521
Disability periodic payments	12	1	199		200	210
Surrender or partial surrender	13	183557	218012		401568	776747
Annuity payments	14		51747		51747	50556
Lump sums on maturity	15	479365	677258		1156623	437457
Total	16	705426	964931		1670357	1319491

Reinsurance - external

Death or disability lump sums	21	1211	24		1235	
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
Total	26	1211	24		1235	

Reinsurance - intra-group

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

Net of reinsurance

Death or disability lump sums	41	41292	17692		58984	54521
Disability periodic payments	42	1	199		200	210
Surrender or partial surrender	43	183557	218012		401568	776747
Annuity payments	44		31375		31375	50556
Lump sums on maturity	45	479365	677258		1156623	437457
Total	46	704215	944535		1648750	1319491

Long-term insurance business : Analysis of claims

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **22 With-Profits Sub-Fund**
 Financial year ended **31 December 2006**
 Units **£000**

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

Gross

Death or disability lump sums	11	376117	86307	17022	479446	511659
Disability periodic payments	12	369			369	353
Surrender or partial surrender	13	1777058	939828	80168	2797053	2891268
Annuity payments	14	6014	819287	2427	827728	760833
Lump sums on maturity	15	817036	1686401	16359	2519796	1977135
Total	16	2976593	3531823	115976	6624392	6141249

Reinsurance - external

Death or disability lump sums	21	15113	15	1954	17082	19335
Disability periodic payments	22	119			119	
Surrender or partial surrender	23	22	162		183	1539
Annuity payments	24					
Lump sums on maturity	25	769	630		1399	831
Total	26	16022	807	1954	18784	21705

Reinsurance - intra-group

Death or disability lump sums	31		1684		1684	733
Disability periodic payments	32					
Surrender or partial surrender	33	3962	43482		47444	15607
Annuity payments	34		720291		720291	672055
Lump sums on maturity	35		54641		54641	30539
Total	36	3962	820099		824061	718934

Net of reinsurance

Death or disability lump sums	41	361004	84608	15067	460680	491592
Disability periodic payments	42	250			250	353
Surrender or partial surrender	43	1773074	896184	80168	2749427	2874122
Annuity payments	44	6014	98996	2427	107437	88778
Lump sums on maturity	45	816267	1631129	16359	2463755	1945765
Total	46	2956609	2710917	114022	5781547	5400610

Long-term insurance business : Analysis of claims

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **23 Defined Charge Participating Sub-Fund**
 Financial year ended **31 December 2006**
 Units **£000**

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

Gross

Death or disability lump sums	11		2814	2814	1216
Disability periodic payments	12				
Surrender or partial surrender	13		52359	52359	48120
Annuity payments	14				
Lump sums on maturity	15				
Total	16		55174	55174	49336

Reinsurance - external

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

Reinsurance - intra-group

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

Net of reinsurance

Death or disability lump sums	41		2814	2814	1216
Disability periodic payments	42				
Surrender or partial surrender	43		52359	52359	48120
Annuity payments	44				
Lump sums on maturity	45				
Total	46		55174	55174	49336

Long-term insurance business : Analysis of claims

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **31 Non-Profit Sub-Fund**
 Financial year ended **31 December 2006**
 Units **£000**

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

Gross

Death or disability lump sums	11	136430	12149	17348	165927	385153
Disability periodic payments	12	1523		94	1616	3082
Surrender or partial surrender	13	750820	135528	32022	918370	761598
Annuity payments	14		115617		115617	98423
Lump sums on maturity	15	45135	294869		340004	129509
Total	16	933907	558163	49464	1541534	1377765

Reinsurance - external

Death or disability lump sums	21	6766	102	2873	9741	3707
Disability periodic payments	22	213		43	256	332
Surrender or partial surrender	23	5790	1302		7092	30041
Annuity payments	24					
Lump sums on maturity	25		192		192	246
Total	26	12769	1597	2916	17281	34326

Reinsurance - intra-group

Death or disability lump sums	31	13947	859		14807	11439
Disability periodic payments	32					
Surrender or partial surrender	33	274934	48749	2	323686	178849
Annuity payments	34		24856		24856	25175
Lump sums on maturity	35		5837		5837	2876
Total	36	288881	80302	2	369186	218339

Net of reinsurance

Death or disability lump sums	41	115716	11188	14475	141379	370007
Disability periodic payments	42	1310		50	1361	2750
Surrender or partial surrender	43	470096	85477	32020	587593	552708
Annuity payments	44		90760		90760	73248
Lump sums on maturity	45	45135	288840		333975	126387
Total	46	632257	476265	46545	1155068	1125100

Long-term insurance business : Analysis of expenses

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **10 Summary**
 Financial year ended **31 December 2006**
 Units **£000**

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

Gross

Commission - acquisition	11	318651	1992	65723	386366	518325
Commission - other	12	12677	6635	21415	40727	43960
Management - acquisition	13	57924	82900	32432	173256	217934
Management - maintenance	14	274494	352728	23144	650366	535984
Management - other	15	23503	41018	(2795)	61726	75323
Total	16	687250	485272	139920	1312442	1391526

Reinsurance - external

Commission - acquisition	21	15	122	590	727	791
Commission - other	22	198	1572	2375	4145	2062
Management - acquisition	23			56	56	57
Management - maintenance	24			25	25	20
Management - other	25					
Total	26	213	1694	3045	4953	2931

Reinsurance - intra-group

Commission - acquisition	31					748
Commission - other	32					2171
Management - acquisition	33		757		757	4795
Management - maintenance	34	573	1575		2148	3981
Management - other	35					
Total	36	573	2332		2905	11696

Net of reinsurance

Commission - acquisition	41	318636	1869	65134	385639	516786
Commission - other	42	12479	5064	19040	36582	39727
Management - acquisition	43	57924	82142	32376	172442	213081
Management - maintenance	44	273921	351152	23120	648193	531983
Management - other	45	23503	41018	(2795)	61726	75323
Total	46	686463	481246	136874	1304584	1376900

Long-term insurance business : Analysis of expenses

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **21 Scottish Amicable Insurance Fund**
 Financial year ended **31 December 2006**
 Units **£000**

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

Gross

Commission - acquisition	11		2774		2774	2796
Commission - other	12	3078	723		3801	5821
Management - acquisition	13		1095		1095	1153
Management - maintenance	14	34900	30987		65887	(5419)
Management - other	15					3970
Total	16	37978	35579		73557	8321

Reinsurance - external

Commission - acquisition	21					
Commission - other	22	2	4		6	6
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
Total	26	2	4		6	6

Reinsurance - intra-group

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
Total	36					

Net of reinsurance

Commission - acquisition	41		2774		2774	2796
Commission - other	42	3076	719		3795	5815
Management - acquisition	43		1095		1095	1153
Management - maintenance	44	34900	30987		65887	(5419)
Management - other	45					3970
Total	46	37976	35575		73551	8315

Long-term insurance business : Analysis of expenses

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **22 With-Profits Sub-Fund**
 Financial year ended **31 December 2006**
 Units **£000**

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

Gross

Commission - acquisition	11	28420	(9759)	46334	64995	53325
Commission - other	12	6810	2012	12697	21520	22793
Management - acquisition	13	22752	51511	26348	100612	93516
Management - maintenance	14	204321	271907	18975	495203	536721
Management - other	15	16935	33106	123	50164	53689
Total	16	279239	348777	104477	732493	760044

Reinsurance - external

Commission - acquisition	21			353	353	321
Commission - other	22	2		1424	1426	1176
Management - acquisition	23			53	53	50
Management - maintenance	24			23	23	19
Management - other	25					
Total	26	2		1853	1855	1567

Reinsurance - intra-group

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
Total	36					

Net of reinsurance

Commission - acquisition	41	28420	(9759)	45981	64643	53003
Commission - other	42	6808	2012	11273	20093	21616
Management - acquisition	43	22752	51511	26295	100559	93466
Management - maintenance	44	204321	271907	18951	495179	536702
Management - other	45	16935	33106	123	50164	53689
Total	46	279237	348777	102624	730638	758477

Long-term insurance business : Analysis of expenses

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **23 Defined Charge Participating Sub-Fund**
 Financial year ended **31 December 2006**
 Units **£000**

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

Gross

Commission - acquisition	11		17	17	6
Commission - other	12		435	435	444
Management - acquisition	13				
Management - maintenance	14		415	415	907
Management - other	15		(2918)	(2918)	(2961)
Total	16		(2052)	(2052)	(1604)

Reinsurance - external

Commission - acquisition	21				
Commission - other	22				
Management - acquisition	23				
Management - maintenance	24				
Management - other	25				
Total	26				

Reinsurance - intra-group

Commission - acquisition	31				
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
Total	36				

Net of reinsurance

Commission - acquisition	41		17	17	6
Commission - other	42		435	435	444
Management - acquisition	43				
Management - maintenance	44		415	415	907
Management - other	45		(2918)	(2918)	(2961)
Total	46		(2052)	(2052)	(1604)

Long-term insurance business : Analysis of expenses

Name of insurer **The Prudential Assurance Company Limited**
 Total business / subfund **31 Non-Profit Sub-Fund**
 Financial year ended **31 December 2006**
 Units **£000**

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

Gross

Commission - acquisition	11	290231	8977	19373	318580	462199
Commission - other	12	2789	3900	8282	14972	14903
Management - acquisition	13	35171	30293	6085	71549	123265
Management - maintenance	14	35273	49834	3755	88862	3776
Management - other	15	6568	7912		14480	20624
Total	16	370032	100916	37495	508443	624766

Reinsurance - external

Commission - acquisition	21	15	122	237	374	470
Commission - other	22	194	1568	951	2712	880
Management - acquisition	23			4	4	7
Management - maintenance	24			1	1	1
Management - other	25					
Total	26	209	1690	1192	3092	1358

Reinsurance - intra-group

Commission - acquisition	31					748
Commission - other	32					2171
Management - acquisition	33		757		757	4795
Management - maintenance	34	573	1575		2148	3981
Management - other	35					
Total	36	573	2332		2905	11696

Net of reinsurance

Commission - acquisition	41	290216	8854	19136	318206	460981
Commission - other	42	2595	2332	7332	12259	11851
Management - acquisition	43	35171	29536	6081	70788	118462
Management - maintenance	44	34700	48259	3754	86712	(206)
Management - other	45	6568	7912		14480	20624
Total	46	369250	96894	36302	502446	611712

Long-term insurance business : Linked funds balance sheet

Name of insurer **The Prudential Assurance Company Limited**
 Total business
 Financial year ended **31 December 2006**
 Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

Internal linked funds (excluding cross investment)

Directly held assets (excluding collective investment schemes)	11	2052858	1902991
Directly held assets in collective investment schemes of connected companies	12	5535648	5115222
Directly held assets in other collective investment schemes	13	233921	172042
Total assets (excluding cross investment) (11+12+ 13)	14	7822426	7190255
Provision for tax on unrealised capital gains	15	36632	11468
Secured and unsecured loans	16		
Other liabilities	17	1163	5363
Total net assets (14-15-16-17)	18	7784631	7173424

Directly held linked assets

Value of directly held linked assets	21	82847	83079
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Total

Value of directly held linked assets and units held (18+21)	31	7867478	7256503
Surplus units	32	11314	1805
Deficit units	33		
Net unit liability (31-32+33)	34	7856165	7254698

Long-term insurance business : Revenue account for internal linked funds

Name of insurer **The Prudential Assurance Company Limited**
 Total business
 Financial year ended **31 December 2006**
 Units **£000**

Financial year	Previous year
1	2

Income

Value of total creation of units	11	905157	456850
Investment income attributable to the funds before deduction of tax	12	246811	192220
Increase (decrease) in the value of investments in the financial year	13	592830	989475
Other income	14		
Total income	19	1744798	1638545

Expenditure

Value of total cancellation of units	21	992331	716118
Charges for management	22	74796	46098
Charges in respect of tax on investment income	23	23807	20909
Taxation on realised capital gains	24	29489	49995
Increase (decrease) in amount set aside for tax on capital gains not yet realised	25	1068	2728
Other expenditure	26		
Total expenditure	29	1121492	835848

Increase (decrease) in funds in financial year (19-29)	39	623305	802697
Internal linked fund brought forward	49	7161326	6370727
Internal linked funds carried forward (39+49)	59	7784632	7173424

THE PRUDENTIAL ASSURANCE COMPANY LIMITED

Year ended 31 December 2006

Supplementary Notes to the Forms

APPENDIX 9.1

0101 Waivers modifying the Accounts and Statements rules

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

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

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

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

Application of Section 148 Waiver

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

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

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

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

0301 Reconciliation of net assets to total capital resources

	2006 £000
Total assets per Form 13 (other than long-term business) line 89	903,232
Total assets per Form 13 (long-term business) line 89	103,715,425
Less: the sum of lines 11, 12 and 49 in Form 14	76,838,701
Less: liabilities per Form 15 line 69	174,297
Add: assets backing the capital resource requirements of dependants	1,204,481
Add: preference shares	1,000
Net assets per Form 3 line 79	28,811,140

0305 Details of other financing arrangements

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

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

0308 Nature of outstanding contingent loans

Included in line 94 in 2005 was a contingent liability that arises from a contingent loan arrangement with European Reinsurance Company of Zurich and is linked to the performance of unit linked business originally written by M&G Life Assurance Company Limited and M&G Pensions and Annuity Company Limited (“ex-M&G unit linked business”). These contracts were transferred to Scottish Amicable Life plc on 28 December 2000 and then to the Non-Par Sub Fund of The Prudential Assurance Company Limited (“PAC”) on 31 December 2002.

The contingent loan allows PAC to take advantage of certain future margins, which are expected to arise on ex-M&G unit linked business, when calculating statutory solvency. The contingent loan is repayable as certain future margins emerge. The emergence of future margins would be adversely affected by increased lapse rates and adverse mortality experience.

The contingent loan arrangement was entered into on 30 December 2004 and replaced a reinsurance treaty that was refinanced and replaced on the same day. The reinsurance treaty that was refinanced and replaced on 30 December 2004 was also linked to the emergence of future margins on the same ex-M&G unit linked business.

Under the terms of the contingent loan arrangement and based on performance of ex-M&G unit linked business in 2006, £18.0m of the loan has become due for repayment on 31 March 2007 (£7.0m was repaid on 31 March 2006). The repayable amount is not included in line 94, as it is no longer contingent at the year end. It is included in Other Creditors (line 38, form 14).

Nil (2005: £18m) of the initial loan that remains contingent upon future margins has been included in line 94 as financial engineering.

Included in line 94 for 2006 is a contingent liability that arises from a contingent loan arrangement with Prudential Finance (UK) Plc and is linked to the performance of the non-profit sub-fund with the exception of policies issued prior to 28 December 2000 by M&G Pensions.

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

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

Under the terms of the contingent loan arrangement £4.4m of the loan has become due for repayment on 31 March 2007 (Nil was repaid on 31 March 2006). The repayable amount is not included in line 94, as it is no longer contingent at the year end. It is included in Other Creditors (line 38, form 14).

The £15.6m of the initial loan plus £1m of interest that remains contingent upon future margins including interest has been included in line 94 as financial engineering.

The commutation value of this arrangement is £16.6m

0310 Details of valuation differences

<u>Other than long-term</u>	2006 £'000
Positive valuation differences in respect of liabilities where valuation in GENPRU is lower than the firm uses for external reporting purposes being:-	
Pension deficit funding net of tax – see note 1507	14,455
Total line 14 column 1	<u>14,455</u>

Long-term 2006
£'000

Positive valuation differences in respect of liabilities where valuation in GENPRU is lower than the firm uses for external reporting purposes being: -

Deferred tax on accounts deferred acquisition costs	30,011
Deferred tax on additional reserves and financial reengineering	54,596
Difference in valuation basis for actuarial liabilities	14,255,216
Creditors in respect of contingent loans net of tax	16,228
Mortgages and loans valuation difference	9,540
Unearned revenue reserve	57,470

Negative valuation differences in respect of assets where valuation in GENPRU is higher than the firm uses for external reporting purposes being:-

Pension deficit funding net of tax – see note 1405 (219,445)

Total line 14 column 2 14,203,616

1301 Aggregate value of certain investments

The other than long-term business fund held units of beneficial interest in collective investment schemes with an aggregate value of £52m. There are no unlisted investments, no listed investments which are not readily realisable, and no reversionary interests or remainders in property other than land or buildings in the other than long-term funds.

1302 Aggregate value of hybrid securities

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

1304 Use of set off

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

1305 Counterparty limits

Under the Company's investment guidelines, the maximum permitted exposure to any one counterparty is set at 5% of the business amount, with the exception of short-term deposits with approved credit institutions, where the limit for any one institution is 20%. The 5% limit for the other than long-term fund has not been exceeded other than the balance with the holding company Prudential plc which exceeded 5% of the business amount on a number of occasions during the year. The largest balance outstanding was at the start of the year (£17m).

1306 Exposure at the year end to large counterparties

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

1307 Secured Obligations

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

1308 Aggregate value of certain investments

The long-term business fund held unlisted investments with an aggregate value of £1,628m and units of beneficial interest in collective investment schemes with an aggregate value of £631m. There are no listed investments which are not readily realisable, and no reversionary interests or remainders in property other than land or buildings in either the long-term or other than long-term funds.

1309 Aggregate value of hybrid securities

The aggregate value of hybrid securities is £3,809m for the long-term business fund.

1310 Use of set off

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

1311 Counterparty limits

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

1312 Exposure at the year end to large counterparties

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

1313 Secured Obligations

At the year-end the Company's long-term business fund had £6.1m of secured obligations to which Para 14 of part 1 of Appendix 4.2 applies.

1314 Tangible lease assets

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

1316 Tangible lease assets

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

1318 Particulars of other assets adjustments

The amount in line 100 is made up of the following:

Other than long-term inadmissible assets:

	£'000
Paintings	964
Inadmissible debtors	97
Assets netted off liabilities in FSA returns	129
Pension scheme deficit netted off against surplus in accounts	(14,455)
Total Line 100 (Other than long-term)	<u>(13,265)</u>

Long-term inadmissible assets:	£'000
Goodwill	167,421
Commission paid in advance	1,336
Premiums outstanding for more than 3 months	3,783
Inadmissible sundry debtors	1,449
Inadmissible collective investment schemes	292,961
Long-term assets netted off with liabilities	37,379
Pension scheme surplus in accounts	65,455
Other	(2,076)
Total Line 100 (Long-term)	<u>567,708</u>

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

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

1321 Particulars of other differences in the value of assets

The amount in line 97 is made up of the following:

Long-term inadmissible assets:	£'000
Difference in the valuation of mortgages as amortised cost used in accounts	<u>(9,540)</u>

1322 Acquisition of Scottish Amicable Life Assurance Society

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

The Non-Profit Sub-Fund of the other long-term PAC funds contributed £185m to the purchase cost of SALAS in respect of expected expense synergies. This amount was treated as an asset of a type not valued and included in Form 13 line 95 of the 1997 Return. £160m of this amount represented the value of an agreement with a fellow subsidiary company for the use of Scottish Amicable and Prudential trademarks which is being amortised in the shareholder accounts over a period of 20 years to 30 September 2017 on a basis consistent with the revenue stream from the agreement. Under this basis, the amortisation commenced in the year 2000, when the benefits from the agreement first arose. The remaining £25m related to the estimated net present value of income from current service agreements and is being amortised in the shareholder accounts from 1 January 1998 over a period of 10 years. Accordingly in the 2006 Return, Form 13 line 100 includes the unamortised balance of £124m.

The other than long-term business fund contributed £489.3m to the purchase cost via the Non-Profit Sub-Fund. Admissible assets, after revaluation, of £113.6m were treated as surplus carried forward in the fund and the balance of £375.7m was written off in Form 40 in 1997. In the shareholder accounts, £13.8m of the contribution related to the value of a service agreement which is being amortised on the same basis as the trademarks agreement described above. In addition, goodwill of £328m was recognised which is being amortised from 1 January 1998 over a period of 10 years. Accordingly Form 16, which corresponds to the Company's non-technical account, includes £32.8m in respect of this amortisation (although in the admissible assets reconciliation, and the long-term business Form 13 line 100 of the 2006 Return includes the unamortised balance of £43m).

1401 Provision for “reasonably foreseeable adverse variations”

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

1402 Long-term charges, contingent liabilities and guarantees

- a) There were no charges over assets.
The Company has adopted the provisions of Financial Reporting Standard 19 - Deferred Tax. Full provision has been made.
- b) The ordinary long-term business fund held a provision of £1m for potential tax on capital gains in respect of linked business in the ordinary long-term business fund, in line 11 of Form 14. Provision of £2,144m for tax on capital gains in respect of other long-term business has been included in line 21 of Form 14, including £229m in respect of SAIF. These provisions have been determined in accordance with the procedures outlined in paragraph 3 of the Valuation Report in Appendix 9.4 of this Return. The actual provisions and the maximum potential tax are the same.
- c) The Company has contingent liabilities in respect of insurance and other agreements entered into in the normal course of business and in respect of litigation arising therefrom.
- d) The Company has guaranteed up to £1m (2005: £1m) of a £100m loan issued by the Royal Bank of Scotland to Pension Advisors Support Systems (PASS) to assist independent financial advisors with their review of pension transfers and opt outs.
- e) For guaranteed annuity products sold in the UK, the Company held a provision of £47m at December 31 2006, (2005: £52m), within the With-Profits Sub-Fund to honour guarantees on these products. The Company's main exposure to guaranteed annuities in the UK is through SAIF and a provision of £769m was held in SAIF at 31 December 2006, (2005: £789m) to honour annuity and other guarantees.
- f) Inherited Estate in the With-Profits Sub-Fund.
The assets of the main with-profits fund within the long-term insurance fund of the Company comprise the amounts that it expects to pay out to meet its obligations to existing policyholders and an additional amount used as working capital. The amount payable over time to policyholders from the with-profits fund is equal to the policyholders' accumulated asset shares plus any additional payments that may be required by way of smoothing or to meet guarantees. The balance of the assets of the with-profits fund is called the 'inherited estate' and has accumulated over many years from various sources.

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

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

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

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

The Company is exposed to mortgage endowment products in respect of policies issued by Scottish Amicable Life plc (SAL) and policies issued by Scottish Amicable Life Assurance Society (SALAS) and transferred into the Scottish Amicable Insurance Fund (SAIF). Provisions of £11 million in the non-profit sub-fund and £102 million in SAIF were held at 31 December 2006 to cover potential compensation in respect of mortgage endowment product mis-selling claims. As SAIF is a separate sub-fund of the Company's long-term business fund, this provision has no impact on shareholders.

In addition, the Company's main with-profits fund paid compensation of £11 million in respect of mortgage endowment products mis-selling claims in the year ended 31 December 2006 and held a provision of £141 million at 31 December 2006, in respect of further compensation. This provision has no impact on the Company's profit before tax.

- h) Contingent liabilities arise in connection with financial reinsurance arrangement described in note 0308 and the Guarantee noted in item (d) above. The total of these is £17m.
- i) There are no other fundamental uncertainties.
- j) There are no other guarantees, indemnities or other contractual commitments effected, other than in the ordinary course of its insurance business, or in respect of related companies.

1405 Particulars of other adjustments

The amount in line 74 is made up of the following:	£000
Difference in valuation basis for actuarial liabilities	14,310,598
Pension deficit funding net of tax (note 1)	(153,990)
Creditors in respect of contingent loan	16,228
Deferred tax on additional reserves	54,596
Long-term liabilities netted off with assets	37,379
Total Line 74	<u>14,264,811</u>

Note 1 - The pensions surplus in the statutory accounts is the actual pensions surplus for the Company's main schemes. The amount provided for in the FSA returns is the deficit reduction amount i.e. the additional funding (net of tax) that will be required to be paid into that scheme by the firm over the following five year period for the purpose of reducing the firm's defined benefit liability. The deficit shown at line 22 of the With-Profits Sub-Fund form 14 is £171.1m. The associated deferred tax on the FSA deficit is £17.1m and is included in line 21 of the form 14. The surplus in the statutory accounts is £65.5m and is included in line 100 of the With-Profits Sub-Fund form 13. The net difference between the FSA returns (£154m) deficit and the accounts (£65.5m) surplus is therefore £219.5m.

1406 Provision for deferred tax

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

1501 Provision for "reasonably foreseeable adverse variations"

There is no provision for reasonably foreseeable adverse variations on swap contracts as the contracts that were in place at the end of 2005 were closed out during 2006.

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

- a) There were no charges over assets.
- b) The potential tax on capital gains in respect of the other than long-term business assets shown on Form 13 is nil.
- c) Under the terms of the Company's arrangements with the Prudential Group's main UK bank, the bank has a right of set-off between credit balances (other than those of long-term business funds) and all overdrawn balances of those group undertakings with similar arrangements. The Company also has contingent liabilities in respect of insurance and other agreements entered into in the normal course of business and in respect of litigation arising therefrom.

- d) Provisions in respect of the costs associated with the pensions mis-selling review have been included in the long-term technical provision. The directors believe that, based on current information, the pension mis-selling provision, together with future investment return on the assets backing the provision, will be adequate to cover the costs of pension mis-selling as well as the costs and expenses of the Company to identify and settle such cases. The calculation of the pension mis-selling provision is dependent upon a number of assumptions and requirements provided by the FSA. The costs associated with the pensions mis-selling review have been met from the inherited estate. Given the strength of the with-profits fund, the directors believe that charging the costs to the inherited estate will not have an adverse effect on the level of bonuses paid to policyholders or on their reasonable expectations. In the unlikely event of this proving not to be the case, an appropriate contribution to the with-profits fund would be made from the shareholders' funds.
- e) There are no other fundamental uncertainties.

1503 Dividend on Cumulative Preference Shares

A dividend on cumulative preference shares of £28,527 had accrued at 31 December 2006.

1504 Deficit in valuation of insurance undertakings

An amount of £18,538k has been included in line 22 of Form 15 in respect of a deficit on the valuation of certain overseas insurance undertakings.

1507 Particulars of other adjustments

The amount in line 83 is made up of the following:	£000
Deficit in overseas subsidiary	(18,538)
Preference shares	(1,000)
Liabilities netted off with assets	129
Total Line 83	<u>(19,409)</u>

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

1601 Basis of foreign currency conversion

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

1602 Restatement of brought forward balances

Brought forward balances in the Return denominated in foreign currencies have been retranslated at 2006 rates of exchange.

1603 Other income and charges

	2006 £000	2005 £000
Other long-term business profits	27,177	58,160
Amortisation of goodwill	(32,800)	(32,800)
Amortisation of licence fee	(552)	(552)
Transfer in respect of closure provision for Operations in run-off	12,709	(10,734)
Corporate expenditure	-	(65)
St James' Place (expenditure)/income	(84)	479
Commission on sale of general insurance products	3,819	1,808
Release of LAHC provision	2,757	2,845
Pension deficit actuarial gains/(losses)	11,165	(6,000)
Pensions charge	(1,600)	(3,000)
Other items	(3,237)	9,505
Total	<u>19,354</u>	<u>19,646</u>

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

Goodwill of £328m arose on the purchase of Scottish Amicable Life Assurance Society and is being amortised from 1 January 1998 over a period of 10 years.

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

1701 Variation margins

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

APPENDIX 9.2

20Aa Details of risk categories

No contracts of insurance were allocated under Rule 9.14B.

20Ab Death or injury to passenger risk categories

No such contracts were entered into.

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

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

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

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

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

20Ad Details of claims made policies

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

20Ae Amount of facultative business included under category 002

All business included under category 002 relates to direct business.

20Af Amounts reported under categories 113, 274 & 343

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

20Ag

Gross premiums written attributable to home foreign or overseas business

Category	No.	Gross premiums Written (£000)
		Overseas ¹
Medical Insurance	111	8,573
Healthcare cash plans	112	78
Travel	113	1,247
Personal accident or sickness	114	4,669
Private motor – comprehensive	121	1,187
Private motor – non-comprehensive	122	283
House and domestic all risks	160	1,978
Other personal financial loss	187	481
Commercial vehicle (non-fleet)	222	76
Commercial property	261	779
Consequential loss	262	70
Contractors or engineering all risks	263	29
Employers liability	271	3,233
Professional indemnity	272	20
Public and products liability	273	661
Fidelity and contract guarantee	281	111
Total primary and facultative goods in transit	350	224
Total		<u>23,699</u>

1. All overseas business is written and carried on in Hong Kong.

20A1

Differences between Form 20A and Form 15

The gross provision for unearned premiums in Form 20A differs from Form 15 by £685k due to the revenue account and the balance sheet being translated at different rates of exchange.

2005

Other technical income or charges

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

2007

Material connected party transactions

The payment of the 2006 interim dividend of £248m to the holding company (Prudential plc).

The increase in share capital (£52m) of the wholly owned subsidiary Prudential Retirement Income Limited.

The decrease in preference share capital (£40m) of the wholly owned subsidiary Prudential Pensions Limited.

The increase in share capital (£10m) of the Joint Venture in Prudential Health Limited in which PAC has a 50% shareholding. In addition a commitment was made to make an additional consortium relief payment of up to £10.2m to Prudential Health Limited in respect of 2006 and prior year tax losses. This additional consortium relief amount will be repayable when Prudential Health Limited has sufficient taxable profits to unwind the arrangement.

The increase in share capital (£13.5m) of the wholly owned subsidiary Prudential Lifetime Mortgages Limited.

The purchase of Prudential Abbey National Ltd for a consideration of £27.9m from another group company.

The purchase of Prudential Holborn Life Ltd for a consideration of £49m from another group company.

The increase in the Company's ordinary share capital of £10.5m and preference share capital of £18.5m.

2102 Provision for unearned premiums

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

2103 Differences between Forms 21 and Forms 13 and 15

The net provision for unearned premium in Forms 13 and 15 differs from Form 21 by £566k due to the balance sheet and revenue account being translated at different rates of exchange.

2201 Differences between brought forward and carried forward amounts

The reinsurers share brought forward from the previous financial year differs from the previous years amount carried forward due to a revision in the allocation to the category codes. This revision increases the brought forward in category 160 by £51k

2202 Claims management expenses

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

2204 Acquisition expenses

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

2402 Underwriting year accounting

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

2404 Claims management expenses

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

APPENDIX 9.3

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

	WPSF	NPSF	SAIF	DCPSF	Summary
Other income					
Transfer in respect of support assets	22,993				22,993
Cost of capital charges received from another group company	3,072				3,072
Annual management charge received from DCPSF		12,392			12,392
Rebate from the fund manager	1,271	1,350			2,621
Total	27,336	13,742	-	-	41,078
Other expenditure					
Transfer in respect of support assets			22,993		22,993
Annual management charge paid to the NPSF				12,392	12,392
Annual management charge paid to another group company		11,244			11,244
Contingent loan repayment		22,502			22,502
Total	-	33,746	22,993	12,392	69,131

Notes:

1. The transfer in respect of support assets reflects 1% of the Capital Support Fund paid by SAIF to the With-Profits Sub-Fund.
2. The above notes may disagree in some instances with the forms as the underlying figures feeding into the forms are in pounds whereas the forms are in £'000's.

4006 Apportionment of income and expenses of the long-term business

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

1 Scottish Amicable Insurance Fund

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

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

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

4 With-Profits Sub-Fund

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

4008 Statement on provision of management services

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

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

4101 Bulk reinsurance

Line 18 column 2 of the Scottish Amicable Insurance Fund is negative due to a bulk reinsurance deal to another group company.

4302 Reinsurance commission

Line 41 of the Ordinary Branch (With-Profits) Form 43 column 2 includes an amount of £16.8m in respect of reinsurance commission for business reinsured to another group company.

4303 Refund of investment management expenses

Line 45 of the Defined Charge Participating sub-fund Form 43 column 3 includes a refund of investment management expenses of £2.9m .

4401 Basis of valuation of assets

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

The following notes relate to forms which are included in a separate document 'Annual FSA Insurance Returns for the year ended 31 December 2006 Forms 46-60'.

4702 Approximations used on Form 47

For protection policies that can include

- term and decreasing term assurance and
- accelerated or stand-alone critical illness insurance by guaranteed or reviewable premiums

the split of number of contracts and amount of premium for product codes 325 to 355 is estimated from the data for in force policies.

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

4802 Assets where the payment of interest is in default

There are 8 assets in the WPSF and 5 in SAIF where the payment of interest is in default. The expected interest from these assets has been reduced to nil.

4803 Securities that may be redeemed over a period

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

4806 Non-linked Assets

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

SAIF

Line number and portfolio for the sub-fund

21 - Property portfolio

22, 23 & 24 - Fixed interest portfolio

25 - UK equity portfolio

26 - Overseas equity portfolio

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

28 - Weighted average by market value of the alternative assets and cash portfolios

29 - Overall return on the SAIF with-profits portfolio

WPSF

Line number and portfolio for the sub-fund

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

DCPSF

Line number and portfolio for the sub-fund

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

4807 Non-linked Assets

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

4901 Credit rating agency used on Form 49

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

4902 Credit risk adjustments on Form 49

The credit risk adjustment for fixed interest investments in Form 49 is calculated at an individual stock level from the derived default rate distribution, reduced by the expected recovery, as described in section 4.(3) of Appendix 9.4. Additional checks for prudence are made at fixed interest portfolio level that cannot be reflected in the format of Form 49.

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

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

***5102* Approximations used in estimating the number of policyholders on Form 51**

For non-profit pension annuities and purchased life annuities retained in PAC, the number of policyholders was split between those two groups in line with the split of benefits obtained from historical information.

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

For protection policies that can include

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

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

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

Product Code	Product description	Number of schemes
535	Group money purchase pensions UWP	115

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

Product Code	Product description	Number of schemes
735	Group money purchase pensions property linked	1,418
755	Trustee investment plan	406

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

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

***5801* Other bonuses**

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

THE PRUDENTIAL ASSURANCE COMPANY LIMITED

Year ended 31 December 2006

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

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

Proportional Treaty Reinsurance

<u>Name of Reinsurer</u>	<u>Premiums Payable (£000)</u>	<u>Amount due to Company (£000)</u>	<u>Anticipated Recovery from Reinsurer (£000)</u>
Munich Reinsurance Company 11 th Floor Fairmont House 8 Cotton Tree Drive, Central Hong Kong	117	-	-
China Intl Reinsurance Co (HK) Ltd 29A United Centre 95 Queensway Admiralty Hong Kong	171	-	21
The Toa Reinsurance Co Ltd Room 801 8 th Floor, Admiralty Centre, Tower 1 18 Harbour Road Hong Kong	201	-	33
Cassie Centrale De Reassurance 31, Rue De Courcelles Paris France	79	-	19

<u>Name of Reinsurer</u>	<u>Premiums Payable (£000)</u>	<u>Amount due to Company (£000)</u>	<u>Anticipated Recovery from Reinsurer (£000)</u>
Harbour King Limited Unit A2, 12/F Guangdong Investment Tower 148 Connaught Road Central Hong Kong	1,501	-	10

Non-Proportional Treaty Reinsurance

<u>Name of Reinsurer</u>	<u>Premiums Payable (£000)</u>	<u>Amount due to Company (£000)</u>	<u>Anticipated Recovery from Reinsurer (£000)</u>
Munich Reinsurance Company 11 th Floor Fairmont House 8 Cotton Tree Drive, Central Hong Kong	118	-	-
China Intl Reinsurance Co (HK) Ltd 29A United Centre 95 Queensway Admiralty Hong Kong	222	-	-
The Toa Reinsurance Co Ltd Room 801 8 th Floor, Admiralty Centre, Tower 1 18 Harbour Road Hong Kong	253	-	-
Cassie Centrale De Reassurance 31, Rue De Courcelles Paris France	78	-	-
GE Frankona Reinsurance A/S Suite 1004-9, 10/F, CITIC Tower 1 Tim Mei Avenue Central Hong Kong	171	-	-

Notes:

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

THE PRUDENTIAL ASSURANCE COMPANY LIMITED

Year ended 31 December 2006

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

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

The Company had no major facultative reinsurers in the year.

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

Rule 9.27: Information on general insurance business major reinsurance cedants

The Company had no major cedants in the year.

THE PRUDENTIAL ASSURANCE COMPANY LIMITED

Year ended 31 December 2006

Statement required by Rule 9.29 of the Interim Prudential Sourcebook

Additional information on derivative contracts

(a) Investment guidelines

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

(i) Derivatives are used for the purpose of efficient portfolio management or to reduce risk, specific examples being to implement tactical asset allocation changes around the strategic benchmark, hedge cash flows, or control the risk profile of an identified strategy.

(ii) A number of restrictions on the use of derivatives have been agreed with the Company's fund managers and can only be overruled by prior agreement between the two parties:

- all derivatives that impose obligations on the fund must be strictly covered.
- all derivative contracts must satisfy the definition of approved under the Interim Prudential Sourcebook.
- the maximum allowable exposure to counterparties should not be exceeded.
- only certain permitted exchanges and contracts can be used.

(iii) The Company has used a number of derivative instruments; principally exchange traded futures and options, over the counter swaps (including total return swaps), options, swaptions, warrants and currency forwards. The Company has also used redeemable convertible corporate bonds. These bonds have not been categorised as derivative contracts as the derivative element is minimal and have therefore not been reported on form 17. The total value of these bonds on the long-term form 13 is £404m

(b) Derivatives where exercise is unlikely.

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

Long-term funds

The fund continues to hold receiver swaptions to partially hedge the guaranteed annuity liabilities of the ring fenced Scottish Amicable Insurance Fund. The position pays out if long term interest rates continue to fall. However long dated rates are expected to rise and exercise by the fund is considered unlikely.

Other than long-term funds

During 2006 no such contracts were issued.

- (c) Quantification of derivatives in (b) above.

Long-term funds

The largest exposure during the year to call options was (£9m). There was no put option exposure during the year in question.

- (d) Effect on form 13 at 31 December 2006 of exercising derivatives where it would be prudent to assume options would be exercised. Decreases are shown in brackets.

Long-term funds

Other than long-term funds

Form 13 line 11;	(£738m)	No effect
Form 13 line 45;	£1,797m	
Form 13 line 41;	(£1,565m)	
Form 13 line 44;	(£269m)	
Form 13 line 54/55/81;	£674m	

- (e) Effect on form 13 at 31 December 2006 of exercising all derivatives. Decreases are shown in brackets.

Long-term funds

Other than long-term funds

Form 13 line 11;	(£738m)	No effect
Form 13 line 45;	£1,797m	
Form 13 line 41;	(£1,565m)	
Form 13 line 44;	(£276m)	
Form 13 line 54/55/81;	£674m	

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

Conditions noted in (d)

<u>Long-term funds</u>		<u>Other than long-term funds</u>
Form 13 line 11;	(£440m)	No effect
Form 13 line 41;	£1,976m	
Form 13 line 44;	(£514m)	
Form 13 line 45;	(£1,492m)	
Form 13 line 54/55/81;	£2,013m	
Form 13 line 78;	£26m	

Conditions noted in (e)

<u>Long-term funds</u>		<u>Other than long-term funds</u>
Form 13 line 11;	(£440m)	No effect
Form 13 line 41;	£1,987m	
Form 13 line 44;	(£526m)	
Form 13 line 45;	(£1,492m)	
Form 13 line 54/55/81;	£2,005m	
Form 13 line 78;	£26m	

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

- (g) Maximum exposure.

Long-term funds

The maximum loss which would have been incurred by the Company on the failure by any one counterparty to fulfil its obligations under derivative contracts at the end of the year was £181m.

Under foreseeable market conditions this would increase to £425m. The maximum loss at any other time during the year would have been £319m.

- (h) Derivatives not covered by the definition of a permitted derivative contract in the Interim Prudential Sourcebook.

Long-term funds

No such derivatives were held.

Other than long-term funds

There were two uncovered swaps that created a provision for adverse changes that were closed out during the year and there were no such derivatives at end of the year. The maximum provision during the year would have been £22m.

- (i) Consideration for granting rights under derivative contracts

Long-term funds

The total consideration received for granting rights under derivative contracts totalled £4m.

Other than long-term funds

No rights under derivatives have been granted.

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

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

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

THE PRUDENTIAL ASSURANCE COMPANY LIMITED

Year ended 31 December 2006

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

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

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

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

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

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

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

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

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

On 31 December 2001 the Company transferred its personal lines General Insurance liabilities to Winterthur Swiss Insurance Company. The policies transferred left no net retention to the Company. From January 2003, Prudential branded new business

policies were underwritten by Winterthur/Churchill. Winterthur has subsequently been acquired by the Royal Bank of Scotland Plc.

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

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

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

Reporting categories covered	Type of cover	Period of cover	Policy limits
113 114 187 273	Hong Kong Accident	1/1/06 – 31/12/06	Reinsurers potential liability: £4,191,000 in excess of £210,000
113 114	Hong Kong Accident Catastrophe Excess of Loss 1 st Layer 2 nd Layer	1/1/06 – 31/12/06	Reinsurers potential liability: £838,000 in excess of £210,000 £2,445,000 in excess of £1,048,000
121 122 222 271 272 (except 5 th layer) 273 (except 5 th layer)	Hong Kong Motor and Liability Excess of Loss 1 st Layer 2 nd Layer 3 rd Layer 4 th Layer 5 th Layer	1/1/06 – 31/12/06	Reinsurers potential liability: £210,000 in excess of £140,000 £698,000 in excess of £350,000 £1,048,000 in excess of £1,048,000 £4,889,000 in excess of £2,096,000 Unlimited in excess of £6,985,000
271	Liability Excess of Loss	1/1/06 – 31/12/06	Reinsurers potential liability: £1,257,000 in excess of £140,000
111 112	Hong Kong Medical	1/1/06 – 31/12/06	Reinsurers potential liability: 100%
350	Hong Kong Marine Cargo Combined Quota Share And Surplus	1/1/06 – 31/12/06	Reinsurers potential liability: Quota share £28,000 in excess of £42,000 Surplus £698,000 in excess of £42,000
160 261 263	Hong Kong Fire Surplus	1/1/06 – 31/12/06	Reinsurers potential liability: £3,772,000 in excess of £210,000

Reporting categories covered	Type of cover	Period of cover	Policy limits
160 261 263	Hong Kong Property Combined Quota Share And Surplus	1/1/06 – 31/12/06	Reinsurers potential liability: Quota share £335,000 in excess of £84,000 Surplus £1,257,000 in excess of £84,000
114 187	CPP/CPS Quota Share	1/1/06 – 31/12/06	Reinsurers potential liability: 50:50 Quota share
160 261 263	Hong Kong Fire Catastrophe Excess of Loss 1 st Layer 2 nd Layer 3 rd Layer	1/1/06 – 31/12/06	Reinsurers potential liability: £489,000 in excess of £210,000 £699,000 in excess of £699,000 £2,095,000 in excess of £1,398,000
281	Hong Kong Bond Quota Share	1/1/06 – 31/12/06	Reinsurers potential liability: £157,000 in excess of £52,000

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

Risk category	No.	Any one risk/event £'000
Travel	113	210
Personal accident or sickness	114	210
Private motor-comprehensive	121	140
Private motor-non-comprehensive	122	140
Household and domestic all risks	160	210
Other personal financial loss	187	Quota share
Commercial vehicles (non-fleet)	222	140
Commercial property	261	210
Consequential loss	262	Quota share
Contractors or engineering all risks	263	210
Employers liability	271	140
Professional indemnity	272	140
Public and products liability	273	140
Fidelity and contract guarantee	281	52
Total primary (direct) and facultative goods in transit	350	42

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

Risk category	No.	Facultative £'000	Non- Facultative £'000	Total £'000
Medical insurance	111	361	1,515	1,876
HealthCare cash plan	112	0	1	1
Travel	113	0	422	422
Personal accident or sickness	114	0	562	562
Private motor-comprehensive	121	1	172	173
Private motor-non-comprehensive	122	2	41	43
Household and domestic all risks	160	13	193	206
Other personal financial loss	187	0	168	168
Commercial vehicles (non-fleet)	222	0	11	11
Commercial property	261	30	278	308
Consequential loss	262	10	10	20
Contractors or engineering all risks	263	3	23	26
Employers liability	271	0	514	514
Professional indemnity	272	0	3	3
Public and products liability	273	6	85	91
Fidelity and contract guarantee	281	0	16	16
Total primary (direct) and facultative goods in transit	350	1	96	97
Total		427	4,110	4,537

THE PRUDENTIAL ASSURANCE COMPANY LIMITED

Year ended 31 December 2006

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

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

- (a) (i) He had an interest in 5,891 shares in the share capital of the holding company, Prudential plc, at the end of the year.
- (ii) He had an interest under the Prudential Restricted Share Plan in shares in Prudential plc held in trust, representing the maximum award that could be made if performance requirements of the Plan were met, of 14,206 shares at the end of the year.
- (iii) He had an interest under the Prudential Share Incentive Plan in 666 shares in Prudential Plc, held in trust at the end of the year.
- (iv) He held the following options granted under the Prudential Savings-Related Share Option Scheme to subscribe for shares in Prudential plc:

<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Exercise Dates</u>
6,153	266p	June 2008

- (b) He was interested in a general insurance policy issued by the Company, being a home insurance policy covering buildings, household contents, travel and personal effects.
- (c) Under the 2005 UK Long-Term Incentive Plan, he had a potential cash award payable in 2008, ranging from nil to a maximum of £33,000 dependent on the growth in the appraisal value of Prudential's UK and Europe business.
- (d) His total remuneration for the year was £161,420.
- (e) He is a member of the Prudential Staff Pension Scheme and contributions in respect of the year were paid by the Company.

THE PRUDENTIAL ASSURANCE COMPANY LIMITED

Year ended 31 December 2006

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

We certify:

1. (a) that the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU as modified by waivers as detailed in supplementary note 0101 issued under section 148 of the Financial Services and Markets Act 2000 and section 68 of the Insurance Companies Act 1982 which continues to have effect; and
- (b) We are satisfied that:
 - (i) throughout the financial year in question, the insurer has complied in all material respects with the requirements of SYSC and PRIN as well as the provisions of IPRU(INS) and either PRU, or GENPRU and INSPRU, applicable; and
 - (ii) it is reasonable to believe that the insurer has continued so to comply subsequently, and will continue so to comply in future.
2. (a) that in our opinion, premiums for contracts entered into during the financial year and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the insurer that are available for the purpose, to enable the insurer to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;
- (b) that the sum of the mathematical reserves and the deposits received from reinsurers as shown in Form 14 constitute proper provision at the end of the financial year in question for the long-term insurance liabilities (including all liabilities arising from deposit back arrangements, but excluding other liabilities which had fallen due before the end of the financial year) including any increase in those liabilities arising from a distribution of surplus as a result of an actuarial investigation as at that date into the financial condition of the long-term insurance business;
- (c) that the with-profits fund has been managed in accordance with the Principles and Practice of Financial Management, as established, maintained and recorded under COB 6.10; and
- (d) that we have, in preparing the return, taken and paid due regard to-

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

Nick Prettejohn
Chief Executive

Gary Shaughnessy
Director

David Belsham
Director

29 March 2007

THE PRUDENTIAL ASSURANCE COMPANY LIMITED

Year ended 31 December 2006

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

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

- Forms 1 to 3, 11 to 25, 31 to 32, 36 to 38, 40 to 45, 48, 49, 56, 58 and 60, (including the supplementary notes) on Volume 1 pages 1 to 146, and pages 138 to 147, 209, 214 to 218 and 225 on Volume 2 (‘the Forms’);
- the statements required by rules 9.25, 9.26, 9.27 and 9.29 on pages 147 to 154 of Volume 1 (‘the Statements’);
- the valuation report required by rule 9.31(a) (‘the methods and assumptions included in the valuation report’); and
- the statements, analysis and reports required by rule 9.31(b) (‘the realistic valuation report’)

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

- Forms 46, 47, 50 to 55, 57, 59A and 59B (including the supplementary notes) on pages 127 to 137, 148 to 208, 210 to 213 and 219 to 224 volume 2;
- the statements required by rules 9.30, 9.32 and 9.36 on pages 154 to 159 of Volume 1;
- the certificate required by rule 9.34 on pages 160 to 161 of Volume 1 (‘the certificate’); and

This report is made solely to the Company’s directors, as a body, in accordance with the requirements of rule 9.35 of the Rules. We acknowledge that the directors are required to submit this report to the FSA, to enable the FSA to verify that an auditor’s report has been commissioned by the Company’s directors and issued in accordance with the requirements of rule 9.35 of the Rules and to facilitate the discharge by the FSA of its regulatory functions in respect of the Company, conferred on the FSA by or under the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Company’s directors those matters we are required to state to them

in an auditor's report issued pursuant to rule 9.35 of the Rules and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Company and its auditors

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

The methods and assumptions determined by the Company and used to perform the actuarial investigation as set out in the valuation report, and the realistic valuation report, prepared in accordance with rule 9.31 are required to reflect appropriately the requirements of INSPRU 1.2 and 1.3.

It is our responsibility to form an independent opinion as to whether the Forms, the Statements, the valuation report and the realistic valuation report meet these requirements, and to report our opinions to you. We also report to you if, in our opinion, the Company has not kept proper accounting records or if we have not received all the information we require for our examination.

Basis of opinion

We conducted our work in accordance with Practice Note 20 "The audit of insurers in the United Kingdom" and Bulletin 2004/5 issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms, the Statements, the valuation report and the realistic valuation report. The evidence included that previously obtained by us relating to the audit of the financial statements of the Company for the financial year. It also included an assessment of the significant estimates and judgements made by the Company in the preparation of the Forms, the Statement, the valuation report and the realistic valuation report.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms, the Statement, the valuation report and the realistic valuation report are free from material misstatement, whether caused by fraud or other irregularity or error, and comply with rule 9.11.

In accordance with rule 9.35(1A), to the extent that any document, Form, Statement, analysis or report to be examined under rule 9.35(1) contains amounts or information abstracted from the actuarial investigation performed pursuant to rule 9.4, we have obtained and paid due regard to advice from a suitably qualified actuary who is independent of the Company.

Opinion

In our opinion:

- i) the Forms, the Statements, the valuation report and the realistic valuation report fairly state the information provided on the basis required by the Rules as modified and have been properly prepared in accordance with the provisions of those Rules; and
- ii) the methods and assumptions determined by the Company and used to perform the actuarial investigation as set out in the valuation report and the realistic valuation report prepared in accordance with rule 9.31 appropriately reflect the requirements of INSPRU 1.2 and 1.3.

KPMG Audit Plc
Registered Auditor

London

29 March 2007