

# NEWS RELEASE



# PRUDENTIAL

PRUDENTIAL PLC  
GROUP COMMUNICATIONS  
12 ARTHUR STREET  
LONDON EC4R 9AQ

TEL 020 7548 2007  
FAX 020 7548 3725  
www.prudential.co.uk

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## PRUDENTIAL PLC FIRST QUARTER 2007 NEW BUSINESS RESULTS

All figures compared to 2006 at constant exchange rates unless stated

	<b>APE</b>	<b>Growth</b>	<b>PVNB</b>	<b>Growth</b>
<b>Total Group Insurance</b>	£640 million	8%	£4,775 million	1%
<b>Total Group Retail Insurance</b>	£592 million	25%	£4,295 million	22%
<b>UK retail</b>	£181 million	16%	£1,508 million	13%
<b>Total UK</b>	£183 million	(23)%	£1,521 million	(29)%
<b>US</b>	£180 million	21%	£1,796 million	21%
<b>Asia</b>	£277 million	34%	£1,458 million	33%
<b>Asia Fund Management</b>	Net fund inflows of £0.6 billion, up 18% External funds under management of £12.8 billion			
<b>M&amp;G</b>	Net fund inflows of £1.4 billion, down 22% External funds under management of £46.1 billion			

Mark Tucker, Group Chief Executive said:

"I am delighted by the excellent start the Group has made to the year, building on the strong momentum established in 2005 and 2006.

"We have continued to pursue our growth and value agenda and worldwide retail new business APE increased by 25% to £592 million over the same quarter last year with strong performances in all regions.

"In our asset management businesses M&G had net fund inflows of £1.4bn, the second highest quarter on record, and in Asia we had a record start to the year with net inflows of £0.6 billion ahead 18%.

"We continue to see excellent prospects across the Group and we will pursue these opportunities aggressively with a clear focus on value creation."

## **Commentary on First Quarter 2007 New Business Results**

### **UK insurance operations**

Prudential's focus in the UK continues to be on those areas of its retail and wholesale business which can generate attractive returns. Overall retail APE sales were up 16 per cent year-on-year to £181 million driven by growth in individual annuities, with-profits bonds and corporate pensions.

Within its wholesale business, in the first quarter Prudential announced that it had reached agreement in principle to acquire Equitable Life's portfolio of in-force with-profits annuities. The transaction is expected to generate premium income of approximately £180 million on an APE basis and will be recognised once it completes, which is expected to be in the fourth quarter of 2007.

Total UK APE sales in the first quarter were £183 million, a decrease of 23 per cent on the same period last year. However, the first quarter of 2006 included a single bulk annuity of APE £66 million and £15 million of credit life sales under a contract with Lloyds TSB that has not been renewed for 2007. On a PVNBP basis, total UK sales for the first quarter of 2007 were £1.5 billion, compared with £2.1 billion in the same period last year.

Retail Retirement APE sales of £125 million increased 29 per cent on 2006, reflecting strong growth in individual annuities, corporate pensions, equity release and with-profit bonds.

Individual annuity sales for the first quarter of 2007 were up 35 per cent on the first quarter of 2006 to £66 million. This growth was driven by the continued strength of internal vestings, up 32 per cent to £33 million, together with increased partnership sales, up 110 per cent to £21 million which reflected the growing momentum of partnership deals, including Openwork and St James's Place Capital.

In the first quarter of 2007, sales of with-profit annuities increased by 43 per cent over the same period last year due to continuing strong demand and sales from the recently signed single-tie arrangement with Openwork. Prudential enhanced its with-profits annuity offering in February 2007, adding the facility to accept Protected Rights monies (those contracted out of the State Earnings Related Pension Scheme which was replaced by the second state pension), which is a first in the with-profits annuity market and allows customers to combine 100 per cent of their pension into a with-profits annuity.

Corporate pensions delivered strong sales during the first quarter with APE of £27 million, up 170 per cent on the same period in 2006. These results include strong sales in the new Fund Delivery Service proposition, which contributed over £10 million in new APE sales.

Currently an estimated £1.1 billion of property assets enter the equity release market each year and this is predicted to grow to £2 billion by the end of 2008. From a standing start in October 2005 the UK business now has over £120 million of mortgage assets. New loans advances for the first quarter of 2007 were £34 million, compared with £9 million for the first quarter last year.

With-profits bond sales continued the momentum shown throughout last year, with sales of £6 million in the first quarter of 2007 double the first quarter of 2006. This was driven by the continued strong investment returns generated from the life fund. Prudential also signed a single tie distribution agreement in the first quarter with Openwork for PruFund, Prudential's unitised and smoothed investment plan.

Offshore bond sales generated from Europe grew 66 per cent to £9 million during the first quarter, reflecting the continued appetite in Continental Europe for Prudential's with-profits bond, and its strengthened distribution. This was offset by lower offshore sales into the UK through intermediaries, which reduced by 27 per cent to £5 million reflecting Prudential's emphasis on value, not volume in this market.

Prudential also recently launched two multi-asset funds using the with-profits investment capability into the Collectives market and within offshore bonds.

Prudential launched its Flexible Protection Plan nationally in February 2007. The product has been introduced to over 2000 advisers and Prudential has secured panel placements with a number of firms who account for a significant proportion of the intermediary distribution landscape in the UK. Prudential withdrew from the commoditised protection market in the first quarter of 2007.

PruHealth's business is not included in total APE sales numbers. It continued to grow strongly in the first quarter of 2007 with Gross Written Premiums of £16 million, 100 per cent up on the £8 million achieved in the same period last year. For the first time the number of lives covered exceeded 100,000 in February, with 108,000 lives covered at the end of the quarter. PruHealth has entered into an exclusive arrangement with Boots the Chemist to promote PMI as part of its Health Club launch from 25th April. PruHealth has also launched new Trust and Self-Insured scheme products from April to strengthen its position in the Corporate market.

Within the Mature Life and Pensions business total APE sales of £56 million were 5 per cent lower than for the first quarter of 2006 reflecting lower DWP rebates business, down 19 per cent.

Prudential's progress in this quarter is consistent with the strategy outlined on 15th March and continues the strong retail growth seen in 2006. Prudential UK will continue to focus on profitable opportunities which deliver capital efficient returns in its chosen product areas and distribution channels.

### **US insurance operations**

Jackson, Prudential's US insurance business, delivered APE sales of £180 million in the first three months of 2007, representing a 21 per cent increase over the same period in 2006, driven by continued growth in sales of variable annuities. On a PVNBP basis, new business sales were £1.8 billion. Retail APE sales of £134 million were up 23 per cent.

Jackson delivered record variable annuity sales of £1.1 billion in the first quarter of 2007, up 31 per cent on the corresponding period last year. For the full year 2006, Jackson increased its variable annuity market share to 4.6 per cent, up from 3.6 per cent for full year 2005, and maintained its ranking as the 12th leading variable annuity provider during the full year 2006. This impressive growth trend in variable annuity sales continued in the first quarter of 2007, driven by Jackson's distinct competitive advantages of an innovative product offering, an efficient and flexible technology platform, a relationship-driven distribution model and award winning customer service. In particular, Jackson's distribution model successfully supports the ability of Jackson's wholesalers to use a sophisticated sales process in order to forge productive, long-term relationships with advisers.

Fixed annuity APE sales of £13 million were in line with sales in the same period of 2006 at CER. Entry spreads for fixed annuities continued to be challenging in the first quarter of 2007 as the current interest rate environment, characterised by an inverted yield curve, limits the crediting rates that can be offered on the products and therefore diminishes their attractiveness to customers.

Fixed index annuity sales continued to be affected by the uncertain regulatory environment in the US. APE sales of £11 million were 8 per cent down on the same period in 2006.

Institutional APE sales of £47 million were up 15 per cent on the same period in 2006, as Jackson continues to participate in this market on an opportunistic basis.

In the first quarter of 2007, Jackson continued its track record of product innovation by launching a new line of retail mutual funds and a simplified variable annuity, and by adding new fund options and features to its existing variable annuity offering.

Curian Capital, a specialised asset management company that provides innovative fee-based separately managed accounts, continues to build its position in the US retail asset management market with total assets under management at the end of March 2007 of £1.4 billion (\$2.7 billion) compared with £1.2 billion at CER (\$2.4 billion) at the end of December 2006. Curian generated record deposits in the first quarter of 2007 of £150 million, up 38 per cent on the same period in 2006.

Jackson has made a strong start to the year, focusing on value-driven growth in its key product offering and it continues to be well positioned to take advantage of the growing opportunities in the US retirement market.

## Asia insurance operations

Prudential's Asian life operations delivered new business APE of £277 million representing growth of 34 per cent over the first quarter 2006 and reflecting the excellent momentum of the business. On the PVNBP basis sales for first quarter 2007 of £1.5 billion are 33 per cent higher than the same period last year.

Prudential's focus continues to be investing to strengthen and diversify its Asian platform to maximise shareholder returns from the existing business and explore new profitable growth opportunities. Agency growth and productivity improvements remain core drivers with agent numbers at 31 March 2007 of 335,000. This was driven primarily by India up 214 per cent on the same quarter last year, together with China and Indonesia up 43 per cent and 20 per cent respectively. As our bank and broker distribution channels continue to strengthen, the proportion of new business from traditional agency distribution was 67 per cent compared to 71 per cent last year. Unit-linked business represented 67 per cent of new business for the quarter.

In China, CITIC Prudential is now operating in 16 cities with APE sales of £12 million, an increase of 100 per cent compared to the first quarter of 2006. Guangzhou, Beijing and Shanghai account for 60 per cent of the first quarter APE.

Prudential's joint venture with ICICI in India continued to perform very strongly during the first quarter, the final quarter of the Indian fiscal year, and traditionally the busiest time of year. First quarter APE of £57 million was an increase of 90 per cent on the same quarter in 2006. The operation continues to lead the private sector by a clear margin and as announced recently by ICICI, its shareholding will be transferred to an ICICI holding company with a view to an IPO. This will not affect the operation of the business or Prudential's 26 per cent stake.

Prudential's life business in Indonesia continues to go from strength to strength with APE sales of £22 million, 69 per cent up on the same period last year, driven by increased agent numbers. This business is predominantly unit-linked. Work is progressing with Citibank on establishing bancassurance distribution in Indonesia.

In Hong Kong, Prudential continues to make excellent progress through both agency distribution and bancassurance with Standard Chartered Bank. New business APE at £36 million is up 57 per cent on last year. The business mix also includes a higher proportion of unit-linked products.

Prudential's Singapore life business produced a 19 per cent increase in APE for the first quarter and finished 2006 with market leading share for APE. In Malaysia, industry sales remain depressed following regulatory changes last year. However, our sales were the same as those achieved in the first quarter of 2006. The Takaful joint venture with Bank Simpanan Nasional (BSN) continues to perform well.

Prudential's Korean life business, with APE of £55 million, increased by 6 per cent compared to the first quarter of 2006. This reflects a market slowdown in variable unit-linked products, increased competition in the general agent channel and lower agent recruitment. The outlook remains positive, particularly with new distribution agreements with Industrial Bank of Korea and Korea Bank getting underway in the second quarter.

In Taiwan, first quarter APE at £37 million is 8 per cent lower than the equivalent very strong quarter last year. The proportion of higher margin unit-linked remains high at 61 per cent.

Good progress is being made in Japan where new business APE is £10 million. This is a combination of the award by Fitch of an A- credit rating for PCA Life Japan in February and an increase in sales ahead of an anticipated change in local tax regulations, which could reduce the tax benefit provided by the Increasing Term Life product.

Prudential has an excellent track record of building profitable businesses in Asia and its focus continues to be on profitable and sustainable long-term growth.

## **Asset Management**

### **M&G**

M&G made a solid start to the year, delivering gross fund inflows of £3.3 billion, a 13 per cent increase on the previous record-breaking first quarter last year. This reflects the strengths of M&G's diversified product offering in the areas of retail fund management, institutional fixed income, pooled life and pension funds, property and private finance.

Net fund inflows were the second highest ever achieved at £1.4 billion, but were 22 per cent down on last year. This was mainly due to asset allocation shifts by retail investors in Europe and lower flows into segregated bond funds, typically lower margin institutional business. External funds under management grew to £46 billion.

Gross inflows into retail funds increased by 20 per cent to £1.9 billion during the first quarter. Net retail fund inflows were down by a third to £573 million, due to increased redemptions in Europe as a result of asset allocation shifts by investors in the wake of equity market falls in late February.

Strong retail sales momentum continued in the UK, with gross fund inflows increasing by 56 per cent and net inflows up 49 per cent compared with the same period last year. Over the past two years, UK net fund inflows have increased sixfold. Asian markets, where M&G distributes funds in partnership with Prudential Corporation Asia (PCA), also saw strong growth with net inflows tripling in the first quarter compared to 2006.

M&G's institutional businesses delivered gross fund inflows of £1.3 billion during the first quarter, in line with the same period last year. Net fund inflows fell 14 per cent to £794 million, largely due to a fall in lower margin business such as traditional segregated bond funds.

M&G's institutional strategy has been to utilise the skills developed primarily for internal funds to build new, higher margin business streams and diversify revenues, and in the first quarter these more profitable areas grew significantly. Gross fund inflows into higher margin areas, such as leveraged loans, collateralised debt obligations (CDOs), infrastructure finance and the Episode global macro hedge fund increased threefold during the first quarter and represented half of all institutional flows. Net fund inflows into these areas more than tripled in the first quarter of 2007, compared to the same period last year, producing a more profitable sales mix.

### **Asian Fund Management Business**

The Asian Fund Management business made a record start to the year, delivering its highest first quarter third party net inflows since the business was launched in 1998.

Net inflows of £0.6 billion were up 18 per cent against the same period in 2006. Of the £0.6 billion in net flows, 93 per cent were in longer-term equity and fixed income products with 7 per cent in shorter-term money market funds. India and Japan recorded the strongest inflows.

Total third party funds under management were £12.8 billion, an increase of 5 per cent compared to the fourth quarter in 2006. India, Japan and Korea continue to be the main drivers of growth due to their innovative product strategy, expanded distribution channels and good fund performance.

In Taiwan, during the first quarter of 2007, PCA Securities Investment Trust (PSIT) was selected as a fund manager for The Public Service Pension Fund mandate.

The Asian Fund Management business continued to grow its institutional business and during the first quarter of 2007 it was awarded investment mandates of £200 million from a number of Asian government related entities.

Prudential remains confident that its fund management businesses in Asia are in an ideal position to achieve strong and profitable growth.

**ENDS**

## Enquiries:

### Media

Jon Bunn  
William Baldwin-Charles

020 7548 3559  
020 7548 3719

### Investors/Analysts

James Matthews  
Valerie Pariente

020 7548 3561  
020 7548 3511

## Notes to Editor:

1. Annual premium equivalent (APE) sales comprise regular premium sales plus one-tenth of single premium insurance sales and are subject to rounding.
2. Present Value of New Business Premiums (PVNBP) are calculated as equalling single premiums plus the present value of expected new business premiums of regular premium business, allowing for lapses and other assumptions made in determining the EEV new business contribution.
3. UK Retail sales include all products except bulk annuities and credit life sales.
4. There will be a conference call today for wire services at 7.30am hosted by Mark Tucker, Group Chief Executive, and Philip Broadley, Group Finance Director. Dial in telephone number: +44 (0)20 8609 0205. Pin number: 155439#
5. There will be a conference call for investors and analysts at 10:00am hosted by Mark Tucker, Group Chief Executive, and Philip Broadley, Group Finance Director. From the UK please call +44 (0)20 8609 0793 and from the US 1 866 793 4279. Pin number 487687#. A recording of this call will be available for replay for one week by dialling: +44 (0)20 8609 0289 from the UK or 1 866 676 5865 from the US. The conference reference number is 169904#.
6. High resolution photographs are available to the media free of charge at [www.newscast.co.uk](http://www.newscast.co.uk) (+44 (0) 207 608 1000).
7. Sales for overseas operations have been reported using average exchange rates as shown in the attached schedules. Commentary is given on the results on a constant exchange rate basis. The two bases are compared in the table below.

	Annual Premium Equivalent Sales					
	Actual Exchange Rates			Constant Exchange Rates		
	2007	2006	+/- (%)	2007	2006	+/- (%)
	£m	£m		£m	£m	
UK	183	238	(23)%	183	238	(23)%
US	180	167	8%	180	149	21%
Asia	277	226	23%	277	207	34%
<b>Total</b>	<b>640</b>	<b>631</b>	<b>1%</b>	<b>640</b>	<b>594</b>	<b>8%</b>

	Gross Inflows					
	Actual Exchange Rates			Constant Exchange Rates		
	2007	2006	+/- (%)	2007	2006	+/- (%)
	£m	£m		£m	£m	
M&G	3,283	2,915	13%	3,283	2,915	13%
US	4	0		4	0	
Asia	7,155	4,407	62%	7,155	4,003	79%
<b>Total</b>	<b>10,442</b>	<b>7,322</b>	<b>43%</b>	<b>10,442</b>	<b>6,918</b>	<b>51%</b>

	Total Insurance and Investment New Business					
	Actual Exchange Rates			Constant Exchange Rates		
	2007	2006	+/- (%)	2007	2006	+/- (%)
	£m	£m		£m	£m	
Insurance	3,725	4,128	(10)%	3,725	3,921	(5)%
Investment	10,442	7,322	43%	10,442	6,918	51%
<b>Total</b>	<b>14,167</b>	<b>11,450</b>	<b>24%</b>	<b>14,167</b>	<b>10,839</b>	<b>31%</b>

8. For Jackson, market share data is provided for the full year of 2006, being the latest available. Variable annuity data is sourced from VARDS, fixed annuity data is sourced from LIMRA and fixed index annuities data is sourced from LIMRA and The Advantage Group.

9. **Financial Calendar 2006 - 2007:**

AGM  
Interim Results  
Q3 New Business Figures

17 May 2007  
1 August 2007  
18 October 2007

\*Prudential plc is a company incorporated and with its principal place of business in England, and its affiliated companies constitute one of the world's leading financial services groups. It provides insurance and financial services directly and through its subsidiaries and affiliates throughout the world. It has been in existence for over 150 years and has £250.7 billion in assets under management as at 31 December 2006. Prudential plc is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America.

**Forward-Looking Statements**

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

## PRUDENTIAL PLC - NEW BUSINESS - QUARTER 1 2007

## TOTAL INSURANCE AND INVESTMENT NEW BUSINESS

	UK & Europe			US <sup>(1a)</sup>			Asia <sup>(1a)</sup>			Total		
	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)
Total Insurance Products	1,375	2,047	(33%)	1,766	1,460	21%	584	414	41%	3,725	3,921	(5%)
Total Investment Products - Gross Inflows <sup>(2)</sup>	3,283	2,915	13%	4	-	-	7,155	4,003	79%	10,442	6,918	51%
Group Total	4,658	4,962	(6%)	1,770	1,460	21%	7,739	4,417	75%	14,167	10,839	31%

## INSURANCE OPERATIONS

	Single			Regular			Total			Annual Equivalents <sup>(3)</sup>		
	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)
<b>UK Insurance Operations</b>												
<b>Product Summary</b>												
Internal Vesting annuities	325	254	28%	-	-	-	325	254	28%	33	25	32%
Direct and Partnership Annuities	205	103	99%	-	-	-	205	103	99%	21	10	110%
Intermediated Annuities	132	132	0%	-	-	-	132	132	0%	13	13	0%
<b>Total Individual Annuities</b>	<b>662</b>	<b>489</b>	<b>35%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>662</b>	<b>489</b>	<b>35%</b>	<b>66</b>	<b>49</b>	<b>35%</b>
Equity Release	34	9	278%	-	-	-	34	9	278%	3	1	200%
Individual Pensions	9	3	200%	-	-	-	9	3	200%	1	-	-
Corporate Pensions	129	13	892%	14	9	56%	143	22	550%	27	10	170%
Unit Linked Bonds	71	115	(38%)	-	-	-	71	115	(38%)	7	12	(42%)
With-Profit Bonds	56	29	93%	-	-	-	56	29	93%	6	3	100%
Protection	-	-	-	1	3	(67%)	1	3	(67%)	1	3	(67%)
Offshore Products	127	191	(34%)	1	-	-	128	191	(33%)	14	19	(26%)
<b>Total Retail Retirement</b>	<b>1,088</b>	<b>849</b>	<b>28%</b>	<b>16</b>	<b>12</b>	<b>33%</b>	<b>1,104</b>	<b>861</b>	<b>28%</b>	<b>125</b>	<b>97</b>	<b>29%</b>
Corporate Pensions	46	116	(60%)	28	19	47%	74	135	(45%)	33	31	6%
Other Products	49	65	(25%)	6	6	0%	55	71	(23%)	11	13	(15%)
DWP Rebates	129	161	(20%)	-	-	-	129	161	(20%)	13	16	(19%)
<b>Total Mature Life and Pensions</b>	<b>224</b>	<b>342</b>	<b>(35%)</b>	<b>34</b>	<b>25</b>	<b>36%</b>	<b>258</b>	<b>367</b>	<b>(30%)</b>	<b>56</b>	<b>59</b>	<b>(5%)</b>
<b>Total Retail</b>	<b>1,312</b>	<b>1,191</b>	<b>10%</b>	<b>50</b>	<b>37</b>	<b>35%</b>	<b>1,362</b>	<b>1,228</b>	<b>11%</b>	<b>181</b>	<b>156</b>	<b>16%</b>
Wholesale Annuities	3	664	(100%)	-	-	-	3	664	(100%)	-	66	-
Credit Life	10	155	(94%)	-	-	-	10	155	(94%)	1	16	(94%)
<b>Total UK Insurance Operations</b>	<b>1,325</b>	<b>2,010</b>	<b>(34%)</b>	<b>50</b>	<b>37</b>	<b>35%</b>	<b>1,375</b>	<b>2,047</b>	<b>(33%)</b>	<b>183</b>	<b>238</b>	<b>(23%)</b>
<b>Channel Summary</b>												
Direct and Partnership	634	440	44%	43	30	43%	677	470	44%	106	74	43%
Intermediated	549	590	(7%)	7	7	0%	556	597	(7%)	62	66	(6%)
Wholesale	13	819	(98%)	-	-	-	13	819	(98%)	1	82	(99%)
<b>Sub-Total</b>	<b>1,196</b>	<b>1,849</b>	<b>(35%)</b>	<b>50</b>	<b>37</b>	<b>35%</b>	<b>1,246</b>	<b>1,886</b>	<b>(34%)</b>	<b>170</b>	<b>222</b>	<b>(23%)</b>
DWP Rebates	129	161	(20%)	-	-	-	129	161	(20%)	13	16	(19%)
<b>Total UK Insurance Operations</b>	<b>1,325</b>	<b>2,010</b>	<b>(34%)</b>	<b>50</b>	<b>37</b>	<b>35%</b>	<b>1,375</b>	<b>2,047</b>	<b>(33%)</b>	<b>183</b>	<b>238</b>	<b>(23%)</b>
<b>US Insurance Operations <sup>(1a)</sup></b>												
Fixed Annuities	134	133	1%	-	-	-	134	133	1%	13	13	0%
Fixed Index Annuities	109	119	(8%)	-	-	-	109	119	(8%)	11	12	(8%)
Variable Annuities	1,050	802	31%	-	-	-	1,050	802	31%	105	80	31%
Life	2	2	0%	4	3	33%	6	5	20%	4	3	33%



<b>Sub-Total Retail</b>	<b>1,295</b>	<b>1,056</b>	<b>23%</b>	<b>4</b>	<b>3</b>	<b>33%</b>	<b>1,299</b>	<b>1,059</b>	<b>23%</b>	<b>134</b>	<b>109</b>	<b>23%</b>
Guaranteed Investment Contracts	132	245	(46%)	-	-	-	132	245	(46%)	13	25	(48%)
GIC - Medium Term Note	335	156	115%	-	-	-	335	156	115%	34	16	113%
<b>Total US Insurance Operations</b>	<b>1,762</b>	<b>1,457</b>	<b>21%</b>	<b>4</b>	<b>3</b>	<b>33%</b>	<b>1,766</b>	<b>1,460</b>	<b>21%</b>	<b>180</b>	<b>149</b>	<b>21%</b>
<b>Asian Insurance Operations <sup>(1A)</sup></b>												
China	6	10	(40%)	11	5	120%	17	15	13%	12	6	100%
Hong Kong	102	59	73%	26	17	53%	128	76	68%	36	23	57%
India <sup>(6)</sup>	12	7	71%	56	29	93%	68	36	89%	57	30	90%
Indonesia	16	4	300%	20	13	54%	36	17	112%	22	13	69%
Japan	30	9	233%	7	-	-	37	9	311%	10	1	900%
Korea	27	28	(4%)	52	49	6%	79	77	3%	55	52	6%
Malaysia	2	1	100%	14	14	0%	16	15	7%	14	14	0%
Singapore	103	83	24%	15	13	15%	118	96	23%	25	21	19%
Taiwan	36	27	33%	33	37	(11%)	69	64	8%	37	40	(8%)
Other <sup>(4)</sup>	7	2	250%	9	7	29%	16	9	78%	10	7	43%
<b>Total Asian Insurance Operations</b>	<b>341</b>	<b>230</b>	<b>48%</b>	<b>243</b>	<b>184</b>	<b>32%</b>	<b>584</b>	<b>414</b>	<b>41%</b>	<b>277</b>	<b>207</b>	<b>34%</b>
<b>Group Total</b>	<b>3,428</b>	<b>3,697</b>	<b>(7%)</b>	<b>297</b>	<b>224</b>	<b>33%</b>	<b>3,725</b>	<b>3,921</b>	<b>(5%)</b>	<b>640</b>	<b>594</b>	<b>8%</b>

## PRUDENTIAL PLC - NEW BUSINESS - QUARTER 1 2007

## TOTAL INSURANCE AND INVESTMENT NEW BUSINESS

	UK & Europe			US <sup>(1b)</sup>			Asia <sup>(1b)</sup>			Total		
	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)
Total Insurance Products	1,375	2,047	(33%)	1,766	1,629	8%	584	452	29%	3,725	4,128	(10%)
Total Investment Products - Gross Inflows <sup>(2)</sup>	3,283	2,915	13%	4	-	-	7,155	4,407	62%	10,442	7,322	43%
Group Total	4,658	4,962	(6%)	1,770	1,629	9%	7,739	4,859	59%	14,167	11,450	24%

## INSURANCE OPERATIONS

	Single			Regular			Total			Annual Equivalents <sup>(3)</sup>		
	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)
<b>UK Insurance Operations</b>												
<b>Product Summary</b>												
Internal Vesting annuities	325	254	28%	-	-	-	325	254	28%	33	25	32%
Direct and Partnership Annuities	205	103	99%	-	-	-	205	103	99%	21	10	110%
Intermediated Annuities	132	132	0%	-	-	-	132	132	0%	13	13	0%
<b>Total Individual Annuities</b>	<b>662</b>	<b>489</b>	<b>35%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>662</b>	<b>489</b>	<b>35%</b>	<b>66</b>	<b>49</b>	<b>35%</b>
Equity Release	34	9	278%	-	-	-	34	9	278%	3	1	200%
Individual Pensions	9	3	200%	-	-	-	9	3	200%	1	-	-
Corporate Pensions	129	13	892%	14	9	56%	143	22	550%	27	10	170%
Unit Linked Bonds	71	115	(38%)	-	-	-	71	115	(38%)	7	12	(42%)
With-Profit Bonds	56	29	93%	-	-	-	56	29	93%	6	3	100%
Protection	-	-	-	1	3	(67%)	1	3	(67%)	1	3	(67%)
Offshore Products	127	191	(34%)	1	-	-	128	191	(33%)	14	19	(26%)
<b>Total Retail Retirement</b>	<b>1,088</b>	<b>849</b>	<b>28%</b>	<b>16</b>	<b>12</b>	<b>33%</b>	<b>1,104</b>	<b>861</b>	<b>28%</b>	<b>125</b>	<b>97</b>	<b>29%</b>
Corporate Pensions	46	116	(60%)	28	19	47%	74	135	(45%)	33	31	6%
Other Products	49	65	(25%)	6	6	0%	55	71	(23%)	11	13	(15%)
DWP Rebates	129	161	(20%)	-	-	-	129	161	(20%)	13	16	(19%)
<b>Total Mature Life and Pensions</b>	<b>224</b>	<b>342</b>	<b>(35%)</b>	<b>34</b>	<b>25</b>	<b>36%</b>	<b>258</b>	<b>367</b>	<b>(30%)</b>	<b>56</b>	<b>59</b>	<b>(5%)</b>
<b>Total Retail</b>	<b>1,312</b>	<b>1,191</b>	<b>10%</b>	<b>50</b>	<b>37</b>	<b>35%</b>	<b>1,362</b>	<b>1,228</b>	<b>11%</b>	<b>181</b>	<b>156</b>	<b>16%</b>
Wholesale Annuities	3	664	(100%)	-	-	-	3	664	(100%)	-	66	-
Credit Life	10	155	(94%)	-	-	-	10	155	(94%)	1	16	(94%)
<b>Total UK Insurance Operations</b>	<b>1,325</b>	<b>2,010</b>	<b>(34%)</b>	<b>50</b>	<b>37</b>	<b>35%</b>	<b>1,375</b>	<b>2,047</b>	<b>(33%)</b>	<b>183</b>	<b>238</b>	<b>(23%)</b>
<b>Channel Summary</b>												
Direct and Partnership	634	440	44%	43	30	43%	677	470	44%	106	74	43%
Intermediated	549	590	(7%)	7	7	0%	556	597	(7%)	62	66	(6%)
Wholesale	13	819	(98%)	-	-	-	13	819	(98%)	1	82	(99%)
<b>Sub-Total</b>	<b>1,196</b>	<b>1,849</b>	<b>(35%)</b>	<b>50</b>	<b>37</b>	<b>35%</b>	<b>1,246</b>	<b>1,886</b>	<b>(34%)</b>	<b>170</b>	<b>222</b>	<b>(23%)</b>
DWP Rebates	129	161	(20%)	-	-	-	129	161	(20%)	13	16	(19%)
<b>Total UK Insurance Operations</b>	<b>1,325</b>	<b>2,010</b>	<b>(34%)</b>	<b>50</b>	<b>37</b>	<b>35%</b>	<b>1,375</b>	<b>2,047</b>	<b>(33%)</b>	<b>183</b>	<b>238</b>	<b>(23%)</b>
<b>US Insurance Operations <sup>(1b)</sup></b>												
Fixed Annuities	134	149	(10%)	-	-	-	134	149	(10%)	13	15	(13%)
Fixed Index Annuities	109	133	(18%)	-	-	-	109	133	(18%)	11	13	(15%)
Variable Annuities	1,050	894	17%	-	-	-	1,050	894	17%	105	89	18%
Life	2	2	0%	4	4	0%	6	6	0%	4	4	0%

<b>Sub-Total Retail</b>	<u>1,295</u>	<u>1,178</u>	<u>10%</u>	<u>4</u>	<u>4</u>	<u>0%</u>	<u>1,299</u>	<u>1,182</u>	<u>10%</u>	<u>134</u>	<u>122</u>	<u>10%</u>
Guaranteed Investment Contracts	132	273	(52%)	-	-	-	132	273	(52%)	13	27	(52%)
GIC - Medium Term Note	335	174	93%	-	-	-	335	174	93%	34	17	100%
<b>Total US Insurance Operations</b>	<u>1,762</u>	<u>1,625</u>	<u>8%</u>	<u>4</u>	<u>4</u>	<u>0%</u>	<u>1,766</u>	<u>1,629</u>	<u>8%</u>	<u>180</u>	<u>167</u>	<u>8%</u>
<b>Asian Insurance Operations <sup>(1b)</sup></b>												
China	6	11	(45%)	11	5	120%	17	16	6%	12	6	100%
Hong Kong	102	66	55%	26	20	30%	128	86	49%	36	27	33%
India <sup>(5)</sup>	12	8	50%	56	32	75%	68	40	70%	57	33	73%
Indonesia	16	4	300%	20	14	43%	36	18	100%	22	14	57%
Japan	30	10	200%	7	-	-	37	10	270%	10	1	900%
Korea	27	30	(10%)	52	52	0%	79	82	(4%)	55	55	0%
Malaysia	2	1	100%	14	14	0%	16	15	7%	14	14	0%
Singapore	103	88	17%	15	14	7%	118	102	16%	25	23	9%
Taiwan	36	31	16%	33	42	(21%)	69	73	(5%)	37	45	(18%)
Other <sup>(4)</sup>	7	2	250%	9	8	13%	16	10	60%	10	8	25%
<b>Total Asian Insurance Operations</b>	<u>341</u>	<u>251</u>	<u>36%</u>	<u>243</u>	<u>201</u>	<u>21%</u>	<u>584</u>	<u>452</u>	<u>29%</u>	<u>277</u>	<u>226</u>	<u>23%</u>
<b>Group Total</b>	<u>3,428</u>	<u>3,886</u>	<u>(12%)</u>	<u>297</u>	<u>242</u>	<u>23%</u>	<u>3,725</u>	<u>4,128</u>	<u>(10%)</u>	<u>640</u>	<u>631</u>	<u>1%</u>

## PRUDENTIAL PLC - NEW BUSINESS - QUARTER 1 2007

## INVESTMENT OPERATIONS

2007	Opening	Gross Inflows	Redemptions	Net Inflows	Other	Market &	Net	Closing
	FUM	Gross Inflows	Redemptions	Net Inflows	Movements	Currency	Movement	FUM
	£m	£m	£m	£m	£m	Movements	In FUM	£m
<b>M&amp;G</b>								
Retail	19,176	1,944	(1,371)	573	-	355	928	20,104
Institutional <sup>(5)</sup>	25,770	1,339	(545)	794	(81)	(462)	251	26,021
<b>Total M&amp;G</b>	<u>44,946</u>	<u>3,283</u>	<u>(1,916)</u>	<u>1,367</u>	<u>(81)</u>	<u>(107)</u>	<u>1,179</u>	<u>46,125</u>
<b>Asia <sup>(10)</sup></b>								
India <sup>(9)</sup>	1,290	488	(236)	252	83	(10)	325	1,615
Taiwan	969	317	(280)	37	-	23	60	1,029
Korea	2,952	697	(566)	131	(41)	(9)	81	3,033
Japan	2,816	448	(235)	213	-	(40)	173	2,989
Other Mutual Fund Operations	1,468	206	(269)	(63)	(7)	60	(10)	1,458
<b>Total Asian Equity/Bond/Other</b>	<u>9,495</u>	<u>2,156</u>	<u>(1,586)</u>	<u>570</u>	<u>35</u>	<u>24</u>	<u>629</u>	<u>10,124</u>
<b>MMF</b>								
India <sup>(9)</sup>	709	3,914	(3,872)	42	(102)	28	(32)	677
Taiwan	467	353	(327)	26	-	(7)	19	486
Korea	609	634	(699)	(65)	(1)	(1)	(67)	542
Other Mutual Fund Operations	133	93	(53)	40	-	1	41	174
<b>Total Asian MMF</b>	<u>1,918</u>	<u>4,994</u>	<u>(4,951)</u>	<u>43</u>	<u>(103)</u>	<u>21</u>	<u>(39)</u>	<u>1,879</u>
<b>Total Asia Retail Mutual Funds</b>	<u>11,413</u>	<u>7,150</u>	<u>(6,537)</u>	<u>613</u>	<u>(68)</u>	<u>45</u>	<u>590</u>	<u>12,003</u>
Third Party Institutional Mandates	840	5	(18)	(13)	-	8	(5)	835
<b>Total Asian Investment Operations</b>	<u>12,253</u>	<u>7,155</u>	<u>(6,555)</u>	<u>600</u>	<u>(68)</u>	<u>53</u>	<u>585</u>	<u>12,838</u>
<b>US</b>								
Retail	-	4	-	4	-	1	5	5
<b>Total US</b>	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>1</u>	<u>5</u>	<u>5</u>
<b>Total Investment Products</b>	<u>57,199</u>	<u>10,442</u>	<u>(8,471)</u>	<u>1,971</u>	<u>(149)</u>	<u>(53)</u>	<u>1,769</u>	<u>58,968</u>
	Opening	Gross Inflows	Redemptions	Net Inflows	Other	Market &	Net	Closing
	FUM	Gross Inflows	Redemptions	Net Inflows	Movements	Currency	Movement	FUM
	£m	£m	£m	£m	£m	Movements	In FUM	£m
<b>2006</b>								
<b>M&amp;G</b>								
Retail	14,627	1,620	(799)	821	-	1,000	1,821	16,448
Institutional <sup>(5)</sup>	21,568	1,295	(372)	923	50	680	1,653	23,221
<b>Total M&amp;G</b>	<u>36,195</u>	<u>2,915</u>	<u>(1,171)</u>	<u>1,744</u>	<u>50</u>	<u>1,680</u>	<u>3,474</u>	<u>39,669</u>
<b>Asia <sup>(10)</sup></b>								
India <sup>(9)</sup>	1,005	262	(176)	86	14	(43)	57	1,062
Taiwan	632	209	(204)	5	-	28	33	665
Korea	2,269	877	(436)	441	(115)	111	437	2,706
Japan	2,695	286	(285)	1	-	35	36	2,731
Other Mutual Fund Operations	1,037	209	(169)	40	-	42	82	1,119
<b>Total Asia Equity/Bond/Other</b>	<u>7,638</u>	<u>1,843</u>	<u>(1,270)</u>	<u>573</u>	<u>(101)</u>	<u>173</u>	<u>645</u>	<u>8,283</u>
<b>MMF</b>								
India <sup>(9)</sup>	461	1,530	(1,608)	(78)	(23)	150	49	510
Taiwan	667	449	(437)	12	-	3	15	682
Korea	534	537	(545)	(8)	(3)	20	9	543
Other Mutual Fund Operations	143	43	(33)	10	-	1	11	154
<b>Total Asian MMF</b>	<u>1,805</u>	<u>2,559</u>	<u>(2,623)</u>	<u>(64)</u>	<u>(26)</u>	<u>174</u>	<u>84</u>	<u>1,889</u>
<b>Total Asia Retail Mutual Funds</b>	<u>9,443</u>	<u>4,402</u>	<u>(3,893)</u>	<u>509</u>	<u>(127)</u>	<u>347</u>	<u>729</u>	<u>10,172</u>
Third Party Institutional Mandates	691	5	(5)	-	-	41	41	732
<b>Total Asian Investment Operations</b>	<u>10,134</u>	<u>4,407</u>	<u>(3,898)</u>	<u>509</u>	<u>(127)</u>	<u>388</u>	<u>770</u>	<u>10,904</u>
<b>US</b>								
Retail	-	-	-	-	-	-	-	-
<b>Total US</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Investment Products</b>	<u>46,329</u>	<u>7,322</u>	<u>(5,069)</u>	<u>2,253</u>	<u>(77)</u>	<u>2,068</u>	<u>4,244</u>	<u>50,573</u>
	Opening	Gross Inflows	Redemptions	Net Inflows	Other	Market &	Net	Closing
	FUM	Gross Inflows	Redemptions	Net Inflows	Movements	Currency	Movement	FUM
	£m	£m	£m	£m	£m	Movements	In FUM	£m

**2007 Movement Relative to 2006**

	%	%	%	%	%	%	%	
<b>M&amp;G</b>								
Retail	31%	20%	(72%)	(30%)	-	(65%)	(49%)	22%
Institutional <sup>(5)</sup>	19%	3%	(47%)	(14%)	(262%)	(168%)	(85%)	12%
<b>Total M&amp;G</b>	<u>24%</u>	<u>13%</u>	<u>(64%)</u>	<u>(22%)</u>	<u>(262%)</u>	<u>(106%)</u>	<u>(66%)</u>	<u>16%</u>
<b>Asia <sup>(10)</sup></b>								
India <sup>(9)</sup>	28%	86%	(34%)	193%	493%	77%	470%	52%
Taiwan	53%	52%	(37%)	640%	-	(18%)	82%	55%
Korea	30%	(21%)	(30%)	(70%)	64%	(108%)	(81%)	12%
Japan	4%	57%	18%	21,200%	-	(214%)	381%	9%
Other Mutual Fund Operations	42%	(1%)	(59%)	(258%)	-	43%	(112%)	30%
<b>Total Asia Equity/Bond/Other</b>	<u>24%</u>	<u>17%</u>	<u>(25%)</u>	<u>(1%)</u>	<u>138%</u>	<u>(86%)</u>	<u>(2%)</u>	<u>22%</u>
<b>MMF</b>								
India <sup>(9)</sup>	54%	156%	(141%)	154%	(343%)	(81%)	(165%)	33%
Taiwan	(30%)	(21%)	25%	117%	-	(333%)	27%	(29%)
Korea	14%	18%	(28%)	(713%)	67%	(105%)	(844%)	(0%)
Other Mutual Fund Operations	(7%)	116%	(61%)	300%	-	0%	273%	13%
<b>Total Asian MMF</b>	<u>6%</u>	<u>95%</u>	<u>(89%)</u>	<u>167%</u>	<u>(296%)</u>	<u>(88%)</u>	<u>(146%)</u>	<u>(1%)</u>
<b>Total Asian Retail Mutual Funds</b>	<u>21%</u>	<u>62%</u>	<u>(68%)</u>	<u>20%</u>	<u>46%</u>	<u>(87%)</u>	<u>(19%)</u>	<u>18%</u>
<b>Total Asian Investment Operations</b>	<u>21%</u>	<u>62%</u>	<u>(68%)</u>	<u>18%</u>	<u>46%</u>	<u>(86%)</u>	<u>(24%)</u>	<u>18%</u>
<b>US</b>								
Retail	-	-	-	-	-	-	-	-
<b>Total US</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Investment Products</b>	<u>23%</u>	<u>43%</u>	<u>(67%)</u>	<u>(13%)</u>	<u>(94%)</u>	<u>(103%)</u>	<u>(58%)</u>	<u>17%</u>

	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)
<b>US <sup>(7)</sup></b>			
<b>Curian Capital</b>			
External Funds Under Administration	1,369	962	42%

## PRUDENTIAL PLC - NEW BUSINESS - QUARTER 1 2007 VERSUS QUARTER 4 2006

## INSURANCE OPERATIONS

	Single			Regular			Total			Annual Equivalents <sup>(3)</sup>		
	Q1 2007 £m	Q 4 2006 £m	+/- (%)	Q1 2007 £m	Q 4 2006 £m	+/- (%)	Q1 2007 £m	Q 4 2006 £m	+/- (%)	Q1 2007 £m	Q 4 2006 £m	+/- (%)
<b>UK Insurance Operations</b>												
<b>Product Summary</b>												
Internal Vesting annuities	325	369	(12%)	-	-	-	325	369	(12%)	33	37	(11%)
Direct and Partnership Annuities	205	279	(27%)	-	-	-	205	279	(27%)	21	28	(25%)
Intermediated Annuities	132	188	(30%)	-	-	-	132	188	(30%)	13	19	(32%)
<b>Total Individual Annuities</b>	<b>662</b>	<b>836</b>	<b>(21%)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>662</b>	<b>836</b>	<b>(21%)</b>	<b>66</b>	<b>84</b>	<b>(21%)</b>
Equity Release	34	34	0%	-	-	-	34	34	0%	3	3	0%
Individual Pensions	9	5	80%	-	-	-	9	5	80%	1	1	0%
Corporate Pensions	129	265	(51%)	14	27	(48%)	143	292	(51%)	27	54	(50%)
Unit Linked Bonds	71	85	(16%)	-	-	-	71	85	(16%)	7	9	(22%)
With-Profit Bonds	56	49	14%	-	-	-	56	49	14%	6	5	20%
Protection	-	9	(100%)	1	-	-	1	9	(89%)	1	1	0%
Offshore Products	127	100	27%	1	-	-	128	100	28%	14	10	40%
<b>Total Retail Retirement</b>	<b>1,088</b>	<b>1,383</b>	<b>(21%)</b>	<b>16</b>	<b>27</b>	<b>(41%)</b>	<b>1,104</b>	<b>1,410</b>	<b>(22%)</b>	<b>125</b>	<b>165</b>	<b>(24%)</b>
Corporate Pensions	46	73	(37%)	28	19	47%	74	92	(20%)	33	26	27%
Other Products	49	52	(6%)	6	7	(14%)	55	59	(7%)	11	12	(8%)
DWP Rebates	129	-	-	-	-	-	129	-	-	13	-	-
<b>Total Mature Life and Pensions</b>	<b>224</b>	<b>125</b>	<b>79%</b>	<b>34</b>	<b>26</b>	<b>31%</b>	<b>258</b>	<b>151</b>	<b>71%</b>	<b>56</b>	<b>39</b>	<b>44%</b>
<b>Total Retail</b>	<b>1,312</b>	<b>1,508</b>	<b>(13%)</b>	<b>50</b>	<b>53</b>	<b>(6%)</b>	<b>1,362</b>	<b>1,561</b>	<b>(13%)</b>	<b>181</b>	<b>204</b>	<b>(11%)</b>
Wholesale Annuities	3	131	(98%)	-	-	-	3	131	(98%)	-	13	-
Credit Life	10	197	(95%)	-	-	-	10	197	(95%)	1	20	(95%)
<b>Total UK Insurance Operations</b>	<b>1,325</b>	<b>1,836</b>	<b>(28%)</b>	<b>50</b>	<b>53</b>	<b>(6%)</b>	<b>1,375</b>	<b>1,889</b>	<b>(27%)</b>	<b>183</b>	<b>237</b>	<b>(23%)</b>
<b>Channel Summary</b>												
Direct and Partnership	634	949	(33%)	43	47	(9%)	677	996	(32%)	106	142	(25%)
Intermediated	549	559	(2%)	7	6	17%	556	565	(2%)	62	62	0%
Wholesale	13	328	(96%)	-	-	-	13	328	(96%)	1	33	(97%)
<b>Sub-Total</b>	<b>1,196</b>	<b>1,836</b>	<b>(35%)</b>	<b>50</b>	<b>53</b>	<b>(6%)</b>	<b>1,246</b>	<b>1,889</b>	<b>(34%)</b>	<b>170</b>	<b>237</b>	<b>(28%)</b>
DWP Rebates	129	-	-	-	-	-	129	-	-	13	-	-
<b>Total UK Insurance Operations</b>	<b>1,325</b>	<b>1,836</b>	<b>(28%)</b>	<b>50</b>	<b>53</b>	<b>(6%)</b>	<b>1,375</b>	<b>1,889</b>	<b>(27%)</b>	<b>183</b>	<b>237</b>	<b>(23%)</b>
<b>US Insurance Operations<sup>(8)</sup></b>												
Fixed Annuities	134	171	(22%)	-	-	-	134	171	(22%)	13	17	(24%)
Fixed Index Annuities	109	118	(8%)	-	-	-	109	118	(8%)	11	12	(8%)
Variable Annuities	1,050	1,010	4%	-	-	-	1,050	1,010	4%	105	101	4%
Life	2	2	0%	4	4	0%	6	6	0%	4	4	0%
<b>Sub-Total Retail</b>	<b>1,295</b>	<b>1,301</b>	<b>(0%)</b>	<b>4</b>	<b>4</b>	<b>0%</b>	<b>1,299</b>	<b>1,305</b>	<b>(0%)</b>	<b>134</b>	<b>134</b>	<b>0%</b>
Guaranteed Investment Contracts	132	133	(1%)	-	-	-	132	133	(1%)	13	13	0%
GIC - Medium Term Note	335	(6)	5,683%	-	-	-	335	(6)	5,683%	34	(1)	3,500%
<b>Total US Insurance Operations</b>	<b>1,762</b>	<b>1,428</b>	<b>23%</b>	<b>4</b>	<b>4</b>	<b>0%</b>	<b>1,766</b>	<b>1,432</b>	<b>23%</b>	<b>180</b>	<b>147</b>	<b>22%</b>
<b>Asian Insurance Operations<sup>(8)</sup></b>												
China	6	5	20%	11	15	(27%)	17	20	(15%)	12	16	(25%)
Hong Kong	102	131	(22%)	26	35	(26%)	128	166	(23%)	36	48	(25%)
India <sup>(6)</sup>	12	6	100%	56	28	100%	68	34	100%	57	29	97%
Indonesia	16	14	14%	20	22	(9%)	36	36	0%	22	23	(4%)
Japan	30	27	11%	7	3	133%	37	30	23%	10	6	67%
Korea	27	27	0%	52	53	(2%)	79	80	(1%)	55	56	(2%)

Malaysia	2	1	100%	14	23	(39%)	16	24	(33%)	14	23	(39%)
Singapore	103	87	18%	15	25	(40%)	118	112	5%	25	34	(26%)
Taiwan	36	34	6%	33	33	0%	69	67	3%	37	36	3%
Other <sup>(4)</sup>	7	6	17%	9	11	(18%)	16	17	(6%)	10	12	(17%)
<b>Total Asian Insurance Operations</b>	<b>341</b>	<b>338</b>	<b>1%</b>	<b>243</b>	<b>248</b>	<b>(2%)</b>	<b>584</b>	<b>586</b>	<b>(0%)</b>	<b>277</b>	<b>282</b>	<b>(2%)</b>
<b>Group Total</b>	<b>3,428</b>	<b>3,602</b>	<b>(5%)</b>	<b>297</b>	<b>305</b>	<b>(3%)</b>	<b>3,725</b>	<b>3,907</b>	<b>(5%)</b>	<b>640</b>	<b>665</b>	<b>(4%)</b>

#### INVESTMENT OPERATIONS

		Opening FUM	Gross Inflows	Redemptions	Net Inflows	Other Movements	Market & Currency Movements	Net Movement In FUM	Closing FUM
		£m	£m	£m	£m	£m	£m	£m	£m
<b>M&amp;G</b>	Q1 2007	44,946	3,283	(1,916)	1,367	(81)	(107)	1,179	46,125
	Q4 2006	42,258	3,505	(2,514)	991	(6)	1,703	2,688	44,946
	+/(%)	6%	(6%)	24%	38%	(1,250%)	(106%)	(56%)	3%
<b>Asia Retail Mutual Funds</b>	Q1 2007	11,413	7,150	(6,537)	613	(68)	45	590	12,003
	Q4 2006	10,396	5,673	(4,734)	939	(34)	112	1,017	11,413
	+/(%)	10%	26%	(38%)	(35%)	(100%)	(60%)	(42%)	5%
<b>Asia Third Party</b>	Q1 2007	840	5	(18)	(13)	-	8	(5)	835
	Q4 2006	758	40	(4)	36	-	46	82	840
	+/(%)	11%	(88%)	(350%)	(136%)	-	(83%)	(106%)	(1%)
<b>US Retail Mutual Funds</b>	Q1 2007	-	4	-	4	-	1	5	5
	Q4 2006	-	-	-	-	-	-	-	-
	+/(%)	-	-	-	-	-	-	-	-
<b>Total Investment Products</b>	Q1 2007	57,199	10,442	(8,471)	1,971	(149)	(53)	1,769	58,968
	Q4 2006	53,412	9,218	(7,252)	1,966	(40)	1,861	3,787	57,199
	+/(%)	7%	13%	(17%)	0%	(273%)	(103%)	(53%)	3%

## PRUDENTIAL PLC - NEW BUSINESS - QUARTER 1 2007

## TOTAL INSURANCE AND INVESTMENT NEW BUSINESS

	UK & Europe			US <sup>(1a)</sup>			Asia <sup>(1a)</sup>			Total		
	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)
Total Insurance Products	1,375	2,047	(33%)	1,766	1,460	21%	584	414	41%	3,725	3,921	(5%)
Total Investment Products - Gross Inflows <sup>(2)</sup>	3,283	2,915	13%	4	-	-	7,155	4,003	79%	10,442	6,918	51%
Group Total	<u>4,658</u>	<u>4,962</u>	<u>(6%)</u>	<u>1,770</u>	<u>1,460</u>	<u>21%</u>	<u>7,739</u>	<u>4,417</u>	<u>75%</u>	<u>14,167</u>	<u>10,839</u>	<u>31%</u>

## INSURANCE OPERATIONS

	Single			Regular			Total			PVNBP <sup>(3)</sup>		
	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)
<b>UK Insurance Operations</b>												
<b>Product Summary</b>												
Internal Vesting annuities	325	254	28%	-	-	-	325	254	28%	325	254	28%
Direct and Partnership Annuities	205	103	99%	-	-	-	205	103	99%	205	103	99%
Intermediated Annuities	132	132	0%	-	-	-	132	132	0%	132	132	0%
<b>Total Individual Annuities</b>	<u>662</u>	<u>489</u>	<u>35%</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>662</u>	<u>489</u>	<u>35%</u>	<u>662</u>	<u>489</u>	<u>35%</u>
Equity Release	34	9	278%	-	-	-	34	9	278%	34	9	278%
Individual Pensions	9	3	200%	-	-	-	9	3	200%	9	3	200%
Corporate Pensions	129	13	892%	14	9	56%	143	22	550%	189	47	302%
Unit Linked Bonds	71	115	(38%)	-	-	-	71	115	(38%)	71	115	(38%)
With-Profit Bonds	56	29	93%	-	-	-	56	29	93%	56	29	93%
Protection	-	-	-	1	3	(67%)	1	3	(67%)	7	13	(46%)
Offshore Products	127	191	(34%)	1	-	-	128	191	(33%)	131	191	(31%)
<b>Total Retail Retirement</b>	<u>1,088</u>	<u>849</u>	<u>28%</u>	<u>16</u>	<u>12</u>	<u>33%</u>	<u>1,104</u>	<u>861</u>	<u>28%</u>	<u>1,159</u>	<u>896</u>	<u>29%</u>
Corporate Pensions	46	116	(60%)	28	19	47%	74	135	(45%)	149	189	(21%)
Other Products	49	65	(25%)	6	6	0%	55	71	(23%)	71	84	(15%)
DWP Rebates	129	161	(20%)	-	-	-	129	161	(20%)	129	161	(20%)
<b>Total Mature Life and Pensions</b>	<u>224</u>	<u>342</u>	<u>(35%)</u>	<u>34</u>	<u>25</u>	<u>36%</u>	<u>258</u>	<u>367</u>	<u>(30%)</u>	<u>349</u>	<u>434</u>	<u>(20%)</u>
<b>Total Retail</b>	<u>1,312</u>	<u>1,191</u>	<u>10%</u>	<u>50</u>	<u>37</u>	<u>35%</u>	<u>1,362</u>	<u>1,228</u>	<u>11%</u>	<u>1,508</u>	<u>1,330</u>	<u>13%</u>
Wholesale Annuities	3	664	(100%)	-	-	-	3	664	(100%)	3	664	(100%)
Credit Life	10	155	(94%)	-	-	-	10	155	(94%)	10	155	(94%)
<b>Total UK Insurance Operations</b>	<u>1,325</u>	<u>2,010</u>	<u>(34%)</u>	<u>50</u>	<u>37</u>	<u>35%</u>	<u>1,375</u>	<u>2,047</u>	<u>(33%)</u>	<u>1,521</u>	<u>2,149</u>	<u>(29%)</u>
<b>Channel Summary</b>												
Direct and Partnership	634	440	44%	43	30	43%	677	470	44%	804	559	44%
Intermediated	549	590	(7%)	7	7	0%	556	597	(7%)	575	610	(6%)
Wholesale	13	819	(98%)	-	-	-	13	819	(98%)	13	819	(98%)
<b>Sub-Total</b>	<u>1,196</u>	<u>1,849</u>	<u>(35%)</u>	<u>50</u>	<u>37</u>	<u>35%</u>	<u>1,246</u>	<u>1,886</u>	<u>(34%)</u>	<u>1,392</u>	<u>1,988</u>	<u>(30%)</u>
DWP Rebates	129	161	(20%)	-	-	-	129	161	(20%)	129	161	(20%)
<b>Total UK Insurance Operations</b>	<u>1,325</u>	<u>2,010</u>	<u>(34%)</u>	<u>50</u>	<u>37</u>	<u>35%</u>	<u>1,375</u>	<u>2,047</u>	<u>(33%)</u>	<u>1,521</u>	<u>2,149</u>	<u>(29%)</u>
<b>US Insurance Operations <sup>(1a)</sup></b>												
Fixed Annuities	134	133	1%	-	-	-	134	133	1%	134	133	1%
Fixed Index Annuities	109	119	(8%)	-	-	-	109	119	(8%)	109	119	(8%)
Variable Annuities	1,050	802	31%	-	-	-	1,050	802	31%	1,050	802	31%
Life	2	2	0%	4	3	33%	6	5	20%	36	28	29%



<b>Sub-Total Retail</b>	<u>1,295</u>	<u>1,056</u>	<u>23%</u>	<u>4</u>	<u>3</u>	<u>33%</u>	<u>1,299</u>	<u>1,059</u>	<u>23%</u>	<u>1,329</u>	<u>1,082</u>	<u>23%</u>
Guaranteed Investment Contracts	132	245	(46%)	-	-	-	132	245	(46%)	132	245	(46%)
GIC - Medium Term Note	335	156	115%	-	-	-	335	156	115%	335	156	115%
<b>Total US Insurance Operations</b>	<u>1,762</u>	<u>1,457</u>	<u>21%</u>	<u>4</u>	<u>3</u>	<u>33%</u>	<u>1,766</u>	<u>1,460</u>	<u>21%</u>	<u>1,796</u>	<u>1,483</u>	<u>21%</u>
<b>Asian Insurance Operations <sup>(1A)</sup></b>												
China	6	10	(40%)	11	5	120%	17	15	13%	57	38	50%
Hong Kong	102	59	73%	26	17	53%	128	76	68%	247	159	55%
India <sup>(6)</sup>	12	7	71%	56	29	93%	68	36	89%	235	110	114%
Indonesia	16	4	300%	20	13	54%	36	17	112%	81	47	72%
Japan	30	9	233%	7	-	-	37	9	311%	60	2	2,900%
Korea	27	28	(4%)	52	49	6%	79	77	3%	279	224	25%
Malaysia	2	1	100%	14	14	0%	16	15	7%	83	82	1%
Singapore	103	83	24%	15	13	15%	118	96	23%	194	190	2%
Taiwan	36	27	33%	33	37	(11%)	69	64	8%	186	213	(13%)
Other <sup>(4)</sup>	7	2	250%	9	7	29%	16	9	78%	36	34	6%
<b>Total Asian Insurance Operations</b>	<u>341</u>	<u>230</u>	<u>48%</u>	<u>243</u>	<u>184</u>	<u>32%</u>	<u>584</u>	<u>414</u>	<u>41%</u>	<u>1,458</u>	<u>1,099</u>	<u>33%</u>
<b>Group Total</b>	<u>3,428</u>	<u>3,697</u>	<u>(7%)</u>	<u>297</u>	<u>224</u>	<u>33%</u>	<u>3,725</u>	<u>3,921</u>	<u>(5%)</u>	<u>4,775</u>	<u>4,731</u>	<u>1%</u>

## PRUDENTIAL PLC - NEW BUSINESS - QUARTER 1 2007

## TOTAL INSURANCE AND INVESTMENT NEW BUSINESS

	UK & Europe			US <sup>(1b)</sup>			Asia <sup>(1b)</sup>			Total		
	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)
Total Insurance Products	1,375	2,047	(33%)	1,766	1,629	8%	584	452	29%	3,725	4,128	(10%)
Total Investment Products - Gross Inflows <sup>(2)</sup>	3,283	2,915	13%	4	-	-	7,155	4,407	62%	10,442	7,322	43%
Group Total	4,658	4,962	(6%)	1,770	1,629	9%	7,739	4,859	59%	14,167	11,450	24%

## INSURANCE OPERATIONS

	Single			Regular			Total			PVNBP <sup>(3)</sup>		
	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)	2007 Q1 YTD £m	2006 Q1 YTD £m	+/- (%)
<b>UK Insurance Operations</b>												
<b>Product Summary</b>												
Internal Vesting annuities	325	254	28%	-	-	-	325	254	28%	325	254	28%
Direct and Partnership Annuities	205	103	99%	-	-	-	205	103	99%	205	103	99%
Intermediated Annuities	132	132	0%	-	-	-	132	132	0%	132	132	0%
<b>Total Individual Annuities</b>	<b>662</b>	<b>489</b>	<b>35%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>662</b>	<b>489</b>	<b>35%</b>	<b>662</b>	<b>489</b>	<b>35%</b>
Equity Release	34	9	278%	-	-	-	34	9	278%	34	9	278%
Individual Pensions	9	3	200%	-	-	-	9	3	200%	9	3	200%
Corporate Pensions	129	13	892%	14	9	56%	143	22	550%	189	47	302%
Unit Linked Bonds	71	115	(38%)	-	-	-	71	115	(38%)	71	115	(38%)
With-Profit Bonds	56	29	93%	-	-	-	56	29	93%	56	29	93%
Protection	-	-	-	1	3	(67%)	1	3	(67%)	7	13	(46%)
Offshore Products	127	191	(34%)	1	-	-	128	191	(33%)	131	191	(31%)
<b>Total Retail Retirement</b>	<b>1,088</b>	<b>849</b>	<b>28%</b>	<b>16</b>	<b>12</b>	<b>33%</b>	<b>1,104</b>	<b>861</b>	<b>28%</b>	<b>1,159</b>	<b>896</b>	<b>29%</b>
Corporate Pensions	46	116	(60%)	28	19	47%	74	135	(45%)	149	189	(21%)
Other Products	49	65	(25%)	6	6	0%	55	71	(23%)	71	84	(15%)
DWP Rebates	129	161	(20%)	-	-	-	129	161	(20%)	129	161	(20%)
<b>Total Mature Life and Pensions</b>	<b>224</b>	<b>342</b>	<b>(35%)</b>	<b>34</b>	<b>25</b>	<b>36%</b>	<b>258</b>	<b>367</b>	<b>(30%)</b>	<b>349</b>	<b>434</b>	<b>(20%)</b>
<b>Total Retail</b>	<b>1,312</b>	<b>1,191</b>	<b>10%</b>	<b>50</b>	<b>37</b>	<b>35%</b>	<b>1,362</b>	<b>1,228</b>	<b>11%</b>	<b>1,508</b>	<b>1,330</b>	<b>13%</b>
Wholesale Annuities	3	664	(100%)	-	-	-	3	664	(100%)	3	664	(100%)
Credit Life	10	155	(94%)	-	-	-	10	155	(94%)	10	155	(94%)
<b>Total UK Insurance Operations</b>	<b>1,325</b>	<b>2,010</b>	<b>(34%)</b>	<b>50</b>	<b>37</b>	<b>35%</b>	<b>1,375</b>	<b>2,047</b>	<b>(33%)</b>	<b>1,521</b>	<b>2,149</b>	<b>(29%)</b>
<b>Channel Summary</b>												
Direct and Partnership	634	440	44%	43	30	43%	677	470	44%	804	559	44%
Intermediated	549	590	(7%)	7	7	0%	556	597	(7%)	575	610	(6%)
Wholesale	13	819	(98%)	-	-	-	13	819	(98%)	13	819	(98%)
<b>Sub-Total</b>	<b>1,196</b>	<b>1,849</b>	<b>(35%)</b>	<b>50</b>	<b>37</b>	<b>35%</b>	<b>1,246</b>	<b>1,886</b>	<b>(34%)</b>	<b>1,392</b>	<b>1,988</b>	<b>(30%)</b>
DWP Rebates	129	161	(20%)	-	-	-	129	161	(20%)	129	161	(20%)
<b>Total UK Insurance Operations</b>	<b>1,325</b>	<b>2,010</b>	<b>(34%)</b>	<b>50</b>	<b>37</b>	<b>35%</b>	<b>1,375</b>	<b>2,047</b>	<b>(33%)</b>	<b>1,521</b>	<b>2,149</b>	<b>(29%)</b>
<b>US Insurance Operations<sup>(1b)</sup></b>												
Fixed Annuities	134	149	(10%)	-	-	-	134	149	(10%)	134	149	(10%)
Fixed Index Annuities	109	133	(18%)	-	-	-	109	133	(18%)	109	133	(18%)
Variable Annuities	1,050	894	17%	-	-	-	1,050	894	17%	1,050	894	17%
Life	2	2	0%	4	4	0%	6	6	0%	36	31	16%

<b>Sub-Total Retail</b>	<u>1,295</u>	<u>1,178</u>	<u>10%</u>	<u>4</u>	<u>4</u>	<u>0%</u>	<u>1,299</u>	<u>1,182</u>	<u>10%</u>	<u>1,329</u>	<u>1,207</u>	<u>10%</u>
Guaranteed Investment Contracts	132	273	(52%)	-	-	-	132	273	(52%)	132	273	(52%)
GIC - Medium Term Note	335	174	93%	-	-	-	335	174	93%	335	174	93%
<b>Total US Insurance Operations</b>	<u>1,762</u>	<u>1,625</u>	<u>8%</u>	<u>4</u>	<u>4</u>	<u>0%</u>	<u>1,766</u>	<u>1,629</u>	<u>8%</u>	<u>1,796</u>	<u>1,654</u>	<u>9%</u>
<b>Asian Insurance Operations <sup>(1b)</sup></b>												
China	6	11	(45%)	11	5	120%	17	16	6%	57	41	39%
Hong Kong	102	66	55%	26	20	30%	128	86	49%	247	179	38%
India <sup>(6)</sup>	12	8	50%	56	32	75%	68	40	70%	235	122	93%
Indonesia	16	4	300%	20	14	43%	36	18	100%	81	51	59%
Japan	30	10	200%	7	-	-	37	10	270%	60	2	2,900%
Korea	27	30	(10%)	52	52	0%	79	82	(4%)	279	241	16%
Malaysia	2	1	100%	14	14	0%	16	15	7%	83	86	(3%)
Singapore	103	88	17%	15	14	7%	118	102	16%	194	199	(3%)
Taiwan	36	31	16%	33	42	(21%)	69	73	(5%)	186	242	(23%)
Other <sup>(4)</sup>	7	2	250%	9	8	13%	16	10	60%	36	36	0%
<b>Total Asian Insurance Operations</b>	<u>341</u>	<u>251</u>	<u>36%</u>	<u>243</u>	<u>201</u>	<u>21%</u>	<u>584</u>	<u>452</u>	<u>29%</u>	<u>1,458</u>	<u>1,199</u>	<u>22%</u>
<b>Group Total</b>	<u>3,428</u>	<u>3,886</u>	<u>(12%)</u>	<u>297</u>	<u>242</u>	<u>23%</u>	<u>3,725</u>	<u>4,128</u>	<u>(10%)</u>	<u>4,775</u>	<u>5,002</u>	<u>(5%)</u>

## PRUDENTIAL PLC - NEW BUSINESS - QUARTER 1 2007 VERSUS QUARTER 4 2006

## INSURANCE OPERATIONS

	Single			Regular			Total			PVNBP <sup>(3)</sup>		
	Q1 2007 £m	Q 4 2006 £m	+/- (%)	Q1 2007 £m	Q 4 2006 £m	+/- (%)	Q1 2007 £m	Q 4 2006 £m	+/- (%)	Q1 2007 £m	Q 4 2006 £m	+/- (%)
<b>UK Insurance Operations</b>												
<b>Product Summary</b>												
Internal Vesting annuities	325	369	(12%)	-	-	-	325	369	(12%)	325	369	(12%)
Direct and Partnership Annuities	205	279	(27%)	-	-	-	205	279	(27%)	205	279	(27%)
Intermediated Annuities	132	188	(30%)	-	-	-	132	188	(30%)	132	188	(30%)
<b>Total Individual Annuities</b>	<b>662</b>	<b>836</b>	<b>(21%)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>662</b>	<b>836</b>	<b>(21%)</b>	<b>662</b>	<b>836</b>	<b>(21%)</b>
Equity Release	34	34	0%	-	-	-	34	34	0%	34	34	0%
Individual Pensions	9	5	80%	-	-	-	9	5	80%	9	5	80%
Corporate Pensions	129	265	(51%)	14	27	(48%)	143	292	(51%)	189	314	(40%)
Unit Linked Bonds	71	85	(16%)	-	-	-	71	85	(16%)	71	85	(16%)
With-Profit Bonds	56	49	14%	-	-	-	56	49	14%	56	49	14%
Protection	-	9	(100%)	1	-	-	1	9	(89%)	7	24	(71%)
Offshore Products	127	100	27%	1	-	-	128	100	28%	131	100	31%
<b>Total Retail Retirement</b>	<b>1,088</b>	<b>1,383</b>	<b>(21%)</b>	<b>16</b>	<b>27</b>	<b>(41%)</b>	<b>1,104</b>	<b>1,410</b>	<b>(22%)</b>	<b>1,159</b>	<b>1,447</b>	<b>(20%)</b>
Corporate Pensions	46	73	(37%)	28	19	47%	74	92	(20%)	149	113	32%
Other Products	49	52	(6%)	6	7	(14%)	55	59	(7%)	71	80	(11%)
DWP Rebates	129	-	-	-	-	-	129	-	-	129	-	-
<b>Total Mature Life and Pensions</b>	<b>224</b>	<b>125</b>	<b>79%</b>	<b>34</b>	<b>26</b>	<b>31%</b>	<b>258</b>	<b>151</b>	<b>71%</b>	<b>349</b>	<b>193</b>	<b>81%</b>
<b>Total Retail</b>	<b>1,312</b>	<b>1,508</b>	<b>(13%)</b>	<b>50</b>	<b>53</b>	<b>(6%)</b>	<b>1,362</b>	<b>1,561</b>	<b>(13%)</b>	<b>1,508</b>	<b>1,640</b>	<b>(8%)</b>
Wholesale Annuities	3	131	(98%)	-	-	-	3	131	(98%)	3	131	(98%)
Credit Life	10	197	(95%)	-	-	-	10	197	(95%)	10	197	(95%)
<b>Total UK Insurance Operations</b>	<b>1,325</b>	<b>1,836</b>	<b>(28%)</b>	<b>50</b>	<b>53</b>	<b>(6%)</b>	<b>1,375</b>	<b>1,889</b>	<b>(27%)</b>	<b>1,521</b>	<b>1,968</b>	<b>(23%)</b>
<b>Channel Summary</b>												
Direct and Partnership	634	949	(33%)	43	47	(9%)	677	996	(32%)	804	1,045	(23%)
Intermediated	549	559	(2%)	7	6	17%	556	565	(2%)	575	595	(3%)
Wholesale	13	328	(96%)	-	-	-	13	328	(96%)	13	328	(96%)
<b>Sub-Total</b>	<b>1,196</b>	<b>1,836</b>	<b>(35%)</b>	<b>50</b>	<b>53</b>	<b>(6%)</b>	<b>1,246</b>	<b>1,889</b>	<b>(34%)</b>	<b>1,392</b>	<b>1,968</b>	<b>(29%)</b>
DWP Rebates	129	-	-	-	-	-	129	-	-	129	-	-
<b>Total UK Insurance Operations</b>	<b>1,325</b>	<b>1,836</b>	<b>(28%)</b>	<b>50</b>	<b>53</b>	<b>(6%)</b>	<b>1,375</b>	<b>1,889</b>	<b>(27%)</b>	<b>1,521</b>	<b>1,968</b>	<b>(23%)</b>
<b>US Insurance Operations <sup>(8)</sup></b>												
Fixed Annuities	134	171	(22%)	-	-	-	134	171	(22%)	134	171	(22%)
Fixed Index Annuities	109	118	(8%)	-	-	-	109	118	(8%)	109	118	(8%)
Variable Annuities	1,050	1,010	4%	-	-	-	1,050	1,010	4%	1,050	1,010	4%
Life	2	2	0%	4	4	0%	6	6	0%	36	43	(16%)
<b>Sub-Total Retail</b>	<b>1,295</b>	<b>1,301</b>	<b>(0%)</b>	<b>4</b>	<b>4</b>	<b>0%</b>	<b>1,299</b>	<b>1,305</b>	<b>(0%)</b>	<b>1,329</b>	<b>1,342</b>	<b>(1%)</b>
Guaranteed Investment Contracts	132	133	(1%)	-	-	-	132	133	(1%)	132	133	(1%)
GIC - Medium Term Note	335	(6)	5,683%	-	-	-	335	(6)	5,683%	335	(6)	5,683%
<b>Total US Insurance Operations</b>	<b>1,762</b>	<b>1,428</b>	<b>23%</b>	<b>4</b>	<b>4</b>	<b>0%</b>	<b>1,766</b>	<b>1,432</b>	<b>23%</b>	<b>1,796</b>	<b>1,469</b>	<b>22%</b>
<b>Asian Insurance Operations <sup>(8)</sup></b>												
China	6	5	20%	11	15	(27%)	17	20	(15%)	57	60	(5%)
Hong Kong	102	131	(22%)	26	35	(26%)	128	166	(23%)	247	324	(24%)
India <sup>(6)</sup>	12	6	100%	56	28	100%	68	34	100%	235	148	59%

Indonesia	16	14	14%	20	22	(9%)	36	36	0%	81	87	(7%)
Japan	30	27	11%	7	3	133%	37	30	23%	60	42	43%
Korea	27	27	0%	52	53	(2%)	79	80	(1%)	279	400	(30%)
Malaysia	2	1	100%	14	23	(39%)	16	24	(33%)	83	136	(39%)
Singapore	103	87	18%	15	25	(40%)	118	112	5%	194	237	(18%)
Taiwan	36	34	6%	33	33	0%	69	67	3%	186	143	30%
Other <sup>(4)</sup>	7	6	17%	9	11	(18%)	16	17	(6%)	36	31	16%
<b>Total Asian Insurance Operations</b>	<b>341</b>	<b>338</b>	<b>1%</b>	<b>243</b>	<b>248</b>	<b>(2%)</b>	<b>584</b>	<b>586</b>	<b>(0%)</b>	<b>1,458</b>	<b>1,608</b>	<b>(9%)</b>
<b>Group Total</b>	<b>3,428</b>	<b>3,602</b>	<b>(5%)</b>	<b>297</b>	<b>305</b>	<b>(3%)</b>	<b>3,725</b>	<b>3,907</b>	<b>(5%)</b>	<b>4,775</b>	<b>5,045</b>	<b>(5%)</b>

#### INVESTMENT OPERATIONS

		Opening			Net Inflows	Other Movements	Market & Currency Movements	Net Movement In FUM	Closing FUM
		FUM	ross Inflows	Redemptions					
		£m	£m	£m					
<b>M&amp;G</b>	Q1 2007	44,946	3,283	(1,916)	1,367	(81)	(107)	1,179	46,125
	Q4 2006	42,258	3,505	(2,514)	991	(6)	1,703	2,688	44,946
	+/- (%)	6%	(6%)	24%	38%	(1,250%)	(106%)	(56%)	3%
<b>Asia Retail Mutual Funds</b>	Q1 2007	11,413	7,150	(6,537)	613	(68)	45	590	12,003
	Q4 2006	10,396	5,673	(4,734)	939	(34)	112	1,017	11,413
	+/- (%)	10%	26%	(38%)	(35%)	(100%)	(60%)	(42%)	5%
<b>Asia Third Party</b>	Q1 2007	840	5	(18)	(13)	-	8	(5)	835
	Q4 2006	758	40	(4)	36	-	46	82	840
	+/- (%)	11%	(88%)	(350%)	(136%)	-	(83%)	(106%)	(1%)
<b>US Retail Mutual Funds</b>	Q1 2007	-	4	-	4	-	1	5	5
	Q4 2006	-	-	-	-	-	-	-	-
	+/- (%)	-	-	-	-	-	-	-	-
<b>Total Investment Products</b>	Q1 2007	57,199	10,442	(8,471)	1,971	(149)	(53)	1,769	58,968
	Q4 2006	53,412	9,218	(7,252)	1,966	(40)	1,861	3,787	57,199
	+/- (%)	7%	13%	(17%)	0%	(273%)	(103%)	(53%)	3%

## PRUDENTIAL PLC - NEW BUSINESS SCHEDULES

### **BASIS OF PREPARATION**

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

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

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

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

UK and Asian investment products referred to in the tables for funds under management above are unit trusts, mutual funds and similar types of retail fund management arrangements. These are unrelated to insurance products that are classified as investment contract 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.

New Department of Work and Pensions (DWP) rebate business for SAIF is excluded from the new business schedules. This is because, as noted above, SAIF is solely for the benefit of SAIF policyholders.

### **Notes to Schedules 1A - 6**

<sup>(1a)</sup> Insurance and investment new business for overseas operations has been calculated using constant exchange rates. The applicable rate for Jackson is **1.95**.

<sup>(1b)</sup> Insurance and investment new business for overseas operations has been calculated using average exchange rates. The applicable rate for Jackson is **1.95 (2006: 1.84)**.

<sup>(2)</sup> Represents cash received from sale of investment products.

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

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

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

<sup>(6)</sup> 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.

<sup>(7)</sup> Balance sheet figures have been calculated at the closing exchange rate. The 2006 balance is shown on a constant exchange rate.

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

<sup>(9)</sup> In August 2005, Prudential's joint venture partner in the Prudential ICICI Asset Management Company purchased an additional 6 per cent share ownership reducing Prudential's stake to 49 per cent. As a result, Prudential no longer consolidates the company as a subsidiary.

<sup>(10)</sup> £303m of FUM reported under Prudential Asian funds operations relates to M&G's products distributed through those Asian operations and this amount is also included in M&G's FUM.