

# NEWS RELEASE



# PRUDENTIAL

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## PRUDENTIAL PLC THIRD QUARTER 2009 INTERIM MANAGEMENT STATEMENT

### ROBUST NINE MONTHS GROUP-WIDE SALES OF £2,020 MILLION

#### IN THE THIRD QUARTER:

- GROUP-WIDE RETAIL SALES OF £699 MILLION UP TEN PER CENT
- POWERFUL MOMENTUM IN US, RETAIL SALES UP 66 PER CENT
- ASIAN SALES UP FOUR PER CENT
- OUTSTANDING ASSET MANAGEMENT NET INFLOWS OF £2.9 BILLION UP 187 PER CENT

### STRONG CAPITAL POSITION - IGD SURPLUS ESTIMATED AT £2.8 BILLION

	9m 09 APE	% change	Q3 09 APE	% change on Q3 08
<b>Retail Insurance</b>				
Asia*	£846m	(9)%	£293m	4%
US	£640m	51%	£249m	66%
UK	£531m	(13)%	£157m	(22)%
<b>Total - Retail</b>	<b>£2,017m</b>	<b>3%</b>	<b>£699m</b>	<b>10%</b>
Total - Wholesale	£3m	(99)%	£1m	(99)%
<b>Total Group Insurance</b>	<b>£2,020m</b>	<b>(9)%</b>	<b>£700m</b>	<b>(9)%</b>
	<b>Net inflows</b>		<b>Net inflows</b>	
M&G	£11,137m	169%	£2,512m	47%
Asia Asset Management	£1,891m	99%	£435m	**
US	£(61)m	**	£(49)m	**
<b>Total</b>	<b>£12,967m</b>	<b>154%</b>	<b>£2,898m</b>	<b>187%</b>

\* Asia 2009 and 2008 comparative APE sales exclude the Taiwan agency business disposed of during Q2 2009.

\*\* Asia asset management net outflows in Q3 2008 were £690m. US asset management net inflows in 9m 2008 were £8m (net outflows £4m in Q3 2008).

#### Tidjane Thiam, Group Chief Executive said:

"I am pleased to report strong Group-wide new business in the third quarter with total retail sales of £699 million up 10 per cent over the same period last year. This performance demonstrates the effectiveness of our strategy in what remains a challenging and fragile economic environment.

In total, for the first nine months of the year, Group-wide retail sales were £2,017 million, three per cent higher than the same period last year. Wholesale sales were held to minimum levels as we continued to focus on products with higher IRRs and shorter payback periods.

In Asia, we achieved sales of £293 million in the third quarter, up four per cent on the third quarter last year on actual exchange rates. The third quarter of 2009 was the first quarter with positive year-on-year growth since the second quarter of 2008. Our new business sales of £846 million for the first nine months of the year were down nine per cent on the same period in 2008, compared to a 15 per cent fall at the half year, an improving performance in difficult market conditions. As a Group we remain well-positioned in the region, which we believe offers the best long-term profitable growth prospects.

In the US, we continue to be one of the major beneficiaries of the significant changes in the competitive landscape. Jackson has delivered the highest level of retail sales for the first nine months of the year in the company's history, with sales of £640 million, a 51 per cent increase from the same period in 2008 on actual exchange rates. The momentum seen in the first half of the year has continued, with £249 million of new business written in the third quarter, a 66 per cent increase over the same quarter last year, demonstrating the strength and quality of our business model.

In the UK, our disciplined approach to capital consumption led to retail sales of £531 million in the first nine months of the year, down 13 per cent on the same period last year. Our total new business sales were down 28 per cent at £534 million, reflecting the large bulk annuity transaction executed in the third quarter of 2008. We remain focused on our two key areas of strength; the with-profits and annuity markets.

M&G continues to deliver strong investment performance and as a result has continued to outperform, with total net fund inflows of £11.1 billion to the end of September, including £2.5 billion in the third quarter alone. External funds under management have increased to £66.2 billion, up 41 per cent on the start of the year.

Our Asian asset management business has been able to generate net inflows of £1.9 billion to the end of September, double the 2008 performance, and has seen external funds under management increase by 23 per cent during the year to £18.8 billion.

Our capital position continues to be strong with an estimated IGD surplus of £2.8 billion, covering our minimum capital requirement 2.4 times.

We believe that the economic environment will remain uncertain for a while. The Group has clearly demonstrated its strong defensive capabilities and is now well positioned to benefit from the next stage of the economic cycle.”

## **1. Business Unit Review**

### **1.1 Asia insurance operations**

We are becoming progressively more optimistic about the economic situation in Asia, following the turbulence of the previous 12 months. There are some encouraging signs of recovery.

The experience of our life businesses is in line with this more positive assessment of the region. Third quarter new business APE of £293 million is up four per cent on the third quarter of 2008 after corresponding decreases of 11 per cent and 14 per cent in the first and second quarters. Year to date APE of £846 million is nine per cent lower than the same period last year, compared to a 15 per cent fall at the half year, confirming the inflexion observed in the third quarter. In nine markets out of 12, sales were higher in Q3 than for the same period last year.

Year to date, the proportion of higher-margin and strategically important health and protection business remains at 29 per cent. We have continued to focus on the profitability of the business we write, with a high proportion of regular premium business. Furthermore, we have not seen any material adverse changes in persistency experience in the in-force book during the third quarter.

Looking at developments of our sales in each major market:

CITIC-Prudential Life in **China** had a very encouraging third quarter with our share of new business at £13 million up 44 per cent on the same period in 2008, making this the highest ever quarter in this market both in local currency and at actual exchange rates. Bancassurance remains a key driver of growth with year to date APE up 73 per cent over 2008, contributing 44 per cent of total new business compared to 32 per cent last year. There has also been an up-tick in agency activity during the third quarter following new initiatives to boost recruitment and productivity together with renewed interest in unit-linked products. Year to date new business is £34 million, up 21 per cent over the same period last year.

**Hong Kong** continued the upwards trend seen in the second quarter with third quarter APE of £55 million 20 per cent above the third quarter of 2008. Sales growth is being led by the agency channel, and there are some signs of recovery in the bank channel, with September seeing the highest volume of new business so far this year. Year to date APE of £150 million is six per cent below the same period last year compared to the 16 per cent decrease reported at half year. Regular premium business is up 27 per cent year to date and 49 per cent in the third quarter compared to prior year.

After some challenges related to the economic climate earlier this year, the life market in **India** rebounded strongly in the third quarter. Prudential's share of ICICI-Prudential Life's new business in the third quarter was £40 million, principally driven by the resurgence in interest in insurance products and an increase in average case sizes. Compared to 2008 new business is down 15 per cent in the third quarter, a very significant and positive change in trend, compared to the second quarter year on year decline of 46 per cent. Year to date APE of £116 million is 33 per cent lower than the same period in 2008 reflecting the severity of the impacts of the economic crisis especially during the beginning of the year.

Our business in **Indonesia** has expanded rapidly during the last two years, principally through the very successful growth of the agency force. We now have over 70,000 agents there and are firmly established as the market leader. New business for the third quarter was £43 million, two per cent higher than the third quarter of 2008. Year to date APE of £126 million is three per cent lower than the same period in 2008, an improvement on the six per cent fall at the half year.

The market conditions in **Korea** remain challenging, especially for foreign players and our management remain firmly committed to our value over volume strategy. We have therefore refused to match products in the market which we consider to offer unattractive returns to shareholders. This clearly impacted sales with year to date APE of £96 million being 47 per cent lower than the same period last year. Encouragingly, persistency rates in this business have now stabilized.

Prudential's life businesses in **Malaysia** continue to perform very well with third quarter new business of £32 million up 19 per cent compared to the third quarter of 2008. The key driver of this growth remains the agency force of 12,000 that generates over 90 per cent of the new business. However, there are now positive signs from the bank channel, as although still relatively small, volumes of new business year to date are over three times the same period last year. Year to date APE of £84 million is a very positive 27 per cent higher than the previous year.

The latest available data from **Singapore** shows that we have outperformed the market in terms of regular premium new business, with sales of £64 million year to date, 14 per cent higher than the same period last year. Third quarter APE was up 32 per cent compared to the same period in 2008. Year to date APE of £80 million is eight per cent lower than the same period last year, compared to the 20 per cent reduction reported at the half year. The proportion of linked business in Singapore saw a boost during the third quarter averaging 29 per cent of APE, compared to an average 20 per cent for the first half this year.

Post the successful disposal of the agency distribution channel earlier this year in **Taiwan**, our business has seen the rapid transformation of the partnership channel into a material generator of new business. Year to date APE of £77 million is 166 per cent higher than the same period last year on a like for like basis and the third quarter was 30 per cent higher than the second quarter. We are also beginning to see a very positive shift in product mix with increased sales of longer-term par products in bancassurance, supported by continued momentum in direct and tele-marketing sales focusing on higher margin medical products.

Looking at the other smaller operations on actual exchange rates **Vietnam** had a record quarter and is 28 per cent up on prior year to date, both **Thailand** and the **Philippines** performed satisfactorily given the market conditions and **Japan** continues to generate small, but consistent volumes of protection business through the broker channel.

## 1.2 US operations

Jackson has continued to benefit significantly from the flight to quality in the US annuity market, as customers are increasingly seeking product providers that offer consistency, stability and financial strength. Our strategy has been to target increasing volumes in variable annuities whilst managing down fixed annuity sales in line with the goal of capital preservation. There were no institutional sales during the first three quarters of 2009, as Jackson focused on optimising the balance between new business profits and capital consumption.

Jackson delivered APE retail sales in the first three quarters of 2009 of £640 million, representing a 51 per cent increase over the same period in 2008 at actual exchange rates, a 20 per cent increase at constant exchange rates and the highest level of retail sales during the first three quarters in the company's history. The strong momentum seen in the first half of the year has continued – third quarter retail APE sales of £249 million was the highest quarter in the company's history, 20 per cent higher than the second quarter of 2009 and 66 per cent higher than the third quarter of 2008. We have maintained our pricing discipline and continued to write business at very attractive IRRs and payback periods.

**Variable annuity** APE sales of £432 million during the first three quarters of 2009 were 66 per cent higher than the same period in 2008, reflecting the equity market rally that began in the second quarter of 2009, the relative consistency of Jackson's product offering and continued disruptions among some of our major competitors. Sales in the third quarter of £180 million were the highest in the company's history, 22 per cent higher than the second quarter of 2009 and 125 per cent higher than the third quarter of 2008. Jackson ranked fourth nationally in new variable annuity sales in the second quarter of 2009, with a market share of 7.2 per cent, up from 12<sup>th</sup> with a market share of 4.3 per cent in the second quarter of 2008. In the first half of 2009, the latest period for which statistics are available, Jackson ranked second in variable annuity net flows and experienced the lowest level of outflows, as a percentage of variable annuity inflows, in the industry.

**Fixed index annuity (FIA)** APE sales of £106 million in the first three quarters of 2009 were up 231 per cent over the same period of 2008. Sales in the third quarter of £48 million were 45 per cent higher than the second quarter of 2009 and 300 per cent higher than the third quarter of 2008. Industry FIA sales have benefited from an increase in customer demand for products which offer guaranteed rates of return with additional upside potential linked to stock market index performance. Additionally, Jackson's FIA sales have benefited from the company's financial strength ratings and further disruptions among some of the top FIA sellers. Jackson ranked sixth in sales of FIA during the second quarter of 2009, with a market share of 6.0 per cent, up from 11<sup>th</sup> with a market share of 2.8 per cent in the second quarter of 2008.

Jackson's strategy of containing **fixed annuity** volumes resulted in APE sales of £84 million, 26 per cent lower than the same period in 2008. Sales in the third quarter of £14 million were 36 per cent lower than the second quarter of 2009 and 73 per cent lower than the third quarter of 2008.

Total **retail annuity net flows** of £3.3 billion for the first nine months represent a 96 per cent increase on the same period in 2008 at AER, reflecting the impacts of record sales and continued low levels of surrender activity.

**Curian Capital**, a specialised asset management company that provides innovative fee-based separately managed accounts, had total assets under management of £2.0 billion at the end of September 2009 compared with £1.8 billion at the end of 2008. Curian generated deposits of £507 million in the first three quarters of 2009, up five per cent on the same period of 2008.

## 1.3 UK insurance operations

Prudential UK has continued to focus on optimising the balance between writing profitable new business and capital conservation. We have maintained our strict pricing discipline and as a result have been able to minimise new business strain. Consequently, total APE sales of £534 million for the first nine months were 28 per cent down on the same period last year, as the 2008 figure included a large bulk annuity transaction in the third quarter for £106 million. Retail sales for the first nine months of 2009 of APE £531 million were down 13 per cent.

This disciplined approach led to lower sales of individual annuities. The stock market falls seen in 2008 and early 2009 have also impacted sales of some other product lines, such as offshore bonds. These reductions in sales were partially offset by the continued strength of with-profits sales, in particular PruFund, as consumers remain attracted by a more cautious investment approach and keen to protect themselves from

market downturns. As we said at the half year results, in the first six months of the year margins on individual annuities were exceptionally high due to the abnormal spreads available on high quality credit assets, which have now reduced materially.

Sales of **individual annuities** were down 21 per cent on the same period last year to APE £164 million, impacted by a reduction of 13 per cent in average case sizes. The reduction was a direct consequence of depressed asset values and the decision by some customers to defer retirement. In addition, we actively managed the flow of external annuity business consistent with our value over volume strategy. The pipeline from maturing individual and corporate pension policies remains strong.

Sales of **with-profits bonds** of APE £101 million were up 36 per cent on the same period in 2008. The strong year-to date sales growth reflects the attractiveness of Prudential's with-profits offering, including in particular PruFund, in which over £1 billion has been invested across our retail savings product range in the last 12 months. In the third quarter, we extended the PruFund range of investments with the launch of the PruFund Cautious series to sit alongside the PruFund Growth series within our Flexible Investment Plan, an on-shore bond wrapper.

**Individual pensions** sales of APE £34 million were 36 per cent higher than in the first nine months of 2008. Sales of the Flexible Retirement Plan, our factory-gate priced individual pension product, have continued to grow with sales in 2009 of APE £15 million up 117 per cent, helped by the addition of PruFund as an investment option in November 2008.

**Corporate pension** sales of £156 million were 18 per cent lower than for the first nine months of 2008. Growth into existing schemes has remained healthy. Underlying sales, excluding one-off items in 2008 of £37 million, were two per cent higher. Prudential has secured more than 20 new corporate schemes in 2009 and is provider to over 20 per cent of FTSE 350 companies.

The **PruHealth** joint venture with Discovery now has 219,000 lives insured, an increase of 16 per cent over the same period in 2008, and gross written premiums were £76 million, up 12 per cent. **PruProtect** has experienced encouraging sales growth for the first nine months following the re-launch of its product range in November 2008.

**Equity Release** volumes have fallen 58 per cent as we maintained our strict pricing discipline.

## 1.4 M&G

M&G is an investment-led business with a core strategy of delivering superior performance. This relentless focus on investment performance, combined with a well-diversified business mix and well-established distribution capabilities, has helped M&G to have an extremely strong nine months, despite the challenge posed to the asset management industry by the market turmoil at the start of the year.

Over the past three quarters, M&G has attracted gross fund inflows of £18.4 billion, an increase of 52 per cent over the same period in 2008. Net inflows reached a record £11.1 billion, a year-on-year increase of 169 per cent. In the third quarter, net inflows were £2.5 billion, 47 per cent higher than the same period last year. This reflects a particularly strong contribution from the Retail Business where sales remained robust.

M&G's external funds under management at the end of the third quarter were £66.2 billion, up 41 per cent on the 2008 year-end and up 32 per cent on the third quarter of 2008. The increase is the combined result of strong inflows and the recent recovery in equity markets.

It continues to be an outstandingly successful year for M&G's Retail Business, which for the 2009 year to the end of August had a 27 per cent market share of net UK retail flows as defined by the Investment Management Association. Gross sales year-to-date were £9.8 billion and £3.3 billion for the quarter. Net inflows rose to a record level of £5.7 billion against £1.4 billion for the same period in 2008, including £1.7 billion of net sales for the three months to the end of September.

Our market-leading bond funds continued to attract the lion's share of inflows, accounting for 77 per cent of net sales year to date. Many of our equity funds have also seen strong net inflows year-to-date, including M&G Recovery and M&G Global Basics. The M&G Recovery Fund is now the largest and best-selling fund in the UK All Companies sector.

Performance of M&G's funds has remained excellent. Over the three years to the end of September, 28 per cent of our retail funds have delivered top quartile performance, while 72 per cent have beaten their sector averages.

In the institutional market, M&G recorded gross sales of £8.7 billion for the three quarters, up 53 per cent on 2008. Net flows were £5.4 billion for the period, an increase of 98 per cent on the same period last year, and £0.9 billion in the third quarter of 2009. Year-to-date figures include the award of a single £4 billion fixed income mandate and net inflows of £0.7 billion into our Leveraged Loans Funds, but exclude the £1.3 billion raised in the first two rounds of financing for the UK Companies Financing Fund. These assets will start to be recorded as the Fund starts advancing money to clients.

This has been a unique year for net sales and for growth in external funds under management – all achieved against the backdrop of continued uncertainty in markets.

## **1.5 Asia Asset Management**

During the first half of 2009 market conditions were particularly challenging however during the third quarter there has been a strong recovery in market valuations, as reflected by the 17 per cent increase in the MSCI AC Asia index (in actual exchange rate terms). This supported a strong recovery in year to date net flows from third parties of £1.9 billion, double the same period last year. Net flows in the third quarter of 2009 of £435 million (compared to a net outflow of £690 million in the same period in 2008) were predominantly due to inflows in higher-margin equity and bond funds.

Third quarter flows were aided by several successful fund launches including China where the You Sheng Selected Equity Fund raised £212 million and Dubai where the United Arab Emirates and Qatar fixed maturity plan series attracted net new funds of £330 million.

Investment performance has improved with 66 per cent of funds either outperforming their benchmarks or ranking in the top-two quartiles relative to peers in the year to August. Of particular note, in China, CITIC-Pru's Blue-chip Equity Fund was awarded the top-class fund recognition for 1-year performance by Lipper.

Asia's funds under management (FUM) at the end of the third quarter was £42.2 billion, up 22 per cent year to date (excluding the FUM related to the sold Taiwan agency business) and 18 per cent higher than at the start of the third quarter. The overall FUM level was comprised of £18.8 billion from external clients, £18.0 billion from Prudential's Asia life funds and £5.4 billion from other parts of the Group.

## **2. Financial Management**

The Group remains focussed on the proactive management of its balance sheet and risk profile. We continue to impose stringent stress testing on our key capital measures, ensuring we could withstand, both in the short and medium term, significant market shocks.

### **2.1 Capital Management**

Our capital position remains strong. We have continued to place emphasis on maintaining the Group's financial strength through optimising the balance between writing profitable new business, conserving capital and generating cash. We estimate that our Insurance Groups Directive (IGD) capital surplus was £2.8 billion at 30 September 2009, covering our capital requirements 2.4 times. This compares to £1.5 billion at the end of 2008, £1.6 billion at the end of Q1 2009, £2.5 billion at 30 June 2009 and £3.0 billion in July after allowing for the July hybrid debt issuance.

The movement in our IGD position since we disclosed it in our interim results primarily reflects underlying earnings offset by payment of the interim dividend, investment in new business, credit related impacts in the US and various other items.

This robust capital position, together with the Group's strong existing earnings capacity, our established hedging programmes and our additional areas of financial flexibility, mean that we remain well positioned to withstand significant deteriorations in market conditions should they occur.

As at 30 September the sensitivity of our IGD capital position to various events was as follows:

- An instantaneous 20 per cent fall in equity markets from 30 September 2009 levels would not have a significant impact on IGD surplus
- A 40 per cent fall in equity markets (comprising an instantaneous 20 per cent fall followed by a further 20 per cent fall over a four week period) would reduce the IGD surplus by £300 million
- A 150bps reduction (subject to a floor of zero) in interest rates would reduce the IGD surplus by £250 million
- Credit defaults of ten times the expected level would have an impact of £750 million.

As disclosed in our interim results, during the extreme equity market conditions experienced in the first quarter of 2009 the Group entered into additional one-off hedging contracts to protect the Group's IGD capital position against a tail-event of an instantaneous 40 per cent drop in equity markets with no recovery. The hedge has not been renewed and the total costs related to that hedge are in line with the reported estimate of £252 million.

In addition to our strong capital position, the total credit reserve for the UK shareholder annuity funds also protects our capital position in excess of the IGD surplus. This credit reserve has increased to £1.5 billion following the decrease in valuation yields over the quarter and now represents 40 per cent of the portfolio spread over swaps, compared to 31 per cent at 30 June 2009, and 25 per cent as at 31 December 2008.

## 2.2 Credit

The Group's total debt portfolio on an IFRS basis is estimated at £92 billion at 30 September 2009 excluding holdings attributable to external unit holders of consolidated unit trusts. Of this total, £63 billion is in the UK, including £40 billion within the UK with-profits fund. Shareholders have limited risk exposure to the with-profits fund as the solvency is protected by the inherited estate. Outside the with-profits fund there is £4 billion in unit-linked funds where the shareholder risk is limited, with the remaining £19 billion backing the shareholder annuity business and other non-linked business (of which 78 per cent is rated AAA to A, 18 per cent BBB and four per cent non-investment grade).

Asia's debt portfolio totals £4.9 billion of which £3.0 billion is invested in unit-linked and with-profits funds with minimal shareholder risk and £1.9 billion held by shareholder backed non-linked business. No defaults were reported in the third quarter of 2009.

Therefore, the most significant area of exposure to credit risk for the shareholder remains Jackson in the US. Jackson's fixed income portfolio at 30 September is estimated at £22.9 billion. We continue to see the benefits of the normalisation of the US credit markets. Jackson's net unrealised loss has reduced from £1.8 billion at half year 2009 to £0.2 billion at the end of the third quarter.

Gross unrealised losses on securities priced below 80 per cent of book value were £0.8 billion at the end of the third quarter compared to £1.5 billion at half year 2009. As stated in our half year results announcement, it is our intention to hold these securities for the longer term, an approach which in economic terms limits the impact of short term market volatility.

Jackson did not experience any losses on defaults during the third quarter of 2009. Write downs of impaired securities in the third quarter of the year were £156 million, of which £136 million were on Residential Mortgage Backed Securities (RMBS). No write downs were reported on corporate bonds. This compares to total write downs of £324 million reported for the first six months of 2009.

The Group remains comfortable with its liquidity position at both holding and subsidiary company level. The holding company has significant internal sources of liquidity which are sufficient to meet all of our requirements for the foreseeable future without having to utilise external funding.

## ENDS

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### Notes to Editor:

1. Annual premium equivalent (APE) sales comprise regular premium sales plus one-tenth of single premium insurance sales and are subject to rounding.
2. Present Value of New Business Premiums (PVNBP) are calculated as equalling single premiums plus the present value of expected new business premiums of regular premium business, allowing for lapses and other assumptions made in determining the EEV new business contribution.
3. UK Retail sales include all products except bulk annuities and credit life sales.
4. There will be a conference call today for wire services at 7.30am (GMT) hosted by Tidjane Thiam, Group Chief Executive. Dial in telephone number: +44 (0)20 8609 0793. Passcode:797476#
5. There will be a conference call today for investors and analysts at 9:30am (GMT) hosted by Tidjane Thiam, Group Chief Executive. From the UK please call +44 (0)20 8609 0793. Passcode 851650#. A recording of this call will be available for replay for one week by dialling: +44 (0)20 8609 0289 from the UK or +1 866 676 5865 from the US. The conference reference number is 273855#.
6. High resolution photographs are available to the media free of charge at [www.newscast.co.uk](http://www.newscast.co.uk) (+44 (0) 207 608 1000).
7. **Financial Calendar 2010:**

Fourth Quarter 2009 New Business Release	24 February 2010
2009 Full Year Results	25 March 2010
AGM	19 May 2010
2010 Half Year Results	10 August 2010

8. Sales for overseas operations have been reported using average exchange rates for the period as shown in the attached schedules. Reference to prior year figures in the commentary is on an actual exchange rate basis unless stated. An alternative method of presentation is on a constant exchange rate basis – the two bases are compared in the table below.



	Annual Premium Equivalent Sales					
	Actual Exchange Rates			Constant Exchange Rates		
	2009 Q3 YTD £m	2008 Q3 YTD £m	+/- (%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/- (%)
Retail Insurance						
Asia	846	929	(9%)	846	1,052	(20%)
US	640	424	51%	640	534	20%
UK	531	608	(13%)	531	608	(13%)
<b>Total - Retail</b>	<b>2,017</b>	<b>1,961</b>	<b>3%</b>	<b>2,017</b>	<b>2,194</b>	<b>(8%)</b>
Total - Wholesale	3	251	(99%)	3	282	(99%)
<b>Total Group Insurance</b>	<b>2,020</b>	<b>2,212</b>	<b>(9%)</b>	<b>2,020</b>	<b>2,475</b>	<b>(18%)</b>

	Gross Inflows					
	Actual Exchange Rates			Constant Exchange Rates		
	2009 Q3 YTD £m	2008 Q3 YTD £m	+/- (%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/- (%)
M&G	18,441	12,114	52%	18,441	12,114	52%
US	6	32	(81%)	6	40	(85%)
Asia	52,668	34,412	53%	52,668	37,744	40%
<b>Total</b>	<b>71,115</b>	<b>46,558</b>	<b>53%</b>	<b>71,115</b>	<b>49,898</b>	<b>43%</b>

	Total Insurance and Investment New Business					
	Actual Exchange Rates			Constant Exchange Rates		
	2009 Q3 YTD £m	2008 Q3 YTD £m	+/- (%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/- (%)
Insurance	11,287	12,932	(13%)	11,287	14,652	(23%)
Investment	71,115	46,558	53%	71,115	49,898	43%
<b>Total</b>	<b>82,402</b>	<b>59,490</b>	<b>39%</b>	<b>82,402</b>	<b>64,550</b>	<b>28%</b>

Prudential plc is a company incorporated and with its principal place of business in England, and its affiliated companies constitute one of the world's leading financial services groups. It provides insurance and financial services through its subsidiaries and affiliates throughout the world. It has been in existence for over 160 years and has £245 billion in assets under management (as at 30 June 2009). Prudential plc is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America.

### Forward-Looking Statements

This statement may contain certain "forward-looking statements" with respect to certain of Prudential's plans and its current goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements containing the words "believes", "intends", "expects", "plans", "seeks" and "anticipates", and words of similar meaning, are forward-looking. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Prudential's control including among other things, UK domestic and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the policies and actions of regulatory authorities, the impact of competition, inflation, and deflation; experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; and the impact of changes in capital, solvency or accounting standards, and tax and other legislation and regulations in the jurisdictions in which Prudential and its affiliates operate. This may for example result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. As a result, Prudential's actual future financial condition, performance and results may differ materially from the plans, goals, and expectations set forth in Prudential's forward-looking statements. Prudential undertakes no obligation to update the forward-looking statements contained in this statement or any other forward-looking statements it may make.

## PRUDENTIAL PLC - NEW BUSINESS - NINE MONTHS 2009

## TOTAL INSURANCE AND INVESTMENT NEW BUSINESS

	UK			US <sup>(1a)</sup>			Asia <sup>(1a)</sup>			Total		
	2009 Q3	2008 Q3	+/(%)	2009 Q3	2008 Q3	+/(%)	2009 Q3	2008 Q3	+/(%)	2009 Q3	2008 Q3	+/(%)
	YTD	YTD		YTD	YTD		YTD	YTD		YTD		
	£m	£m		£m	£m		£m	£m		£m	£m	
<b>Total Insurance Products</b>	3,695	5,730	(36%)	6,242	5,214	20%	1,350	1,988	(32%)	11,287	12,932	(13%)
<b>Total Investment Products Gross Inflows <sup>(2)</sup></b>	18,441	12,114	52%	6	32	(81%)	52,668	34,412	53%	71,115	46,558	53%
	<b>22,136</b>	<b>17,844</b>	<b>24%</b>	<b>6,248</b>	<b>5,246</b>	<b>19%</b>	<b>54,018</b>	<b>36,400</b>	<b>48%</b>	<b>82,402</b>	<b>59,490</b>	<b>39%</b>

## INSURANCE OPERATIONS

	Single			Regular			Total			Annual Equivalents <sup>(3)</sup>		
	2009 Q3	2008 Q3	+/(%)	2009 Q3	2008 Q3	+/(%)	2009 Q3	2008 Q3	+/(%)	2009 Q3	2008 Q3	+/(%)
	YTD	YTD		YTD	YTD		YTD	YTD		YTD		
	£m	£m		£m	£m		£m	£m		£m	£m	
<b>UK Insurance Operations</b>												
<b>Product Summary</b>												
Internal Vesting annuities	1,023	1,129	(9%)	-	-	-	1,023	1,129	(9%)	102	113	(10%)
Direct and Partnership Annuities	424	550	(23%)	-	-	-	424	550	(23%)	42	55	(24%)
Intermediated Annuities	196	401	(51%)	-	-	-	196	401	(51%)	20	40	(50%)
<b>Total Individual Annuities</b>	<b>1,643</b>	<b>2,080</b>	<b>(21%)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,643</b>	<b>2,080</b>	<b>(21%)</b>	<b>164</b>	<b>208</b>	<b>(21%)</b>
Income Drawdown	70	54	30%	-	-	-	70	54	30%	7	5	40%
Equity Release	84	188	(55%)	-	-	-	84	188	(55%)	8	19	(58%)
Individual Pensions	145	52	179%	5	2	150%	150	54	178%	20	7	186%
Corporate Pensions	55	154	(64%)	61	64	(5%)	116	218	(47%)	67	79	(15%)
Unit Linked Bonds	83	88	(6%)	-	-	-	83	88	(6%)	8	9	(11%)
With-Profit Bonds	969	651	49%	-	-	-	969	651	49%	97	65	49%
Protection	-	-	-	12	4	200%	12	4	200%	12	4	200%
Offshore Products	207	447	(54%)	3	3	0%	210	450	(53%)	24	48	(50%)
Pru Health <sup>(11)</sup>	-	-	-	9	14	(36%)	9	14	(36%)	9	14	(36%)
<b>Total Retail Retirement</b>	<b>3,256</b>	<b>3,714</b>	<b>(12%)</b>	<b>90</b>	<b>87</b>	<b>3%</b>	<b>3,346</b>	<b>3,801</b>	<b>(12%)</b>	<b>416</b>	<b>458</b>	<b>(9%)</b>
Corporate Pensions	88	227	(61%)	80	88	(9%)	168	315	(47%)	89	111	(20%)
Other Products	59	113	(48%)	13	17	(24%)	72	130	(45%)	19	28	(32%)
DWP Rebates	80	103	(22%)	-	-	-	80	103	(22%)	8	10	(20%)
<b>Total Mature Life and Pensions</b>	<b>227</b>	<b>443</b>	<b>(49%)</b>	<b>93</b>	<b>105</b>	<b>(11%)</b>	<b>320</b>	<b>548</b>	<b>(42%)</b>	<b>116</b>	<b>149</b>	<b>(22%)</b>
<b>Total Retail</b>	<b>3,483</b>	<b>4,157</b>	<b>(16%)</b>	<b>183</b>	<b>192</b>	<b>(5%)</b>	<b>3,666</b>	<b>4,349</b>	<b>(16%)</b>	<b>531</b>	<b>608</b>	<b>(13%)</b>
Wholesale Annuities	12	1,370	(99%)	-	-	-	12	1,370	(99%)	1	137	(99%)
Credit Life	17	11	55%	-	-	-	17	11	55%	2	1	100%
<b>Total UK Insurance Operations</b>	<b>3,512</b>	<b>5,538</b>	<b>(37%)</b>	<b>183</b>	<b>192</b>	<b>(5%)</b>	<b>3,695</b>	<b>5,730</b>	<b>(36%)</b>	<b>534</b>	<b>746</b>	<b>(28%)</b>
<b>Channel Summary</b>												
Direct and Partnership	1,347	1,729	(22%)	149	161	(7%)	1,496	1,890	(21%)	284	334	(15%)
Intermediated	2,056	2,326	(12%)	34	31	10%	2,090	2,357	(11%)	240	264	(9%)
Wholesale	29	1,380	(98%)	-	-	-	29	1,380	(98%)	3	138	(98%)
<b>Sub-Total</b>	<b>3,432</b>	<b>5,435</b>	<b>(37%)</b>	<b>183</b>	<b>192</b>	<b>(5%)</b>	<b>3,615</b>	<b>5,627</b>	<b>(36%)</b>	<b>526</b>	<b>736</b>	<b>(29%)</b>
DWP Rebates	80	103	(22%)	-	-	-	80	103	(22%)	8	10	(20%)
<b>Total UK Insurance Operations</b>	<b>3,512</b>	<b>5,538</b>	<b>(37%)</b>	<b>183</b>	<b>192</b>	<b>(5%)</b>	<b>3,695</b>	<b>5,730</b>	<b>(36%)</b>	<b>534</b>	<b>746</b>	<b>(28%)</b>
<b>US Insurance Operations <sup>(1a)</sup></b>												
Fixed Annuities	841	1,141	(26%)	-	-	-	841	1,141	(26%)	84	114	(26%)
Fixed Index Annuities	1,055	317	233%	-	-	-	1,055	317	233%	106	32	231%
Variable Annuities	4,321	2,596	66%	-	-	-	4,321	2,596	66%	432	260	66%
Life	7	6	17%	18	18	0%	25	24	4%	19	19	0%
<b>Sub-Total Retail</b>	<b>6,224</b>	<b>4,060</b>	<b>53%</b>	<b>18</b>	<b>18</b>	<b>0%</b>	<b>6,242</b>	<b>4,078</b>	<b>53%</b>	<b>640</b>	<b>424</b>	<b>51%</b>
Guaranteed Investment Contracts	-	815	-	-	-	-	-	815	-	-	82	-
GIC - Medium Term Note	-	321	-	-	-	-	-	321	-	-	32	-
<b>Total US Insurance Operations</b>	<b>6,224</b>	<b>5,196</b>	<b>20%</b>	<b>18</b>	<b>18</b>	<b>0%</b>	<b>6,242</b>	<b>5,214</b>	<b>20%</b>	<b>640</b>	<b>538</b>	<b>19%</b>
<b>Asian Insurance Operations <sup>(1a)</sup></b>												
China <sup>(9)</sup>	58	47	23%	28	23	22%	86	70	23%	34	28	21%
Hong Kong	64	460	(86%)	144	113	27%	208	573	(64%)	150	159	(6%)
India <sup>(9)</sup>	37	53	(30%)	112	168	(33%)	149	221	(33%)	116	173	(33%)
Indonesia	24	85	(72%)	124	121	2%	148	206	(28%)	126	130	(3%)
Japan	50	94	(47%)	35	24	46%	85	118	(28%)	40	33	21%
Korea	28	63	(56%)	93	176	(47%)	121	239	(49%)	96	182	(47%)
Malaysia	50	22	127%	79	64	23%	129	86	50%	84	66	27%
Singapore	162	306	(47%)	64	56	14%	226	362	(38%)	80	87	(8%)
Taiwan	70	33	112%	70	26	169%	140	59	137%	77	29	166%
Other <sup>(1)</sup>	17	14	21%	41	40	3%	58	54	7%	43	41	5%
<b>Total Asian Insurance Operations</b>	<b>560</b>	<b>1,177</b>	<b>(52%)</b>	<b>790</b>	<b>811</b>	<b>(3%)</b>	<b>1,350</b>	<b>1,988</b>	<b>(32%)</b>	<b>846</b>	<b>929</b>	<b>(9%)</b>
<b>Group Total</b>	<b>10,296</b>	<b>11,911</b>	<b>(14%)</b>	<b>991</b>	<b>1,021</b>	<b>(3%)</b>	<b>11,287</b>	<b>12,932</b>	<b>(13%)</b>	<b>2,020</b>	<b>2,212</b>	<b>(9%)</b>

## PRUDENTIAL PLC - NEW BUSINESS - NINE MONTHS 2009

## TOTAL INSURANCE AND INVESTMENT NEW BUSINESS

	UK			US <sup>(1b)</sup>			Asia <sup>(1b)</sup>			Total		
	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)
Total Insurance Products	3,695	5,730	(36%)	6,242	6,579	(5%)	1,350	2,343	(42%)	11,287	14,652	(23%)
Total Investment Products Gross Inflows <sup>(2)</sup>	18,441	12,114	52%	6	40	(85%)	52,668	37,744	40%	71,115	49,898	43%
	22,136	17,844	24%	6,248	6,619	(6%)	54,018	40,087	35%	82,402	64,550	28%

## INSURANCE OPERATIONS

	Single			Regular			Total			Annual Equivalents <sup>(3)</sup>		
	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)
<b>UK Insurance Operations</b>												
<b>Product Summary</b>												
Internal Vesting annuities	1,023	1,129	(9%)	-	-	-	1,023	1,129	(9%)	102	113	(10%)
Direct and Partnership Annuities	424	550	(23%)	-	-	-	424	550	(23%)	42	55	(24%)
Intermediated Annuities	196	401	(51%)	-	-	-	196	401	(51%)	20	40	(50%)
<b>Total Individual Annuities</b>	1,643	2,080	(21%)	-	-	-	1,643	2,080	(21%)	164	208	(21%)
Income Drawdown	70	54	30%	-	-	-	70	54	30%	7	5	40%
Equity Release	84	188	(55%)	-	-	-	84	188	(55%)	8	19	(58%)
Individual Pensions	145	52	179%	5	2	150%	150	54	178%	20	7	186%
Corporate Pensions	55	154	(64%)	61	64	(5%)	116	218	(47%)	67	79	(15%)
Unit Linked Bonds	83	88	(6%)	-	-	-	83	88	(6%)	8	9	(11%)
With-Profit Bonds	969	651	49%	-	-	-	969	651	49%	97	65	49%
Protection	-	-	-	12	4	200%	12	4	200%	12	4	200%
Offshore Products	207	447	(54%)	3	3	0%	210	450	(53%)	24	48	(50%)
Pru Health <sup>(11)</sup>	-	-	-	9	14	(36%)	9	14	(36%)	9	14	(36%)
<b>Total Retail Retirement</b>	3,256	3,714	(12%)	90	87	3%	3,346	3,801	(12%)	416	458	(9%)
Corporate Pensions	88	227	(61%)	80	88	(9%)	168	315	(47%)	89	111	(20%)
Other Products	59	113	(48%)	13	17	(24%)	72	130	(45%)	19	28	(32%)
DWP Rebates	80	103	(22%)	-	-	-	80	103	(22%)	8	10	(20%)
<b>Total Mature Life and Pensions</b>	227	443	(49%)	93	105	(11%)	320	548	(42%)	116	149	(22%)
<b>Total Retail</b>	3,483	4,157	(16%)	183	192	(5%)	3,666	4,349	(16%)	531	608	(13%)
Wholesale Annuities	12	1,370	(99%)	-	-	-	12	1,370	(99%)	1	137	(99%)
Credit Life	17	11	55%	-	-	-	17	11	55%	2	1	100%
<b>Total UK Insurance Operations</b>	3,512	5,538	(37%)	183	192	(5%)	3,695	5,730	(36%)	534	746	(28%)
<b>Channel Summary</b>												
Direct and Partnership	1,347	1,729	(22%)	149	161	(7%)	1,496	1,890	(21%)	284	334	(15%)
Intermediated	2,056	2,326	(12%)	34	31	10%	2,090	2,357	(11%)	240	264	(9%)
Wholesale	29	1,380	(98%)	-	-	-	29	1,380	(98%)	3	138	(98%)
<b>Sub-Total</b>	3,432	5,435	(37%)	183	192	(5%)	3,615	5,627	(36%)	526	736	(29%)
DWP Rebates	80	103	(22%)	-	-	-	80	103	(22%)	8	10	(20%)
<b>Total UK Insurance Operations</b>	3,512	5,538	(37%)	183	192	(5%)	3,695	5,730	(36%)	534	746	(28%)
<b>US Insurance Operations<sup>(1b)</sup></b>												
Fixed Annuities	841	1,440	(42%)	-	-	-	841	1,440	(42%)	84	144	(42%)
Fixed Index Annuities	1,055	400	164%	-	-	-	1,055	400	164%	106	40	165%
Variable Annuities	4,321	3,276	32%	-	-	-	4,321	3,276	32%	432	328	32%
Life	7	7	0%	18	22	(18%)	25	29	(14%)	19	23	(17%)
<b>Sub-Total Retail</b>	6,224	5,123	21%	18	22	(18%)	6,242	5,145	21%	640	534	20%
Guaranteed Investment Contracts	-	1,029	-	-	-	-	-	1,029	-	-	103	-
GIC - Medium Term Note	-	405	-	-	-	-	-	405	-	-	41	-
<b>Total US Insurance Operations</b>	6,224	6,557	(5%)	18	22	(18%)	6,242	6,579	(5%)	640	678	(6%)
<b>Asian Insurance Operations<sup>(1b)</sup></b>												
China <sup>(9)</sup>	58	61	(5%)	28	29	(3%)	86	90	(4%)	34	35	(3%)
Hong Kong	64	584	(89%)	144	143	1%	208	727	(71%)	150	201	(25%)
India <sup>(6)</sup>	37	57	(35%)	112	180	(38%)	149	237	(37%)	116	186	(38%)
Indonesia	24	93	(74%)	124	133	(7%)	148	226	(35%)	126	142	(11%)
Japan	50	133	(62%)	35	33	6%	85	166	(49%)	40	46	(13%)
Korea	28	62	(55%)	93	172	(46%)	121	234	(48%)	96	178	(46%)
Malaysia	50	26	92%	79	74	7%	129	100	29%	84	77	9%
Singapore	162	365	(56%)	64	67	(4%)	226	432	(48%)	80	104	(23%)
Taiwan	70	38	84%	70	30	133%	140	68	106%	77	34	126%
Other <sup>(4)</sup>	17	16	6%	41	47	(13%)	58	63	(8%)	43	49	(12%)
<b>Total Asian Insurance Operations</b>	560	1,435	(61%)	790	908	(13%)	1,350	2,343	(42%)	846	1,052	(20%)
<b>Group Total</b>	10,296	13,530	(24%)	991	1,122	(12%)	11,287	14,652	(23%)	2,020	2,475	(18%)

## PRUDENTIAL PLC - NEW BUSINESS - NINE MONTHS 2009

## INVESTMENT OPERATIONS

	Opening FUM £m	Gross Inflows £m	Redemptions £m	Net Inflows £m	Other Movements £m	Market & Currency Movements £m	Net Movement In FUM £m	Closing FUM £m
<b>2009</b>								
<b>M&amp;G</b>								
Retail	19,142	9,766	(4,040)	5,726	(626)	4,262	9,362	28,504
Institutional <sup>(5)</sup>	27,855	8,675	(3,264)	5,411	(105)	4,570	9,876	37,731
<b>Total M&amp;G</b>	<b>46,997</b>	<b>18,441</b>	<b>(7,304)</b>	<b>11,137</b>	<b>(731)</b>	<b>8,832</b>	<b>19,238</b>	<b>66,235</b>
<b>Asia</b>								
India	1,567	466	(707)	(241)	91	272	122	1,689
Taiwan	1,156	753	(627)	126	-	297	423	1,579
Korea	1,878	439	(590)	(151)	(389)	440	(100)	1,778
Japan	3,211	677	(593)	84	-	782	866	4,077
Other Mutual Fund Operations <sup>(10)</sup>	2,758	1,384	(1,076)	308	(1)	304	611	3,369
<b>Total Asia Equity/Bond/Other</b>	<b>10,570</b>	<b>3,719</b>	<b>(3,593)</b>	<b>126</b>	<b>(299)</b>	<b>2,095</b>	<b>1,922</b>	<b>12,492</b>
<b>MMF</b>								
India	1,562	44,310	(42,665)	1,645	(113)	(61)	1,471	3,033
Taiwan	1,421	1,729	(1,798)	(69)	-	(110)	(179)	1,242
Korea	474	2,181	(2,069)	112	(41)	2	73	547
Other Mutual Fund Operations	416	690	(614)	76	-	(33)	43	459
<b>Total Asian MMF</b>	<b>3,873</b>	<b>48,910</b>	<b>(47,146)</b>	<b>1,764</b>	<b>(154)</b>	<b>(202)</b>	<b>1,408</b>	<b>5,281</b>
<b>Total Asia Retail Mutual Funds</b>	<b>14,443</b>	<b>52,629</b>	<b>(50,739)</b>	<b>1,890</b>	<b>(453)</b>	<b>1,893</b>	<b>3,330</b>	<b>17,773</b>
Third Party Institutional Mandates	789	39	(38)	1	-	218	219	1,008
<b>Total Asian Investment Operations</b>	<b>15,232</b>	<b>52,668</b>	<b>(50,777)</b>	<b>1,891</b>	<b>(453)</b>	<b>2,111</b>	<b>3,549</b>	<b>18,781</b>
<b>US</b>								
Retail	50	6	(67)	(61)	2	9	(50)	-
<b>Total US</b>	<b>50</b>	<b>6</b>	<b>(67)</b>	<b>(61)</b>	<b>2</b>	<b>9</b>	<b>(50)</b>	<b>-</b>
<b>Total Investment Products</b>	<b>62,279</b>	<b>71,115</b>	<b>(58,148)</b>	<b>12,967</b>	<b>(1,182)</b>	<b>10,952</b>	<b>22,737</b>	<b>85,016</b>
<b>2008</b>								
<b>M&amp;G</b>								
Retail	22,320	6,448	(5,040)	1,408	-	(3,993)	(2,585)	19,735
Institutional <sup>(5)</sup>	28,901	5,666	(2,932)	2,734	(19)	(1,357)	1,358	30,259
<b>Total M&amp;G</b>	<b>51,221</b>	<b>12,114</b>	<b>(7,972)</b>	<b>4,142</b>	<b>(19)</b>	<b>(5,350)</b>	<b>(1,227)</b>	<b>49,994</b>
<b>Asia</b>								
India	2,225	942	(827)	115	(66)	(569)	(520)	1,705
Taiwan	1,476	805	(701)	104	-	(353)	(249)	1,227
Korea	2,946	1,057	(893)	164	(180)	(915)	(931)	2,015
Japan	4,313	916	(654)	262	-	(1,289)	(1,027)	3,286
Other Mutual Fund Operations <sup>(10)</sup>	2,537	1,260	(771)	489	(12)	(437)	40	2,577
<b>Total Asia Equity/Bond/Other</b>	<b>13,497</b>	<b>4,980</b>	<b>(3,846)</b>	<b>1,134</b>	<b>(258)</b>	<b>(3,563)</b>	<b>(2,687)</b>	<b>10,810</b>
<b>MMF</b>								
India	1,416	24,483	(24,755)	(272)	(13)	23	(262)	1,154
Taiwan	632	2,713	(2,603)	110	-	98	208	840
Korea	480	1,450	(1,453)	(3)	(22)	(44)	(69)	411
Other Mutual Fund Operations	252	546	(455)	91	-	36	127	379
<b>Total Asian MMF</b>	<b>2,780</b>	<b>29,192</b>	<b>(29,266)</b>	<b>(74)</b>	<b>(35)</b>	<b>113</b>	<b>4</b>	<b>2,784</b>
<b>Total Asia Retail Mutual Funds</b>	<b>16,277</b>	<b>34,172</b>	<b>(33,112)</b>	<b>1,060</b>	<b>(293)</b>	<b>(3,450)</b>	<b>(2,683)</b>	<b>13,594</b>
Third Party Institutional Mandates	1,116	240	(348)	(108)	-	(253)	(361)	755
<b>Total Asian Investment Operations</b>	<b>17,393</b>	<b>34,412</b>	<b>(33,460)</b>	<b>952</b>	<b>(293)</b>	<b>(3,703)</b>	<b>(3,044)</b>	<b>14,349</b>
<b>US</b>								
Retail	55	32	(24)	8	2	(7)	3	58
<b>Total US</b>	<b>55</b>	<b>32</b>	<b>(24)</b>	<b>8</b>	<b>2</b>	<b>(7)</b>	<b>3</b>	<b>58</b>
<b>Total Investment Products</b>	<b>68,669</b>	<b>46,558</b>	<b>(41,456)</b>	<b>5,102</b>	<b>(310)</b>	<b>(9,060)</b>	<b>(4,268)</b>	<b>64,401</b>
<b>2009 Movement Relative to 2008</b>								
<b>M&amp;G</b>								
Retail	(14%)	51%	20%	307%	-	207%	462%	44%
Institutional <sup>(5)</sup>	(4%)	53%	(11%)	96%	(453%)	437%	627%	25%
<b>Total M&amp;G</b>	<b>(9%)</b>	<b>52%</b>	<b>9%</b>	<b>169%</b>	<b>(3,747%)</b>	<b>265%</b>	<b>1,668%</b>	<b>32%</b>
<b>Asia</b>								
India	(30%)	(51%)	15%	(310%)	238%	148%	123%	(1%)
Taiwan	(22%)	(6%)	11%	21%	-	184%	270%	29%
Korea	(36%)	(58%)	34%	(192%)	(116%)	148%	89%	(12%)
Japan	(26%)	(26%)	9%	(68%)	-	161%	184%	24%
Other Mutual Fund Operations <sup>(10)</sup>	9%	10%	(40%)	(37%)	92%	170%	1,428%	31%
<b>Total Asia Equity/Bond/Other</b>	<b>(22%)</b>	<b>(25%)</b>	<b>7%</b>	<b>(89%)</b>	<b>(16%)</b>	<b>159%</b>	<b>172%</b>	<b>16%</b>
<b>MMF</b>								
India	10%	81%	(72%)	705%	(769%)	(365%)	661%	163%
Taiwan	125%	(36%)	31%	(163%)	-	(212%)	(186%)	48%
Korea	(1%)	50%	(42%)	3,833%	(86%)	105%	206%	33%
Other Mutual Fund Operations	65%	29%	(35%)	(16%)	-	(192%)	(66%)	21%
<b>Total Asian MMF</b>	<b>39%</b>	<b>68%</b>	<b>(61%)</b>	<b>2,484%</b>	<b>(340%)</b>	<b>(279%)</b>	<b>35,100%</b>	<b>90%</b>
<b>Total Asian Retail Mutual Funds</b>	<b>(11%)</b>	<b>54%</b>	<b>(53%)</b>	<b>78%</b>	<b>(55%)</b>	<b>155%</b>	<b>224%</b>	<b>31%</b>
Third Party Institutional Mandates	(29%)	(84%)	89%	101%	-	186%	161%	34%
<b>Total Asian Investment Operations</b>	<b>(12%)</b>	<b>53%</b>	<b>(52%)</b>	<b>99%</b>	<b>(55%)</b>	<b>157%</b>	<b>217%</b>	<b>31%</b>
<b>US</b>								
Retail	(9%)	(81%)	(179%)	(863%)	0%	229%	(1,767%)	-
<b>Total US</b>	<b>(9%)</b>	<b>(81%)</b>	<b>(179%)</b>	<b>(863%)</b>	<b>0%</b>	<b>229%</b>	<b>(1,767%)</b>	<b>-</b>
<b>Total Investment Products</b>	<b>(9%)</b>	<b>53%</b>	<b>(40%)</b>	<b>154%</b>	<b>(281%)</b>	<b>221%</b>	<b>633%</b>	<b>32%</b>
<b>US</b>						<b>2009 Q3</b>	<b>2008 Q3</b>	
<b>Curian Capital</b>						<b>YTD</b>	<b>YTD</b>	
External Funds Under Administration						<b>£m</b>	<b>£m</b>	<b>+/- (%)</b>
						2,041	1,790	14%

## PRUDENTIAL PLC - NEW BUSINESS - NINE MONTHS 2009

INVESTMENT OPERATIONS						
	Gross Inflows	Redemptions	Net Inflows	Opening FUM	Closing FUM	Variance %
	£m	£m	£m	£m	£m	
<b>2009</b>						
<b>M&amp;G</b>						
Retail	9,766	(4,040)	5,726	19,142	28,504	49%
Institutional <sup>(5)</sup>	8,675	(3,264)	5,411	27,855	37,731	35%
<b>Total M&amp;G</b>	<b>18,441</b>	<b>(7,304)</b>	<b>11,137</b>	<b>46,997</b>	<b>66,235</b>	<b>41%</b>
<b>Asia</b>						
India	466	(707)	(241)	1,427	1,689	18%
Taiwan	753	(627)	126	1,063	1,579	49%
Korea	439	(590)	(151)	1,804	1,778	(1)%
Japan	677	(593)	84	2,922	4,077	40%
Other Mutual Fund Operations <sup>(10)</sup>	1,384	(1,076)	308	2,492	3,369	35%
<b>Total Asian Equity/Bond/Other</b>	<b>3,719</b>	<b>(3,593)</b>	<b>126</b>	<b>9,708</b>	<b>12,492</b>	<b>29%</b>
<b>MMF</b>						
India	44,310	(42,665)	1,645	1,422	3,033	113%
Taiwan	1,729	(1,798)	(69)	1,306	1,242	(5)%
Korea	2,181	(2,069)	112	455	547	20%
Other Mutual Fund Operations	690	(614)	76	377	459	22%
<b>Total Asian MMF</b>	<b>48,910</b>	<b>(47,146)</b>	<b>1,764</b>	<b>3,560</b>	<b>5,291</b>	<b>48%</b>
<b>Total Asia Retail Mutual Funds</b>	<b>52,629</b>	<b>(50,739)</b>	<b>1,890</b>	<b>13,268</b>	<b>17,773</b>	<b>34%</b>
<b>Third Party Institutional Mandates</b>	<b>39</b>	<b>(38)</b>	<b>1</b>	<b>720</b>	<b>1,008</b>	<b>40%</b>
<b>Total Asian Investment Operations</b>	<b>52,668</b>	<b>(50,777)</b>	<b>1,891</b>	<b>13,988</b>	<b>18,781</b>	<b>34%</b>
<b>US</b>						
Retail	6	(67)	(61)	45	-	(100)%
<b>Total US</b>	<b>6</b>	<b>(67)</b>	<b>(61)</b>	<b>45</b>	<b>-</b>	<b>(100)%</b>
<b>Total Investment Products</b>	<b>71,115</b>	<b>(58,148)</b>	<b>12,967</b>	<b>61,030</b>	<b>85,016</b>	<b>39%</b>
<b>2008</b>						
<b>M&amp;G</b>						
Retail	6,448	(5,040)	1,408			
Institutional <sup>(5)</sup>	5,666	(2,932)	2,734			
<b>Total M&amp;G</b>	<b>12,114</b>	<b>(7,972)</b>	<b>4,142</b>			
<b>Asia</b>						
India	1,013	(890)	123			
Taiwan	949	(826)	123			
Korea	1,032	(873)	159			
Japan	1,289	(920)	369			
Other Mutual Fund Operations <sup>(10)</sup>	1,390	(954)	436			
<b>Total Asian Equity/Bond/Other</b>	<b>5,873</b>	<b>(4,463)</b>	<b>1,410</b>			
<b>MMF</b>						
India	26,334	(26,627)	(293)			
Taiwan	3,196	(3,066)	130			
Korea	1,416	(1,420)	(4)			
Other Mutual Fund Operations	638	(532)	106			
<b>Total Asian MMF</b>	<b>31,584</b>	<b>(31,645)</b>	<b>(61)</b>			
<b>Total Asia Retail Mutual Funds</b>	<b>37,457</b>	<b>(36,108)</b>	<b>1,349</b>			
<b>Third Party Institutional Mandates</b>	<b>287</b>	<b>(427)</b>	<b>(140)</b>			
<b>Total Asian Investment Operations</b>	<b>37,744</b>	<b>(36,535)</b>	<b>1,209</b>			
<b>US</b>						
Retail	40	(30)	10			
<b>Total US</b>	<b>40</b>	<b>(30)</b>	<b>10</b>			
<b>Total Investment Products</b>	<b>49,888</b>	<b>(44,537)</b>	<b>5,361</b>			
<b>2009 Movement Relative to 2008</b>						
<b>M&amp;G</b>	%	%	%			
Retail	51%	20%	307%			
Institutional <sup>(5)</sup>	53%	(11)%	98%			
<b>Total M&amp;G</b>	<b>52%</b>	<b>8%</b>	<b>169%</b>			
<b>Asia</b>						
India	(54)%	21%	(296)%			
Taiwan	(21)%	24%	2%			
Korea	(57)%	32%	(195)%			
Japan	(47)%	36%	(77)%			
Other Mutual Fund Operations <sup>(10)</sup>	(13)%	(13)%	(52)%			
<b>Total Asian Equity/Bond/Other</b>	<b>(37)%</b>	<b>19%</b>	<b>(91)%</b>			
<b>MMF</b>						
India	68%	(60)%	661%			
Taiwan	(46)%	41%	(153)%			
Korea	54%	(46)%	2,900%			
Other Mutual Fund Operations	8%	(15)%	(28)%			
<b>Total Asian MMF</b>	<b>55%</b>	<b>(49)%</b>	<b>2,992%</b>			
<b>Total Asian Retail Mutual Funds</b>	<b>41%</b>	<b>(41)%</b>	<b>40%</b>			
<b>Third Party Institutional Mandates</b>	<b>(86)%</b>	<b>91%</b>	<b>101%</b>			
<b>Total Asian Investment Operations</b>	<b>40%</b>	<b>(39)%</b>	<b>56%</b>			
<b>US</b>						
Retail	(85)%	(123)%	(710)%			
<b>Total US</b>	<b>(85)%</b>	<b>(123)%</b>	<b>(710)%</b>			
<b>Total Investment Products</b>	<b>43%</b>	<b>(31)%</b>	<b>142%</b>			
<b>US <sup>(7)</sup></b>				<b>2009 Q3</b>	<b>2008 Q3</b>	<b>+/- (%)</b>
<b>Curian Capital</b>				<b>YTD</b>	<b>YTD</b>	
<b>External Funds Under Administration</b>				<b>£m</b>	<b>£m</b>	
				<b>2,041</b>	<b>1,995</b>	<b>2%</b>

## PRUDENTIAL PLC - NEW BUSINESS - QUARTER 3 2009 VERSUS QUARTER 3 2008

## INSURANCE OPERATIONS

	Single			Regular			Total			Annual Equivalents <sup>(3)</sup>		
	Q3 2009 £m	Q3 2008 £m	+/(%)	Q3 2009 £m	Q3 2008 £m	+/(%)	Q3 2009 £m	Q3 2008 £m	+/(%)	Q3 2009 £m	Q3 2008 £m	+/(%)
<b>UK Insurance Operations</b>												
<b>Product Summary</b>												
Internal Vesting annuities	297	408	(27%)	-	-	-	297	408	(27%)	30	41	(27%)
Direct and Partnership Annuities	151	177	(15%)	-	-	-	151	177	(15%)	15	18	(17%)
Intermediated Annuities	56	116	(52%)	-	-	-	56	116	(52%)	6	12	(50%)
<b>Total Individual Annuities</b>	<b>504</b>	<b>701</b>	<b>(28%)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>504</b>	<b>701</b>	<b>(28%)</b>	<b>50</b>	<b>70</b>	<b>(29%)</b>
Income Drawdown	24	24	0%	-	-	-	24	24	0%	2	2	0%
Equity Release	30	71	(58%)	-	-	-	30	71	(58%)	3	7	(57%)
Individual Pensions	47	20	135%	2	1	100%	49	21	133%	7	3	133%
Corporate Pensions	8	60	(87%)	17	26	(35%)	25	86	(71%)	18	32	(44%)
Unit Linked Bonds	34	21	62%	-	-	-	34	21	62%	3	2	50%
With-Profit Bonds	285	233	22%	-	-	-	285	233	22%	29	23	26%
Protection	-	-	-	5	1	400%	5	1	400%	5	1	400%
Offshore Products	80	126	(37%)	1	1	0%	81	127	(36%)	9	14	(36%)
Pru Health <sup>(1)</sup>	-	-	-	3	6	(50%)	3	6	(50%)	3	6	(50%)
<b>Total Retail Retirement</b>	<b>1,012</b>	<b>1,256</b>	<b>(19%)</b>	<b>28</b>	<b>35</b>	<b>(20%)</b>	<b>1,040</b>	<b>1,291</b>	<b>(19%)</b>	<b>129</b>	<b>161</b>	<b>(20%)</b>
Corporate Pensions	20	54	(63%)	21	26	(19%)	41	80	(49%)	23	31	(26%)
Other Products	20	36	(44%)	3	6	(50%)	23	42	(45%)	5	10	(50%)
DWP Rebates	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Mature Life and Pensions</b>	<b>40</b>	<b>90</b>	<b>(56%)</b>	<b>24</b>	<b>32</b>	<b>(25%)</b>	<b>64</b>	<b>122</b>	<b>(48%)</b>	<b>28</b>	<b>41</b>	<b>(32%)</b>
<b>Total Retail</b>	<b>1,052</b>	<b>1,346</b>	<b>(22%)</b>	<b>52</b>	<b>67</b>	<b>(22%)</b>	<b>1,104</b>	<b>1,413</b>	<b>(22%)</b>	<b>157</b>	<b>202</b>	<b>(22%)</b>
Wholesale Annuities	4	1,063	(100%)	-	-	-	4	1,063	(100%)	-	106	-
Credit Life	5	4	25%	-	-	-	5	4	25%	1	-	-
<b>Total UK Insurance Operations</b>	<b>1,061</b>	<b>2,413</b>	<b>(56%)</b>	<b>52</b>	<b>67</b>	<b>(22%)</b>	<b>1,113</b>	<b>2,480</b>	<b>(55%)</b>	<b>158</b>	<b>308</b>	<b>(49%)</b>
<b>Channel Summary</b>												
Direct and Partnership	398	582	(32%)	41	55	(25%)	439	637	(31%)	81	113	(28%)
Intermediated	654	764	(14%)	11	12	(8%)	665	776	(14%)	76	88	(14%)
Wholesale	9	1,067	(99%)	-	-	-	9	1,067	(99%)	1	107	(99%)
<b>Sub-Total</b>	<b>1,061</b>	<b>2,413</b>	<b>(56%)</b>	<b>52</b>	<b>67</b>	<b>(22%)</b>	<b>1,113</b>	<b>2,480</b>	<b>(55%)</b>	<b>158</b>	<b>308</b>	<b>(49%)</b>
DWP Rebates	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total UK Insurance Operations</b>	<b>1,061</b>	<b>2,413</b>	<b>(56%)</b>	<b>52</b>	<b>67</b>	<b>(22%)</b>	<b>1,113</b>	<b>2,480</b>	<b>(55%)</b>	<b>158</b>	<b>308</b>	<b>(49%)</b>
<b>US Insurance Operations<sup>(1)(b)(8)</sup></b>												
Fixed Annuities	140	506	(72%)	-	-	-	140	506	(72%)	14	51	(73%)
Fixed Index Annuities	480	121	297%	-	-	-	480	121	297%	48	12	300%
Variable Annuities	1,804	799	126%	-	-	-	1,804	799	126%	180	80	125%
Life	2	2	0%	6	7	(14%)	8	9	(11%)	6	7	(14%)
<b>Sub-Total Retail</b>	<b>2,426</b>	<b>1,428</b>	<b>70%</b>	<b>6</b>	<b>7</b>	<b>(14%)</b>	<b>2,432</b>	<b>1,435</b>	<b>69%</b>	<b>249</b>	<b>150</b>	<b>66%</b>
Guaranteed Investment Contracts	-	310	-	-	-	-	-	310	-	-	31	-
GIC - Medium Term Note	-	5	-	-	-	-	-	5	-	-	1	-
<b>Total US Insurance Operations</b>	<b>2,426</b>	<b>1,743</b>	<b>39%</b>	<b>6</b>	<b>7</b>	<b>(14%)</b>	<b>2,432</b>	<b>1,750</b>	<b>39%</b>	<b>249</b>	<b>181</b>	<b>38%</b>
<b>Asian Insurance Operations<sup>(1)(b)(8)</sup></b>												
China <sup>(9)</sup>	15	12	25%	11	8	38%	26	20	30%	13	9	44%
Hong Kong	33	114	(71%)	52	35	49%	85	149	(43%)	55	46	20%
India <sup>(8)</sup>	5	13	(62%)	39	46	(15%)	44	59	(25%)	40	47	(15%)
Indonesia	11	17	(35%)	42	40	5%	53	57	(7%)	43	42	2%
Japan	12	26	(54%)	10	3	233%	22	29	(24%)	11	6	83%
Korea	8	13	(38%)	29	58	(50%)	37	71	(48%)	30	59	(49%)
Malaysia	17	8	113%	30	26	15%	47	34	38%	32	27	19%
Singapore	47	30	57%	24	19	26%	71	49	45%	29	22	32%
Taiwan	38	9	322%	22	10	120%	60	19	216%	26	11	136%
Other <sup>(4)</sup>	9	4	125%	14	11	27%	23	15	53%	15	11	36%
<b>Total Asian Insurance Operations</b>	<b>195</b>	<b>246</b>	<b>(21%)</b>	<b>273</b>	<b>256</b>	<b>7%</b>	<b>468</b>	<b>502</b>	<b>(7%)</b>	<b>293</b>	<b>281</b>	<b>4%</b>
<b>Group Total</b>	<b>3,682</b>	<b>4,402</b>	<b>(16%)</b>	<b>331</b>	<b>330</b>	<b>0%</b>	<b>4,013</b>	<b>4,732</b>	<b>(15%)</b>	<b>700</b>	<b>770</b>	<b>(9%)</b>

## INVESTMENT OPERATIONS

		Opening	Gross Inflows	Redemptions	Net Inflows	Other	Market & Currency	Net	Closing
		FUM							
		£m	£m	£m	£m	£m	£m	£m	£m
<b>M&amp;G<sup>(5)</sup></b>	Q3 2009	55,921	5,810	(3,298)	2,512	(113)	7,915	10,314	66,235
	Q3 2008	51,699	4,623	(2,918)	1,705	-	(3,410)	(1,705)	49,994
	+/(%)	8%	26%	(13%)	47%	-	332%	705%	32%
<b>Asia Retail Mutual Funds</b>	Q3 2009	15,518	20,579	(20,142)	437	(1)	1,819	2,255	17,773
	Q3 2008	14,845	11,552	(12,213)	(661)	(23)	(567)	(1,251)	13,594
	+/(%)	5%	78%	(65%)	166%	96%	421%	280%	31%
<b>Asia Third Party</b>	Q3 2009	859	5	(7)	(2)	-	151	149	1,008
	Q3 2008	841	17	(46)	(29)	-	(57)	(86)	755
	+/(%)	2%	(71%)	85%	93%	-	365%	273%	34%
<b>US Retail Mutual Funds</b>	Q3 2009	38	-	(49)	(49)	1	10	(38)	-
	Q3 2008	62	5	(9)	(4)	1	(1)	(4)	58
	+/(%)	(39%)	-	(444%)	(1,125%)	0%	1,100%	(850%)	(100%)
<b>Total Investment Products</b>	Q3 2009	72,336	26,394	(23,496)	2,898	(113)	9,895	12,680	85,016
Q3 2008	67,447	16,197	(15,186)	1,011	(22)	(4,035)	(3,046)	64,401	
+/(%)	7%	63%	(55%)	187%	(414%)	345%	516%	32%	

## PRUDENTIAL PLC - NEW BUSINESS - QUARTER 3 2009 VERSUS QUARTER 2 2009

## INSURANCE OPERATIONS

	Single			Regular			Total			Annual Equivalents <sup>(3)</sup>		
	Q3 2009 £m	Q 2 2009 £m	+/(%)	Q3 2009 £m	Q 2 2009 £m	+/(%)	Q3 2009 £m	Q 2 2009 £m	+/(%)	Q3 2009 £m	Q 2 2009 £m	+/(%)
<b>UK Insurance Operations</b>												
<b>Product Summary</b>												
Internal Vesting annuities	297	335	(11%)	-	-	-	297	335	(11%)	30	34	(12%)
Direct and Partnership Annuities	151	144	5%	-	-	-	151	144	5%	15	14	7%
Intermediated Annuities	56	81	(31%)	-	-	-	56	81	(31%)	6	8	(25%)
<b>Total Individual Annuities</b>	<b>504</b>	<b>560</b>	<b>(10%)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>504</b>	<b>560</b>	<b>(10%)</b>	<b>50</b>	<b>56</b>	<b>(11%)</b>
Income Drawdown	24	28	(14%)	-	-	-	24	28	(14%)	2	3	(33%)
Equity Release	30	29	3%	-	-	-	30	29	3%	3	3	0%
Individual Pensions	47	56	(16%)	2	2	0%	49	58	(16%)	7	8	(13%)
Corporate Pensions	8	10	(20%)	17	24	(29%)	25	34	(26%)	18	25	(28%)
Unit Linked Bonds	34	25	36%	-	-	-	34	25	36%	3	3	0%
With-Profit Bonds	285	384	(26%)	-	-	-	285	384	(26%)	29	38	(24%)
Protection	-	-	-	5	4	25%	5	4	25%	5	4	25%
Offshore Products	80	68	18%	1	1	0%	81	69	17%	9	8	13%
Pru Health <sup>(11)</sup>	-	-	-	3	4	(25%)	3	4	(25%)	3	4	(25%)
<b>Total Retail Retirement</b>	<b>1,012</b>	<b>1,160</b>	<b>(13%)</b>	<b>28</b>	<b>35</b>	<b>(20%)</b>	<b>1,040</b>	<b>1,195</b>	<b>(13%)</b>	<b>129</b>	<b>151</b>	<b>(15%)</b>
Corporate Pensions	20	42	(52%)	21	33	(36%)	41	75	(45%)	23	37	(38%)
Other Products	20	20	0%	3	5	(40%)	23	25	(8%)	5	7	(29%)
DWP Rebates	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Mature Life and Pensions</b>	<b>40</b>	<b>62</b>	<b>(35%)</b>	<b>24</b>	<b>38</b>	<b>(37%)</b>	<b>64</b>	<b>100</b>	<b>(36%)</b>	<b>28</b>	<b>44</b>	<b>(36%)</b>
<b>Total Retail</b>	<b>1,052</b>	<b>1,222</b>	<b>(14%)</b>	<b>52</b>	<b>73</b>	<b>(29%)</b>	<b>1,104</b>	<b>1,295</b>	<b>(15%)</b>	<b>157</b>	<b>195</b>	<b>(19%)</b>
Wholesale Annuities	4	7	(43%)	-	-	-	4	7	(43%)	-	1	-
Credit Life	5	7	(29%)	-	-	-	5	7	(29%)	1	1	0%
<b>Total UK Insurance Operations</b>	<b>1,061</b>	<b>1,236</b>	<b>(14%)</b>	<b>52</b>	<b>73</b>	<b>(29%)</b>	<b>1,113</b>	<b>1,309</b>	<b>(15%)</b>	<b>158</b>	<b>197</b>	<b>(20%)</b>
<b>Channel Summary</b>												
Direct and Partnership	398	451	(12%)	41	59	(31%)	439	510	(14%)	81	104	(22%)
Intermediated	654	771	(15%)	11	14	(21%)	665	785	(15%)	76	91	(16%)
Wholesale	9	14	(36%)	-	-	-	9	14	(36%)	1	1	0%
<b>Sub-Total</b>	<b>1,061</b>	<b>1,236</b>	<b>(14%)</b>	<b>52</b>	<b>73</b>	<b>(29%)</b>	<b>1,113</b>	<b>1,309</b>	<b>(15%)</b>	<b>158</b>	<b>197</b>	<b>(20%)</b>
DWP Rebates	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total UK Insurance Operations</b>	<b>1,061</b>	<b>1,236</b>	<b>(14%)</b>	<b>52</b>	<b>73</b>	<b>(29%)</b>	<b>1,113</b>	<b>1,309</b>	<b>(15%)</b>	<b>158</b>	<b>197</b>	<b>(20%)</b>
<b>US Insurance Operations<sup>(15)(16)</sup></b>												
Fixed Annuities	140	218	(36%)	-	-	-	140	218	(36%)	14	22	(36%)
Fixed Index Annuities	480	328	46%	-	-	-	480	328	46%	48	33	45%
Variable Annuities	1,804	1,466	23%	-	-	-	1,804	1,466	23%	180	147	22%
Life	2	3	(33%)	6	6	0%	8	9	(11%)	6	6	0%
<b>Sub-Total Retail</b>	<b>2,426</b>	<b>2,015</b>	<b>20%</b>	<b>6</b>	<b>6</b>	<b>0%</b>	<b>2,432</b>	<b>2,021</b>	<b>20%</b>	<b>249</b>	<b>208</b>	<b>20%</b>
Guaranteed Investment Contracts	-	-	-	-	-	-	-	-	-	-	-	-
GIC - Medium Term Note	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total US Insurance Operations</b>	<b>2,426</b>	<b>2,015</b>	<b>20%</b>	<b>6</b>	<b>6</b>	<b>0%</b>	<b>2,432</b>	<b>2,021</b>	<b>20%</b>	<b>249</b>	<b>208</b>	<b>20%</b>
<b>Asian Insurance Operations<sup>(15)(16)</sup></b>												
China <sup>(9)</sup>	15	16	(6%)	11	9	22%	26	25	4%	13	11	18%
Hong Kong	33	22	50%	52	47	11%	85	69	23%	55	49	12%
India <sup>(6)</sup>	5	9	(44%)	39	19	105%	44	28	57%	40	20	100%
Indonesia	11	7	57%	42	45	(7%)	53	52	2%	43	46	(7%)
Japan	12	22	(45%)	10	10	0%	22	32	(31%)	11	12	(8%)
Korea	8	11	(27%)	29	28	4%	37	39	(5%)	30	29	3%
Malaysia	17	28	(39%)	30	26	15%	47	54	(13%)	32	29	10%
Singapore	47	86	(45%)	24	21	14%	71	107	(34%)	29	30	(3%)
Taiwan	38	13	192%	22	19	16%	60	32	88%	26	20	30%
Other <sup>(4)</sup>	9	5	80%	14	14	0%	23	19	21%	15	15	0%
<b>Total Asian Insurance Operations</b>	<b>195</b>	<b>219</b>	<b>(11%)</b>	<b>273</b>	<b>238</b>	<b>15%</b>	<b>468</b>	<b>457</b>	<b>2%</b>	<b>293</b>	<b>260</b>	<b>13%</b>
<b>Group Total</b>	<b>3,682</b>	<b>3,470</b>	<b>6%</b>	<b>331</b>	<b>317</b>	<b>4%</b>	<b>4,013</b>	<b>3,787</b>	<b>6%</b>	<b>700</b>	<b>664</b>	<b>5%</b>

## INVESTMENT OPERATIONS

		Opening	Gross Inflows	Redemptions	Net Inflows	Other	Market & Currency	Net	Closing
		FUM							
		£m	£m	£m	£m	£m	£m	£m	£m
<b>M&amp;G<sup>(5)</sup></b>	Q3 2009	55,921	5,810	(3,298)	2,512	(113)	7,915	10,314	66,235
	Q2 2009	46,536	8,223	(2,141)	6,082	35	3,268	9,385	55,921
	+/(%)	20%	(29%)	(54%)	(59%)	(423%)	142%	10%	18%
<b>Asia Retail Mutual Funds</b>	Q3 2009	15,518	20,579	(20,142)	437	(1)	1,819	2,255	17,773
	Q2 2009	14,324	17,331	(16,062)	1,269	(442)	367	1,194	15,518
	+/(%)	8%	19%	(25%)	(66%)	100%	396%	89%	15%
<b>Asia Third Party</b>	Q3 2009	859	5	(7)	(2)	-	151	149	1,008
	Q2 2009	799	10	(8)	2	-	58	60	859
	+/(%)	8%	(50%)	13%	(200%)	-	160%	148%	17%
<b>US Retail Mutual Funds</b>	Q3 2009	38	-	(49)	(49)	1	10	(38)	-
	Q2 2009	44	3	(12)	(9)	-	3	(6)	38
	+/(%)	(14%)	-	(308%)	(444%)	-	233%	(533%)	-
<b>Total Investment Products</b>	Q3 2009	72,336	26,394	(23,496)	2,898	(113)	9,895	12,680	85,016
	Q2 2009	61,703	25,567	(18,223)	7,344	(407)	3,696	10,633	72,336
	+/(%)	17%	3%	(29%)	(61%)	72%	168%	19%	18%

## PRUDENTIAL PLC - NEW BUSINESS - NINE MONTHS 2009

## TOTAL INSURANCE AND INVESTMENT NEW BUSINESS

	UK			US <sup>(1a)</sup>			Asia <sup>(1a)</sup>			Total		
	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)
Total Insurance Products	3,695	5,730	(36%)	6,242	5,214	20%	1,350	1,988	(32%)	11,287	12,932	(13%)
Total Investment Products Gross Inflows <sup>(2)</sup>	18,441	12,114	52%	6	32	(81%)	52,668	34,412	53%	71,115	46,558	53%
	<b>22,136</b>	<b>17,844</b>	<b>24%</b>	<b>6,248</b>	<b>5,246</b>	<b>19%</b>	<b>54,018</b>	<b>36,400</b>	<b>48%</b>	<b>82,402</b>	<b>59,490</b>	<b>39%</b>

## INSURANCE OPERATIONS

	Single			Regular			Total			PVNBP		
	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)
<b>UK Insurance Operations</b>												
<b>Product Summary</b>												
Internal Vesting annuities	1,023	1,129	(9%)	-	-	-	1,023	1,129	(9%)	1,023	1,129	(9%)
Direct and Partnership Annuities	424	550	(23%)	-	-	-	424	550	(23%)	424	550	(23%)
Intermediated Annuities	196	401	(51%)	-	-	-	196	401	(51%)	196	401	(51%)
<b>Total Individual Annuities</b>	<b>1,643</b>	<b>2,080</b>	<b>(21%)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,643</b>	<b>2,080</b>	<b>(21%)</b>	<b>1,643</b>	<b>2,080</b>	<b>(21%)</b>
Income Drawdown	70	54	30%	-	-	-	70	54	30%	70	54	30%
Equity Release	84	188	(55%)	-	-	-	84	188	(55%)	84	188	(55%)
Individual Pensions	145	52	179%	5	2	150%	150	54	178%	159	57	179%
Corporate Pensions	55	154	(64%)	61	64	(5%)	116	218	(47%)	386	455	(15%)
Unit Linked Bonds	83	88	(6%)	-	-	-	83	88	(6%)	83	88	(6%)
With-Profit Bonds	969	651	49%	-	-	-	969	651	49%	969	651	49%
Protection	-	-	-	12	4	200%	12	4	200%	76	26	192%
Offshore Products	207	447	(54%)	3	3	0%	210	450	(53%)	222	463	(52%)
Pru Health <sup>(11)</sup>	-	-	-	9	14	(36%)	9	14	(36%)	82	129	(36%)
<b>Total Retail Retirement</b>	<b>3,256</b>	<b>3,714</b>	<b>(12%)</b>	<b>90</b>	<b>87</b>	<b>3%</b>	<b>3,346</b>	<b>3,801</b>	<b>(12%)</b>	<b>3,774</b>	<b>4,191</b>	<b>(10%)</b>
Corporate Pensions	88	227	(61%)	80	88	(9%)	168	315	(47%)	385	521	(26%)
Other Products	59	113	(48%)	13	17	(24%)	72	130	(45%)	104	166	(37%)
DWP Rebates	80	103	(22%)	-	-	-	80	103	(22%)	80	103	(22%)
<b>Total Mature Life and Pensions</b>	<b>227</b>	<b>443</b>	<b>(49%)</b>	<b>93</b>	<b>105</b>	<b>(11%)</b>	<b>320</b>	<b>548</b>	<b>(42%)</b>	<b>569</b>	<b>790</b>	<b>(28%)</b>
<b>Total Retail</b>	<b>3,483</b>	<b>4,157</b>	<b>(16%)</b>	<b>183</b>	<b>192</b>	<b>(5%)</b>	<b>3,666</b>	<b>4,349</b>	<b>(16%)</b>	<b>4,343</b>	<b>4,981</b>	<b>(13%)</b>
Wholesale Annuities	12	1,370	(99%)	-	-	-	12	1,370	(99%)	12	1,370	(99%)
Credit Life	17	11	55%	-	-	-	17	11	55%	17	11	55%
<b>Total UK Insurance Operations</b>	<b>3,512</b>	<b>5,538</b>	<b>(37%)</b>	<b>183</b>	<b>192</b>	<b>(5%)</b>	<b>3,695</b>	<b>5,730</b>	<b>(36%)</b>	<b>4,372</b>	<b>6,362</b>	<b>(31%)</b>
<b>Channel Summary</b>												
Direct and Partnership	1,347	1,729	(22%)	149	161	(7%)	1,496	1,890	(21%)	2,008	2,381	(16%)
Intermediated	2,056	2,326	(12%)	34	31	10%	2,090	2,357	(11%)	2,255	2,497	(10%)
Wholesale	29	1,380	(98%)	-	-	-	29	1,380	(98%)	29	1,380	(98%)
<b>Sub-Total</b>	<b>3,432</b>	<b>5,435</b>	<b>(37%)</b>	<b>183</b>	<b>192</b>	<b>(5%)</b>	<b>3,615</b>	<b>5,627</b>	<b>(36%)</b>	<b>4,292</b>	<b>6,258</b>	<b>(31%)</b>
DWP Rebates	80	103	(22%)	-	-	-	80	103	(22%)	80	103	(22%)
<b>Total UK Insurance Operations</b>	<b>3,512</b>	<b>5,538</b>	<b>(37%)</b>	<b>183</b>	<b>192</b>	<b>(5%)</b>	<b>3,695</b>	<b>5,730</b>	<b>(36%)</b>	<b>4,372</b>	<b>6,362</b>	<b>(31%)</b>
<b>US Insurance Operations <sup>(1a)</sup></b>												
Fixed Annuities	841	1,141	(26%)	-	-	-	841	1,141	(26%)	841	1,141	(26%)
Fixed Index Annuities	1,055	317	233%	-	-	-	1,055	317	233%	1,055	317	233%
Variable Annuities	4,321	2,596	66%	-	-	-	4,321	2,596	66%	4,321	2,596	66%
Life	7	6	17%	18	18	0%	25	24	4%	143	145	(1%)
<b>Sub-Total Retail</b>	<b>6,224</b>	<b>4,060</b>	<b>53%</b>	<b>18</b>	<b>18</b>	<b>0%</b>	<b>6,242</b>	<b>4,078</b>	<b>53%</b>	<b>6,360</b>	<b>4,199</b>	<b>51%</b>
Guaranteed Investment Contracts	-	815	-	-	-	-	-	815	-	-	815	-
GIC - Medium Term Note	-	321	-	-	-	-	-	321	-	-	321	-
<b>Total US Insurance Operations</b>	<b>6,224</b>	<b>5,196</b>	<b>20%</b>	<b>18</b>	<b>18</b>	<b>0%</b>	<b>6,242</b>	<b>5,214</b>	<b>20%</b>	<b>6,360</b>	<b>5,335</b>	<b>19%</b>
<b>Asian Insurance Operations <sup>(1a)</sup></b>												
China <sup>(9)</sup>	58	47	23%	28	23	22%	86	70	23%	193	164	18%
Hong Kong	64	460	(86%)	144	113	27%	208	573	(64%)	931	1,162	(20%)
India <sup>(6)</sup>	37	53	(30%)	112	168	(33%)	149	221	(33%)	409	606	(33%)
Indonesia	24	85	(72%)	124	121	2%	148	206	(28%)	431	495	(13%)
Japan	50	94	(47%)	35	24	46%	85	118	(28%)	212	205	3%
Korea	28	63	(56%)	93	176	(47%)	121	239	(49%)	454	877	(48%)
Malaysia	50	22	127%	79	64	23%	129	86	50%	474	377	26%
Singapore	162	306	(47%)	64	56	14%	226	362	(38%)	653	753	(13%)
Taiwan	70	33	112%	70	26	169%	140	59	137%	291	121	140%
Other <sup>(4)</sup>	17	14	21%	41	40	3%	58	54	7%	151	140	8%
<b>Total Asian Insurance Operations</b>	<b>560</b>	<b>1,177</b>	<b>(52%)</b>	<b>790</b>	<b>811</b>	<b>(3%)</b>	<b>1,350</b>	<b>1,988</b>	<b>(32%)</b>	<b>4,199</b>	<b>4,900</b>	<b>(14%)</b>
<b>Group Total</b>	<b>10,296</b>	<b>11,911</b>	<b>(14%)</b>	<b>991</b>	<b>1,021</b>	<b>(3%)</b>	<b>11,287</b>	<b>12,932</b>	<b>(13%)</b>	<b>14,931</b>	<b>16,597</b>	<b>(10%)</b>



## PRUDENTIAL PLC - NEW BUSINESS - NINE MONTHS 2009

## TOTAL INSURANCE AND INVESTMENT NEW BUSINESS

	UK			US <sup>(1a)</sup>			Asia <sup>(1a)</sup>			Total		
	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)
Total Insurance Products	3,695	5,730	(36%)	6,242	6,579	(5%)	1,350	2,343	(42%)	11,287	14,652	(23%)
Total Investment Products Gross Inflows <sup>(2)</sup>	18,441	12,114	52%	6	40	(85%)	52,668	37,744	40%	71,115	49,898	43%
	22,136	17,844	24%	6,248	6,619	(6%)	54,018	40,087	35%	82,402	64,550	28%

## INSURANCE OPERATIONS

	Single			Regular			Total			PVNBP		
	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)	2009 Q3 YTD £m	2008 Q3 YTD £m	+/(%)
<b>UK Insurance Operations</b>												
<b>Product Summary</b>												
Internal Vesting annuities	1,023	1,129	(9%)	-	-	-	1,023	1,129	(9%)	1,023	1,129	(9%)
Direct and Partnership Annuities	424	550	(23%)	-	-	-	424	550	(23%)	424	550	(23%)
Intermediated Annuities	196	401	(51%)	-	-	-	196	401	(51%)	196	401	(51%)
<b>Total Individual Annuities</b>	<b>1,643</b>	<b>2,080</b>	<b>(21%)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,643</b>	<b>2,080</b>	<b>(21%)</b>	<b>1,643</b>	<b>2,080</b>	<b>(21%)</b>
Income Drawdown	70	54	30%	-	-	-	70	54	30%	70	54	30%
Equity Release	84	188	(55%)	-	-	-	84	188	(55%)	84	188	(55%)
Individual Pensions	145	52	179%	5	2	150%	150	54	178%	159	57	179%
Corporate Pensions	55	154	(64%)	61	64	(5%)	116	218	(47%)	386	455	(15%)
Unit Linked Bonds	83	88	(6%)	-	-	-	83	88	(6%)	83	88	(6%)
With-Profit Bonds	969	651	49%	-	-	-	969	651	49%	969	651	49%
Protection	-	-	-	12	4	200%	12	4	200%	76	26	192%
Offshore Products	207	447	(54%)	3	3	0%	210	450	(53%)	222	463	(52%)
Pru Health <sup>(11)</sup>	-	-	-	9	14	(36%)	9	14	(36%)	82	129	(36%)
<b>Total Retail Retirement</b>	<b>3,256</b>	<b>3,714</b>	<b>(12%)</b>	<b>90</b>	<b>87</b>	<b>3%</b>	<b>3,346</b>	<b>3,801</b>	<b>(12%)</b>	<b>3,774</b>	<b>4,191</b>	<b>(10%)</b>
Corporate Pensions	88	227	(61%)	80	88	(9%)	168	315	(47%)	385	521	(26%)
Other Products	59	113	(48%)	13	17	(24%)	72	130	(45%)	104	166	(37%)
DWP Rebates	80	103	(22%)	-	-	-	80	103	(22%)	80	103	(22%)
<b>Total Mature Life and Pensions</b>	<b>227</b>	<b>443</b>	<b>(49%)</b>	<b>93</b>	<b>105</b>	<b>(11%)</b>	<b>320</b>	<b>548</b>	<b>(42%)</b>	<b>569</b>	<b>790</b>	<b>(28%)</b>
<b>Total Retail</b>	<b>3,483</b>	<b>4,157</b>	<b>(16%)</b>	<b>183</b>	<b>192</b>	<b>(5%)</b>	<b>3,666</b>	<b>4,349</b>	<b>(16%)</b>	<b>4,343</b>	<b>4,981</b>	<b>(13%)</b>
Wholesale Annuities	12	1,370	(99%)	-	-	-	12	1,370	(99%)	12	1,370	(99%)
Credit Life	17	11	55%	-	-	-	17	11	55%	17	11	55%
<b>Total UK Insurance Operations</b>	<b>3,512</b>	<b>5,538</b>	<b>(37%)</b>	<b>183</b>	<b>192</b>	<b>(5%)</b>	<b>3,695</b>	<b>5,730</b>	<b>(36%)</b>	<b>4,372</b>	<b>6,362</b>	<b>(31%)</b>
<b>Channel Summary</b>												
Direct and Partnership	1,347	1,729	(22%)	149	161	(7%)	1,496	1,890	(21%)	2,008	2,381	(16%)
Intermediated	2,056	2,326	(12%)	34	31	10%	2,090	2,357	(11%)	2,255	2,497	(10%)
Wholesale	29	1,380	(98%)	-	-	-	29	1,380	(98%)	29	1,380	(98%)
<b>Sub-Total</b>	<b>3,432</b>	<b>5,435</b>	<b>(37%)</b>	<b>183</b>	<b>192</b>	<b>(5%)</b>	<b>3,615</b>	<b>5,627</b>	<b>(36%)</b>	<b>4,292</b>	<b>6,258</b>	<b>(31%)</b>
DWP Rebates	80	103	(22%)	-	-	-	80	103	(22%)	80	103	(22%)
<b>Total UK Insurance Operations</b>	<b>3,512</b>	<b>5,538</b>	<b>(37%)</b>	<b>183</b>	<b>192</b>	<b>(5%)</b>	<b>3,695</b>	<b>5,730</b>	<b>(36%)</b>	<b>4,372</b>	<b>6,362</b>	<b>(31%)</b>
<b>US Insurance Operations <sup>(1a)</sup></b>												
Fixed Annuities	841	1,440	(42%)	-	-	-	841	1,440	(42%)	841	1,440	(42%)
Fixed Index Annuities	1,055	400	164%	-	-	-	1,055	400	164%	1,055	400	164%
Variable Annuities	4,321	3,276	32%	-	-	-	4,321	3,276	32%	4,321	3,276	32%
Life	7	7	0%	18	22	(18%)	25	29	(14%)	143	183	(22%)
<b>Sub-Total Retail</b>	<b>6,224</b>	<b>5,123</b>	<b>21%</b>	<b>18</b>	<b>22</b>	<b>(18%)</b>	<b>6,242</b>	<b>5,145</b>	<b>21%</b>	<b>6,360</b>	<b>5,299</b>	<b>20%</b>
Guaranteed Investment Contracts	-	1,029	-	-	-	-	-	1,029	-	-	1,029	-
GIC - Medium Term Note	-	405	-	-	-	-	-	405	-	-	405	-
<b>Total US Insurance Operations</b>	<b>6,224</b>	<b>6,557</b>	<b>(5%)</b>	<b>18</b>	<b>22</b>	<b>(18%)</b>	<b>6,242</b>	<b>6,579</b>	<b>(5%)</b>	<b>6,360</b>	<b>6,733</b>	<b>(6%)</b>
<b>Asian Insurance Operations <sup>(1a)</sup></b>												
China <sup>(9)</sup>	58	61	(5%)	28	29	(3%)	86	90	(4%)	193	211	(9%)
Hong Kong	64	584	(89%)	144	143	1%	208	727	(71%)	931	1,475	(37%)
India <sup>(6)</sup>	37	57	(35%)	112	180	(38%)	149	237	(37%)	409	651	(37%)
Indonesia	24	93	(74%)	124	133	(7%)	148	226	(35%)	431	543	(21%)
Japan	50	133	(62%)	35	33	6%	85	166	(49%)	212	289	(27%)
Korea	28	62	(55%)	93	172	(46%)	121	234	(48%)	454	857	(47%)
Malaysia	50	26	92%	79	74	7%	129	100	29%	474	435	9%
Singapore	162	365	(56%)	64	67	(4%)	226	432	(48%)	653	897	(27%)
Taiwan	70	38	84%	70	30	133%	140	68	106%	291	142	105%
Other <sup>(4)</sup>	17	16	6%	41	47	(13%)	58	63	(8%)	151	163	(7%)
<b>Total Asian Insurance Operations</b>	<b>560</b>	<b>1,435</b>	<b>(61%)</b>	<b>790</b>	<b>908</b>	<b>(13%)</b>	<b>1,350</b>	<b>2,343</b>	<b>(42%)</b>	<b>4,199</b>	<b>5,663</b>	<b>(26%)</b>
<b>Group Total</b>	<b>10,296</b>	<b>13,530</b>	<b>(24%)</b>	<b>991</b>	<b>1,122</b>	<b>(12%)</b>	<b>11,287</b>	<b>14,652</b>	<b>(23%)</b>	<b>14,931</b>	<b>18,758</b>	<b>(20%)</b>

## PRUDENTIAL PLC - NEW BUSINESS - QUARTER 3 2009 VERSUS QUARTER 3 2008

## INSURANCE OPERATIONS

	Single			Regular			Total			PVNBP		
	Q3 2009 £m	Q3 2008 £m	+/(%)	Q3 2009 £m	Q3 2008 £m	+/(%)	Q3 2009 £m	Q3 2008 £m	+/(%)	Q3 2009 £m	Q3 2008 £m	+/(%)
<b>UK Insurance Operations</b>												
<b>Product Summary</b>												
Internal Vesting annuities	297	408	(27%)	-	-	-	297	408	(27%)	297	408	(27%)
Direct and Partnership Annuities	151	177	(15%)	-	-	-	151	177	(15%)	151	177	(15%)
Intermediated Annuities	56	116	(52%)	-	-	-	56	116	(52%)	56	116	(52%)
<b>Total Individual Annuities</b>	<b>504</b>	<b>701</b>	<b>(28%)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>504</b>	<b>701</b>	<b>(28%)</b>	<b>504</b>	<b>701</b>	<b>(28%)</b>
Income Drawdown	24	24	0%	-	-	-	24	24	0%	24	24	0%
Equity Release	30	71	(58%)	-	-	-	30	71	(58%)	30	71	(58%)
Individual Pensions	47	20	135%	2	1	100%	49	21	133%	52	22	136%
Corporate Pensions	8	60	(87%)	17	26	(35%)	25	86	(71%)	100	175	(43%)
Unit Linked Bonds	34	21	62%	-	-	-	34	21	62%	34	21	62%
With-Profit Bonds	285	233	22%	-	-	-	285	233	22%	285	233	22%
Protection	-	-	-	5	1	400%	5	1	400%	31	10	210%
Offshore Products	80	126	(37%)	1	1	0%	81	127	(36%)	85	132	(36%)
Pru Health <sup>(1)</sup>	-	-	-	3	6	(50%)	3	6	(50%)	26	50	(48%)
<b>Total Retail Retirement</b>	<b>1,012</b>	<b>1,256</b>	<b>(19%)</b>	<b>28</b>	<b>35</b>	<b>(20%)</b>	<b>1,040</b>	<b>1,291</b>	<b>(19%)</b>	<b>1,171</b>	<b>1,439</b>	<b>(19%)</b>
Corporate Pensions	20	54	(63%)	21	26	(19%)	41	80	(49%)	100	145	(31%)
Other Products	20	36	(44%)	3	6	(50%)	23	42	(45%)	30	47	(36%)
DWP Rebates	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Mature Life and Pensions</b>	<b>40</b>	<b>90</b>	<b>(56%)</b>	<b>24</b>	<b>32</b>	<b>(25%)</b>	<b>64</b>	<b>122</b>	<b>(48%)</b>	<b>130</b>	<b>192</b>	<b>(32%)</b>
<b>Total Retail</b>	<b>1,052</b>	<b>1,346</b>	<b>(22%)</b>	<b>52</b>	<b>67</b>	<b>(22%)</b>	<b>1,104</b>	<b>1,413</b>	<b>(22%)</b>	<b>1,301</b>	<b>1,631</b>	<b>(20%)</b>
Wholesale Annuities	4	1,063	(100%)	-	-	-	4	1,063	(100%)	4	1,063	(100%)
Credit Life	5	4	25%	-	-	-	5	4	25%	5	4	25%
<b>Total UK Insurance Operations</b>	<b>1,061</b>	<b>2,413</b>	<b>(56%)</b>	<b>52</b>	<b>67</b>	<b>(22%)</b>	<b>1,113</b>	<b>2,480</b>	<b>(55%)</b>	<b>1,310</b>	<b>2,698</b>	<b>(51%)</b>
<b>Channel Summary</b>												
Direct and Partnership	398	582	(32%)	41	55	(25%)	439	637	(31%)	586	802	(27%)
Intermediated	654	764	(14%)	11	12	(8%)	665	776	(14%)	715	828	(14%)
Wholesale	9	1,067	(99%)	-	-	-	9	1,067	(99%)	9	1,067	(99%)
<b>Sub-Total</b>	<b>1,061</b>	<b>2,413</b>	<b>(56%)</b>	<b>52</b>	<b>67</b>	<b>(22%)</b>	<b>1,113</b>	<b>2,480</b>	<b>(55%)</b>	<b>1,310</b>	<b>2,697</b>	<b>(51%)</b>
DWP Rebates	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total UK Insurance Operations</b>	<b>1,061</b>	<b>2,413</b>	<b>(56%)</b>	<b>52</b>	<b>67</b>	<b>(22%)</b>	<b>1,113</b>	<b>2,480</b>	<b>(55%)</b>	<b>1,310</b>	<b>2,698</b>	<b>(51%)</b>
<b>US Insurance Operations <sup>(1)(b)(8)</sup></b>												
Fixed Annuities	140	506	(72%)	-	-	-	140	506	(72%)	140	506	(72%)
Fixed Index Annuities	480	121	297%	-	-	-	480	121	297%	480	121	297%
Variable Annuities	1,804	799	126%	-	-	-	1,804	799	126%	1,804	799	126%
Life	2	2	0%	6	7	(14%)	8	9	(11%)	47	57	(18%)
<b>Sub-Total Retail</b>	<b>2,426</b>	<b>1,428</b>	<b>70%</b>	<b>6</b>	<b>7</b>	<b>(14%)</b>	<b>2,432</b>	<b>1,435</b>	<b>69%</b>	<b>2,471</b>	<b>1,483</b>	<b>67%</b>
Guaranteed Investment Contracts	-	310	-	-	-	-	-	310	-	-	310	-
GIC - Medium Term Note	-	5	-	-	-	-	-	5	-	-	5	-
<b>Total US Insurance Operations</b>	<b>2,426</b>	<b>1,743</b>	<b>39%</b>	<b>6</b>	<b>7</b>	<b>(14%)</b>	<b>2,432</b>	<b>1,750</b>	<b>39%</b>	<b>2,471</b>	<b>1,798</b>	<b>37%</b>
<b>Asian Insurance Operations <sup>(1)(b)(8)</sup></b>												
China <sup>(9)</sup>	15	12	25%	11	8	38%	26	20	30%	68	53	28%
Hong Kong	33	114	(71%)	52	35	49%	85	149	(43%)	349	328	6%
India <sup>(6)</sup>	5	13	(62%)	39	46	(15%)	44	59	(25%)	137	156	(12%)
Indonesia	11	17	(35%)	42	40	5%	53	57	(7%)	149	159	(6%)
Japan	12	26	(54%)	10	3	233%	22	29	(24%)	57	42	36%
Korea	8	13	(38%)	29	58	(50%)	37	71	(48%)	140	283	(51%)
Malaysia	17	8	113%	30	26	15%	47	34	38%	179	152	18%
Singapore	47	30	57%	24	19	26%	71	49	45%	244	206	18%
Taiwan	38	9	322%	22	10	120%	60	19	216%	113	43	163%
Other <sup>(4)</sup>	9	4	125%	14	11	27%	23	15	53%	57	43	33%
<b>Total Asian Insurance Operations</b>	<b>195</b>	<b>246</b>	<b>(21%)</b>	<b>273</b>	<b>256</b>	<b>7%</b>	<b>468</b>	<b>502</b>	<b>(7%)</b>	<b>1,493</b>	<b>1,465</b>	<b>2%</b>
<b>Group Total</b>	<b>3,682</b>	<b>4,402</b>	<b>(16%)</b>	<b>331</b>	<b>330</b>	<b>0%</b>	<b>4,013</b>	<b>4,732</b>	<b>(15%)</b>	<b>5,274</b>	<b>5,961</b>	<b>(12%)</b>

## INVESTMENT OPERATIONS

		Opening	Gross Inflows	Redemptions	Net Inflows	Other	Market & Currency	Net	Closing
		FUM							
		£m	£m	£m	£m	£m	£m	£m	£m
<b>M&amp;G <sup>(5)</sup></b>	Q3 2009	55,921	5,810	(3,298)	2,512	(113)	7,915	10,314	66,235
	Q3 2008	51,699	4,623	(2,918)	1,705	-	(3,410)	(1,705)	49,994
	+/(%)	8%	26%	(13%)	47%	-	332%	705%	32%
<b>Asia Retail Mutual Funds</b>	Q3 2009	15,518	20,579	(20,142)	437	(1)	1,819	2,255	17,773
	Q3 2008	14,845	11,552	(12,213)	(661)	(23)	(567)	(1,251)	13,594
	+/(%)	5%	78%	(65%)	166%	96%	421%	280%	31%
<b>Asia Third Party</b>	Q3 2009	859	5	(7)	(2)	-	151	149	1,008
	Q3 2008	841	17	(46)	(29)	-	(57)	(86)	755
	+/(%)	2%	(71%)	85%	93%	-	365%	273%	34%
<b>US Retail Mutual Funds</b>	Q3 2009	38	-	(49)	(49)	1	10	(38)	-
	Q3 2008	62	5	(9)	(4)	1	(1)	(4)	58
	+/(%)	(39%)	-	(444%)	(1,125%)	0%	1,100%	(850%)	(100%)
<b>Total Investment Products</b>	Q3 2009	72,336	26,394	(23,496)	2,898	(113)	9,895	12,680	85,016
Q3 2008	67,447	16,197	(15,186)	1,011	(22)	(4,035)	(3,046)	(3,046)	64,401
+/(%)	7%	63%	(55%)	187%	(414%)	345%	516%	32%	

## PRUDENTIAL PLC - NEW BUSINESS - QUARTER 3 2009 VERSUS QUARTER 2 2009

## INSURANCE OPERATIONS

	Single			Regular			Total			PVNBP		
	Q3 2009 £m	Q 2 2009 £m	+/(%)	Q3 2009 £m	Q 2 2009 £m	+/(%)	Q3 2009 £m	Q 2 2009 £m	+/(%)	Q3 2009 £m	Q 2 2009 £m	+/(%)
<b>UK Insurance Operations</b>												
<b>Product Summary</b>												
Internal Vesting annuities	297	335	(11%)	-	-	-	297	335	(11%)	297	335	(11%)
Direct and Partnership Annuities	151	144	5%	-	-	-	151	144	5%	151	144	5%
Intermediated Annuities	56	81	(31%)	-	-	-	56	81	(31%)	56	81	(31%)
<b>Total Individual Annuities</b>	<b>504</b>	<b>560</b>	<b>(10%)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>504</b>	<b>560</b>	<b>(10%)</b>	<b>504</b>	<b>560</b>	<b>(10%)</b>
Income Drawdown	24	28	(14%)	-	-	-	24	28	(14%)	24	28	(14%)
Equity Release	30	29	3%	-	-	-	30	29	3%	30	29	3%
Individual Pensions	47	56	(16%)	2	2	0%	49	58	(16%)	52	61	(15%)
Corporate Pensions	8	10	(20%)	17	24	(29%)	25	34	(26%)	100	133	(25%)
Unit Linked Bonds	34	25	36%	-	-	-	34	25	36%	34	25	36%
With-Profit Bonds	285	384	(26%)	-	-	-	285	384	(26%)	285	384	(26%)
Protection	-	-	-	5	4	25%	5	4	25%	31	27	15%
Offshore Products	80	68	18%	1	1	0%	81	69	17%	85	73	16%
Pru Health <sup>(11)</sup>	-	-	-	3	4	(25%)	3	4	(25%)	26	38	(32%)
<b>Total Retail Retirement</b>	<b>1,012</b>	<b>1,160</b>	<b>(13%)</b>	<b>28</b>	<b>35</b>	<b>(20%)</b>	<b>1,040</b>	<b>1,195</b>	<b>(13%)</b>	<b>1,171</b>	<b>1,358</b>	<b>(14%)</b>
Corporate Pensions	20	42	(52%)	21	33	(36%)	41	75	(45%)	100	161	(38%)
Other Products	20	20	0%	3	5	(40%)	23	25	(8%)	30	39	(23%)
DWP Rebates	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Mature Life and Pensions</b>	<b>40</b>	<b>62</b>	<b>(35%)</b>	<b>24</b>	<b>38</b>	<b>(37%)</b>	<b>64</b>	<b>100</b>	<b>(36%)</b>	<b>130</b>	<b>200</b>	<b>(35%)</b>
<b>Total Retail</b>	<b>1,052</b>	<b>1,222</b>	<b>(14%)</b>	<b>52</b>	<b>73</b>	<b>(29%)</b>	<b>1,104</b>	<b>1,295</b>	<b>(15%)</b>	<b>1,301</b>	<b>1,558</b>	<b>(16%)</b>
Wholesale Annuities	4	7	(43%)	-	-	-	4	7	(43%)	4	7	(43%)
Credit Life	5	7	(29%)	-	-	-	5	7	(29%)	5	7	(29%)
<b>Total UK Insurance Operations</b>	<b>1,061</b>	<b>1,236</b>	<b>(14%)</b>	<b>52</b>	<b>73</b>	<b>(29%)</b>	<b>1,113</b>	<b>1,309</b>	<b>(15%)</b>	<b>1,310</b>	<b>1,572</b>	<b>(17%)</b>
<b>Channel Summary</b>												
Direct and Partnership	398	451	(12%)	41	59	(31%)	439	510	(14%)	586	701	(16%)
Intermediated	654	771	(15%)	11	14	(21%)	665	785	(15%)	715	857	(17%)
Wholesale	9	14	(36%)	-	-	-	9	14	(36%)	9	14	(36%)
<b>Sub-Total</b>	<b>1,061</b>	<b>1,236</b>	<b>(14%)</b>	<b>52</b>	<b>73</b>	<b>(29%)</b>	<b>1,113</b>	<b>1,309</b>	<b>(15%)</b>	<b>1,310</b>	<b>1,572</b>	<b>(17%)</b>
DWP Rebates	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total UK Insurance Operations</b>	<b>1,061</b>	<b>1,236</b>	<b>(14%)</b>	<b>52</b>	<b>73</b>	<b>(29%)</b>	<b>1,113</b>	<b>1,309</b>	<b>(15%)</b>	<b>1,310</b>	<b>1,572</b>	<b>(17%)</b>
<b>US Insurance Operations <sup>(15)(18)</sup></b>												
Fixed Annuities	140	218	(36%)	-	-	-	140	218	(36%)	140	218	(36%)
Fixed Index Annuities	480	328	46%	-	-	-	480	328	46%	480	328	46%
Variable Annuities	1,804	1,466	23%	-	-	-	1,804	1,466	23%	1,804	1,466	23%
Life	2	3	(33%)	6	6	0%	8	9	(11%)	47	37	27%
<b>Sub-Total Retail</b>	<b>2,426</b>	<b>2,015</b>	<b>20%</b>	<b>6</b>	<b>6</b>	<b>0%</b>	<b>2,432</b>	<b>2,021</b>	<b>20%</b>	<b>2,471</b>	<b>2,049</b>	<b>21%</b>
Guaranteed Investment Contracts	-	-	-	-	-	-	-	-	-	-	-	-
GIC - Medium Term Note	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total US Insurance Operations</b>	<b>2,426</b>	<b>2,015</b>	<b>20%</b>	<b>6</b>	<b>6</b>	<b>0%</b>	<b>2,432</b>	<b>2,021</b>	<b>20%</b>	<b>2,471</b>	<b>2,049</b>	<b>21%</b>
<b>Asian Insurance Operations <sup>(15)(18)</sup></b>												
China <sup>(9)</sup>	15	16	(6%)	11	9	22%	26	25	4%	68	57	19%
Hong Kong	33	22	50%	52	47	11%	85	69	23%	349	289	21%
India <sup>(6)</sup>	5	9	(44%)	39	19	105%	44	28	57%	137	74	85%
Indonesia	11	7	57%	42	45	(7%)	53	52	2%	149	155	(4%)
Japan	12	22	(45%)	10	10	0%	22	32	(31%)	57	73	(22%)
Korea	8	11	(27%)	29	28	4%	37	39	(5%)	140	131	7%
Malaysia	17	28	(39%)	30	26	15%	47	54	(13%)	179	166	8%
Singapore	47	86	(45%)	24	21	14%	71	107	(34%)	244	257	(5%)
Taiwan	38	13	192%	22	19	16%	60	32	88%	113	75	51%
Other <sup>(4)</sup>	9	5	80%	14	14	0%	23	19	21%	57	50	14%
<b>Total Asian Insurance Operations</b>	<b>195</b>	<b>219</b>	<b>(11%)</b>	<b>273</b>	<b>238</b>	<b>15%</b>	<b>468</b>	<b>457</b>	<b>2%</b>	<b>1,493</b>	<b>1,327</b>	<b>13%</b>
<b>Group Total</b>	<b>3,682</b>	<b>3,470</b>	<b>6%</b>	<b>331</b>	<b>317</b>	<b>4%</b>	<b>4,013</b>	<b>3,787</b>	<b>6%</b>	<b>5,274</b>	<b>4,948</b>	<b>7%</b>

## INVESTMENT OPERATIONS

		Opening	Gross Inflows	Redemptions	Net Inflows	Other	Market & Currency	Net	Closing
		FUM							
		£m	£m	£m	£m	£m	£m	£m	£m
M&G <sup>(5)</sup>	Q3 2009	55,921	5,810	(3,298)	2,512	(113)	7,915	10,314	66,235
	Q2 2009	46,536	8,223	(2,141)	6,082	35	3,268	9,385	55,921
		20%	(29%)	(54%)	(59%)	(423%)	142%	10%	18%
Asia Retail Mutual Funds	Q3 2009	15,518	20,579	(20,142)	437	(1)	1,819	2,255	17,773
	Q2 2009	14,324	17,331	(16,062)	1,269	(442)	367	1,194	15,518
		8%	19%	(25%)	(66%)	100%	396%	89%	15%
Asia Third Party	Q3 2009	859	5	(7)	(2)	-	151	149	1,008
	Q2 2009	799	10	(8)	2	-	58	60	859
		8%	(50%)	13%	(200%)	-	160%	148%	17%
US Retail Mutual Funds	Q3 2009	38	-	(49)	(49)	1	10	(38)	-
	Q2 2009	44	3	(12)	(9)	-	3	(6)	38
		(14%)	-	(308%)	(444%)	-	233%	(533%)	-
Total Investment Products	Q3 2009	72,336	26,394	(23,496)	2,898	(113)	9,895	12,680	85,016
	Q2 2009	61,703	25,567	(18,223)	7,344	(407)	3,696	10,633	72,336
		17%	3%	(29%)	(61%)	72%	168%	19%	16%

**Schedule 9 - Group Debt Securities at 30 September 2009**

**1 IFRS balance sheet fair value**

The Group's investments in debt securities at 30 September 2009 excluding holdings attributable to external unit holders are as follows:

	With-profit (note 1a) £bn	Unit-linked and variable annuity (note 1a) £bn	Other shareholder backed business (note 1e) £bn	Total £bn
UK insurance operations	40	4	19 (Notes 1b and 1c)	63
Jackson National Life	-	-	23 (Notes 1d and 3)	23
Asia long-term business	1	2	2	5
Other operations	-	-	1	1
<b>Total</b>	<b>41</b>	<b>6</b>	<b>45</b>	<b>92</b>

**Notes**

1(a) Shareholders are not directly exposed to value movements on assets backing with-profit, unit linked, and variable annuity business.

1(b) Of the £19bn of debt securities for UK annuity and other non-linked shareholder backed business 32% was rated AAA, 11% AA, 35% A, 18% BBB and 4% other.

1(c) For UK annuity business provision is made for possible future credit related losses. At 30 September 2009, a provision of £1.5bn was held.

1(d) Jackson debt securities comprise:

	30 Sep 2009 £m	30 Jun 2009 £m
Corporate securities (92% investment grade)	16,324	14,881
Residential mortgage backed securities (62% government agency; 22% for pre 2006/2007 vintages; £554m for 2006/2007 vintages of which £371m is for the senior part of the capital structure)	3,566	3,414
Commercial mortgage backed securities	2,034	1,725
CDO funds	133	207
Other debt securities	826	669
<b>Total</b>	<b>22,883</b>	<b>20,896</b>

1(e) Included within the £45bn of debt securities for other shareholder-backed business is exposure to £172m of investments in Tier 1 and £999m in Tier 2 borrowings of UK Banks.

**2 Defaults, losses from sales of impaired and deteriorating bonds and write-downs for non-linked shareholder backed business**

**2.1 Jackson National Life**

In general, the debt securities of Jackson are purchased with the intention and the ability to hold them for the longer-term.

The majority of Jackson's debt securities are classified as available-for-sale under IAS 39. Under this classification realised losses from defaults, sales of impaired and deteriorating bonds and write-downs are recorded in the income statement. Changes in unrealised appreciation and depreciation are recorded as a movement directly in shareholders' equity.

Jackson continues to review its investments on a case-by-case basis to determine whether any decline in fair value represents an impairment and therefore requires an accounting write-down. IFRS requires available-for-sale debt securities which are impaired to be written down to fair value through the profit and loss account.

In the first nine months of 2009, Jackson recorded £522 million (half year 2009: £366 million) of actual credit related losses which comprise the following:

	Nine months to 30 Sept 2009 £m	Movement in quarter 3 £m	Six months to 30 June 2009 £m
Corporate debt securities	(80)	-	(80)
Residential mortgage-backed securities (RMBS)			
Prime	(189)	(66)	(123)
Alt-A	(163)	(65)	(98)
Sub-prime	(23)	(5)	(18)
Other	(25)	(20)	(5)
Total bond write downs	(480)	(156)	(324)
Defaults	-	-	-
Losses on sale of impaired and deteriorating bonds net of recoveries	(42)	-	(42)
<b>Total</b>	<b>(522)</b>	<b>(156)</b>	<b>(366)</b>

**2.2 Other shareholder backed business (excluding Jackson National Life)**

For the Group's operations, other than Jackson National Life, debt securities are accounted for on a fair value through P&L basis with all value movements recorded in the income statement. The defaults for the 3 months to 30 September 2009 (measured against market value) for other shareholder backed business excluding Jackson National Life were as follows:

	Defaults £m
UK Insurance operations	-
Asia long-term business	-
Other operations	-
<b>Total</b>	<b>-</b>

### 3 Jackson National Life - securities in an unrealised loss position

For Jackson's securities classified as available-for-sale under IAS 39, at 30 September 2009 there was a net unrealised loss position of £173 million. This amount comprised £1,056 million of gross unrealised gains and £1,229 million of gross unrealised losses on individual securities. Under IFRS unrealised losses are only applicable for securities which have not been impaired during the period. Securities impaired during the period are written down to fair value through the profit and loss in full. Note 2.1 shows the element of write downs in 2009. Included within the gross unrealised losses is £839 million for securities which are valued at less than 80 per cent of book value, of which 43 per cent have been at this level for less than 6 months.

IFRS requires securities to be carried at fair value, being the amount for which the security would be exchanged between knowledgeable, willing parties in an arm's length transaction. The best evidence of fair value is quoted prices in an active market, but if the market is not active then a valuation technique is used to establish fair value.

#### a) Movements in the values for the 3 months to 30 September 2009:

Movements in the values of available-for-sale securities for the three months to 30 September 2009 are included in the table shown below:

	30 September 2009 £m	Movement in Quarter 3 £m	Foreign exchange translation* £m	Change reflected directly in shareholders' equity Quarter 3 including Foreign exchange £m	30 June 2009 £m
Assets fair valued at below book value					
Book value	7,631				13,677
Unrealised loss	(1,229)	1,035	(40)	995	(2,224)
Fair value (as included in balance sheet)	6,402				11,453
Assets fair valued at or above book value					
Book value	15,278				8,870
Unrealised gain	1,056	602	28	630	426
Fair value (as included in the balance sheet)	16,334				9,296
Total					
Book value	22,909				22,547
Net unrealised loss	(173)	1,637	(12)	1,625	(1,798)
Fair value (as included in balance sheet)	22,736				20,749

#### b) Fair value of securities in an unrealised loss position as a percentage of book value

##### (i) Fair value of securities as a percentage of book value

The unrealised losses in the Jackson balance sheet on unimpaired securities are £1,229 million (HY09: £2,224 million) relating to assets with fair value and book value of £6,402 million (HY09: £11,453 million) and £7,631 million (HY09: £13,677 million) respectively.

The following table shows the fair value of the securities in a gross unrealised loss position for various percentages of book value:

	Fair value 30 Sep 2009 £m	Unrealised loss 30 Sep 2009 £m	Fair value 30 Jun 2009 £m	Unrealised loss 30 Jun 2009 £m
Between 90% and 100%	3,817	(160)	6,743	(265)
Between 80% and 90%	1,370	(230)	2,487	(428)
Below 80%	1,215	(839)	2,223	(1,531)
	6,402	(1,229)	11,453	(2,224)

##### (ii) Fair value of sub-prime and Alt-A securities as a percentage of book value

Included within the table above are amounts relating to sub-prime and Alt-A securities in a gross unrealised loss position for various percentages of book value of:

	Fair value 30 Sep 2009 £m	Unrealised loss 30 Sep 2009 £m	Fair value 30 Jun 2009 £m	Unrealised loss 30 Jun 2009 £m
Between 90% and 100%	89	(2)	38	(3)
Between 80% and 90%	156	(29)	93	(18)
Below 80%	216	(149)	305	(278)
	461	(180)	436	(299)

#### c) Securities whose fair value were below 80 per cent of the book value

As shown in the table above, £839 million (HY09: £1,531 million) of the £1,229 million (HY09: £2,224 million) of gross unrealised losses at 30 September 2009 related to securities whose fair value were below 80 per cent of the book value. The age analysis for this £839 million (HY09: £1,531 million), indicating the length of time for which their fair value was below 80 per cent of the book value, is as follows:

	Fair value 30 Sep 2009 £m	Unrealised loss 30 Sep 2009 £m	Fair value 30 Jun 2009 £m	Unrealised loss 30 Jun 2009 £m
Less than 3 months	63	(26)	767	(561)
3 months to 6 months	462	(332)	393	(272)
More than 6 months	690	(481)	1,063	(698)
	1,215	(839)	2,223	(1,531)

For securities valued at less than 80 per cent of book value, 65 per cent are investment grade. The analysis by category of debt securities whose fair value were below 80 per cent of the book value is as follows:

	Fair value 30 Sep 2009 £m	Unrealised loss 30 Sep 2009 £m	Fair value 30 Jun 2009 £m	Unrealised loss 30 Jun 2009 £m
RMBS				
Prime	387	(240)	404	(364)
Alt-A	111	(61)	187	(154)
Sub-prime	105	(88)	118	(124)
	603	(389)	709	(642)
Commercial mortgage backed securities	148	(105)	478	(263)
Other asset backed securities	239	(237)	256	(302)
Total structured securities	990	(731)	1,443	(1,207)
Corporates	225	(108)	780	(324)
	1,215	(839)	2,223	(1,531)

\* Balance sheet items for Jackson National Life have been translated at the closing rate for the period, being \$1.5994 at 30 September 2009. Jackson National Life income statement movements have been translated at the average exchange rate for the period, being \$1.6404 for 3 months to 30 September 2009.

## PRUDENTIAL PLC - NEW BUSINESS SCHEDULES

### **BASIS OF PREPARATION**

The new business schedules are provided as an indicative volume measure of transactions undertaken in the reporting period that have the potential to generate profits for shareholders. The amounts shown are not, and not intended to be, reflective of premium income recorded in the IFRS income statement.

The format of the schedules is consistent with the distinction between insurance and investment products as applied for previous financial reporting periods. Products categorised as "insurance" refer to those classified as contracts of long-term insurance business for regulatory reporting purposes, i.e. falling within one of the classes of insurance specified in part II of Schedule 1 to the Regulated Activities Order under FSA regulations.

The details shown for insurance products include contributions for contracts that are classified under IFRS 4 "Insurance Contracts" as not containing significant insurance risk. These products are described as investment contracts or other financial instruments under IFRS. Contracts included in this category are primarily certain unit-linked and similar contracts written in UK Insurance Operations, and Guaranteed Investment Contracts and similar funding agreements written in US Operations.

New business premiums for regular premium products are shown on an annualised basis. Department of Work and Pensions rebate business is classified as single recurrent business. Internal vesting business is classified as new business where the contracts include an open market option.

Investment products referred to in the tables for funds under management are unit trusts, mutual funds and similar types of retail fund management arrangements. These are unrelated to insurance products that are classified as investment contracts under IFRS 4, as described in the preceding paragraph, although similar IFRS recognition and measurement principles apply to the acquisition costs and fees attaching to this type of business.

### **Notes to Schedules 1 - 8**

(1a) Insurance and investment new business for overseas operations has been calculated using average exchange rates. The applicable rate for Jackson is 1.54 (2008: 1.95).

(1b) Insurance and investment new business for overseas operations has been calculated using constant exchange rates. The applicable rate for Jackson is 1.54.

(2) Represents cash received from sale of investment products.

(3) Annual Equivalents, calculated as regular new business contributions plus 10 per cent single new business contributions, are subject to roundings. PVNBPs are calculated as equalling single premiums plus the present value of expected premiums of new regular premium business. In determining the present value, allowance is made for lapses and other assumptions applied in determining the EEV new business profit.

(4) In Asia, 'Other' insurance operations include Thailand, the Philippines and Vietnam.

(5) Balance includes segregated and pooled pension funds, private finance assets and other institutional clients. Other movements reflect the net flows arising from the cash component of a tactical asset allocation fund managed by PPM South Africa.

(6) New business in India is included at Prudential's 26 per cent interest in the India life operation.

(7) Balance Sheet figures have been calculated at the closing exchange rate. Prior year balance is shown on a constant exchange rate.

(8) Sales are converted using the year to date average exchange rate applicable at the time. The sterling results for individual quarters represent the difference between the year to date reported sterling results at successive quarters and will include foreign exchange movements from earlier periods.

(9) New business in China is included at Prudential's 50 per cent interest in the China life operation.

(10) Mandatory Provident Fund (MPF) product sales in Hong Kong are included at Prudential's 36 per cent interest in Hong Kong MPF operation.

(11) Pru Health sales exclude £6m (£3m 50% share) of Trust business