

Date: 1 August 2007

PRUDENTIAL PLC

2007 Unaudited Interim Results

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Schedule 1.1

2007 Unaudited Interim Results

EEV basis results

Half year 2007

	Schedule cross reference	Profit before tax £m	Tax (Schedule 7) £m	Profit after tax £m	Minority interests £m	Profit after tax and minority interests £m	Earnings per share (pence)
Earnings per share (note 1.1a)							
<u>Continuing operations</u>							
On operating profit, based on longer-term investment returns, after related tax and minority interests	3	1,326	(365)	961	0	961	39.4p
Adjustment from post-tax longer-term investment returns to post-tax actual investment returns	6	241	(69)	172	(1)	171	7.0p
Adjustment for mark to market value movements on core borrowings (note 1.1b)	6	113	-	113	-	113	4.6p
Adjustment for post-tax effect of shareholders' share of actuarial gains and losses on defined benefit pension schemes	6	125	(35)	90	-	90	3.7p
Adjustment for post-tax effect of changes in economic assumptions and time value of cost of options and guarantees	6	275	(76)	199	-	199	8.2p
On profit for the period after tax and minority interests for continuing operations		2,080	(545)	1,535	(1)	1,534	62.9p
On profit for the period after tax and minority interests for discontinued operations (note 1.1c)	14	222	19	241	-	241	9.9p
On profit for the period after tax and minority interests - basic earnings per share		2,302	(526)	1,776	(1)	1,775	72.8p

Notes

1.1a The average number of shares for half year 2007 was 2,437m. The average number of shares reflects the average number in issue adjusted for shares held by employee trusts and consolidated unit trusts and OEICs which are treated as cancelled.

1.1b Core borrowings of the Group are marked to market value under EEV. As the liabilities are generally held to maturity or for the long-term, no deferred tax asset has been established on the increase (compared to IFRS) in carrying value. Accordingly, no deferred tax charge is recorded in the results against the half year 2007 credit.

1.1c Discontinued operations relate to Egg banking operations.

Date: 1 August 2007

Schedule 1.2

2007 Unaudited Interim Results

EEV basis results

Half year 2006

	Schedule cross reference	Profit before tax £m	Tax (Schedule 7) £m	Profit after tax £m	Minority interests £m	Profit after tax and minority interests £m	Earnings per share (pence)
Earnings per share (note 1.2a)							
<u>Continuing operations</u>							
On operating profit, based on longer-term investment returns, after related tax and minority interests	3	1,007	(304)	703	1	704	29.3p
Adjustment from post-tax longer-term investment returns to post-tax actual investment returns (note 1.2b)	6	73	(26)	47	(4)	43	1.7p
Adjustment for mark to market value movements on core borrowings (note 1.2c)	6	168	-	168	-	168	7.0p
Adjustment for post-tax effect of shareholders' share of actuarial gains and losses on defined benefit pension schemes	6	246	(74)	172	-	172	7.2p
Adjustment for post-tax effect of changes in economic assumptions and time value of cost of options and guarantees	6	(20)	17	(3)	-	(3)	(0.1)p
On profit for the period after tax and minority interests for continuing operations		1,474	(387)	1,087	(3)	1,084	45.1p
On loss for the period after tax and minority interests for discontinued operations (note 1.2c)	14	(45)	11	(34)	2	(32)	(1.3)p
On profit for the period after tax and minority interests - basic earnings per share		1,429	(376)	1,053	(1)	1,052	43.8p

Notes

1.2a The average number of shares for half year 2006 was 2,403m. The average number of shares reflects the average number in issue adjusted for shares held by employee trusts and consolidated unit trusts and OEICs which are treated as cancelled.

12.b The analysis of the half year 2006 EEV basis results incorporates a reallocation of £41m before tax (£27m net of tax) from the amounts shown for the effect of changes in economic assumptions and time value of cost of options and guarantees, to the credit for short-term fluctuations in investment returns from the analysis of the half year 2006 results as previously published. The change, which has no effect on operating profit or profit before tax, is for asset related gains for Jackson and has been made to align with the full year 2006 and current presentation.

1.2c Core borrowings of the Group are marked to market value under EEV. As the liabilities are generally held to maturity or for the long-term, no deferred tax asset has been established on the increase (compared to IFRS) in carrying value. Accordingly, no deferred tax charge has been recorded in the results against the half year 2006 credit.

1.2d Discontinued operations relate to Egg banking operations.

Date: 1 August 2007

Schedule 1.3

2007 Unaudited Interim Results

EEV basis results

Full year 2006

	Schedule cross reference	Profit before tax £m	Tax (Schedule 7) £m	Profit after tax £m	Minority interests £m	Profit after tax and minority interests £m	Earnings per share (pence)
Earnings per share (note 1.3a)							
<u>Continuing operations</u>							
On operating profit, based on longer-term investment returns, after related tax and minority interests	3	2,133	(634)	1,499	(1)	1,498	62.1p
Adjustment from post-tax longer-term investment returns to post-tax actual investment returns	6	738	(212)	526	(2)	524	21.8p
Adjustment for mark to market value movements on core borrowings (note 1.3b)	6	85	-	85	-	85	3.5p
Adjustment for post-tax effect of shareholders' share of actuarial gains and losses on defined benefit pension schemes	6	207	(62)	145	-	145	6.0p
Adjustment for post-tax effect of changes in economic assumptions and time value of cost of options and guarantees	6	59	4	63	-	63	2.6p
On profit for the year after tax and minority interests for continuing operations		3,222	(904)	2,318	(3)	2,315	96.0p
On loss for the year after tax and minority interests for discontinued operations (note 1.3c)	14	(150)	45	(105)	2	(103)	(4.3)p
On profit for the year after tax and minority interests - basic earnings per share		3,072	(859)	2,213	(1)	2,212	91.7p

Notes

- 1.3a** The average number of shares for full year 2006 was 2,413m. The average number of shares reflects the average number in issue adjusted for shares held by employee trusts and consolidated unit trusts and OEICs which are treated as cancelled.
- 1.3b** Core borrowings of the Group are marked to market value under EEV. As the liabilities are generally held to maturity or for the long-term, no deferred tax asset has been established on the increase (compared to IFRS) in carrying value. Accordingly, no deferred tax charge has been recorded in the results against the full year 2006 credit.
- 1.3c** Discontinued operations relate to Egg banking operations.

2007 Unaudited Interim Results

EUROPEAN EMBEDDED VALUE (EEV) BASIS RESULTS**Basis of preparation and economic assumptions****1 Basis of preparation of results**

The EEV basis results have been prepared in accordance with the EEV Principles issued by the CFO Forum of European Insurance Companies in May 2004. Where appropriate the EEV basis results include the effects of adoption of International Financial Reporting Standards (IFRS).

The EEV results for the Group are prepared for 'covered business' as defined by the EEV Principles. Covered business represents the Group's long-term insurance business for which the value of new and in-force contracts is attributable to shareholders. The EEV basis results for the Group's covered business are then combined with the IFRS basis results for the Group's other operations.

The definition of long-term business operations is consistent with previous practice and comprises those contracts falling under the definition of long-term insurance business for regulatory purposes together with, for US Operations, contracts that are in substance the same as guaranteed investment contracts (GICs) but do not fall within the technical definition. Under the EEV Principles, the results for covered business incorporate the projected margins of attaching internal fund management.

With two principal exceptions, covered business comprises the Group's long-term business operations. The principal exceptions are for the closed Scottish Amicable Insurance Fund (SAIF) and for the presentational treatment of the financial position of two of the Group's defined benefit pension schemes. A very small amount of UK group pensions business is also not modelled for EEV reporting purposes.

SAIF is a ring-fenced sub-fund of the Prudential Assurance Company (PAC) long-term fund, established by a Court approved Scheme of Arrangement in October 1997. SAIF is closed to new business and the assets and liabilities of the fund are wholly attributable to the policyholders of the fund. In 2006, a bulk annuity arrangement between SAIF and Prudential Retirement Income Limited (PRIL), a shareholder-owned subsidiary, took place as explained in note 4f to schedule 4. Reflecting the altered economic interest for SAIF policyholders and Prudential shareholders this arrangement represents a transfer from long-term business of the Group that is not 'covered' to business that is 'covered' with consequential effect on the EEV basis results.

As regards the Group's defined benefit pension schemes, the surplus or deficit attaching to the Prudential Staff Pension Scheme (PSPS) and Scottish Amicable Pension Scheme are excluded from the EEV value of UK Operations and included in the total for Other Operations. The surplus and deficit amounts are partially attributable to the PAC with-profits fund and shareholder-backed long-term business and partially to other parts of the Group. In addition to the IFRS surplus or deficit, the shareholders' 10 per cent share of the PAC with-profits sub-fund's interest in the movement on the financial position of the schemes is recognised for EEV reporting purposes.

For half year 2007, the EEV basis operating profit from continuing operations based on longer-term investment returns before tax of £1,326m includes a credit of £92m that arises from including the benefits, grossed up for notional tax, of altered corporate tax rates for the UK, Singapore and China. Further details are explained in schedule 5.

2 Economic assumptions**(a) Deterministic assumptions**

In most countries, the long-term expected rates of return on investments and risk discount rates are set by reference to period end rates of return on cash or fixed interest securities. This 'active' basis of assumption setting has been applied in preparing the results of all the Group's UK and US long-term business operations. For the Group's Asian operations, the active basis is appropriate for business written in Japan, Korea and US dollar denominated business written in Hong Kong.

An exception to this general rule is that for countries where long-term fixed interest markets are less established, investment return assumptions and risk discount rates are based on an assessment of longer-term economic conditions. Except for the countries listed above, this basis is appropriate for the Group's Asian Operations.

Expected returns on equity and property asset classes are derived by adding a risk premium, also based on the long-term view of Prudential's economists in respect of each territory, to the risk-free rate. In the UK and the US, the equity risk premium is 4.0 per cent above risk-free rates for all periods for which results are prepared in these schedules. In Asia, equity risk premiums range from 3.0 per cent to 5.8 per cent for all periods for which results are prepared in these schedules. Best estimate assumptions for other asset classes, such as corporate bond spreads, are set consistently.

Assumed investment returns reflect the expected future returns on the assets held and allocated to the covered business at the valuation date.

The table below summarises the principal financial assumptions:

	30 Jun 2007 %	30 Jun 2006 %	31 Dec 2006 %
UK Insurance Operations			
Risk discount rate:			
New business	8.7	8.0	7.8
In force	8.6	8.2	8.0
Pre-tax expected long-term nominal rates of investment return:			
UK equities	9.3	8.7	8.6
Overseas equities	9.6 to 10.6	8.7 to 9.4	8.6 to 9.3
Property	7.8	7.2	7.1
Gilts	5.3	4.7	4.6
Corporate bonds	6.0	5.4	5.3
Expected long-term rate of inflation	3.1	3.0	3.1
Post-tax expected long-term nominal rate of return for the with-profits fund:			
Pension business (where no tax applies)	8.3	7.7	7.5
Life business	7.4	6.85	6.6
US Operations (Jackson)			
Risk discount rate:			
New business (note)	7.9	8.0	7.6
In force (note)	7.3	7.1	6.7
Expected long-term spread between earned rate and rate credited to policyholders for single premium deferred annuity business	1.75	1.75	1.75
US 10 year treasury bond rate at end of period	5.1	5.2	4.8
Pre-tax expected long-term nominal rate of return for US equities	9.1	9.2	8.8
Expected long-term rate of inflation	2.4	2.7	2.5

Note:**US Operations - risk discount rates**

The risk discount rates at 30 June 2007 for new business and business in force for US Operations reflect weighted rates based on underlying rates of 8.8% for variable annuity business and 5.9% for other business. The increase in the weighted discount rate for business in force from 31 December 2006 of 6.7% to 30 June 2007 of 7.3% reflects the increase in the US 10-year treasury bond rate and the increasing proportion of variable annuity business.

2 Economic assumptions (continued)

Asian Operations

	China	Hong Kong (notes iii,iv,v)	India	Indonesia	Japan	Korea	Malaysia (notes iv,v)	Philippines	Singapore (notes iv,v)	Taiwan (notes ii, v)	Thailand	Vietnam
30 Jun 2007	%	%	%	%	%	%	%	%	%	%	%	%
Risk discount rate:												
New business	12.0	6.5	16.5	17.5	5.3	10.1	9.7	16.5	7.1	8.6	13.75	16.5
In force	12.0	6.7	16.5	17.5	5.3	10.1	9.3	16.5	6.3	9.3	13.75	16.5
Expected long-term												
rate of inflation	4.0	2.25	5.5	6.5	0.0	2.75	3.0	5.5	1.75	2.25	3.75	5.5
Government bond yield	9.0	5.1	10.5	11.5	2.2	5.6	7.0	10.5	4.5	5.5	7.75	10.5

	China	Hong Kong (notes iii,iv,v)	India	Indonesia	Japan	Korea	Malaysia (notes iv,v)	Philippines	Singapore (notes iv,v)	Taiwan (notes ii, v)	Thailand	Vietnam
30 Jun 2006	%	%	%	%	%	%	%	%	%	%	%	%
Risk discount rate:												
New business	12.0	6.6	16.5	17.5	5.3	9.7	9.5	16.5	6.7	8.9	13.75	16.5
In force	12.0	6.9	16.5	17.5	5.3	9.7	9.1	16.5	6.8	9.5	13.75	16.5
Expected long-term												
rate of inflation	4.0	2.25	5.5	6.5	0.0	2.75	3.0	5.5	1.75	2.25	3.75	5.5
Government bond yield	9.0	5.3	10.5	11.5	2.1	5.2	7.0	10.5	4.5	5.5	7.75	10.5

	China	Hong Kong (notes iii,iv,v)	India	Indonesia	Japan	Korea	Malaysia (notes iv,v)	Philippines	Singapore (notes iv,v)	Taiwan (notes ii, v)	Thailand	Vietnam
31 Dec 2006	%	%	%	%	%	%	%	%	%	%	%	%
Risk discount rate:												
New business	12.0	6.6	16.5	17.5	5.3	9.5	9.5	16.5	6.9	8.8	13.75	16.5
In force	12.0	6.8	16.5	17.5	5.3	9.5	9.2	16.5	6.9	9.3	13.75	16.5
Expected long-term												
rate of inflation	4.0	2.25	5.5	6.5	0.0	2.75	3.0	5.5	1.75	2.25	3.75	5.5
Government bond yield	9.0	4.7	10.5	11.5	2.1	5.0	7.0	10.5	4.5	5.5	7.75	10.5

Asia total	Asia total	Asia total
30 Jun	30 Jun	31 Dec
2007	2006	2006
%	%	%

Weighted risk discount rate (note i)

New business	10.1	9.9	9.8
In force	8.7	8.9	8.8

Notes

Asian Operations - economic assumptions

(i) The weighted risk discount rates for the Asian operations shown above have been determined by weighting each country's risk discount rates by reference to the EEV basis operating result for new business and the closing value of in-force business.

(ii) For traditional business in Taiwan, the economic scenarios used to calculate the half year 2007 EEV basis results continue to reflect the assumption of a phased progression of the bond yields from the current rates applying to the assets held to the long-term expected rates. The projections assume that in the average scenario, the current bond yields of around 2.5 per cent trend towards 5.5 per cent at 31 December 2013 (half year 2006: 2 per cent towards 5.5 per cent at 31 December 2012, full year 2006: 2 per cent towards 5.5 per cent at 31 December 2013).

The projections for the Fund Earned Rate reflect the same approach as applied for the full year 2006 results with allowance made for the mix of assets in the fund, future investment strategy, and further market depreciation of bonds held as a result of assumed future yield increases. The projections for the Fund Earned Rate alter for changes to these factors and the effects of movements in interest rates from period to period.

After taking into account current bond yields, the assumption of the phased progression in bond yields and the factors described above, the average assumed Fund Earned Rate remains below 1.2 per cent until 2010, (due to the depreciation of bond values as yields rise) and fluctuates around a target of 5.9 per cent after 2013.

Consistent with EEV methodology, a constant discount rate has been applied to the projected cash flows.

(iii) The assumptions shown are for US dollar denominated business which comprises the largest proportion of the in-force Hong Kong business.

(iv) Assumed equity returns

The mean equity return assumptions for the most significant equity holdings in the Asian Operations were:

	30 Jun	30 Jun	31 Dec
	2007	2006	2006
	%	%	%
Hong Kong	9.1	9.2	8.7
Malaysia	12.8	12.8	12.8
Singapore	9.3	9.3	9.3

To obtain the mean, an average over all simulations of the accumulated return at the end of the projection period is calculated. The annual average return is then calculated by taking the root of the average accumulated return minus 1.

(v) For Hong Kong, Malaysia, Singapore and Taiwan, bond yields have been used in setting the risk discount rates for half year 2007 reporting. For half year and full year 2006, cash rates were used in setting the risk discount rates for these operations.

(b) Stochastic assumptions

The economic assumptions used for the stochastic calculations are consistent with those used for the deterministic calculations described above. Assumptions specific to the stochastic calculations such as the volatilities of asset returns reflect local market conditions and are based on a combination of actual market data, historic market data and an assessment of longer-term economic conditions. Common principles have been adopted across the Group for the stochastic asset models, for example, separate modelling of individual asset classes but with allowance for correlation between the various asset classes.

Details are given below of the key characteristics and calibrations of each model.

Economic assumptions (continued)**UK Insurance Operations**

- Interest rates are projected using a two-factor model calibrated to actual market data;
- The risk premium on equity assets is assumed to follow a log-normal distribution;
- The corporate bond return is calculated as the return on a zero-coupon bond plus a spread. The spread process is a mean reverting stochastic process; and
- Property returns are modelled in a similar fashion to corporate bonds, namely as the return on a riskless bond, plus a risk premium, plus a process representative of the change in residual values and the change in value of the call option on rents.

The rates to which the model has been calibrated are set out below:

Mean returns have been derived as the annualised arithmetic average return across all simulations and durations.

Standard deviations have been calculated by taking the annualised variance of the returns over all the simulations, taking the square root and averaging over all durations in the projection. For bonds the standard deviations relate to the yields on bonds of the average portfolio duration. For equity and property, they relate to the total return on these assets. The standard deviations applied to all periods presented in these schedules are as follows:

	%
Government bond yield	2.0
Corporate bond yield	5.5
Equities:	
UK	18.0
Overseas	16.0
Property	15.0

US Operations (Jackson)

- Interest rates are projected using a log-normal generator calibrated to actual market data;
- Corporate bond returns are based on Treasury securities plus a spread that has been calibrated to current market conditions and varies by credit quality; and
- Variable annuity equity and bond returns have been stochastically generated using a regime-switching log-normal model with parameters determined by reference to historical data. The volatility of equity fund returns ranges from 19.2 per cent to 28.6 per cent, (half year and full year 2006: 18.6 per cent to 28.1 per cent) depending on risk class, and the volatility of bond funds ranges from 1.4 per cent to 2.0 per cent for all periods presented in these schedules.

Asian Operations

The same asset return model, as used in the UK, appropriately calibrated, has been used for the Asian operations.

The stochastic cost of guarantees are only of significance for the Hong Kong, Malaysia, Singapore, and Taiwan operations.

The mean stochastic returns are consistent with the mean deterministic returns for each country. The volatility of equity returns ranges from 18 per cent to 25 per cent, (half year 2006: 18 per cent to 26 per cent, full year 2006: 18 per cent to 25 per cent) and the volatility of government bond yields ranges from 1.4 per cent to 2.5 per cent. (half year 2006: 1.2 per cent to 2.2 per cent, full year 2006: 1.4 per cent to 2.5 per cent).

3 Level of encumbered capital

In adopting the EEV Principles, the Company has based encumbered capital on its internal targets for economic capital subject to it being at least the local statutory minimum requirements. Economic capital is assessed using internal models, but when applying EEV Principles, no credit is taken for the significant diversification benefits that exist within the Group. For with-profits business written in a segregated life fund, as is the case in the UK and Asia, the capital available in the fund is sufficient to meet the encumbered capital requirements.

The table below summarises the level of encumbered capital as a percentage of the relevant statutory requirement.

	Capital as a percentage of relevant statutory requirement
UK Insurance Operations	100% of EU Minimum
Jackson	235% of Company Action Level
Asian Operations	100% of Financial Conglomerates Directive requirement

2007 Unaudited Interim Results**EEV basis results****Summary results**

	Schedule cross reference	Half Year 2007 £m	Half Year 2006 (note 3b) £m	Full Year 2006 (note 3b) £m
Operating profit from continuing operations based on longer-term investment returns before tax (note 3a)				
Profits from:				
New business	4	534	504	1,039
Business in force	5	765	537	1,184
Long-term business		1,299	1,041	2,223
Asia development expenses		(6)	(7)	(15)
Other operating results:				
M&G		140	100	204
US broker-dealer and fund management		9	8	18
Curian		(2)	(4)	(8)
Asian fund management operations		33	22	50
Other income and expenditure				
Investment return and other income (note 3c)		13	18	8
Interest payable on core structural borrowings		(88)	(89)	(177)
Corporate expenditure:				
Group Head Office		(50)	(46)	(83)
Asia Regional Head Office		(17)	(19)	(36)
Charge for share-based payments for Prudential schemes		(5)	(5)	(10)
		(147)	(141)	(298)
Total other operating results		33	(15)	(34)
UK restructuring costs		0	(12)	(41)
Total operating profit arising from continuing operations based on longer-term investment returns before tax		1,326	1,007	2,133

Notes**3a Reconciliation with total profit before tax**

The Group analyses its EEV basis results so as to distinguish operating profit based on longer-term investment returns from other constituent elements of total profit. The other constituent elements i.e the items excluded from operating profit based on longer-term investment are explained on schedule 6.

3b Comparative results - discontinued operations

The results for continuing operations shown above exclude those in respect of discontinued banking operations. On 1 May 2007, the Company sold Egg Banking plc. Comparative results for half year and full year 2006 have been adjusted accordingly from those previously published.

3c Investment return and other income

	Half Year 2007 £m	Half Year 2006 £m	Full Year 2006 £m
IFRS basis	42	33	58
Less: Allocation of investment return on centrally held capital in respect of Taiwan business to operating result of Asian operations	(5)	(1)	(18)
Less: Projected fund management result in respect of covered business incorporated in opening EEV value of in-force business*	(24)	(14)	(32)
EEV basis	13	18	8

*Total EEV basis results for investment management operations reflect the aggregate of the experience variance between the actual and expected contribution from managing internal long-term business funds falling within the scope of covered business, and the contribution from managing external and other internal funds. The fund management results for business unit operations shown above reflect the IFRS result. The adjustment to other income is that required to derive the correct overall EEV contribution.

2007 Unaudited Interim Results**EEV basis results****Operating profits from new long-term insurance business**

	Half year 2007			Half year 2006			Full year 2006		
	Pre-tax (note 4c) £m	Tax £m	Post-tax £m	Pre-tax (note 4c) £m	Tax £m	Post-tax £m	Pre-tax (note 4c) £m	Tax £m	Post-tax £m
UK Insurance Operations	108	(30)	78	138	(41)	97	266	(80)	186
US Operations (note 4b)	144	(50)	94	134	(47)	87	259	(91)	168
Asian Operations	282	(78)	204	232	(66)	166	514	(141)	373
	534	(158)	376	504	(154)	350	1,039	(312)	727

Margins on new business premiums

Half year 2007	New Business Premiums (note 4d)		Annual premium equivalent (APE)	Present value of New Business Premiums (PVNBP)	Pre-Tax New Business Contribution	New Business Margin (note 4e)		
	Single	Regular				(APE)	(PVNBP)	
	£m	£m	£m	£m	£m	%	%	%
UK Insurance Operations (note 4f)	2,441	119	363	2,905	108	30	3.7	
US Operations	3,425	9	352	3,490	144	41	4.1	
Asian Operations (note 4a)	784	541	619	3,286	282	46	8.6	
Total	6,650	669	1,334	9,681	534	40	5.5	

Half year 2006	New Business Premiums (note 4d)		Annual premium equivalent (APE)	Present value of New Business Premiums (PVNBP)	Pre-Tax New Business Contribution	New Business Margin (note 4e)		
	Single	Regular				(APE)	(PVNBP)	
	£m	£m	£m	£m	£m	%	%	%
UK Insurance Operations (note 4f)	3,890	95	484	4,224	138	29	3.3	
US Operations	3,146	8	323	3,209	134	41	4.2	
Asian Operations (note 4a)	519	396	448	2,328	232	52	10.0	
Total	7,555	499	1,255	9,761	504	40	5.2	

Full year 2006	New Business Premiums (note 4d)		Annual premium equivalent (APE)	Present value of New Business Premiums (PVNBP)	Pre-Tax New Business Contribution	New Business Margin (note 4e)		
	Single	Regular				(APE)	(PVNBP)	
	£m	£m	£m	£m	£m	%	%	%
UK Insurance Operations (note 4f)	6,991	201	900	7,712	266	30	3.4	
US Operations	5,964	17	614	6,103	259	42	4.2	
Asian Operations (note 4a)	1,072	849	956	5,132	514	54	10.0	
Total	14,027	1,067	2,470	18,947	1,039	42	5.5	

Notes

4a Asian Operations - New business margin as a percentage of APE	Half Year 2007	Half Year 2006	Full Year 2006
	%	%	%
Hong Kong	62	67	69
Korea	33	38	35
Taiwan	42	52	55
India	20	23	23
China	44	46	43
Other	62	68	72
Weighted average for all Asian operations	46	52	54

4b US Operations net of tax profits	Half year 2007	Half year 2006	Full year 2006
	£m	£m	£m
Pre capital charge	107	97	182
Capital charge (see note 8a on schedule 8)	(13)	(10)	(14)
Post capital charge	94	87	168

4c Profits from fund management of covered business

Included within pre-tax new business profits shown in the table above are profits arising from fund management business falling within the scope of covered business of:

	Half year 2007	Half year 2006	Full year 2006
	£m	£m	£m
UK Insurance Operations	4	4	9
US Operations	1	1	2
Asian Operations	23	4	23
	28	9	34

4d New business premiums reflect those premiums attaching to covered business including premiums for contracts classified as investment products for IFRS basis reporting. 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.

4e New business margins are shown on two bases, namely the margins by reference to Annual Premium Equivalents (APE) and the Present Value of New Business Premiums (PVNBP). APEs are calculated as the aggregate of regular new business premiums on an annualised basis and one-tenth of single new business premiums. PVNBPs are calculated as equalling single premiums plus the present value of expected premiums of new regular premium business, allowing for lapses and other assumptions made in determining the EEV new business contribution.

In determining the EEV basis value of new business written in the period the policies incept, premiums are included in projected cash flows on the same basis of distinguishing annual and single premium business as set out for statutory basis reporting.

New business contributions represent profits determined by applying the economic and non-economic assumptions applying at the end of the reporting period.

4f The premiums for half year and full year 2006 include £592m and £560m bulk annuity transaction with the Scottish Amicable Insurance Fund (SAIF). SAIF is a closed ring-fenced sub-fund of the PAC long term fund established by a Court approved Scheme of Arrangement in October 1997, which is solely for the benefit of SAIF policyholders. Shareholders have no interest in the profits of this fund and, accordingly, it is not part of covered business for EEV reporting purposes. Consistent with this treatment, and the transfer of longevity risk, requirement for capital support and entitlement to profits on this block of business from SAIF to Prudential shareholders, the transaction has been accounted for as new business for EEV basis reporting purposes. The full year 2006 amount is £32m different from the half year 2006 estimate due to refinements to calculations under the reinsurance arrangement between the internal funds.

2007 Unaudited Interim Results**EEV basis results**

	Half Year 2007 £m	Half Year 2006 £m	Full Year 2006 £m
Operating profit from business in force of continuing operations			
UK Insurance Operations (note 5b (iii))			
Unwind of discount and other expected returns (note 5a)	318	259	530
Effect of change in UK corporate tax rate (note 5b(i))	67	-	-
Other items (note 5b(ii))	(31)	(61)	(110)
	354	198	420
US Operations			
Unwind of discount and other expected returns (note 5a):			
On value of in-force and required capital	109	105	202
On surplus assets	27	25	49
Spread experience variance	53	60	118
Amortisation of interest related realised gains and losses	17	23	45
(Loss) profit from changes to operating assumptions	(7)	1	(7)
Other items (note 5c)	1	(2)	42
	200	212	449
Asian Operations			
Unwind of discount and other expected returns (note 5a)	163	138	254
Change in operating assumptions (note 5d(i))	34	(9)	45
Experience variances and other items (note 5d(ii))	14	(2)	16
	211	127	315
Total	765	537	1,184

Notes**5a Unwind of discount and other expected returns**

For UK Insurance and Asian Operations, the unwind of discount and other expected returns is determined by reference to the value of in-force business, required capital and surplus assets at the start of the period as adjusted for the effect of changes in economic and operating assumptions reflected in the current period. For the unwind of discount for UK Insurance Operations included in operating results based on longer-term returns a further adjustment is made. For UK Insurance Operations the amount represents the unwind of discount on the value of in-force business at the beginning of the period (adjusted for the effect of current period assumption changes), the expected return on smoothed surplus assets retained within the PAC with-profits sub-fund and the expected return on shareholders' assets held in other UK long-term business operations. Surplus assets retained within the PAC with-profits sub-fund are smoothed for this purpose to remove the effects of short-term investment volatility from operating results. In the balance sheet and for total profit reporting, asset values and investment returns are not smoothed. For US Operations the return on surplus assets is shown separately.

5b UK Insurance Operations**(i) Effect of change in UK corporate tax rate**

At 30 June 2007, a change to reduce the UK corporate tax rate from 30 per cent to 28 per cent in 2008 had been substantively enacted in the legislative process. Accordingly, the half year 2007 results incorporate the effects of this change in projecting the tax cash flows attaching to in-force business. Under the convention applied for EEV basis reporting, profits are generally determined on a post-tax basis and then grossed up at the prevailing corporate tax rates to derive pre-tax results. The effect of the change in the UK rate is to give rise to a benefit to the value of business in force at 1 January 2007 of £48m. After grossing up this amount for notional tax of £19m, the effect on the pre-tax results for UK Insurance Operations for half year 2007 is a credit of £67m.

(ii) Other items

The charge of £31m for half year 2007 includes £8m for expense over-runs in respect of a tariff agreement with SAIF, £5m in respect of annual licence fee payments and a charge for other net items of £18m primarily relating to the cost of development of new products and distribution capabilities and costs associated with regulatory requirements. The licence fee payments are made by shareholder-backed subsidiaries of UK Insurance Operations, via a service company, to the PAC with-profits sub-fund for the right to use trademarks and for the goodwill associated with the purchase of the business of the Scottish Amicable Life Assurance Society in 1997. The licence fee arrangements run to 2017. The charge in respect of SAIF, which is not covered business, is borne by a service company and arises from a tariff arrangement which is currently onerous to shareholders. The tariff arrangement will be replaced at the end of 2007. Charges in respect of both of these items are reflected in the EEV and IFRS results in each period as incurred.

The charge of £61m for half year 2006 comprises the aggregate of the effect of adjustments to policyholder and shareholder taxes for non-participating business of the PAC long-term fund which, at the pre-tax level after grossing up for notional tax in line with the normal EEV methodology, amounts to £24m and charges for a number of items including service company losses, continued regulatory costs, losses in Pru Health, and other items which amount to £37m.

The charge of £110m for full year 2006 includes £32m of costs associated with regulatory requirements including Sarbanes-Oxley, and product and distribution development, £26m in respect of adjustments to the policyholder and shareholder taxes for non-participating business of the PAC long-term fund after grossing up for notional tax, a charge of £14m in respect of annual licence fee payments, a charge of £16m for expense over-runs in respect of the tariff agreement with SAIF and a charge for negative persistency experience of £9m.

(iii) Expense assumptions

The half year 2006 EEV basis financial statements included note disclosure which explained that in determining the appropriate expense assumptions account had been taken of the cost synergies that were expected to arise with some certainty from the initiative announced in December 2005 from UK Insurance Operations working more closely with Egg and M&G, and the effect of the end to end review of the UK business which was under way at the time. The disclosure noted that the half year 2006 basis results had been prepared on the same basis as the 2005 full year statements which had disclosed that without the anticipation of the cost synergies there would have been a charge for altered expense assumptions of approximately £55m.

On 29 January 2007 the Company announced the agreement to sell Egg Banking plc to Citi. On 15 March 2007 the Company announced the actions necessary to implement the reassessed plans in light of this transaction and additional initiatives. In preparing the 2006 full year results, account was also taken of the effect of expense savings that were expected to arise with some certainty. Without this factor the effect on the full year 2006 results would have been a charge of £44m for the net effect of revised assumptions in line with 2006 unit costs.

The half year 2007 results have been prepared using the same approach. Without the anticipation of expense savings there would have been an additional charge of £28m for the net effect of revised assumptions in line with half year 2007 unit costs.

5c US Operations (Jackson) - other items

The principal component of the £42m credit for other profits for full year 2006 is £31m of favourable mortality experience variance.

5d Asian Operations**(i) Changes in operating assumptions**

The £34m profit from changes in operating assumptions for half year 2007 includes a benefit arising from reductions in corporate tax rates in Singapore and China. After grossing up the net of tax benefit of £20m for notional tax of £5m, the effect on the results before tax for Asian Operations for half year 2007 is a credit of £25m.

The £45m profit from the changes in operating assumptions for full year 2006 includes £24m in respect of higher assumed investment management margins based on current experience, a further £24m for the net effect of altered lapse rates across a number of territories and similarly a net £20m for changes to mortality and morbidity assumptions offset by a charge of £23m for other items.

(ii) Experience variances and other items

Experience variances and other items of £14m for half year 2007 (full year 2006: £16m) comprise £17m (full year 2006: £35m) for favourable mortality variance and £5m (full year 2006: £18m) in respect of the investment return on capital held centrally in respect of Taiwan (as shown in note 3c on schedule 3) offset by negative expense variances of £14m (full year 2006: £26m) in respect of China of £4m (2006: £14m) and India of £10m (2006: £12m) and a credit of £6m (2006: a charge of £11m) for other items. The negative expense variances for China and India for both half year 2007 and full year 2006 are primarily a reflection of the expenses for new business being in excess of the target levels factored into the valuation of new business for these operations which are at a relatively early stage of development. On the basis of current plans the target level for India is planned to be attained in 2009. In the case of China, the target level for existing operations is planned to be attained in 2011.

2007 Unaudited Interim Results**EEV basis results****Items excluded from operating profit**

	Half Year 2007 £m	Half Year 2006 £m
Total EEV profit from continuing operations before tax comprises:		
Operating profit from continuing operations based on longer-term investment returns (as analysed on schedule 3)	1,326	1,007
Items excluded from operating profit:		
Short-term fluctuations in investment returns (note 6a)	241	73
Mark to market value movements on core borrowings (note 6b)	113	168
Actuarial gains and losses on defined benefit pension schemes (note 6c)	125	246
Effect of changes in economic assumptions and time value of cost of options and guarantees (note 6d)	275	(20)
Profit from continuing operations before tax	2,080	1,474

Notes

	Half Year 2007 £m	Half Year 2006 £m
6a Short-term fluctuations in investment returns		
Long-term business:		
UK Insurance Operations (note 6a(i))	97	34
US Operations (note 6a(ii))	68	53
Asian Operations (note 6a(iii))	54	(34)
Share of investment return of funds managed by PPM America, that are consolidated into the Group results, but attributable to external investors	1	2
Share of profits of venture investment companies and property partnerships of the PAC with-profits fund that are consolidated into the Group results but are attributable to external investors	1	3
Other operations (note 6a(iv))	20	15
Total	241	73

Notes**(i) UK Insurance Operations**

Short-term fluctuations in investment returns for UK Insurance Operations represent the difference between total investment returns in the year attributable to shareholders' basis and the longer-term return included within operating profit as described in note 5(a) on schedule 5. The £97m for half year 2007 primarily reflects the PAC life fund investment return of 5.8 per cent offset by the depreciation in bond values of the shareholders' fund of annuity business arising from higher interest rates. The £378m in full year 2006 PAC life fund investment return earned in the year of 12.4 per cent.

(ii) US Operations (Jackson) - Summary

	Half Year 2007 £m	Half Year 2006 £m
Short-term fluctuations in investment returns for Jackson comprise:		
Actual investment return on investments less long-term returns included within operating profit:		
Actual realised gains less default assumption and amortisation of interest related realised gains and losses for fixed maturity securities and related swap transactions*	(7)	33
Actual less long-term return on equity based investments and other items	45	23
Investment return related gain due primarily to changed expectation of profits on in-force variable annuity business in future periods based on current period equity returns, net of related hedging activity**	30	(3)
	68	53

*The half year 2006 comparative result for Jackson includes £41m in respect of asset related gains which have been reallocated from the amount shown for the effect of changes in economic assumptions and time value of cost of options and guarantees in table 6d below in order to align with the full year 2006 presentation and current presentation.

** This adjustment arises due to the market returns being higher than the assumed long-term rate of return. This gives rise to higher than expected year end values of assets under management with a resulting effect on the projected value of future account values and hence further profitability.

(iii) Asian Operations

Short-term fluctuations of £54m for Asian Operations in half year 2007 reflect strong equity market performance across the region particularly in Vietnam, Hong Kong and partially offset by Taiwan as a result of lower investment returns.

Short-term fluctuations for Asian operations of £286m in full year 2006 were due to strong market performance in most territories, in particular Vietnam (£108m) relating to both bond and equity portfolios and in Hong Kong (£73m) where an increase in the investment return on the equity portfolio more than offset the reduction in bond prices. Fluctuations were £46m in Taiwan and £41m in Singapore for full year 2006.

(iv) Half year and full year 2006 comparatives - discontinued operations

Comparative results for half year and full year 2006 have been adjusted from those previously published to exclude discontinued banking operations. On 1 May 2007, the sold Egg Banking plc.

	Half Year 2007 £m	Half Year 2006 £m
6b Mark to market value movements on core borrowings		
US Operations	5	15
Other Operations	108	153
	113	168

Items excluded from operating profit (continued)**6c Actuarial and other gains and losses on defined benefit pension schemes**

The gain of £125 million (half year 2006 gain: £246 million, full year 2006 gain: £207 million) included in total profit reflects the shareholders' share of actuarial and other gains on the Group's defined benefit pension schemes. On the EEV basis this gain (charge) includes a 10 per cent share of the actuarial gains and losses on the share attributable to the with-profits fund for the Prudential Staff and Scottish Amicable Pension Schemes. The half year 2007 shareholder actuarial gains reflect the increase in discount rate applied to the present value of projected pension payments from 5.2 per cent at 31 December 2006 to 5.8 per cent at 30 June 2007 offset by a shortfall of market returns over long-term due to the decrease in the value of corporate and government bonds which more than offset the increase in value of equity and property asset classes. The very high level of gains in half year 2006 and full year 2006 reflects the increase in discount rate applied in determining the present value of projected pension payments from 4.8 per cent at 30 June 2005 to 5.5 per cent at 30 June 2006 and 5.2 per cent at 31 December 2006.

6d Effect of changes in economic assumptions and time value of cost of options and guarantees

The effect of changes in economic assumptions and time value of cost of options and guarantees resulting from changes in economic factors for in-force business included with continuing operations (including actual investment returns) before tax arises as follows:

	<u>Half Year 2007</u>			<u>Half Year 2006</u>			<u>Full Year 2006</u>		
	Change in economic assumptions	Change in time value of cost of options and guarantees	Total	Change in economic assumptions	Change in time value of cost of options and guarantees	Total	Change in economic assumptions	Change in time value of cost of options and guarantees	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
UK Insurance Operations (note 6d(i))	281	15	296	163	4	167	182		40
US Operations (note 6d(ii))	(46)	8	(38)	(141)	19	(122)	(51)		6
Asian Operations (note 6d(iii))	18	(1)	17	(64)	(1)	(65)	(132)		14
Total	253	22	275	(42)	22	(20)	(1)		60

Notes

(i) The effect of changes in economic assumptions for UK Insurance Operations reflects primarily movements in gilt rates of return which affect assumed rates of return and as described in note 2 on schedule 2.

(ii) The effect of changes in economic assumptions for US Operations mainly arises from the change in risk discount rate, partially offset by the positive effect of an increased future rate of return for separate account variable annuity business. Both changes reflect the increase in the 10 year treasury bond rate. For half year 2007 the increase was 0.8 per cent (half year 2006: 0.8 per cent, full year 2006: 0.4 per cent). The half year 2006 comparative shown above of £(141)m has been determined after a reallocation to short-term fluctuation investment returns of £41m from that previously published as detailed in note 6a (ii) above.

(iii) The credit of £18m for Asian Operations for the half year 2007 effect of changes in economic assumptions reflect a credit for Hong Kong (£35m) mainly due to increases in rates, offset by negative effects in Malaysia (£13m) and Singapore (£10m) mainly due to increases in risk discount rates. The £132m charge for 2006 mainly relates to Taiwan was a charge of £101m arising from the delay in the assumed long-term yield projection and the associated effect of this delay on the economic capital requirement. The £64m for half year 2006 primarily arises in established markets, the most significant items arising from the effects of a 0.5 per cent increase in the government bond yield rate in Hong Kong.

Schedule 6

Full Year
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Full Year
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Short term

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Full Year
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Total £m
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59

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2007 Unaudited Interim Results**EEV basis results**

	Half Year 2007 (schedule 9) £m	Half Year 2006 (note 7f) £m	Full Year 2006 £m
Tax charge attributable to shareholders for continuing operations (note 7g)			
<u>Tax charge (credit) on operating profit based on longer-term investment returns</u>			
Long-term business (note 7a):			
UK Insurance Operations (notes 7c,7d)	131	101	178
US Operations (note 7e)	92	108	251
Asian Operations (note 7c)	123	98	222
	346	307	651
Other Operations	19	(3)	(17)
Total tax charge on operating profit from continuing operations based on longer-term investment returns (note 7b)	365	304	634
<u>Tax charge (credit) on items not included in operating profit</u>			
Tax charge on short-term fluctuations in investment returns	69	26	212
Tax charge on shareholders' share of actuarial gains and losses on defined benefit pension schemes	35	74	62
Tax charge (credit) on effect of changes in economic assumptions and time value of cost of options and guarantees	76	(17)	(4)
Total tax charge on items not included in operating profit	180	83	270
Tax charge on profit on ordinary activities from continuing operations (including tax on actual investment returns) (note 7g)	545	387	904

Notes

- 7a** The profit for the year for covered business is in most cases calculated initially at the post-tax level. The post-tax profit for covered business is then grossed up for presentation purposes at the effective rates of tax applicable to the countries and periods concerned. In the UK this is the UK corporation tax rate of 28% expected to take effect from 1 April 2008 (half year and full year 2006: 30%). For Jackson the US federal rate of 35% is applied to gross up movements on the value of in-force business. Effects on statutory tax for the period affect the overall tax rate. For Asia, similar principles apply subject to the availability of taxable profits.
- 7b** The half year 2007 tax charge incorporates the notional tax gross up of £24m attaching to the change of tax rates in the UK, Singapore and China, as detailed in notes 5b and 5d on schedule 5.
- 7c** Including tax relief on UK restructuring costs borne by UK Insurance Operations and Asia development expenses.
- 7d** The tax charge for UK Insurance Operations for full year 2006 of £178m included a credit of £19m in respect of a prior year tax adjustment for shareholder-backed business.
- 7e** The tax charge for US Operations for full year 2006 of £251m included a charge in respect of prior years of £29m and a charge of £26m in respect of a change in valuation of deferred tax under EEV to reflect discounting over a period of four to eleven years depending upon the type of business concerned. These adjustments also resulted in a reallocation from free surplus to the value of in-force business of £44m.
- 7f** The analysis of the half year 2006 tax charge shown above has been determined after a reallocation of a charge of £14m in respect of Jackson from the tax credit on the effect of changes in economic assumptions and time value of cost of options and guarantees to the tax charge on short-term fluctuations in investment returns. This change is explained in note 6a (ii) on schedule 6.
- 7g** The tax charges for continuing operations shown above exclude discontinued banking operations. On 1 May 2007, the Company sold Egg Banking plc. Comparative results for half year and full year 2006 have been adjusted according from those previously published.

2007 Unaudited Interim Results**EEV basis results**

	30 Jun 2007 £m	30 Jun 2006 £m	31 Dec 2006 £m
Shareholders' funds summary			
UK Insurance Operations (notes 8a and 8b)			
Long-term business operations			
Smoothed shareholders' funds (note 8c)	5,631	4,857	5,155
Actual shareholders' funds less smoothed shareholders' funds	677	513	658
EEV basis shareholders' funds	6,308	5,370	5,813
M&G (note 8g)			
Net assets of operations	287	273	230
Acquired goodwill (note 8e)	1,153	1,153	1,153
Egg (notes 8g and 8h)			
	-	360	292
	7,748	7,156	7,488
US Operations			
Jackson (net of surplus note borrowings of £149m (half year 2006: £156m, full year 2006: £158m) (note 8f):			
Shareholders' funds before capital charge	3,611	3,462	3,420
Capital charge (note 8d)	(134)	(145)	(117)
EEV basis shareholders' funds	3,477	3,317	3,303
Broker-dealer, fund management and Curian operations (note 8g)	67	62	57
	3,544	3,379	3,360
Asian Operations			
Long-term business (note 8a)			
Net assets of operations - EEV basis shareholders' funds	2,905	2,069	2,548
Acquired goodwill (note 8e)	111	111	111
Fund management (note 8g)			
Net assets of operations	107	90	89
Acquired goodwill (note 8e)	61	61	61
	3,184	2,331	2,809
Other Operations			
Holding company net borrowings (note 8f)	(811)	(1,558)	(1,542)
Other net liabilities (note 8g)	(253)	(376)	(232)
	(1,064)	(1,934)	(1,774)
Total	13,412	10,932	11,883

Notes

8a A charge is deducted from the result for the period and balance sheet value for the cost of capital for the Group's long-term business operations. This capital is referred to as encumbered capital. The cost is the difference between the nominal value of the capital and the discounted present value, of the projected releases of this capital allowing for the investment earnings (net of tax) on the capital. Where encumbered capital is held within a with-profits sub-fund, the value placed on surplus assets in the fund is already discounted to reflect its release over time and no further adjustment is necessary in respect of encumbered capital.

8b The proportion of surplus allocated to shareholders from the UK with-profits business has been based on the present level of 10 per cent. Future bonus rates have been set at levels which would fully utilise the assets of the with-profits fund over the lifetime of the business in force.

8c UK long-term business smoothed shareholders' funds reflect an adjustment to PAC life fund assets, for the purposes of determining the unwind of discount included in operating profits, to remove the effects of short-term volatility in market values of assets. Shareholders' funds in the balance sheet are determined on an unsmoothed basis.

8d In determining the cost of capital of Jackson, it has been assumed that an amount equal to 235 per cent of the risk-based capital required by the National Association of Insurance Commissioners (NAIC) at the Company Action Level must be retained. The impact of the related capital charge is to reduce Jackson's shareholders' funds by £134m (half year 2006: £145m, full year 2006: £117m).

8e Goodwill

Under IFRS goodwill is not amortised but is subject to impairment testing. Goodwill attaching to venture fund investment subsidiaries of the PAC with-profits fund that are consolidated under IFRS are not included in the table above as the goodwill attaching to these companies is not relevant to the analysis of shareholders' funds.

8f Net core structural borrowings of shareholder-financed operations comprise:	30 Jun 2007 £m	30 Jun 2006 £m	31 Dec 2006 £m
Holding company* cash and short-term investments	1,546	1,067	1,119
Core structural borrowings - central funds (at market value)	(2,357)	(2,625)	(2,661)
Holding Company	(811)	(1,558)	(1,542)
Core structural borrowings - Jackson (at market value)	(149)	(156)	(158)
	(960)	(1,714)	(1,700)

* Prudential plc and related finance subsidiaries

In accordance with the EEV Principles core borrowings are carried at market value.

8g With the exception of the share of the pension scheme surplus attributable to the PAC with-profits sub-fund (see below), which is included in Other Operations' net liabilities, the amounts shown for the items in the table above that are referenced to this note have been determined on the statutory IFRS basis.

The pension scheme surplus, net of tax, attributable to shareholders relating to the Prudential Staff Pension and Scottish Amicable Pension schemes are determined as shown below:

	30 Jun 2007 £m	30 Jun 2006 £m	31 Dec 2006 £m
IFRS basis surplus (re shareholder-backed operations)	91	28	19
Additional EEV surplus (re shareholders' 10% share of the IFRS basis surplus attributable to the PAC with-profits fund)	25	7	6
EEV basis	116	35	25

8h On 1 May 2007, the Company sold Egg Banking plc.

2007 Unaudited Interim Results

EEV basis results

	Schedule cross reference	Long-term business operations				Other Operations	Group Total
		UK Insurance Operations	US Operations	Asian Operations	Total Long-term Business Operations		
		£m	£m	£m	£m	£m	£m
Reconciliation of movement in shareholders funds							
Operating profit based on longer-term investment returns							
Long-term business							
New business	4	108	144	282	534		534
Business in force	5	354	200	211	765		765
		462	344	493	1,299		1,299
Asia development expenses				(6)	(6)		(6)
M&G						140	140
Asian fund management operations						33	33
US broker-dealer and fund management						9	9
Curian						(2)	(2)
Other income and expenditure						(147)	(147)
UK restructuring costs		0			0	0	0
Total operating profit based on longer-term investment returns	3	462	344	487	1,293	33	1,326
Short-term fluctuations in investment returns	6	98	68	54	220	21	241
Mark to market value movements on core borrowings	6		5		5	108	113
Actuarial gains and losses on defined benefit pension schemes	6					125	125
Effect of changes in economic assumptions and time value of cost of options and guarantees	6	296	(38)	17	275		275
Profit on ordinary activities before tax		856	379	558	1,793	287	2,080
Tax on profits of continuing operations							
Tax on operating profit		(131)	(92)	(123)	(346)	(19)	(365)
Tax on short-term fluctuations in investment returns		(27)	(24)	(13)	(64)	(5)	(69)
Tax on actuarial gains and losses on defined benefit pension schemes						(35)	(35)
Tax on effect of changes in economic assumptions and time value of cost of options and guarantees		(83)	13	(6)	(76)		(76)
Total tax charge	7	(241)	(103)	(142)	(486)	(59)	(545)
Discontinued operations, net of tax	14					241	241
Minority interests		(1)			(1)	0	(1)
Profit for the period		614	276	416	1,306	469	1,775
Unrealised valuation movements on Egg securities classified as available-for-sale							
						(2)	(2)
Movement on cash flow hedges						(3)	(3)
Exchange movements (note 9a)			(86)	(48)	(134)	69	(65)
Related tax						(11)	(11)
Intra-group dividends (including statutory transfer)		(139)		(51)	(190)	190	
External dividends						(288)	(288)
Reserve movements in respect of share-based payments						9	9
Investment in operations (note 9b)		35		46	81	(81)	
Other transfers (note 9d)		(15)	(1)	(6)	(22)	22	
Movement in own shares in respect of share-based payment plans						11	11
Movement on Prudential plc shares purchased by unit trusts consolidated under IFRS						1	1
New share capital subscribed						117	117
Mark to market value movement on Jackson assets backing surplus and required capital			(15)		(15)		(15)
Net increase in shareholders' equity		495	174	357	1,026	503	1,529
Shareholders' equity at 1 January 2007	8	5,813	3,303	2,548	11,664	219	11,883
Shareholders' equity at 30 June 2007	8	6,308	3,477	2,905	12,690	722	13,412
Analysed as:							
Statutory IFRS basis shareholders' equity	17	1,297	2,664	1,173	5,134	771	5,905
Additional retained profit on EEV basis		5,011	813	1,732	7,556	(49)	7,507
EEV basis shareholders' equity (note 9c)	8	6,308	3,477	2,905	12,690	722	13,412
Components of EEV basis shareholders' equity of long-term business operations:							
Free surplus		201	1,058	(15)	1,244		
Required capital		833	1,053	928	2,814		
Value of in force before deduction of cost of capital and of guarantees		5,553	1,638	2,489	9,680		
Cost of capital		(246)	(134)	(492)	(872)		
Cost of time value of guarantees		(33)	(138)	(5)	(176)		
		6,308	3,477	2,905	12,690		

Notes

- 9a** Profits are translated at average exchange rates, consistent with the method applied for statutory IFRS basis results. The amounts recorded above for exchange rate movements reflect the difference between year end 2006 and half year 2007 exchange rates as applied to shareholders' funds at 1 January 2007 and the difference between 30 June 2007 and average half year 2007 rates for profits.
- 9b** Investment in operations reflects increases in share capital. This includes certain non cash items as a result of timing differences.
- 9c** For the purposes of the table above, goodwill relating to Asian long-term operations (as shown on schedule 8) is included in 'Other Operations'.
- 9d** Other transfers from long-term business operations to other operations comprise:

	UK Insurance Operations	US Operations	Asian Operations	Total Long-term Business Operations
	£m	£m	£m	£m
Adjustment for net of tax fund management projected profits of covered business	(12)	(1)	(4)	(17)
Adjustment for investment return, net of related tax, on economic capital for Taiwan operations held centrally			(4)	(4)
Other adjustments	(3)	0	2	(1)
	(15)	(1)	(6)	(22)

2007 Unaudited Interim Results**EEV basis results**

	Free Surplus £m	Required Capital £m	Total Net Worth (note 10d) £m	Value of In Force (note 10f) £m	Total Long-term Business £m
Reconciliation of Net Worth and Value of In-force business for half year 2007 (note 10a)					
Shareholders' equity at 1 January 2007	1,015	2,866	3,881	7,783	11,664
New business contribution (note 10b and 10c)	(291)	169	(122)	498	376
Expected return on existing business	28	45	73	374	447
Existing business - transfer to net worth (note 10e)	512	(144)	368	(368)	0
Change of operating assumption and experience variances	61	(19)	42	82	124
Changes of non-operating assumption and experience variances and minority interests	36	(46)	(10)	369	359
Profit on ordinary activities after tax and minority interests for long-term business	346	5	351	955	1,306
Exchange rate movements	(18)	(57)	(75)	(59)	(134)
Intragroup dividends (including statutory transfer) and investment in operations	(62)	-	(62)	(47)	(109)
Mark to market value movement on Jackson assets backing surplus and required capital	(15)	-	(15)	-	(15)
Other transfers from net worth (note 10h)	(22)	-	(22)	-	(22)
Shareholders' equity at 30 June 2007 (note 10g)	1,244	2,814	4,058	8,632	12,690

Notes

10a All figures shown are net of tax.

10b The movements arising from the new business contributions are:

	Half Year 2007 (note 10c) £m	Half Year 2006 £m	Full Year 2006 £m
Free surplus	(291)	(361)	(554)
Required capital	169	240	383
Total net worth	(122)	(121)	(171)
Value of in force	498	471	898
Total long-term business (schedule 4)	376	350	727

10c The new business contribution arises as follows:

	Free Surplus £m	Required Capital £m	Total Net Worth £m	Value of In Force £m	Total Long-term Business £m
UK Insurance Operations	(70)	53	(17)	95	78
US Operations	(121)	106	(15)	109	94
Asian Operations	(100)	10	(90)	294	204
	(291)	169	(122)	498	376

10d Net worth is based on statutory solvency capital (or economic capital where higher) and unencumbered capital.

10e Existing business transfer to net worth

	Free Surplus £m	Required Capital £m	Total Net Worth £m	Value of In Force £m	Total Long-term Business £m
UK Insurance Operations	233	(28)	205	(205)	0
US Operations	168	(97)	71	(71)	0
Asian Operations	111	(19)	92	(92)	0
	512	(144)	368	(368)	0

10f Value of in-force business includes the value of future margins from current in force business less the cost of holding encumbered capital.

10g Included in the EEV basis shareholders' funds of long-term business operations of £12,690m (30 June 2006: £10,756m, 31 December 2006: £11,664m) is £296m (30 June 2006: £172m, 31 December 2006: £257m) in respect of fund management business falling within the scope of covered business as follows:

	Half Year 2007 £m	Half Year 2006 £m	Full Year 2006 £m
UK Insurance Operations	136	117	125
US Operations	11	12	12
Asian Operations	149	43	120
	296	172	257

10h Other transfers from net worth

	Half Year 2007 £m (as per note 9d on schedule 9)
Adjustment for net of tax fund management projected profits of covered business	(17)
Adjustment for investment return, net of related tax, on economic capital for Taiwan operations held centrally	(4)
Other adjustments	(1)
	(22)

2007 Unaudited Interim Results**EEV basis results****SENSITIVITY OF RESULTS TO ALTERNATIVE ASSUMPTIONS****Sensitivity to changes in economic assumptions**

The tables below show the sensitivity of the embedded value as at 30 June 2007 (31 December 2006) and the new business contribution after the effect of encumbered capital for half year 2007 and full year 2006 to:

- 1 per cent increase in the discount rates
- 1 per cent increase and decrease in interest rates, including all consequential changes (assumed investment returns for all asset classes, market values of fixed interest assets, risk discount rates)
- 1 per cent rise in equity and property yields
- 10 per cent fall in market value of equity and property assets (not applicable for new business contribution)
- Holding company statutory minimum capital (by contrast to economic capital)

In each sensitivity calculation, all other assumptions remain unchanged except where they are directly affected by the revised economic conditions.

	UK Insurance Operations £m	US Operations £m	Asian Operations £m	Total Long-term Business Operations £m
Half year 2007				
New business profit for half year 2007				
As reported (schedule 4)	108	144	282	534
Discount rates - 1% increase	(17)	(16)	(32)	(65)
Interest rates - 1% increase	0	(1)	(7)	(8)
Interest rates - 1% decrease	(3)	(7)	5	(5)
Equity/property yields - 1% rise	9	15	14	38
Embedded value of long-term operations at 30 June 2007				
As reported (schedule 9)	6,308	3,477	2,905	12,690
Discount rates - 1% increase	(496)	(129)	(296)	(921)
Interest rates - 1% increase (note 11a)	65	(169)	10	(94)
Interest rates - 1% decrease (note 11a)	(81)	93	(77)	(65)
Equity/property yields - 1% rise	397	51	172	620
Equity/property market values - 10% fall	(553)	(59)	(108)	(720)
Statutory minimum capital	9	93	337	439

	UK Insurance Operations £m	US Operations £m	Asian Operations £m	Total Long-term Business Operations £m
Full year 2006				
New business profit for full year 2006				
As reported (schedule 4)	266	259	514	1,039
Discount rates - 1% increase	(46)	(28)	(56)	(130)
Interest rates - 1% increase	4	3	(9)	(2)
Interest rates - 1% decrease	(11)	(17)	7	(21)
Equity/property yields - 1% rise	16	28	23	67
Embedded value of long-term operations at 31 December 2006				
As reported (schedule 9)	5,813	3,303	2,548	11,664
Discount rates - 1% increase	(480)	(127)	(271)	(878)
Interest rates - 1% increase (note 11a)	55	(190)	42	(93)
Interest rates - 1% decrease (note 11a)	(70)	116	(115)	(69)
Equity/property yields - 1% rise	382	46	154	582
Equity/property market values - 10% fall	(502)	(58)	(99)	(659)
Statutory minimum capital	8	82	391	481

Notes**11a Asian Operations**

	30 June 2007					31 December 2006				
	Embedded value of long-term operations £m	interest rates 1% increase £m	1% decrease £m	% of embedded value 1% increase %	1% decrease %	Embedded value of long-term operations £m	interest rates 1% increase £m	1% decrease £m	% of embedded value 1% increase %	1% decrease %
Established markets	2,210	(56)	45	(3)	2	2,039	(55)	45	(3)	2
Taiwan (note 11b)	(157)	83	(134)	53	(85)	(216)	107	(165)	50	(76)
Korea	233	(5)	5	(2)	2	191	(5)	5	(3)	3
Vietnam	222	(8)	2	(4)	1	198	(1)	1	(1)	1
Other	397	(4)	5	(1)	1	336	(4)	(1)	(1)	0
Total Asian Operations	2,905	10	(77)	0	(3)	2,548	42	(115)	2	(5)

11b Taiwan sensitivity to starting bond rates (i.e. the starting bond rate for the progression to the assumed long-term rate)

	30 June 2007			31 December 2006		
	Embedded value at 30 Jun 2007 £m	1% increase in the starting bond rates £m	1% decrease in the starting bond rates £m	Embedded value at 31 Dec 2006 £m	1% increase in the starting bond rates £m	1% decrease in the starting bond rates £m
Taiwan	(157)	92	(100)	(216)	116	(125)

If it had been assumed in preparing the half year 2007 results that interest rates remained at the current level of around 2.5% until 31 December 2008 and the progression period in bond yields was delayed by a year so as to end on 31 December 2014, there would have been a reduction in the Taiwan embedded value of £90m.

Date: 1 August 2007

Schedule 12.1

2007 Unaudited Interim Results

IFRS basis results

Half year 2007 results

	Schedule cross reference	Profit before tax £m	Tax (Schedule 16) £m	Profit after tax £m	Minority interests £m	Profit after tax and minority interests £m	Earnings per share (pence)
Earnings per share (note 12.1a)							
<u>Continuing operations</u>							
On operating profit based on longer-term investment returns, after related tax and minority interests		601	(203)	398	0	398	16.3p
Adjustment from post-tax longer-term investment returns to post-tax actual investment returns	15	24	(21)	3	(1)	2	0.1p
Adjustment for post-tax shareholders' share of actuarial gains and losses on defined benefit pension schemes	18	103	(29)	74	-	74	3.0p
On profit for the period after tax and minority interests for continuing operations		728	(253)	475	(1)	474	19.4p
On profit for the period after tax and minority interests for discontinued operations (note 12.1b)	14	222	19	241	0	241	9.9p
On profit for the period after tax and minority interests - basic earnings per share		950	(234)	716	(1)	715	29.3p

Notes

12.1a The average number of shares for half year 2007 was 2,437m. The average number of shares reflects the average number in issue adjusted for shares held by employee trusts and consolidated unit trusts and OEICs which are treated as cancelled.

12.1b Discontinued operations relate to Egg banking operations.

Date: 1 August 2007

Schedule 12.2

2007 Unaudited Interim Results

IFRS basis results

Half year 2006 comparative results

	Schedule cross reference	Profit before tax £m	Tax (Schedule 16) £m	Profit after tax £m	Minority interests £m	Profit after tax and minority interests £m	Earnings per share (pence)
Earnings per share (note 12.2a)							
<u>Continuing operations</u>							
On operating profit based on longer-term investment returns, after related tax and minority interests		498	(162)	336	1	337	14.0p
Adjustment from post-tax longer-term investment returns to post-tax actual investment returns	15	39	(31)	8	(4)	4	0.2p
Adjustment for post-tax shareholders' share of actuarial gains and losses on defined benefit pension schemes		200	(60)	140	-	140	5.8p
On profit for the period after tax and minority interests for continuing operations		737	(253)	484	(3)	481	20.0p
On loss for the period after tax and minority interests for discontinued operations (note 12.2b)	14	(45)	11	(34)	2	(32)	(1.3)p
On profit for the period after tax and minority interests - basic earnings per share		692	(242)	450	(1)	449	18.7p

Notes

12.2a The average number of shares for half year 2006 was 2,403m. The average number of shares reflects the average number in issue adjusted for shares held by employee trusts and consolidated unit trusts and OEICs which are treated as cancelled.

12.2b Discontinued operations relate to Egg banking operations.

2007 Unaudited Interim Results**IFRS basis results****Full year 2006 comparative results**

	Schedule cross reference	Profit before tax £m	Tax (Schedule 16) £m	Profit after tax £m	Minority interests £m	Profit after tax and minority interests £m	Earnings per share (pence)
Earnings per share (note 12.3a)							
<u>Continuing operations</u>							
On operating profit based on longer-term investment returns, after related tax and minority interests		1,050	(304)	746	(1)	745	30.9p
Adjustment from post-tax longer-term investment returns to post-tax actual investment returns	15	155	(38)	117	(2)	115	4.8p
Adjustment for post-tax shareholders' share of actuarial and other gains and losses on defined benefit pension schemes		167	(50)	117	-	117	4.8p
On profit for the year after tax and minority interests for continuing operations		1,372	(392)	980	(3)	977	40.5p
On loss for the year after tax and minority interests for discontinued operations (note 12.3b)	14	(150)	45	(105)	2	(103)	(4.3)p
On profit for the year after tax and minority interests - basic earning per share		1,222	(347)	875	(1)	874	36.2p

Notes

12.3a The average number of shares for full year 2006 was 2,413m. The average number of shares reflects the average number in issue adjusted for shares held by employee trusts and consolidated unit trusts and OEICs which are treated as cancelled.

12.3b Discontinued operations relate to Egg banking operations.

Date: 1 August 2007

Schedule 13

2007 Unaudited Interim Results

IFRS basis results

	Half Year 2007 US\$m	Half Year 2006 US\$m	Full Year 2006 US\$m	Half Year 2007 £m	Half Year 2006 £m	Full Year 2006 £m
US Operations - Summary of operating results						
IFRS operating profit based on longer-term investments returns						
Jackson (note 13a)	430	399	732	218	223	398
Broker-dealer and fund management result	18	14	33	9	8	18
Curian	(4)	(7)	(14)	(2)	(4)	(8)
Operating profit based on longer-term investment returns	444	406	751	225	227	408
Average exchange rates (per schedule 21.1)				1.97	1.79	1.84

Notes

13a IFRS basis operating profit includes the following amounts so as to derive longer-term investment returns (net of related change in amortisation of deferred acquisition costs, where applicable) for debt securities.

	Half Year 2007 US\$m	Half Year 2006 US\$m	Full Year 2006 US\$m	Half Year 2007 £m	Half Year 2006 £m	Full Year 2006 £m
Debt securities:						
Amortisation of interest related gains	29	35	70	15	19	38
Risk margin reserve charge in respect of longer-term credit related losses (note 13b)	(35)	(40)	(81)	(18)	(22)	(44)
Total	(6)	(5)	(11)	(3)	(3)	(6)

Investment returns for equity-type investments are also recorded on a longer-term basis for the purposes of determining operating profit based on longer-term investment returns. Market value movements on equity based derivatives and embedded derivatives are recorded within operating results so as to be consistent with the market related effects on fees and reserve movements for equity based products. Market value movements on other derivatives are excluded from operating profit, and included in short-term fluctuations in investment returns as shown on schedule 15.

13b The risk margin reserve (RMR) charge for half year 2007 is based on an average annual RMR charge of 22 basis points on a book value of US\$43.1bn.

2007 Unaudited Interim Results**IFRS basis results**

Discontinued operations	Half Year 2007 £m	Half Year 2006 £m	Full Year 2006 £m
Pre-tax profit (loss) from discontinued operations			
Egg results :			
Operating loss based on longer-term investment returns for the period of ownership	(68)	(45)	(157)
Short-term fluctuations in investment returns	-	-	7
Profit on sale of Egg Banking plc	290	-	-
Total	222	(45)	(150)
Tax			
On Egg results :			
Operating loss based on longer-term investment returns for the period of ownership	19	11	47
Short-term fluctuations in investment returns	-	-	(2)
On profit on sale of Egg Banking plc	0	-	-
Total	19	11	45
Profit (loss) from discontinued operations, net of tax	241	(34)	(105)

Discontinued operations relate entirely to UK banking operations following the sale on 1 May 2007 of Egg Banking plc.

2007 Unaudited Interim Results**IFRS basis results**

	Half Year 2007 £m	Half Year 2006 £m	Full Year 2006 £m
Short-term fluctuations in investment returns			
Long-term business :			
UK Insurance Operations (note 15a)	(48)	(45)	(43)
Jackson (note 15b)	60	100	53
Asian Operations (note 15c)	(10)	(36)	134
Share of investment return of funds managed by PPM America that are consolidated into Group results but attributable to external investors	1	2	1
Share of profits of venture investment companies and property investment companies of the PAC with-profits fund that are consolidated into Group results but attributable to external investors	1	3	0
Other Operations (note 15d)	20	15	10
Total short-term fluctuations in investment returns for continuing operations	24	39	155

Notes**15a UK Insurance Operations**

Short-term fluctuations comprise mainly depreciation in market value of bonds due to the increase in market interest rates for bonds backing the shareholder assets of PRIL.

15b Jackson

Short-term fluctuations comprise actual returns on investments less longer-term returns (net of related change in amortisation of deferred acquisition costs), where applicable as follows:

	Half Year 2007 £m	Half Year 2006 £m	Full Year 2006 £m
Movement in market value of derivatives used for economic hedging purposes (other than equity related)	36	93	34
Actual gains less amortisation of interest related realised gains and RMR charge shown on schedule 13 for bond securities	(6)	4	(25)
Actual gains less longer-term capital gains on equity-type investments	34	0	21
Other	(4)	3	23
	60	100	53

15c Asian Operations

For half year 2007, the fluctuations for Asia comprise principally the effect of bond value declines in Taiwan (reflecting the 0.5% interest rate increase noted on schedule 2 note 2) offset by investment appreciation in Vietnam. For full year 2006, the £134m of short-term fluctuations mainly arises in Vietnam.

15d Other Operations

The fluctuations mainly comprise movement in the market value of derivatives used for economic hedging purposes.

15e

The comparative results shown above for short-term fluctuations in investment returns for continuing operations for half year and full year 2006 have been adjusted from those previously published to exclude those for discontinued banking operations, as shown on schedule 14. On 1 May 2007, the Company sold Egg Banking

2007 Unaudited Interim Results**IFRS basis results****Reconciliation of tax charge on profits attributable to shareholders for continuing operations**

	UK Insurance Operations £m	Jackson £m	Asian Long-term Business Operations £m	Other Operations £m	Total (note 16(c)) £m
Half Year 2007					
Profit before tax attributable to shareholders:					
Operating profit based on longer-term investment returns, net of attributable restructuring costs and development expense:	251	218	70	62	601
Short-term fluctuations in investment returns (schedule 15)	(47)	60	(10)	21	24
Shareholders' share of actuarial gains and losses on defined benefit pension schemes (schedule 18)	-	-	0	103	103
Total	204	278	60	186	728
Expected tax rate (note 16(a)):					
Operating profit based on longer-term investment returns	30%	35%	21%	30%	31%
Short-term fluctuations in investment returns	30%	35%	21%	30%	46%
Shareholders' share of actuarial gains and losses on defined benefit pension schemes	-	-	25%	28%	28%
Total	30%	35%	21%	29%	31%
Expected tax charge based on expected tax rates:					
Operating profit based on longer-term investment returns	(75)	(76)	(15)	(19)	(185)
Short-term fluctuations in investment returns	14	(21)	2	(6)	(11)
Shareholders' share of actuarial gains and losses on defined benefit pension schemes	-	-	0	(29)	(29)
Total	(61)	(97)	(13)	(54)	(225)
Variance from expected tax charge (note 16(b)):					
Operating profit based on longer-term investment returns	(2)	4	(12)	(8)	(18)
Short-term fluctuations in investment returns	(2)	-	(9)	1	(10)
Shareholders' share of actuarial gains and losses on defined benefit pension schemes	-	-	0	0	0
Total	(4)	4	(21)	(7)	(28)
Actual tax charge:					
Operating profit based on longer-term investment returns	(77)	(72)	(27)	(27)	(203)
Short-term fluctuations in investment returns	12	(21)	(7)	(5)	(21)
Shareholders' share of actuarial gains and losses on defined benefit pension schemes (schedule 18)	-	-	0	(29)	(29)
Total	(65)	(93)	(34)	(61)	(253)
Actual tax rate: operating profit	31%	33%	39%	44%	34%
: total	32%	33%	57%	33%	35%

	UK Insurance Operations £m	Jackson £m	Asian Long-term Business Operations £m	Other Operations £m	Total (note 16(c)) £m
Half Year 2006					
Profit before tax attributable to shareholders:					
Operating profit based on longer-term investment returns, net of attributable restructuring costs and development expense:	194	223	81	0	498
Short-term fluctuations in investment returns (schedule 15)	(42)	100	(36)	17	39
Shareholders' share of actuarial gains and losses on defined benefit pension schemes	-	-	0	200	200
Total	152	323	45	217	737
Expected tax rate (note 16(a)):					
Operating profit based on longer-term investment returns	30%	35%	17%	30%	30%
Short-term fluctuations in investment returns	30%	35%	17%	30%	54%
Shareholders' share of actuarial gains and losses on defined benefit pension schemes	-	-	25%	30%	30%
Total	30%	35%	17%	30%	31%
Expected tax charge based on expected tax rates:					
Operating profit based on longer-term investment returns	(58)	(78)	(14)	0	(150)
Short-term fluctuations in investment returns	13	(35)	6	(5)	(21)
Shareholders' share of actuarial gains and losses on defined benefit pension schemes	-	-	0	(60)	(60)
Total	(45)	(113)	(8)	(65)	(231)
Variance from expected tax charge (note 16(b)):					
Operating profit based on longer-term investment returns	(3)	4	(12)	(1)	(12)
Short-term fluctuations in investment returns	(3)	1	(10)	2	(10)
Shareholders' share of actuarial gains and losses on defined benefit pension schemes	-	-	0	0	0
Total	(6)	5	(22)	1	(22)
Actual tax charge:					
Operating profit based on longer-term investment returns	(61)	(74)	(26)	(1)	(162)
Short-term fluctuations in investment returns	10	(34)	(4)	(3)	(31)
Shareholders' share of actuarial gains and losses on defined benefit pension schemes	-	-	0	(60)	(60)
Total	(51)	(108)	(30)	(64)	(253)
Actual tax rate: operating profit	31%	33%	32%	n/a	33%
: total	34%	33%	67%	29%	34%

Reconciliation of tax charge on profits attributable to shareholders for continuing operations (continued)

Full Year 2006	UK Insurance Operations £m	Jackson £m	Asian Long-term Business Operations £m	Other Operations £m	Total (note 16(c)) £m
Profit before tax attributable to shareholders:					
Operating profit based on longer-term investment returns, net of attributable restructuring costs and development expenses	469	398	175	8	1,050
Short-term fluctuations in investment returns (schedule 15)	(43)	53	134	11	155
Shareholders' share of actuarial gains and losses on defined benefit pension schemes	-	-	0	167	167
Total	426	451	309	186	1,372
Expected tax rate (note 16(a)):					
Operating profit based on longer-term investment returns	30%	35%	25%	30%	31%
Short-term fluctuations in investment returns	30%	35%	25%	30%	27%
Shareholders' share of actuarial gains and losses on defined benefit pension schemes	30%	35%	25%	30%	30%
Total	30%	35%	25%	30%	31%
Expected tax charge based on expected tax rates:					
Operating profit based on longer-term investment returns	(141)	(139)	(44)	(2)	(326)
Short-term fluctuations in investment returns	13	(19)	(33)	(3)	(42)
Shareholders' share of actuarial gains and losses on defined benefit pension schemes	-	-	0	(50)	(50)
Total	(128)	(158)	(77)	(55)	(418)
Variance from expected tax charge (note 16(b)):					
Operating profit based on longer-term investment returns	23	5	(10)	4	22
Short-term fluctuations in investment returns	(4)	3	5	0	4
Shareholders' share of actuarial gains and losses on defined benefit pension schemes	-	-	0	0	0
Total	19	8	(5)	4	26
Actual tax charge:					
Operating profit based on longer-term investment returns	(118)	(134)	(54)	2	(304)
Short-term fluctuations in investment returns	9	(16)	(28)	(3)	(38)
Shareholders' share of actuarial gains and losses on defined benefit pension schemes	-	-	0	(50)	(50)
Total	(109)	(150)	(82)	(51)	(392)
Actual tax rate: operating profit	25%	34%	31%	25%	29%
: total	26%	33%	27%	27%	29%

Notes

16(a) Expected tax rates for profit attributable to shareholders

Expected tax rates shown in the table above reflect the corporate tax rates generally applied to taxable profits of the relevant country jurisdictions. For Asia operations the expected tax rates reflect the corporate tax rate weighted by reference to the source of profits of the operations contributing to the aggregate business result.

16(b) Variances from expected tax results attributable to shareholders

For half year 2007, the principal variance between the expected tax rates and actual rates is due to regulatory basis losses arising in certain Asian jurisdictions on which no future tax credit is available.

For full year 2006, the principal variances between the standard corporation tax rate and actual rates is due to a number of factors, including:

- (a) The tax credit arising from relief for excess expenses in respect of shareholder-backed protection business; and
- (b) Prior year adjustments arising from routine revisions of tax returns.

16(c) The results for continuing operations shown above exclude those in respect of discontinued banking operations. On 1 May 2007, the Company sold Egg Banking plc. Comparative results for half year and full year 2006 have been adjusted accordingly from those previously published. Details of the results of these operations are shown on schedule 14.

2007 Unaudited Interim Results**IFRS basis results**

	30 Jun 2007 £m	30 Jun 2006 £m	31 Dec 2006 £m
Shareholders' funds analysis			
UK Operations			
Long-term business	1,297	1,128	1,263
M&G			
Net assets of operation	287	273	230
Acquired goodwill	1,153	1,153	1,153
	1,440	1,426	1,383
Egg (note 17b)	-	360	292
Total	2,737	2,914	2,938
US Operations			
Jackson (net of surplus note borrowings) (note 17a)			
With debt securities and derivative instruments on an amortised cost basis	2,743	2,860	2,603
Impact of marking debt securities and derivative instruments to fair value (net of related change in amortisation of deferred income and acquisition costs and tax)	(79)	(197)	53
	2,664	2,663	2,656
With debt securities and derivative instruments on a fair value basis			
Broker-dealer, fund management and Curian operations	67	62	57
Total	2,731	2,725	2,713
Asian Operations			
Long-term business			
Net assets of operations	1,173	984	1,176
Acquired goodwill	111	111	111
	1,284	1,095	1,287
Fund management			
Net assets of operations	107	90	89
Acquired goodwill	61	61	61
	168	151	150
Total	1,452	1,246	1,437
Other Operations			
Holding company net borrowings (note 17a)	(743)	(1,453)	(1,366)
Shareholders' share of surplus on the Prudential Staff and Scottish Amicable defined benefit pension schemes (net of tax) (schedule 18 - note 18b)	91	28	19
Other net liabilities	(363)	(411)	(253)
Total	(1,015)	(1,836)	(1,600)
Total	5,905	5,049	5,488

Notes

17a	Net core structural borrowings of shareholder-financed operations comprise:	30 Jun 2007 £m	30 Jun 2006* £m	31 Dec 2006* £m
	Holding company cash and short-term investments	1,546	1,067	1,119
	Core structural borrowings - central funds	(2,289)	(2,520)	(2,485)
	Holding company net borrowings	(743)	(1,453)	(1,366)
	Core structural borrowings - Jackson	(124)	(135)	(127)
		(867)	(1,588)	(1,493)

* Excluding borrowings for Egg

17b On 1 May 2007, the Company sold Egg Banking plc.

2007 Unaudited Interim Results

IFRS basis results

Retirement benefits - summary of financial position of defined benefit pension schemes (note 18a)	(Charge) credit to income statement				Surplus (deficit) in schemes at 30 Jun 2007 £m
	Surplus (deficit) in schemes at 1 Jan 2007 £m	Operating results based on longer-term investment returns (note 18c) £m	Actuarial gains and losses (note 18d) £m	Contributions paid £m	
Prudential Staff Pension Scheme (PSPS)	141	0	216	41	398
Other defined benefit schemes (note 18b)	(76)	(9)	60	9	(16)
Total Group surplus	65	(9)	276	50	382
Less: amount attributable to PAC with-profits fund	(73)	(4)	(173)	(24)	(274)
Shareholders' share:					
Pre-tax (deficit) surplus	(8)	(13)	103	26	108
Related tax	0	3	(29)	(7)	(33)
Net of shareholders' tax	(8)	(10)	74	19	75

Notes

18a The table reflects the financial position of the defined benefit schemes on an 'economic basis'. This is the IAS 19 basis adjusted to include scheme assets invested in Prudential Group insurance policies. At 30 June 2007, M&G Pension Scheme and Prudential Staff Pension Scheme (PSPS) had invested £166 million and £143 million respectively, in Prudential Group insurance policies.

18b The principal defined benefit pension scheme is the PSPS Scheme. In the UK there are two smaller schemes, which are the Scottish Amicable Pension Scheme and the M&G Pension Scheme with a combined net deficit at 30 June 2007 of £7 million gross of tax. There is also a small scheme in Taiwan.

The shareholders' share of the aggregate surplus for PSPS and the Scottish Amicable Scheme at 30 June 2007 was £91 million (net of related tax) and is recorded within the other operations shareholders' funds shown on schedule 17. The difference of £16m to the £75m shown above is represented by £7 million for M&G and by £9 million for the Taiwan scheme.

18c The components of the charge to operating profit (gross of allocation of the share attributable to the PAC with-profits fund) are as follows:

	£m
Service cost (current charge only)	(31)
Finance (expense) income:	
Interest on pension scheme liabilities	(133)
Expected return on assets	155
Total charge	(9)

The expected return on plan assets has been calculated by applying a rate of 5.9% for UK schemes.

18d The components of the credit for actuarial gains and losses (gross of allocation of the share attributable to the PAC with-profits fund) are as follows:

Actual less expected return on assets	(178)
Gains on changes of assumptions for plan liabilities	462
Experience losses on liabilities	(8)
Total credit	276

The credit for actuarial gains and losses is recorded within the income statement but, within the supplementary analysis of profit, is excluded from operating profit based on longer-term investment returns.

The shortfall of actual investment returns against expected returns in half year 2007 was due to the decrease in the value of corporate and government bonds which more than offset the increase in the value of equity and property holdings of the schemes.

The gains on changes of assumptions for scheme liabilities primarily reflect movements in yield on good quality corporate bonds. These yields are used to discount the projected pension scheme benefit payments.

18e Actuarial assumptions applied to UK schemes are as follows:

	1 January 2007	30 June 2007
	%	%
Discount rate	5.2	5.8
Rate of increase in salaries	5.0	5.2
Price inflation	3.0	3.2
Rate of increase of pensions in payment for inflation:		
Guaranteed (maximum 5%)	3.0	3.2
Guaranteed (maximum 2.5%)	2.5	2.5
Discretionary	2.5	2.5

Date: 1 August 2007

Schedule 19

2007 Unaudited Interim Results

	Half Year 2007 £bn	Half Year 2006 £bn	Full Year 2006 £bn
Funds under management - summary			
Business Area (as analysed on schedule 20)			
UK Operations (excluding UK Banking Operation)	145.6	134.9	142.4
UK Banking Operation (note 19b)	-	9.2	8.2
US Operations	37.4	35.7	36.2
Asian Operations	15.8	12.1	13.8
Internal funds under management (note 20a)	198.8	191.9	200.6
External funds (note 19a)	57.6	45.6	50.1
Total funds under management	256.4	237.5	250.7

Notes

19a External funds shown above for half year 2007 of £57.6bn comprise £63.2bn in respect of investment products as published in the half year 2007 new business results (see schedule 24), less £5.6bn that are classified within internal funds.

19b The Group's UK Banking Operation, Egg Banking plc, was sold on 1 May 2007.

Date: 1 August 2007

Schedule 20

2007 Unaudited Interim Results

Internal funds under management - analysis by business area

	Investment properties			Equity securities			Debt securities			Loans and receivables			Other investments			Total		
	Half Year 2007 £bn	Half Year 2006 £bn	Full Year 2006 £bn	Half Year 2007 £bn	Half Year 2006 £bn	Full Year 2006 £bn	Half Year 2007 £bn	Half Year 2006 £bn	Full Year 2006 £bn	Half Year 2007 £bn	Half Year 2006 £bn	Full Year 2006 £bn	Half Year 2007 £bn	Half Year 2006 £bn	Full Year 2006 £bn	Half Year 2007 £bn	Half Year 2006 £bn	Full Year 2006 £bn
UK Operations (excluding UK Banking Operation)	15.0	14.1	15.1	61.5	59.7	60.3	55.0	49.9	54.2	1.4	1.2	1.2	12.7	10.0	11.6	145.6	134.9	142.4
UK Banking Operation (note 20b)	-	0.0	0.0	-	0.0	0.0	-	2.0	2.0	-	7.1	6.2	-	0.1	0.0	-	9.2	8.2
US Operations	0.0	0.0	0.0	14.0	9.8	11.7	19.3	21.5	20.1	3.1	3.4	3.3	1.0	1.0	1.1	37.4	35.7	36.2
Asian Operations	0.1	0.1	0.1	8.3	5.8	6.9	5.9	4.7	5.4	1.0	1.1	0.9	0.5	0.4	0.5	15.8	12.1	13.8
Group Total, as shown on schedule 19 (note 20a)	15.1	14.2	15.2	83.8	75.3	78.9	80.2	78.1	81.7	5.5	12.8	11.6	14.2	11.5	13.2	198.8	191.9	200.6

Notes

20a As included in the investments section of the consolidated balance sheet at 30 June 2007 except for £1.0bn investment properties which are held for sale, under development or occupied by the Group and accordingly under IFRS are included in other balance sheet captions.

20b The Group's UK Banking Operation, Egg Banking plc, was sold on 1 May 2007.

Date: 1 August 2007

Schedule 21.1

2007 Unaudited Interim Results

Foreign currency translation: Rates of exchange

The profit and loss accounts of foreign subsidiaries are translated at average exchange rates for the period. Assets and liabilities of foreign subsidiaries are translated at closing exchange rates. Foreign currency borrowings that have been used to provide a hedge against Group equity investments in overseas subsidiaries are also translated at closing exchange rates. The impact of these currency translations is recorded as a component of the movement in shareholders' equity.

The following translation rates have been applied:

Local currency : £	Closing Half Year 2007	Average Half Year 2007	Closing Half Year 2006	Average Half Year 2006	Closing Full Year 2006	Average Full Year 2006
Hong Kong	15.69	15.39	14.37	13.89	15.22	14.32
Japan	247.77	236.62	211.43	206.89	233.20	214.34
Malaysia	6.93	6.82	6.80	6.60	6.90	6.76
Singapore	3.07	3.01	2.92	2.88	3.00	2.93
Taiwan	65.94	65.08	59.88	57.71	63.77	59.95
USA	2.01	1.97	1.85	1.79	1.96	1.84

Date: 1 August 2007

Schedule 21.2

2007 Unaudited Interim Results

Results at constant exchange rates

	Half Year 2007 As published	Memorandum Half Year 2006 (note 21.2a)	Memorandum Full Year 2006 (note 21.2a)
	£m	£m	£m
EEV basis results			
UK Operations			
New business	108	138	266
Business in force	354	198	420
Long-term business	462	336	686
M & G	140	100	204
Total UK Operations	602	436	890
US Operations			
New business	144	122	243
Business in force	200	194	419
Jackson	344	316	662
Broker-dealer, fund management and Curian operations	7	4	10
Total US Operations	351	320	672
Asian Operations			
New business	282	216	492
Business in force	211	118	299
Long-term operations	493	334	791
Fund management	33	20	47
Development expenses	(6)	(7)	(15)
Total Asian Operations	520	347	823
Other income and expenditure	(147)	(139)	(294)
UK restructuring costs	0	(12)	(41)
Operating profit from continuing operations based on longer-term investment returns	1,326	952	2,050
Shareholders' funds	13,412	10,726	11,803

	Half Year 2007 As published	Memorandum Half Year 2006 (note 21.2a)	Memorandum Full Year 2006 (note 21.2a)
	£m	£m	£m
IFRS basis results			
UK Operations			
UK Insurance Operations	251	205	500
M & G	140	100	204
Total UK Operations	391	305	704
US Operations			
Jackson	218	203	372
Broker-dealer, fund management and Curian	7	4	10
Total US Operations	225	207	382
Asian Operations			
Long-term operations	76	83	179
Fund management	33	20	47
Development expenses	(6)	(7)	(15)
Total Asian Operations	103	96	211
Other income and expenditure	(118)	(124)	(245)
UK restructuring costs	0	(11)	(38)
Operating profit from continuing operations based on longer-term investment returns	601	473	1,014
Shareholders' funds	5,905	4,915	5,438

Note

21.2a The "as published" operating profit for half year 2007 and memorandum operating profit for half year 2006 and full year 2006 have been calculated by applying average half year 2007 exchange rates.

The "as published" shareholders' funds for half year 2007 and memorandum shareholders' funds for half year 2006 and full year 2006 have been calculated by applying closing half year exchange rates.

Date: 1 August 2007

Schedule 21.3

2007 Unaudited Interim Results

New business at constant exchange rates

	Half Year 2007 As published (note 21.3a) £m	Memorandum Half Year 2006 (note 21.3a) £m	Memorandum Full Year 2006 (note 21.3a) £m
Annual premium equivalent insurance product sales (note 21.3b)			
UK Operations	363	484	900
US Operations	352	294	574
Asian Operations	619	418	914
Total	1,334	1,196	2,388

Present value of new business premiums (PVNBP)

UK Operations	2,905	4,224	7,712
US Operations	3,490	2,915	5,708
Asian Operations	3,286	2,161	4,895
Total	9,681	9,300	18,315

Gross investment product inflows

M&G	7,519	6,795	13,486
US Operations	19	-	-
Asian Operations	17,471	9,384	19,733
Total	25,009	16,179	33,219

Total insurance and investment product flows

Insurance	7,319	7,701	14,614
Investment	25,009	16,179	33,219
Total	32,328	23,880	47,833

Notes

21.3a The "as published" results for half year 2007 and memorandum results for half year 2006 and full year 2006 have been calculated by applying average half year 2007 exchange rates.

21.3b The annual premium equivalent sales for insurance products shown above include contributions for contracts that are classified as 'investment contracts' under IFRS 4 as they do not contain significant insurance risk. Additional details on the basis of preparation are shown in schedule 31.

Schedule 22 - Constant Exchange Rates

PRUDENTIAL PLC - NEW BUSINESS - HALF YEAR 2007

TOTAL INSURANCE AND INVESTMENT NEW BUSINESS

	UK			US ^(1a)			Asia ^(1a)			Total		
	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)
Total Insurance Products	2,860	3,985	(36%)	3,434	2,866	20%	1,325	850	56%	7,319	7,701	(5%)
Total Investment Products Gross Inflow ⁽²⁾	7,819	6,795	11%	19	-	-	17,471	9,384	86%	25,009	16,179	55%
	10,079	10,780	(7%)	3,453	2,866	20%	18,796	10,234	84%	32,328	23,880	35%

INSURANCE OPERATIONS

	Single			Regular			Total			Annual Equivalents ⁽³⁾		
	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)
UK Insurance Operations												
Product Summary												
Internal Vesting annuities	687	615	12%	-	-	-	687	615	12%	69	62	11%
Direct and Partnership Annuities	431	273	58%	-	-	-	431	273	58%	43	27	59%
Intermediated Annuities	282	247	14%	-	-	-	282	247	14%	28	25	12%
Total Individual Annuities	1,400	1,135	23%	-	-	-	1,400	1,135	23%	140	114	23%
Equity Release	67	30	123%	-	-	-	67	30	123%	7	3	133%
Individual Pensions	18	10	80%	-	-	-	18	10	80%	2	1	100%
Corporate Pensions	107	35	206%	42	32	31%	149	67	122%	53	36	47%
Unit Linked Bonds	138	213	(35%)	-	-	-	138	213	(35%)	14	21	(33%)
With-Profit Bonds	114	54	111%	-	-	-	114	54	111%	11	5	120%
Protection	-	2	-	2	6	(67%)	2	8	(75%)	2	6	(67%)
Offshore Products	205	361	(43%)	2	-	-	207	361	(43%)	23	36	(36%)
Total Retail Retirement	2,049	1,840	11%	46	38	21%	2,095	1,878	12%	251	222	13%
Corporate Pensions	110	165	(33%)	60	44	36%	170	209	(19%)	71	61	16%
Other Products	100	134	(25%)	13	13	0%	113	147	(23%)	23	26	(12%)
DWP Rebates	129	161	(20%)	-	-	-	129	161	(20%)	13	16	(19%)
Total Mature Life and Pensions	339	460	(26%)	73	57	28%	412	517	(20%)	107	103	4%
Total Retail	2,388	2,300	4%	119	95	25%	2,507	2,395	5%	358	325	10%
Wholesale Annuities	38	1,278	(97%)	-	-	-	38	1,278	(97%)	4	128	(97%)
Credit Life	15	312	(95%)	-	-	-	15	312	(95%)	2	31	(94%)
Total UK Insurance Operations	2,441	3,890	(37%)	119	95	25%	2,560	3,985	(36%)	363	484	(25%)
Channel Summary												
Direct and Partnership	1,151	993	16%	106	81	31%	1,257	1,074	17%	221	180	23%
Intermediated	1,108	1,146	(3%)	13	14	(7%)	1,121	1,160	(3%)	124	129	(4%)
Wholesale	53	1,590	(97%)	-	-	-	53	1,590	(97%)	5	159	(97%)
Sub-Total	2,312	3,729	(38%)	119	95	25%	2,431	3,824	(36%)	350	468	(25%)
DWP Rebates	129	161	(20%)	-	-	-	129	161	(20%)	13	16	(19%)
Total UK Insurance Operations	2,441	3,890	(37%)	119	95	25%	2,560	3,985	(36%)	363	484	(25%)
US Insurance Operations^(1a)												
Fixed Annuities	291	284	2%	-	-	-	291	284	2%	29	28	4%
Fixed Index Annuities	220	266	(17%)	-	-	-	220	266	(17%)	22	27	(19%)
Variable Annuities	2,243	1,715	31%	-	-	-	2,243	1,715	31%	224	172	30%
Life	3	4	(25%)	9	8	13%	12	12	0%	9	8	13%
Sub-Total Retail	2,757	2,269	22%	9	8	13%	2,766	2,277	21%	285	235	21%
Guaranteed Investment Contracts	133	282	(53%)	-	-	-	133	282	(53%)	13	28	(54%)
GIC - Medium Term Note	535	307	74%	-	-	-	535	307	74%	54	31	74%
Total US Insurance Operations	3,425	2,858	20%	9	8	13%	3,434	2,866	20%	352	294	20%
Asian Insurance Operations^(1a)												
China	19	16	19%	20	12	67%	39	28	39%	22	14	57%
Hong Kong	199	125	59%	54	38	42%	253	163	55%	74	51	45%
India ^(b)	16	10	60%	81	53	53%	97	63	54%	83	54	54%
Indonesia	35	10	250%	43	29	48%	78	39	100%	47	30	57%
Japan	52	20	160%	11	1	1,000%	63	21	200%	16	3	433%
Korea	72	54	33%	113	97	16%	165	151	23%	120	102	18%
Malaysia	9	2	350%	32	30	7%	41	32	28%	33	30	10%
Singapore	306	196	56%	30	28	7%	336	224	50%	61	48	27%
Taiwan	63	41	54%	136	66	106%	199	107	86%	142	70	103%
Other ^(b)	13	6	117%	21	16	31%	34	22	55%	22	17	29%
Total Asian Insurance Operations	784	480	63%	541	370	46%	1,325	850	56%	619	418	48%
Group Total	6,650	7,228	(8%)	669	473	41%	7,319	7,701	(5%)	1,334	1,196	12%

Schedule 23 - Actual Exchange Rates

PRUDENTIAL PLC - NEW BUSINESS - HALF YEAR 2007

TOTAL INSURANCE AND INVESTMENT NEW BUSINESS

	UK			US ^(1b)			Asia ^(1b)			Total		
	HY 2007 £m	HY 2006 £m	+/(%)	HY 2007 £m	HY 2006 £m	+/(%)	HY 2007 £m	HY 2006 £m	+/(%)	HY 2007 £m	HY 2006 £m	+/(%)
Total Insurance Products	2,560	3,985	(36%)	3,434	3,154	9%	1,325	915	45%	7,319	8,054	(9%)
Total Investment Products Gross Inflows ⁽²⁾	7,519	6,795	11%	19	-	-	17,471	10,027	74%	25,009	16,822	49%
	10,079	10,780	(7%)	3,453	3,154	9%	18,796	10,942	72%	32,328	24,876	30%

INSURANCE OPERATIONS

	Single			Regular			Total			Annual Equivalents ⁽³⁾		
	HY 2007 £m	HY 2006 £m	+/(%)	HY 2007 £m	HY 2006 £m	+/(%)	HY 2007 £m	HY 2006 £m	+/(%)	HY 2007 £m	HY 2006 £m	+/(%)
UK Insurance Operations												
Product Summary												
Internal Vesting annuities	687	615	12%	-	-	-	687	615	12%	69	62	11%
Direct and Partnership Annuities	431	273	58%	-	-	-	431	273	58%	43	27	59%
Intermediated Annuities	282	247	14%	-	-	-	282	247	14%	28	25	12%
Total Individual Annuities	1,400	1,135	23%	-	-	-	1,400	1,135	23%	140	114	23%
Equity Release	67	30	123%	-	-	-	67	30	123%	7	3	133%
Individual Pensions	18	10	80%	-	-	-	18	10	80%	2	1	100%
Corporate Pensions	107	35	206%	42	32	31%	149	67	122%	53	36	47%
Unit Linked Bonds	138	213	(35%)	-	-	-	138	213	(35%)	14	21	(33%)
With-Profit Bonds	114	54	111%	-	-	-	114	54	111%	11	5	120%
Protection	-	2	-	2	6	(67%)	2	8	(75%)	2	6	(67%)
Offshore Products	205	361	(43%)	2	-	-	207	361	(43%)	23	36	(36%)
Total Retail Retirement	2,049	1,840	11%	46	38	21%	2,095	1,878	12%	251	222	13%
Corporate Pensions	110	165	(33%)	60	44	36%	170	209	(19%)	71	61	16%
Other Products	100	134	(25%)	13	13	0%	113	147	(23%)	23	26	(12%)
DWP Rebates	129	161	(20%)	-	-	-	129	161	(20%)	13	16	(19%)
Total Mature Life and Pensions	339	460	(26%)	73	57	28%	412	517	(20%)	107	103	4%
Total Retail	2,388	2,300	4%	119	95	25%	2,507	2,395	5%	358	325	10%
Wholesale Annuities	38	1,278	(97%)	-	-	-	38	1,278	(97%)	4	128	(97%)
Credit Life	15	312	(95%)	-	-	-	15	312	(95%)	2	31	(94%)
Total UK Insurance Operations	2,441	3,890	(37%)	119	95	25%	2,560	3,985	(36%)	363	484	(25%)
Channel Summary												
Direct and Partnership	1,151	993	16%	106	81	31%	1,257	1,074	17%	221	180	23%
Intermediated	1,108	1,146	(3%)	13	14	(7%)	1,121	1,160	(3%)	124	129	(4%)
Wholesale	53	1,590	(97%)	-	-	-	53	1,590	(97%)	5	159	(97%)
Sub-Total	2,312	3,729	(38%)	119	95	25%	2,431	3,824	(36%)	350	468	(25%)
DWP Rebates	129	161	(20%)	-	-	-	129	161	(20%)	13	16	(19%)
Total UK Insurance Operations	2,441	3,890	(37%)	119	95	25%	2,560	3,985	(36%)	363	484	(25%)
US Insurance Operations ^(1b)												
Fixed Annuities	291	313	(7%)	-	-	-	291	313	(7%)	29	31	(6%)
Fixed Index Annuities	220	293	(25%)	-	-	-	220	293	(25%)	22	29	(24%)
Variable Annuities	2,243	1,888	19%	-	-	-	2,243	1,888	19%	224	189	19%
Life	3	4	(25%)	9	8	13%	12	12	0%	9	8	13%
Sub-Total Retail	2,757	2,498	10%	9	8	13%	2,766	2,506	10%	285	258	10%
Guaranteed Investment Contracts	133	310	(57%)	-	-	-	133	310	(57%)	13	31	(58%)
GIC - Medium Term Note	535	338	58%	-	-	-	535	338	58%	54	34	59%
Total US Insurance Operations	3,425	3,146	9%	9	8	13%	3,434	3,154	9%	352	323	9%
Asian Insurance Operations ^(1b)												
China	19	17	12%	20	13	54%	39	30	30%	22	15	47%
Hong Kong	199	139	43%	54	42	29%	253	181	40%	74	56	32%
India ⁽⁶⁾	16	11	45%	81	55	47%	97	66	47%	83	56	48%
Indonesia	35	11	218%	43	31	39%	78	42	86%	47	32	47%
Japan	52	23	126%	11	1	1,000%	63	24	163%	16	3	433%
Korea	72	58	24%	113	103	10%	185	161	15%	120	109	10%
Malaysia	9	2	350%	32	31	3%	41	33	24%	33	31	6%
Singapore	306	205	49%	30	29	3%	336	234	44%	61	50	22%
Taiwan	63	47	34%	136	74	84%	199	121	64%	142	79	80%
Other ⁽⁴⁾	13	6	117%	21	17	24%	34	23	48%	22	18	22%
Total Asian Insurance Operations	784	519	51%	541	396	37%	1,325	915	45%	619	448	38%
Group Total	6,650	7,555	(12%)	669	499	34%	7,319	8,054	(9%)	1,334	1,255	6%

PRUDENTIAL PLC - NEW BUSINESS - HALF YEAR 2007

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
2007								
M&G								
Retail	19,176	4,490	(2,747)	1,743	-	1,023	2,766	21,942
Institutional ⁽⁵⁾	25,770	3,029	(1,405)	1,624	(38)	(674)	912	26,682
Total M&G	44,946	7,519	(4,152)	3,367	(38)	349	3,678	48,624
Asia ⁽⁹⁾								
India	1,290	625	(588)	37	151	184	372	1,662
Taiwan	969	1,047	(615)	432	-	87	519	1,488
Korea	2,952	1,557	(1,352)	205	(68)	290	427	3,379
Japan	2,816	1,016	(559)	457	-	(40)	417	3,233
Other Mutual Fund Operations	1,468	753	(593)	160	(14)	121	267	1,735
Total Asian Equity/Bond/Other	9,495	4,998	(3,707)	1,291	69	642	2,002	11,497
MMF								
India	709	10,393	(9,988)	405	(179)	89	315	1,024
Taiwan	467	738	(764)	(26)	-	(11)	(37)	430
Korea	609	1,176	(1,220)	(44)	(21)	3	(62)	547
Other Mutual Fund Operations	133	156	(108)	48	-	(2)	46	179
Total Asian MMF	1,918	12,463	(12,080)	383	(200)	79	262	2,180
Total Asia Retail Mutual Funds	11,413	17,461	(15,787)	1,674	(131)	721	2,264	13,677
Third Party Institutional Mandates	840	10	(22)	(12)	-	75	63	903
Total Asian Investment Operations	12,253	17,471	(15,809)	1,662	(131)	796	2,327	14,580
US								
Retail	-	19	(1)	18	-	-	18	18
Total US	-	19	(1)	18	-	-	18	18
Total Investment Products	57,199	25,009	(19,962)	5,047	(169)	1,145	6,023	63,222
2006								
M&G								
Retail	14,627	3,561	(1,825)	1,736	-	385	2,121	16,748
Institutional ⁽⁵⁾	21,568	3,234	(1,375)	1,859	42	(82)	1,819	23,387
Total M&G	36,195	6,795	(3,200)	3,595	42	303	3,940	40,135
Asia ⁽⁹⁾								
India	1,005	472	(371)	101	(63)	(211)	(173)	832
Taiwan	632	530	(405)	125	-	(50)	75	707
Korea	2,269	1,843	(871)	972	(236)	(118)	618	2,887
Japan	2,695	595	(523)	72	-	(256)	(184)	2,511
Other Mutual Fund Operations	1,037	414	(286)	128	-	(30)	98	1,135
Total Asia Equity/Bond/Other	7,638	3,854	(2,456)	1,398	(299)	(665)	434	8,072
MMF								
India	461	4,229	(3,838)	391	46	81	518	979
Taiwan	667	779	(867)	(88)	-	(31)	(119)	548
Korea	534	1,065	(1,057)	8	(17)	4	(5)	529
Other Mutual Fund Operations	143	91	(92)	(1)	-	(8)	(9)	134
Total Asian MMF	1,805	6,164	(5,854)	310	29	46	385	2,190
Total Asia Retail Mutual Funds	9,443	10,018	(8,310)	1,708	(270)	(619)	819	10,262
Third Party Institutional Mandates	691	9	(8)	1	-	(19)	(18)	673
Total Asian Investment Operations	10,134	10,027	(8,318)	1,709	(270)	(638)	801	10,935
US								
Retail	-	-	-	-	-	-	-	-
Total US	-	-	-	-	-	-	-	-
Total Investment Products	46,329	16,822	(11,518)	5,304	(228)	(335)	4,741	51,070
2007 Movement Relative to 2006								
M&G								
Retail	31%	26%	(51%)	0%	-	166%	30%	31%
Institutional	19%	(6%)	(2%)	(13%)	(190%)	(722%)	(50%)	14%
Total M&G	24%	11%	(30%)	(6%)	(190%)	15%	(7%)	21%
Asia ⁽⁹⁾								
India	28%	32%	(58%)	(63%)	340%	187%	315%	100%
Taiwan	53%	98%	(52%)	246%	-	274%	592%	110%
Korea	30%	(16%)	(55%)	(79%)	71%	346%	(31%)	17%
Japan	4%	71%	(7%)	535%	-	84%	327%	29%
Other Mutual Fund Operations	42%	82%	(107%)	25%	-	503%	172%	53%
Total Asia Equity/Bond/Other	24%	30%	(51%)	(8%)	123%	197%	361%	42%
MMF								
India	54%	146%	(160%)	4%	(489%)	10%	(39%)	5%
Taiwan	(30%)	(5%)	12%	78%	-	65%	69%	(22%)
Korea	14%	10%	(15%)	(650%)	(24%)	(25%)	(1,140%)	3%
Other Mutual Fund Operations	(7%)	71%	(17%)	4,900%	-	75%	611%	34%
Total Asian MMF	6%	102%	(106%)	24%	(790%)	72%	(32%)	(0%)
Total Asian Retail Mutual Funds	21%	74%	(90%)	(2%)	51%	216%	176%	33%
Third Party Institutional Mandates	22%	11%	(175%)	(1,300%)	-	495%	450%	34%
Total Asian Investment Operations	21%	74%	(90%)	(3%)	51%	225%	191%	33%
US								
Retail	-	-	-	-	-	-	-	-
Total US	-	-	-	-	-	-	-	-
Total Investment Products	23%	49%	(73%)	(5%)	26%	442%	27%	24%
US ⁽⁷⁾						2007 Q2	2006 Q2	
						YTD	YTD	+/- (%)
						£m	£m	
Curian Capital								
External Funds Under Administration						1,502	986	52%

PRUDENTIAL PLC - NEW BUSINESS - QUARTER 2 2007 VERSUS QUARTER 2 2006

INSURANCE OPERATIONS

	Single			Regular			Total			Annual Equivalents ⁽³⁾		
	Q2 2007 £m	Q2 2006 £m	+/- (%)	Q2 2007 £m	Q2 2006 £m	+/- (%)	Q2 2007 £m	Q2 2006 £m	+/- (%)	Q2 2007 £m	Q2 2006 £m	+/- (%)
UK Insurance Operations												
Product Summary												
Internal Vesting annuities	362	361	0%	-	-	-	362	361	0%	36	36	0%
Direct and Partnership Annuities	226	170	33%	-	-	-	226	170	33%	23	17	35%
Intermediated Annuities	150	115	30%	-	-	-	150	115	30%	15	12	25%
Total Individual Annuities	738	646	14%	-	-	-	738	646	14%	74	65	14%
Equity Release	33	21	57%	-	-	-	33	21	57%	3	2	50%
Individual Pensions	9	7	29%	-	-	-	9	7	29%	1	1	0%
Corporate Pensions	22	22	0%	24	23	4%	46	45	2%	26	25	4%
Unit Linked Bonds	67	98	(32%)	-	-	-	67	98	(32%)	7	10	(30%)
With-Profit Bonds	58	25	132%	-	-	-	58	25	132%	6	3	100%
Protection	-	2	-	1	3	(67%)	1	5	(80%)	1	3	(67%)
Offshore Products	78	170	(54%)	1	-	-	79	170	(54%)	9	17	(47%)
Total Retail Retirement	1,005	991	1%	26	26	0%	1,031	1,017	1%	127	125	2%
Corporate Pensions	64	49	31%	32	25	28%	96	74	30%	38	30	27%
Other Products	51	69	(26%)	7	7	0%	58	76	(24%)	12	14	(14%)
DWP Rebates	-	-	-	-	-	-	-	-	-	-	-	-
Total Mature Life and Pensions	115	118	(3%)	39	32	22%	154	150	3%	51	44	16%
Total Retail	1,120	1,109	1%	65	58	12%	1,185	1,167	2%	177	169	5%
Wholesale Annuities	35	614	(94%)	-	-	-	35	614	(94%)	4	61	(93%)
Credit Life	5	157	(97%)	-	-	-	5	157	(97%)	1	16	(94%)
Total UK Insurance Operations	1,160	1,880	(38%)	65	58	12%	1,225	1,938	(37%)	181	246	(26%)
Channel Summary												
Direct and Partnership	561	553	1%	59	51	16%	620	604	3%	115	106	8%
Intermediated	559	556	1%	6	7	(14%)	565	563	0%	62	63	(2%)
Wholesale	40	771	(95%)	-	-	-	40	771	(95%)	4	77	(95%)
Sub-Total	1,160	1,880	(38%)	65	58	12%	1,225	1,938	(37%)	181	246	(26%)
DWP Rebates	-	-	-	-	-	-	-	-	-	-	-	-
Total UK Insurance Operations	1,160	1,880	(38%)	65	58	12%	1,225	1,938	(37%)	181	246	(26%)
US Insurance Operations ⁽⁶⁾												
Fixed Annuities	157	164	(4%)	-	-	-	157	164	(4%)	16	16	0%
Fixed Index Annuities	111	160	(31%)	-	-	-	111	160	(31%)	11	16	(31%)
Variable Annuities	1,193	994	20%	-	-	-	1,193	994	20%	119	99	20%
Life	1	2	(50%)	5	4	25%	6	6	0%	5	4	25%
Sub-Total Retail	1,462	1,320	11%	5	4	25%	1,467	1,324	11%	151	136	11%
Guaranteed Investment Contracts	1	37	(97%)	-	-	-	1	37	(97%)	-	4	-
GI-C - Medium Term Note	200	164	22%	-	-	-	200	164	22%	20	16	25%
Total US Insurance Operations	1,663	1,521	9%	5	4	25%	1,668	1,525	9%	171	156	10%
Asian Insurance Operations ⁽⁶⁾												
China	13	6	117%	9	8	13%	22	14	57%	10	9	11%
Hong Kong	97	73	33%	28	22	27%	125	95	32%	38	29	31%
India ⁽⁶⁾	4	3	33%	25	23	9%	29	26	12%	25	23	9%
Indonesia	19	7	171%	23	17	35%	42	24	75%	25	18	39%
Japan	22	13	69%	4	1	300%	26	14	86%	6	2	200%
Korea	45	28	61%	61	51	20%	106	79	34%	66	54	22%
Malaysia	7	1	600%	18	17	6%	25	18	39%	19	17	12%
Singapore	203	117	74%	15	15	0%	218	132	65%	35	27	30%
Taiwan	27	16	69%	103	32	222%	130	48	171%	106	34	212%
Other ⁽⁴⁾	6	4	50%	12	9	33%	18	13	38%	13	9	44%
Total Asian Insurance Operations	443	268	65%	298	195	53%	741	463	60%	342	222	54%
Group Total	3,266	3,669	(11%)	368	257	43%	3,634	3,926	(7%)	695	624	11%

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
M&G ⁽⁶⁾	Q2 2007	46,125	4,236	(2,236)	2,000	43	456	2,499	48,624
	Q2 2006	39,669	3,880	(2,029)	1,851	(8)	(1,377)	466	40,135
	+/- (%)	16%	9%	(10%)	8%	638%	133%	436%	21%
Asia Retail Mutual Funds	Q2 2007	12,003	10,311	(9,250)	1,061	(63)	676	1,674	13,677
	Q2 2006	10,172	5,616	(4,417)	1,199	(143)	(966)	90	10,262
	+/- (%)	18%	84%	(109%)	(12%)	56%	170%	1,760%	33%
Asia Third Party	Q2 2007	835	5	(4)	1	-	67	68	903
	Q2 2006	732	4	(3)	1	-	(60)	(59)	673
	+/- (%)	14%	25%	(33%)	0%	-	212%	215%	34%
US Retail Mutual Funds	Q2 2007	5	15	(1)	14	-	(1)	13	18
	Q2 2006	-	-	-	-	-	-	-	-
	+/- (%)	-	-	-	-	-	-	-	-
Total Investment Products	Q2 2007	58,968	14,567	(11,491)	3,076	(20)	1,198	4,254	63,222
	Q2 2006	50,573	9,500	(6,449)	3,051	(151)	(2,403)	497	51,070
	+/- (%)	17%	53%	(78%)	1%	87%	150%	756%	24%

PRUDENTIAL PLC - NEW BUSINESS - QUARTER 2 2007 VERSUS QUARTER 1 2007

INSURANCE OPERATIONS

	Single			Regular			Total			Annual Equivalents ⁽⁹⁾		
	Q2 2007 £m	Q 1 2007 £m	+/- (%)	Q2 2007 £m	Q 1 2007 £m	+/- (%)	Q2 2007 £m	Q 1 2007 £m	+/- (%)	Q2 2007 £m	Q 1 2007 £m	+/- (%)
UK Insurance Operations												
Product Summary												
Internal Vesting annuities	362	325	11%	-	-	-	362	325	11%	36	33	9%
Direct and Partnership Annuities	226	205	10%	-	-	-	226	205	10%	23	21	10%
Intermediated Annuities	150	132	14%	-	-	-	150	132	14%	15	13	15%
Total Individual Annuities	738	662	11%	-	-	-	738	662	11%	74	66	12%
Equity Release	33	34	(3%)	-	-	-	33	34	(3%)	3	3	0%
Individual Pensions	9	9	0%	-	-	-	9	9	0%	1	1	0%
Corporate Pensions	22	85	(74%)	24	18	33%	46	103	(55%)	26	27	(4%)
Unit Linked Bonds	67	71	(6%)	-	-	-	67	71	(6%)	7	7	0%
With-Profit Bonds	58	56	4%	-	-	-	58	56	4%	6	6	0%
Protection	-	-	-	1	1	0%	1	1	0%	1	1	0%
Offshore Products	78	127	(39%)	1	1	0%	79	128	(38%)	9	14	(36%)
Total Retail Retirement	1,005	1,044	(4%)	26	20	30%	1,031	1,064	(3%)	127	124	2%
Corporate Pensions	64	46	39%	32	28	14%	96	74	30%	38	33	15%
Other Products	51	49	4%	7	6	17%	58	55	5%	12	11	9%
DWP Rebates	-	129	-	-	-	-	-	129	-	-	13	-
Total Mature Life and Pensions	115	224	(49%)	39	34	15%	154	258	(40%)	51	56	(9%)
Total Retail	1,120	1,268	(12%)	65	54	20%	1,185	1,322	(10%)	177	181	(2%)
Wholesale Annuities	35	3	1,067%	-	-	-	35	3	1,067%	4	-	-
Credit Life	5	10	(50%)	-	-	-	5	10	(50%)	1	1	0%
Total UK Insurance Operations	1,160	1,281	(9%)	65	54	20%	1,225	1,335	(8%)	181	182	(1%)
Channel Summary												
Direct and Partnership	561	590	(5%)	59	47	26%	620	637	(3%)	115	106	8%
Intermediated	559	549	2%	6	7	(14%)	565	556	2%	62	62	0%
Wholesale	40	13	208%	-	-	-	40	13	208%	4	1	300%
Sub-Total	1,160	1,152	1%	65	54	20%	1,225	1,206	2%	181	169	7%
DWP Rebates	-	129	-	-	-	-	-	129	-	-	13	-
Total UK Insurance Operations	1,160	1,281	(9%)	65	54	20%	1,225	1,335	(8%)	181	182	(1%)
US Insurance Operations ⁽⁸⁾												
Fixed Annuities	157	134	17%	-	-	-	157	134	17%	16	13	23%
Fixed Index Annuities	111	109	2%	-	-	-	111	109	2%	11	11	0%
Variable Annuities	1,193	1,050	14%	-	-	-	1,193	1,050	14%	119	105	13%
Life	1	2	(50%)	5	4	25%	6	6	0%	5	4	25%
Sub-Total Retail	1,462	1,295	13%	5	4	25%	1,467	1,299	13%	151	134	13%
Guaranteed Investment Contracts	1	132	(99%)	-	-	-	1	132	(99%)	-	13	-
GIC - Medium Term Note	200	335	(40%)	-	-	-	200	335	(40%)	20	34	(41%)
Total US Insurance Operations	1,663	1,762	(6%)	5	4	25%	1,668	1,766	(6%)	171	180	(5%)
Asian Insurance Operations ⁽⁸⁾												
China	13	6	117%	9	11	(18%)	22	17	29%	10	12	(17%)
Hong Kong	97	102	(5%)	28	26	8%	125	128	(2%)	38	36	6%
India ⁽⁹⁾	4	12	(67%)	25	56	(55%)	29	68	(57%)	25	57	(56%)
Indonesia	19	16	19%	23	20	15%	42	36	17%	25	22	14%
Japan	22	30	(27%)	4	7	(43%)	26	37	(30%)	6	10	(40%)
Korea	45	27	67%	61	52	17%	106	79	34%	66	55	20%
Malaysia	7	2	250%	18	14	29%	25	16	56%	19	14	36%
Singapore	203	103	97%	15	15	0%	218	118	85%	35	25	40%
Taiwan	27	36	(25%)	103	33	212%	130	69	88%	106	37	186%
Other ⁽⁴⁾	6	7	(14%)	12	9	33%	18	16	13%	13	10	30%
Total Asian Insurance Operations	443	341	30%	298	243	23%	741	584	27%	342	277	23%
Group Total	3,266	3,384	(3%)	368	301	22%	3,634	3,685	(1%)	695	639	9%

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
M&G ⁽⁵⁾	Q2 2007	46,125	4,236	(2,236)	2,000	43	456	2,499	48,624
	Q1 2007	44,946	3,283	(1,916)	1,367	(81)	(107)	1,179	46,125
	+/- (%)	3%	29%	(17%)	46%	153%	526%	112%	5%
Asia Retail Mutual Funds	Q2 2007	12,003	10,311	(9,250)	1,061	(63)	676	1,674	13,677
	Q1 2007	11,413	7,150	(6,537)	613	(68)	45	590	12,003
	+/- (%)	5%	44%	(42%)	73%	7%	1,402%	184%	14%
Asia Third Party	Q2 2007	835	5	(4)	1	-	67	68	903
	Q1 2007	840	5	(18)	(13)	-	8	(5)	835
	+/- (%)	(1%)	0%	78%	108%	-	738%	1,460%	8%
US Retail Mutual Funds	Q2 2007	5	15	(1)	14	-	(1)	13	18
	Q1 2007	-	4	-	4	-	1	5	5
	+/- (%)	-	275%	-	250%	-	(200%)	160%	260%
Total Investment Products	Q2 2007	58,968	14,567	(11,491)	3,076	(20)	1,198	4,254	63,222
	Q1 2007	57,199	10,442	(8,471)	1,971	(149)	(53)	1,769	58,968
	+/- (%)	3%	40%	(36%)	56%	87%	2,360%	140%	7%

Schedule 27 - Constant Exchange Rates

PRUDENTIAL PLC - NEW BUSINESS - HALF YEAR 2007

TOTAL INSURANCE AND INVESTMENT NEW BUSINESS

	UK			US ^(1a)			Asia ^(1a)			Total		
	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)
Total Insurance Products	2,860	3,985	(36%)	3,434	2,866	20%	1,325	850	56%	7,319	7,701	(5%)
Total Investment Products Gross Inflow ⁽²⁾	7,819	6,795	11%	19	-	-	17,471	9,384	86%	25,009	16,179	55%
	10,079	10,780	(7%)	3,453	2,866	20%	18,796	10,234	84%	32,328	23,880	35%

INSURANCE OPERATIONS

	Single			Regular			Total			PVNBP ⁽³⁾		
	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)
UK Insurance Operations												
Product Summary												
Internal Vesting annuities	687	615	12%	-	-	-	687	615	12%	687	615	12%
Direct and Partnership Annuities	431	273	58%	-	-	-	431	273	58%	431	273	58%
Intermediated Annuities	282	247	14%	-	-	-	282	247	14%	282	247	14%
Total Individual Annuities	1,400	1,135	23%	-	-	-	1,400	1,135	23%	1,400	1,135	23%
Equity Release	67	30	123%	-	-	-	67	30	123%	67	30	123%
Individual Pensions	18	10	80%	-	-	-	18	10	80%	20	10	100%
Corporate Pensions	107	35	206%	42	32	31%	149	67	122%	296	124	139%
Unit Linked Bonds	138	213	(35%)	-	-	-	138	213	(35%)	138	213	(35%)
With-Profit Bonds	114	54	111%	-	-	-	114	54	111%	114	54	111%
Protection	-	2	-	2	6	(67%)	2	8	(75%)	14	21	(33%)
Offshore Products	205	361	(43%)	2	-	-	207	361	(43%)	215	361	(40%)
Total Retail Retirement	2,049	1,840	11%	46	38	21%	2,095	1,878	12%	2,264	1,948	16%
Corporate Pensions	110	165	(33%)	60	44	36%	170	209	(19%)	314	350	(10%)
Other Products	100	134	(25%)	13	13	0%	113	147	(23%)	145	175	(17%)
DWP Rebates	129	161	(20%)	-	-	-	129	161	(20%)	129	161	(20%)
Total Mature Life and Pensions	339	460	(26%)	73	57	28%	412	517	(20%)	588	686	(14%)
Total Retail	2,388	2,300	4%	119	95	25%	2,507	2,395	5%	2,852	2,634	8%
Wholesale Annuities	38	1,278	(97%)	-	-	-	38	1,278	(97%)	38	1,278	(97%)
Credit Life	15	312	(95%)	-	-	-	15	312	(95%)	15	312	(95%)
Total UK Insurance Operations	2,441	3,890	(37%)	119	95	25%	2,560	3,985	(36%)	2,905	4,224	(31%)
Channel Summary												
Direct and Partnership	1,151	993	16%	106	81	31%	1,257	1,074	17%	1,567	1,288	22%
Intermediated	1,108	1,146	(3%)	13	14	(7%)	1,121	1,160	(3%)	1,156	1,185	(2%)
Wholesale	53	1,590	(97%)	-	-	-	53	1,590	(97%)	53	1,590	(97%)
Sub-Total	2,312	3,729	(38%)	119	95	25%	2,431	3,824	(36%)	2,776	4,063	(32%)
DWP Rebates	129	161	(20%)	-	-	-	129	161	(20%)	129	161	(20%)
Total UK Insurance Operations	2,441	3,890	(37%)	119	95	25%	2,560	3,985	(36%)	2,905	4,224	(31%)
US Insurance Operations^(1a)												
Fixed Annuities	291	284	2%	-	-	-	291	284	2%	291	284	2%
Fixed Index Annuities	220	266	(17%)	-	-	-	220	266	(17%)	220	266	(17%)
Variable Annuities	2,243	1,715	31%	-	-	-	2,243	1,715	31%	2,243	1,715	31%
Life	3	4	(25%)	9	8	13%	12	12	0%	68	61	11%
Sub-Total Retail	2,757	2,269	22%	9	8	13%	2,766	2,277	21%	2,822	2,326	21%
Guaranteed Investment Contracts	133	282	(53%)	-	-	-	133	282	(53%)	133	282	(53%)
GIC - Medium Term Note	535	307	74%	-	-	-	535	307	74%	535	307	74%
Total US Insurance Operations	3,425	2,858	20%	9	8	13%	3,434	2,866	20%	3,490	2,915	20%
Asian Insurance Operations^(1a)												
China	19	16	19%	20	12	67%	39	28	39%	112	83	35%
Hong Kong	199	125	59%	54	38	42%	253	163	55%	493	325	52%
India ⁽⁶⁾	16	10	60%	81	53	53%	97	63	54%	340	169	101%
Indonesia	35	10	250%	43	29	48%	78	39	100%	178	108	65%
Japan	52	20	160%	11	1	1,000%	63	21	200%	97	26	273%
Korea	72	54	33%	113	97	16%	185	151	23%	608	461	32%
Malaysia	9	2	350%	32	30	7%	41	32	28%	186	179	4%
Singapore	306	196	56%	30	28	7%	336	224	50%	484	373	30%
Taiwan	63	41	54%	136	66	106%	199	107	86%	711	373	91%
Other ⁽¹⁾	13	6	117%	21	16	31%	34	22	55%	77	64	20%
Total Asian Insurance Operations	784	480	63%	541	370	46%	1,325	850	56%	3,286	2,161	52%
Group Total	6,650	7,228	(8%)	669	473	41%	7,319	7,701	(5%)	9,681	9,300	4%

Schedule 28 - Actual Exchange Rates

PRUDENTIAL PLC - NEW BUSINESS - HALF YEAR 2007

TOTAL INSURANCE AND INVESTMENT NEW BUSINESS

	UK			US ^(1b)			Asia ^(1b)			Total		
	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)
Total Insurance Products	2,560	3,985	(36%)	3,434	3,154	9%	1,325	915	45%	7,319	8,054	(9%)
Total Investment Products Gross Inflows ⁽²⁾	7,519	6,795	11%	19	-	-	17,471	10,027	74%	25,009	16,822	49%
	10,079	10,780	(7%)	3,453	3,154	9%	18,796	10,942	72%	32,328	24,876	30%

INSURANCE OPERATIONS

	Single			Regular			Total			PVNBP ⁽³⁾		
	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)	HY 2007 £m	HY 2006 £m	+/- (%)
UK Insurance Operations												
Product Summary												
Internal Vesting annuities	687	615	12%	-	-	-	687	615	12%	687	615	12%
Direct and Partnership Annuities	431	273	58%	-	-	-	431	273	58%	431	273	58%
Intermediated Annuities	282	247	14%	-	-	-	282	247	14%	282	247	14%
Total Individual Annuities	1,400	1,135	23%	-	-	-	1,400	1,135	23%	1,400	1,135	23%
Equity Release	67	30	123%	-	-	-	67	30	123%	67	30	123%
Individual Pensions	18	10	80%	-	-	-	18	10	80%	20	10	100%
Corporate Pensions	107	35	206%	42	32	31%	149	67	122%	296	124	139%
Unit Linked Bonds	138	213	(35%)	-	-	-	138	213	(35%)	138	213	(35%)
With-Profits Bonds	114	54	111%	-	-	-	114	54	111%	114	54	111%
Protection	-	2	-	2	6	(67%)	2	8	(75%)	14	21	(33%)
Offshore Products	205	361	(43%)	2	-	-	207	361	(43%)	215	361	(40%)
Total Retail Retirement	2,049	1,840	11%	46	38	21%	2,095	1,878	12%	2,264	1,948	16%
Corporate Pensions	110	165	(33%)	60	44	36%	170	209	(19%)	314	350	(10%)
Other Products	100	134	(25%)	13	13	0%	113	147	(23%)	145	175	(17%)
DWP Rebates	129	161	(20%)	-	-	-	129	161	(20%)	129	161	(20%)
Total Mature Life and Pensions	339	460	(26%)	73	57	28%	412	517	(20%)	588	686	(14%)
Total Retail	2,388	2,300	4%	119	95	25%	2,507	2,395	5%	2,852	2,634	8%
Wholesale Annuities	38	1,278	(97%)	-	-	-	38	1,278	(97%)	38	1,278	(97%)
Credit Life	15	312	(95%)	-	-	-	15	312	(95%)	15	312	(95%)
Total UK Insurance Operations	2,441	3,890	(37%)	119	95	25%	2,560	3,985	(36%)	2,905	4,224	(31%)
Channel Summary												
Direct and Partnership	1,151	993	16%	106	81	31%	1,257	1,074	17%	1,567	1,288	22%
Intermediated	1,108	1,146	(3%)	13	14	(7%)	1,121	1,160	(3%)	1,156	1,185	(2%)
Wholesale	53	1,590	(97%)	-	-	-	53	1,590	(97%)	53	1,590	(97%)
Sub-Total	2,312	3,729	(38%)	119	95	25%	2,431	3,824	(36%)	2,776	4,063	(32%)
DWP Rebates	129	161	(20%)	-	-	-	129	161	(20%)	129	161	(20%)
Total UK Insurance Operations	2,441	3,890	(37%)	119	95	25%	2,560	3,985	(36%)	2,905	4,224	(31%)
US Insurance Operations ^(1b)												
Fixed Annuities	291	313	(7%)	-	-	-	291	313	(7%)	291	313	(7%)
Fixed Index Annuities	220	293	(25%)	-	-	-	220	293	(25%)	220	293	(25%)
Variable Annuities	2,243	1,888	19%	-	-	-	2,243	1,888	19%	2,243	1,888	19%
Life	3	4	(25%)	9	8	13%	12	12	0%	68	67	1%
Sub-Total Retail	2,757	2,498	10%	9	8	13%	2,766	2,506	10%	2,822	2,561	10%
Guaranteed Investment Contracts	133	310	(57%)	-	-	-	133	310	(57%)	133	310	(57%)
GIC - Medium Term Note	535	338	58%	-	-	-	535	338	58%	535	338	58%
Total US Insurance Operations	3,425	3,146	9%	9	8	13%	3,434	3,154	9%	3,490	3,209	9%
Asian Insurance Operations ^(1b)												
China	19	17	12%	20	13	54%	39	30	30%	112	88	27%
Hong Kong	199	139	43%	54	42	29%	253	181	40%	493	360	37%
India ⁽⁶⁾	16	11	45%	81	55	47%	97	66	47%	340	177	92%
Indonesia	35	11	216%	43	31	39%	78	42	86%	178	117	52%
Japan	52	23	126%	11	1	1,000%	63	24	163%	97	30	223%
Korea	72	58	24%	113	103	10%	185	161	15%	608	492	24%
Malaysia	9	2	350%	32	31	3%	41	33	24%	186	185	1%
Singapore	306	205	49%	30	29	3%	336	234	44%	484	391	24%
Taiwan	63	47	34%	136	74	84%	199	121	64%	711	421	69%
Other ⁽¹⁾	13	6	117%	21	17	24%	34	23	48%	77	67	15%
Total Asian Insurance Operations	784	519	51%	541	396	37%	1,325	915	45%	3,286	2,328	41%
Group Total	6,650	7,555	(12%)	669	499	34%	7,319	8,054	(9%)	9,681	9,761	(1%)

PRUDENTIAL PLC - NEW BUSINESS - QUARTER 2 2007 VERSUS QUARTER 2 2006

INSURANCE OPERATIONS

	Single			Regular			Total			PVNBP ⁽³⁾		
	Q2 2007 £m	Q2 2006 £m	+/(%)	Q2 2007 £m	Q2 2006 £m	+/(%)	Q2 2007 £m	Q2 2006 £m	+/(%)	Q2 2007 £m	Q2 2006 £m	+/(%)
UK Insurance Operations												
Product Summary												
Internal Vesting annuities	362	361	0%	-	-	-	362	361	0%	362	361	0%
Direct and Partnership Annuities	226	170	33%	-	-	-	226	170	33%	226	170	33%
Intermediated Annuities	150	115	30%	-	-	-	150	115	30%	150	115	30%
Total Individual Annuities	738	646	14%	-	-	-	738	646	14%	738	646	14%
Equity Release	33	21	57%	-	-	-	33	21	57%	33	21	57%
Individual Pensions	9	7	29%	-	-	-	9	7	29%	11	7	57%
Corporate Pensions	22	22	0%	24	23	4%	46	45	2%	138	77	79%
Unit Linked Bonds	67	98	(32%)	-	-	-	67	98	(32%)	67	98	(32%)
With-Profit Bonds	58	25	132%	-	-	-	58	25	132%	58	25	132%
Protection	-	2	-	1	3	(67%)	1	5	(80%)	7	8	(13%)
Offshore Products	78	170	(54%)	1	-	-	79	170	(54%)	84	170	(51%)
Total Retail Retirement	1,005	991	1%	26	26	0%	1,031	1,017	1%	1,136	1,052	8%
Corporate Pensions	64	49	31%	32	25	28%	96	74	30%	165	161	2%
Other Products	51	69	(26%)	7	7	0%	58	76	(24%)	74	91	(19%)
DWP Rebates	-	-	-	-	-	-	-	-	-	-	-	-
Total Mature Life and Pensions	115	118	(3%)	39	32	22%	154	150	3%	239	252	(5%)
Total Retail	1,120	1,109	1%	65	58	12%	1,185	1,167	2%	1,375	1,304	5%
Wholesale Annuities	35	614	(94%)	-	-	-	35	614	(94%)	35	614	(94%)
Credit Life	5	157	(97%)	-	-	-	5	157	(97%)	5	157	(97%)
Total UK Insurance Operations	1,160	1,880	(38%)	65	58	12%	1,225	1,938	(37%)	1,415	2,075	(32%)
Channel Summary												
Direct and Partnership	561	553	1%	59	51	16%	620	604	3%	794	729	9%
Intermediated	559	556	1%	6	7	(14%)	565	563	0%	581	575	1%
Wholesale	40	771	(95%)	-	-	-	40	771	(95%)	40	771	(95%)
Sub-Total	1,160	1,880	(38%)	65	58	12%	1,225	1,938	(37%)	1,415	2,075	(32%)
DWP Rebates	-	-	-	-	-	-	-	-	-	-	-	-
Total UK Insurance Operations	1,160	1,880	(38%)	65	58	12%	1,225	1,938	(37%)	1,415	2,075	(32%)
US Insurance Operations⁽⁶⁾												
Fixed Annuities	157	164	(4%)	-	-	-	157	164	(4%)	157	164	(4%)
Fixed Index Annuities	111	160	(31%)	-	-	-	111	160	(31%)	111	160	(31%)
Variable Annuities	1,193	994	20%	-	-	-	1,193	994	20%	1,193	994	20%
Life	1	2	(50%)	5	4	25%	6	6	0%	32	36	(11%)
Sub-Total Retail	1,462	1,320	11%	5	4	25%	1,467	1,324	11%	1,493	1,354	10%
Guaranteed Investment Contracts	1	37	(97%)	-	-	-	1	37	(97%)	1	37	(97%)
GIC - Medium Term Note	200	164	22%	-	-	-	200	164	22%	200	164	22%
Total US Insurance Operations	1,663	1,521	9%	5	4	25%	1,668	1,525	9%	1,694	1,555	9%
Asian Insurance Operations⁽⁶⁾												
China	13	6	117%	9	8	13%	22	14	57%	55	47	17%
Hong Kong	97	73	33%	28	22	27%	125	95	32%	246	181	36%
India ⁽⁶⁾	4	3	33%	25	23	9%	29	26	12%	105	55	91%
Indonesia	19	7	171%	23	17	35%	42	24	75%	97	66	47%
Japan	22	13	69%	4	1	300%	26	14	86%	37	28	32%
Korea	45	28	61%	61	51	20%	106	79	34%	329	251	31%
Malaysia	7	1	600%	18	17	6%	25	18	39%	103	99	4%
Singapore	203	117	74%	15	15	0%	218	132	65%	290	192	51%
Taiwan	27	16	69%	103	32	222%	130	48	171%	525	179	193%
Other ⁽⁴⁾	6	4	50%	12	9	33%	18	13	38%	41	31	32%
Total Asian Insurance Operations	443	268	65%	298	195	53%	741	463	60%	1,828	1,129	62%
Group Total	3,266	3,669	(11%)	368	257	43%	3,634	3,926	(7%)	4,937	4,759	4%

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
M&G ⁽⁵⁾	Q2 2007	46,125	4,236	(2,236)	2,000	43	456	2,499	48,624
	Q2 2006	39,669	3,880	(2,029)	1,851	(8)	(1,377)	466	40,135
	+/(%)	16%	9%	(10%)	8%	638%	133%	436%	21%
Asia Retail Mutual Funds	Q2 2007	12,003	10,311	(9,250)	1,061	(63)	676	1,674	13,677
	Q2 2006	10,172	5,616	(4,417)	1,199	(143)	(966)	90	10,262
	+/(%)	18%	84%	(109%)	(12%)	56%	170%	1,760%	33%
Asia Third Party	Q2 2007	835	5	(4)	1	-	67	68	903
	Q2 2006	732	4	(3)	1	-	(60)	(59)	673
	+/(%)	14%	25%	(33%)	0%	-	212%	215%	34%
US Retail Mutual Funds	Q2 2007	5	15	(1)	14	-	(1)	13	18
	Q2 2006	-	-	-	-	-	-	-	-
	+/(%)	-	-	-	-	-	-	-	-
Total Investment Products	Q2 2007	58,968	14,567	(11,491)	3,076	(20)	1,198	4,254	63,222
	Q2 2006	50,573	9,500	(6,449)	3,051	(151)	(2,403)	497	51,070
	+/(%)	17%	53%	(78%)	1%	87%	150%	756%	24%

PRUDENTIAL PLC - NEW BUSINESS - QUARTER 2 2007 VERSUS QUARTER 1 2007

INSURANCE OPERATIONS

	Single			Regular			Total			PVNBP ⁽³⁾		
	Q2 2007 £m	Q 1 2007 £m	+/(-%)	Q2 2007 £m	Q 1 2007 £m	+/(-%)	Q2 2007 £m	Q 1 2007 £m	+/(-%)	Q2 2007 £m	Q 1 2007 £m	+/(-%)
UK Insurance Operations												
Product Summary												
Internal Vesting annuities	362	325	11%	-	-	-	362	325	11%	362	325	11%
Direct and Partnership Annuities	226	205	10%	-	-	-	226	205	10%	226	205	10%
Intermediated Annuities	150	132	14%	-	-	-	150	132	14%	150	132	14%
Total Individual Annuities	738	662	11%	-	-	-	738	662	11%	738	662	11%
Equity Release	33	34	(3%)	-	-	-	33	34	(3%)	33	34	(3%)
Individual Pensions	9	9	0%	-	-	-	9	9	0%	11	9	22%
Corporate Pensions	22	85	(74%)	24	18	33%	46	103	(55%)	138	158	(13%)
Unit Linked Bonds	67	71	(6%)	-	-	-	67	71	(6%)	67	71	(6%)
With-Profit Bonds	58	56	4%	-	-	-	58	56	4%	58	56	4%
Protection	-	-	-	1	1	0%	1	1	0%	7	7	0%
Offshore Products	78	127	(39%)	1	1	0%	79	128	(38%)	84	131	(36%)
Total Retail Retirement	1,005	1,044	(4%)	26	20	30%	1,031	1,064	(3%)	1,136	1,128	1%
Corporate Pensions	64	46	39%	32	28	14%	96	74	30%	165	149	11%
Other Products	51	49	4%	7	6	17%	58	55	5%	74	71	4%
DWP Rebates	-	129	-	-	-	-	-	129	-	-	129	-
Total Mature Life and Pensions	115	224	(49%)	39	34	15%	154	258	(40%)	239	349	(32%)
Total Retail	1,120	1,268	(12%)	65	54	20%	1,185	1,322	(10%)	1,375	1,477	(7%)
Wholesale Annuities	35	3	1,067%	-	-	-	35	3	1,067%	35	3	1,067%
Credit Life	5	10	(50%)	-	-	-	5	10	(50%)	5	10	(50%)
Total UK Insurance Operations	1,160	1,281	(9%)	65	54	20%	1,225	1,335	(8%)	1,415	1,490	(5%)
Channel Summary												
Direct and Partnership	561	590	(5%)	59	47	26%	620	637	(3%)	794	773	3%
Intermediated	559	549	2%	6	7	(14%)	565	556	2%	581	575	1%
Wholesale	40	13	208%	-	-	-	40	13	208%	40	13	208%
Sub-Total	1,160	1,152	1%	65	54	20%	1,225	1,206	2%	1,415	1,361	4%
DWP Rebates	-	129	-	-	-	-	-	129	-	-	129	-
Total UK Insurance Operations	1,160	1,281	(9%)	65	54	20%	1,225	1,335	(8%)	1,415	1,490	(5%)
US Insurance Operations ⁽⁸⁾												
Fixed Annuities	157	134	17%	-	-	-	157	134	17%	157	134	17%
Fixed Index Annuities	111	109	2%	-	-	-	111	109	2%	111	109	2%
Variable Annuities	1,193	1,050	14%	-	-	-	1,193	1,050	14%	1,193	1,050	14%
Life	1	2	(50%)	5	4	25%	6	6	0%	32	36	(11%)
Sub-Total Retail	1,462	1,295	13%	5	4	25%	1,467	1,299	13%	1,493	1,329	12%
Guaranteed Investment Contracts	1	132	(99%)	-	-	-	1	132	(99%)	1	132	(99%)
GiC - Medium Term Note	200	335	(40%)	-	-	-	200	335	(40%)	200	335	(40%)
Total US Insurance Operations	1,663	1,762	(6%)	5	4	25%	1,668	1,766	(6%)	1,694	1,796	(6%)
Asian Insurance Operations ⁽⁸⁾												
China	13	6	117%	9	11	(18%)	22	17	29%	55	57	(4%)
Hong Kong	97	102	(5%)	28	26	8%	125	128	(2%)	246	247	(0%)
India ⁽⁸⁾	4	12	(67%)	25	56	(55%)	29	68	(57%)	105	235	(55%)
Indonesia	19	16	19%	23	20	15%	42	36	17%	97	81	20%
Japan	22	30	(27%)	4	7	(43%)	26	37	(30%)	37	60	(38%)
Korea	45	27	67%	61	52	17%	106	79	34%	329	279	18%
Malaysia	7	2	250%	18	14	29%	25	16	56%	103	83	24%
Singapore	203	103	97%	15	15	0%	218	118	85%	290	194	49%
Taiwan	27	36	(25%)	103	33	212%	130	69	88%	525	186	182%
Other ⁽⁴⁾	6	7	(14%)	12	9	33%	18	16	13%	41	36	14%
Total Asian Insurance Operations	443	341	30%	298	243	23%	741	584	27%	1,828	1,458	25%
Group Total	3,266	3,384	(3%)	368	301	22%	3,634	3,685	(1%)	4,937	4,744	4%

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
M&G ⁽⁸⁾	Q2 2007	46,125	4,236	(2,236)	2,000	43	456	2,499	48,624
	Q1 2007	44,946	3,283	(1,916)	1,367	(81)	(107)	1,179	46,125
	+/(-%)	3%	29%	(17%)	46%	153%	526%	112%	5%
Asia Retail Mutual Funds	Q2 2007	12,003	10,311	(9,250)	1,061	(63)	676	1,674	13,677
	Q1 2007	11,413	7,150	(6,537)	613	(68)	45	590	12,003
	+/(-%)	5%	44%	(42%)	73%	7%	1,402%	184%	14%
Asia Third Party	Q2 2007	835	5	(4)	1	-	67	68	903
	Q1 2007	840	5	(18)	(13)	-	8	(5)	835
	+/(-%)	(1%)	0%	78%	108%	-	738%	1,460%	8%
US Retail Mutual Funds	Q2 2007	5	15	(1)	14	-	(1)	13	18
	Q1 2007	-	4	-	4	-	1	5	5
	+/(-%)	-	275%	-	250%	-	(200%)	160%	260%
Total Investment Products	Q2 2007	58,968	14,567	(11,491)	3,076	(20)	1,198	4,254	63,222
	Q1 2007	57,199	10,442	(8,471)	1,971	(149)	(53)	1,769	58,968
	+/(-%)	3%	40%	(36%)	56%	67%	2,360%	140%	7%

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

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.

"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

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. New Department of Work and Pensions rebate business for SAIF is excluded from the new business schedules. This is because SAIF is solely for the benefit of SAIF

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.

premium from that previously published. Single premium corporate pensions sales have been reduced by £44m and regular premium corporate sales have been increased by £4m. There is no net impact on the APE total for Q1 2007 PVNBP is however £31m lower.

transaction with the Scottish Amicable Insurance Fund (SAIF). SAIF is a closed-ring fenced sub-fund established by a Court approved Scheme of Arrangement in October 1997, which is solely for the benefit of SAIF policyholders. Shareholders have no interest in the profits of this fund, although they are entitled to investment management fees on

Notes to Schedules 22 - 30

rates. The applicable rate for Jackson is 1.97.

rates. The applicable rate for Jackson is 1.97 (2006: 1.79).

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

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.

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

exchange rate.

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⁾ £326m of FUM and £1m of net flows reported under Prudential Asian funds operations relate to M&G's products distributed through those Asian operations and this amount is also included in M&G's FUM.