Consolidated statement of changes in equity Year ended 31 December 2007

						2007 £m				
						Available-				
	Note	Share capital	Share premium	Retained 1 earnings	ranslation reserve	for-sale securities reserve	Hedging reserve	Share- holders' equity	Minority interests	Total equity
Reserves Profit for the year				1,022				1,022	3	1,025
Items recognised directly in equity:										
Exchange translation movements Movement on cash flow hedges Unrealised valuation movements on Egg securities classified as available-for-sale	B4				11	(2)	(3)	11 (3) (2)		11 (3) (2)
Unrealised holding losses arising	D3(a)									
during the year Less gains included in the						(231)		(231)		(231)
income statement						(13)		(13)		(13)
Related change in amortisation of deferred income and						(244)		(244)		(244)
acquisition costs					2	88		88		88
Related tax					2	53	1	56		56
Total items of income and expense recognised directly in equity					13	(105)	(2)	(94)		(94)
Total income and expense for the year Dividends Reserve movements in respect	В3			1,022 (426)	13	(105)	(2)	928 (426)	3 (5)	931 (431)
of share-based payments Change in minority interests arising principally from purchase and sale of venture investment companies and property partnerships of the PAC with-profits fund and				18				18		18
of other investments									(28)	(28)
Share capital and share premium New share capital subscribed Transfer to retained earnings	H11	1	181					182		182
in respect of shares issued in lieu of cash dividends	H11		(175)	175						
Treasury shares										
Movement in own shares in respect of share-based payment plans				7				7		7
Movement in Prudential plc shares purchased by unit trusts consolidated under IFRS				4				4		4
Net increase (decrease) in equity At beginning of year		1 122	6 1,822	800 3,640	13 (125)	(105)	(2)	713 5,488	(30) 132	683 5,620
At end of year		123	1,828	4,440	(112)			6,201	102	6,303
- Clid Of year		123	1,020	- , 0	(112)	(70)		0,201	102	כטכים

		2006 £m										
	Note	Share capital	Share premium	Retained Tr		Available- for-sale securities reserve	Hedging reserve	Share- holders' equity	Minority interests	Total equity		
Reserves												
Profit for the year				874				874	1	875		
Items recognised directly in equity:												
Exchange movements	В4				(224)			(224)		(224)		
Movement on cash flow hedges							7	7		7		
Unrealised valuation movements												
on Egg securities classified as												
available-for-sale						(2)		(2)		(2)		
Unrealised valuation movements												
on US life operations securities												
classified as available-for-sale:	D3(a)											
Unrealised holding losses arising						(200)		(200)		(200)		
during the year						(208)		(208)		(208)		
Less losses included in the						7		7		7		
income statement										7		
						(201)		(201)		(201)		
Related change in amortisation												
of deferred income and						75		75		7.5		
acquisition costs					(74)	75 50	(2)	75		75		
Related tax					(74)	50	(2)	(26)		(26)		
Total items of income and expense					(000)		_	(0=4)				
recognised directly in equity					(298)	(78)	5	(371)		(371)		
Total income and expense for the year				874	(298)	(78)	5	503	1	504		
Dividends	В3			(399)				(399)		(399)		
Reserve movements in respect												
of share-based payments				15				15		15		
Change in minority interests arising												
principally from purchase and sale												
of venture investment companies												
and property partnerships of the PAC with-profits fund and												
of other investments									43	43		
Acquisition of Egg minority interests	16			(167)				(167)	(84)	(251)		
requisition of Egg minority interests	10			(107)				(107)	(04)	(2)1)		
Share capital and share premium												
New share capital subscribed	H11	3	333					336		336		
Transfer to retained earnings								220		220		
in respect of shares issued												
in lieu of cash dividends	H11		(75)	75								
Treasury shares												
Movement in own shares in respect												
of share-based payment plans				6				6		6		
Movement in Prudential plc shares												
purchased by unit trusts												
consolidated under IFRS				0				0		0		
Net increase (decrease) in equity		3	258	404	(298)	(78)	5	294	(40)	254		
At beginning of year		119	1,564	3,236	173	105	(3)	5,194	172	5,366		
At end of year		122	1,822	3,640	(125)	27	2	5,488	132	5,620		
At end of year		122	1.022	J. (J4()	11/11			. +OO		1 (1/(/		