

IMPORTANT

IMPORTANT: If you are in doubt about this supplemental listing document, you should seek independent professional advice.



PRUDENTIAL

Prudential plc

(Incorporated and registered in England and Wales under number 01397169)

(Stock Code : 2378)

Sponsor

CREDIT SUISSE 

SUPPLEMENTAL LISTING DOCUMENT

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This supplemental listing document does not constitute an offer of, nor is it calculated to invite offers for, shares or other securities of Prudential, nor have any such shares or other securities been allotted with a view to any of them being offered for sale to or subscription by the public. No shares in the share capital of Prudential will be allotted and issued in connection with, or pursuant to, this supplemental listing document.

Prospective investors should read this supplemental listing document in conjunction with the listing document of Prudential dated 17 May 2010 (the "Listing Document") in order to understand the offer to which the documents relate, particularly in relation to the Introduction. To the extent that anything in this supplemental listing document qualifies or contradicts anything in the Listing Document, this supplemental listing document amends the Listing Document.

Unless otherwise defined herein, capitalised terms used in this supplemental listing document have the same meanings ascribed to them as in Prudential's Listing Document.

INTRODUCTION

On 17 May 2010, Prudential announced (1) the Rights Issue as part of the cash financing for the Acquisition and (2) its first quarter 2010 interim management statement (“2010 First Quarter Results”). Accordingly, this supplemental listing document sets out additional information relating to the Rights Issue and the 2010 First Quarter Results.

Principal terms of the Rights Issue

The substantial part of the cash financing for the Acquisition will be the net proceeds of the Rights Issue. The Rights Issue will be made on the basis of:

11 Rights Issue Shares at 104 pence each for every 2 Existing Shares

held by Qualifying Shareholders on the Record Date.

The Rights Issue is expected to raise proceeds of approximately £13,843 million, net of Rights Issue and Transaction-related expenses. The Issue Price for UK Shareholders of 104 pence per Rights Issue Share represents a discount of approximately 80.8% to the Closing Price of 542.5 pence per Prudential Share on 14 May 2010, being the last London Business Day before the announcement of the terms of the Rights Issue and a 39.3% discount to the theoretical ex-rights price based on that Closing Price. The Issue Price per Rights Issue Share for HK Shareholders and Singapore Shareholders is HK\$11.78, which was calculated using the £/HK\$ exchange rate of 11.3277, the noon buying rate on 14 May 2010 (being the last London Business Day prior to the announcement of the terms of the Rights Issue).

The Rights Issue is fully underwritten and the terms of the Underwriting Agreement are summarised in the section headed “Information about the Rights Issue”.

Holdings of Existing Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue, as will holdings under different designations, in different accounts and on different registers. Entitlements to Rights Issue Shares will be rounded down to the nearest whole number and resulting fractions of Rights Issue Shares will not be allotted to any Qualifying Shareholders, but will instead be aggregated ultimately for the benefit of Prudential and treated in the same way as Rights Issue Shares not taken up.

The Rights Issue Shares will, when issued and fully paid, rank *pari passu* with the Existing Shares, including the rights to receive all dividends or distributions declared with a record date falling after the date of issue of the Rights Issue Shares. Accordingly, the final 2009 dividend will not be paid in respect of any Rights Issue Shares because the record date for that dividend was 9 April 2010.⁽¹⁾

Application will be made to the UK Listing Authority and the London Stock Exchange for the Rights Issue Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities. Application has been made to the Stock Exchange, and will be made to the SGX-ST for listing of and permission to deal in the Rights Issue Shares on the Stock Exchange and the Main Board of the SGX-ST, respectively. It is expected that UK Admission will become effective and that dealings in the Rights Issue Shares, nil paid, will commence on the London Stock Exchange at 8.00 a.m. (London time) on Tuesday 8 June 2010 with dealings in the Rights Issue Shares, fully paid, expected to commence at 8.00 a.m. (London time) on Thursday 24 June 2010. It is also expected that HK Admission will become effective and that dealings in the Rights Issue Shares, nil paid, will commence on the Stock Exchange at 9.30 a.m. (Hong Kong time) on Thursday 10 June 2010 with dealings in the Rights Issue Shares, fully paid, expected to commence at 9.30 a.m. (Hong Kong time) on Monday 28 June 2010. Further, it is expected that Singapore Admission will be effective and that dealings in the Rights Issue Shares, nil paid, will commence on the SGX-ST at 9.00 a.m. (Singapore time) on 9 June 2010, with dealings in the Rights Issue Shares, fully paid, expected to commence at 9.00 a.m. (Singapore time) on Monday 28 June 2010.

If a Qualifying Shareholder does not take up the offer of Rights Issue Shares (to the extent permitted), his or her proportionate shareholding will be diluted by approximately 84.6% as a result of the Rights Issue, and by

(1) One of the consequences of adjourning the Annual General Meeting is that, in order to pay a dividend of 13.56 pence on 27 May 2010 (as announced on 1 March 2010), that dividend will be paid as a second interim dividend. Accordingly, references in this supplemental listing document to the 2009 final dividend should be read as references to the second interim dividend of the same amount.

approximately 86.3% as a result of both the Rights Issue, and assuming the Transactions complete, the issue of New Prudential Shares to AIA Aurora as part of the consideration for the Acquisition (assuming (i) the issue of Prudential Shares to shareholders who have elected to receive the scrip dividend alternative for the 2009 final dividend, expected to be issued on 27 May 2010; (ii) no options granted under the Prudential Share Schemes are exercised; and (iii) no other Prudential Shares or New Prudential Shares issued between the date of the Rights Issue Prospectus and completion of the Transactions, and without taking into account any conversion of the MCNs).

Even if a Qualifying Shareholder takes up the offer of Rights Issue Shares in full, his or her proportionate shareholding will be diluted by approximately 10.9% if the Transactions complete because of the issue of New Prudential Shares to AIA Aurora as part of the consideration for the Acquisition (on the basis of the assumptions referred to above).

The Rights Issue is conditional, among other things, upon the passing of the Rights Issue Resolution (which itself is conditional upon the passing of the Scheme Resolutions) and the Underwriting Agreement having become unconditional in all respects (other than the condition relating to UK Admission) and not having been terminated in accordance with its terms prior to UK Admission. The Rights Issue is not conditional on completion of the Acquisition or the Scheme. However, if before UK Admission the Acquisition Agreement has been terminated or the conditions to the Acquisition Agreement cease to be capable of satisfaction and, if capable of waiver, have not been waived, the Rights Issue will not proceed.

If completion of the Acquisition does not occur, which Prudential believes is unlikely, Prudential's current intention is that the net proceeds of the Rights Issue will be invested on a short-term basis while Prudential considers how the net proceeds of the Rights Issue (after deduction of Rights Issue and Transaction related expenses and hedging costs) may be returned to Prudential's shareholders. In considering how any such proceeds might be returned to Prudential's shareholders the Directors will take into account, amongst other things, the tax implications for Prudential's shareholders.

The latest time and date for acceptance and payment in full under the Rights Issue is expected to be:

- for UK Shareholders, 11.00 a.m. (London time) on Wednesday 23 June 2010;
- for HK Shareholders, 4.00 p.m. (Hong Kong time) on Wednesday 23 June 2010; and
- for Singapore Shareholders, 5.00 p.m. (Singapore time) for acceptances by Singapore Application Forms and 9.30 p.m. (Singapore time) for ATM acceptances, in each case on Thursday 17 June 2010.

Further details of the terms and conditions of the Rights Issue are set out in the section headed "Terms and Conditions of the Rights Issue".

Credit Suisse Europe, HSBC and J.P. Morgan Cazenove are acting as Joint Sponsors, Joint Global Co-ordinators and Joint Bookrunners in connection with the Rights Issue.

Investors are reminded that the Hong Kong Record Date for entitlements under the Rights Issue is at 4.30 p.m. on Friday 4 June 2010. This means that in order to receive an entitlement under the Rights Issue, investors will need to be registered on the HK Register before that time. For further information regarding the terms and conditions to the Rights Issue, including the actions required to be taken by the HK Shareholders, please refer to the section headed "Terms and Conditions of the Rights Issue" in this supplemental listing document.

A copy of the Rights Issue Prospectus will be sent to all Shareholders on the HK Register. The Rights Issue Prospectus will give further details of the Rights Issue Shares, the Nil Paid Rights and the Fully Paid Rights being offered pursuant to the Rights Issue.

Electronic copies of this supplemental listing document will be disseminated through the websites of Prudential and the Stock Exchange. Physical copies of this supplemental listing document will be made available for collection at the office of Credit Suisse (Hong Kong) Limited at 45/F Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

In addition, following the Listing and before despatch of the Provisional Allotment Letters to the HK Shareholders physical copies of the following documents issued by Prudential on or around the date of this supplemental listing

document will be available for collection by Shareholders on the HK Register upon request made to the Hong Kong Branch Share Registrar:

- the circular and explanatory statement and notices of Court Meeting and General Meeting together with the Hong Kong proxy form; and
- the prospectus relating to the Rights Issue.

This supplemental listing document has been issued by and is the sole responsibility of Prudential.

This supplemental listing document is not a prospectus but an advertisement and investors should not acquire Rights Issue Shares referred to in this supplemental listing document except on the basis of the information contained in the Rights Issue Prospectus and/or the New Prudential Prospectus.

This supplemental listing document is for information purposes only and is not intended to and does not constitute or form any part of any offer or invitation to subscribe for or purchase any securities or the solicitation of any offer to subscribe for, purchase, or otherwise acquire any securities.

Credit Suisse Europe, HSBC and J.P. Morgan Cazenove and the other underwriters are acting solely for Prudential in relation to the matters set out in this supplemental listing document (in each case, to the extent applicable) and will not regard as a client anyone (whether or not a recipient of this supplemental listing document) other than Prudential in connection with the Listing, the Transactions, the UK Introduction or the Rights Issue and will not be responsible to anyone (whether or not a recipient of this supplemental listing document) other than Prudential for providing the protections afforded to their clients or for providing advice to anyone other than Prudential in connection with the Listing, the Transactions, the UK Introduction or the Rights Issue or any other matter referred to herein.

Ondra Partners, which is authorised and regulated in the United Kingdom by the FSA, is acting as financial adviser solely for Prudential and no one else in connection with the Rights Issue, the Acquisition and the Scheme and will not regard as a client anyone (whether or not a recipient of this supplemental listing document) other than Prudential in connection with the Rights Issue, the Acquisition and the Scheme and will not be responsible to anyone (whether or not a recipient of this supplemental listing document) other than Prudential for providing the protections afforded to its clients nor for providing advice to anyone other than Prudential in connection with the Rights Issue, the Acquisition, the Scheme or any other matter referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on Ondra Partners by FSMA 2000 or the regulatory regime established thereunder, Ondra Partners accepts no responsibility whatsoever for, nor makes any representation or warranty, express or implied, in relation to, the contents of this supplemental listing document, including its accuracy, completeness or verification or for any other statement purported to be made by it, or on behalf of it in connection with Prudential, the Rights Issue Shares, the Nil Paid Rights, the Fully Paid Rights or the Rights Issue. Ondra Partners accordingly disclaims all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

Lazard, which is authorised and regulated in the United Kingdom by the FSA, is acting solely for Prudential and no one else in connection with the Acquisition and will not regard as a client anyone (whether or not a recipient of this supplemental listing document) other than Prudential in connection with the Acquisition and will not be responsible to anyone (whether or not a recipient of this supplemental listing document) other than Prudential for providing the protections afforded to its clients nor for providing advice to anyone other than Prudential in connection with the Acquisition or any other matter referred to herein.

Nomura, which is authorised and regulated in the United Kingdom by the FSA, is acting solely for Prudential and no one else in connection with the Acquisition and will not regard as a client anyone (whether or not a recipient of this supplemental listing document) other than Prudential in connection with the Acquisition and will not be responsible to anyone (whether or not a recipient of this supplemental listing document) other than Prudential for providing the protections afforded to its clients nor for providing advice to anyone other than Prudential in connection with the Acquisition or any other matter referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Credit Suisse Europe, HSBC, J.P. Morgan Cazenove and the other underwriters by the FSMA 2000, none of Credit Suisse Europe, HSBC and J.P. Morgan Cazenove or the other underwriters (or any of their respective affiliates or agents) accept any responsibility whatsoever for, and make no representation or warranty, express or implied, in relation to, the contents of this supplemental listing document (including its accuracy, completeness or verification) or any other statement made or purported to be made by it, or on its behalf, in connection with Prudential, the Listing, the Transactions, the UK

Introduction, the Nil Paid Rights, the Fully Paid Rights, the Rights Issue Shares, the New Prudential Shares or the Rights Issue. Each of Credit Suisse Europe, HSBC, J.P. Morgan Cazenove and the other underwriters accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this supplemental listing document or any such statement.

The underwriters of the Rights Issue may, in accordance with applicable legal and regulatory provisions and subject to the Underwriting Agreement, engage in transactions in relation to the Nil Paid Rights, the Fully Paid Rights, the Rights Issue Shares, Prudential Shares and/or related instruments for their own account. Except as required by applicable law or regulation, the underwriters do not propose to make any public disclosure in relation to such transactions.

No person has been authorised to give any information or to make any representations other than those contained in this supplemental listing document and, if given or made, such information or representations must not be relied on as having been authorised by Prudential, Credit Suisse Europe, HSBC, J.P. Morgan Cazenove or the other underwriters.

The information contained in this supplemental listing document is not for release, publication or distribution, directly or indirectly, to persons in the United States, New Zealand, Japan, India, Malaysia or South Africa and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

The supplemental listing document is not an offer for sale of or a solicitation of any offer to buy securities in the United States, New Zealand, Japan, India, Malaysia or South Africa or any other jurisdiction. Securities may not be offered or sold in the United States absent of registration with the United States Securities and Exchange Commission or an exemption from registration under the US Securities Act. The Rights Issue Shares and other securities mentioned in this supplemental listing document have not been and, if and when issued in connection with the transactions, have not been and will not be registered under the US Securities Act or under the securities laws of any state or territory of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with state securities laws. Prudential does not intend to register any part of the offering of any of the securities referred to herein in the United States or to conduct a public offering of such securities in the United States.

This supplemental listing document does not constitute an offering circular or prospectus in connection with an offering of securities of Prudential. Investors must neither accept any offer for, nor acquire, any securities to which this supplemental listing document refers, unless they do so on the basis of the information contained in the Rights Issue Prospectus to be published or Circular to be distributed by Prudential. This document does not constitute an offer to sell or the solicitation of an offer to buy or subscribe for, any securities and cannot be relied upon for any investment contract or decision.

The distribution of this supplemental listing document into jurisdictions other than the United Kingdom, Hong Kong or Singapore may be restricted by law. No action has been taken by Prudential or any of Credit Suisse Europe, HSBC, J.P. Morgan Cazenove or the other underwriters that would permit an offering of such rights or shares or possession or distribution of this supplemental listing document in any jurisdiction where action for that purpose is required. Persons into whose possession this supplemental listing document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Neither the content of Prudential's website nor any website accessible by hyperlinks on Prudential's website is incorporated in, or forms part of, this supplemental listing document.

This supplemental listing document contains or refers to 'forward-looking statements' with respect to certain of the Prudential Group's and the Enlarged Group's plans and its current goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Generally, words such as "may", "could", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "seek", "continue" or similar expressions identify forward-looking statements. By their nature, forward-looking statements involve material risks and uncertainties because they relate to events and depend on circumstances that all occur in the future. Many of these risks and uncertainties relate to factors that are beyond the Prudential Group's and/or the Enlarged Group's abilities to control or estimate precisely, such as future market conditions, 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 standards, solvency standards or accounting standards, and tax and other legislation and regulations in the jurisdictions in which the Prudential Group and the Enlarged Group operate, together with material risks and uncertainties in relation to the Transactions including the possibility that the Transactions may not be consummated, the ability to achieve expected synergies, including in particular the expected revenue and cost synergies and the financial targets described in this supplemental listing document, and improved productivity and opportunities for growth from the Transactions. Any forward-looking statement contained in this supplemental listing document based on past or current trends and/or activities of Prudential should not be taken as a representation that such trends or activities will continue in the future. No statement in this supplemental listing document is intended to be a profit forecast or to imply that the earnings of the Prudential Group and/or the Enlarged Group for the current year or future years will necessarily match or exceed the historical or published earnings. Each forward-looking statement speaks only as of the date of the particular statement. Prudential expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Prudential's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. In addition, all of the forward-looking statements are qualified in their entirety by the risk factors discussed in the Rights Issue Prospectus which is expected to be published today. Accordingly, undue reliance should not be placed upon those forward-looking statements.

Prudential plc is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS IN THE UK⁽²⁾

All references to time in this document are to London time unless otherwise stated

Prudential Shares quoted ex-dividend	Wednesday 7 April 2010
Record date for 2009 final dividend ⁽³⁾	6.00 p.m. on Friday 9 April 2010
Record date for entitlement of Prudential ADR holders to instruct US Depository with respect to US Depository's voting at Court Meeting and General Meeting	5.00 p.m. (New York time) on Friday 30 April 2010
Annual General Meeting	11.00 a.m. on Wednesday 19 May 2010 ⁽⁴⁾
Dividend payment date	Thursday 27 May
Suspension of removals of Existing Shares from the UK Register to the HK Register.	3.00 p.m. on Tuesday 1 June 2010
Latest time and date for receipt by the US Depository of Voting Instruction Cards for the Court Meeting and General Meeting . .	12.00 noon (New York time) on Thursday 3 June 2010
Voting Record Time for the Reconvened Annual General Meeting, Court Meeting and General Meeting	6.00 p.m. on Thursday 3 June 2010 ⁽⁵⁾
Latest time and date for receipt by the Principal Share Registrar of the White Form of Proxy for the Reconvened Annual General Meeting	6.00 p.m. on Thursday 3 June 2010
Latest time and date for receipt by the Principal Share Registrar of the Blue Form of Proxy for the Court Meeting	6.00 p.m. on Thursday 3 June 2010 ⁽⁶⁾
Latest time and date for receipt by the Principal Share Registrar of the Pink Form of Proxy for the General Meeting	6.00 p.m. on Thursday 3 June 2010 ⁽⁷⁾
UK Record Date for entitlements under the Rights Issue	5.00 p.m. on Friday 4 June 2010
Reconvened Annual General Meeting	11.00 a.m. on Monday 7 June 2010
Court Meeting	11.15 a.m. on Monday 7 June 2010 ⁽⁸⁾
General Meeting	11.20 a.m. on Monday 7 June 2010 ⁽⁹⁾
Despatch of Provisional Allotment Letters (to Qualifying Non- CREST Shareholders only) ⁽¹⁰⁾	Monday 7 June 2010
Dealings in Rights Issue Shares, nil paid, commence on the London Stock Exchange	8.00 a.m. on Tuesday 8 June 2010
Existing Shares marked "ex-rights" by the London Stock Exchange.	8.00 a.m. on Tuesday 8 June 2010
Nil Paid Rights credited to stock accounts in CREST (of Qualifying CREST Shareholders only) ⁽¹¹⁾	8.00 a.m. on Tuesday 8 June 2010
Nil Paid Rights and Fully Paid Rights enabled in CREST.	8.00 a.m. on Tuesday 8 June 2010
Suspension of removals of Existing Shares from the UK Register to the HK Register ends.	8.00 a.m. on Tuesday 8 June 2010

(2) The times and dates given are based upon the Directors' expectations and may be subject to change.

(3) One of the consequences of adjourning the Annual General Meeting is that, in order to pay a dividend of 13.56 pence on 27 May 2010 (as announced on 1 March 2010), that dividend will be paid as a second interim dividend. Accordingly, references in this supplemental listing document to the 2009 final dividend should be read as references to the second interim dividend of the same amount.

(4) In order to minimise the inconvenience to shareholders of having two shareholder meetings within a short period, the Board proposes to adjourn the Annual General Meeting on 19 May 2010 and to reconvene it at 11.00 am on 7 June 2010.

(5) If either the Reconvened Annual General Meeting, Court Meeting or General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.00 p.m. on the day which is two London Business Days before the day of the adjourned meeting.

(6) It is requested that the Blue Forms of Proxy for the Court Meeting be lodged not later than 6.00 p.m. on 3 June 2010. Blue Forms of Proxy not so lodged may be handed to the Principal Share Registrar or the Chairman of the Court Meeting at the Court Meeting.

(7) The Pink Forms of Proxy for the General Meeting must be lodged not later than 6.00 p.m. on 3 June 2010.

(8) Or as soon thereafter as the Reconvened Annual General Meeting concludes or is further adjourned.

(9) Or as soon thereafter as the Court Meeting concludes or is adjourned.

(10) Subject to certain restrictions relating to Overseas Shareholders, details of which are set out in the section headed "Terms and Conditions of the Rights Issue" of this supplemental listing document.

(11) Subject to certain restrictions relating to Overseas Shareholders, details of which are set out in the section headed "Terms and Conditions of the Rights Issue" of this supplemental listing document.

Recommended latest time for requesting withdrawal of Nil Paid Rights and Fully Paid Rights from CREST (i.e. if your Nil Paid Rights and Fully Paid Rights are in CREST and you wish to convert them to certificated form)	4.30 p.m. on Wednesday 16 June 2010
Latest time and date for Cashless Take Up or sale of rights using the Equiniti Dealing Facility	5.00 p.m. on Thursday 17 June 2010
Latest time for depositing renounced Provisional Allotment Letters, nil or fully paid, into CREST or for dematerialising Nil Paid Rights or Fully Paid Rights into a CREST stock account (i.e. if your Nil Paid Rights and Fully Paid Rights are represented by a Provisional Allotment Letter and you wish to convert them to uncertificated form).	3.00 p.m. on Friday 18 June 2010
Latest time for splitting Provisional Allotment Letters, nil or fully paid	3.00 p.m. on Monday 21 June 2010
Latest time for acceptance, payment in full and registration of renunciation of Provisional Allotment Letters	11.00 a.m. on Wednesday 23 June 2010 by Thursday 24 June 2010
Announcement of results of the Rights Issue	8.00 a.m. on Thursday 24 June 2010
Dealings in Rights Issue Shares, fully paid, commence on the London Stock Exchange	8.00 a.m. on Thursday 24 June 2010
Rights Issue Shares credited to CREST stock accounts	8.00 a.m. on Thursday 24 June 2010
Despatch of definitive share certificates for the Rights Issue Shares in certificated form	by Thursday 1 July 2010
Suspension of removals of Prudential Shares from the UK Register to the HK Register	3.00 p.m. on the third London Business Day preceding the Scheme Record Date
Scheme Record Time	6.00 p.m. on the London Business Day immediately preceding the Scheme Effective Date
Court hearing to sanction the Scheme and confirm the Prudential reduction of capital; Scheme Effective Date	Q3 2010⁽¹²⁾
Scheme Effective Time	4.30 p.m. on the Scheme Effective Date
Dealings in New Prudential ADRs commence on the New York Stock Exchange	11.30 a.m. (New York time) on the Scheme Effective Date
Suspension of removals of Prudential Shares from the UK Register to the HK Register ends	8.00 a.m. on the London Business Day immediately following the Scheme Effective Date
Delisting of Prudential Shares from the London Stock Exchange; Dealings in New Prudential Shares commence on the London Stock Exchange; Completion of Acquisition	8.00 a.m. on the London Business Day immediately following the Scheme Effective Date
New Prudential Shares credited to CREST stock accounts	8.00 a.m. on the London Business Day immediately following the Scheme Effective Date
Court hearing to confirm the New Prudential Reduction of Capital	the London Business Day immediately following the Scheme Effective Date
New Prudential Reduction of Capital becomes effective	the London Business Day immediately following the Scheme Effective Date
Despatch of definitive share certificates for the New Prudential Shares in certificated form	by no later than 5 London Business Days from the Scheme Effective Date

(12) This date and the dates below are indicative only and will depend, among other things, on the timing of receipt of regulatory approvals and change of control consents in respect of the Scheme and the date upon which the Court sanctions the Scheme. An announcement confirming the expected dates in respect of the Scheme will be made in due course.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS IN HONG KONG⁽¹³⁾

All references to time below are to Hong Kong time unless otherwise stated

Annual General Meeting (held in the UK)	6.00 p.m. on Wednesday 19 May 2010 ⁽¹⁴⁾
Dealings in Existing Shares commence on the Stock Exchange . .	9.30 a.m. on Tuesday 25 May 2010
Suspension of removals of Existing Shares from the HK Register to the UK Register	4.30 p.m. on Tuesday 1 June 2010
Suspension of movements of Existing Shares into and out of CDP's account in CCASS	4.30 p.m. on Tuesday 1 June 2010
Existing Shares marked "ex-rights" by the Stock Exchange	9.30 a.m. on Thursday 3 June 2010
Latest time and date for which re-registration of Existing Shares are accepted on the HK Register for voting at the Reconvened Annual General Meeting, Court Meeting and General Meeting	4.30 p.m. on Thursday 3 June 2010
Voting Record Time for the Reconvened Annual General Meeting, Court Meeting and General Meeting	1.00 a.m. on Friday 4 June 2010 ⁽¹⁵⁾
Latest time and date for receipt by the Hong Kong Branch Share Registrar of the White Form of Proxy for the Reconvened Annual General Meeting	1.00 a.m. on Friday 4 June 2010 ⁽¹⁶⁾
Latest time and date for receipt by the Hong Kong Branch Share Registrar of the Blue Form of Proxy for the Court Meeting . . .	1.00 a.m. on Friday 4 June 2010 ⁽¹⁷⁾
Latest time and date for receipt by the Hong Kong Branch Share Registrar of the Pink Form of Proxy for the General Meeting	1.00 a.m. on Friday 4 June 2010 ⁽¹⁸⁾
Hong Kong Record Date for entitlements under the Rights Issue	4.30 p.m. on Friday 4 June 2010
Latest time and date for which re-registration of Existing Shares are accepted on the HK Register for participation in the Rights Issue	4.30 p.m. on Friday 4 June 2010
Reconvened Annual General Meeting (held in the UK)	6.00 p.m. on Monday 7 June 2010
Court Meeting (held in the UK)	6.15 p.m. on Monday 7 June 2010 ⁽¹⁹⁾
General Meeting (held in the UK)	6.20 p.m. on Monday 7 June 2010 ⁽²⁰⁾
Despatch of Provisional Allotment Letters (to Qualifying Non-CCASS Shareholders and HKSCC Nominees only)	Tuesday 8 June 2010
Suspension of removals of Existing Shares from the HK Register to the UK Register ends	9.30 a.m. on Tuesday 8 June 2010
Suspension of movements of Existing Shares into and out of CDP's account in CCASS ends	9.30 a.m. on Tuesday 8 June 2010
Nil Paid Rights credited to stock accounts in CCASS ⁽²¹⁾	Tuesday 8 June 2010

(13) The times and dates given are based upon the Directors' expectations and may be subject to change.

(14) In order to minimise the inconvenience to shareholders of having two shareholder meetings within a short period, the Directors propose to adjourn the Annual General Meeting on 19 May 2010 and to reconvene it at 6.00 p.m. on 7 June 2010.

(15) If any of the Reconvened Annual General Meeting, Court Meeting or General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be the time and day in Hong Kong that corresponds to 6.00 p.m. (London time) on the day which is two London Business Days before the adjourned meeting.

(16) The White Forms of Proxy for the Reconvened Annual General Meeting must be lodged not later than 1.00 a.m. on 4 June 2010.

(17) It is requested that the Blue Forms of Proxy for the Court Meeting be lodged not later than 1.00 a.m. on 4 June 2010. Blue Forms of Proxy not so lodged may be handed to the Principal Share Registrars or the Chairman of the Court Meeting at the Court Meeting.

(18) The Pink Forms of Proxy for the General Meeting must be lodged not later than 1.00 a.m. on 4 June 2010.

(19) Or as soon thereafter as the Reconvened Annual General Meeting concludes or is further adjourned.

(20) Or as soon thereafter as the Court Meeting concludes or is adjourned.

(21) Subject to certain restrictions relating to Overseas Shareholders, details of which are set out in the section headed "Terms and Conditions of the Rights Issue" of this supplemental listing document.

HK Admission and Dealings in Rights Issue Shares, nil paid, commence on the Stock Exchange	9.30 a.m. on Thursday 10 June 2010
Latest time and date for splitting Provisional Allotment Letters, for rights traded on the Stock Exchange	4.30 p.m. on Monday 14 June 2010
Last day of dealings in Rights Issue Shares, nil paid, on the Stock Exchange	4.00 p.m. on Friday 18 June 2010
Latest time and date in Hong Kong for acceptance, payment in full and registration of Provisional Allotment Letters	4.00 p.m. on Wednesday 23 June 2010
Announcement of results of the Rights Issue.	by Thursday 24 June 2010
Despatch of definitive share certificates for the Rights Issue Shares in certificated form	by Friday 25 June 2010
Rights Issue Shares credited to stock accounts in CCASS	Friday 25 June 2010
Dealings in Rights Issue Shares, fully paid, commence on the Stock Exchange	by 9.30 a.m. on Monday 28 June 2010
Suspension of removals of Prudential Shares from the HK Register to the UK Register	4.30 p.m. on the third Business Day preceding the Scheme Record Date
Suspension of movements of Prudential Shares into and out of CDP's account in CCASS.	4.30 p.m. on the third Business Day preceding the Scheme Record Date Q3 2010 ⁽²²⁾
Scheme Effective Date	
Suspension of removals of Prudential Shares from the HK Register to the UK Register ends	9.30 a.m. on the Business Day immediately following the Scheme Effective Date
Suspension of movements of Prudential Shares into and out of CDP's account in CCASS ends.	9.30 a.m. on the Business Day immediately following the Scheme Effective Date
Delisting of Prudential Shares from the Stock Exchange; Dealings in New Prudential Shares commence on the Stock Exchange.	9.30 a.m. on the Business Day immediately following the Scheme Effective Date
New Prudential Shares credited to stock accounts in CCASS.	on the Business Day immediately following the Scheme Effective Date
Completion of Acquisition	3.00 p.m. on the London Business Day immediately following the Scheme Effective Date

(22) This date and the dates below are indicative only and will depend, among other things, on the timing of receipt of regulatory approvals and change of control consents in respect of the Scheme and the date upon which the Court sanctions the Scheme. An announcement confirming the expected dates in respect of the Scheme will be made in due course.

Note: If there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal:

- (a) *in force in Hong Kong at any time before 12.00 noon but no longer in force after 12.00 noon on the latest date for acceptance in Hong Kong, the latest time for acceptance of and payment for the Rights Issue will be extended to 5.00 p.m. on the same date; or*
- (b) *in force in Hong Kong at any time between 12.00 noon and 4.00 p.m. on the latest date for acceptance in Hong Kong, the latest time for acceptance of and payment for the Rights Issue will be postponed to 4.00 p.m. on the following Business Day when there is no tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal.*

An announcement will be made by Prudential in such event.

Definitive share certificates for the New Prudential Shares made available for collection by HK holders of New Prudential Shares from the Hong Kong Branch Share Registrar 9.00 a.m. to 4.00 p.m. on the Business Day immediately following the Scheme Effective Date

Despatch of definitive share certificates for the New Prudential Shares in certificated form after 4.00 p.m. on the Business Day immediately following the Scheme Effective Date

EXPECTED TIMETABLE OF PRINCIPAL EVENTS IN SINGAPORE⁽²³⁾

All references to time below are to Singapore time unless otherwise stated

Annual General Meeting (held in the UK)	6.00 p.m. on Wednesday 19 May 2010 ⁽²⁴⁾
Dealings in Existing Shares commence on the SGX-ST	10.00 a.m. on Tuesday 25 May 2010
Suspension of movements of Existing Shares into and out of CDP's account in CCASS	5.00 p.m. on Tuesday 1 June 2010
Existing Shares commence trading "ex-rights" on the SGX-ST	9.00 a.m. on Wednesday 2 June 2010
Voting Record Time for Reconvened Annual General Meeting, Court Meeting and General Meeting	1.00 a.m. on Friday 4 June 2010 ⁽²⁵⁾
Latest time and date for receipt by the Hong Kong Branch Share Registrar of the White Form of Proxy for the Reconvened Annual General Meeting	1.00 a.m. on Friday 4 June 2010 ⁽²⁶⁾
Latest time and date for receipt by the Hong Kong Branch Share Registrar of the Blue Form of Proxy for the Court Meeting	1.00 a.m. on Friday 4 June 2010 ⁽²⁶⁾
Latest time and date for receipt by the Hong Kong Branch Share Registrar of the Pink Form of Proxy for the General Meeting	1.00 a.m. on Friday 4 June 2010 ⁽²⁶⁾
Singapore Record Date for entitlements under the Rights Issue.	5.00 p.m. on Friday 4 June 2010
Reconvened Annual General Meeting (held in the UK)	6.00 p.m. on Monday 7 June 2010
Court Meeting (held in the UK)	6.15 p.m. on Monday 7 June 2010 ⁽²⁷⁾
General Meeting (held in the UK)	6.20 p.m. on Monday 7 June 2010 ⁽²⁸⁾
Suspension of movements of Existing Shares into and out of CDP's account in CCASS ends	9.00 a.m. on Tuesday 8 June 2010
Start of offer period in Singapore.	Wednesday 9 June 2010
Despatch of Singapore Application Forms and this Rights Issue Prospectus	Wednesday 9 June 2010
Nil Paid Rights credited to CDP securities accounts (of Qualifying CDP Shareholders only) ⁽²⁹⁾	Wednesday 9 June 2010
Dealings in Nil Paid Rights commence on the SGX-ST	9.00 a.m. on Wednesday 9 June 2010
Last day of dealings in Nil Paid Rights on the SGX-ST	5.00 p.m. on Friday 11 June 2010
Latest time and date in Singapore for acceptance of Singapore Application Forms.	5.00 p.m. on Thursday 17 June 2010
Latest time and date in Singapore for acceptance of electronic applications via ATMs.	9.30 p.m. on Thursday 17 June 2010
Announcement of results of the Rights Issue	by Thursday 24 June 2010
CDP to credit securities account holders	after 5.00 p.m. on Friday 25 June 2010

(23) The times and dates given are based upon the Directors' expectations and may be subject to change.

(24) In order to minimise the inconvenience to shareholders of having two shareholder meetings within a short period, the Directors propose to adjourn the Annual General Meeting on 19 May 2010 and to reconvene it at 6.00 p.m. on 7 June 2010.

(25) If either the Reconvened Annual General Meeting, Court Meeting or General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be the time and day in Singapore that corresponds to 6.00 p.m. (London time) on the day which is two London Business Days before the day of the adjourned meeting.

(26) CDP will require Singapore Shareholders to submit the relevant CDP Form of Proxy to CDP before 1.00 a.m. on 4 June 2010. The relevant deadline will be notified to Singapore Shareholders in due course.

(27) Or as soon thereafter as the Reconvened Annual General Meeting concludes or is further adjourned.

(28) Or as soon thereafter as the Court Meeting concludes or is adjourned.

(29) Subject to certain restrictions relating to Overseas Shareholders, details of which are set out in the section headed "Terms and Conditions of the Rights Issue" of this supplemental listing document.

Dealings in Rights Issue Shares, fully paid, commence on the SGX-ST	9.00 a.m. on Monday 28 June 2010
Suspension of movements of Prudential Shares into and out of CDP's account in CCASS	5.00 p.m. on the third Singapore Business Day preceding the Scheme Record Date Q3 2010 ⁽³⁰⁾
Scheme Effective Date	
Suspension of movements of Prudential Shares into and out of CDP's account in CCASS ends	9.00 a.m. on the Singapore Business Day immediately following the Scheme Effective Date
Delisting of Prudential Shares from the SGX-ST; Dealings in New Prudential Shares commence on the SGX-ST	9.00 a.m. on the Singapore Business Day immediately following the Scheme Effective Date
Completion of Acquisition	3.00 p.m. on the London Business Day immediately following the Scheme Effective Date
New Prudential Shares credited to securities accounts in CDP	after 5.00 p.m. on the Singapore Business Day immediately following the Scheme Effective Date

(30) This date and the dates below are indicative only and will depend, among other things, on the timing of receipt or regulatory approvals and change of control consents in respect of the Scheme and the date upon which the Court sanctions the Scheme. An announcement confirming the expected dates in respect of the Scheme will be made in due course.

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RIGHTS ISSUE STATISTICS

Price per Rights Issue Share	104 pence ⁽³¹⁾
Basis of Rights Issue	11 Rights Issue Shares for every 2 Existing Shares
Number of Existing Shares (including the Prudential Shares expected to be issued on 27 May 2010 to shareholders who have elected to receive the scrip dividend alternative for the 2009 final dividend) . . .	2,539,010,500
Number of Rights Issue Shares to be issued by Prudential	13,964,557,750
Number of Prudential Shares in issue immediately following completion of the Rights Issue ⁽³²⁾	16,503,568,250
Rights Issue Shares as a percentage of enlarged issued ordinary share capital of Prudential immediately following completion of the Rights Issue ⁽³²⁾	84.6%
Gross proceeds of the Rights Issue (approximate)	£14,523 million
Estimated net proceeds receivable by Prudential after Rights Issue and Transaction related expenses.	£13,843 million

(31) The Issue Price for HK Shareholders and Singapore Shareholders is HK\$11.78 per Rights Issue Share (calculated using an exchange rate of £1:HK\$11.3277)

(32) Assuming (i) the issue of 4,538,026 Prudential Shares to shareholders who have elected to receive the scrip dividend alternative for the 2009 final dividend, expected to be issued on 27 May 2010; (ii) no options granted under the Prudential Share Schemes are exercised between the date of the Rights Issue Prospectus and completion of the Rights Issue; and (iii) no other Prudential Shares or New Prudential Shares are issued between the date of the Rights Issue Prospectus and completion of the Rights Issue.

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

1. Introduction

Prudential is proposing to raise proceeds of approximately £13.8 billion (net of Rights Issue and Transaction-related expenses) by way of a Rights Issue of 13,964,557,750 Rights Issue Shares. The net proceeds of the Rights Issue will be used (along with other sources of financing) to finance the Acquisition. Subject to the fulfilment of the conditions set out below, the Rights Issue Shares will be provisionally allotted to all Qualifying Shareholders (including, for the avoidance of doubt, all Overseas Shareholders) and will be offered by way of rights at 104 pence per Rights Issue Share, payable in full on acceptance to all Qualifying Shareholders (other than, subject to certain exceptions, Excluded Shareholders), on the basis of:

11 Rights Issue Shares for every 2 Existing Shares

held on the Record Date (and so in proportion for any other number of Existing Shares held) and otherwise on the terms and conditions set out in this document (and, in the case of Qualifying Non-CREST Shareholders and Qualifying Non-CCASS Shareholders (together with HKSCC Nominees), the Provisional Allotment Letters and, in the case of Qualifying CDP Shareholders, the Singapore Application Form).

The Issue Price for UK Shareholders of 104 pence per Rights Issue Share represents a 80.8% discount to the Closing Price of 542.5 pence per Prudential Share on 14 May 2010, being the last London Business Day before the announcement of the terms of the Rights Issue and a 39.3% discount to the theoretical ex-rights price based on that Closing Price.

The Issue Price for HK Shareholders and Singapore Shareholders is HK\$11.78 per Rights Issue Share, which was calculated using the £/HK\$ exchange rate of 11.3277, the noon buying rate on 14 May 2010 (being the last London Business Day prior to the announcement of the terms of the Rights Issue).

The entitlements arising from the provisional allotment of Rights Issue Shares to UK Shareholders are rights to acquire Rights Issue Shares to be registered on the UK Register only, and the entitlements arising from the provisional allotment of Rights Issue Shares to HK Shareholders are rights to acquire Rights Issue Shares to be registered on the HK Register only.

Qualifying Shareholders who do not take up their entitlements to Rights Issue Shares will have their proportionate shareholdings in Prudential diluted by approximately 84.6% following the issue of the Rights Issue Shares and by approximately 86.3% as a result of both the Rights Issue, and assuming the Transactions complete, the issue of New Prudential Shares to AIA Aurora as part of the consideration for the Acquisition (assuming (i) the issue of Prudential Shares that are expected to be issued on 27 May 2010 to shareholders who have elected to receive the scrip dividend alternative for the 2009 final dividend; (ii) no options granted under the Prudential Share Schemes are exercised; and (iii) no other Prudential Shares or New Prudential Shares are issued between the date of the Rights Issue Prospectus and completion of the Transactions and without taking into account any conversion of the MCNs). Those Qualifying Shareholders who take up their rights in full will, subject to fractions, have the same proportionate voting and distribution rights as held on the Record Date after the completion of the Rights Issue. However, even if a Qualifying Shareholder takes up the offer of Rights Issue Shares in full, his or her proportionate shareholding will be diluted by approximately 10.9% if the Transactions complete because of the issue of New Prudential Shares to AIA Aurora as part of the consideration for the Acquisition (on the basis of the assumptions referred to above).

The Nil Paid Rights (also described as Rights Issue Shares, nil paid) are entitlements to acquire the Rights Issue Shares, subject to payment of the Issue Price. In relation to Rights Issue Shares to be issued to acquirers on the UK Register only, Fully Paid Rights are entitlements to acquire Rights Issue Shares for which payment of the Issue Price has already been made.

Holdings of Existing Shares in certificated and uncertificated form and holdings in different accounts and on different registers will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue. Entitlements to Rights Issue Shares will be rounded down to the nearest whole number and resulting fractions of Rights Issue Shares will not be allotted to Qualifying Shareholders. Such fractions will be aggregated ultimately for the benefit of Prudential and treated in the same way as Rights Issue Shares not taken up.

The attention of Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document or a Provisional Allotment Letter into a jurisdiction other than the United Kingdom, Hong Kong or Singapore is drawn to sub-section 7 of this section. In particular, subject to certain exceptions, Qualifying Shareholders with registered addresses or who are otherwise located in the United States or any of the other Excluded Territories will not be sent Provisional Allotment Letters and will not have their CREST stock accounts, CCASS stock accounts or CDP securities accounts (as the case may be) credited with Nil Paid Rights.

Application has been made to the UK Listing Authority for the Rights Issue Shares (nil and fully paid) to be admitted to the premium segment of the Official List and to the London Stock Exchange for the Rights Issue Shares (nil and fully paid) to be admitted to trading on the London Stock Exchange's main market for listed securities. Application has been made to the Stock Exchange, and will be made to the SGX-ST for the listing of and permission to deal in the Rights Issue Shares (nil and fully paid) on the Stock Exchange and the Main Board of the SGX-ST, respectively. It is expected that UK Admission will become effective and that dealings in the Rights Issue Shares will commence on the London Stock Exchange, nil paid, at 8.00 a.m. (London time) on Tuesday 8 June 2010. It is also expected that HK Admission will become effective and that dealings in the Rights Issue Shares will commence on the Stock Exchange, nil paid, at 9.30 a.m. (Hong Kong time) on Thursday 10 June 2010. Further, it is expected that Singapore Admission will be effective and that dealings in the Rights Issue Shares, nil paid, will commence on the SGX-ST at 9.00 a.m. (Singapore time) on Wednesday 9 June 2010.

The Existing Shares are already admitted to CREST and application has been made for the Existing Shares to be admitted to CCASS. Applications have been made for the Nil Paid Rights and the Fully Paid Rights to be admitted to CREST. Applications have also been made for the Nil Paid Rights and the Rights Issue Shares to be admitted to CCASS. Prudential has also entered into a depository services agreement with CDP for all dealing in and transactions of the Existing Shares and the Nil Paid Rights executed on the SGX-ST to be cleared and settled through CDP. Euroclear requires Prudential to confirm to it that certain conditions are satisfied before Euroclear will admit any security to CREST. As soon as practicable after UK Admission, Prudential will confirm this to Euroclear. It is expected that these conditions will be satisfied on UK Admission.

The ISIN for the Rights Issue Shares will be the same as that of the Existing Shares, being GB0007099541. The ISIN for the Nil Paid Rights is GB00B64R3G57 and for the Fully Paid Rights is GB00B64H9B24.

The Rights Issue has been fully underwritten by the Underwriters and is conditional upon, among other things:

- (i) the passing, without material amendment, of the Rights Issue Resolution (which itself is conditional upon the passing of the Scheme Resolutions) at the General Meeting;
- (ii) the Acquisition Agreement remaining in full force and effect, not having lapsed and not having been terminated in accordance with its terms prior to UK Admission, and no condition to which the Acquisition Agreement is subject having become incapable of satisfaction and, if capable of waiver, not having been waived prior to UK Admission;
- (iii) UK Admission of the Rights Issue Shares (nil paid) occurring on Tuesday 8 June 2010 (or such later time and date as the Joint Global Co-ordinators may agree with Prudential); and
- (iv) the Underwriting Agreement having become unconditional in all respects save for the conditions relating to UK Admission and not having been terminated in accordance with its terms prior to UK Admission.

The Underwriting Agreement may be terminated by the Joint Global Co-ordinators prior to UK Admission upon the occurrence of certain specified events, in which case the Rights Issue will not proceed. The Underwriting Agreement is not capable of termination following UK Admission. The Joint Global Co-ordinators may arrange sub-underwriting for some, all or none of the Rights Issue Shares. A summary of the terms and conditions of the Underwriting Agreement is contained in the section headed "Information about the Rights Issue".

Prudential reserves the right to decide not to proceed with the Rights Issue at any time prior to UK Admission and commencement of dealings in the Rights Issue Shares (nil paid) on the London Stock Exchange.

Subject, among other things, to the above conditions being satisfied and save as provided in sub-section 7 of this section in respect of Overseas Shareholders, it is intended that:

- (i) Provisional Allotment Letters in respect of Nil Paid Rights will be despatched to Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, such Qualifying Non-CREST Shareholders with registered addresses in the Excluded Territories) on Monday 7 June 2010;
- (ii) Provisional Allotment Letters in respect of Nil Paid Rights will be despatched to Qualifying Non-CCASS Shareholders and HKSCC Nominees on Tuesday 8 June 2010;
- (iii) Singapore Application Forms will be despatched to Qualifying CDP Shareholders on Wednesday 9 June 2010;
- (iv) the Principal Share Registrar will instruct Euroclear to credit the appropriate stock accounts of Qualifying CREST Shareholders (other than, subject to certain exceptions, such Qualifying CREST Shareholders with registered addresses in the Excluded Territories) with such Qualifying CREST Shareholders' entitlements to Nil Paid Rights, with effect from 8.00 a.m. (London time) on Tuesday 8 June 2010;
- (v) HKSCC will credit the appropriate stock accounts of CCASS Participants (other than, subject to certain exceptions, such CCASS Participants with registered addresses in the Excluded Territories) with such CCASS Participants' entitlements to Nil Paid Rights, with effect from Tuesday 8 June 2010;
- (vi) CDP will credit the appropriate securities accounts of Qualifying CDP Shareholders with such Qualifying CDP Shareholders' entitlements to Nil Paid Rights on Wednesday 9 June 2010;
- (vii) the Nil Paid Rights and the Fully Paid Rights will be enabled for settlement by Euroclear on Tuesday 8 June 2010, as soon as practicable after Prudential has confirmed to Euroclear that all the conditions for admission of such rights to CREST have been satisfied;
- (viii) the Nil Paid Rights will be enabled for settlement by HKSCC on Thursday 10 June 2010;
- (ix) Rights Issue Shares will be credited to the appropriate stock accounts of relevant Qualifying CREST Shareholders (or their renounees) who validly take up their rights by 8.00 a.m. (London time) on Thursday 24 June 2010;
- (x) share certificates for the Rights Issue Shares will be despatched by Thursday 1 July 2010 to relevant Qualifying Non-CREST Shareholders (or their renounees) who validly take up their rights at their own risk;
- (xi) share certificates for the Rights Issue Shares will be despatched by Friday 25 June 2010 to relevant Qualifying Non-CCASS Shareholders and HKSCC Nominees (or their renounees) who validly take up their rights at their own risk;
- (xii) Rights Issue Shares will be credited to the appropriate securities accounts of the relevant Qualifying CDP Shareholders (or their Singapore Renounees) who validly take up their rights after 5.00 p.m. (Singapore time) on Friday 25 June 2010; and
- (xiii) Rights Issue Shares will be credited to the appropriate stock accounts of relevant CCASS Participants (or their renounees) who validly take up their rights through HKSCC Nominees by Friday 25 June 2010.

All documents, including Provisional Allotment Letters (which constitute temporary documents of title), Singapore Application Forms and cheques and certificates posted to, by or from Qualifying Shareholders and/or their transferees (or their agents, as appropriate), will be posted at their own risk.

The Rights Issue Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Shares, including the right to receive all dividends or other distributions declared with a record date falling after the date of issue of the Rights Issue Shares. Accordingly, the final 2009 dividend, for which the record date was 9 April 2010, will not be paid in respect of any Rights Issue Shares.

Qualifying Shareholders taking up their rights by completing a Provisional Allotment Letter or by sending a Many-To-Many ("MTM") instruction to Euroclear will be deemed to have given the representation and warranties set out in paragraph 2.2.2 of Part IX of the Rights Issue Prospectus, unless such requirement is waived by Prudential.

2. Action to be taken by UK Shareholders

The action to be taken by UK Shareholders is set out in the Rights Issue Prospectus.

3. Action to be taken by HK Shareholders

The action to be taken by UK Shareholders is set out in the Rights Issue Prospectus. The action to be taken by Singapore Shareholders is set out in sub-section 4 of this section.

The action to be taken by HK Shareholders in respect of the Rights Issue Shares depends on whether, at the relevant time, the Nil Paid Rights in respect of which action is to be taken are in certificated form in the name of the relevant Qualifying Non-CCASS Shareholder (that is, are represented by a Provisional Allotment Letter) or held in the name of HKSCC Nominees on the HK Register and deposited directly into CCASS.

3.1 Action to be taken by Qualifying Non-CCASS Shareholders

3.1.1. General

Subject to the passing of the Rights Issue Resolution (without material amendment) at the General Meeting, the Rights Issue Prospectus and the Provisional Allotment Letters are expected to be despatched to Qualifying Non-CCASS Shareholders and HKSCC Nominees on Tuesday 8 June 2010. The Provisional Allotment Letters will entitle Qualifying Non-CCASS Shareholders to whom they are addressed and HKSCC Nominees to take up the number of Rights Issue Shares shown therein.

The latest time and date for acceptance and payment in full is 4.00 p.m. (Hong Kong time) on Wednesday 23 June 2010.

3.1.2 Procedure for acceptance and payment

(i) Qualifying Non-CCASS Shareholders who wish to accept in full

If a Qualifying Non-CCASS Shareholder wishes to accept all Nil Paid Rights provisionally allotted to such shareholder as specified in the Provisional Allotment Letter, such shareholder must lodge the Provisional Allotment Letter in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, so as to be received as soon as possible, and in any event by no later than 4.00 p.m. (Hong Kong time) on Wednesday 23 June 2010. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "PRUDENTIAL PLC Rights Issue" and crossed "Account Payee Only". A reply-paid envelope will be enclosed with the Provisional Allotment Letter for use within Hong Kong only. Qualifying Non-CCASS Shareholders who lodge their Provisional Allotment Letter within Hong Kong by post are recommended to allow at least four working days for delivery. Computershare Hong Kong Investor Services Limited will hold any application monies on behalf of Credit Suisse Europe, which is acting as principal, but subject to the requirement that such monies can only be applied in subscribing for redeemable preference shares in Prudential Rights (Jersey) Limited as provided in sub-section 10 of this section.

It should be noted that unless the Provisional Allotment Letter, together with the appropriate remittance, has been lodged with Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4.00 p.m. (Hong Kong time) on Wednesday 23 June 2010, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will lapse.

(ii) Qualifying Non-CCASS Shareholders who wish to accept in part

Qualifying Non-CCASS Shareholders who wish to take up some but not all of their Nil Paid Rights should refer to paragraph 3.1.4 of this section.

(iii) Discretion as to validity of acceptances

If payment is not received in full by 4.00 p.m. (Hong Kong time) on Wednesday 23 June 2010, the provisional allotment will be deemed to have been declined and will lapse.

Prudential may also (with the agreement of the Joint Global Co-ordinators) treat a Provisional Allotment Letter as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney (where required).

Rights Issue Shares can only be registered on the HK Register if the allottee has an address in Hong Kong. Prudential and/or the Joint Global Co-ordinators reserve the right to treat as invalid any acceptance or purported acceptance of the Rights Issue Shares that appears to Prudential and/or the Joint Global Co-ordinators to have been executed in, despatched from or that provides an address for delivery of share certificates for Rights Issue Shares outside Hong Kong.

A Qualifying Non-CCASS Shareholder who makes a valid acceptance and payment in accordance with this paragraph is deemed to request that the Rights Issue Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles.

(iv) Payments

All payments made by Qualifying Non-CCASS Shareholders must be in Hong Kong dollars and made by cheque drawn on a bank account with, or by cashier order issued by, a licensed bank in Hong Kong and in either case made payable to “PRUDENTIAL PLC Rights Issue” and crossed “Account Payee Only”. Qualifying Non-CCASS Shareholders should write their name and Shareholder Reference Number (indicated at the top of Form A of the Provisional Allotment Letter) on the back of the cheque or cashier’s order. Computershare Hong Kong Investor Services Limited will hold such monies on behalf of Credit Suisse Europe, which is acting as principal, but subject to the requirement that such monies can only be applied in subscribing for redeemable preference shares in Prudential Rights (Jersey) Limited as provided in sub-section 10 of this section. All cheques and cashier orders in Hong Kong dollars for the Rights Issue Shares will be presented for payment on receipt. No interest will be paid on payments made before they are due and any interest on such payments ultimately will accrue for the benefit of Prudential. It is a term of the Rights Issue that cheques or cashier orders shall be honoured on first presentation, and Prudential and the Joint Global Co-ordinators may elect to treat as invalid any acceptances in respect of which the cheques or cashier orders are not so honoured. If Rights Issue Shares have already been allotted to Qualifying Non-CCASS Shareholders prior to any payment not being so honoured or such Qualifying Non-CCASS Shareholders’ acceptances being treated as invalid, the Joint Global Co-ordinators may, in their absolute discretion as to manner, timing and terms, make arrangements for the sale of such shares on behalf of those Qualifying Non-CCASS Shareholders and hold the proceeds of sale (net of Prudential’s reasonable estimate of any loss that it has suffered as a result of the same and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on or in relation to the transfer of such shares, and of all amounts payable by such Qualifying Non-CCASS Shareholders pursuant to the terms of this section in respect of the acquisition of such shares) on behalf of such Qualifying Non-CCASS Shareholders. None of Prudential, the Underwriters or any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by Qualifying Non-CCASS Shareholders as a result.

If a cheque or cashier order sent by a Qualifying Non-CCASS Shareholder is drawn for an amount different from that set out on that HK Shareholder’s Provisional Allotment Letter, that shareholder’s application shall be treated as an acceptance in respect of such whole number of Rights Issue Shares that could be acquired at the Issue Price with the amount for which that cheque or cashier order is drawn (and not the amount set out in the Provisional Allotment Letter). Any balance from the amount of the cheque will be retained for the benefit of Prudential.

3.1.3 Dealings in Nil Paid Rights

Assuming the Rights Issue becomes unconditional, dealings on the Main Board of the Stock Exchange in the Nil Paid Rights are expected to commence at 9.30 a.m. (Hong Kong time) on Thursday 10 June 2010 and will cease at 4.00 p.m. (Hong Kong time) on Friday 18 June 2010. A transfer of Nil Paid Rights can be made by a renunciation of the Provisional Allotment Letter in accordance with the instructions printed thereon and delivery of the Provisional Allotment Letter to the transferee or broker. The latest time and date for registration of renunciation of Provisional Allotment Letters, nil paid, is 4.00 p.m. (Hong Kong time) on Wednesday 23 June 2010.

3.1.4 Transfer and splitting of Provisional Allotment Letters

If a Qualifying Non-CCASS Shareholder wishes to take up only part of his Nil Paid Rights under the Provisional Allotment Letter or transfer a part of his rights to take up the Rights Issue Shares provisionally allotted to him/ her under the Provisional Allotment Letter or to transfer all or part of his rights to more than one person, he should

arrange for splitting of the Provisional Allotment Letter. In order to split the Provisional Allotment Letter, the original Provisional Allotment Letter must be surrendered and lodged in person for cancellation together with a covering letter stating clearly the number of split Provisional Allotment Letters required and the number of Nil Paid Rights to be comprised in each split Provisional Allotment Letter (which, in aggregate, should be equal to the number of Rights Issue Shares provisionally allotted to such holder as stated in Box B on Form A of the Provisional Allotment Letter) by no later than 4.30 p.m. (Hong Kong time) on Monday 14 June 2010 with Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, who will cancel the original Provisional Allotment Letter and issue split Provisional Allotment Letters in the denominations required. The split Provisional Allotment Letters will be available for collection from Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong from 9.00 a.m. (Hong Kong time) on the second Business Day after the surrender of the original Provisional Allotment Letter.

If a Qualifying Non-CCASS Shareholder wishes to transfer all of his/her Nil Paid Rights under the Provisional Allotment Letter (or the split Provisional Allotment Letter, as the case may be) to another person, he/she should complete and sign Form B on page 4 of the Provisional Allotment Letter and hand the Provisional Allotment Letter to the person to or through whom he/she is transferring his/her Nil Paid Rights. The transferee must then complete and sign Form C on page 4 of the Provisional Allotment Letter and lodge the Provisional Allotment Letter intact together with a remittance for the full amount payable on acceptance with Computershare Hong Kong Investor Services Limited to effect the transfer by not later than 4.00 p.m. (Hong Kong time) on Wednesday 23 June 2010. Computershare Hong Kong Investor Services Limited will hold such monies on behalf of Credit Suisse Europe, which is acting as principal, but subject to the requirement that such monies can only be applied in subscribing for redeemable preference shares in Prudential Rights (Jersey) Limited as provided in sub-section 10 of this section.

Prudential and/or the Joint Global Co-ordinators reserve the right to refuse to register any transfer in favour of any person in respect of which Prudential and the Joint Global Co-ordinators believe such transfer may violate applicable legal or regulatory requirements, including (without limitation) any transfer to any person who is resident outside the United Kingdom, Hong Kong or Singapore. Rights Issue Shares can only be registered on the HK Register if the allottee has an address in Hong Kong.

3.1.5 Registration in names of Qualifying Non-CCASS Shareholders

A Qualifying Non-CCASS Shareholder who wishes to have all the Rights Issue Shares to which he is entitled registered in his name must accept and make payment for such allotment in accordance with the provisions set out in this document and the Provisional Allotment Letter.

3.2 Action to be taken by Qualifying CCASS Shareholders

Qualifying CCASS Shareholders should contact their broker or custodian for further details.

3.3 Application for listing on the Stock Exchange

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the Rights Issue Shares, in both nil-paid and fully-paid forms. The Rights Issue Shares do not constitute a new class of securities to be listed on the Stock Exchange.

Subject to the granting of listing of, and permission to deal in, the Rights Issue Shares in their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Issue Shares in their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Rights Issue Shares in their nil-paid and fully-paid forms or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Nil Paid Rights are expected to be traded in board lots of 500 Prudential Shares (as the Existing Shares will be traded on the Stock Exchange from Tuesday 25 May 2010 in board lots of 500 Prudential Shares). Dealings in the nil-paid and fully-paid Rights Issue Shares will be subject to the payment of stamp duty in Hong Kong.

4. Action to be taken by Singapore Shareholders

The action to be taken by UK Shareholders and HK Shareholders is set out in the Rights Issue Prospectus and sub-section 3 of this section respectively.

Singapore Shareholders who wish to be eligible to participate in the Rights Issue and who presently do not maintain with CDP an address in Singapore for the service of notices and documents should provide such an address by notifying CDP in writing at:

**The Central Depository (Pte) Limited
4 Shenton Way
#02-01, SGX Centre 2
Singapore 068807**

no later than three Singapore Business Days prior to the Record Date.

Details on the terms and conditions as well as the procedures for the application for Rights Issue Shares by Qualifying CDP Shareholders will be set out in the Singapore Application Form which is expected to be sent to Qualifying CDP Shareholders on Wednesday 9 June 2010.

5. Procedures in respect of rights not taken up (whether certificated or in CREST) and withdrawal

5.1 Procedure in respect of Rights Issue Shares not taken up

If an entitlement to Rights Issue Shares is not validly taken up by 11.00 a.m. (London time) on Wednesday 23 June 2010 in respect of UK Shareholders; by 4.00 p.m. (Hong Kong time) on Wednesday 23 June 2010 in respect of HK Shareholders; and by 5.00 p.m. (Singapore time) on Thursday 17 June 2010 in respect of Singapore Shareholders accepting via Singapore Application Forms and 9.30 p.m. (Singapore time) on Thursday 17 June 2010 for acceptances via ATM, in accordance with the procedure laid down for acceptance and payment, then that provisional allotment will be deemed to have been declined and will lapse. The Joint Global Co-ordinators (as agents of Prudential) will use reasonable endeavours to procure, by not later than 4.30 p.m. (London time) on the second London Business Day after Wednesday 23 June 2010, acquirers for all (or as many as possible) of those Rights Issue Shares not taken up if a price per Rights Issue Share at least equal to the total of the Issue Price (in pounds sterling) and the expenses of procuring such acquirers (including any applicable brokerage, commissions, currency conversion costs and amounts in respect of VAT which are not recoverable) can be obtained.

Notwithstanding the above, the Joint Global Co-ordinators may at any time cease or decline to endeavour to procure any such acquirers if, in the opinion of the Joint Global Co-ordinators, it is unlikely that any such acquirers can be so procured at such a price by such time. If and to the extent that acquirers cannot be procured on the basis outlined above, the Rights Issue Shares not taken up will be acquired by the Underwriters as principals pursuant to the Underwriting Agreement (or by sub-underwriters procured by the Joint Global Co-ordinators), in each case, at the Issue Price (in pounds sterling).

Any premium over the aggregate of the Issue Price (in pounds sterling) and the expenses of procuring acquirers (including any applicable brokerage, commissions, currency conversion costs and amounts in respect of VAT which are not recoverable) shall be paid (subject as provided in this section):

- (i) where the Nil Paid Rights were, at the time they lapsed, represented by a Provisional Allotment Letter (including those held by Qualifying Non-CCASS Shareholders and HKSCC Nominees on behalf of Qualifying CCASS Shareholders), to the person whose name and address appeared on page 1 of the Provisional Allotment Letter;
- (ii) where the Nil Paid Rights were, at the time they lapsed, in uncertificated form, to the person registered as the holder of those Nil Paid Rights at the time of their disablement in CREST; and
- (iii) where an entitlement to Rights Issue Shares was not taken up by an Overseas Shareholder (and (i) and (ii) do not apply to that Overseas Shareholder), to that Overseas Shareholder.

Rights Issue Shares for which acquirers are procured on this basis will be re-allotted to such acquirers and the aggregate of any premiums (being the amount paid by such acquirers after deducting the Issue Price and the expenses of procuring such acquirers, including any applicable brokerage, commissions, currency conversion costs and amounts in respect of VAT which are not recoverable), if any, will be paid (without interest) to those persons

entitled (as referred to above) pro rata to the relevant lapsed provisional allotments, save that no payment will be made of amounts of less than £5 or in respect of fractions of a pence, which amounts will be aggregated and will ultimately accrue to the benefit of Prudential.

Any transactions undertaken pursuant to this paragraph 5.1 of this section shall be deemed to have been undertaken at the request of the persons entitled to the lapsed provisional allotments and neither Prudential, the Underwriters or any other person shall be responsible or have any liability whatsoever for any loss or damage (whether actual or alleged) arising from the terms of or timing of any such transaction, the market on which such transaction is carried out, any decision not to endeavour to procure acquirers or the failure to procure acquirers on the basis described above. The Joint Global Co-ordinators will be entitled to retain any brokerage fees, commissions or other benefits received in connection with these arrangements. Cheques for the amounts due will be sent in pounds sterling to UK Shareholders and Hong Kong dollars to HK Shareholders and Singapore Shareholders, by post, at the risk of the person(s) entitled, to their registered addresses (in the case of joint holders, to the registered address of the first named), provided that where any entitlement concerned was held in CREST the amount due will, unless Prudential (in its absolute discretion) otherwise determines, be satisfied by Prudential procuring the creation of an assured payment obligation in favour of the relevant CREST member's (or CREST sponsored member's) RTGS settlement bank in respect of the cash amount concerned in accordance with the RTGS payment mechanism.

Pursuant to section 4.04 of the deposit agreement relating to the ADR facility, the US Depositary, acting on behalf of the ADR holders, is expected to (subject to certain exceptions) sell the Nil Paid Rights received by it in connection with the Rights Issue and will allocate the proceeds of such sales for the accounts of the ADR holders who are not eligible to take up, or who otherwise elect not to take up, their entitlements in the Rights Issue.

5.2 *Withdrawal rights*

Persons wishing to exercise statutory withdrawal rights under section 87Q(4) of FSMA 2000 after the publication by Prudential of a supplementary prospectus (if any) in respect of this document must do so by depositing a written notice of withdrawal which must include the account number, the full name and address of the person wishing to exercise such right of withdrawal and, if such person is a CREST member, the participant ID and the member account ID of such CREST member, with Equiniti Limited by hand (during normal business hours) at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by facsimile to Equiniti Limited (to obtain details for any facsimile transmission in these circumstances, shareholders should contact Equiniti Limited by telephoning the Shareholder Helpline) or with Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (or faxed to Computershare Hong Kong Investor Services Limited on 3186 2965 (from within Hong Kong) or +852 3186 2965 (from outside Hong Kong)), so as to be received before the end of the period of two London Business Days beginning with the first London Business Day after the date on which the supplementary prospectus is published. Withdrawal is effective as at the time of receipt of the withdrawal notice by Equiniti Limited or Computershare Hong Kong Investor Services Limited, as applicable. Notice of withdrawal given by any other means or which is sent to or deposited with or received by facsimile by the Receiving Agent after the expiry of such period will not constitute a valid withdrawal. Furthermore, the exercise of withdrawal rights will not be permitted after payment by the relevant person in respect of the relevant Rights Issue Shares in full and the allotment of Rights Issue Shares to such person therefore becoming unconditional. In such circumstances, holders of Prudential Shares are advised to consult their professional advisers.

Provisional allotments of entitlements to Rights Issue Shares which are the subject of a valid withdrawal notice will be deemed to be declined. Such entitlements to Rights Issue Shares will be subject to the provisions of paragraph 5.1 above as if the entitlement had not been validly taken up.

6. Taxation

Information on certain tax aspects of the Rights Issue is set out in Part XVIII of the Rights Issue Prospectus. The information contained in Part XVIII of the Rights Issue Prospectus is intended only as a general guide to the current tax position in the United Kingdom, in Hong Kong, in Singapore and in the US. Qualifying Shareholders should consult their own tax advisers regarding the tax treatment of the Rights Issue in light of their own circumstances. **Shareholders who are in any doubt as to their tax position or who are subject to tax in any other jurisdiction should consult an appropriate professional adviser immediately.**

7. Overseas Shareholders

This document has been approved by the FSA, being the competent authority in the UK. Prudential has requested that the FSA provides a certificate of approval and a copy of this document to the relevant competent authorities in France and the Republic of Ireland, pursuant to the passporting provisions of FSMA 2000.

7.1 General

The offer of Nil Paid Rights, Fully Paid Rights and/or the Rights Issue Shares pursuant to the Rights Issue and/or the distribution of the Rights Issue Prospectus or any other document relating to the Rights Issue (including a Provisional Allotment Letter) to persons who have registered addresses in, or who are resident or located in or who are citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom, Hong Kong or Singapore or to persons who are nominees of or custodians, trustees or guardians for any such persons or entities may be affected or prohibited by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to take up their rights under the Rights Issue.

This paragraph 7 sets out certain restrictions applicable to persons who have a registered address outside the United Kingdom, Hong Kong or Singapore, who are resident or located in countries other than the UK, Hong Kong or Singapore, or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this document to a jurisdiction outside the UK, Hong Kong or Singapore or who hold Prudential Shares for the account or benefit of any such person. Rights Issue Shares will be provisionally allotted to all Qualifying Shareholders, including Overseas Shareholders. However, Provisional Allotment Letters should not be sent to, and Nil Paid Rights should not be credited to CREST or CCASS accounts of, any shareholders in the United States or the other Excluded Territories or to their agents or intermediaries except where Prudential and the Joint Global Co-ordinators are satisfied that such action would not result in a contravention of any registration or other legal requirement in any such jurisdiction or where Prudential is not aware that the relevant holder of Prudential Shares is in an Excluded Territory.

As required under Rule 13.36(2) of the Listing Rules, Prudential has made enquiries regarding the legal restrictions under the applicable securities legislation of the relevant jurisdictions and the requirements of the relevant regulatory body or stock exchange with respect to making the Rights Issue in the Excluded Territories. Prudential considered advice from legal advisers in the United States, India, Japan, Malaysia, New Zealand and South Africa that either (i) this document will be required to be registered or filed with or subject to approval by the relevant authorities in these jurisdictions; or (ii) Prudential would need to take additional steps to comply with the local legal and regulatory requirements if the Rights Issue were extended to the shareholders in these jurisdictions.

Having considered the circumstances, the Directors have formed the view that it is necessary or expedient to refrain from distributing documents relating to the Rights Issue (including Provisional Allotment Letters) to certain shareholders in the United States and shareholders in India, Japan, Malaysia, New Zealand and South Africa due to the time and costs involved in the registration of the document and/or compliance with the relevant local legal or regulatory requirements in those jurisdictions.

Receipt of this document and/or a Provisional Allotment Letter or the crediting of Nil Paid Rights to a stock account in CREST, CCASS or CDP does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this document and/or a Provisional Allotment Letter must be treated as sent for information only and should not be copied or redistributed. No person who has received or receives a copy of this document and/or a Provisional Allotment Letter and/or who receives a credit of Nil Paid Rights to a stock account in CREST, CCASS or CDP in any territory other than the United Kingdom, Hong Kong or Singapore may treat the same as constituting an invitation or offer to him, nor should he in any event use the Provisional Allotment Letter or deal with Nil Paid Rights or Fully Paid Rights in CREST or Nil Paid Rights in CCASS or CDP, in the relevant territory, unless such an invitation or offer could lawfully be made to him or the Provisional Allotment Letter or Nil Paid Rights or Fully Paid Rights in CREST or Nil Paid Rights in CCASS or CDP could lawfully be used or dealt with without contravention of any registration or other legal or regulatory requirements.

Accordingly, persons (including, without limitation, custodians, nominees and trustees) who receive a copy of this document or a Provisional Allotment Letter or whose stock account in CREST, CCASS or CDP is credited with Nil

Paid Rights or Fully Paid Rights should not, in connection with the Rights Issue, distribute or send the same in or into, or transfer Nil Paid Rights or Fully Paid Rights to any person in or into, any Excluded Territory. If a Provisional Allotment Letter or a credit of Nil Paid Rights or Fully Paid Rights in CREST, CCASS or CDP is received by any person in any such territory, or by his agent or nominee, he must not seek to take up the rights referred to in the Provisional Allotment Letter or in this document or renounce the Provisional Allotment Letter or transfer the Nil Paid Rights or Fully Paid Rights in CREST, CCASS or CDP (as applicable) unless Prudential or the Joint Global Co-ordinators determine that such actions would not violate applicable legal or regulatory requirements and has informed that person. Any person who does forward this document or a Provisional Allotment Letter or transfer Nil Paid Rights or Fully Paid Rights into any such territories (whether pursuant to a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this sub-section 7 of this section.

Subject to paragraphs 7.2 and 7.3 of this section, any person (including, without limitation, agents, nominees and trustees) who has a registered address, or who is resident or located, outside the United Kingdom, Hong Kong or Singapore, or who is a citizen or resident of another jurisdiction, or which is a corporation, partnership or other entity created or organised under the laws of countries other than the United Kingdom, Hong Kong or Singapore or persons who are nominees of or custodians, trustees or guardians for any such persons or entities, wishing to take up their rights under the Rights Issue, must satisfy himself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. This sub-section 7 of this section is intended as a general guide only and any person who is in any doubt as to his position should consult his professional adviser without delay.

Prudential and the Joint Global Co-ordinators (in their absolute discretion) may treat as invalid any acceptance or purported acceptance of the offer of Fully Paid Rights, Nil Paid Rights or Rights Issue Shares which appears to Prudential or the Joint Global Co-ordinators or their respective agents to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if, in the case of a Provisional Allotment Letter, it provides for an address for delivery of the share certificates in or, in the case of a credit of Rights Issue Shares in CREST, a CREST member or CREST sponsored member or, in the case of a credit of Rights Issue Shares in CCASS, a CCASS Participant or, in the case of a credit of Rights Issue Shares in CDP, a depositor or depository agent within the meaning of the Companies Act, Chapter 50 of Singapore, whose registered address is in, or who is resident or located in, any of the Excluded Territories (including any jurisdiction outside the United Kingdom, Hong Kong or Singapore in which it would be unlawful to deliver such share certificates or make such a credit or if Prudential or the Joint Global Co-ordinators believe or their respective agents believe that the same may violate applicable legal or regulatory requirements). The attention of persons with a registered address in, or who are resident or located in, the United States or who are nominees or custodians or trustees of persons who have such an address or who are so resident or located, is drawn to paragraph 7.2 below.

Entitlements to Rights Issue Shares which are not taken up by Qualifying Shareholders who have registered addresses in the US or any of the other Excluded Territories will be aggregated with entitlements to Rights Issue Shares which have not been taken up by other Qualifying Shareholders and, if possible, acquirers will be procured in respect of the relevant Rights Issue Shares as described in paragraph 5.1 above of this section. The premiums (being the amount paid by the acquirers after deducting the Issue Price (in pounds sterling) and the expenses of procuring the acquirers including any applicable brokerage, commissions, currency conversion costs and amounts in respect of VAT which are not recoverable), if any, will be paid (without interest) to those persons entitled (as referred to above) pro rata to the relevant lapsed provisional allotments, save that amounts of less than £5.00 per holding will not be so paid but will be aggregated and will, ultimately, accrue for the benefit of Prudential. None of Prudential, the Underwriters or any other person shall be responsible or have any liability whatsoever for any loss or damage (actual or alleged) arising from the terms or the timing of the acquisition or the procuring of it or any failure to procure acquirers.

Despite any other provision of this document or the Provisional Allotment Letter, Prudential and the Joint Global Co-ordinators reserve the right to permit any Qualifying Shareholder to take up his rights if Prudential and the Joint Global Co-ordinators in their sole and absolute discretion are satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. If Prudential and the Underwriters are so satisfied, Prudential will arrange for the relevant Qualifying Shareholder to be sent a Provisional Allotment Letter if he/she is a Qualifying Non-CREST Shareholder or a Qualifying Non-CCASS Shareholder or, if he/she is a Qualifying CREST Shareholder or a Qualifying CCASS Shareholder, arrange for Nil Paid Rights to be credited to the relevant CREST or CCASS stock account.

Those Qualifying Shareholders who wish, and are permitted, to take up their entitlement should note that payments must be made as described in paragraph 3.1.2 above of this section.

Specific restrictions relating to certain jurisdictions are set out below.

7.2 United States

7.2.1 Selling restrictions

The Rights Issue Shares, the Nil Paid Rights, the Fully Paid Rights and the Provisional Allotment Letters have not been and will not be registered under the US Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States. Accordingly, subject to certain exceptions, the Rights Issue Shares, the Nil Paid Rights, the Fully Paid Rights and the Provisional Allotment Letters may not be offered, sold, taken up, resold, renounced, exercised, transferred or delivered, directly or indirectly, in or into the United States at any time except pursuant to the terms of an applicable exemption under the US Securities Act and applicable state and other securities laws of the United States.

Accordingly, subject to certain limited exceptions, neither this document nor the Provisional Allotment Letter constitutes an offer, or an invitation to apply for, or an offer or invitation to purchase, acquire or subscribe for, any Rights Issue Shares, Nil Paid Rights or Fully Paid Rights in the United States, and Provisional Allotment Letters and the Rights Issue Prospectus will not be sent to, and Nil Paid Rights will not be credited to the CREST account of, any shareholder with a registered address in the United States.

Subject to certain limited exceptions, envelopes containing Provisional Allotment Letters should not be post-marked in the United States or otherwise despatched from the United States, and all persons acquiring Rights Issue Shares must provide an address for registration of the Rights Issue Shares issued upon exercise thereof outside the United States.

Subject to certain limited exceptions, any person who acquires Rights Issue Shares, Nil Paid Rights or Fully Paid Rights will be deemed to have declared, warranted and agreed, by accepting delivery of the Rights Issue Prospectus or the Provisional Allotment Letter and delivery of the Rights Issue Shares, Nil Paid Rights or Fully Paid Rights, that it is not, and that at the time of acquiring the Rights Issue Shares, Nil Paid Rights or Fully Paid Rights it will not be, in the United States.

Prudential reserves the right to treat as invalid any Provisional Allotment Letter: (i) that appears to Prudential or its agents to have been executed in or despatched from the United States; or (ii) where Prudential believes acceptance of such Provisional Allotment Letter may infringe applicable legal or regulatory requirements; and Prudential shall not be bound to allot or issue any Rights Issue Shares, Nil Paid Rights or Fully Paid Rights in respect of any such Provisional Allotment Letter.

Notwithstanding the foregoing, Provisional Allotment Letters and the Rights Issue Prospectus may be sent, the Nil Paid Rights may be offered and delivered and the Rights Issue Shares offered and sold in the United States to a limited number of persons reasonably believed to be “qualified institutional buyers” or “QIBs” by way of private placement in offerings exempt from registration under the US Securities Act. Any person reasonably believed to be a QIB to whom Rights Issue Shares are offered and sold, including Prudential ADR holders reasonably believed to be QIBs, will be required to execute and deliver an investor letter substantially in the form described in paragraph 7.2.2 of this section below and may be required to make certain certifications in the Provisional Allotment Letter or the exercise form for the Nil Paid Rights and the Fully Paid Rights, as applicable.

In addition, Prudential ADR holders who wish, and who are permitted, to take up their entitlement relating to their ADR holdings, should note that their ability to take up such entitlement will depend on additional requirements and obligations, including, but not limited to, (i) the provision of information to the US Depositary pertaining to their Prudential ADR holding and details of any custodian through which they hold Prudential ADRs and (ii) the payment of additional fees.

Any person in the United States who obtains a copy of this document or a Provisional Allotment Letter and who is not a QIB is required to disregard them.

Until 40 days after the date on which the price is set for the placing of any remaining Rights Issue Shares by the Underwriters, an offer, sale or transfer of the Rights Issue Shares, Nil Paid Rights or Fully Paid Rights within the

United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the US Securities Act.

From the date of the Rights Issue Prospectus through the 40th day after the date on which the price is set for the placing of any Rights Issue Shares by the Underwriters of any Rights Issue Shares not taken up in the Rights Issue (which is currently expected to be on or about 4 August 2010) the US Depositary, will not accept deposits of any Prudential Shares in the facility unless the shareholder certifies that the Prudential Shares were not acquired in this Rights Issue.

7.2.2 Transfer restrictions in respect of the Rights Issue

The offering and delivery of the Provisional Allotment Letters and Nil Paid Rights, and the offering and sale of the Rights Issue Shares in the United States to a limited number of persons reasonably believed to be QIBs, including ADR holders reasonably believed to be QIBs, is being made in reliance on an exemption from the registration requirements of the US Securities Act. The Nil Paid Rights, Fully Paid Rights, Rights Issue Shares and Provisional Allotment Letters have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered, sold, pledged, or otherwise transferred or delivered except pursuant to an exemption from registration under the US Securities Act or pursuant to an effective registration statement under the US Securities Act.

Each purchaser of Rights Issue Shares in the United States will be required to execute and deliver to Prudential and/or one or more of its designees an investor letter in the appropriate form, which will contain the following representations:

1. It is a QIB and, if it is acquiring the Rights Issue Shares as a fiduciary or agent for one or more investor accounts, (a) each such account is a QIB, (b) it has investment discretion with respect to each such account, and (c) it has full power and authority to make the representations, warranties, agreements and acknowledgements in the Rights Issue Prospectus on behalf of each such account.
2. It will base its investment decision solely on the Rights Issue Prospectus and not on any other information or representation concerning Prudential. It acknowledges that none of Prudential, any of its affiliates or any other person (including any of the Underwriters or any of their respective affiliates) has made any representations, express or implied, to it with respect to Prudential, the Rights Issue, the Nil Paid Rights, the Fully Paid Rights, the Rights Issue Shares or the accuracy, completeness or adequacy of any financial or other information concerning Prudential, the Rights Issue, the Nil Paid Rights, the Fully Paid Rights or the Rights Issue Shares, other than (in the case of Prudential only) the information contained in the Rights Issue Prospectus. It acknowledges that it has not relied on any information contained in any research reports prepared by the Underwriters or any of their respective affiliates. It understands that the Rights Issue Prospectus has been prepared in accordance with the Prospectus Rules and the Listing Rules, both of which differ from US disclosure requirements. In addition, the financial information in relation to Prudential contained in the Rights Issue Prospectus has been prepared in accordance with IFRS and with European Embedded Value prepared in accordance with Principles issued by the CFO Forum of European Insurance Companies, and thus may not be comparable to financial statements of US companies prepared in accordance with US generally accepted accounting principles. It agrees that it will not distribute, forward, transfer or otherwise transmit the Rights Issue Prospectus, any Provisional Allotment Letter or any other presentational or other materials concerning the Rights Issue (including electronic copies thereof) to any person (other than a QIB on behalf of which it acts), and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person (other than a QIB on behalf of which it acts). It acknowledges that it has read and agreed to the matters set forth under paragraphs 7.2.1 and 7.2.2 of this section. It is aware, and each beneficial owner of such Rights Issue Shares has been advised, that the sale of Rights Issue Shares to them is being made in reliance on an exemption from, or transaction not subject to, the registration requirements of the US Securities Act.
3. It acknowledges that its purchase of any Rights Issue Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgments, agreements and undertakings and other information contained in the Rights Issue Prospectus. It agrees that it (a) will not look to any of the Underwriters for all or part of any loss it may suffer, (b) has no need for liquidity with respect to its investment in the Rights Issue Shares and (c) has no reason to anticipate any change in its circumstances,

financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Rights Issue Shares.

4. It is an institution that (a) invests in or purchases securities similar to the Rights Issue Shares in the normal course of its business, (b) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the Rights Issue, and (c) is, and any accounts for which it is acting are, able to bear the economic risk, and able to sustain a complete loss, of such investment in the Rights Issue Shares.
5. It has made its own independent investigation and appraisal of the business, results, financial condition, prospects, creditworthiness, status and affairs of Prudential, and it has made its own investment decision to acquire the Rights Issue Shares. It understands that there may be certain consequences under US and other tax laws resulting from an investment in the Rights Issue Shares, including that it must bear the economic risk of an investment in the Rights Issue Shares for an indefinite period of time, and it will make such investigation and consult such tax, legal, currency and other advisors with respect thereto as it deems appropriate.
6. Any Rights Issue Shares that it acquires will be for its own account (or for the account of a QIB as to which it exercises sole investment discretion and has authority to make these statements) for investment purposes, and not with a view to resale or distribution within the meaning of the US securities laws.
7. It acknowledges and agrees that it is not taking up the Nil Paid Rights or the Rights Issue Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the US Securities Act) or directed selling efforts (as that term is defined in Regulation S under the US Securities Act).
8. It acknowledges that the Rights Issue Shares will be “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act and for so long as such securities are “restricted securities” (as so defined) the securities may not be deposited into any unrestricted depositary receipt facility in respect of Prudential Shares established or maintained by any depositary bank, including but not limited to Prudential’s existing ADR facility maintained by J.P. Morgan Depositary Services, as depositary for the Prudential ADRs.
9. It understands that the Nil Paid Rights and the Rights Issue Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the US Securities Act and that the Nil Paid Rights, the Fully Paid Rights and the Rights Issue Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except (i) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the US Securities Act, (ii) with respect to the Rights Issue Shares only, pursuant to an exemption from registration provided by Rule 144 under the US Securities Act (if available), or (iii) pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States. It understands that Rule 144A under the US Securities Act is not available for the resale of any Nil Paid Rights, Fully Paid Rights or Rights Issue Shares. In addition, it understands that no representation has been made as to the availability of Rule 144 of the US Securities Act or any other exemption under the US Securities Act or any state securities laws for the offer, resale, pledge or transfer of the Rights Issue Shares.
10. It understands that, although in the United States offers and sales of the Rights Issue Shares are being made to QIBs, such offers and sales are not being made under Rule 144A and that, if in the future it, any such other QIB whose account it is acting for, or any other fiduciary or agent representing such persons decides to offer, sell, deliver, hypothecate or otherwise transfer the Rights Issue Shares, it will do so only in compliance with the restrictions in paragraph 9 above.
11. It understands that any Rights Issue Shares delivered in certificated form will bear a legend substantially in the following form unless otherwise determined by Prudential in accordance with applicable law:

“THE SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE “US SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF

THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT, (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE US SECURITIES ACT (IF AVAILABLE), OR (3) PURSUANT TO ANOTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE US SECURITIES ACT FOR REALES OF THE SHARES REPRESENTED HEREBY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SHARES REPRESENTED HEREBY ARE “RESTRICTED SECURITIES” WITHIN THE MEANING OF RULE 144(a)(3) UNDER THE SECURITIES ACT AND FOR SO LONG AS SUCH SECURITIES ARE “RESTRICTED SECURITIES” (AS SO DEFINED) THE SECURITIES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF THIS SHARE, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.”

12. It acknowledges and agrees that any offer, resale, pledge or other transfer made other than in compliance with the restrictions in paragraph 9 above will not be recognised by Prudential in respect of the Rights Issue Shares.
13. It confirms that, to the extent it is purchasing Rights Issue Shares for the account of one or more persons, (i) it has been duly authorised to make on their behalf the confirmations, acknowledgements and agreements set forth herein and (ii) these provisions constitute legal, valid and binding obligations of it and any other persons for whose account it is acting.
14. It acknowledges and agrees that Prudential, its affiliates, the Underwriters, their respective affiliates, the Receiving Agent and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. It agrees that if any of the representations, warranties, agreements and acknowledgements made herein are no longer accurate, it shall promptly notify Prudential and the Underwriters.
15. It represents and warrants that all necessary actions have been taken to authorise the purchase by it of the Rights Issue Shares.

The provisions of paragraph 5.1 above will apply to any rights not taken up by Qualifying Shareholders with a registered address in the United States, and the Joint Global Co-coordinators (as agents of Prudential) will use reasonable endeavours to procure, on behalf of such Qualifying Shareholders, acquirers for all (or as many as possible) of those Rights Issue Shares not taken up at a price per Rights Issue Share at least equal to the total of the Issue Price (in pounds sterling) and net of the expenses of procuring such acquirers (including any applicable brokerage, commissions, currency conversion costs and amounts in respect of VAT which are not recoverable) as can be obtained.

7.2.3 Transfer restrictions in respect of shares not taken up in the Rights Issue

Each purchaser in the United States of Rights Issue Shares that were not taken up in the Rights Issue will be required to execute and deliver to the Underwriters an investor letter in the appropriate form, which will contain substantially the same representations as those contained in paragraph 7.2.2 above of this section.

7.3 Other jurisdictions

Provisional Allotment Letters have been and, where relevant, will be posted to Qualifying Non-CREST Shareholders and Qualifying Non-CCASS Shareholders (other than, subject to certain limited exceptions, those Qualifying Non-CREST Shareholders and Qualifying Non-CCASS Shareholders who have registered addresses in the United States, India, Japan, Malaysia, New Zealand and South Africa) and Nil Paid Rights have been and, where relevant, will be credited to the CREST stock accounts of Qualifying CREST Shareholders and the CCASS stock accounts of Qualifying CCASS Shareholders (other than, subject to certain limited exceptions, those Qualifying CREST Shareholders and Qualifying Non-CCASS Shareholders who have registered addresses in the United States,

India, Japan, Malaysia, New Zealand and South Africa). No offer of or invitation to take up Rights Issue Shares is being made by virtue of this document or the Provisional Allotment Letters into the United States, India, Japan, Malaysia, New Zealand or South Africa. Qualifying Shareholders in jurisdictions other than those specified above may, subject to the laws of their relevant jurisdiction, accept their rights under the Rights Issue in accordance with the instructions set out in this document and, in the case of Qualifying Non-CREST Shareholders and Qualifying Non-CCASS Shareholders only, the Provisional Allotment Letter.

Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of countries other than the United Kingdom, Hong Kong or Singapore should consult their appropriate professional advisers whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Nil Paid Rights or to acquire Fully Paid Rights (UK shareholders only) or Rights Issue Shares.

7.4 Representations and warranties relating to Overseas Shareholders

7.4.1 Qualifying Non-CREST Shareholders and Qualifying Non-CCASS Shareholders

Any person accepting and/or renouncing a Provisional Allotment Letter or requesting registration of the Rights Issue Shares comprised therein represents and warrants to Prudential and the Underwriters that, except where proof has been provided to Prudential's satisfaction that such person's use of the Provisional Allotment Letter will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not accepting and/or renouncing (on behalf of himself or any other person) the Provisional Allotment Letter, or requesting registration of the relevant Rights Issue Shares, from within the United States, (ii) such person is not a shareholder in any Excluded Territory, (iii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Rights Issue Shares or to use the Provisional Allotment Letter in any manner in which such person has used or will use it, (iv) such person is not acting for the account of any person who is located in the United States, unless (a) the instruction to accept or renounce was received from a person outside the United States and (b) the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) either (A) it has investment discretion over such account or (B) it is an investment manager or investment company that is acquiring the Rights Issue Shares in an "offshore transaction" within the meaning of Regulation S under the US Securities Act, (v) such person is not acting on a non-discretionary basis for a person within any territory referred to in (ii) or (iii) above other than the United States at the time the instruction to accept or renounce was given, and (vi) such person is not acquiring Rights Issue Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Rights Issue Shares into, or for the benefit of any person in, the United States or any other territory referred to in (ii) or (iii) above. Prudential may treat as invalid any acceptance or purported acceptance of the allotment of Rights Issue Shares comprised in, or renunciation or purported renunciation of, a Provisional Allotment Letter if it: (a) appears to Prudential to have been executed in or despatched from the United States or any of the other Excluded Territories or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it or its agents believe the same may violate any applicable legal or regulatory requirement, (b) provides an address in the United States or any Excluded Territory (including any jurisdiction outside the United Kingdom, Hong Kong or Singapore in which it would be unlawful to deliver such definitive share certificates), or (c) purports to exclude the representation and warranty required by this paragraph 7.4.1 of this section.

7.4.2 Qualifying CREST Shareholders and Qualifying CCASS Shareholders

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this section and a CCASS participant who makes a valid acceptance through HKSCC Nominees represents and warrants to Prudential and the Underwriters that, except where proof has been provided to Prudential's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not within the United States, (ii) such person is not in any of the other Excluded Territories, or any territory in which it is otherwise unlawful to make or accept an offer to acquire Fully Paid Rights or Rights Issue Shares, (iii) such person is not accepting for the account of any person who is located in the United States, unless (a) the instruction to accept was received from a person outside the United States and (b) the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) either (A) it has investment discretion over such account or (B) it is an investment manager or investment company that is acquiring the Rights Issue Shares in an "offshore transaction" within the meaning of Regulation S under the US Securities Act, (iv) such person is not accepting on a non-discretionary basis for a person within any other territory referred to in (ii) above other than the United States at the time the instruction to accept was given, and (v) such person is not acquiring Fully Paid Rights or Rights Issue Shares with a view to the offer, sale, resale, transfer, delivery or

distribution, directly or indirectly, of any such Fully Paid Rights or Rights Issue Shares into, or for the benefit of any person in, the United States or any other territory referred to in (ii) above. Prudential may treat as invalid any MTM instruction which appears to Prudential to have been despatched from the United States or the Excluded Territories or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it or its agents believe the same may violate any applicable legal or regulatory requirement or purports to exclude the warranty required by this paragraph 7.4.2 of this section.

7.4.3 Waiver

The provisions of this sub-section 7 of this section and of any other terms of the Rights Issue relating to Overseas Shareholders may be waived, varied or modified as required for specific Qualifying Shareholder(s) or on a general basis by Prudential and the Joint Global Co-ordinators in their absolute discretion. Subject to this, the provisions of this sub-section 7 of this section supersede any terms of the Rights Issue inconsistent herewith. References in this sub-section 7 of this section to Qualifying Shareholders shall include references to the person or persons executing a Provisional Allotment Letter and in the event of more than one person executing a Provisional Allotment Letter, the provisions of this sub-section 7 of this section shall apply to them jointly and to each of them.

8. Times and dates

Prudential shall, in its discretion and after consultation with its financial and legal advisers and with the agreement of the Joint Global Co-ordinators be entitled to amend the date that dealings in Nil Paid Rights commence and amend or extend the latest date for acceptance under the Rights Issue and all related dates set out in this document and in such circumstances shall notify the UKLA, the Stock Exchange, the SGX-ST via SGXNET (and will comply with all applicable rules and regulations in Hong Kong) and a Regulatory Information Service and, if appropriate, holders of Prudential Shares, but Qualifying Shareholders may not receive any further written communication. If a supplementary prospectus is issued by Prudential two (or fewer) days prior to the date specified in this document as the latest date for acceptance under the Rights Issue (or such later date as may be agreed between Prudential and the Joint Global Co-ordinators), the latest date of acceptance under the Rights Issue shall be extended to the date which is three London Business Days after the date of issue of the supplementary prospectus (or such later date as may be agreed between Prudential and the Joint Global Co-ordinators and the dates and times of principal events due to take place following such date shall be extended accordingly).

9. Change to Issue Price

The Joint Global Co-ordinators can adjust the Issue Price (but not terminate the Underwriting Agreement) if any of the following occur before UK Admission:

- (i) Prudential issues a supplementary prospectus; or
- (ii) there is (a) a suspension in trading in Prudential securities on the London Stock Exchange or on the Stock Exchange or in trading generally on the New York Stock Exchange, the Stock Exchange or the London Stock Exchange or (b) the fixing of minimum or maximum pricing of securities by any of those exchanges or (c) a material disruption in commercial banking or securities settlement services in the US, Hong Kong or the UK; or
- (iii) a banking moratorium in the US, Hong Kong or the UK is declared.

Such an adjustment to the Issue Price will not change the total proceeds of the Rights Issue. The Issue Price cannot be reduced below 5 pence. If the Joint Global Co-ordinators exercise this option, Prudential will issue a supplementary prospectus detailing the effect of the change on the Rights Issue.

10. Rights Issue structure

The Rights Issue has been structured in a way that is expected to have the effect of creating distributable reserves equal to the net proceeds of the Rights Issue less the par value of the Rights Issue Shares issued by Prudential. The intention of this structure is to facilitate the return of the proceeds to shareholders in the unlikely event that the Acquisition does not complete. Should the Acquisition complete, these distributable reserves would not exist. Prudential and Credit Suisse Europe have agreed to acquire ordinary shares in a newly incorporated Jersey company, Prudential Rights (Jersey) Limited. Credit Suisse Europe, as principal, will apply the proceeds of the Rights Issue to acquire redeemable preference shares in Prudential Rights (Jersey) Limited. Prudential will issue the

Rights Issue Shares to those persons entitled thereto in consideration for Credit Suisse Europe transferring its holdings of redeemable preference shares in Prudential Rights (Jersey) Limited, and transferring its holding of ordinary shares in Prudential Rights (Jersey) Limited to Prudential.

Accordingly, instead of receiving cash as consideration for the issue of the Rights Issue Shares, at the conclusion of the Rights Issue, Prudential will own the entire issued share capital of Prudential Rights (Jersey) Limited, whose only asset will be its cash reserves, which will represent an amount equivalent to the proceeds of the Rights Issue. Prudential will be able to use this amount (including for the payment of the costs and expenses of the Rights Issue) on redemption of the redeemable preference shares it holds in Prudential Rights (Jersey) Limited and, if required, during an interim period prior to redemption, by procuring that Prudential Rights (Jersey) Limited lend the amount to Prudential (or one of Prudential's subsidiaries).

Accordingly, by taking up Rights Issue Shares under the Rights Issue and submitting a valid payment in respect thereof, a Qualifying Shareholder instructs the Receiving Agent and the Hong Kong Branch Share Registrar (i) to the extent of a successful application under the Rights Issue, to apply such payment on behalf of Credit Suisse Europe solely to subscribe for redeemable preference shares in Prudential Rights (Jersey) Limited and (ii) to the extent of an unsuccessful application under the Rights Issue, to return the relevant payment without interest to the applicant. Further details of this structure are set out in paragraph 3 of the section headed "Information about the Rights Issue" of this supplemental listing document.

11. Irish Register

Holders of Prudential Shares registered on the Irish Register will, save as set out below, be treated as Qualifying Non-CREST Shareholders for the purposes of the Rights Issue. Subject to the passing of the Rights Issue Resolution (without material amendment) at the General Meeting, holders of Prudential Shares on the Irish Register will be sent a Provisional Allotment Letter on Monday 7 June 2010. Any such holders of Prudential Shares who take up rights to acquire Rights Issue Shares whether pursuant to the Provisional Allotment Letter sent to them or otherwise will have such Rights Issue Shares issued to them on the Irish Register (not the UK Register), and Capita Registrars (Ireland) Limited will post share certificates to such holders by Thursday 1 July 2010. Payments by holders of Prudential Shares on the Irish Register to take up rights under any Provisional Allotment Letter must be made in pounds sterling.

12. Transactions in Prudential securities

Since the announcement of the Acquisition, certain affiliates of Prudential and other entities have engaged and intend to continue to engage in various dealing activities involving Prudential Shares and Prudential ADRs. Among other things, trustees for Prudential Group employee share plans have purchased and intend to continue to purchase Prudential Shares and Prudential ADRs on behalf of participants in such plans. These activities have occurred and are expected to continue to occur through the closing of the Rights Issue predominantly outside the United States, although purchases of Prudential Shares and Prudential ADRs on behalf of US based participants in such plans have occurred and may continue to occur within the United States in the ordinary course of business. Separately, certain affiliates of Prudential have purchased and sold, and intend to continue to purchase and sell, Prudential Shares and Prudential ADRs as part of their ordinary asset management activities. These activities have generally occurred, and are expected through the closing of the Rights Issue solely to occur, outside the United States. These affiliates of Prudential and other entities are not obliged to purchase Prudential Shares and Prudential ADRs and any such purchases may be discontinued at any time. These activities could have the effect of preventing or retarding a decline in the market price of Prudential Shares or Prudential ADRs.

Subject to certain restrictions in the Underwriting Agreement, the Underwriters and any of their respective affiliates may, in accordance with applicable legal and regulatory provisions, engage in transactions (including short sales) in relation to the Nil Paid Rights, the Fully Paid Rights, the Rights Issue Shares, Prudential Shares and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise. Except as required by applicable law or regulation, the Underwriters do not propose to make any public disclosure in relation to such transactions.

13. Governing law and jurisdiction

The terms and conditions of the Rights Issue as set out in this document and the Provisional Allotment Letter or Singapore Application Form and any non-contractual obligations related thereto shall be governed by, and

construed in accordance with, English law. The Rights Issue Shares will be allotted and issued pursuant to the Companies Act. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue, this document, the Provisional Allotment Letter or the Singapore Application Form. By accepting rights under the Rights Issue in accordance with the instructions set out in this document and, in the case of Qualifying Non-CREST Shareholders and Qualifying Non-CCASS Shareholders only, the Provisional Allotment Letter, and, in the case of Qualifying CDP Shareholders only, the Singapore Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

INFORMATION ABOUT THE RIGHTS ISSUE

1 Underwriting Agreement

Pursuant to an Underwriting Agreement dated 17 May 2010 between Prudential, the Joint Sponsors, the Joint Global Co-ordinators, the Joint Bookrunners, the Joint Lead Managers, the Co-Lead Managers, the Co-Managers and the Underwriters, the Joint Global Co-ordinators have agreed severally to use reasonable endeavours to procure acquirers for, or failing which, the Underwriters shall acquire in their Underwriting Proportions, up to 13,964,557,750 Rights Issue Shares to the extent not taken up under the Rights Issue, in each case at the Issue Price.

In consideration of their agreement to underwrite the Rights Issue Shares, and subject to their obligations under the Underwriting Agreement having become unconditional and the Underwriting Agreement not having been terminated, Prudential shall pay: (a) to the Underwriters, a commission of 2.50% on the aggregate proceeds of the Rights Issue Shares, to be shared between the Underwriters in proportion to their Underwriting Proportions (b) to the Joint Global Co-ordinators, a commission of 0.25% on the aggregate proceeds of the Rights Issue (c) to the Joint Global Co-ordinators, in Prudential's absolute discretion, a discretionary fee of up to 0.25% on the aggregate proceeds of the Rights Issue, and (d) to the Underwriters, a further discretionary fee of up to 0.25% on the aggregate proceeds of the Rights Issue, to be shared among the Underwriters at the sole discretion of Prudential. Out of such fees (to the extent received by the Joint Global Co-ordinators) they will pay any sub-underwriting commission (to the extent sub-underwriters are or have been procured).

Prudential shall pay (whether or not the obligations under the Underwriting Agreement of Joint Bookrunners, the Joint Global Co-ordinators, the Joint Lead Managers, the Co-Lead Managers, the Co-Managers and the Underwriters become unconditional) all costs and expenses of, or in connection with, the Acquisition, the Rights Issue, the introductions on the Stock Exchange and the SGX-ST, the General Meeting, UK Admission, HK Admission, Singapore Admission and the Underwriting Agreement and related agreements.

The obligations of the Joint Bookrunners, the Joint Global Co-ordinators, the Joint Lead Managers, the Co-Lead Managers, the Co-Managers and the Underwriters under the Underwriting Agreement are subject to certain conditions including, among others:

- (A) the passing, without material amendment, of the Rights Issue Resolution (which itself is conditional upon the passing of the Scheme Resolutions) at the General Meeting on the date of the General Meeting specified in the General Meeting Notice;
- (B) the Acquisition Agreement remaining in full force and effect, not having lapsed and not having been terminated in accordance with its terms prior to UK Admission, and no condition to which the Acquisition Agreement is subject having become incapable of satisfaction and, if capable of waiver, not having been waived prior to UK Admission;
- (C) nothing occurring prior to UK Admission which, in accordance with the terms of the Bridge Facility, prevents or would prevent the drawdown of funds under the Bridge Facility, save to the extent that replacement financing is made available as envisaged by the terms of the Bridge Facility;
- (D) UK Admission becoming effective by not later than 8.00 a.m. (London time) on Tuesday 8 June 2010 (or such later time and date as Prudential and the Joint Global Co-ordinators may agree);
- (E) each condition to enable the Nil Paid Rights and the Fully Paid Rights to be admitted as a participating security in CREST (other than UK Admission) being satisfied on or before Tuesday 8 June 2010;
- (F) each condition to enable the Nil Paid Rights to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than HK Admission) being satisfied on or before the date of the General Meeting;
- (G) at the time of UK Admission, either HK Admission having occurred or there being no indication that the Listing Committee of the Stock Exchange will not grant listing of and permission to deal in the Rights Issue Shares, nil paid and fully paid; and
- (H) the fulfilment in all material respects by Prudential of its obligations under a number of provisions of the Underwriting Agreement by the times specified therein.

Certain of the conditions may be waived by the Joint Global Co-ordinators in their discretion.

If, at any time before UK Admission, any of the conditions has not been satisfied by the required time, or has become incapable of being satisfied and has not been waived, or it becomes, or is reasonably believed by the Joint Global Co-ordinators to have become, unlawful in the United Kingdom, Hong Kong, Singapore or the United States for any of the parties to the Underwriting Agreement (other than Prudential) to perform any of its material obligations under the agreement, the Joint Global Co-ordinators may terminate the Underwriting Agreement. None of the Underwriters are entitled to terminate the Underwriting Agreement after UK Admission.

The Joint Global Co-ordinators can adjust the Issue Price (but not terminate the Underwriting Agreement) if any of the following occurs before UK Admission:

- (A) Prudential issues a supplementary prospectus; or
- (B) there is (a) a suspension in trading in Prudential securities on the London Stock Exchange or on the Stock Exchange or in trading generally on the New York Stock Exchange, the Stock Exchange or the London Stock Exchange or (b) the fixing of minimum or maximum pricing of securities by any of those exchanges or (c) a material disruption in commercial banking or securities settlement services in the US, Hong Kong or the UK; or
- (C) a banking moratorium in the US, Hong Kong or the UK is declared.

Such an adjustment to the Issue Price will not change the total proceeds of the Rights Issue. The Issue Price cannot be reduced below 5 pence.

Since Prudential is a regulated entity in a number of jurisdictions, the Underwriting Agreement contains provisions which delay the confirmation of allotment of Rights Issue Shares to any of the Underwriters (but does not delay their obligation to pay for those Rights Issue Shares) until such time as any regulatory approvals are obtained (which can be no longer than 12 months). This mechanism does not render the underwriting conditional after UK Admission. Where allotment of Rights Issue Shares is deferred as referred to in this paragraph, the Underwriters are entitled, subject to certain conditions, to place such Rights Issue Shares in the market.

Pursuant to the Underwriting Agreement, the parties to the Underwriting Agreement have agreed that if a supplementary prospectus is issued by Prudential two London Business Days or fewer prior to the date specified as the latest date for acceptance and payment in full, such date shall be extended to the date which is three dealing days after the date of issue of the supplementary prospectus.

Prudential has given certain warranties and indemnities to the Underwriters. The liabilities of Prudential are unlimited as to time (subject to statutory limitations) and amount.

The Underwriters have agreed that neither they nor any person acting on their behalf will procure acquirers for any of the Rights Issue Shares, the Nil Paid Rights and the Fully Paid Rights other than in accordance with certain selling restrictions.

2 Standby Equity Financing Letter

On 1 March 2010, the Joint Global Co-ordinators entered into a standby equity financing letter (the “**Standby Equity Financing Letter**”) with Prudential pursuant to which the Joint Global Co-ordinators agreed to arrange and underwrite the Rights Issue for Prudential in order to raise a sterling amount equivalent to approximately US\$21 billion (before costs, fees and expenses) (the “**Committed Equity Amount**”).

In consideration of the Joint Global Co-ordinators’ commitment to Prudential to underwrite the Rights Issue pursuant to the terms of the Standby Equity Financing Letter, Prudential paid the Joint Global Co-ordinators a fee of 0.25% of the Committed Equity Amount in respect of the period from 1 March 2010 to 30 April 2010. Additional weekly fees of 0.025% of the Committed Equity Amount in respect of the period from 1 May 2010 to 7 May 2010 and 0.05% of the Committed Equity Amount in respect of the period from 8 May 2010 until the date of publication of the Rights Issue Prospectus are also payable.

Subject to certain provisions continuing in full force and effect, the Standby Equity Financing Letter automatically lapsed and terminated upon the Underwriting Agreement being entered into. Under the Standby Equity Financing Letter, Prudential gave limited warranties to the Joint Global Co-ordinators (primarily with respect to information provided to the Joint Global Co-ordinators), and customary indemnities to the Joint Global Co-ordinators which survive termination of the Standby Equity Financing Letter.

3 Option Deed and Subscription and Transfer Agreement

In connection with the Rights Issue, Prudential, Credit Suisse Europe and Prudential Rights (Jersey) Limited have entered into agreements, each dated 17 May 2010, in relation to the subscription and transfer of ordinary shares and redeemable preference shares in Prudential Rights (Jersey) Limited. Under the terms of these agreements:

- (A) Prudential and Credit Suisse Europe agreed to take up ordinary shares in Prudential Rights (Jersey) Limited and enter into put and call options in respect of the ordinary shares in Prudential Rights (Jersey) Limited subscribed for by Credit Suisse Europe that are exercisable if the Rights Issue does not proceed;
- (B) Credit Suisse Europe will apply the proceeds of the Rights Issue, including amounts received from acquirers procured by the Underwriters in subscribing for redeemable preference shares in Prudential Rights (Jersey) Limited to an aggregate value equal to such proceeds; and
- (C) Prudential will allot and issue the Rights Issue Shares to those persons entitled thereto in consideration of Credit Suisse Europe's undertaking to transfer its holding of redeemable preference shares and ordinary shares in Prudential Rights (Jersey) Limited to Prudential.

Accordingly, instead of receiving cash as consideration for the issue of the Rights Issue Shares, at the conclusion of the Rights Issue, Prudential will own the entire issued ordinary share capital and entire preference share capital of Prudential Rights (Jersey) Limited whose only assets will be its cash reserves, which will represent an amount equal to the proceeds of the Rights Issue. Prudential will be able to use this amount (including to pay the costs and expenses of the Rights Issue) on redemption of the redeemable preference shares it will hold in Prudential Rights (Jersey) Limited and, during any interim period prior to redemption, by procuring that Prudential Rights (Jersey) Limited lends the amount to Prudential (or one of Prudential's subsidiaries).

FIRST QUARTER 2010 INTERIM MANAGEMENT STATEMENT



PRUDENTIAL

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NEWS RELEASE

07:00 a.m. 17 May 2010

PRUDENTIAL PLC FIRST QUARTER 2010 INTERIM MANAGEMENT STATEMENT

NEW RECORD FOR FIRST QUARTER NEW BUSINESS SALES AT £807 MILLION

- **GROUP-WIDE SALES OF £807 MILLION UP 26 PER CENT. NEW BUSINESS PROFIT UP 27 PER CENT**
- **OUTSTANDING FIRST QUARTER IN ASIA. SALES UP 30 PER CENT, NEW BUSINESS PROFIT UP 35 PER CENT**
- **CONTINUED POWERFUL MOMENTUM IN US. SALES UP 39 PER CENT, NEW BUSINESS PROFIT UP 25 PER CENT**
- **UK FOCUS ON VALUE OVER VOLUME DELIVERS HIGH MARGINS**
- **ASSET MANAGEMENT NET INFLOWS OF £1.2 BILLION**
- **CAPITAL POSITION REMAINS STRONG — IGD SURPLUS ESTIMATED AT £3.4 BILLION¹**

	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
Group Insurance ^{2,3}			
Sales — APE	£807m	£640m	26%
New Business Profit ⁴	£427m	£336m	27%
Margin — APE%	53%	53%	—
Investment Net Inflows	£1,203m	£2,728m	(56%)

Tidjane Thiam, Group Chief Executive said:

“Our record performance in 2009 continued into the first quarter of 2010. We maintained our focus of allocating capital to the most profitable opportunities, and as a result have delivered strong growth in new business profit. This first quarter interim management statement represents a significant evolution in our financial communication as it includes for the first time new business profit, as well as new business sales. This change reflects our continued commitment to greater disclosure.

In the first quarter, APE new business across the Group was £807 million, up 26 per cent (first quarter 2009: £640 million), and new business profit was £427 million, up almost £100 million and 27 per cent (first quarter 2009: £336 million).

In Asia we delivered strong growth in new business compared to the first quarter 2009. APE sales in the first quarter 2010 were £359 million, an increase of 30 per cent on the first quarter last year of £276 million. New business profit

1 Before allowing for the 2009 final dividend

2 Asia 2010 and 2009 comparative APE new business sales and new business profit exclude the Taiwan agency business disposed of during Q2 2009 and the Japanese insurance operations which we have closed to new business from 15 February 2010

3 Unless otherwise stated all growth rates are on a sterling basis. Growth rates on constant currency are presented on schedule 1B of the Interim Management Statement

4 For Q1 2010 we have presented new business profit and margin for the 3 month period ended 31 March 2010 and the comparative period. The assumptions underlying new business profit are presented in schedule 5 to the Interim Management Statement

for the first quarter was £183 million, an increase of 35 per cent. This performance demonstrates the strength of our businesses in Asia and emphasises the return to economic growth experienced across the region.

In the US, Jackson's focused approach and strict pricing discipline also delivered an improved first quarter with new business profit of £175 million, up 25 per cent (first quarter 2009: £140 million) and APE new business sales of £255 million up 39 per cent (first quarter 2009: £184 million). We maintained our deliberate emphasis on variable annuities in which we ranked fourth in the US in 2009, with a market share of 8 per cent.

Prudential UK continued to serve targeted segments of the retirement savings and income markets, emphasising value over volume. This strategy delivered attractive returns on the capital employed in the first quarter. New business profit was £69 million, up 15 per cent (first quarter 2009: £60 million) and APE new business sales were £193 million, up 7 per cent (first quarter 2009: £180 million).

M&G continued to outperform the market with net fund inflows of £1,889 million (first quarter 2009: £2,543 million). After making allowance for the exceptional nature of the inflows into corporate bond funds in the first quarter of 2009, this is a very strong performance in a reinvigorated and competitive environment.

Our performance has been delivered while taking a disciplined approach to risk management and targeted Group-wide actions to protect our strong capital position. Our estimated IGD surplus was £3.4 billion at 31 March 2010 (31 December 2009 £3.4 billion). This capital strength underpins our ability to exploit growth opportunities.

In 2010 we said that we would accelerate our proven strategy to capitalise on the most profitable growth opportunities in our chosen markets and these strong results demonstrate we are delivering on that objective. Going forward, we expect momentum in Asia to continue, whilst the economic conditions in the UK and the US stabilise."

1. Q1 2010 Business Unit financial highlights

<u>Sales - APE</u>	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
Insurance			
Asia ⁵	£359m	£276m	30%
US	£255m	£184m	39%
UK	£193m	£180m	7%
Total Group Insurance	£807m	£640m	26%
New Business Profit⁶			
Asia ⁵	£183m	£136m	35%
US	£175m	£140m	25%
UK	£69m	£60m	15%
Total Group Insurance	£427m	£336m	27%
Margin — APE %			
	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>+/- %pts</u>
Asia	51%	49%	+2pts
US	69%	76%	-7pts
UK	36%	33%	+3pts
Total Group Insurance	53%	53%	0pts
Investment Net Inflows			
	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
M&G	£1,889m	£2,543m	(26%)
Asia Asset Management	(£686m)	£185m	(471%)
Total	£1,203m	£2,728m	(56%)

1.1 Asia Insurance operations

<u>Asia</u>	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
Sales — APE	£359m	£276m	30%
New Business Profit	£183m	£136m	35%
Margin — APE %	51%	49%	+2pts

5 Asia 2010 and 2009 comparative APE new business sales and new business profit exclude the Taiwan agency business disposed of during Q2 2009 and the Japanese insurance operations which we have closed to new business from 15 February 2010

6 For Q1 2010 we have presented new business profit and margin for the 3 month period ended 31 March 2010 and the comparative period. The assumptions underlying new business profit are presented in schedule 5 to the Interim Management Statement.

During the first quarter 2010 the Asian economies have continued to perform well and demand for life and savings business is rebounding strongly to pre-crisis levels. Prudential has delivered a very strong quarter, with APE new business sales of £359 million up by 30 per cent over the same period last year. Sales in the first quarter of 2010 at actual exchange rates were the second highest in our history and represent a record first quarter ahead of the previous best first quarter in 2008. Our high margin South-East Asian operations (including Singapore and Hong Kong), grew APE sales by 53 per cent to £216 million, a clear indication of the potential of these markets.

In line with the recovering economic outlook, single premiums are up 66 per cent over the first quarter last year meaning that their proportion of total APE has increased from 5 per cent to 6 per cent. The business mix is in line with the first quarter 2009, unit linked at 44 per cent, par at 29 per cent and protection at 24 per cent.

We have continued to focus on the profitability of the business we write, allocating capital in priority to those markets and products which offer the highest returns. New business profits increased by 35 per cent to £183 million resulting in an improved margin of 51 per cent (first quarter 2009: 49 per cent).

Looking at developments of our sales in each major market:

China

	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
APE	£14m	£11m	27%

In **China**, Prudential's share of new business sales for the first quarter 2010, is £14 million (reflecting our 50 per cent ownership) up 27 per cent on 2009 and represents our strongest quarter ever in both local currency and at actual exchange rates. Recruiting and retaining agents in China remains challenging and CITIC-Prudential's average agent numbers have declined by 20 per cent compared to the first quarter last year. However, this has been more than offset by a significant increase in average APE per case of 31 per cent and an increase in agent activity. The bancassurance channel is also performing very well with sales up 47 per cent. Our joint venture partner CITIC-Bank in particular is showing strong growth and generated 32 per cent of the total bank new business in the quarter.

Hong Kong

	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
APE	£68m	£46m	48%

Hong Kong delivered a very strong first quarter with March 2010 being the second highest production month ever in terms of APE for the agency channel after December 2009. A key driver of that performance is the 40 per cent increase we have achieved in the average case size as confidence returns to the market, coupled with the launch of a new linked product. Average agent numbers in the first quarter are up 14 per cent over the same period last year. The bank channel also continues to perform well and is demonstrating strong momentum over the same period last year, with new business sales up 48 per cent.

India

	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
APE	£73m	£56m	30%

In **India**, ICICI-Prudential has seen a continuing resurgence in new business sales during the first quarter following on from the market related decline in 2009. This represents the second highest quarter of sales in both local currency and at actual exchange rates. Prudential's share of first quarter new business sales of £73 million (reflecting our 26 per cent ownership) is up 30 per cent over last year. The proportion of contribution of agency and other alternate channels (including bancassurance & broker channels) to the APE for the quarter were at 50 per cent each, remaining in line with the same period last year.

Indonesia

	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
APE	£ 61m	£38m	61%

Strong growth in **Indonesia** continues with £61 million of new business sales up 61 per cent on the first quarter of 2009. Agency continues to be the predominant distribution channel and our successful agency management system has driven a 28 per cent increase in average agency numbers (to 85,000), a 13 per cent increase in the number of cases per active agent and a 9 per cent increase in average case size. Takaful linked products remain a significant contributor at 24 per cent of the new business mix.

Korea

	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
APE	£ 22m	£37m	(41)%

As seen during 2009, the market in **Korea** remains very challenging and a key contributor to the 41 per cent decline in new business sales over the first quarter 2009 to £22 million, is our unwillingness to compete in the low margin, high capital guaranteed products sector. Our agency force has reduced by 38 per cent compared to last year. Persistency experience in Korea continues to be on an improving trend.

Malaysia

	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
APE	£ 36m	£24m	50%

Malaysia delivered an excellent first quarter with new business sales up 50 per cent over the first quarter last year. This follows a 43 per cent increase in new business sales in the previous financial year. The first quarter sales improvement was driven by promotional activity and the launch of a very popular new par product. Agent numbers for the first quarter 2010 are up 14 per cent over the same period of last year and average case sizes are up 25 per cent reflecting renewed confidence in the market and the strong sales of the new par product that contributed 34 per cent of new business. Correspondingly the proportion of protection business has declined relative to the first quarter last year, from 57 per cent to 43 per cent and the proportion of linked business declined from 35 per cent to 22 per cent.

Singapore

	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
APE	£ 33m	£22m	50%

Singapore also had a very strong first quarter in 2010, with new business sales up 50 per cent to £33 million driven by promotional activity and increased agency productivity. Agency incentives drove the increased agency activity. Average agent numbers are up 7 per cent in the first quarter and average case sizes are up 21 per cent. The proportion of linked business increased to 26 per cent for the first quarter compared to 19 per cent for the same period last year. Sales of our highly profitable protection business also increased by 36 per cent. The bancassurance channel delivered 23 per cent of the quarter's new business and within this the new UOB relationship is performing very well which produced £1.4m of APE in March 2010.

Taiwan

	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
APE	£ 34m	£31m	10%

Following our exit from the agency channel in 2009, **Taiwan** is now successfully focused on bank distribution principally with partners E.Sun Bank and Standard Chartered Bank. New business sales of £34 million for the first quarter 2010 are up 10 per cent on the same period last year and represent our highest quarter sales since the disposal of our agency business in the second quarter of 2009. We have succeeded in increasing the proportion of protection business in the mix from 6 per cent for the first quarter last year to 18 per cent for the same period this year.

Others — Philippines, Thailand and Vietnam

	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
APE	£18m	£11m	64%

In the first quarter **Vietnam** delivered a very strong result with APE sales up 33 per cent on the prior period, driven by a 35 per cent increase in agent numbers and a 14 per cent increase in average case size. Both **Philippines** and **Thailand** delivered strong results, up 150 per cent and 25 per cent respectively with direct marketing successes in Philippines and our new distribution relationship with UOB in Thailand already contributing over 50 per cent of the total APE from the bank channel.

Japan

We announced at the start of 2010 that PCA Life **Japan** was suspending writing new business sales with effect from 15 February 2010. Sales for Japan in the first quarter of 2010 amounted to £7 million (first quarter 2009: £17 million). In order to reflect the results of our ongoing Asian operations, all of the headline financial metrics included in this announcement exclude the contribution from Japan.

1.2 US operations

a) Insurance operations

<u>US</u>	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
Sales — APE	£255m	£184m	39%
New Business Profit	£175m	£140m	25%
Margin — APE %	69%	76%	-7pts

The US equity markets continued to recover during the first quarter of 2010 while interest rates remained generally flat and AA corporate spreads and volatility declined somewhat from year-end 2009 levels. While market conditions have improved, companies that were hit hardest by the market disruption of the last 18 months are still struggling to regain market share as customers are increasingly seeking product providers that offer consistency, stability and financial strength. Jackson has continued to benefit significantly from this flight to quality. Our strategy remains focused on increasing sales in variable annuities whilst managing fixed annuity sales in line with the goal of capital preservation. There were no institutional sales during the first quarter of 2010 as Jackson directed available capital to support higher-margin annuity sales.

Jackson delivered APE new business sales of £255 million in the first quarter of 2010, representing a 39 per cent increase over the same period in 2009 and the highest level of sales during the first quarter at actual exchange rates and local currency of any year in the company's history. Jackson achieved exceptionally high new business margins in 2009, partially as a result of our ability to take advantage of extreme dislocation in the corporate bond market. While recovery in the corporate bond market has led to somewhat lower new business margins for fixed index and fixed annuities due to lower spreads in 2010, we continue to write new business at Internal Rates of Return in excess of 20%.

Our pricing discipline has enabled us to substantially preserve the 2009 margin improvement. Jackson achieved an overall margin of 69% in the first quarter 2010. Whilst lower corporate bond spreads have resulted in fixed index and fixed annuity margins normalising to pre-crisis levels, variable annuity margins have remained high at 77%.

Variable annuity

	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
APE	£201m	£105m	91%

Variable annuity (VA) APE sales of £201 million in the first quarter of 2010 were 91 per cent higher than the same period in 2009, reflecting the equity market rally that began in the second quarter of 2009, the relative consistency of Jackson's product offering and continued disruptions among some of our major competitors. Jackson's first quarter VA sales were the highest first quarter sales in the company's history. Jackson⁷ ranked 4th in VA sales in 2009, with a market share of 8.1 per cent, up from 12th with a market share of 4.3 per cent in 2008. In the fourth quarter of 2009, which are the latest statistics available, Jackson⁸ ranked 1st in VA net flows.

Fixed index annuity

	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
APE	£30m	£25m	20%

Fixed index annuity (FIA) APE sales of £30 million in the first quarter of 2010 were up 20 per cent over the same period of 2009. Industry FIA sales have benefited from an increase in customer demand for products that offer guaranteed rates of return with additional upside potential linked to stock market index performance. Additionally, Jackson's FIA sales have benefited from the company's consistent financial strength ratings and continued disruptions among some of the top FIA sellers. Jackson⁹ ranked 4th in sales of FIAs in 2009, with a market share of 7.5 per cent, up from 9th and a market share of 3.5 per cent in 2008.

Fixed Annuity

	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
APE	£18m	£48m	(63%)

⁷ Source: VARDS

⁸ Source: Morningstar

⁹ Source: AnnuitySpecs.com

Jackson's strategy of containing **fixed annuity** volumes resulted in first quarter 2010 APE sales of £18 million, 63 per cent lower than the same period in 2009 and 14 per cent lower than in the fourth quarter of 2009.

Total **retail annuity net flows** of £1.5 billion for the first quarter of 2010 represented a 108 per cent increase on the same period in 2009, reflecting the impacts of the significant increase in sales and continued low levels of surrender activity.

b) Asset management

Curian Capital, a specialised asset management company that provides innovative fee-based separately managed accounts, had total assets under management of £2.7 billion at the end of March 2010 compared with £2.3 billion at the end of 2009. Curian generated record deposits at actual exchange rates and local currency of £309 million in the first quarter of 2010, up 218 per cent on the first quarter of 2009 and up 7 per cent on the fourth quarter of 2009.

1.3 UK insurance operations

<u>UK</u>	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
Sales — APE	£193m	£180m	7%
New Business Profit	£69m	£60m	15%
Margin — APE %	36%	33%	+3pts

Prudential UK continues to focus on balancing writing new business with cash generation while realising value from the opportunities created by the increasing need for retirement solutions in the UK. By competing in selected areas of the UK's retirement savings and income markets Prudential has been successful in generating attractive returns on capital employed.

Total APE new business sales of £193 million were up 7 per cent on the first quarter of 2009, principally due to higher sales of corporate pensions and protection products. In continuing to apply strict return criteria, Prudential did not write any significant bulk annuity transactions in 2009 or 2010.

The new business margin improved to 36 per cent in the first quarter of 2010 from 33 per cent in the first quarter of 2009. This was primarily due to increased margins on with-profit bond business combined with the continuation of strong margins achieved on shareholder-backed annuity business.

Sales of **individual annuities** of APE £59 million were 2 per cent higher than the first quarter of 2009. Sales of external annuities of APE £26 million were up 37 per cent on the first quarter of 2009, aided by strong sales of with-profit annuities, which were up 73 per cent at £13 million following the launch of the with-profits Income Choice Annuity in the first quarter of 2009. Prudential UK continues to manage actively the flow of external conventional annuities to optimise capital consumption.

For internal vestings, APE of £33m was 15 per cent lower than 2009, impacted by a reduction of 13 per cent in average case sizes as a result of depressed asset values and by customers choosing to delay their retirement to allow asset values to recover. We continue to see a positive shift in the number of internal customers choosing to take a with-profits annuity, APE sales amounted to £4 million and were 46 per cent higher than the first quarter of 2009.

Sales of **onshore bonds** of APE £33 million were in line with the first quarter of 2009. With-profits bonds sales of APE £29 million were down 6 per cent on the first quarter of 2009, but this was offset by an increase in sales of unit-linked bonds. Demand for with-profit bonds remains strong, reflecting the attractiveness of Prudential's with-profits offering, including in particular PruFund with its optional capital guarantee.

In January 2010 five new unit-linked risk graded portfolio funds — Pru Dynamic — were launched across Prudential's retirement savings product range, providing risk managed investment for IFAs and their customers. We believe that the new funds play to Prudential's key strengths of portfolio management, asset allocation, and its reputation of being a solid, secure investment company.

Within **corporate pensions**, Prudential UK continues to focus principally on the opportunities from the substantial existing Defined Contribution book of business as well as providing Additional Voluntary Contribution (AVC) arrangements to the public sector. We have been the sole AVC provider to Teachers Pensions for 20 years and provide AVCs to 65 of the 99 Local Government Authorities in England & Wales. First quarter 2010 corporate pensions sales of APE £60m were 15 per cent higher than the first quarter of 2009.

Sales of **other products** of APE £40 million were 14 per cent above the first quarter of 2009. **Individual pensions** sales (including income drawdown) of APE £15 million were 21 per cent higher than first quarter 2009. Sales of the Flexible Retirement Plan, Prudential UK's individual pension product with customer agreed remuneration,

continued to grow, with sales in the first quarter 2010 of APE £6 million up 37 per cent from the first quarter of 2009. Sales of the income drawdown product of APE £4 million were double that of the first quarter 2009. **PruProtect** sales continued to grow strongly, with APE sales in the first quarter of 2010 of £5 million, up 145 per cent on the same period last year. This represented a record quarterly performance for PruProtect. Growth continues in **PruHealth**, with APE sales up 12 per cent on the first quarter 2009. PruHealth now has more than 210,000 customers insured.

1.4 M&G

	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
Retail business inflows	£1,454m	£2,207m	(34%)
Institutional business inflows	£435m	£336m	29%
Total net inflows	£1,889m	£2,543m	(26%)

M&G is an investment-led business which aims to deliver superior long term performance for third party clients and the internal funds of the Prudential Group.

Our strategy is to recruit and nurture leading investment talent. We seek to create an environment in which this talent will thrive and so deliver the level of returns that our clients expect of us. This focus on investment performance, combined with a well-diversified business mix and well-established distribution capabilities, has helped M&G to make a strong start to 2010 as indicated by sales performance and the growth in FUM. We maintain our number two position in the UK on the basis of Retail FUM.

Net new business for the first quarter of 2010 was robust at £1.9 billion. While this is lower than the £2.5 billion of net inflows during the same quarter of the previous period, 2009 was an exceptional year for M&G as investors invested heavily in our top-performing bond funds to exploit a near unique opportunity in fixed income markets. We expect new business to return to more normal levels this year.

The UK & European Retail Business maintained its strong performance, with net inflows of £1.7 billion. Sales of our fixed income funds accounted for 35 per cent share of net inflows in the first quarter of 2010 but the continued recovery in the equity markets has meant that net inflows into M&G's top performing equity fund accounted for 49 per cent of the inflow. The total **Retail Business**, including South Africa, attracted net new business of £1.5 billion, compared with £2.2 billion in the first quarter of 2009. Gross inflows for the quarter were £4.2 billion, an increase of 26 per cent on the first quarter 2009.

These strong flows were on the back of excellent investment performance by M&G's retail funds, with 42 per cent of funds in the top quartile over the preceding three years ending 31 March 2010 and 71 per cent of funds in the top half over the preceding three years ending 31 March 2010. Performance was strong across both equity and fixed income funds with 69 per cent of the equity funds and 75 per cent of the fixed income funds in the top half over the preceding three years ending 31 March 2010.

The **Institutional Business** also attracted net new business with net inflows at £0.4 billion for the first quarter of 2010, including £0.2 billion of new money into our public debt funds and a new £0.1 billion segregated equity mandate. Gross inflows were up 99 per cent over the first quarter of 2009 at £2.2 billion.

Investment performance on the Institutional side continues to be very strong with 94% of our external mandates at or above benchmark.

M&G's total **funds under management** at 31 March 2010 were £182.3 billion, up 5 per cent on the 2009 year-end and up 35 per cent on the first quarter of 2009. Total external funds under management at 31 March 2010 were £76.2 billion, a rise of 8 per cent since the start of the year and 64 per cent compared with 31 March 2009. The increase in external funds in the first quarter represents the combined result of market and other movements of £4.1 billion and net flows of £1.9 billion.

After an exceptional 2009 and in line with expectations, net sales are showing signs of returning back to more normal levels in 2010. Nevertheless, the continuing excellent investment performance of M&G's flagship funds gives grounds for confidence that M&G will win a healthy share of new business.

1.5 Asia Asset Management

	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% change on Q1 09</u>
Net (outflows)/inflows	(£686)m	£185m	(471%)

The net retail outflows for the quarter were attributed to Money Market Funds (MMFs) of £857 million, principally in India and Taiwan, offset by net inflows of £171 million in other non-MMFs. Large redemptions in MMFs are typical for the March financial year-end and during last year the MMFs were seen as a safer haven in the volatile investment markets. At 1 January 2010 MMF funds under management, at £4.9 billion, were 34 per cent higher than the beginning of last year hence influencing the volume of outflows this quarter. In the first few days of April, close to £1 billion of money had already flowed back to the MMF funds.

The non-MMF net inflows of £171 million included successes in Japan with the Asia/Oceania High Dividend Equity Fund that had net inflows of £440 million. In India ICICI-Prudential has won the “Debt Fund House” category in Morningstar’s India Fund Awards 2009 for the second consecutive year.

2. Financial Management

The Group remains focused on the proactive management of its balance sheet and risk profile. We continue to impose stringent stress testing on our key capital measures, ensuring we could withstand, both in the short and medium term, significant market shocks.

2.1 Capital Management

Our capital position remains strong. We have continued to place emphasis on maintaining the Group’s financial strength through optimising the balance between writing profitable new business, conserving capital and generating cash. We estimate that our Insurance Groups Directive (IGD) capital surplus was £3.4 billion at 31 March 2010 (before taking into account the 2009 final dividend of £0.3 billion), covering our capital requirements 2.7 times. This compares to £3.4 billion at the end of 2009 and £2.3 billion at the end of the first quarter of 2009 (before taking into account the 2008 final dividend of £0.3 billion).

The IGD capital surplus at 31 March 2010 is unchanged since the end of 2009. This primarily reflects a positive contribution from underlying earnings, offset by inadmissible assets arising on the purchase of UOB’s life insurance subsidiary in Singapore of £0.2 million and the impact of costs incurred to the end of March 2010 in relation to the AIA acquisition and its financing.

We continue to have further available options for us to manage available and required capital. These could take the form of increasing available capital (for example, financial reinsurance) or reducing required capital (for example, through the mix and level of new business) and the use of other risk mitigation measures such as hedging and reinsurance.

As at 31 March stress testing of our IGD capital position to various events has the following results:

- An instantaneous 20 per cent fall in equity markets from 31 March 2010 levels would reduce the IGD surplus by £250 million;
- A 40 per cent fall in equity markets (comprising an instantaneous 20 per cent fall followed by a further 20 per cent fall over a four week period) would reduce the IGD surplus by £650 million;
- A 150bps reduction (subject to a floor of zero) in interest rates would reduce the IGD surplus by £350 million;
- Credit defaults of ten times the expected level would reduce IGD surplus by £600 million.

In addition to our strong capital position, on a statutory (Pillar 1) basis the total credit reserve for the UK shareholder annuity funds also protects our capital position in excess of the IGD surplus. This credit reserve as at 31 March 2010 was £1.6 billion. This represents 44 per cent of the portfolio spread over swaps, compared to 41 per cent at 31 December 2009, and 31 per cent as at 30 June 2009.

2.2 Credit

The Group’s total debt portfolio on an IFRS basis is estimated at £102.8 billion at 31 March 2010, excluding holdings attributable to external unit holders of consolidated unit trusts. Of this total, £68.9 billion is in the UK, including £44.5 billion within the UK with-profits fund. Shareholders have limited risk exposure to the with-profits fund as the solvency is protected by the inherited estate. Outside the with-profits fund there is £4.5 billion in unit-linked funds where the shareholder risk is limited, with the remaining £19.9 billion backing the shareholder annuity business and other non-linked business (of which 78.4 per cent is rated AAA to A, 18.8 per cent BBB and 2.8 per cent non-investment grade). No defaults were reported in the first quarter of 2010 for UK shareholder backed business.

Asia’s debt portfolio totals £7.2 billion, of which £3.5 billion is invested in unit-linked and with-profits funds with minimal shareholder risk and £3.7 billion held by shareholder backed non-linked business. No defaults were reported in the first quarter of 2010.

The most significant area of exposure to credit risk for the shareholder remains Jackson in the US. Jackson's fixed income portfolio at 31 March is estimated at £25.4 billion. As reported at 31 December 2009 the net unrealised position continues to benefit from the market recovery from the historically wide spreads at the end of 2008. Jackson's net unrealised gains has increased to £0.4 billion at 31 March 2010 from £4 million at the end of 31 December 2009.

Gross unrealised losses on securities priced below 80 per cent of book value were £0.5 billion at 31 March 2010 compared to £0.6 billion at the end of 31 December 2009.

Jackson did not experience any defaults during the first quarter of 2010. Write downs of impaired securities in the first quarter of the year were £35 million, of which £26 million were on Residential Mortgage Backed Securities (RMBS). No write downs were reported on corporate bonds. This compares to total write downs of £152 million for the first quarter 2009. In addition losses of £76 million were incurred in the first quarter of 2010 on sales of impaired and deteriorating bonds (first quarter 2009: £15 million). The increase over first quarter 2009 is the result of Jackson utilising opportunities to continue to de-risk the portfolio.

ENDS

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Notes:

1. Asia 2010 and 2009 comparative APE new business sales and new business profit (NBP) exclude the Taiwan agency business disposed of during the second quarter of 2009 and the Japanese insurance operations which we have closed to new business with effect from 15 February 2010.
2. On 1 March 2010 the Group announced that it has reached agreement with American International group (AIG) on terms for Prudential to acquire AIA Group Limited, a wholly owned subsidiary of AIG. The prospectus detailing the terms of the acquisition was issued to shareholders today (details of the terms of the offer can be obtained on the Company's website).
3. Annual premium equivalent (APE) sales comprise regular premium sales plus one-tenth of single premium insurance sales and are subject to rounding.
4. Present Value of New Business Premiums (PVNBP) are calculated as equalling single premiums plus the present value of expected new business premiums of regular premium business, allowing for lapses and other assumptions made in determining the EEV new business contribution.
5. NBP assumptions for the period are detailed in the accompanying schedule 5. All references to NBP margins in this statement refer to margins on an APE basis, calculated as the ratio of new business profit to APE.
6. High resolution photographs are available to the media free of charge at www.newscast.co.uk (+44 (0)20 3137 9137) or by calling the media office on +44 (0)20 7548 2466.
7. **Financial Calendar 2010:**

AGM	19 May 2010
Reconvened AGM.	7 June 2010
2010 Half Year Results	12 August 2010
Third Quarter 2010 New Business Release	10 November 2010
8. Sales for overseas operations have been reported using average exchange rates for the period as shown in the attached schedules. Reference to prior year figures in the commentary is on an actual exchange rate basis unless stated. An alternative method of presentation is on a constant exchange rate basis.

Prudential plc is a company incorporated and with its principal place of business in England, and its affiliated companies constitute a large global financial services group. It provides insurance and financial services through its subsidiaries and affiliates throughout the world. It has been in existence for over 160 years and has £290 billion in assets under management (as at 31 December 2009). Prudential plc is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America.

Forward-Looking Statements

This statement may contain certain "forward-looking statements" with respect to certain of Prudential's plans and its current goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements containing the words "believes", "intends", "expects", "plans", "seeks" and "anticipates", and words of similar meaning, are forward-looking. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Prudential's control including among other things, UK domestic and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the policies and actions of regulatory authorities, the impact of competition, inflation, and deflation; experience in particular

with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; and the impact of changes in capital, solvency standards or accounting standards, and tax and other legislation and regulations in the jurisdictions in which Prudential and its affiliates operate. This may for example result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. As a result, Prudential's actual future financial condition, performance and results may differ materially from the plans, goals, and expectations set forth in Prudential's forward-looking statements. Prudential undertakes no obligation to update the forward-looking statements contained in this statement or any other forward-looking statements it may make, whether as a result of future events, new information or otherwise except as required pursuant to the Prospectus Rules, the Listing Rules, the Disclosure and Transparency Rules, the Hong Kong Listing Rules or the SGX-ST listing rules.

PRUDENTIAL PLC FIRST QUARTER 2010 INTERIM MANAGEMENT STATEMENT

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Schedule 1A — Reported Exchange Rates

PRUDENTIAL PLC — NEW BUSINESS — Q1 2010
INSURANCE OPERATIONS

	Single			Regular			Annual Equivalents ⁽³⁾			PVNBP		
	2010 Q1	2009 Q1	+/- (%)	2010 Q1	2009 Q1	+/- (%)	2010 Q1	2009 Q1	+/- (%)	2010 Q1	2009 Q1	+/- (%)
	YTD	YTD		YTD	YTD		YTD	YTD		YTD		
	£m	£m		£m	£m		£m	£m		£m	£m	
Group Insurance Operations												
Asia — ex Japan ^{(1a) (7) — (Note 1)}	216	130	66%	337	263	28%	359	276	30%	1,581	1,297	22%
US ^{(1a) (7)}	2,497	1,783	40%	5	6	(17%)	255	184	39%	2,538	1,840	38%
UK	1,248	1,215	3%	68	58	17%	193	180	7%	1,557	1,490	4%
Group Total — ex Japan	3,961	3,128	27%	410	327	25%	807	640	26%	5,676	4,627	23%
Japan ^{(1a) (7)}	7	16	(56%)	6	15	(60%)	7	17	(59%)	32	82	(61%)
Group Total	3,968	3,144	26%	416	342	22%	814	657	24%	5,708	4,709	21%
Asian Insurance Operations^{(1a) (7)}												
Hong Kong	13	9	44%	67	45	49%	68	46	48%	370	293	26%
Indonesia	17	6	183%	59	37	59%	61	38	61%	218	127	72%
Malaysia	10	5	100%	35	23	52%	36	24	50%	177	129	37%
Philippines	9	1	800%	4	2	100%	5	2	150%	18	8	125%
Singapore	78	29	169%	25	19	32%	33	22	50%	245	152	61%
Thailand	3	2	50%	5	4	25%	5	4	25%	20	13	54%
Vietnam	—	—	0%	8	6	33%	8	5	33%	28	23	22%
SE Asia Operations inc. Hong Kong	130	52	150%	203	136	49%	216	141	53%	1,076	745	44%
China ⁽⁸⁾	36	27	33%	10	8	25%	14	11	27%	83	68	22%
India ⁽⁵⁾	18	23	(22%)	71	54	31%	73	56	30%	192	198	(3%)
Korea	9	9	0%	21	36	(42%)	22	37	(41%)	108	183	(41%)
Taiwan	23	19	21%	32	29	10%	34	31	10%	122	103	18%
Total Asia Operations — ex Japan	216	130	66%	337	263	28%	359	276	30%	1,581	1,297	22%
US Insurance Operations^{(1a) (7)}												
Fixed Annuities	181	483	(63%)	—	—	0%	18	48	(63%)	181	483	(63%)
Fixed Index Annuities	303	247	23%	—	—	0%	30	25	20%	303	247	23%
Life	3	2	50%	5	6	(17%)	6	6	0%	44	59	(25%)
Variable Annuities	2,010	1,051	91%	—	—	0%	201	105	91%	2,010	1,051	91%
Total US Insurance Operations	2,497	1,783	40%	5	6	(17%)	255	184	39%	2,538	1,840	38%
UK & Europe Insurance Operations												
Direct and Partnership Annuities	200	129	55%	—	—	0%	20	13	54%	200	129	55%
Intermediated Annuities	63	59	7%	—	—	0%	6	6	0%	63	59	7%
Internal Vesting Annuities	325	391	(17%)	—	—	0%	33	39	(15%)	325	391	(17%)
Total Individual Annuities	588	579	2%	—	—	0%	59	58	2%	588	579	2%
Corporate Pensions	68	63	8%	53	46	15%	60	52	15%	292	277	5%
On-shore Bonds	333	336	(1%)	—	—	0%	33	34	(3%)	333	336	(1%)
Other Products ⁽¹⁰⁾	252	231	9%	15	12	25%	40	35	14%	337	292	15%
Wholesale	7	6	17%	—	—	0%	1	1	0%	7	6	17%
Total UK & Europe Insurance Ops.	1,248	1,215	3%	68	58	17%	193	180	7%	1,557	1,490	4%
Group Total — ex Japan	3,961	3,128	27%	410	327	25%	807	640	26%	5,676	4,627	23%

¹ References refer to Schedule 7 — basis of preparation

Schedule 1B — Current Exchange Rates

PRUDENTIAL PLC — NEW BUSINESS — Q1 2010
INSURANCE OPERATIONS

	Single			Regular			Annual Equivalents ⁽³⁾			PVNBP		
	2010 Q1	2009 Q1	+/- (%)	2010 Q1	2009 Q1	+/- (%)	2010 Q1	2009 Q1	+/- (%)	2010 Q1	2009 Q1	+/- (%)
	YTD	YTD		YTD	YTD		YTD	YTD		YTD	YTD	
	£m	£m		£m	£m		£m	£m		£m	£m	
Group Insurance Operations												
Asia — ex Japan ^{(1b)(7)}	216	127	70%	337	266	27%	359	279	29%	1,581	1,303	21%
US ^{(1b)(7)}	2,497	1,640	52%	5	6	(17%)	255	170	50%	2,538	1,693	50%
UK	1,248	1,215	3%	68	58	17%	193	180	7%	1,557	1,490	4%
Group Total — ex Japan	3,961	2,982	33%	410	330	24%	807	629	28%	5,676	4,486	27%
Japan ^{(1b)(7)}	7	15	(53%)	6	14	(57%)	7	16	(56%)	32	78	(59%)
Group Total	3,968	2,997	32%	416	344	21%	814	645	26%	5,708	4,564	25%
Asian Insurance Operations^{(1b)(7)}												
Hong Kong	13	8	63%	67	41	63%	68	42	62%	370	269	38%
Indonesia	17	6	183%	59	42	40%	61	43	42%	218	146	49%
Malaysia	10	5	100%	35	22	59%	36	23	57%	177	127	39%
Philippines	9	1	800%	4	2	100%	5	2	150%	18	8	125%
Singapore	78	29	169%	25	18	39%	33	21	57%	245	150	63%
Thailand	3	2	50%	5	4	25%	5	4	25%	20	13	54%
Vietnam	—	—	0%	8	5	60%	8	4	100%	28	20	40%
SE Asia Operations inc. Hong Kong	130	51	155%	203	134	51%	216	139	55%	1,076	733	47%
China ⁽⁸⁾	36	25	44%	10	8	25%	14	11	27%	83	63	32%
India ⁽⁵⁾	18	23	(22%)	71	54	31%	73	56	30%	192	198	(3%)
Korea	9	10	(10%)	21	41	(49%)	22	42	(48%)	108	208	(48%)
Taiwan	23	18	28%	32	29	10%	34	31	10%	122	101	21%
Total Asia Operations — ex Japan	216	127	70%	337	266	27%	359	279	29%	1,581	1,303	21%
US Insurance Operations^{(1b)(7)}												
Fixed Annuities	181	444	(59%)	—	—	0%	18	44	(59%)	181	444	(59%)
Fixed Index Annuities	303	227	33%	—	—	0%	30	23	30%	303	227	33%
Life	3	2	50%	5	6	(17%)	6	6	0%	44	55	(20%)
Variable Annuities	2,010	967	108%	—	—	0%	201	97	107%	2,010	967	108%
Total US Insurance Operations	2,497	1,640	52%	5	6	(17%)	255	170	50%	2,538	1,693	50%
UK & Europe Insurance Operations												
Direct and Partnership Annuities	200	129	55%	—	—	0%	20	13	54%	200	129	55%
Intermediated Annuities	63	59	7%	—	—	0%	6	6	0%	63	59	7%
Internal Vesting Annuities	325	391	(17%)	—	—	0%	33	39	(15%)	325	391	(17%)
Total Individual Annuities	588	579	2%	—	—	0%	59	58	2%	588	579	2%
Corporate Pensions	68	63	8%	53	46	15%	60	52	15%	292	277	5%
Other Products ⁽¹⁰⁾	333	336	(1%)	—	—	0%	33	34	(3%)	333	336	(1%)
On-Shore Bonds	252	231	9%	15	12	25%	40	35	14%	337	292	15%
Wholesale	7	6	17%	—	—	0%	1	1	0%	7	6	17%
Total UK & Europe Insurance Ops	1,248	1,215	3%	68	58	17%	193	180	7%	1,557	1,490	4%
Group Total — ex Japan	3,961	2,982	33%	410	330	24%	807	629	28%	5,676	4,486	27%

Schedule 2A — Reported Exchange Rates

PRUDENTIAL PLC — NEW BUSINESS — Q1 2010
TOTAL INSURANCE NEW BUSINESS APE — BY QUARTER

	<u>2009</u>				<u>2010</u>
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Q1</u>
	£m	£m	£m	£m	£m
Group Insurance Operations					
Asia — ex Japan ^{(1a)(7)}	276	248	282	403	359
US ^{(1a)(7)}	184	208	249	272	255
UK	180	197	158	189	193
Group Total — ex Japan	640	652	689	864	807
Japan ^{(1a)(7)}	17	12	11	12	7
Group Total	656	664	700	876	814
Asian Insurance Operations^{(1a)(7)}					
Hong Kong	46	49	55	91	68
Indonesia	38	46	43	64	61
Malaysia	24	29	32	62	36
Philippines	2	2	3	4	5
Singapore	22	30	29	48	33
Thailand	4	3	4	4	5
Vietnam	5	9	9	11	8
SE Asia Operations inc. Hong Kong	141	168	175	284	216
China ⁽⁸⁾	11	11	13	11	14
India ⁽⁵⁾	56	20	40	52	73
Korea	37	29	30	26	22
Taiwan	31	20	26	30	34
Total Asian Insurance Operations — ex Japan	276	248	282	403	359
US Insurance Operations^{(1a)(7)}					
Fixed Annuities	48	22	14	21	18
Fixed Index Annuities	25	33	48	38	30
Life	6	6	6	6	6
Variable Annuities	105	147	180	207	201
Wholesale	—	—	—	—	—
Total US Insurance Operations	184	208	249	272	255
UK & Europe Insurance Operations					
Direct and Partnership Annuities	13	14	15	17	20
Intermediated Annuities	6	8	6	5	6
Internal Vesting annuities	39	34	30	33	33
Total Individual Annuities	58	56	50	55	59
Corporate Pensions	52	62	41	55	60
On-shore Bonds	34	42	34	35	33
Other Products ⁽¹⁰⁾	35	35	33	41	40
Wholesale	1	1	1	3	1
Total UK & Europe Insurance Operations	180	197	158	189	193
Group Total — ex Japan	640	652	689	864	807

Schedule 2B — Current Exchange Rates

PRUDENTIAL PLC — NEW BUSINESS — Q1 2010
TOTAL INSURANCE NEW BUSINESS APE — BY QUARTER

	2009				2010
	Q1	Q2	Q3	Q4	Q1
	£m	£m	£m	£m	£m
Group Insurance Operations					
Asia — ex Japan ^{(1b)(7)}	279	264	307	420	359
US ^{(1b)(7)}	170	205	259	282	255
UK	180	197	158	189	193
Group Total — ex Japan	629	666	724	891	807
Japan ^{(1b)(7)}	16	13	12	13	7
Group Total	645	679	736	904	814
Asian Insurance Operations^{(1b)(7)}					
Hong Kong	42	49	57	93	68
Indonesia	43	53	48	69	61
Malaysia	23	31	34	66	36
Philippines	2	2	3	4	5
Singapore	21	31	32	49	33
Thailand	4	3	5	3	5
Vietnam	4	9	8	11	8
SE Asia Operations inc. Hong Kong	139	178	188	296	216
China ⁽⁸⁾	11	11	13	12	14
India ⁽⁵⁾	56	22	45	54	73
Korea	42	33	34	26	22
Taiwan	31	21	28	33	34
Total Asian Insurance Operations — ex Japan	279	264	307	420	359
US Insurance Operations^{(1b)(7)}					
Fixed Annuities	44	23	16	23	18
Fixed Index Annuities	23	32	49	40	30
Life	6	5	7	6	6
Variable Annuities	97	144	187	214	201
Total US Insurance Operations	170	205	259	282	255
UK & Europe Insurance Operations					
Direct and Partnership Annuities	13	14	15	17	20
Intermediated Annuities	6	8	6	5	6
Internal Vesting annuities	39	34	30	33	33
Total Individual Annuities	58	56	50	55	59
Corporate Pensions	52	62	41	55	60
On-shore Bonds	34	42	34	35	33
Other Products ⁽¹⁰⁾	35	35	33	41	40
Wholesale	1	1	1	3	1
Total UK & Europe Insurance Operations	180	197	158	189	193
Group Total — ex Japan	629	666	724	891	807

Schedule 3 — Reported Exchange Rates

PRUDENTIAL PLC — NEW BUSINESS — Q1 2010
INVESTMENT OPERATIONS — BY QUARTER

	2009				2010
	Q1	Q2	Q3	Q4	Q1
	£m	£m	£m	£m	£m
Group Investment Operations					
Opening FUM	62,279	61,703	72,336	85,016	89,780
Net Flows	2,725	7,344	2,898	2,450	1,203
— Gross Inflows	19,154	25,567	26,394	24,942	24,173
— Redemptions	(16,429)	(18,223)	(23,496)	(22,492)	(22,970)
Other Movements	(3,301)	3,289	9,782	2,314	5,763
Total Group Investment Operations	61,703	72,336	85,016	89,780	96,746
M&G					
Retail					
Opening FUM	19,142	19,671	23,324	28,504	31,059
Net Flows	2,207	1,863	1,656	1,790	1,454
— Gross Inflows	3,325	3,126	3,315	3,802	4,190
— Redemptions	(1,118)	(1,263)	(1,659)	(2,012)	(2,736)
Other Movements	(1,678)	1,790	3,524	765	1,556
Closing FUM	19,671	23,324	28,504	31,059	34,069
Institutional⁽⁴⁾					
Opening FUM	27,855	26,865	32,597	37,731	39,247
Net Flows	336	4,219	856	551	435
— Gross Inflows	1,083	5,097	2,495	2,632	2,151
— Redemptions	(747)	(878)	(1,639)	(2,081)	(1,716)
Other Movements	(1,326)	1,513	4,278	965	2,473
Closing FUM	26,865	32,597	37,731	39,247	42,155
Total M&G Investment Operations	46,536	55,921	66,235	70,306	76,224
Asia^(1a)					
Equity/Bond/Other					
Opening FUM	10,570	10,038	10,636	12,492	13,122
Net Flows	(370)	174	322	57	166
— Gross Inflows	911	1,083	1,725	1,512	1,713
— Redemptions	(1,281)	(909)	(1,403)	(1,455)	(1,547)
Other Movements	(162)	424	1,534	573	1,635
Closing FUM	10,038	10,636	12,492	13,122	14,923
MMF					
Opening FUM	3,873	4,286	4,882	5,281	4,902
Net Flows	554	1,095	115	(321)	(857)
— Gross Inflows	13,808	16,248	18,854	16,618	16,107
— Redemptions	(13,254)	(15,153)	(18,739)	(16,939)	(16,964)
Other Movements	(141)	(499)	284	(58)	5
Closing FUM	4,286	4,882	5,281	4,902	4,050
Third Party Institutional Mandates					
Opening FUM	789	799	859	1,008	1,450
Net Flows	1	2	(2)	372	5
— Gross Inflows	24	10	5	378	12
— Redemptions	(23)	(8)	(7)	(6)	(7)
Other Movements	9	58	151	70	94
Closing FUM	799	859	1,008	1,450	1,549
Total Asian Investment Operations	15,123	16,377	18,781	19,474	20,522
US					
Retail					
Opening FUM	50	44	38	—	—
Net Flows	(3)	(9)	(49)	1	—
— Gross Inflows	3	3	—	—	—
— Redemptions	(6)	(12)	(49)	1	—
Other Movements	(3)	3	11	(1)	—
Closing FUM	44	38	—	—	—
Curian Capital — FUM	1,613	1,646	2,041	2,260	2,708

Schedule 4 — Reported Exchange Rates

PRUDENTIAL PLC — NEW BUSINESS — Q1 2010

TOTAL INSURANCE NEW BUSINESS PROFIT AND MARGIN (% APE AND % PVNBP)

	Annual Equivalents ⁽³⁾			New Business Profit			New Business Margin (% APE)		
	2010 Q1	2009 Q1	+/- (%)	2010 Q1	2009 Q1	+/- (%)	2010 Q1	2009 Q1	2009 FY
	£m	£m		£m	£m		%	%	%
Total Asian Insurance									
Operations — ex Japan ^{(1a)(7)}	359	276	30	183	136	35	51	49	60
Total US Insurance Operations ^{(1a)(7)}	255	184	39	175	140	25	69	76	73
Total UK & Europe Insurance Operations . .	193	180	7	69	60	15	36	33	32
Group Total — ex Japan	807	640	26	427	336	27	53	53	57
Japan ^{(1a)(7)}	7	17	(59)	(1)	(4)	(75)	(14)	(24)	(23)
Group Total	814	657	24	426	332	28	52	51	56

	PVNBP ⁽³⁾			New Business Profit			New Business Margin (% PVNBP)		
	2010 Q1	2009 Q1	+/- (%)	2010 Q1	2009 Q1	+/- (%)	2010 Q1	2009 Q1	2009 FY
	£m	£m		£m	£m		%	%	%
Asia Operations — ex Japan ^{(1a)(7)}	1,581	1,297	22	183	136	35	11.6	10.5	12.1
Total US Insurance Operations ^{(1a)(7)}	2,538	1,840	38	175	140	25	6.9	7.6	7.3
Total UK & Europe Insurance Operations . .	1,557	1,490	4	69	60	15	4.4	4.0	3.9
Group Total — ex Japan	5,676	4,627	23	427	336	27	7.5	7.3	7.7
Japan ^{(1a)(7)}	32	82	(61)	(1)	(4)	(75)	(3.1)	(4.9)	(4.6)
Group Total	5,708	4,709	21	426	332	28	7.5	7.1	7.6

Valuation of new business

The valuation of new business represents profits determined on the following basis. Non-economic assumptions used in the calculation of the new business contribution for Q1 2010 are consistent with those at 31 December 2009 with the exception of UK immediate annuity business where the mortality assumptions have been updated to reflect those at 31 March 2010. Non-economic assumptions used in the calculation of the new business contribution for Q1 2009 are consistent with those at 31 December 2008 with the exception of Asian operations where the assumptions have been updated to reflect those at 31 March 2009 and UK immediate annuity business where the mortality assumptions have been updated to reflect those at 31 March 2009.

New business target spreads for US operations reflect assumptions at the end of the period. In determining the new business contribution for UK immediate annuity and lifetime mortgage business, which is interest rate sensitive, it is appropriate to use assumptions reflecting point of sale market conditions, consistent with how the business is priced. For other business within the Group, end of period economic assumptions are used.

Principal economic assumptions

In most countries, the long-term expected rates of return on investments and risk discount rates are set by reference to period end rates of return on cash or fixed interest securities. For the Group's Asian operations, the active basis is appropriate for business written in Japan, Korea and US dollar denominated business written in Hong Kong. Except in respect of the projected returns of holdings of Asian debt and equity securities for those countries where long-term fixed interest markets are less established, the 'active' basis of assumption setting has been applied in preparing the results of all the Group's US and UK long-term business operations.

For countries where long-term fixed interest markets are less established, investment return assumptions and risk discount rates are based on an assessment of longer-term economic conditions. Except for the countries listed above, this basis is appropriate for the Group's Asian operations. Similarly, the projected returns on holdings of Asian securities in these territories by other Group businesses are set on the same basis.

Expected returns on equity and property asset classes in respect of each territory are derived by adding a risk premium, based on the long-term view of Prudential's economists, to the risk-free rate. In Asia, equity risk premiums range from 3.0 per cent to 8.35 per cent as at 31 March 2010 and 31 December 2009 and range from 3.0 per cent to 7.1 per cent as at 31 March 2009. In the US and the UK, the equity risk premium is 4.0 per cent for all periods shown below.

Assumed investment returns reflect the expected future returns on the assets held and allocated to the covered business at the valuation date.

The tables below summarise the principal financial assumptions:

Asian operations

	31 March 2010											
	China	Hong Kong (notes ii, iii)	India	Indonesia	Japan	Korea	Malaysia (note iii)	Philippines	Singapore (note iii)	Taiwan	Thailand	Vietnam
	%	%	%	%	%	%	%	%	%	%	%	%
New business risk discount rate . . .	11.75	5.7	14.25	13.8	5.2	8.0	9.3	15.75	5.7	7.5	13.0	16.75
Government bond yield	8.25	3.9	9.25	10.25	2.0	5.0	6.5	9.25	4.25	5.5	6.75	10.25
	31 December 2009											
	China	Hong Kong (notes ii, iii)	India	Indonesia	Japan	Korea	Malaysia (note iii)	Philippines	Singapore (note iii)	Taiwan	Thailand	Vietnam
	%	%	%	%	%	%	%	%	%	%	%	%
New business risk discount rate . . .	11.75	5.5	14.25	13.8	5.1	8.2	9.4	15.75	5.7	7.5	13.0	16.75
Government bond yield	8.25	3.9	9.25	10.25	1.9	5.5	6.5	9.25	4.25	5.5	6.75	10.25
	31 March 2009											
	China	Hong Kong (notes ii, iii)	India	Indonesia	Japan	Korea	Malaysia (note iii)	Philippines	Singapore (note iii)	Taiwan	Thailand	Vietnam
	%	%	%	%	%	%	%	%	%	%	%	%
New business risk discount rate . . .	11.75	4.3	14.25	15.25	5.0	9.2	9.2	15.75	5.65	9.25	13.0	16.75
Government bond yield	8.25	2.7	9.25	10.25	1.9	5.2	6.5	9.25	4.25	5.5	6.75	10.25

	Asia Total		
	31 Mar 2010	31 Dec 2009	31 Mar 2009
	%	%	%
New business weighted risk discount rate (note (i)) (excluding Taiwan agency business in 2009)	9.6	9.1	9.5

Notes

- (i) The weighted risk discount rates for Asian operations shown above have been determined by weighting each country's risk discount rates by reference to the EEV basis new business result.
- (ii) The assumptions shown are for US dollar denominated business which comprises the largest proportion of the Hong Kong business.
- (iii) The mean equity return assumptions for the most significant equity holdings in the Asian operations were:

	31 Mar 2010	31 Dec 2009	31 Mar 2009
	%	%	%
Hong Kong	7.9	7.9	7.6
Malaysia	12.4	12.4	12.5
Singapore	10.2	10.2	10.2

To obtain the mean, an average over all simulations of the accumulated return at the end of the projection period is calculated. The annual average return is then calculated by taking the root of the average accumulated return minus 1.

US operations

	31 Mar 2010	31 Dec 2009	31 Mar 2009
	%	%	%
Assumed new business spread margins: ^{note iii}			
Fixed Annuity business (including the proportion of variable annuity business invested in the general account): ^{note i}			
First five years:			
January to June issues	2.25	2.75	2.75
July to December issues	n/a	2.25	n/a
Long-term assumption	2.0	2.0	2.0
Fixed Index Annuity business			
January to June issues	2.5	3.5	3.5
July to December issues	n/a	2.5	n/a
New business risk discount rate ^{note ii}			
Variable annuity	8.2	8.2	6.7
Non-variable annuity	6.2	6.2	3.5
Weighted average total	8.0	7.8	5.1
US 10-year treasury bond rate at end of period	3.9	3.9	2.7
Pre-tax expected long-term nominal rate of return for US equities	7.9	7.9	6.7

Notes

- i The spread assumptions for new tranches of fixed annuity business (including the proportion of variable annuity business invested in the general account) include a provision that crediting rates and spreads will normalise in the future. Thus, the assumption for new business spreads shown above applies for the first five years before normalising over the following 10 years to the long-term assumption of 2.0 per cent. The valuation of new business takes into account an assumed associated risk of increased lapse under certain interest rate scenarios.
- ii The increase in the discount rates at 31 December 2009 reflects the increase in the US 10-year treasury bond rate of 120 bps from 31 March 2009, and an additional allowance for a combination of credit risk premium and short-term default allowance of 30 bps for VA business and 150 bps for other business.
- iii Credit risk treatment
The projected cash flows incorporate the expected long-term spread between the earned rate and the rate credited to policyholders. The projected earned rates reflect book value yields which are adjusted over time to reflect projected reinvestment rates. Positive net cash flows are assumed to be reinvested in a mix of corporate bonds, commercial mortgages and limited partnerships. The yield on those assets is assumed to grade from the current level to a yield that allows for a long-term assumed credit spread of 1.25 per cent over 10 years. The expected spread on new business has been determined after allowing for a Risk Margin Reserve (RMR) allowance of 25 basis points for long-term defaults for all periods shown above.

In the event that longer-term default levels are higher then, unlike for UK annuity business where policyholder benefits are not changeable, Jackson has some discretion to adjust crediting rates, subject to contract guarantee levels and general market competition considerations.

UK operations

	<u>31 Mar 2010</u>	<u>31 Dec 2009</u>	<u>31 Mar 2009</u>
	%	%	%
Shareholder-backed annuity business:^{note i}			
New business risk discount rate	7.1	8.7	10.6
Pre-tax expected long-term nominal rate of return:			
Fixed annuities	5.0	5.7	6.0
Inflation-linked annuities.	5.2	6.0	5.3
Other business:			
New business risk discount rate ^{note ii}	7.1	7.7	6.8
Pre-tax expected long-term nominal rates of investment return:			
UK equities	8.4	8.4	7.8
Gilts.	4.4	4.4	3.8
Corporate bonds	6.1	6.1	5.2
Post-tax expected long-term nominal rate of return for the PAC with-profits fund:			
Pension business (where no tax applies)	6.9	6.9	6.5
Life business	<u>6.0</u>	<u>6.0</u>	<u>5.8</u>

Notes

i For Prudential's UK shareholder-backed annuity business, Prudential has used a market consistent embedded value (MCEV) approach to derive an implied risk discount rate which is then applied to the projected best estimate cash flows. In the annuity MCEV calculations, the future cash flows are discounted using the swap yield curve plus an allowance for liquidity premium based on Prudential's assessment of the expected return on the assets backing the annuity liabilities after allowing for expected long-term defaults, credit risk premium and short-term downgrades and defaults. For the purposes of presentation in the EEV results, the results on this basis are reconfigured. Under this approach the projected earned rate of return on the debt securities held is determined after allowing for expected long-term defaults and, where necessary, an additional allowance for an element of short-term downgrades and defaults to bring the allowance in the earned rate up to best estimate levels. The allowances for credit risk premium and additional short-term default allowance are incorporated into the risk margin included in the discount rate. The credit assumptions used in the MCEV calculations and the residual liquidity premium element of the bond spread over swap rates for shareholder-backed annuity new business are as follows:

	<u>31 Mar 2010</u>	<u>31 Dec 2009</u>	<u>31 Mar 2009</u>
	(bps)	(bps)	(bps)
Bond spread over swap rates	105	198	267
Total credit risk allowance	<u>35</u>	<u>54</u>	<u>80</u>
Liquidity premium	<u>70</u>	<u>144</u>	<u>187</u>

ii The risk discount rates for new business for UK insurance operations other than shareholder-backed annuities reflect weighted rates based on the type of business.

Group Debt Securities at 31 March 2010**1 IFRS balance sheet fair value**

The Group's investments in debt securities at 31 March 2010 excluding holdings attributable to external unit holders are as follows:

	<u>With-profit (note 1a)</u>	<u>Unit-linked and variable annuity (note 1a)</u>	<u>Other shareholder backed business</u>	<u>Total</u>
	£bn	£bn	£bn	£bn
UK insurance operations (Notes 1b and 1c)	44.5	4.5	19.9	68.9
Jackson National Life (Notes 1d and 3)	—	—	25.4	25.4
Asia long-term business	1.2	2.3	3.7	7.2
Other operations	—	—	1.3	1.3
Total	<u>45.7</u>	<u>6.8</u>	<u>50.3</u>	<u>102.8</u>

Notes

- 1(a) Shareholders are not directly exposed to value movements on assets backing with-profit, unit linked, and variable annuity business.
 1(b) Of the £19.9 bn of debt securities for UK annuity and other non-linked shareholder backed business 30.2% was rated AAA, 11.7% AA, 36.5% A, 18.8% BBB and 2.8% other.
 1(c) For UK annuity business provision is made for possible future credit related losses. At 31 March 2010, a provision of £1.6bn was held.
 1(d) Jackson debt securities comprise:

	<u>31 Mar 2010</u>	<u>31 Dec 2009</u>
	£m	£m
Corporate securities (95% investment grade)	18,694	16,455
Residential mortgage backed securities (62% government agency; 23% for pre 2006/2007 vintages; £514m for 2006/2007 vintages of which £383m is for the senior part of the capital structure)	3,314	3,316
Commercial mortgage backed securities	2,333	2,104
CDO funds	85	79
Other debt securities	<u>977</u>	<u>877</u>
Total	<u>25,403</u>	<u>22,831</u>

2 Defaults, losses from sales of impaired and deteriorating bonds and write-downs for non-linked shareholder backed business**2.1 Jackson National Life**

In general, the debt securities of Jackson are purchased with the intention and the ability to hold them for the longer-term.

The majority of Jackson's debt securities are classified as available-for-sale under IAS 39. Under this classification realised losses from defaults, sales of impaired and deteriorating bonds and write-downs are recorded in the income statement. Changes in unrealised appreciation and depreciation are recorded as a movement directly in shareholders' equity.

Jackson continues to review its investments on a case-by-case basis to determine whether any decline in fair value represents an impairment and therefore requiring an accounting write-down. IFRS requires available-for-sale debt securities which are impaired to be written down to fair value through the profit and loss account.

The defaults, write-downs and losses on sales of impaired and deteriorating bonds (net of recoveries) for the three months to 31 March 2010 were as follows:

	<u>Defaults</u>	<u>Bond write downs</u>	<u>Losses on sales of impaired and deteriorating bonds (net of recoveries)</u>
	£m	£m	£m
Corporate debt securities	—	—	18
Residential mortgage backed securities			
Prime	—	5	33
Alt-A	—	14	19
Sub-prime	—	7	—
Other	—	9	6
Total	—	35	76

2.2 Other operations

For the Group's operations, other than Jackson National Life, debt securities are accounted for on a fair value through P&L basis with all value movements recorded in the income statement. Excluding Jackson National Life there were no defaults in the first quarter of 2010 for other shareholder backed business (measured against market value).

3 Jackson National Life — securities in an unrealised loss position

For Jackson's securities classified as available-for-sale under IAS 39, at 31 March 2010 there was a net unrealised gain position of £438 million. This amount comprised £1,142 million of gross unrealised gains and £704 million of gross unrealised losses on individual securities. Under IFRS unrealised losses are only applicable for securities which have not been impaired during the period. Securities impaired during the period are written down to fair value through the profit and loss in full. Note 2.1 shows the element of write downs in 2010. Included within the gross unrealised losses is £454 million for securities which are valued at less than 80 per cent of book value, of which 14 per cent have been at this level for less than 6 months.

IFRS requires securities to be carried at fair value, being the amount for which the security would be exchanged between knowledgeable, willing parties in an arm's length transaction. The best evidence of fair value is quoted prices in an active market, but if the market is not active then a valuation technique is used to establish fair value.

a) Movements in the values for the 3 months to 31 March 2010:

Movements in the values of available-for-sale securities for the three months to 31 March 2010 are included in the table shown below:

	<u>Change reflected directly in shareholders' equity</u>				
	<u>31 March 2010</u>	<u>Movement in Quarter 1</u>	<u>Foreign exchange translation*</u>	<u>Quarter 1 including Foreign exchange</u>	<u>31 December 2009</u>
	£m	£m	£m	£m	£m
Assets fair valued at below book value					
Book value	7,589	(1,131)	500	(631)	8,220
Unrealised loss	<u>(704)</u>	<u>316</u>	<u>(54)</u>	<u>262</u>	<u>(966)</u>
Fair value (as included in balance sheet) . .	<u>6,885</u>	<u>(815)</u>	<u>446</u>	<u>(369)</u>	<u>7,254</u>
Assets fair valued at or above book value					
Book value	17,218	1,791	983	2,774	14,444
Unrealised gain	<u>1,142</u>	<u>106</u>	<u>66</u>	<u>172</u>	<u>970</u>
Fair value (as included in the balance sheet)	<u>18,360</u>	<u>1,897</u>	<u>1,049</u>	<u>2,946</u>	<u>15,414</u>
Total					
Book value	24,807	660	1,483	2,143	22,664
Net unrealised gain	<u>438</u>	<u>422</u>	<u>12</u>	<u>434</u>	<u>4</u>
Fair value (as included in balance sheet) . .	<u>25,245</u>	<u>1,082</u>	<u>1,495</u>	<u>2,577</u>	<u>22,668</u>

b) Fair value of securities in an unrealised loss position as a percentage of book value

(i) Fair value of securities as a percentage of book value

The unrealised losses in the Jackson balance sheet on unimpaired securities are £704 million (31 December 2009: £966 million) relating to assets with fair market value and book value of £6,885 million (31 December 2009: £7,254 million) and £7,589 million (31 December 2009: £8,220 million) respectively.

The following table shows the fair value of the securities in a gross unrealised loss position for various percentages of book value:

	Fair value 31 Mar 2010	Unrealised loss 31 Mar 2010	Fair value 31 Dec 2009	Unrealised loss 31 Dec 2009
	£m	£m	£m	£m
Between 90% and 100%	5,501	(130)	5,127	(169)
Between 80% and 90%	678	(120)	1,201	(203)
Below 80%	706	(454)	926	(594)
	<u>6,885</u>	<u>(704)</u>	<u>7,254</u>	<u>(966)</u>

(ii) Fair value of sub-prime and Alt-A securities as a percentage of book value

Included within the table above are amounts relating to sub-prime and Alt-A securities in a gross unrealised loss position for various percentages of book value of:

	Fair value 31 Mar 2010	Unrealised loss 31 Mar 2010	Fair value 31 Dec 2009	Unrealised loss 31 Dec 2009
	£m	£m	£m	£m
Between 90% and 100%	67	(3)	102	(3)
Between 80% and 90%	32	(6)	160	(28)
Below 80%	124	(61)	159	(88)
	<u>223</u>	<u>(70)</u>	<u>421</u>	<u>(119)</u>

c) Securities whose fair value were below 80 per cent of the book value

As shown in the table above, £454 million (31 December 2009: £594 million) of the £704 million (31 December 2009: £966 million) of gross unrealised losses at 31 March 2010 related to securities whose fair value were below 80 per cent of the book value. The age analysis for this £454 million (31 December 2009: £594 million), indicating the length of time for which their fair value was below 80 per cent of the book value, is as follows:

	Fair value 31 Mar 2010	Unrealised loss 31 Mar 2010	Fair value 31 Dec 2009	Unrealised loss 31 Dec 2009
	£m	£m	£m	£m
Less than 3 months	66	(19)	153	(45)
3 months to 6 months	33	(11)	5	(3)
More than 6 months	607	(424)	768	(546)
	<u>706</u>	<u>(454)</u>	<u>926</u>	<u>(594)</u>

For securities valued at less than 80 per cent of book value, 70 per cent are investment grade. The analysis by category of debt securities whose fair value were below 80 per cent of the book value is as follows:

	Fair value 31 Mar 2010	Unrealised loss 31 Mar 2010	Fair value 31 Dec 2009	Unrealised loss 31 Dec 2009
	£m	£m	£m	£m
RMBS				
Prime	247	(115)	322	(153)
Alt-A	38	(17)	77	(33)
Sub-prime	86	(44)	82	(55)
	<u>371</u>	<u>(176)</u>	<u>481</u>	<u>(241)</u>
Commercial mortgage backed securities	47	(63)	87	(86)
Other asset backed securities	178	(172)	183	(188)
Total structured securities	596	(411)	751	(515)
Corporates	110	(43)	175	(79)
	<u>706</u>	<u>(454)</u>	<u>926</u>	<u>(594)</u>

* Balance sheet items for Jackson National Life have been translated at the closing rate for the period, being \$1.5169 at 31 March 2010 (31 December 2009 \$1.6149). Jackson National Life income statement movements have been translated at the average exchange rate for the period, being \$1.5592 for 3 months to 31 March 2010.

Schedule 7 — BASIS OF PREPARATION

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

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

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

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

Investment products referred to in the tables for funds under management are unit trusts, mutual funds and similar types of retail fund management arrangements. These are unrelated to insurance products that are classified as investment contracts under IFRS 4, as described in the preceding paragraph, although similar IFRS recognition and measurement principles apply to the acquisition costs and fees attaching to this type of business.

New Business Profit has been determined using the European Embedded Value (EEV) methodology set out in our 2009 Annual Report and the assumptions set out in schedule 5.

In determining the EEV basis value of new business written in the period policies incept, premiums are included in projected cash flows on the same basis of distinguishing annual and single premium business as set out for statutory basis reporting. New business values are presented pre-tax.

Notes to Schedules 1 - 6

- (1a) Insurance and investment new business for overseas operations has been calculated using average exchange rates. The applicable rate for Jackson for the first quarter of 2010 is 1.56.
- (1b) Insurance and investment new business for overseas operations has been calculated using constant exchange rates. The applicable rate for Jackson is 1.56.
- (2) Represents cash received from sale of investment products.
- (3) Annual Equivalents, calculated as regular new business contributions plus 10 per cent single new business contributions, are subject to roundings. PVNBPs are calculated as equalling single premiums plus the present value of expected premiums of new regular premium business. In determining the present value, allowance is made for lapses and other assumptions applied in determining the EEV new business profit.
- (4) Balance includes segregated and pooled pension funds, private finance assets and other institutional clients. Other movements reflect the net flows arising from the cash component of a tactical asset allocation fund managed by PPM South Africa.
- (5) New business in India is included at Prudential’s 26 per cent interest in the India life operation.
- (6) Balance Sheet figures have been calculated at the closing exchange rate. Prior year balance is shown on a constant exchange rate.
- (7) Sales are converted using the year to date average exchange rate applicable at the time. The sterling results for individual quarters represent the difference between the year to date reported sterling results at successive quarters and will include foreign exchange movements from earlier periods.
- (8) New business in China is included at Prudential’s 50 per cent interest in the China life operation.
- (9) Mandatory Provident Fund (MPF) product sales in Hong Kong are included at Prudential’s 36 per cent interest in Hong Kong MPF operation.

ADDITIONAL DEFINITIONS

In this supplemental listing document, unless the context otherwise requires, the following expressions shall have the following meanings.

Cashless Take Up	the procedure described in Part IX of the Rights Issue Prospectus enabling Qualifying Non-CREST Shareholders to sell a sufficient number of Nil Paid Rights to raise money to take up the remainder using the Equiniti Dealing Facility;
Closing Price	the closing middle market quotation in pounds sterling of a Prudential Share, as published in the daily official list of the London Stock Exchange;
Co-Lead Managers	Barclays Bank PLC, BNP PARIBAS, Credit Agricole Corporate and Investment Bank, Mediobanca — Banca di Credito Finanziario S.p.A., Natixis, Nomura International plc, Scotiabank Europe plc, Société Générale, Standard Chartered Securities (Hong Kong) Limited, UniCredit Bank AG, United Overseas Bank Limited;
Co-Managers	Banco Bilbao Vizcaya Argentaria S.A., BOCI Asia Limited, Commerzbank Aktiengesellschaft, DBS Bank Ltd., Fortis Bank (Nederland) N.V., ICBC International Securities Limited, Keefe, Bruyette & Woods Limited, Lloyds Bank Plc, Macquarie Capital (Europe) Limited, Royal Bank of Canada Europe Limited;
Equiniti Dealing Facility	the share dealing service described in Part IX of the Rights Issue Prospectus provided by Equiniti Financial Services Limited;
Excluded Shareholders	subject to certain exceptions, shareholders of Prudential who have an address in any Excluded Territory on Prudential's register of members;
Excluded Territories	the United States, India, Japan, Malaysia, New Zealand, South Africa and any other jurisdiction where the extension to or availability of the Rights Issue would breach any applicable law;
HK Admission	the admission of the Rights Issue Shares (nil paid) to listing and trading on the Stock Exchange becoming effective;
Issue Price	104 pence per Rights Issue Share or, for HK Shareholders and Singapore Shareholders, HK\$11.78 per Rights Issue Share (being the Hong Kong dollar equivalent of 104 pence using the £:HK\$ exchange rate of 11.3277, the noon buying rate on 14 May 2010 as derived from Bloomberg (as the case may be));
Joint Bookrunners	Credit Suisse Europe, HSBC and J.P. Morgan Cazenove;
Joint Global Co-ordinators	Credit Suisse Europe, HSBC and J.P. Morgan Cazenove;
Joint Lead Managers	Banca IMI S.p.A., Banco Santander, S.A., Merrill Lynch International, Citigroup Global Markets U.K. Equity Limited, Deutsche Bank AG London Branch, ING Bank N.V., Morgan Stanley Securities Limited, RBS Hoare Govett Limited, UBS Limited;
Joint Sponsors	Credit Suisse Europe, HSBC and J.P. Morgan Cazenove;
Lazard	Lazard Frères & Co LLC and Lazard & Co., Limited;
New Prudential ADRs	the American depositary shares each representing two New Prudential Shares, evidenced by American depositary receipts;
New Prudential Prospectus	the prospectus dated the same date as the Rights Issue Prospectus issued by New Prudential for the introduction of New Prudential

	Shares to the premium segment of the Official List and to trading on the London Stock Exchange;
New Prudential Reduction of Capital	the proposed reduction of capital of New Prudential by the reduction of the nominal value of each New Prudential Share from 100 pence to 5 pence as described in Part II of the Circular;
Nomura	Nomura International plc;
Qualifying CREST Shareholders	Qualifying Shareholders holding Prudential Shares on the UK Register in uncertificated form through CREST;
Qualifying Non-CREST Shareholders	Qualifying Shareholders holding Prudential Shares on the UK Register in certificated form (that is, not through CREST);
Receiving Agent	Equiniti Limited;
Registrar	Equiniti Limited;
Registrars	the Registrar and the HK Registrar;
RTGS	real time gross settlement;
Scheme Resolutions	the resolution set out in the notice of Court Meeting set out in the Circular and/or the special resolution, numbered 1, set out in the notice of General Meeting set out in the Circular which will be proposed at the Court Meeting and General Meeting, respectively;
Singapore Admission	the admission of the Rights Issue Shares (nil paid) to listing and trading on the SGX-ST becoming effective;
Singapore Renouncee	a purchaser of the Nil Paid Rights through CDP's book-entry (scripless) settlement system;
UK Admission	the admission of the Rights Issue Shares, (nil paid) to the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange becoming effective;
UK Introduction	the introduction of the New Prudential Shares to the premium segment of the Official List and and to trading on the main market for listed securities of the London Stock Exchange becoming effective;
Underwriters	Credit Suisse Europe, HSBC, J.P. Morgan Cazenove, each of the Joint Lead Managers, each of the Co-Lead Managers, each of the Co-Managers, Government of Singapore Investment Corporate Private Limited and Qatar Holding LLC;
Underwriting Agreement	the underwriting agreement dated 17 May 2010, between Prudential and the Underwriters relating to the Rights Issue as further described in paragraph 1 of the section headed "Information about the Rights Issue";
Underwriting Proportions	in relation to an Underwriter, means that proportion of the total underwriting commitment that such Underwriter has given pursuant to the Underwriting Agreement; and
US Depository	JPMorgan Chase Bank, N.A..

By Order of the
Board
Prudential plc
Margaret Ann Coltman
Company Secretary

Hong Kong, 17 May, 2010

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this supplemental listing document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, (i) the information contained in this supplemental listing document is accurate and complete in all material respects and not misleading; (ii) there are no other facts the omission of which would make any statement in this supplemental listing document misleading and (iii) all opinions expressed in this supplemental listing document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

As at the date of this supplemental listing document, the executive Directors are Mr. Cheick Tidjane Thiam, Mr. Nicolaos Andreas Nicandrou ACA, Mr. Robert Alan Devey, Mr. Clark Preston Manning Jr. FSA MAAA, Mr. Michael George Alexander McLintock, Mr. Barry Lee Stowe; and the independent non-executive Directors are Mr. Harvey Andrew McGrath, Mr. Keki Bomi Dadiseth FCA, Mr. Michael William Oliver Garrett, Ms. Ann Frances Godbehere FCCA, Ms. Bridget Ann Macaskill, Ms. Kathleen Anne O'Donovan ACA, Mr. James Hood Ross and Mr. Lord Andrew Turnbull KCB CVO.

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