

PRUDENTIAL PLC

POSITIONED FOR GROWTH

19 OCTOBER 2004

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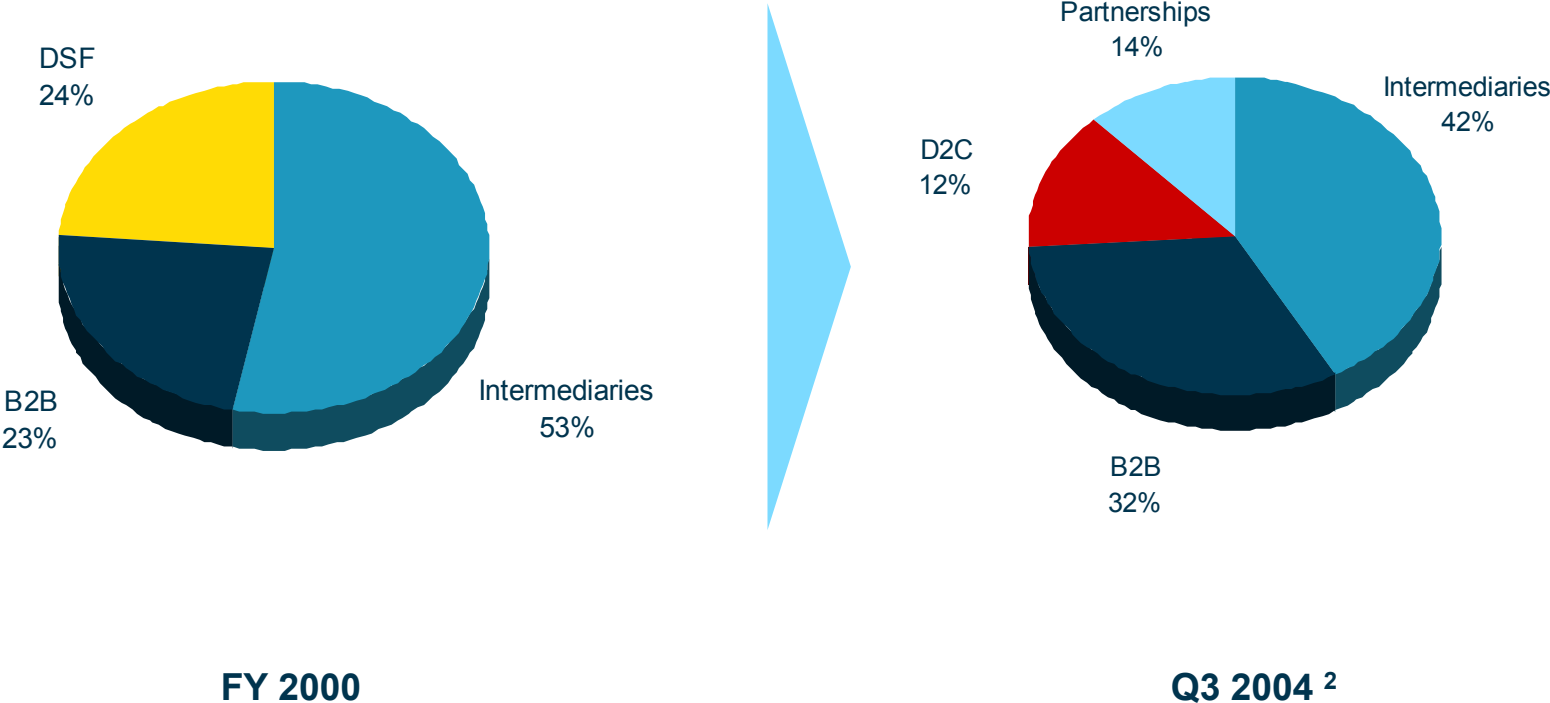
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POSITIONED FOR GROWTH

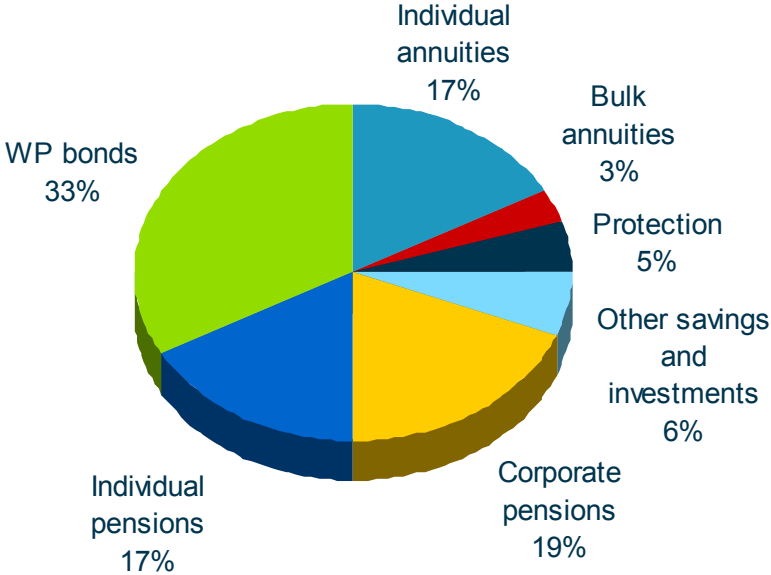
- Prudential's UK business transformed in recent years
- Favourable market developments support UK growth opportunity
- Exciting growth in UK shareholder-backed business
- Strong sales momentum across the group
- Confidence in future prospects
- New parent company regulatory capital requirements
- Fully underwritten rights issue of £1.0 billion

DIVERSIFIED DISTRIBUTION ¹

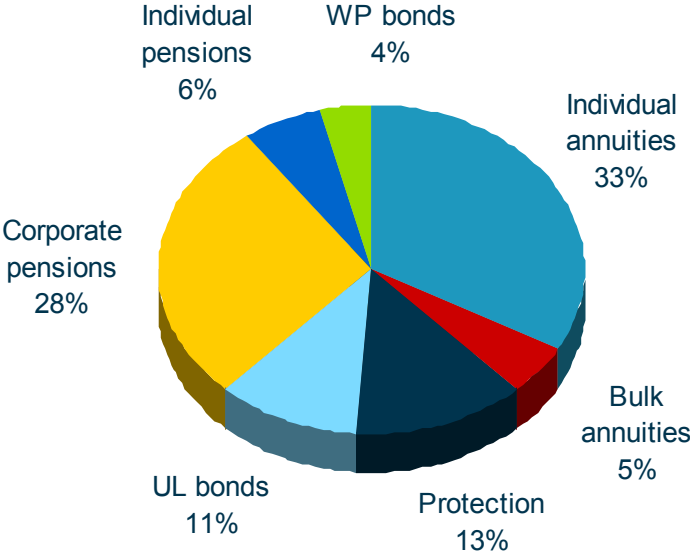


Notes:
1 Based on APE sales, excluding DWP rebates
2 9 months to 30 September 2004

DIVERSIFIED PRODUCT MIX ¹



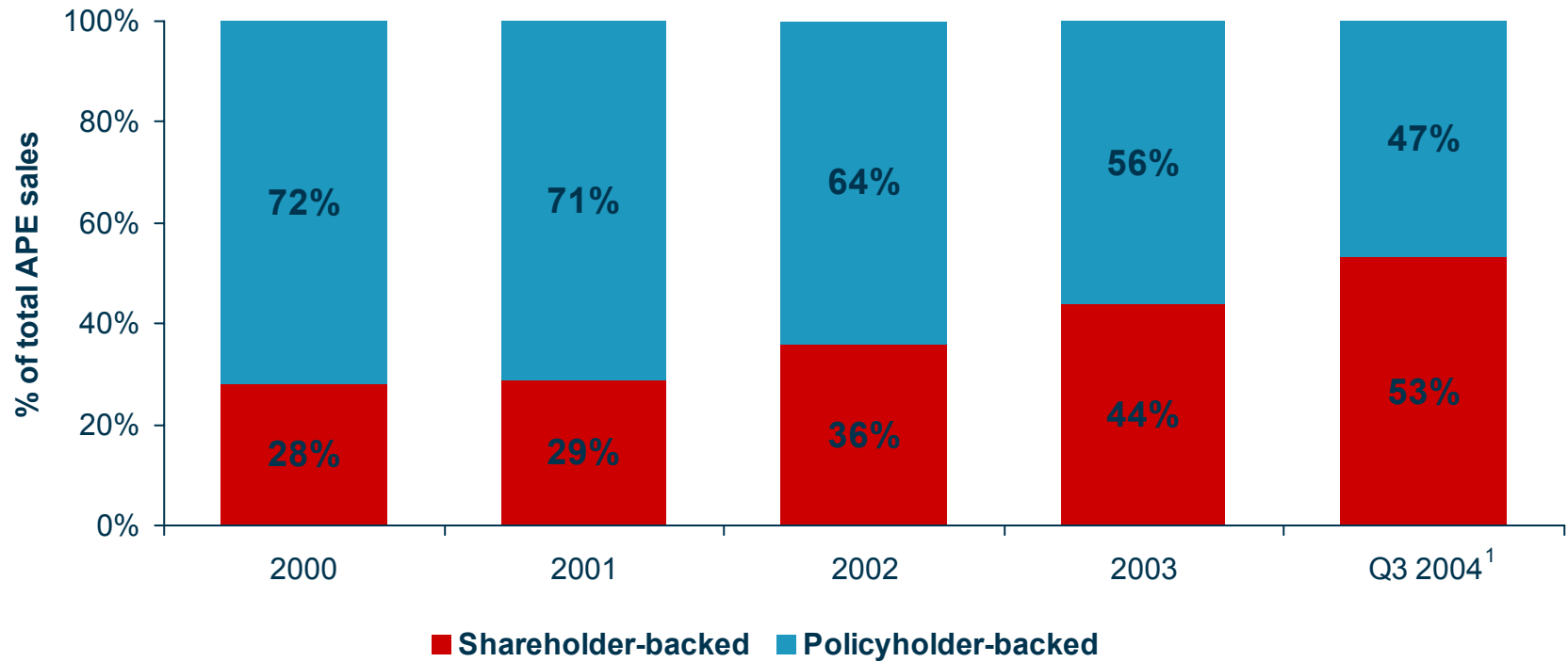
FY 2000



Q3 2004 ²

Notes:
 1 Based on APE sales, excluding DWP rebates
 2 9 months to 30 September 2004

INCREASING PROPORTION OF SHAREHOLDER-BACKED BUSINESS

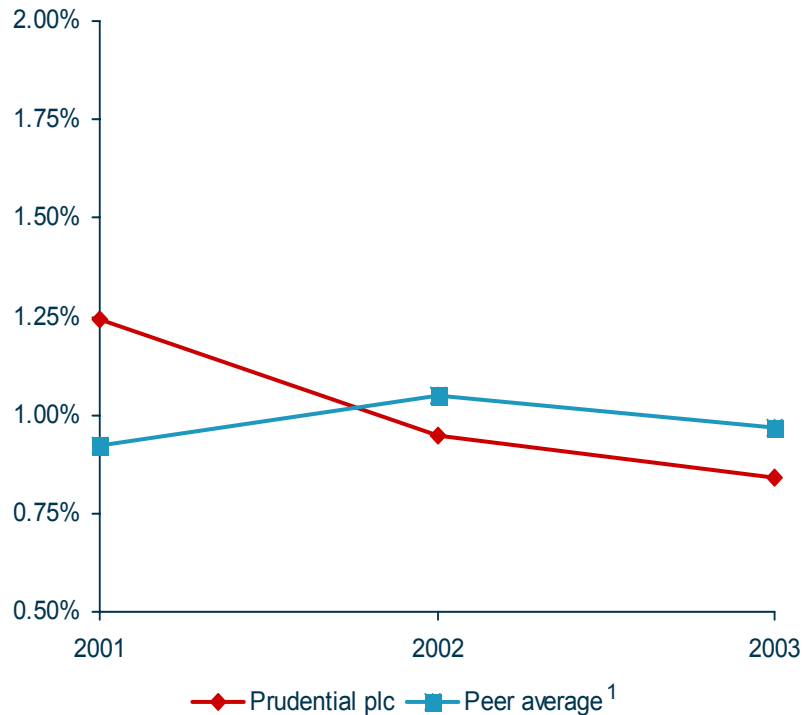


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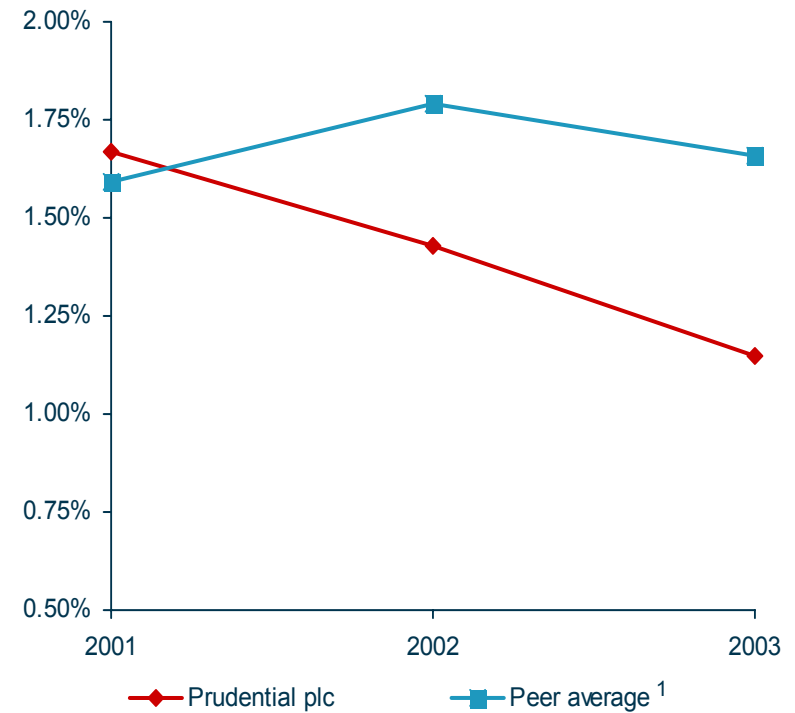
¹ 9 months to 30 September 2004

INCREASED EFFICIENCY

Total expense ratio excluding commission



Total expense ratio including commission

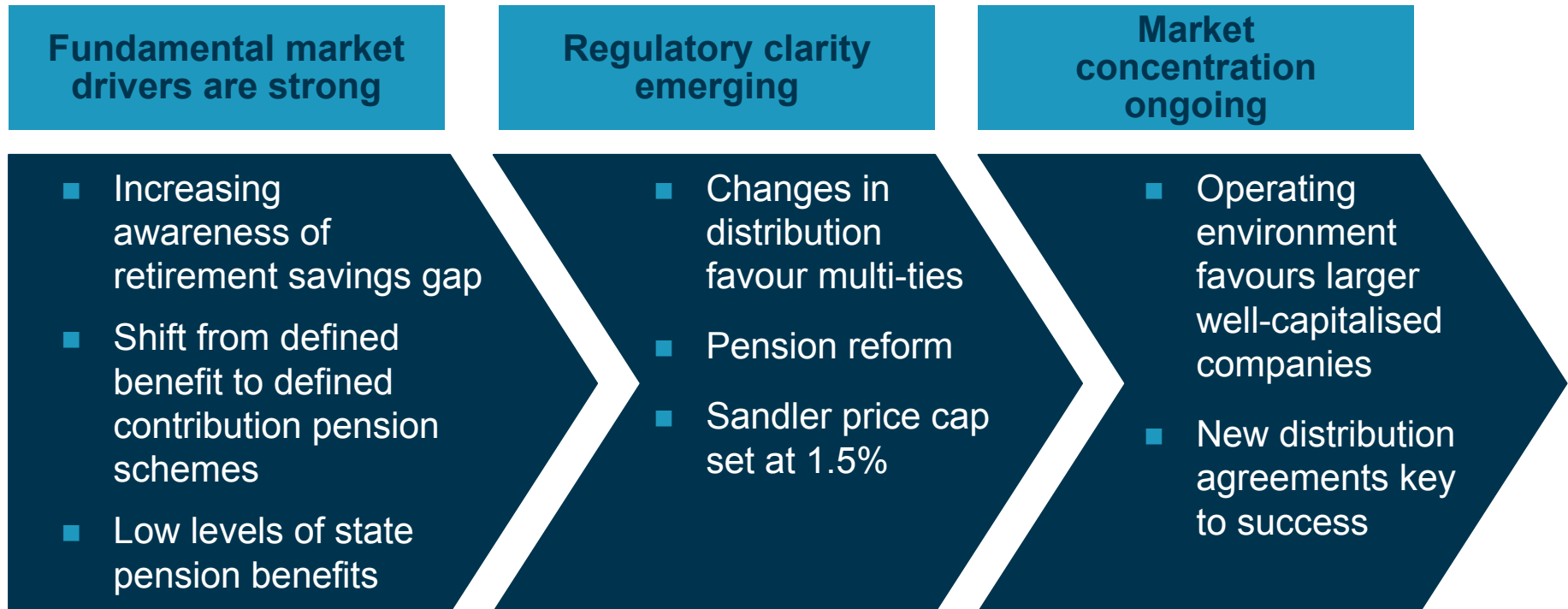


Source: FSA returns - Form 9 and Form 41 (expenses/assets)

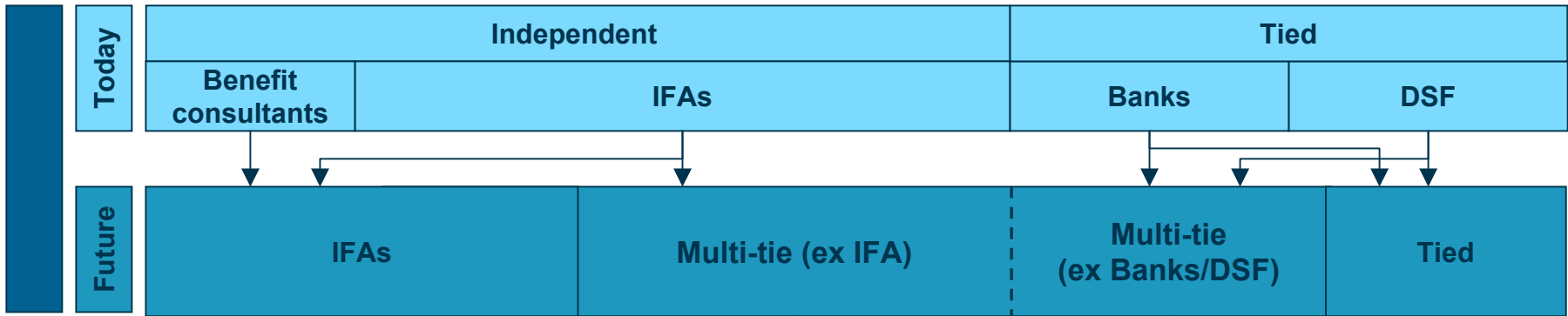
Note:

¹ Peer average includes Aviva, Friends Provident, Legal & General, Scottish Widows and Standard Life

GROWTH RETURNS TO ONE OF THE WORLD'S LARGEST SAVINGS MARKETS



PRUDENTIAL POSITIONED TO BE “NET WINNER” FROM DISTRIBUTION SHAKE-UP



EX IFA MULTI-TIE

- Prudential believes it scores highly on key selection criteria
- Concentration of IFAs towards large multi-tie platforms provides additional opportunity
- Prudential’s recent announcements
 - Sesame
 - Millfield

EX BANKS/DSF MULTI-TIE

- Prudential’s recent agreements
 - Lloyds TSB (protection)
 - Alliance & Leicester (protection)
 - Pearl (annuities)
 - Zurich (annuities)
- Further opportunities arising as existing single-tie arrangements in UK banking are reviewed

TARGET IRR OF 14% (AFTER TAX) BY 2007, EXCLUDING WITH-PROFITS TRANSFERS

ANNUITIES

- A market-leading annuity proposition
- Vesting annuities from with-profits fund to be written with shareholder capital
- Business sourced from other insurers (Zurich and Pearl agreements)
- Target IRR 2007: 20% (after tax)

UNIT-LINKED BONDS

- New products successfully launched
- Open architecture
- Target IRR 2007: 8% (after tax), but expected to improve as business grows

CORPORATE PENSIONS

- A market leader in UK schemes
- Strong scheme sales momentum
- Target IRR 2007: 15% (after tax)

PROTECTION

- Core multi-tie product
- Improved e-commerce and automated process capabilities
- Target IRR 2007: 15% (after tax)

ENHANCED PRODUCT RANGE

PRUFUND

- New approach to with-profits
- Market research indicates customer demand for smoothed product
- Maximum transparency in with-profits environment

PERSONAL PENSIONS

- Part of multi-tie offering
- Targeting high single premium business
- Well positioned for pensions reform

EQUITY RELEASE

- Developed in conjunction with Northern Rock
- Unlocking wealth accumulated in property
- Strong growth expected in this market

HEALTHCARE

- Healthcare joint venture with Discovery Holdings
- Innovative approach linking medical insurance costs to health and fitness

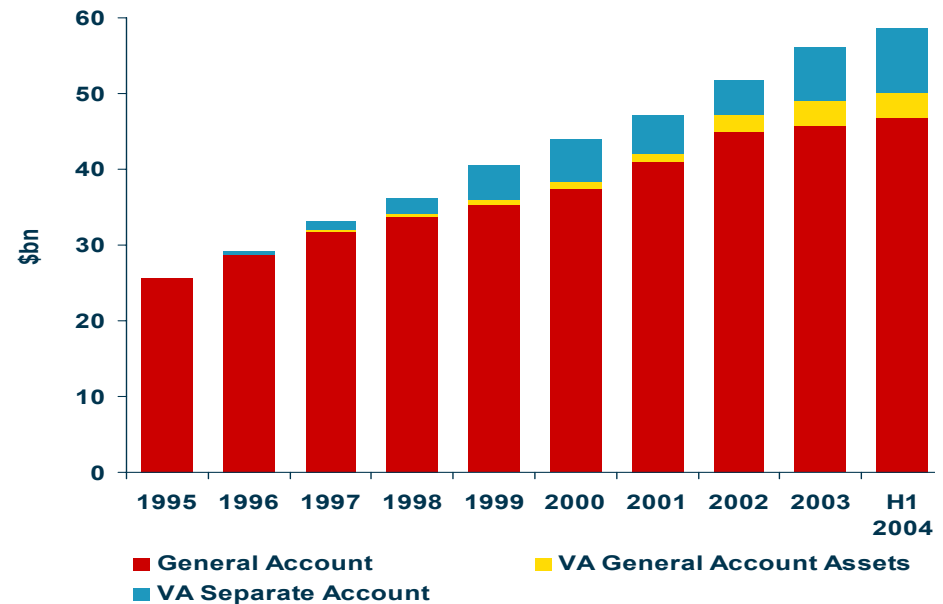
RIGHTS ISSUE PROCEEDS TO PROVIDE CAPITAL FOR INCREASED UK GROWTH

- Prudential well positioned after transformation of UK business
- UK market opportunity enhanced by positive impact of depolarisation on Prudential's distribution
- Capital required to support growing shareholder-backed business
- Aggregate target IRR of 14% (after tax) from 2007
 - excludes with-profits transfers

SELF-FINANCING: REMITTANCE INCREASED TO \$120 MILLION PER ANNUM

- Excellent product manufacturing and administrative capability
- Balanced product portfolio
- Disciplined pricing
- Strong risk management
- Relationship-driven distribution model
- Low-cost, flexible infrastructure

Consistent growth in GAAP assets



NEW REGULATORY REGIME INTRODUCES PARENT COMPANY CAPITAL REQUIREMENTS

- EU Groups Directive introduces group supervision and parent company capital requirements
- No impact on individual operating entities
- New rules apply from 1 January 2005 for Prudential
- Results in higher capital requirements than rating agency models or Prudential's economic capital models

BASIS OF PARENT COMPANY TEST

- Available capital in parent company based on regulatory surpluses in individual operating entities worldwide less non-hybrid debt
- M&G included at surplus regulatory capital
- Egg included at share of surplus regulatory capital
- No credit given for life fund embedded value
- No benefit given for diversification
- Projected shortfall in the order of £100-200 million
- Consequently, part of rights issue proceeds will ensure new requirements are met

GROUPS DIRECTIVE HAS NO IMPACT ON SOLVENCY IN INDIVIDUAL OPERATING COMPANIES

FINANCIAL STRENGTH RATINGS

- PAC
- JNL

S&P

AA+
AA

Moody's

Aa1
A1

UK LIFE FUND

- Free asset ratio of 10.7% ¹
- RCM cover of 3.9x ² (ABI basis)
- Inherited estate of more than £6bn ²

JNL

- Risk based capital of 3.9x ¹ minimum required level

ASIA

- Solvency levels maintained in accordance with local regulatory requirements

Note:

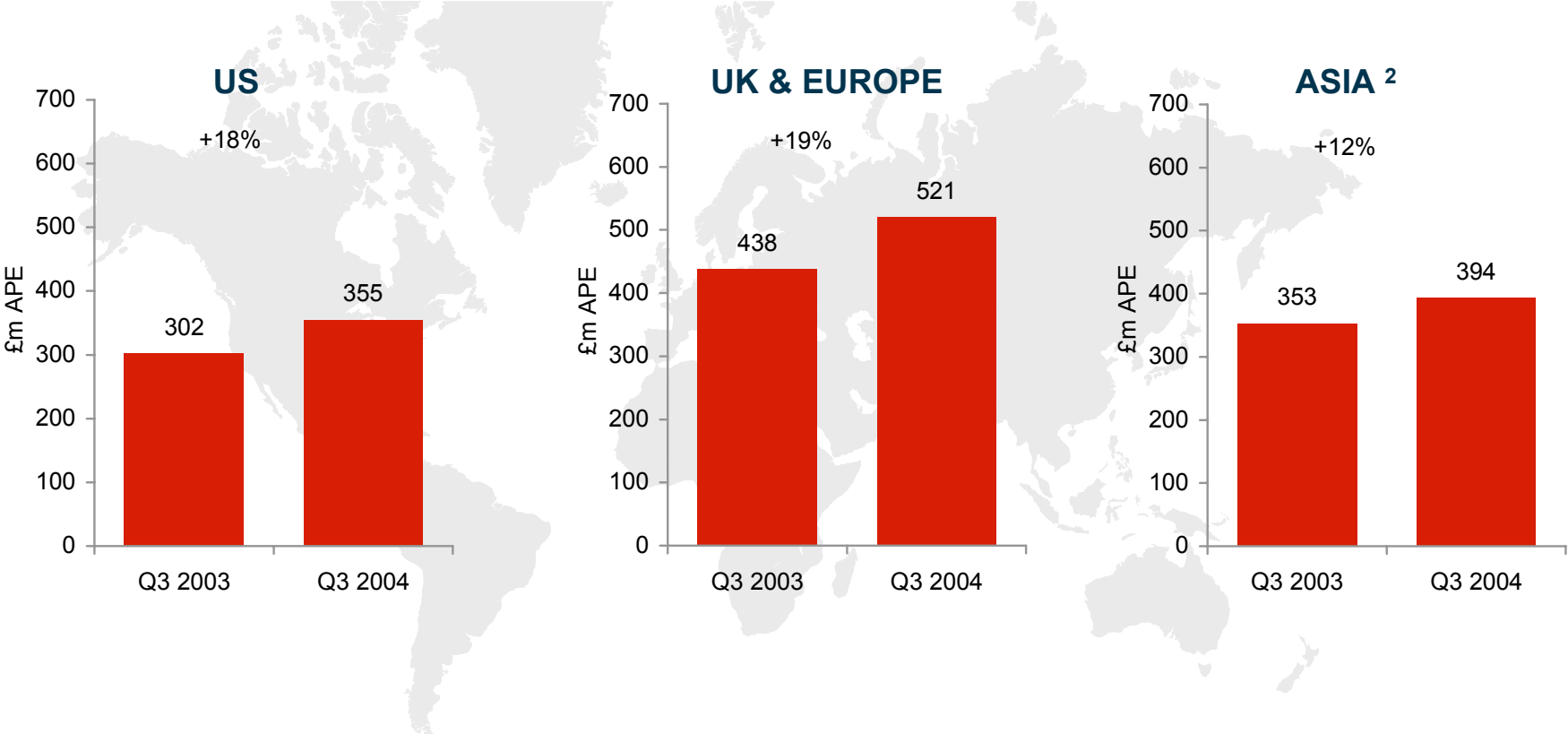
¹ 30 June 2004

² 31 December 2003

£1.0 BILLION FULLY UNDERWRITTEN RIGHTS ISSUE

- Net proceeds of £1.0 billion
- 1 new share per 6 existing shares
- 29.5% discount to theoretical ex-rights share price (TERP)
- 32.8% discount to closing share price on 18 October 2004
- Fully underwritten
- Dividends to be adjusted for bonus element
- Timetable
 - no EGM required
 - nil paid trading from 20 October 2004
 - dealings in new shares, fully paid commence on 11 November 2004

STRONG SALES PERFORMANCE ¹



Note:
1 9 months to 30 September 2004 (at constant exchange rates)
2 Increase of 21% if discontinued sales channels in Japan are excluded (at constant exchange rates)

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Questions