

## PRUDENTIAL PLC - NEW BUSINESS - QUARTER 4 2002 VERSUS QUARTER 3 2002

## INSURANCE OPERATIONS

	Single			Regular			Total			Annual Equivalents <sup>(4)</sup>		
	Q4 2002	Q3 2002	+/- (%)	Q4 2002	Q3 2002	+/- (%)	Q4 2002	Q3 2002	+/- (%)	Q4 2002	Q3 2002	+/- (%)
	£m	£m		£m	£m		£m	£m		£m	£m	
<b>UK Insurance Operations :</b>												
<i>Direct Distribution<sup>(2)</sup> :</i>												
Individual Pensions	2	3	(33%)	2	2	0%	4	5	(20%)	2	2	0%
Corporate Pensions	174	91	91%	35	25	40%	209	116	80%	52	35	49%
Life	8	14	(43%)	1	1	0%	9	15	(40%)	2	2	0%
Individual Annuities	274	230	19%	-	-	-	274	230	19%	28	23	22%
<b>Sub-Total</b>	<b>458</b>	<b>338</b>	<b>36%</b>	<b>38</b>	<b>28</b>	<b>36%</b>	<b>496</b>	<b>366</b>	<b>36%</b>	<b>84</b>	<b>62</b>	<b>35%</b>
DSS Rebates	20	-	-	-	-	-	20	-	-	2	-	-
<b>Total</b>	<b>478</b>	<b>338</b>	<b>41%</b>	<b>38</b>	<b>28</b>	<b>36%</b>	<b>516</b>	<b>366</b>	<b>41%</b>	<b>86</b>	<b>62</b>	<b>39%</b>
<i>Intermediated Distribution<sup>(2)</sup> :</i>												
Individual Pensions	11	17	(35%)	7	9	(22%)	18	26	(31%)	8	10	(20%)
Corporate Pensions	7	18	(61%)	2	3	(33%)	9	21	(57%)	3	5	(40%)
Life	397	443	(10%)	6	4	50%	403	447	(10%)	46	48	(4%)
Individual Annuities	263	285	(8%)	-	-	-	263	285	(8%)	26	29	(10%)
Bulk Annuities	424	123	245%	-	-	-	424	123	245%	42	13	223%
<b>Sub-Total</b>	<b>1,102</b>	<b>886</b>	<b>24%</b>	<b>15</b>	<b>16</b>	<b>(6%)</b>	<b>1,117</b>	<b>902</b>	<b>24%</b>	<b>125</b>	<b>105</b>	<b>19%</b>
DSS Rebates	45	-	-	-	-	-	45	-	-	4	-	-
<b>Total</b>	<b>1,147</b>	<b>886</b>	<b>29%</b>	<b>15</b>	<b>16</b>	<b>(6%)</b>	<b>1,162</b>	<b>902</b>	<b>29%</b>	<b>129</b>	<b>105</b>	<b>23%</b>
<i>Total<sup>(2)</sup> :</i>												
Individual Pensions	13	20	(35%)	9	11	(18%)	22	31	(29%)	10	13	(23%)
Corporate Pensions	181	109	66%	37	28	32%	218	137	59%	55	39	41%
Life	405	457	(11%)	7	5	40%	412	462	(11%)	48	50	(4%)
Individual Annuities	537	515	4%	-	-	-	537	515	4%	54	52	4%
Bulk Annuities	424	123	245%	-	-	-	424	123	245%	42	13	223%
<b>Sub-Total</b>	<b>1,560</b>	<b>1,224</b>	<b>27%</b>	<b>53</b>	<b>44</b>	<b>20%</b>	<b>1,613</b>	<b>1,268</b>	<b>27%</b>	<b>209</b>	<b>166</b>	<b>26%</b>
DSS Rebates	65	-	-	-	-	-	65	-	-	7	-	-
<b>Total</b>	<b>1,625</b>	<b>1,224</b>	<b>33%</b>	<b>53</b>	<b>44</b>	<b>20%</b>	<b>1,678</b>	<b>1,268</b>	<b>32%</b>	<b>216</b>	<b>166</b>	<b>30%</b>
Closed distribution channel <sup>(3)</sup>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total UK Insurance Operations</b>	<b>1,625</b>	<b>1,224</b>	<b>33%</b>	<b>53</b>	<b>44</b>	<b>20%</b>	<b>1,678</b>	<b>1,268</b>	<b>32%</b>	<b>216</b>	<b>166</b>	<b>30%</b>
<i>European Insurance Operations:</i>												
Insurance Products	8	7	14%	9	6	50%	17	13	31%	10	6	67%
<b>Total European Insurance Operations</b>	<b>8</b>	<b>7</b>	<b>14%</b>	<b>9</b>	<b>6</b>	<b>50%</b>	<b>17</b>	<b>13</b>	<b>31%</b>	<b>10</b>	<b>6</b>	<b>67%</b>
<b>Total UK &amp; European Insurance Operations</b>	<b>1,633</b>	<b>1,231</b>	<b>33%</b>	<b>62</b>	<b>50</b>	<b>24%</b>	<b>1,695</b>	<b>1,281</b>	<b>32%</b>	<b>225</b>	<b>174</b>	<b>29%</b>
<i>US Insurance Operations:<sup>(14)</sup></i>												
Fixed Annuities	730	925	(21%)	-	-	-	730	925	(21%)	73	93	(22%)
Equity Linked Indexed Annuities	50	75	(33%)	-	-	-	50	75	(33%)	5	7	(29%)
Variable Annuities	511	368	39%	-	-	-	511	368	39%	51	36	42%
<b>Sub-total Annuities</b>	<b>1,291</b>	<b>1,368</b>	<b>(6%)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,291</b>	<b>1,368</b>	<b>(6%)</b>	<b>129</b>	<b>136</b>	<b>(5%)</b>
Guaranteed Investment Contracts	(5)	15	-	-	-	-	(5)	15	-	(1)	2	-
GIC - Medium Term Note	(16)	225	-	-	-	-	(16)	225	-	(1)	22	-
Life	-	-	-	4	6	(33%)	4	6	(33%)	4	6	(33%)
<b>Total US Insurance Operations</b>	<b>1,270</b>	<b>1,608</b>	<b>(21%)</b>	<b>4</b>	<b>6</b>	<b>(33%)</b>	<b>1,274</b>	<b>1,614</b>	<b>(21%)</b>	<b>131</b>	<b>166</b>	<b>(21%)</b>
<i>Asian Insurance Operations:</i>												
Singapore <sup>(5)</sup>	85	56	52%	13	12	8%	98	68	44%	22	17	29%
Hong Kong	51	45	13%	22	19	16%	73	64	14%	27	24	13%
Malaysia	4	4	0%	22	13	69%	26	17	53%	22	13	69%
Taiwan	2	4	(50%)	45	50	(10%)	47	54	(13%)	45	50	(10%)
Japan <sup>(10)</sup>	1	2	(50%)	10	11	(9%)	11	13	(15%)	10	11	(9%)
Other <sup>(11)</sup>	7	7	0%	28	24	17%	35	31	13%	29	26	12%
<b>Total Asian Insurance Premiums</b>	<b>150</b>	<b>118</b>	<b>27%</b>	<b>140</b>	<b>129</b>	<b>9%</b>	<b>290</b>	<b>247</b>	<b>17%</b>	<b>155</b>	<b>141</b>	<b>10%</b>
<b>Group Total</b>	<b>3,053</b>	<b>2,957</b>	<b>3%</b>	<b>206</b>	<b>185</b>	<b>11%</b>	<b>3,259</b>	<b>3,142</b>	<b>4%</b>	<b>511</b>	<b>481</b>	<b>6%</b>

## INVESTMENT OPERATIONS

	M&G & UK Operations			Asia Mutual Funds <sup>(13)</sup>			Hong Kong MPF Products <sup>(7)</sup>			Total Investment Products		
	Q4 2002	Q3 2002	+/- (%)	Q4 2002	Q3 2002	+/- (%)	Q4 2002	Q3 2002	+/- (%)	Q4 2002	Q3 2002	+/- (%)
	£m	£m		£m	£m		£m	£m		£m	£m	
<b>Opening FUM</b>	<b>8,369</b>	<b>9,238</b>	<b>(9%)</b>	<b>3,652</b>	<b>3,781</b>	<b>(3%)</b>	<b>121</b>	<b>117</b>	<b>3%</b>	<b>12,142</b>	<b>13,136</b>	<b>(8%)</b>
Gross inflows	266	271	(2%)	3,812	3,144	21%	17	18	(6%)	4,095	3,433	19%
Less redemptions	(248)	(168)	(48%)	(3,487)	(3,086)	(13%)	(2)	(3)	33%	(3,737)	(3,257)	(15%)
Net flows	18	103	(83%)	325	58	460%	15	15	0%	358	176	103%
Other movements	-	-	-	1,130	(1)	-	-	-	-	1,130	(1)	-
Market and currency movements	202	(972)	121%	(12)	(186)	94%	-	(11)	-	190	(1,169)	116%
Net movement in FUM	220	(869)	125%	1,444	(129)	1219%	15	4	275%	1,679	(994)	269%
<b>Closing FUM</b>	<b>8,589</b>	<b>8,369</b>	<b>3%</b>	<b>5,096</b>	<b>3,652</b>	<b>40%</b>	<b>136</b>	<b>121</b>	<b>12%</b>	<b>13,821</b>	<b>12,142</b>	<b>14%</b>

## Notes to Schedules:

<sup>(2)</sup> Excluding sales through closed distribution channel.

<sup>(3)</sup> Closed distribution channel relates to the Direct Sales Force.

<sup>(4)</sup> Annual Equivalents (AE), calculated as regular new business contributions + 10% single new business contributions, are subject to roundings.

<sup>(5)</sup> The Central Provident Fund in Singapore was further liberalised in 2001 resulting in exceptional sales volume in the first half of 2001.

<sup>(7)</sup> Mandatory Provident Fund product sales in Hong Kong are included at Prudential's 36% interest of the Hong Kong MPF operation.

<sup>(10)</sup> Insurance sales for Japan are included from 13 February 2001, the date of acquisition of Orico Life Insurance Company Limited.

<sup>(11)</sup> In Asia, 'Other' Insurance Products include Thailand, Indonesia, The Philippines, Vietnam, India (26% interest), China and Korea.

<sup>(13)</sup> Funds under management arising from the Korean fund management acquisition in Q4 are included in Other movements.

<sup>(14)</sup> Sales for overseas operations are converted to sterling 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.