

Fact File 2010 > Half Year Update

THERE'S MORE TO **PRUDENTIAL**



PRUDENTIAL



In the first half of 2010 we continued to deliver a strong performance, achieving high levels of sales growth and new business profits. Our strategy of consistently allocating capital to the geographies and products that deliver the highest returns is continuing to deliver positive results.

Our rates of return in Asia remain high, we are driving profitable growth in the US, our focused strategy in the UK continues to deliver amongst the highest margins in the sector, as well as being cash generative, and our asset management businesses continue to perform very well.

KEY PERFORMANCE INDICATORS

Annual Premium Equivalent new business premiums*

+28%



European Embedded Value operating profit

+35%



European Embedded Value new business profit*

+27%



International Financial Reporting Standards operating profit based on longer-term investment returns†

+41%



External funds under management

+33%



2009 comparatives are at Actual Exchange Rates (AER)

* Excludes Japan which ceased writing new business in 2010.
 † The Group IFRS operating profit of £968 million includes £123 million of net equity hedging gains (2009: £23 million losses) representing the movement in fair value of free standing derivatives included in operating profit and the movement in the accounting value of guarantees in Jackson's variable and fixed index annuity products, a significant proportion of which are not fair valued, net of related DAC. Excluding these amounts, which are variable in nature, Group IFRS operating profit increased by 19 per cent as compared to half year 2009.

THERE'S MORE TO PRUDENTIAL

Prudential plc is an international financial services group with significant operations in Asia, the US and the UK. We serve approximately 25 million customers and have £309 billion of assets under management. We are one of the best capitalised insurers in the world with an Insurance Groups Directive (IGD) capital surplus estimated at £3.4 billion.*

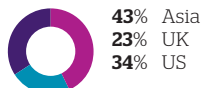
Understanding and responding to our customers' needs is at the heart of our business. It is something we have been doing for over 160 years. We generate sustainable value for our shareholders through a relentless focus on meeting our customers' savings, income and protection needs and a disciplined approach to investing in the most profitable growth opportunities.

The Group is structured around four main business units: Prudential Corporation Asia, Jackson National Life Insurance Company, Prudential UK and M&G. Our operating model allows each of our businesses to stay close to their customers within the framework of a consistent, Group-wide global approach to managing risk, capital, cash, reputation and leadership development and succession.

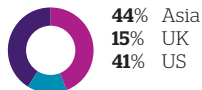
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Life assurance

% of Group APE new business premiums

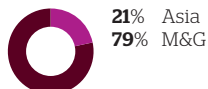


% of Group new business profit



Asset management

% of Group external funds under management



*At 30 June 2010 before 2010 interim dividend



PRUDENTIAL CORPORATION ASIA
Through its life insurance and asset management operations, Prudential has 28 businesses in 13 countries across Asia.

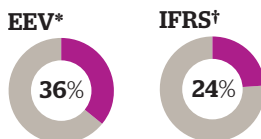
Prudential is a leading life insurer in Asia with a presence in 12 markets and a top three position in seven key locations: Hong Kong, India, Indonesia, Malaysia, Singapore, the Philippines and Vietnam. We provide a comprehensive range of savings, protection and investment products that are specifically designed to meet the needs of customers in each of our local markets.

Prudential's asset management business in Asia has retail operations in 10 markets and independently manages assets on behalf of a wide range of retail and institutional investors across the region.

- Over 15 million customers in 13 markets
- Top three position in fast-growing markets: Hong Kong, Indonesia, Malaysia, the Philippines, Singapore, Vietnam and India (where we remain the leading private sector life insurer)
- Extensive regional network of over 340,000 agents
- Further enhanced bancassurance distribution in Singapore, Indonesia and Thailand through partnership with United Overseas Bank
- Internal Rate of Return (IRR) of over 20 per cent in 2009



% of Group operating profits



* % of Group EEV long-term operating profits

† % of Group IFRS operating profits

IFRS operating profits based on longer-term investment returns before restructuring costs and other income and expenditure.

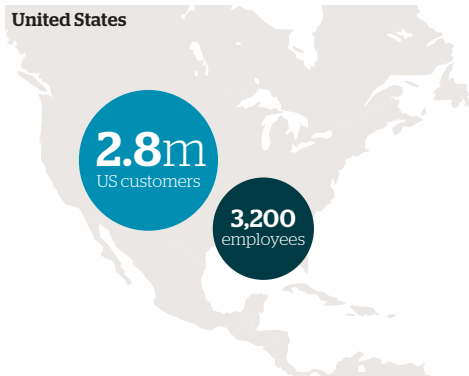


JACKSON NATIONAL LIFE INSURANCE COMPANY

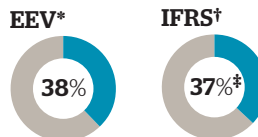
Jackson is one of the largest life insurance companies in the US, providing retirement savings and income solutions to 2.8 million customers. Jackson is also one of the top three providers of total annuities and one of the top four providers of variable and fixed index annuities in the US.

Founded nearly 50 years ago, Jackson has a long and successful record of providing advisers with the products, tools and support to design effective retirement solutions for their clients.

- Top three provider of total annuities and top four provider of variable and fixed index annuities in US
- Ranked top insurance company for overall marketing effectiveness in the Financial Research Corporation Advisor Insights study on Marketing Effectiveness
- Rated as a 'World Class' service provider for five years by Service Quality Measurement Group
- 'Highest Customer Satisfaction by Industry' award from Service Quality Measurement Group
- Record total APE retail sales of £560 million - highest half year performance in Jackson's history
- Internal Rate of Return (IRR) of over 20 per cent in half year 2010



% of Group operating profits



*% of Group EEV long-term operating profits

†% of Group IFRS operating profits

IFRS operating profits based on longer-term investment returns before restructuring costs and other income and expenditure.

‡Includes one-off net equity hedge gain of £123m



PRUDENTIAL UK

Prudential UK is a leading life and pensions provider to approximately seven million customers in the United Kingdom.

The strategy of the business is to focus on balancing writing new business with sustainable cash generation and capital preservation.

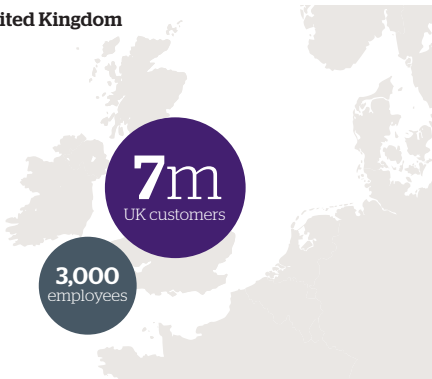
By competing selectively in areas of the retirement savings and income markets, the business generates attractive returns on capital employed and surplus capital for investment in profitable opportunities for the Group. It also provides strong support to credit rating at a Group level.

It is a leader in the individual annuities and with-profits market as well as being the market-leader in the provision of AVC schemes and the dominant AVC top-up provider to the UK public sector.

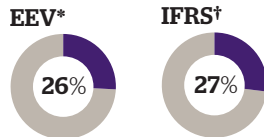
The business has a number of major competitive advantages including significant longevity experience, multi-asset investment capabilities, a strong investment track record, a highly respected brand and financial strength.

- **The main With-Profits Fund is one of the largest and financially strongest in the UK**
- **The strong long-term investment performance achieved by the Fund has enabled the business to provide customers with good annualised returns, especially when compared with many other investment options**
- **Won 'Best Annuity Provider' award at 2010 Professional Adviser Awards**
- **AVC provider to 65 of the 99 local government schemes in England, Scotland and Wales**
- **Internal Rate of Return (IRR) of excess 15 per cent**

United Kingdom



% of Group operating profits



* % of Group EEV long-term operating profits

† % of Group IFRS operating profits

IFRS operating profits based on longer-term investment returns before restructuring costs and other income and expenditure.



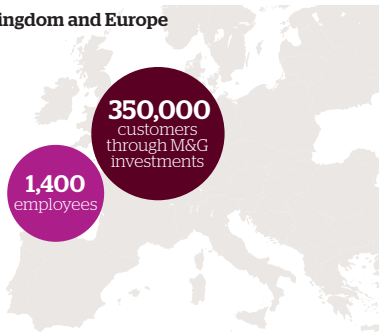
M&G

M&G is Prudential's UK and European fund management business with total assets under management of £178 billion (at 30 June 2010).

M&G has been investing money for individual and institutional clients for nearly 80 years. Today it is one of the largest investors in the UK stock market, as well as being a powerhouse in fixed income.

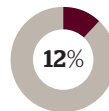
- **34 per cent of retail funds delivered top-quartile investment performance over three years**
- **95 per cent of active institutional funds delivered returns ahead of their benchmarks over three years**
- **Number one for net sales of retail funds in the UK for seven consecutive quarters (end June 2010)**

United Kingdom and Europe



% of Group operating profits

IFRS†



† % of Group IFRS operating profits

IFRS operating profits based on longer-term investment returns before restructuring costs and other income and expenditure.

Board of Directors



Harvey McGrath
Chairman

Tidjane Thiam
Group Chief Executive

Nic Nicandrou
Chief Financial Officer

Rob Devey
Executive director

Chairman

Harvey McGrath

Chairman and Chairman of the Nomination Committee

Harvey McGrath was appointed as an independent non-executive director of Prudential on 1 September 2008, and became Chairman and Chairman of the Nomination Committee on 1 January 2009. Harvey has a long and distinguished career in the international financial services industry. He started his career at Chase Manhattan Bank in London and New York. From 1980 to 2007 he worked for the Man Group, first as Treasurer, then Finance Director, then President of Man Inc. in New York, before being appointed as Chief Executive of Man Group plc in London in 1990, and then Chairman in 2000. He left Man Group in 2007.

Harvey is also Chairman of the London Development Agency, which works for the Mayor of London, coordinating economic development and regeneration across London, and Vice Chairman of the London Skills and Employment Board, which is tasked with developing a strategy for adult skills in London. He is the former Chairman of both London First and the East London Business Alliance, and a Member of the International Advisory Board of the School of Oriental and African Studies.

Harvey is a trustee of a number of charities including New Philanthropy Capital, a research based charity which gives advice and guidance to donors and charities; the Royal Anniversary Trust which operates the Queen's Anniversary Prizes for Higher and Further Education; Children and Families Across Borders (CFAB), which protects the rights and welfare of children and vulnerable adults across borders; icould, an online careers resource; and the Prince's Teaching Institute, which promotes subject-based professional development for teachers.

Executive directors

Tidjane Thiam

Group Chief Executive

Tidjane Thiam has been an executive director of Prudential since 25 March 2008. He was the Chief Financial Officer until 30 September 2009, and became Group Chief Executive with effect from 1 October 2009. Tidjane was previously Chief Executive Officer, Europe at Aviva, where he also held successively the positions of Group Strategy and Development Director and Managing Director, Aviva International. Tidjane spent the first part of his professional career with McKinsey & Company in Paris, London and New York, serving insurance companies and banks. He then spent a number of years in Africa where he was Chief Executive and then Chairman of the National Bureau for Technical Studies and Development in Côte d'Ivoire and a cabinet member as Secretary of Planning and Development. Tidjane returned to France to become a partner with McKinsey & Company as one of the leaders of their Financial Institutions practice before joining Aviva in 2002.

Tidjane was a non-executive director of Arkema in France until November 2009, when he resigned from the Arkema board. He is a member of the Council of the Overseas Development Institute (ODI) in London, a sponsor of Opportunity International, and a member of the Africa Progress Panel chaired by Kofi Annan.

Nic Nicandrou ACA

Chief Financial Officer

Nic Nicandrou has been an executive director of Prudential and Chief Financial Officer since 28 October 2009. Before joining Prudential, he worked at Aviva, where he held a number of senior finance roles, including Norwich Union Life Finance Director and Board Member, Aviva Group Financial Control Director, Aviva Group Financial Management and Reporting Director and CGNU Group Financial Reporting Director. Nic started his career at PriceWaterhouse Coopers, where he worked in both London and Paris.



Clark Manning
Executive director



Michael McLintock
Executive director



Barry Stowe
Executive director

Rob Devey
Executive director

Rob Devey has been an executive director of Prudential and Chief Executive, Prudential UK and Europe since 16 November 2009. Rob joined Prudential from Lloyds Banking Group where he worked from 2002 in a number of senior leadership roles across insurance and retail banking including Managing Director, Direct Channels UK Retail Banking, Managing Director of HBOS Financial Services and Managing Director of HBOS General Insurance. Prior to joining HBOS, Rob was a consultant with the Boston Consulting Group (BCG) in the UK, US and Europe, working in financial services.

Clark Manning FSA MAAA
Executive director

Clark Manning has been an executive director of Prudential since January 2002. He is also President and Chief Executive Officer of Jackson National Life Insurance Company. Clark was previously Chief Operating Officer, Senior Vice President and Chief Actuary of Jackson National Life Insurance Company, which he joined in 1995. Prior to that, he was Senior Vice President and Chief Actuary for SunAmerica Inc, and prior to that, Consulting Actuary at Milliman & Robertson Inc. Clark has more than 25 years' experience in the life insurance industry, and holds both a bachelor's degree in actuarial science and an MBA from the University of Texas. He also holds professional designations of Fellow of the Society of Actuaries (FSA) and Member of the American Academy of Actuaries (MAAA).

Michael McLintock
Executive director

Michael McLintock has been an executive director of Prudential since September 2000. He is also Chief Executive of M&G, a position he held at the time of M&G's acquisition by Prudential in 1999. Michael joined M&G in 1992. He previously also served on the board of Close Brothers Group plc as a non-executive director (2001-2008). Since October 2008, he has been a Trustee of the Grosvenor Estate.

Barry Stowe
Executive director

Barry Stowe has been an executive director of Prudential since November 2006, and Chief Executive, Prudential Corporation Asia since October 2006. He has also been a director of LIMRA and LOMA since October 2008, and a member of the Board of Visitors of Lipscomb University since May 2009. Previously, Barry was President, Accident & Health Worldwide for AIG Life Companies. He joined AIG in 1995, and prior to that was President and CEO of Nisus, a subsidiary of Pan-American Life, from 1992-1995. Before joining Nisus, Barry spent 12 years at Willis Corroon in the US.

Non-executive directors

Keki Dadiseth FCA
Independent non-executive director and member of the Remuneration Committee

Michael Garrett
Independent non-executive director and member of the Remuneration Committee

Ann Godbehere FCGA
Independent non-executive director and Chairman of the Audit Committee

Bridget Macaskill
Independent non-executive director, Chairman of the Remuneration Committee and member of the Nomination Committee

Kathleen O'Donovan ACA
Independent non-executive director and member of the Audit Committee

James Ross
Senior Independent Director and member of the Remuneration and Nomination Committees

Lord Turnbull KCB CVO
Independent non-executive director and member of the Audit Committee

Corporate Responsibility



“Throughout our 160-year history we have been committed to helping our customers safeguard their financial security and protect their families.”

Harvey McGrath, Chairman, Prudential plc.

Corporate responsibility (CR) is a philosophy that is firmly embedded in Prudential’s operations around the world as an integral part of the way we do business. Our aim is to make a positive difference in the communities in which we operate and to minimise the social, ethical and environmental impact of our activities.

This approach stems directly from our founding values of integrity, security and prudence. These values remain as strong today as ever and drive our commitment to the well-being of our customers, employees, agents and the communities in which we operate.

Our CR framework focuses on five key themes and is designed to drive sustainability performance, provide greater focus to our programmes and activities, and enable a more consistent approach to our reporting.

- **£6.5 million contributed to our community projects around the world**
- **Over 6,400 employees signed up as volunteers in our community programmes**
- **£1.6 billion attracted in commitments from clients to the M&G UK Companies Financing Fund, launched in response to the significant reduction in bank lending**
- **First to launch a multiple claims critical illness product in Asia that covers up to three episodes of serious illness**
- **All our UK occupied properties now conform to ISO 14001 international environment standard**
- **52 managed properties to date also accredited to highest environmental standards**
- **1,700 applications to our flagship fast-track development programme, Momentum**

Read our full 2009 CR Report at www.prudentialreports.com/2009cr



Our five corporate responsibility themes

1

Fair and transparent products meeting customer needs

We're doing more to ensure that we understand our customers' long-term financial needs and meet them with the right products, helping them to plan for and invest in their future.

2

Best people for the best performing business

We're doing more to ensure that wherever we operate in the world we have the best people to serve our customers and develop our business.

3

Protecting the environment

We're doing more to ensure that we minimise the impact that our operations have on the environment.

4

Supporting local communities

We're doing more to be active and supportive members of the communities in which we operate and to help increase consumers' financial literacy.

5

Accountability and governance

We're doing more to ensure that we achieve the highest possible standards of CR governance and clear and transparent CR reporting.

Our History

Successive generations have looked to Prudential to safeguard their financial security - from industrial workers and their families in Victorian Britain to approximately 25 million customers worldwide today.

For over 160 years, we have protected the interests of our policyholders and shareholders. Our financial strength, heritage, prudence, and relentless focus on our customers' long-term needs ensure that people continue to turn to our trusted brands to help them plan for today - and tomorrow.

1848



Prudential is established as Prudential Mutual Assurance Investment and Loan Association in Hatton Garden, London, offering loans and life assurance to professional people.

1854



Prudential opens the Industrial Department to sell a new type of insurance, Industrial Insurance, to the working classes, for premiums of a penny and upwards.

1856



Prudential introduces infantile insurance policies, allowing parents to insure the lives of children under ten. The new product opens up a huge market for Prudential and the volume of sales begins to grow dramatically.

1871



The Company becomes the first in the City to employ women. Calculating machines are also introduced, saving time processing an increasing volume of business.

1879



Prudential moves into Holborn Bars, a purpose-built office complex designed by Sir Alfred Waterhouse. The building becomes a London landmark, and remains an integral part of Prudential's property portfolio to this day.

1894

A national newspaper declares that 'no serious accident occurs among the masses of people without including in its death-toll persons who are insured with the Company'.

1912

Following the National Insurance Act, Prudential works with the government to run Approved Societies, providing sickness and unemployment benefits to five million people.

1923



Prudential's first overseas life branch is established in India, with the first policy being sold to a tea planter in Assam.

1924

Prudential shares are floated on the London Stock Exchange.

1926



The Publicity Department is set up to deal with publicising new products launched after the war: the Everywoman Policy for single women, the Heritage Policy for family protection and the Hearth and Home Policy, a combination of life cover and household insurance.

1929

Group Pensions is established, building on expertise gained from Prudential's own staff pension scheme.

1931

M&G launches the first unit trust in Britain, the First British Fixed Trust, investing in the shares of 24 leading companies.

1949



The 'Man from the Pru' advertising campaign is launched.

1961

The first offices of Jackson National Life Insurance Company (Jackson) are opened in Jackson, Michigan.

1967

Prudential's first ever television commercials are broadcast.

1978

Prudential Corporation is formed as a holding company to facilitate more flexible management of Prudential's diverse interests.

1986



Prudential acquires Jackson in the United States.

The image of Prudence is relaunched as a modern brand image for the Group.

1994

Prudential Corporation Asia is formed in Hong Kong as regional head office to expand operations beyond an existing presence in Malaysia, Singapore and Hong Kong, to include value-creating opportunities in the region's many high-potential markets.

1999

Prudential acquires M&G, pioneer of unit trusts in the UK and a leading provider of investment products.

2000

Prudential plc is listed on the New York Stock Exchange.

2006

Prudential and Bank Simpanan Nasional Bhd launches a takaful joint venture, Prudential BSN Takaful Berhad (PBTB), in Malaysia.

2009

Prudential's first dedicated Islamic asset-management business, Prudential Al-Wara' Asset Management Berhad, launches in Malaysia.

2010



Prudential enters into a long-term strategic bancassurance partnership with United Overseas Bank Limited (UOB) to distribute Prudential's life insurance products through UOB's bank branches across Singapore, Indonesia and Thailand.

Prudential plc is listed on stock exchanges in Hong Kong and Singapore.

How to contact us

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Tidjane Thiam
Group Chief Executive

Nic Nicandrou
Chief Financial Officer

Margaret Coltman
Group General Counsel & Company Secretary

Thibaut Le Maire
Group Chief Risk Officer

Priscilla Vacassin
Group Human Resources Director

Stephen Whitehead
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Forward-looking statement

This report 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 report or any other forward-looking statements it may make.

All content correct as at 30 June 2010 unless otherwise stated.

Contains material sourced from responsibly managed forests together with recycled fibre, certified in accordance with the FSC (Forest Stewardship Council).

Carbon saved by Carbon balancing 1690.4 kgs.
Land preserved by Carbon balancing 317.1 sq.metres.

Design Further
Print Royle Print



Prudential public limited company
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Registered number 1397169

www.prudential.co.uk

Prudential plc is a holding company, some of whose subsidiaries are authorised and regulated by the Financial Services Authority (FSA).