



Our brands

Financial highlights

Comparisons are quoted at constant exchange rates

Jackson National Life Insurance Company (Jackson) is one of the largest life insurance companies in the United States with three million policies and contracts in force.

- Record APE sales of £614 million were up 21 per cent on prior year. New business profit margin (% of APE) of 42 per cent up from 41 per cent in the prior year.
- EEV operating profit on continuing operations of £718 million, up 19 per cent on prior year in underlying terms.
- IFRS operating profit on continuing operations of £408 million, up 14 per cent on prior year.

Operations and products

Jackson offers variable, fixed and fixed index annuities, as well as term and permanent life insurance and institutional products. Through its affiliates and subsidiaries, Jackson also provides asset management and retail brokerage services.

Jackson markets products in 50 states and the District of Columbia (in the State of New York through Jackson National Life Insurance Company of New York) through independent broker-dealers, independent agents, banks, regional broker-dealers and the registered investment adviser channel.

Jackson's investment portfolio manager, PPM America Inc., manages over US\$74 billion of assets.

Customers

Three million policies and contracts in force

Staff

2,700

Location

Headquartered in Lansing, Michigan

PRUDENTIAL

Prudential is a leading life and pensions provider in the United Kingdom.

- APE sales grew one per cent in 2006 to £900 million.
- New business EEV grew nine per cent to £266 million.
- IFRS operating profit increased 25 per cent to £500 million in 2006.

Retail products

- Annuities
- Corporate pensions
- With-profits and unit-linked bonds
- Savings and investments
- Protection
- Equity release
- Health insurance

Wholesale products

- Bulk annuities
- Annuity back-books

Product distribution channels

- Business to business (consulting actuaries and benefit advisers)
- Partnerships (affinities and banks)
- Independent financial advisers
- Multi-tie panels
- Direct to customers (telephone, internet and mail)

Customers

More than seven million

Staff

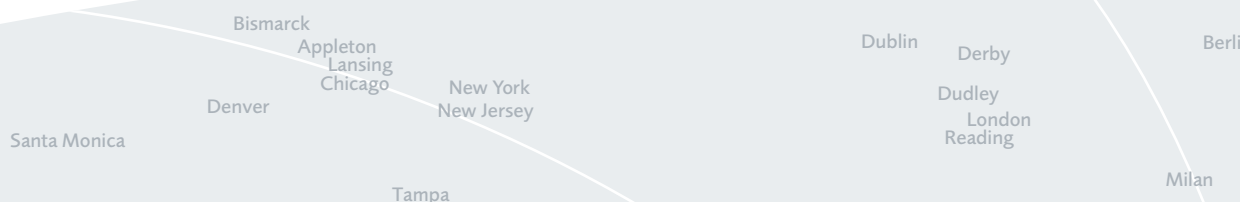
6,000

Locations

Dublin, London, Mumbai, Reading, Stirling

egg™

On 29 January 2007 we announced that we had entered into a binding agreement to sell Egg Banking plc, our UK banking business, to Citi. Under the terms of the Agreement, the consideration payable is £575 million in cash subject to adjustment to reflect any change in net asset value between 31 December 2006 and completion. The transaction is subject to regulatory approvals and is expected to complete by the end of April 2007. Details of Egg's performance during 2006 can be found in this Annual Report.



M&G is Prudential's UK and European fund manager with £164 billion of funds under management as at 31 December 2006.

- In 2006 operating profit grew 25 per cent to £204 million and underlying profits grew 28 per cent to £177 million.
- Gross fund inflows increased by 70 per cent to £13.5 billion. Net fund inflows increased by 58 per cent to £6.1 billion.

M&G independently manages assets on behalf of a wide range of retail and institutional investors. M&G also acts as fund manager on many of the life and pensions products sold by Prudential in the UK and Europe, as well as managing Prudential's balance sheet for profit.

Retail business

- Open Ended Investment Companies (OEICs) and Unit Trusts (UTs)
- Investment Trusts (ITs)
- Individual Savings Accounts (ISAs) and Personal Equity Plans (PEPs)

M&G and Prudential branded mutual funds are distributed to retail investors in the UK, Europe, Asia and South Africa. M&G manages £19.2 billion of retail assets, invested in equities, fixed income and property.

In the UK M&G is the fourth largest retail fund manager, with approximately one million unit holder accounts.

Institutional business

- Segregated fixed interest, pooled pension funds, structured and private finance
- Segregated, pooled and global macro strategy mandates
- Institutional customers include pension funds, insurance companies and other financial institutions

M&G manages £25.8 billion of institutional assets, invested in equities, fixed income, property and private equity.

Internal business

M&G manages assets on behalf of Prudential's long-term business funds, including with-profits and unit-linked funds, annuities and corporate pension products.

M&G manages £119 billion of assets for Prudential customers, invested in equities, fixed income, property and private equity.

Prudential Finance

- Manages Prudential's balance sheet
- Leverages Prudential and M&G's positioning and skills for profit

Activities include bridging transactions, property financing and securities lending.

Staff

1,500

Locations

UK: London, Chelmsford **Europe:** Austria, France, Germany, Italy, Luxembourg, Spain, Switzerland
Other: South Africa

Also part of M&G

- Prudential Property Investment Managers (PruPIM)
- PPM Capital
- PPM South Africa

Prudential has life insurance and fund management operations in 12 markets.

Life insurance

- Sales on an APE basis grew 30 per cent
- Represents 49 per cent of total Group new business profit
- IFRS operating profit of £189 million, up 11 per cent on 2005, excluding exceptional items of net positive £30 million in 2005.

Prudential is the leading European-based life insurer in Asia in terms of market coverage and number of top five market positions.

Prudential Corporation Asia provides a comprehensive range of savings, protection and investment products tailored to the needs of each local market.

It pioneered unit-linked products in Singapore, Malaysia, Indonesia, the Philippines and Taiwan.

In 2006, our operation in China was awarded eight new life licences, making a total of 18.

Currently, Prudential Corporation Asia has a network of over 284,000 agents serving more than seven million customers across the region.

Major strategic partnerships

- CITIC Group in China
- ICICI Bank in India
- In addition, Prudential Corporation Asia has a number of distribution partnerships that include a number of leading banks such as Standard Chartered Bank.

Staff

12,500

Locations

China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Vietnam

Fund management

- In 2006 operating profit grew 85 per cent to £50 million, excluding 2005 exceptional costs of £16 million.
- Prudential Corporation Asia's Fund Management manages £29.2 billion of assets, which includes £6.2 billion of assets from the Group, £10.6 billion from Prudential Corporation Asia's Life Funds and £12.3 billion from the retail operations. This is an increase of 22 per cent from end 2005. Retail assets increased by 33 per cent.
- Retail mutual fund net inflows increased by 90 per cent to £2.5 billion.

Prudential Asia Fund Management independently manages assets on behalf of a wide range of retail and institutional investors in Asia. Prudential Asia Fund Management is also a fund manager for life and pension products sold by Prudential UK and Prudential Corporation Asia.

Retail business

Prudential branded mutual funds are distributed to retail investors across Asia. Prudential Asia Fund Management manages £12.3 billion of retail assets investing in equities, fixed income and structured products. Prudential also manages collective investment schemes under Luxembourg domiciled Société d'investissement à capital variable (SICAV) under UCITS III.

In Asia Prudential Asia Fund Management is the second largest retail fund manager for Asian sourced assets ex-Japan as at June 2006 (source: Asia Asset Management Magazine) with approximately two million unit holder accounts.

Institutional and internal business

Prudential Asia Fund Management manages £16.8 billion of institutional and internal assets, investing in equities, fixed income, property and private equity. Institutional investors include pension funds, government and quasi government entities and other financial institutions.

Major strategic partnerships

- Bank of China International in Hong Kong
- CITIC Group in China
- ICICI Bank in India

Staff

1,350 (100% of ventures)

Locations

China, Hong Kong, India, Japan, Korea, Malaysia, Singapore, Taiwan, United Arab Emirates, Vietnam

