

United Kingdom

Fast growth in health insurance and equity release

PruHealth celebrated its second anniversary in 2006 and already covers around 100.000 customers. At the heart of PruHealth lies a totally new approach to private medical insurance that recognises that the healthier people are, the less likely they are to need medical treatment. Prudential UK is also looking to grow the equity release business it started in 2006, having written over £100 million of new business in its first year.

M&G

Rapid sales growth and expansion into new markets

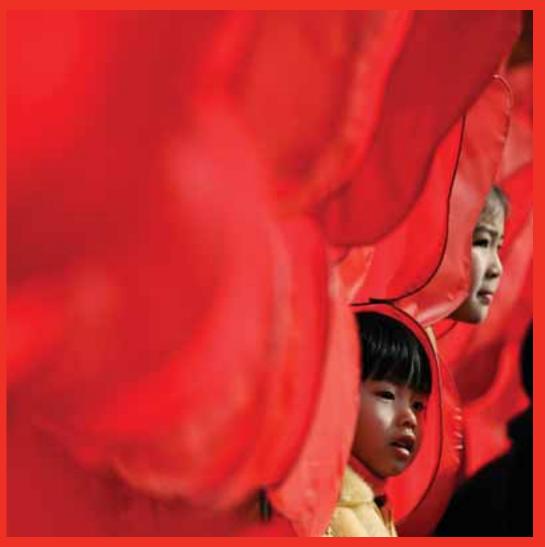
United States

Record variable annuity sales growth

In the retail marketplace, M&G delivered record fund inflows in 2006 with gross fund inflows increasing by 75 per cent to £6.7 billion and net fund inflows more than doubling to £3.1 billion. Product innovation has remained key for opening up new markets for M&G and 66 per cent of gross mutual fund inflows in 2006 through UK and European distribution channels were into funds launched or re-engineered within the past six years.

Jackson delivered record variable annuity sales in 2006 of £3.8 billion, up 48 per cent on the previous year. This reflects its distinct competitive advantages: an innovative product offering; an efficient and flexible technology platform; a relationshipdriven distribution model; and award-winning service. Jackson increased its variable annuity market share to 4.6 per cent in 2006, and maintained its ranking of twelfth in total variable annuity sales.

Our strong positions in the markets in which we operate mean we are well placed to capture an increasing share of profitable growth in each



Asia

Consistent outperformance in headline growth

grown at a CAGR of 22 per cent over the last five years and funds under management at a CAGR of 25 per cent. In 2006, Prudential's funds under management ranking against international fund managers in Asia increased from fourth to is also growing, strongly reflecting our increasing scale and efficiency. On a like-for-like basis operating IFRS profits for the life business were up 11 per cent and for the funds business up 85 per cent.