

2010 Interim Dividend Circular (for CDP shareholders)

This document is important and requires your immediate attention.

If you are in any doubt about the action you should take with this document, you should immediately seek professional advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

If you have sold or transferred all of your shares before 5.00pm (Singapore time) on Tuesday 17 August 2010, please pass this document to the person who arranged the sale or transfer so that they can pass this document on to the person who now holds the shares. If you have sold or transferred some, but not all, of your shares before 5.00pm (Singapore time) on Tuesday 17 August 2010, you should contact the person who arranged the sale or transfer without delay for advice on the action you should take.

Please keep hold of this document as the 'Dividend Terms and Conditions' apply to all future dividend payments unless we inform you otherwise. You will not be sent another copy of the 'Dividend Terms and Conditions' unless there has been a change to the terms and conditions. The 'Dividend Terms and Conditions' can also be downloaded from our website http://www.prudential.co.uk/prudential-plc/investors/shareholder_services/forms/.

The Singapore Exchange Securities Trading Limited (the "SGX-ST") and The Central Depository (Pte) Limited ("CDP") take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This document is for shareholders with shares standing to the credit of their CDP securities account ("CDP Shareholders") only. All other shareholders on the Hong Kong branch register should refer to the '2010 Interim Dividend Circular (for Hong Kong registered shareholders)', which can be downloaded from our website http://www.prudential.co.uk/prudential-plc/investors/shareholder_services/forms/. Shareholders on the UK register and Irish branch register should refer to the 'Evergreen Scrip Dividend Scheme' booklet, which can be downloaded from our website http://www.prudential.co.uk/prudential-plc/investors/shareholder_services/forms/.

18 August 2010



PRUDENTIAL

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HARVEY MCGRATH
CHAIRMAN

18 August 2010

Dear Shareholder,

I am writing to tell you about the 2010 interim dividend of 6.61 pence per ordinary share (the "**Dividend**") and to explain the options available to you to receive the Dividend in cash or new fully paid ordinary shares ("**new shares**") under our Evergreen Scrip Dividend Scheme.

We have been operating the Evergreen Scrip Dividend Scheme in the United Kingdom since 2007. It has been an economical way for our shareholders to increase their shareholding in the Company without paying dealing costs and, therefore, we are keen to continue offering a scrip dividend alternative (although CDP Shareholders should note the comments made in relation to stamp duty reserve tax at pages 5, 7 and 8 below).

I have set out below key dates and information in respect of the Dividend, in particular the scrip dividend alternative. This should be read in conjunction with the '**Dividend Terms and Conditions**' which follow this letter and can also be viewed and downloaded from the Company's website www.prudential.co.uk/prudential-plc/investors/shareholder_services/forms/. You will find enclosed with this document a Scrip Dividend Mandate Form (the "**Mandate**").

Key Dates

The timetable for the Dividend is as follows:

Thursday 12 August 2010	Announcement of the Dividend
9.00 a.m. (Singapore time) Wednesday 18 August 2010	Ordinary shares quoted ex Dividend (" Ex Dividend Date ")
5.00 p.m. (Singapore time) Friday 20 August 2010	Record date for the Dividend (" Record Date ")
Tuesday 24 August 2010	Despatch date for the 2010 Interim Dividend Circular for CDP Shareholders and the Mandate
Wednesday 25 August 2010	Announcement of scrip reference price
5.00 p.m. (Singapore time) on Friday 27 August 2010	Final date for shareholders with ordinary shares standing to the credit of their CDP securities accounts as at the Record Date (" Entitled CDP Shareholders ") to submit the Mandates to CDP (" Election Deadline Date ")
Thursday 30 September 2010*	Payment date (" Dividend Payment Date ") and where applicable CDP securities accounts are credited with new shares
Thursday 30 September 2010*	First day of dealings in new shares on the SGX-ST
Thursday 30 September 2010*	Postal date for Dividend cheques

* On or about Thursday 30 September 2010

Key Information

To be entitled to the Dividend, you need to have ordinary shares in the Company standing to the credit of your CDP securities account as at 5.00 p.m. (Singapore time) on the Record Date.

Cash dividend

If you wish to receive the Dividend in cash, you do not need to take any action. Your dividend will be paid to you in Singapore Dollars.

The cash dividend is quoted in Sterling and the amount that you will receive in Singapore Dollars will be calculated by using the forward Sterling/Hong Kong Dollar exchange rate of £1.00: HK\$12.161 quoted by the WM Company on the day the dividend was approved by the Board of Directors of the Company, and (in accordance with the Company's instructions) thereafter the Hong Kong Dollar/Singapore Dollar exchange rate to be determined by CDP. The Hong Kong Dollar/Singapore Dollar exchange rate will be published on the Company's website <http://www.prudential.co.uk/prudential-plc/investors/> after it has been determined by CDP.

Scrip dividend

If you qualify for the scrip dividend and you wish to receive your Dividend in new shares, you must submit a Mandate so that it is received by CDP no later than the Election Deadline Date.

The scrip reference price will be calculated on Wednesday 25 August 2010 as the average middle-market price of the Company's shares on the London Stock Exchange over a five-day dealing period commencing on Wednesday 18 August 2010 (the date the Company's ordinary shares are quoted ex Dividend on the London Stock Exchange). The scrip reference price will be announced via the Hong Kong Stock Exchange website, via SGXNET and published on our website <http://www.prudential.co.uk/prudential-plc/investors/>. The scrip reference price for the Dividend was not known on the latest practicable date prior to the publication of this document.

Please note that we will not issue fractions of a new share and, therefore, you will only receive a whole number of new shares in respect of the scrip dividend alternative.

Admission of new shares

The Company will apply to the UK Listing Authority and to the Listing Committee of The Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**") for the new shares to be listed, and to the London Stock Exchange for the new shares to be admitted to trading on the London Stock Exchange ("**Admission**"). Subject to Admission, your CDP securities account will be credited with the appropriate number of new shares on or about Thursday 30 September 2010.

Dealing in the new shares on the SGX-ST is expected to commence on or about Thursday 30 September 2010.

However, if Admission is not granted, the Company will not issue any new shares and you will receive your Dividend in cash instead.

The new shares issued in respect of the scrip dividend alternative will have the same rights as the existing ordinary shares of the Company.

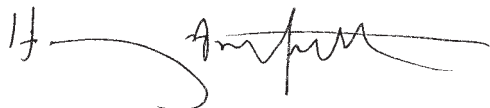
Helpline

If you have any questions about the dividend arrangements, please call CDP, between 8.30 a.m. and 5.00 p.m. (Singapore time) Monday to Friday, excluding public holidays. The telephone number for CDP is +65 6535 7511. The helpline will not be able to give you advice on the merits of the scrip dividend scheme or any financial advice. If you need financial advice, you will need to contact an independent professional adviser.

This document is available to view and download from the Company's website http://www.prudential.co.uk/prudential-plc/investors/shareholder_services/forms/.

I would remind you that if you wish to receive new shares instead of cash in respect of the Dividend your Mandate must be received by CDP no later than 5.00 p.m. on Friday 27 August 2010, the Election Deadline Date.

Yours sincerely



Harvey McGrath
Chairman

As at the date of this document, the executive Directors of Prudential plc 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 of Prudential plc are Mr. Harvey Andrew McGrath, Mr. Keki Bomi Dadiseth FCA, Mr. Michael William Oliver Garrett, Ms. Ann Frances Godbehere FCGA, Ms. Bridget Ann Macaskill, Ms. Kathleen Anne O'Donovan ACA, Mr. James Hood Ross and Lord Andrew Turnbull KCB CVO.

Dividend Terms and Conditions

This document does not apply to the shareholders on the Hong Kong branch register, who should refer to the document titled '2010 Interim Dividend Circular for Hong Kong registered shareholders', which can be downloaded from our website http://www.prudential.co.uk/prudential-plc/investors/shareholder_services/forms/. Shareholders on the UK register and Irish branch register should refer to the 'Evergreen Scrip Dividend Scheme' booklet, which can be downloaded from our website http://www.prudential.co.uk/prudential-plc/investors/shareholder_services/forms/.

All references to 'dividend' in this document are to any dividend announced by the Company including any interim dividend or final dividend but not including any dividend in specie.

1. Summary

To be entitled to the dividend, you must have ordinary shares in the Company standing to the credit of your CDP securities account as at 5.00 p.m. (Singapore time) on the Record Date ("**Entitled CDP Shareholders**").

You may choose to receive your dividend in cash or in new fully paid ordinary shares ("new shares") under the Evergreen Scrip Dividend Scheme.

If you choose to receive your dividend in new shares, you must submit a Scrip Dividend Mandate Form ("**Mandate**") in accordance with this document or have an existing Mandate in place by the Election Deadline Date.

If you choose to receive a cash dividend, you do not need to take any action. Your dividend will be paid to you in Singapore Dollars if you hold your shares through The Central Depository (Pte) Limited ("**CDP**") in Singapore.

2. Evergreen Scrip Dividend Scheme

You may choose to receive your dividend in new shares instead of cash.

The number of new shares that you are entitled to receive under the Evergreen Scrip Dividend Scheme is based on the scrip reference price. The scrip reference price is the average of the middle market price for the Company's ordinary shares on the London Stock Exchange for the five-day dealing period commencing the day on which the Company's shares were first quoted ex-dividend on the London Stock Exchange.

We will not issue fractions of a new share and, therefore, you can only receive a whole number of new shares. Any cash balance left over after calculating your scrip dividend entitlement will be paid to you in cash by way of cheque or direct credit to your bank account, as the case may be.

For your protection, the directors may (and absent mitigating circumstances intend to) cancel Mandates and pay a cash dividend instead, if, by the Election Deadline Date, the middle market price for the Company's ordinary shares on the London Stock Exchange has fallen by 15 per cent or more from the scrip reference price.

3. Deciding whether to elect for, or continue to elect for, the scrip dividend

When deciding whether you want to receive your dividend in cash or in new shares, please remember that the price of the Company's shares can go down as well as up and that the value of the Company's shares on the date on which the then prevailing Sterling/Hong Kong Dollar and Hong

Kong Dollar/Singapore Dollar exchange rates are used for calculating the Singapore Dollar cash dividend may be higher or lower than the scrip reference price (due to share price movements and/or exchange rate movements). Whether or not it is to your advantage to elect to receive new shares instead of a cash dividend is a matter for individual decision by each shareholder. The Company does not accept any responsibility for your decision. If you are not sure what to do, please contact an independent professional adviser.

4. Actions to take to receive your dividend in new shares

If you have a Mandate in place to receive your dividends in new shares and want to continue receiving your dividends in the same way, no further action is required. We will automatically give you your dividend in new shares.

If you do not have a Mandate in place and you wish to receive your dividend in new shares, you must complete a Mandate and return it to CDP by the Election Deadline Date. See section 6 below for further details on how to do this.

If your Mandate is not received by CDP by the Election Deadline Date, your dividend will be paid to you in cash.

If you move your shares from CDP to the United Kingdom register or the Hong Kong branch register, your existing Mandate (if applicable) will not apply to any dividends paid on your shares while they are on such register. If you wish to receive your dividend in new shares, you must complete a new Mandate for the United Kingdom register or the Hong Kong branch register, as the case may be, and return it to the relevant registrar.

Once your new shares have been issued, a notification letter will be sent to you, showing you, among other things, the number of new shares allotted to you.

5. Actions to take to receive your dividend in cash

If you hold your shares through CDP, you will automatically receive your cash dividend in Singapore Dollars.

The cash dividend is quoted in Sterling and the amount that you will receive in Singapore Dollars will be calculated by using the forward Sterling/Hong Kong Dollar exchange rate quoted by the WM Company on the day the dividend is approved by the Board of Directors of the Company, and (in accordance with the Company's instructions) thereafter the Hong Kong Dollar/Singapore Dollar exchange rate to be determined by CDP. The Sterling/Hong Kong Dollar exchange rate will be published on the Company's website <http://www.prudential.co.uk/prudential-plc/investors/> on or around that date.

6. General Information

a) Mandates

Mandates will be mailed to Entitled CDP Shareholders.

Mandates must be completed in respect of your total shareholding. The Company may at its discretion permit a partial election where a shareholder is acting on behalf of more than one beneficial owner ("**nominee shareholder**") and separate Mandates will be mailed to nominee shareholders.

Submitting Mandates by post

Your Mandate must be returned to CDP (contact details below). If CDP does not receive your Mandate by the

Election Deadline Date, we will send you your dividend in accordance with your existing Mandate (if applicable) or a cash dividend in Singapore Dollars.

All Mandates are sent at your own risk. We are not able to acknowledge receipt.

b) Multiple and Joint Shareholdings

If your shareholding is recorded in CDP in more than one CDP securities account, then they will be treated as separate holdings and you should complete a separate Mandate for each holding and return each Mandate to CDP. Please note that consolidation of holdings is not available to CDP Shareholders.

If you have a joint shareholding, please ensure that all shareholders sign the Mandate and in the case of joint alternate securities accounts, either shareholder may sign the Mandate.

c) If you have recently purchased or sold shares

If you purchased shares on or after the Ex Dividend Date, you will not be entitled to the dividend on them.

If you sold some of your shares before the Ex Dividend Date, you will be entitled to the dividend (and, if applicable, the scrip dividend) on the remainder of your shares.

If you purchased or sold shares before the Ex Dividend Date, you should contact the person who arranged the purchase or sale without delay. Appropriate arrangements can then be made to transfer the dividend.

7. Delivery and listing of new shares

The Company will apply to the UK Listing Authority and to the Listing Committee of The Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**") for the new shares to be listed, and to the London Stock Exchange for the new shares to be admitted to trading on the London Stock Exchange ("**Admission**"). Subject to Admission, your CDP securities account will be credited with the appropriate number of new shares on or about the dividend payment date. Dealing in the new shares on the SGX-ST is expected to commence on or about the relevant dividend payment date. However, if permission for the new shares to be listed and admitted to trading on the London Stock Exchange and Hong Kong Stock Exchange is not granted, the Company will not issue any new shares and you will receive all of your dividend in cash.

The new shares will have the same rights as the existing ordinary shares you hold.

8. Cancellation or modification of the scrip dividend

The operation of the Evergreen Scrip Dividend Scheme is always subject to the directors' decision to offer the scrip dividend alternative. If the directors decide not to offer the scrip dividend alternative in respect of any particular dividend, a cash dividend will be paid to you instead. If the directors offer a scrip dividend alternative in respect of any future dividends and you have submitted a Mandate in accordance with this document, you will be issued scrip dividend on the terms of this document.

Mandates may be modified at any time by the Company. In the case of any modification, existing Mandates (unless otherwise specified by the Company) will be deemed to remain valid under the modified arrangements unless and

until you cancel your Mandate by giving notice of cancellation to CDP who must receive your notice by the Election Deadline Date.

9. Overseas shareholders

If you are resident outside the UK, Ireland, Hong Kong or Singapore, you may only treat this document as an invitation for you to receive the scrip dividend if such invitation could be made to you where you are resident without the Company having to meet any registration or other legal requirements.

It is your responsibility to make sure that any legal requirements are met and/or that any necessary agreements (including any government or other consents) are obtained.

10. Stamp duty reserve tax

It is HMRC's view that the issue of new shares under the Evergreen Scrip Dividend Scheme into CDP will give rise to SDRT at the higher rate of 1.5%. CDP takes the view that the charge does not apply and is in discussions with HMRC to resolve the issue. Consequently, CDP will not collect or seek to recover the 1.5% SDRT for the issue of such new shares and the computation of an Entitled CDP Shareholder's entitlement to such new shares will not take the SDRT amount into account.

11. CDP's Contact Details and Shareholder Helpline

All written communications should be sent (by hand or mail) to The Central Depository (Pte) Limited, 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807.

Helpline

If you have any questions about the dividend arrangements, please call CDP between 8.30 a.m. and 5.00 p.m. (Singapore time) Monday to Friday, excluding public holidays. The telephone number for CDP is +65 6535 7511.

The helpline will not be able to give you advice on the merits of the scrip dividend scheme or any financial advice. If you need financial advice you will need to contact an independent professional adviser.

12. General

You can view or download this document from the Company's website at http://www.prudential.co.uk/prudential-plc/investors/shareholder_services/forms/. However, if you would like a paper copy of this document and/or the Mandate, copies will be available for collection from CDP.

13. Examples

The examples below are for illustrative purposes only.

Example 1

You wish to receive your dividend in new shares.

If you have not previously put a Mandate in place to receive new shares for all of your future dividends, you will need to complete a Mandate and return it to CDP so that it is received by CDP by the Election Deadline Date.

We will not issue fractions of a new share and, therefore, you can only receive a whole number of new shares. Any cash balance left over after calculating your scrip dividend entitlement will be paid to you in cash by way of cheque or direct credit to your bank account, as the case may be.

Example 2

You wish to receive your dividend in cash.

You do not need to do anything unless you have previously put a Mandate in place to receive new shares for all of your future dividends. You will then need to cancel the Mandate by providing CDP with a notice of cancellation so that it is received by CDP by the Election Deadline Date.

14. Glossary

Election Deadline Date

The date by which you must submit your Mandate if you wish to receive your dividend in the form of new shares. This is also the date by which you must cancel your existing Mandate if you no longer wish to receive your dividend in the form of new shares. Your Mandate must be received by CDP by 5.00 p.m. (Singapore time) on this date.

Ex Dividend Date

The date the Company's shares are quoted ex-dividend on the SGX-ST. If you purchase shares on or after this date you will not be entitled to the dividend.

Record Date

The record date for the dividend. You will receive the dividend on the number of ordinary shares standing to the credit of your CDP securities account as at 5.00 p.m. (Singapore time) on this date.

Scrip Reference Price

The price of the new ordinary shares offered under the Evergreen Scrip Dividend Scheme calculated as the average middle-market price of the Company's shares on the London Stock Exchange over the five-day dealing period commencing on the Ex Dividend Date.

Appendix: Tax Information

Singapore taxation

This section addresses certain tax consequences of the Evergreen Scrip Dividend Scheme for shareholders who hold their ordinary shares on the Hong Kong branch register through CDP under the laws of Singapore and the published practice of the Singapore tax authorities (which are both subject to change at any time), as currently understood. The following summary of the tax position in Singapore is based on current law and practice, is subject to changes therein and does not constitute legal or tax advice.

This summary provides a general outline of the material tax considerations that may be relevant to a decision to participate in the Evergreen Scrip Dividend Scheme and does not deal with all possible Singapore tax consequences applicable to all categories of investors. Investors are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Company's shares (including the new shares).

(A) Dividends

As the Company is incorporated in England and Wales and is not tax resident in Singapore for Singapore tax purposes, dividends paid by the Company, whether paid in cash or new shares, will be considered as sourced outside Singapore (unless the Company's shares are held as part of a trade or business carried out in Singapore in which event the holders of such shares may be taxed on the dividends as they are derived).

Foreign-sourced dividends received or deemed received in Singapore by an individual not resident in Singapore is exempt from Singapore income tax. This exemption will also apply in the case of a Singapore tax resident individual who receives his foreign-sourced income in Singapore on or after 1 January 2004 (except where such income is received through a partnership in Singapore). Foreign-sourced dividends received or deemed received by corporate investors in Singapore will ordinarily be liable to Singapore tax. However, foreign-sourced income in the form of dividends, branch profits and service income received or deemed to be received in Singapore by Singapore tax resident companies on or after 1 June 2003 can be exempt from tax if certain prescribed conditions are met, including the following:

- (i) such income is subject to tax of a similar character to income tax under the law of the jurisdiction from which such income is received; and
- (ii) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15%.

Certain concessions and clarifications have also been announced by the Inland Revenue Authority of Singapore with respect to such conditions.

(B) Capital gains

No tax is imposed in Singapore in respect of capital gains. There are no specific laws or regulations which deal with the characterization of whether a gain is income or capital in nature. Gains arising from the disposal of the Company's shares (including the new shares) may be construed to be of an income nature and subject to Singapore income tax, especially if they arise from activities which are regarded as the carrying on of a trade or business and the gains are sourced in Singapore.

In addition, investors who apply, or who are required to apply, the Singapore Financial Reporting Standard 39 Financial Instruments — Recognition and Measurement ("FRS 39") for the purposes of Singapore income tax may be required to recognize gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal is made. Taxpayers who may be subject to such tax treatment should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Company's shares (including the new shares).

(C) Singapore stamp duty

As the Company is incorporated in England and Wales and the new shares are not registered on any register kept in Singapore, no stamp duty is payable in Singapore on the issuance of the new shares pursuant to the Evergreen Scrip Dividend Scheme.

UK Stamp duty and stamp duty reserve tax

The following statements are intended to apply only as a general guide to UK stamp duty and stamp duty reserve tax ("SDRT") based on UK tax law and the current practice of HMRC as at the date of this document, both of which are subject to change at any time, possibly with retrospective effect. They are not advice. The statements do not apply to certain classes of shareholders, such as dealers in securities or distributions, broker-dealers, insurance companies, collective investment schemes, persons who hold their shares by virtue of an interest in any partnership and persons who have acquired (or are deemed for tax purposes to have acquired) their shares by reason of office or employment.

Shareholders who are in any doubt as to their tax position should consult their own professional advisers immediately.

No stamp duty or SDRT will generally be payable on the issue of new shares under the Evergreen Scrip Dividend Scheme to shareholders save as described below.

The issue of new shares to, (a) a person whose business is or includes the provision of clearance services (or their nominee or agent) or (b) a person whose business is or includes issuing depositary receipts (or their nominee or agent), may give rise to UK stamp duty or SDRT at the higher rate of 1.5% of the issue price, the consideration payable or, in certain circumstances, the value of the new shares unless, in the case of an issue to a person falling within paragraph (a) (or their nominee or agent), that person has made an election under section 97A of the Finance Act 1986 which has effect in relation to such securities.

On 1 October 2009, the European Court of Justice ruled that such a charge, when levied in respect of an issue of shares by a limited liability company incorporated under English law into a clearance service, was prohibited by Article 11(a) of Council Directive 69/335/EEC. On the same day, HMRC announced that, with immediate effect, the 1.5% charge to SDRT on the issue of shares into a clearance service within the EU would no longer be applied. On 9 December 2009, HMRC extended this to the issue of shares into a depositary system within the European Union. There may be further implications of this decision, in particular for the issue of shares into systems outside the EU. The law in this area may be particularly susceptible to change. Section 54 of the Finance Act 2010 has removed certain exemptions which applied to transfers from clearance systems or issuers of depositary receipts based in the EU to clearance systems or issuers of depositary receipts based outside the EU.

It is HMRC's view that the issue of new shares under the Evergreen Scrip Dividend Scheme into CDP will give rise to SDRT at the higher rate of 1.5%. CDP takes the view that the charge does not apply and is in discussions with HMRC to resolve the issue.

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Prudential plc

18 August 2010

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For information, visit:

www.prudential.co.uk

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