

Date: 27 July 2004

PRUDENTIAL PLC

2004 Unaudited Interim Results

Supplementary information

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Schedule 1

2004 Unaudited Interim results

Achieved Profits basis results

Half Year 2004

Earnings per share (note 1a)	Pre-tax £m	Tax £m	Post-tax £m	Minority interests £m	Post-tax and minority interests £m	Earnings per share (pence)
Based on operating profit after tax and related minority interests before amortisation of goodwill and exceptional items	563	(167)	396	-	396	19.8
Amortisation of goodwill	(49)	-	(49)	-	(49)	(2.4)
Adjustment from post-tax long-term investment returns to post-tax actual investment returns	(26)	(10)	(36)	(7)	(43)	(2.2)
Adjustment for post-tax effect of changes in economic assumptions	21	(11)	10	-	10	0.5
Based on profit for the period after minority interests	509	(188)	321	(7)	314	15.7

Note

1a The average number of shares for the Half Year 2004 was 2,004m.

2004 Unaudited Interim results**Achieved Profits basis results****Economic assumptions and sensitivities****(1) Basis of preparation of results**

The achieved profits basis results have been prepared in accordance with the guidance issued by the Association of British Insurers in December 2001 "Supplementary Reporting for long-term insurance business (the achieved profits method)".

Under this guidance, the basis for setting long-term expected rates of return on investments and risk discount rates are, for countries with developed long-term fixed income securities markets, set by reference to period end rates of return on fixed income securities. This "active" basis of assumption has been applied in preparing the results of the Group's UK, European and US long-term business operations. For the Group's Asian operations, the active basis is appropriate for business written in Japan and Korea and for US dollar denominated business written in Hong Kong.

For countries where long-term fixed income securities markets are underdeveloped, investment return assumptions and risk discount rates are based on an assessment of long-term economic conditions. Except for the countries listed above, this basis is appropriate to the Group's Asian operations.

The profit and loss account charge or credit in respect of changes in economic assumptions, which is shown as an item excluded from operating profit, reflects the effect on shareholders' funds at the start of the reporting period. The effect of changes in operating assumptions, which are included within the analysis of operating profit, also reflect the impact on shareholders' funds at the start of the reporting period.

New business operating profit and the unwind of discount and experience variances included in the analysis of operating profit from business in force are measured using the revised operating and economic assumptions.

The key economic assumptions and sensitivity of the results to changes in those assumptions are described below.

(2) Economic assumptions

	Half Year 2004	Half Year 2003	Full Year 2003
<u>UK and Europe Insurance Operations</u>			
Pre-tax expected long-term nominal rates of investment return:			
UK equities	7.6%	6.9%	7.3%
Overseas equities	7.3% to 8.3%	6.2% to 7.5%	6.6% to 7.9%
Property	6.8%	6.2%	6.6%
Gilts	5.1%	4.4%	4.8%
Corporate bonds	6.1%	5.4%	5.8%
Assets of PAC with-profits fund (applying the rates listed above to the investments held by the fund)	7.1%	6.4%	6.8%
Expected long-term rate of inflation	3.1%	2.9%	3.1%
Post-tax expected long-term nominal rate of return:			
Pension business (where no tax applies)	7.1%	6.4%	6.8%
Life business	6.2%	5.6%	5.9%
Risk margin included within the risk discount rate	2.6%	2.6%	2.6%
Risk discount rate	7.7%	7.0%	7.4%
<u>US Operations (Jackson National Life)</u>			
Expected long-term spread between earned rate and rate credited to policyholders	1.75%	1.75%	1.75%
US 10 year treasury bond rate at end of period	4.6%	3.5%	4.3%
Risk margin included within the risk discount rate	3.1%	3.1%	3.1%
Risk discount rate	7.7%	6.6%	7.4%

Economic assumptions and sensitivities (continued)**Asian Operations**

	Half Year 2004	Half Year 2003	Full Year 2003
Weighted pre-tax expected long-term nominal rate of investment return	6.8%	7.2%	7.4%
Weighted expected long-term rate of inflation	3.1%	3.3%	3.4%
Weighted risk discount rate	9.9%	10.5%	10.4%

The economic assumptions shown above for Asian Operations have been determined by weighting each country's economic assumption: by reference to the Achieved Profits basis operating results for new business written in the relevant period

(3) Effect of changes in economic assumptions

Pre-tax gains (losses) resulting from changes in economic assumptions included within the profit on ordinary activities before tax arise as follows:

	Half Year 2004	Half Year 2003	Full Year 2003
	£m	£m	£m
UK and Europe Insurance Operations	100	(104)	(122)
Jackson National Life	(60)	(167)	(263)
Asian Operations	(19)	(216)	(155)
Total	21	(487)	(540)

(4) Half Year 2004 Results: Sensitivities

The estimated increase (decrease) in the Half Year 2004 Group results that would arise from the following changes in economic assumptions are:

<u>Half Year 2004 Pre-tax operating profit from new business</u>	Group Total £m
Pre-tax expected long-term nominal rates of investment return	
Increase in rates of 1%	35
Decrease in rates of 1%	(41)
Risk discount rates	
Increase in rates of 1%	(40)
Decrease in rates of 1%	47

30 June 2004 Shareholders' Funds

Pre-tax expected long-term nominal rates of investment return	
Increase in rates of 1%	916
Decrease in rates of 1%	(957)
Risk discount rates	
Increase in rates of 1%	(492)
Decrease in rates of 1%	583

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Schedule 3

2004 Unaudited Interim results

Achieved Profits basis results

	Half Year 2004			Half Year 2003			Full Year 2003		
	Pre-tax £m	Tax £m	Post-tax £m	Pre-tax £m	Tax £m	Post-tax £m	Pre-tax £m	Tax £m	Post-tax £m
Operating profit from new long-term insurance business									
UK and Europe Insurance Operations	88	(26)	62	86	(26)	60	166	(50)	116
Jackson National Life (note 3a)	82	(41)	41	94	(46)	48	148	(72)	76
Asian Operations	135	(36)	99	123	(34)	89	291	(80)	211
	<u>305</u>	<u>(103)</u>	<u>202</u>	<u>303</u>	<u>(106)</u>	<u>197</u>	<u>605</u>	<u>(202)</u>	<u>403</u>

Note

3a Jackson National Life net of tax profits

Pre capital charge		51		56		95
Capital charge (note 7a on Schedule 7)		<u>(10)</u>		<u>(8)</u>		<u>(19)</u>
Post capital charge		<u>41</u>		<u>48</u>		<u>76</u>

MEMORANDUM ONLY

	Half Year 2003			Full Year 2003		
	Pre-tax £m	Tax £m	Post-tax £m	Pre-tax £m	Tax £m	Post-tax £m
Estimated results applying same economic assumptions as for Half Year 2004 results						
UK and Europe Insurance Operations	88	(26)	62	162	(49)	113
Jackson National Life (note)	86	(44)	42	146	(71)	75
Asian Operations	124	(36)	88	284	(78)	206
	<u>298</u>	<u>(106)</u>	<u>192</u>	<u>592</u>	<u>(198)</u>	<u>394</u>

Note

Jackson National Life net of tax profits

Pre capital charge		52		93
Capital charge (note 7a on Schedule 7)		<u>(10)</u>		<u>(18)</u>
Post capital charge		<u>42</u>		<u>75</u>

2004 Unaudited Interim results**Achieved Profits basis results**

Operating profit from business in force	Half Year 2004 £m	Half Year 2003 £m	Full Year 2003 £m
UK and Europe Insurance Operations			
Unwind of discount (notes 4a and 4f)	187	156	343
Cost of strengthened persistency assumption (note 4b)	-	(50)	(50)
Other items (note 4b)	(35)	(18)	(100)
	<u>152</u>	<u>88</u>	<u>193</u>
Jackson National Life			
Unwind of discount (note 4f)	70	69	145
Return on surplus assets (over target surplus)	19	17	33
Experience variances :			
Spread (notes 4c and 4d)	0	(21)	(17)
Persistency	5	4	10
Mortality and morbidity	2	7	-
Expenses	(1)	(2)	(8)
Averaged realised losses on bonds in excess of long-term default assumption (Schedule 5 and note 4c)	(22)	(38)	(66)
Loss from strengthening operating assumptions	(3)	-	(21)
Other	24	15	(5)
	<u>94</u>	<u>51</u>	<u>71</u>
Asian Operations			
Unwind of discount (note 4f)	65	55	115
Change in operating assumptions (note 4e)	(29)	-	(27)
Experience variances and other items	4	(18)	(14)
	<u>40</u>	<u>37</u>	<u>74</u>
Total	<u>286</u>	<u>176</u>	<u>338</u>

Notes**4a UK and Europe Insurance Operations - smoothing of asset values**

The unwind of discount for UK and Europe long-term business operations represents the unwind of discount on the value of in force business at the beginning of the period (adjusted for the effect of current year assumption changes); the expected return on smoothed surplus assets retained within the PAC with-profits fund (see Schedule 7), and the expected return on shareholders' assets held in other UK and Europe long-term business operations.

Surplus assets retained within the PAC with-profits fund are smoothed for this purpose to remove the effects of short term volatility of investment values (See Schedule 7 - note 7c).

4b UK and Europe Insurance Operations - cost of strengthened persistency assumption and other items

The £35m charge for other items includes adverse experience variances of £15m for persistency and £8m for renewal expenses. The £50m cost of strengthened persistency assumption for the Half Year 2003 relates to personal pension policies sold by the now discontinued direct sales force.

4c Jackson National Life - Spread variance and averaged realised losses on bonds in excess of charge for long-term default assumption

The charge for averaged realised losses shown above is as compared to the long-term default assumption for fixed income securities, which is presented as part of the determination of the spread variance. The charge for the default assumption is calculated using a weighted risk margin reserve (RMR) approach. An RMR charge is individually assigned to asset classes based on credit ratings and, where necessary, credit analysis. This is then weighted by reference to the carrying value of the investments.

The spread variance comprises:

	Half Year 2004 £m	Half Year 2003 £m	Full Year 2003 £m
Variance excluding long-term default assumption	32	18	54
Less: long-term default assumption (Schedule 5 - note 5d)	(32)	(39)	(71)
As reported above	<u>0</u>	<u>(21)</u>	<u>(17)</u>

4d Jackson National Life - spread variance and long-term returns on equity based investments

The spread variance shown above has been determined after including longer-term returns on equity based investments. This treatment is consistent with the inclusion of long-term investment returns within operating profit. Short-term fluctuations in investment returns, including those for equity based investments, are excluded from operating profit but included within the total profit or loss for the reporting period. An analysis of the short-term fluctuations in investment returns is shown in Schedule 5.

4e Asia - changes to operating assumptions

The £29m charge in 2004 for changes to operating assumptions primarily reflects expense assumption changes in Vietnam and persistency assumption changes in Singapore.

4f Memorandum only - estimated unwind of discount in 2003 applying the same economic assumptions as for the Half Year 2004 results:

	Half Year 2003 £m	Full Year 2003 £m
UK and Europe Insurance Operations	182	372
Jackson National Life	73	146
Asian Operations	53	110
Total	<u>308</u>	<u>628</u>

2004 Unaudited Interim results**Achieved Profits basis results**

Short-term fluctuations in investment returns	Half Year 2004 £m	Half Year 2003 £m	Full Year 2003 £m
Long-term business			
UK and Europe Insurance Operations (note 5a)	(51)	195	531
Jackson National Life (note 5b)	69	54	132
Asian Operations (note 5e)	(44)	67	1
Share of investment return of funds managed by PPM America, that are consolidated into Group results, but attributable to external investors	7	0	4
Other operations	(7)	0	14
Total	(26)	316	682

Notes

5a UK and Europe Insurance Operations

Short-term fluctuations in investment returns represent the difference between total investment returns in the period attributable to shareholders on the achieved profits basis and the return included within operating profit as described in note 4a on Schedule 4

The £51m of negative fluctuations in Half Year 2004 reflect the difference the PAC Life Fund actual investment return of 3.0% and the long-term assumed rate for the Half Year of 3.5%, being half of the 7.1% set out in note 2 of Schedule 2

5b Jackson National Life - summary

Short-term fluctuations comprise:	Half Year 2004 £m	Half Year 2003 £m	Full Year 2003 £m
Actual investment return on investments less long-term returns included within operating profit (note 5c)	92	19	96
Investment return related (loss) gain due primarily to changed expectation of profits on in force variable annuity business in future periods based on current period equity returns	(23)	35	36
	69	54	132

5c Jackson National Life - Actual investment return on investments less long-term returns

This comprises:	Half Year 2004 £m	Half Year 2003 £m	Full Year 2003 £m
Actual less averaged realised gains and losses (including impairments) for fixed maturity securities (note 5d)	92	20	98
Other items	0	(1)	(2)
	92	19	96

5d Jackson National Life - Actual less averaged realised gains and losses (including impairments) for fixed maturity securities

	Half Year 2004	
	US\$m	£m
Total realised gains and losses arising in:		
2000	(90)	
2001	(532)	
2002	(435)	
2003	(65)	
Total	(1,122)	(615)
Half of full years 2000 to 2003	(561)	(308)
Half year 2004	68	38
Five year total	(493)	(270)
Five year average included in operating result	(99)	(54)
Representing:		
Long-term default assumption (Schedule 4 - note 4c)	(58)	(32)
Averaged losses in excess of the long-term default assumption (Schedule 4)	(41)	(22)
	(99)	(54)
Actual gains less averaged losses excluded from operating result but included in profit before tax (note 5c)	167	92

5e Asian Operations

The £44m of negative fluctuations in Half Year 2004 primarily reflect bond value movements

2004 Unaudited Interim results**Achieved Profits basis results**

Tax charge	Half Year 2004 £m	Half Year 2003 £m	Full Year 2003 £m
<u>Tax charge (credit) on operating profit (loss)</u> (note 6a)			
Long-term business:			
UK and Europe Insurance Operations	72	53	133
Jackson National Life (note 6b)	66	38	67
Asian Operations (note 6c)	43	53	117
	181	144	317
Other operations (note 6c)	(14)	(17)	(44)
Total tax on operating profit	167	127	273
<u>Tax charge (credit) on items not included in operating profit</u>			
Tax on short-term fluctuations in investment returns	10	82	212
Tax charge (credit) on gain (loss) from changes in economic assumptions	11	(103)	(130)
Total tax on items not included in operating profit	21	(21)	82
Tax charge on profit on ordinary activities (including tax on actual investment returns)	188	106	355

Notes

- 6a Tax on operating profit based on long-term investment returns.
- 6b Excluding tax charge on broker dealer and fund management result.
- 6c Including tax credit on development expenses. Tax charges on Asian fund management results are now recorded within those of Other operations rather than Asian long-term business operations. The analysis of tax charges for comparative periods has been adjusted accordingly.

2004 Unaudited Interim results**Achieved Profits basis results**

	Half Year 2004 £m	Restated (note 7i) Half Year 2003 £m	Restated (note 7i) Full Year 2003 £m
Shareholders' funds summary (note 7a)			
UK and Europe Operations (note 7b)			
Long-term business operations			
Smoothed shareholders' funds (note 7c)	3,648	3,363	3,469
Actual shareholders' funds less smoothed shareholders' funds	(67)	(256)	(45)
	3,581	3,107	3,424
M&G	341	347	336
Egg	350	353	348
	4,272	3,807	4,108
US Operations (note 7d)			
Jackson National Life net of surplus note borrowings (note 7g)			
Before capital charge			
Excluding assets in excess of target surplus	1,740	1,956	1,741
Assets in excess of target surplus	931	816	842
	2,671	2,772	2,583
Capital charge (note 7d)	(176)	(144)	(164)
After capital charge	2,495	2,628	2,419
Other US operations (note 7e)	73	77	71
	2,568	2,705	2,490
Asian Operations			
Long-term business	1,423	1,285	1,358
Fund management	63	57	61
	1,486	1,342	1,419
Other operations			
Goodwill (note 7f)	1,399	1,494	1,445
Holding company net borrowings (note 7g)	(2,055)	(2,111)	(1,995)
Other net liabilities (note 7i)	(448)	(175)	(462)
	(1,104)	(792)	(1,012)
Total (note 7h)	7,222	7,062	7,005

Notes

- 7a A charge is deducted from the annual result and balance sheet value for the cost of capital supporting solvency requirements for the Group's long-term business operations. The cost is the difference between the nominal value of solvency capital and the present value, at risk discount rates, of the projected release of this capital and the investment earnings on the capital. Where solvency capital is held within a with-profits long-term fund, the value placed on surplus assets in the fund is already discounted to reflect its release over time and no further adjustment is necessary in respect of solvency capital.
- 7b The proportion of surplus allocated to shareholders from the UK with-profits business has been based on the present level of 10%. Future bonus rates have been set at levels which would fully utilise the assets of the with-profits fund over the lifetime of the business in force.
- 7c UK long-term business smoothed shareholders' funds reflect an adjustment to PAC life fund assets, for the purposes of determining the unwind of discount included in operating profits, to remove the effects of short-term volatility in market values of assets. Shareholders' funds are determined on an unsmoothed basis.
- 7d In determining the cost of capital of Jackson National Life it has been assumed that an amount equal to 200 per cent of the risk based capital required by the National Association of Insurance Commissioners (NAIC) at the Company Action level must be retained. The impact of the related capital charge is to reduce Jackson National Life's shareholders' funds by £176m (30 June 2003 £144m, 31 December 2003 £164m).
- 7e Relates to broker dealer and fund management operations.

7f Total goodwill comprises :	Half Year 2004 £m	Half Year 2003 £m	Full Year 2003 £m
Held within US Operations relating to broker dealer and banking businesses	50	55	53
Held within Egg	6	6	6
Other operations, relating to M&G and acquired Asian businesses	1,399	1,494	1,445
	1,455	1,555	1,504
7g Net core structural borrowings of shareholder financed operations comprise:	Half Year 2004 £m	Half Year 2003 £m	Full Year 2003 £m
Holding company net cash and short-term investments	403	364	432
Core structural borrowings of shareholder financed operations:			
Holding company borrowings	(2,458)	(2,475)	(2,427)
Jackson National Life surplus note borrowings	(138)	(151)	(140)
	(2,193)	(2,262)	(2,135)

7h If the economic assumptions applied for Half Year 2004 had been in place at 31 December 2003, the achieved profits basis shareholders' funds at that date would have been higher by £11m. This represents a pre-tax profit of £21m less related tax charge of £11m (as analysed by business operation in Schedule 8) and an adjustment for exchange effects to reflect rates at 31 December 2003 of £(1)m.

7i Restated for the implementation of UITF Abstract 38 - "Accounting for ESOP Trusts". The change is reflected in restated figures for other net liabilities.

2004 Unaudited Interim results**Achieved Profits basis results**

	Long-term business operations					Group total
	UK and Europe Insurance Operations	Jackson National Life	Asian Operations	Total Long-term business operations	Other operations	
Reconciliation of movement in shareholders' funds	£m	£m	£m	£m	£m	£m
Operating profit (including investment return based on long-term rates of returns)						
Long-term business						
New business (Schedule 3)	88	82	135	305		305
Business in force (Schedule 4)	152	94	40	286		286
	240	176	175	591		591
Asia development expenses			(10)	(10)		(10)
M&G					79	79
Egg					(4)	(4)
Asian fund management operations					10	10
US broker dealer and fund management					(2)	(2)
Other income and expenditure					(101)	(101)
Operating profit (loss) before amortisation of goodwill	240	176	165	581	(18)	563
Amortisation of goodwill		(2)		(2)	(47)	(49)
Short-term fluctuations in investment returns (Schedule 5)	(51)	69	(44)	(26)		(26)
Effect of changes in economic assumptions (Schedule 2)	100	(60)	(19)	21		21
Profit (loss) on ordinary activities before tax	289	183	102	574	(65)	509
Tax (Schedule 6)						
Tax on operating profit	(72)	(66)	(43)	(181)	14	(167)
Tax on short-term fluctuations in investment returns	15	(25)		(10)		(10)
Tax on effect of changes in economic assumptions	(30)	19		(11)		(11)
Total tax charge	(87)	(72)	(43)	(202)	14	(188)
Minority interests					(7)	(7)
Profit (loss) for the period	202	111	59	372	(58)	314
Exchange movements (note 8a)		(31)	(30)	(61)	12	(49)
Development costs included above (net of tax) borne centrally			1	1	(1)	
Intragroup dividends (including statutory transfer)	(72)		(33)	(105)	105	
External dividends					(109)	(109)
Investment in operations (note 8b)	27		68	95	(95)	
Adjustment for net of tax start-up losses of Curian subsidiary owned by JNL		(4)		(4)	4	
Proceeds from issues of share capital by parent company					61	61
Net increase (decrease) in shareholders' capital and reserves	157	76	65	298	(81)	217
Shareholders' capital and reserves at 1 January 2004						
As originally reported	3,424	2,419	1,358	7,201	(158)	7,043
Prior Year adjustment on implementation of UITF 38					(38)	(38)
As restated	3,424	2,419	1,358	7,201	(196)	7,005
Shareholders' capital and reserves at 30 June 2004	3,581	2,495	1,423	7,499	(277)	7,222
Analysed as:						
Statutory basis shareholders' funds	669	2,344	584	3,597	(277)	3,320
Additional shareholders' interest on achieved profits basis	2,912	151	839	3,902		3,902
Achieved Profits basis shareholders' funds	3,581	2,495	1,423	7,499	(277)	7,222

Notes

8a Profits are translated at average exchange rates, consistent with the method applied for modified statutory basis results. The amounts recorded above for exchange rate movements reflect the difference between Half Year 2004 and Full Year 2003 closing exchange rates as applied to shareholders' fund: at 1 January 2004 and the difference between Half Year 2004 closing and Half Year 2004 average rates for profits

8b Investment in operations reflects increases in share capital. This includes certain non cash items as a result of timing differences

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Schedule 9.1

2004 Unaudited Interim results

Statutory basis results

Half Year 2004

	Pre-tax £m	Tax £m	Post-tax £m	Minority interests £m	Post-tax and minority interests £m	Earnings per share (pence)
Basic earnings per share (note 9.1a)						
Based on operating profit after tax and related minority interests before amortisation of goodwill and exceptional items	304	(92)	212	-	212	10.6
Amortisation of goodwill	(49)	-	(49)	-	(49)	(2.4)
Adjustment from post-tax long-term investment returns to post-tax actual investment returns	27	(27)	-	(7)	(7)	(0.4)
Based on profit for the period after minority interests	282	(119)	163	(7)	156	7.8

Note

9.1a The average number of shares for the Half Year 2004 was 2,004m.

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Schedule 9.2

2004 Unaudited Interim results

Restatement of statutory basis results for Half Year 2003

Basic earnings per share (note 9.2a)	Pre-tax £m	Tax £m	Post-tax £m	Minority interests £m	Post-tax and minority interests £m	Earnings per share (pence)
Based on operating profit after tax and related minority interests before amortisation of goodwill and exceptional items						
As previously published	172	(52)	120	5	125	6.3
Prior year adjustment (note 9.2b)	5	2	7	-	7	0.3
As restated	177	(50)	127	5	132	6.6
Amortisation of goodwill	(49)	-	(49)	-	(49)	(2.5)
Adjustment from post-tax long-term investment returns to post-tax actual investment returns	72	(9)	63	-	63	3.2
Based on profit for the financial year after minority interests						
As previously published	195	(61)	134	5	139	7.0
Prior year adjustment (note 9.2b)	5	2	7	-	7	0.3
As restated	200	(59)	141	5	146	7.3

Notes

9.2a The average number of shares for the Half Year 2003 was 1,995m.

9.2b The prior year adjustment reflects the application of altered accounting policy for certain reinsurance contracts following the adoption of the revised Statement of Recommended Practice issued by the Association of British Insurers in November 2003.

2004 Unaudited Interim results**Statutory basis results**

	Half Year 2004 US\$m	Half Year 2003 US\$m	Full Year 2003 US\$m	Half Year 2004 £m	Half Year 2003 £m	Full Year 2003 £m
US Operations						
UK basis operating result						
Jackson National Life (note 10a and Schedule 11)	211	140	269	116	87	165
Broker dealer and fund management result (Schedule 11)	(4)	(2)	(4)	(2)	(1)	(3)
Operating result for UK reporting purposes	<u>207</u>	<u>138</u>	<u>265</u>	<u>114</u>	<u>86</u>	<u>162</u>
Average exchange rates				1.82	1.61	1.64

Notes10a Long-term investment returns included in UK basis operating profit

UK basis operating profit for the Half Year 2004 includes the following long-term investment returns (net of related change to amortisation of acquisition costs)

Averaged realised losses on fixed maturity securities:

Long-term default assumption

Averaged losses in excess of the long-term default assumption

Gross averaged losses

Related change to amortisation of deferred acquisition costs

Total (note 10b)

Long-term returns on equity based investments (note 10c)

Half Year ended 30 June 2004
US\$m £m

	(59)	(32)
	(40)	(22)
	(99)	(54)
	10	5
	<u>(89)</u>	<u>(49)</u>
	<u>31</u>	<u>17</u>

10b Averaged realised gains (losses) on fixed maturity securities

Realised gains (losses) arising in period (net of related change to amortisation of acquisition costs)

		Half Year ended 30 June 2004 US\$m £m
Full Year	2000	(69)
	2001	(477)
	2002	(396)
	2003	(64)
	Total	<u>(1,006)</u>
Half of full years 2000 to 2003		(503) (276)
Half year 2004		58 32
Five year total		<u>(445)</u> <u>(244)</u>
Five year average included in operating result above		(89) (49)
Actual gains less averaged losses excluded from operating profit but included in profit before tax (Schedule 12)		147 81

10c Long-term returns on equity based investments

Long-term returns for these investments have been determined by applying a long-term rate of return of 7.6%.

2004 Unaudited Interim results

Statutory basis results

Reconciliation from JNL HY2004 US GAAP basis result to UK GAAP basis result for US operations	US GAAP adjusted for reversal of FAS 133 and FAS 115 effects (note 11a) and adjusted for minority interests (note 11b) US \$m	Longer-term investment returns (note 11c) and other minor adjustments US \$m	Other US Subsidiaries US \$m	Segmental result for UK Modified Statutory Basis GAAP purposes (note 11d) US \$m £m	
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Profit and loss account

Operating profit

Jackson National Life	300	(89)		211	116
Broker-dealer and fund management		(11)	7	(4)	(2)

Realised investment gains (losses), net of related change to amortisation of acquisition costs (note 11a) (US GAAP as published also includes the change in the fair value of hedging instruments)

55	(55)
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Short-term fluctuations in investment returns (Schedule 12)

	133		133	73
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Amortisation of goodwill

	(3)		(3)	(2)
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Profit before tax

355	(25)	7	337	185
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Tax (charge) credit

On operating profit	(104)	35	(3)	(72)	(40)
On realised investment gains and losses	(19)	19			
On short-term fluctuations in investment returns		(47)		(47)	(25)

Total tax charge

(123)	7	(3)	(119)	(65)
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Net income

232	(18)	4	218	120
-----	------	---	-----	-----

Movements in shareholders' funds

Net income (as shown above)	232	(18)	4	218	
Shareholders' funds at beginning of period	3,997	39	130	4,166	
Shareholders' funds at end of period	4,229	21	134	4,384	2,417

Comprising:
Jackson National Life 4,250 2,344
Other US Operations 134 73

4,384	2,417
-------	-------

Notes11a Reversal of FAS 133 and FAS 115 effects

UK GAAP results exclude the impact of profits and losses that are recognised under US GAAP as a result of the implementation of FAS 133 on accounting for derivative instruments. Such gains and losses are not generally recognised for UK GAAP purposes.

After excluding FAS 133 effects and adjusting for minority interests, realised investment gains, net of related change to amortisation of acquisition costs, are \$55m. These comprise gains of \$58m on fixed maturity investments which are included within UK operating results on five year averaged basis (as shown in Schedule 10) and realised losses on equities and preferred shares of \$3m.

Under US GAAP, following FAS 115, the fixed income securities of JNL are carried in the balance sheet at fair value. Movements in unrealised gains and losses are accounted for within Other Comprehensive Income. Under UK GAAP, subject to provisions for permanent diminution in value, these securities are carried in the balance sheet at amortised cost. The value movement under US GAAP is therefore not reported for UK GAAP purposes and is a reconciling item within the analysis above.

11b Minority interests

The UK GAAP results are determined after adjustment for minority interests. For UK reporting purposes the segmental result of Jackson National Life reflects its proportionate interests in the results of two investment funds that are consolidated as quasi-subidiaries.

11c Long-term investment returns

Consistent with the ABI SORP, investment returns included in the UK operating result are determined on a long-term basis. These amounts are explained in Schedule 10. The difference between actual investment returns and long-term returns is included within the profit and loss account as short-term fluctuations in investment returns. These are explained in Schedule 12.

11d Exchange rates

Half Year 2004 average rate applied to profit and loss account	1.82
Half Year 2004 closing rate applied to shareholders' funds	1.81

2004 Unaudited Interim results**Statutory basis results**

Short-term fluctuations in investment returns	Half Year 2004 £m	Half Year 2003 £m	Full Year 2003 £m
Long-term business			
Jackson National Life (note 12a)	73	22	93
Asian Operations (note 12b)	(48)	40	(23)
UK and Europe Insurance Operations	2	10	3
Share of investment return of funds managed by PPM America, that are consolidated into Group results, but attributable to external investors	7	-	4
Other Operations (note 12c)	(7)	-	14
Total	27	72	91

Notes**12a Jackson National Life**

Short-term fluctuations (net of related change to amortisation of acquisition costs) comprise actual investment return on investments less long-term returns (net of related changes to amortisation of acquisition costs) as follows:

	Half Year 2004 £m	Half Year 2003 £m	Full Year 2003 £m
Actual less averaged realised gains and losses for fixed maturities (Schedule 10)	81	17	84
Other items	(8)	5	9
	73	22	93

12b Asian Operations

Short-term fluctuations for the Asian Operations primarily reflect bond value movements.

12c <u>Other Operations</u>	Half Year 2004 £m	Half Year 2003 £m	Full Year 2003 £m
Current year realised and unrealised (losses) gains	(7)	-	14
Long-term gains credited to operating result	0	-	0
(Shortfall) excess of current year gains over long-term gains excluded from operating result but included in profit before tax	(7)	-	14

2004 Unaudited Interim results**Statutory basis results**

Tax charge	Half Year 2004 £m	Restated (note 13b) Half Year 2003 £m	Full Year 2003 £m
<u>Tax charge (credit) on operating profit (loss) (note 13a)</u>			
Long-term business:			
UK and Europe Insurance Operations (note 13b)	50	32	78
Jackson National Life (note 13c)	39	31	58
Asian Operations (note 13d)	17	4	14
	106	67	150
Other operations (note 13d)	(14)	(17)	(44)
Total tax on operating profit	92	50	106
<u>Tax on items not included in operating profit</u>			
Tax on short-term fluctuations in investment returns	27	9	38
Tax on profit on ordinary activities (including tax on actual investment returns)	119	59	144

Notes

- 13a Tax on operating profit based on long-term investment returns.
- 13b Consistent with the adoption for Full Year 2003 reporting of the ABI SORP, issued in November 2003, the Half Year 2003 tax charge for UK and Europe Insurance Operations has been reduced by £2m due to the adoption of altered accounting policy of certain reinsurance contracts.
- 13c Excluding tax charge on broker dealer and fund management result.
- 13d Including tax credit on development expenses. Tax charges on Asian fund management results are now recorded within those of other Operations rather than Asian long-term business operations. The analysis of tax charges for comparative periods has been adjusted accordingly.

2004 Unaudited Interim Results

Funds under management - summary	Half Year 2004 £bn	Half Year 2003 £bn	Full Year 2003 £bn
Business Area (Schedule 15)			
UK and Europe Operations	105.0	98.3	104.5
US Operations	29.2	31.4	28.6
Asian Operations	7.2	6.3	6.9
Internal insurance and investment funds under management (note 14a)	141.4	136.0	140.0
External funds	28.7	26.0	28.0
Total insurance and investment funds under management	170.1	162.0	168.0

Note

14a As included in the summarised consolidated balance sheet.

2004 Unaudited Interim results**Funds under management - analysis by business area**

	Equities		Fixed Income Securities		Land and Buildings		Other Investments		Investments held to cover linked liabilities		Total	
	Half Year 2004 £bn	Full Year 2003 £bn	Half Year 2004 £bn	Full Year 2003 £bn	Half Year 2004 £bn	Full Year 2003 £bn	Half Year 2004 £bn	Full Year 2003 £bn	Half Year 2004 £bn	Full Year 2003 £bn	Half Year 2004 £bn	Full Year 2003 £bn
UK and Europe Operations	33.8	33.2	41.4	41.0	10.7	10.8	4.0	4.9	15.1	14.6	105.0	104.5
US Operations (note 15a)	0.1	0.2	20.2	20.3	0.0	0.0	4.2	4.2	4.7	3.9	29.2	28.6
Asian Operations	1.6	1.5	3.5	3.3	0.1	0.1	0.6	0.7	1.4	1.3	7.2	6.9
Group Total	35.5	34.9	65.1	64.6	10.8	10.9	8.8	9.8	21.2	19.8	141.4	140.0

Note

15a Subject to provisions for permanent diminution in value, the fixed income securities of US Operations are valued at amortised cost.

2004 Unaudited Interim results**Foreign currency translation: Rates of Exchange**

The profit and loss accounts of foreign subsidiaries are translated at average exchange rates for the period. Assets and liabilities of foreign subsidiaries are translated at period-end exchange rates. Foreign currency borrowings that have been used to finance or provide a hedge against Group equity investments in overseas subsidiaries are translated at period-end exchange rates. The impact of these currency translations is recorded as a component of the movement in shareholders' capital and reserves.

The following translation rates have been applied:

Local currency : £	Closing Half Year 2004	Average Half Year 2004	Closing Half Year 2003	Average Half Year 2003	Closing Full Year 2003	Average Full Year 2003
Hong Kong	14.15	14.19	12.87	12.56	13.90	12.73
Japan	197.88	197.61	198.14	191.27	191.85	189.32
Malaysia	6.89	6.93	6.27	6.12	6.80	6.21
Singapore	3.12	3.10	2.91	2.81	3.04	2.85
Taiwan	61.01	60.72	57.11	55.92	60.78	56.24
USA	1.81	1.82	1.65	1.61	1.79	1.64

2004 Unaudited Interim results

	Half Year 2004	Half Year 2003		Full Year 2003	
	As published	Restated (note 17.1c)	Memorandum using Half Year 2004 exchange rates (note 17.1a)	Restated (note 17.1c)	Memorandum using Half Year 2004 exchange rates (note 17.1a)
	£m	£m	£m	£m	£m
Foreign currency translation: Effect of rate movements on results					
Achieved Profits basis results					
US Operations					
New business	82	94	83	148	133
Business in force	94	51	45	71	64
Jackson National Life	176	145	128	219	197
Broker dealer and fund management	(2)	(1)	(1)	(3)	(3)
Total US Operations	174	144	127	216	194
Asian Operations					
New business	135	123	110	291	263
Business in force	40	37	31	74	66
Long-term operations	175	160	141	365	329
Fund management	10	2	2	13	12
Total Asian Operations (before development expenses)	185	162	143	378	341
Other Operations	204	91	94	200	206
Operating profit before amortisation of goodwill	563	397	364	794	741
Shareholders' funds	7,222	7,062	6,708	7,005	6,937

	Half Year 2004	Half Year 2003		Full Year 2003	
	As published	Restated (note 17.1b and 17.1c)	Memorandum using Half Year 2004 exchange rates (note 17.1a)	Restated (note 17.1c)	Memorandum using Half Year 2004 exchange rates (note 17.1a)
	£m	£m	£m	£m	£m
Statutory basis results					
US Operations					
Jackson National Life	116	87	77	165	148
Broker dealer and fund management	(2)	(1)	(1)	(3)	(3)
Total US Operations	114	86	76	162	145
Asian Operations					
Long-term operations	64	34	30	85	75
Fund management	10	2	2	13	12
Total Asian Operations (before development expenses)	74	36	32	98	87
Other Operations	116	55	58	97	103
Operating profit before amortisation of goodwill	304	177	166	357	335
Shareholders' funds	3,320	3,580	3,307	3,240	3,198

Notes

17.1a The memorandum results for Half Year 2003 and Full Year 2003 have been calculated by applying average Half Year 2004 exchange rates to operating profit and exchange rates at 30 June 2004 to shareholders' funds at the period ends.

17.1b The Half Year 2003 statutory basis results have been restated for the change in accounting for reinsurance contracts.

17.1c Shareholders' funds have, where appropriate, been restated for the implementation of UITF Abstract 38 - "Accounting for ESOP Trusts".

Date: 27 July 2004

Schedule 17.2

2004 Unaudited Interim results

	Half Year 2004	Half Year 2003		Full Year 2003	
	As published	Restated (note 17.2b)	Memorandum using Half Year 2004 exchange rates (note 17.2a)	Restated (note 17.2b)	Memorandum using Half Year 2004 exchange rates (note 17.2a)
	£m	£m	£m	£m	£m
Foreign currency translation: Effect of rate movements on New Business results					
Annual premium equivalent insurance product sales					
UK and Europe Operations	361	313	313	584	584
US Operations	244	252	223	418	376
Asian Operations	248	243	221	555	507
Total	853	808	757	1,557	1,467
Gross investment product inflows					
M&G	2,177	2,016	2,016	3,797	3,797
Asian Operations	9,584	8,363	7,766	18,157	16,805
Total	11,761	10,379	9,782	21,954	20,602
Total insurance and investment product flows					
Insurance	5,578	4,978	4,656	9,184	8,678
Investment	11,761	10,379	9,782	21,954	20,602
Total	17,339	15,357	14,438	31,138	29,280

Notes

17.2a The memorandum results for Half Year 2003 and Full Year 2003 have been calculated by applying average Half Year 2004 exchange rates

17.2b The UK and Europe insurance product sales have been reduced as certain investment mandates are reported as M&G investment funds under management

PRUDENTIAL PLC - NEW BUSINESS - HALF YEAR 2004

TOTAL INSURANCE AND INVESTMENT NEW BUSINESS

	UK & Europe			US ⁽¹⁾			Asia ⁽¹⁾			Total		
	HY 2004	HY 2003	+/- (%)	HY 2004	HY 2003	+/- (%)	HY 2004	HY 2003	+/- (%)	HY 2004	HY 2003	+/- (%)
	£m	£m		£m	£m		£m	£m		£m	£m	
Total Insurance Products	2,709	2,139	27%	2,348	2,448	(4%)	521	391	33%	5,578	4,978	12%
Total Investment Products - Gross Inflows ⁽²⁾	2,177	2,016	8%	-	-	-	9,584	8,363	15%	11,761	10,379	13%
Group Total	4,886	4,155	18%	2,348	2,448	(4%)	10,105	8,754	15%	17,339	15,357	13%

INSURANCE OPERATIONS

	Single			Regular			Total			Annual Equivalents ⁽³⁾		
	HY 2004	HY 2003	+/- (%)	HY 2004	HY 2003	+/- (%)	HY 2004	HY 2003	+/- (%)	HY 2004	HY 2003	+/- (%)
	£m	£m		£m	£m		£m	£m		£m	£m	
UK Insurance Operations :⁽⁴⁾												
<i>Direct to Customer:</i>												
Individual Pensions	6	6	0%	5	5	0%	11	11	0%	6	6	0%
Life - With Profit Bond	6	7	(14%)	1	1	0%	7	8	(13%)	2	2	0%
Life - Other	-	-	-	-	1	-	-	1	-	-	1	-
Individual Annuities	306	367	(17%)	-	-	-	306	367	(17%)	31	37	(16%)
Sub-Total	318	380	(16%)	6	7	(14%)	324	387	(16%)	38	45	(16%)
DWP Rebates	252	280	(10%)	-	-	-	252	280	(10%)	25	28	(11%)
Total	570	660	(14%)	6	7	(14%)	576	667	(14%)	63	73	(14%)
<i>Business to Business:</i>												
Corporate Pensions	77	92	(16%)	75	70	7%	152	162	(6%)	83	79	5%
Individual Annuities	94	105	(10%)	-	-	-	94	105	(10%)	9	11	(18%)
Bulk Annuities	210	157	34%	-	-	-	210	157	34%	21	16	31%
Total	381	354	8%	75	70	7%	456	424	8%	113	105	8%
<i>Intermediated Distribution :</i>												
Individual Pensions	33	33	0%	11	13	(15%)	44	46	(4%)	14	16	(13%)
Corporate Pensions	117	23	409%	5	3	67%	122	26	369%	17	5	240%
Life - With Profit Bond	133	173	(23%)	-	-	-	133	173	(23%)	13	17	(24%)
Life - Other Bond	313	149	110%	-	-	-	313	149	110%	31	15	107%
Life - Other	-	1	-	2	17	(88%)	2	18	(89%)	2	17	(88%)
Individual Annuities	545	390	40%	-	-	-	545	390	40%	55	39	41%
Sub-Total	1,141	769	48%	18	33	(45%)	1,159	802	45%	132	110	20%
DWP Rebates	92	60	53%	-	-	-	92	60	53%	9	6	50%
Total	1,233	829	49%	18	33	(45%)	1,251	862	45%	141	116	22%
<i>Partnerships :</i>												
Life - With Profit Bond	2	35	(94%)	-	-	-	2	35	(94%)	0	4	(100%)
Life - Other	339	118	187%	1	-	-	340	118	188%	35	12	192%
Individual Annuities	48	4	1100%	-	-	-	48	4	1100%	5	0	-
Total	389	157	148%	1	-	-	390	157	148%	40	16	150%
Total :												
Individual Pensions	39	39	0%	16	18	(11%)	55	57	(4%)	20	22	(9%)
Corporate Pensions	194	115	69%	80	73	10%	274	188	46%	99	85	16%
Life - With Profit Bond	141	215	(34%)	1	1	0%	142	216	(34%)	15	23	(35%)
Life - Other Bond	313	149	110%	-	-	-	313	149	110%	31	15	107%
Life - Other	339	119	185%	3	18	(83%)	342	137	150%	37	30	23%
Individual Annuities	993	866	15%	-	-	-	993	866	15%	99	87	14%
Bulk Annuities	210	157	34%	-	-	-	210	157	34%	21	16	31%
Sub-Total	2,229	1,660	34%	100	110	(9%)	2,329	1,770	32%	323	276	17%
DWP Rebates	344	340	1%	-	-	-	344	340	1%	34	34	0%
Total UK Insurance Operations	2,573	2,000	29%	100	110	(9%)	2,673	2,110	27%	357	310	15%
<i>European Insurance Operations :⁽⁵⁾</i>												
Insurance Products	36	29	24%	-	-	-	36	29	24%	4	3	33%
Total European Insurance Operations	36	29	24%	-	-	-	36	29	24%	4	3	33%
Total UK & European Insurance Operations	2,609	2,029	29%	100	110	(9%)	2,709	2,139	27%	361	313	15%
<i>US Insurance Operations :⁽⁶⁾</i>												
Fixed Annuities	573	953	(40%)	-	-	-	573	953	(40%)	57	95	(40%)
Equity-Linked Indexed Annuities	158	112	41%	-	-	-	158	112	41%	16	11	45%
Variable Annuities	1,006	910	11%	-	-	-	1,006	910	11%	101	91	11%
Life	-	-	-	10	8	25%	10	8	25%	10	8	25%
Sub-Total Retail	1,737	1,975	(12%)	10	8	25%	1,747	1,983	(12%)	184	206	(11%)
Guaranteed Investment Contracts	32	186	(83%)	-	-	-	32	186	(83%)	3	19	(84%)
GIC - Medium Term Note	569	279	104%	-	-	-	569	279	104%	57	28	104%
Total US Insurance Operations	2,338	2,440	(4%)	10	8	25%	2,348	2,448	(4%)	244	252	(3%)
<i>Asian Insurance Operations :⁽⁷⁾</i>												
China	5	4	25%	6	5	20%	11	9	22%	7	5	40%
Hong Kong	108	76	42%	35	34	3%	143	110	30%	46	42	10%
India (@26%)	3	2	50%	17	6	183%	20	8	150%	17	6	183%
Indonesia	21	8	163%	14	13	8%	35	21	67%	16	14	14%
Japan	7	5	40%	3	20	(85%)	10	25	(60%)	4	20	(80%)
Korea	27	-	-	27	10	170%	54	10	440%	30	10	200%
Malaysia	3	6	(50%)	21	24	(13%)	24	30	(20%)	21	25	(16%)
Singapore	96	51	88%	20	26	(23%)	116	77	51%	30	31	(3%)
Taiwan	30	9	233%	57	64	(11%)	87	73	19%	60	65	(8%)
Other ⁽⁸⁾	4	3	33%	17	25	(32%)	21	28	(25%)	17	25	(32%)
Total Asian Insurance Operations	304	164	85%	217	227	(4%)	521	391	33%	248	243	2%
Group Total	5,251	4,633	13%	327	345	(5%)	5,578	4,978	12%	853	808	6%

PRUDENTIAL PLC - NEW BUSINESS - HALF YEAR 2004

INVESTMENT OPERATIONS

	Opening FUM	Gross inflows	Redemptions	Net inflows	Other movements	Market & currency movements	Net movement in FUM	Closing FUM
2004								
M&G								
M&G branded retail investment product	8,819	722	(635)	87	-	157	244	9,063
Prudential branded UK retail investment products ⁽⁶⁾	1,325	77	(90)	(13)	-	17	4	1,329
M&G institutional ⁽⁷⁾	14,048	1,378	(1,542)	(164)	(41)	207	2	14,050
Total M&G	24,192	2,177	(2,267)	(90)	(41)	381	250	24,442
Asia								
India	2,049	4,408	(4,332)	76	(17)	(73)	(14)	2,035
Taiwan	2,666	3,549	(3,599)	(50)	-	(25)	(75)	2,591
Korea	933	1,044	(807)	237	(21)	(16)	200	1,133
Other Mutual Fund Operation:	752	542	(153)	389	-	(24)	365	1,117
Total Asian Mutual Fund Operation:	6,400	9,543	(8,891)	652	(38)	(138)	476	6,876
Hong Kong MPF Products ⁽⁸⁾	196	41	(16)	25	-	(5)	20	216
Total Asian Investment Operation:	6,596	9,584	(8,907)	677	(38)	(143)	496	7,092
Total Investment Products	30,788	11,761	(11,174)	587	(79)	238	746	31,534
2003								
M&G								
M&G branded retail investment product	7,587	534	(401)	133	-	394	527	8,114
Prudential branded UK retail investment products ⁽⁶⁾	1,137	76	(79)	(3)	-	61	59	1,196
M&G institutional ^{(4) (7)}	11,560	1,406	(702)	704	-	757	1,461	13,021
Total M&G	20,284	2,016	(1,182)	834	-	1,212	2,047	22,331
Asia								
India	1,372	3,333	(3,084)	249	(16)	65	298	1,670
Taiwan	2,425	3,609	(3,520)	89	-	(24)	65	2,490
Korea	993	1,043	(1,083)	(40)	(13)	(6)	(59)	934
Other Mutual Fund Operation:	306	339	(36)	303	-	18	321	627
Total Asian Mutual Fund Operation:	5,096	8,324	(7,723)	601	(29)	53	625	5,721
Hong Kong MPF Products ⁽⁸⁾	136	39	(11)	27	-	2	29	165
Total Asian Investment Operation:	5,232	8,363	(7,734)	628	(29)	55	654	5,886
Total Investment Products	25,516	10,379	(8,916)	1,462	(29)	1,267	2,701	28,217
2004 movement relative to 2003								
M&G								
M&G branded retail investment product	16%	35%	(58%)	(35%)	-	(60%)	(54%)	12%
Prudential branded UK retail investment products ⁽⁶⁾	17%	1%	(14%)	(333%)	-	(72%)	(93%)	11%
M&G institutional ^{(4) (7)}	22%	(2%)	(120%)	(123%)	-	(73%)	(100%)	8%
Total M&G	19%	8%	(92%)	(111%)	-	(69%)	(88%)	9%
Asia								
India	49%	32%	(40%)	(69%)	(6%)	(212%)	(105%)	22%
Taiwan	10%	(2%)	(2%)	(156%)	-	(4%)	(215%)	4%
Korea	(6%)	0%	25%	693%	(62%)	(167%)	439%	21%
Other Mutual Fund Operation:	146%	60%	(325%)	28%	-	(233%)	14%	78%
Total Asian Mutual Fund Operation:	26%	15%	(15%)	8%	(31%)	(360%)	(24%)	20%
Hong Kong MPF Products ⁽⁸⁾	44%	5%	(45%)	(7%)	-	(350%)	(31%)	31%
Total Asian Investment Operation:	26%	15%	(15%)	8%	(31%)	(360%)	(24%)	20%
Total Investment Products	21%	13%	(25%)	(60%)	(172%)	(81%)	(72%)	12%

US ⁽⁹⁾

	HY 2004 £m	HY 2003 £m	+/- (%)
US Banking Products			
Total Deposit Liabilities	612	650	(6%)
Retail Assets	658	705	(7%)
Curian Capital			
External Funds under Management	342	-	-

PRUDENTIAL PLC - NEW BUSINESS - QUARTER 2 2004 VERSUS QUARTER 2 2003

INSURANCE OPERATIONS

	Single			Regular			Total			Annual Equivalents ⁽⁸⁾		
	Q2 2004	Q2 2003	+/- (%)	Q2 2004	Q2 2003	+/- (%)	Q2 2004	Q2 2003	+/- (%)	Q2 2004	Q2 2003	+/- (%)
	£m	£m		£m	£m		£m	£m		£m	£m	
UK Insurance Operations :⁽⁴⁾												
<i>Direct to Customer:</i>												
Individual Pensions	3	3	0%	2	3	(33%)	5	6	(17%)	2	3	(33%)
Life - With Profit Bond	3	3	0%	-	-	-	3	3	0%	0	0	0%
Life - Other	-	-	-	-	1	-	-	1	-	-	1	-
Individual Annuities	155	158	(2%)	-	-	-	155	158	(2%)	16	16	0%
Sub-Total	161	164	(2%)	2	4	(50%)	163	168	(3%)	18	20	(10%)
DWP Rebates	-	-	-	-	-	-	-	-	0%	-	-	0%
Total	161	164	(2%)	2	4	(50%)	163	168	(3%)	18	20	(10%)
<i>Business to Business:</i>												
Corporate Pensions	37	42	(12%)	45	46	(2%)	82	88	(7%)	49	50	(2%)
Individual Annuities	46	43	7%	-	-	-	46	43	7%	5	4	25%
Bulk Annuities	70	86	(19%)	-	-	-	70	86	(19%)	7	9	(22%)
Total	153	171	(11%)	45	46	(2%)	198	217	(9%)	60	63	(5%)
<i>Intermediated Distribution :</i>												
Individual Pensions	17	16	6%	5	7	(29%)	22	23	(4%)	7	9	(22%)
Corporate Pensions	52	11	373%	3	1	200%	55	12	358%	8	2	300%
Life - With Profit Bond	79	65	22%	-	-	-	79	65	22%	8	7	14%
Life - Other Bond	172	75	129%	-	-	-	172	75	129%	17	8	113%
Life - Other	-	-	-	1	9	(89%)	1	9	(89%)	1	9	(89%)
Individual Annuities	318	151	111%	-	-	-	318	151	111%	32	15	113%
Sub-Total	638	318	101%	9	17	(47%)	647	335	93%	73	49	49%
DWP Rebates	-	-	-	-	-	-	-	-	-	-	-	-
Total	638	318	101%	9	17	(47%)	647	335	93%	73	49	49%
<i>Partnerships :</i>												
Life - With Profit Bond	-	9	0%	-	-	-	-	9	0%	-	1	0%
Life - Other	175	67	161%	1	-	-	176	67	163%	19	7	171%
Individual Annuities	25	4	525%	-	-	-	25	4	525%	3	0	-
Total	200	80	150%	1	-	-	201	80	151%	21	8	163%
Total :												
Individual Pensions	20	19	5%	7	10	(30%)	27	29	(7%)	9	12	(25%)
Corporate Pensions	89	53	68%	48	47	2%	137	100	37%	57	52	10%
Life - With Profit Bond	82	77	6%	-	-	0%	82	77	6%	8	8	0%
Life - Other Bond	172	75	129%	-	-	0%	172	75	129%	17	8	113%
Life - Other	175	67	161%	2	10	(80%)	177	77	130%	20	17	18%
Individual Annuities	544	356	53%	-	-	-	544	356	53%	54	36	50%
Bulk Annuities	70	86	(19%)	-	-	-	70	86	(19%)	7	9	(22%)
Sub-Total	1,152	733	57%	57	67	(15%)	1,209	800	51%	172	140	23%
DWP Rebates	-	-	0%	-	-	-	-	-	0%	-	-	-
Total UK Insurance Operations	1,152	733	57%	57	67	(15%)	1,209	800	51%	172	140	23%
<i>European Insurance Operations :⁽¹⁾</i>												
Insurance Products	18	17	6%	-	-	-	18	17	6%	2	2	0%
Total European Insurance Operations	18	17	6%	-	-	-	18	17	6%	2	2	0%
Total UK & European Insurance Operations	1,170	750	56%	57	67	(15%)	1,227	817	50%	174	142	23%
<i>US Insurance Operations :⁽¹⁾</i>												
Fixed Annuities	241	421	(43%)	-	-	-	241	421	(43%)	24	42	(43%)
Equity-Linked Indexed Annuities	87	68	28%	-	-	-	87	68	28%	9	7	29%
Variable Annuities	533	468	14%	-	-	-	533	468	14%	53	47	13%
Life	-	-	-	7	5	40%	7	5	40%	7	5	40%
Sub-total Retail	861	957	(10%)	7	5	40%	868	962	(10%)	93	101	(8%)
Guaranteed Investment Contracts	13	186	(93%)	-	-	-	13	186	(93%)	1	19	(95%)
GIC - Medium Term Note	277	279	(1%)	-	-	-	277	279	(1%)	28	28	0%
Total US Insurance Operations	1,151	1,422	(19%)	7	5	40%	1,158	1,427	(19%)	122	147	(17%)
<i>Asian Insurance Operations :⁽¹⁾</i>												
China	2	3	(33%)	3	3	0%	5	6	(17%)	4	3	33%
Hong Kong	56	42	33%	19	20	(5%)	75	62	21%	25	25	0%
India (@26%)	1	-	-	6	2	200%	7	2	250%	6	2	200%
Indonesia	7	5	40%	5	8	(38%)	12	13	(8%)	6	9	(33%)
Japan	4	2	100%	1	8	(88%)	5	10	(50%)	2	8	(75%)
Korea	9	-	-	14	5	180%	23	5	360%	15	5	200%
Malaysia	2	3	(33%)	13	11	18%	15	14	7%	13	12	8%
Singapore	46	22	109%	10	14	(29%)	56	36	56%	15	16	(6%)
Taiwan	20	8	150%	27	17	59%	47	25	88%	29	18	61%
Other ⁽⁵⁾	2	2	0%	9	13	(31%)	11	15	(27%)	9	13	(31%)
Total Asian Insurance Operations	149	87	71%	107	101	6%	256	188	36%	122	110	11%
Group Total	2,470	2,259	9%	171	173	(1%)	2,641	2,432	9%	418	399	5%

INVESTMENT OPERATIONS

	M&G ^{(4) (7)}			Asia Mutual Funds			Hong Kong MPF Products ⁽⁸⁾			Total Investment Products		
	Q2 2004	Q2 2003	+/- (%)	Q2 2004	Q2 2003	+/- (%)	Q2 2004	Q2 2003	+/- (%)	Q2 2004	Q2 2003	+/- (%)
	£m	£m		£m	£m		£m	£m		£m	£m	
Opening FUM	23,658	20,677	14%	6,741	5,022	34%	206	151	36%	30,605	25,850	18%
Gross inflows	1,455	832	75%	4,652	4,552	2%	24	21	14%	6,131	5,405	13%
Less redemptions	(659)	(627)	(5%)	(4,293)	(3,853)	(11%)	(12)	(8)	(50%)	(4,964)	(4,488)	(11%)
Net flows	796	205	288%	359	699	(49%)	12	12	0%	1,167	916	27%
Other movements	(139)	(4)	-	(13)	(16)	19%	-	-	-	(152)	(20)	-
Market and currency movements	127	1,452	(91%)	(211)	16	-	(2)	2	(200%)	(86)	1,470	(106%)
Net movement in FUM	784	1,653	(53%)	135	699	(81%)	10	14	(29%)	929	2,367	(61%)
Closing FUM	24,442	22,331	9%	6,876	5,721	20%	216	165	31%	31,534	28,217	12%

PRUDENTIAL PLC - NEW BUSINESS - QUARTER 2 2004 VERSUS QUARTER 1 2004

INSURANCE OPERATIONS

	Single			Regular			Total			Annual Equivalents ⁽⁸⁾		
	Q2 2004	Q1 2004	+/- (%)	Q2 2004	Q1 2004	+/- (%)	Q2 2004	Q1 2004	+/- (%)	Q2 2004	Q1 2004	+/- (%)
	£m	£m		£m	£m		£m	£m		£m	£m	
UK Insurance Operations :⁽⁴⁾												
<i>Direct to Customer:</i>												
Individual Pensions	3	3	0%	2	2	0%	5	5	0%	2	2	0%
Life - With Profit Bond	3	3	0%	-	-	-	3	3	0%	0	0	-
Individual Annuities	155	151	3%	-	-	-	155	151	3%	16	15	7%
Sub-Total	161	157	3%	2	2	0%	163	159	3%	18	18	0%
DWP Rebates	-	252	-	-	-	-	-	252	-	-	25	0%
Total	161	409	(61%)	2	2	0%	163	411	(60%)	18	43	(58%)
<i>Business to Business:</i>												
Corporate Pensions	37	40	(8%)	45	31	45%	82	71	15%	49	35	40%
Individual Annuities	46	48	(4%)	-	-	-	46	48	(4%)	5	5	0%
Bulk Annuities	70	139	(50%)	-	-	-	70	139	(50%)	7	14	(50%)
Total	153	227	(33%)	45	31	45%	198	258	(23%)	60	54	11%
<i>Intermediated Distribution :</i>												
Individual Pensions	17	16	6%	5	5	0%	22	21	5%	7	7	0%
Corporate Pensions	52	65	(20%)	3	2	50%	55	67	(18%)	8	9	(11%)
Life - With Profit Bond	79	54	46%	-	-	-	79	54	46%	8	5	60%
Life - Other Bond	172	142	21%	-	-	-	172	142	21%	17	14	21%
Life - Other	-	-	-	1	1	0%	1	1	0%	1	1	0%
Individual Annuities	318	228	39%	-	-	-	318	228	39%	32	23	39%
Sub-Total	638	505	26%	9	8	13%	647	513	26%	73	59	24%
DWP Rebates	-	92	-	-	-	-	-	92	0%	-	9	-
Total	638	597	7%	9	8	13%	647	605	7%	73	68	7%
<i>Partnerships :</i>												
Life - With Profit Bond	-	1	-	-	-	-	-	1	-	-	0	-
Life - Other	175	164	7%	1	-	-	176	164	7%	19	16	19%
Individual Annuities	25	23	9%	-	-	-	25	23	9%	3	2	50%
Total	200	188	6%	1	-	-	201	188	7%	21	19	11%
<i>Total :</i>												
Individual Pensions	20	19	5%	7	7	0%	27	26	4%	9	9	0%
Corporate Pensions	89	105	(15%)	48	33	45%	137	138	(1%)	57	44	30%
Life - With Profit Bond	82	58	41%	-	-	-	82	58	41%	8	6	33%
Life - Other Bond	172	142	21%	-	-	-	172	142	21%	17	14	21%
Life - Other	175	164	7%	2	1	100%	177	165	7%	20	17	18%
Individual Annuities	544	450	21%	-	-	-	544	450	21%	54	45	20%
Bulk Annuities	70	139	(50%)	-	-	-	70	139	(50%)	7	14	(50%)
Sub-Total	1,152	1,077	7%	57	41	39%	1,209	1,118	8%	172	149	15%
DWP Rebates	-	344	-	-	-	-	-	344	-	-	34	-
Total UK Insurance Operations	1,152	1,421	(19%)	57	41	39%	1,209	1,462	(17%)	172	183	(6%)
<i>European Insurance Operations :⁽¹⁾</i>												
Insurance Products	18	19	(5%)	-	1	0%	18	20	(10%)	2	3	(33%)
Total European Insurance Operations	18	19	(5%)	-	1	0%	18	20	(10%)	2	3	(33%)
Total UK & European Insurance Operations	1,170	1,440	(19%)	57	42	36%	1,227	1,482	(17%)	174	186	(6%)
<i>US Insurance Operations :⁽¹⁾</i>												
Fixed Annuities	241	332	(27%)	-	-	-	241	332	(27%)	24	33	(27%)
Equity-Linked Indexed Annuities	87	71	23%	-	-	-	87	71	23%	9	7	29%
Variable Annuities	533	473	13%	-	-	-	533	473	13%	53	47	13%
Life	-	-	-	7	3	133%	7	3	133%	7	3	133%
Sub-total Retail	861	876	(2%)	7	3	133%	868	879	(1%)	93	91	2%
Guaranteed Investment Contracts	13	19	(32%)	-	-	-	13	19	(32%)	1	2	(50%)
GIC - Medium Term Note	277	292	(5%)	-	-	-	277	292	(5%)	28	29	(3%)
Total US Insurance Operations	1,151	1,187	(3%)	7	3	133%	1,158	1,190	(3%)	122	122	0%
<i>Asian Insurance Operations :⁽¹⁾</i>												
China	2	3	(33%)	3	3	0%	5	6	(17%)	4	3	33%
Hong Kong	56	52	8%	19	16	19%	75	68	10%	25	21	19%
India (@26%)	1	1	0%	6	11	(45%)	7	12	(42%)	6	11	(45%)
Indonesia	7	13	(46%)	5	9	(44%)	12	22	(45%)	6	10	(40%)
Japan	4	3	33%	1	2	(50%)	5	5	0%	2	2	0%
Korea	9	18	(50%)	14	13	8%	23	31	(26%)	15	15	0%
Malaysia	2	2	0%	13	8	63%	15	10	50%	13	8	63%
Singapore	46	50	(8%)	10	10	0%	56	60	(7%)	15	15	0%
Taiwan	20	10	100%	27	30	(10%)	47	40	18%	29	31	(6%)
Other ⁽⁵⁾	2	2	0%	9	8	13%	11	10	10%	9	8	13%
Total Asian Insurance Operations	149	154	(3%)	107	110	(3%)	256	264	(3%)	122	125	(2%)
Group Total	2,470	2,781	(11%)	171	155	10%	2,641	2,936	(10%)	418	433	(3%)

INVESTMENT OPERATIONS

	M&G ^{(4),(1)}			Asia Mutual Funds			Hong Kong MPF Products ⁽⁸⁾			Total Investment Products		
	Q2 2004	Q1 2004	+/- (%)	Q2 2004	Q1 2004	+/- (%)	Q2 2004	Q1 2004	+/- (%)	Q2 2004	Q1 2004	+/- (%)
	£m	£m		£m	£m		£m	£m		£m	£m	
Opening FUM	23,658	24,192	(2%)	6,741	6,400	5%	206	196	5%	30,605	30,788	(1%)
Gross inflows	1,455	722	102%	4,652	4,892	(5%)	24	17	41%	6,131	5,631	9%
Less redemptions	(659)	(1,608)	59%	(4,293)	(4,599)	7%	(12)	(5)	(140%)	(4,964)	(6,212)	20%
Net flows	796	(886)	190%	359	293	23%	12	12	0%	1,167	(581)	301%
Other movements	(139)	98	(242%)	(13)	(25)	48%	-	-	-	(152)	73	(308%)
Market and currency movements	127	254	(50%)	(211)	73	(389%)	(2)	(2)	0%	(86)	325	(128%)
Net movement in FUM	784	(534)	247%	135	341	(60%)	10	10	0%	929	(183)	608%
Closing FUM	24,442	23,658	3%	6,876	6,741	2%	216	206	5%	31,534	30,605	3%

Notes to Schedules :

- (1) Insurance and investment new business for overseas operations has been calculated using average exchange rates. The applicable rate for Jackson National Life is 1.82 (2003 - 1.61). A comparison between the results at actual exchange rates and at constant exchange rates is given in the press release. 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.
- (2) Represents cash received from sale of investment products.
- (3) Annual Equivalents, calculated as regular new business contributions + 10% single new business contributions, are subject to roundings.
- (4) Investment mandates previously reported as UK Corporate Pensions in 2003 are reported as M&G institutional funds under management. The impact of this is to reduce UK Corporate pensions APE sales by £16m for the first half of 2003 and by £32m for the full year 2003.
- (5) In Asia, 'Other' insurance operations include Thailand, The Philippines and Vietnam.
- (6) Scottish Amicable and Prudential branded Investment Products.
- (7) Balance includes segregated pensions fund business, private finance flows and M&G South Africa institutional business. M&G institutional funds under management for Q2 2003 have been restated to include funds managed on behalf of the Prudential Staff Pension Scheme previously categorised as internal funds. Other movements reflect the net flows arising from the cash portion of a tactical asset allocation fund managed in South Africa.
- (8) Mandatory Provident Fund product sales in Hong Kong are included at Prudential's 36% interest of the Hong Kong MPF operation.
- (9) Balance sheet figures have been calculated at closing exchange rates.