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**NOTICE OF ANNUAL
GENERAL MEETING 2005
& SUMMARY FINANCIAL
STATEMENT**



FRIENDS PROVIDENT

Dear Shareholder,

I am pleased to send you details of the Annual General Meeting ("AGM") of Friends Provident plc (the "Company") to be held on Thursday 26 May 2005 at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London, SW1. The meeting will start at 11am. The formal Notice of our AGM starts on page 3 of this document.

The business we shall consider at the AGM

The AGM will cover standard matters that are dealt with at every AGM (items 1 to 6, 10 and 11).

Items 12 to 14 contain resolutions that shareholders passed at last year's AGM and, in common with most major listed companies, are likely to be AGM items every year. The directors believe that approval of these items will enable us to take advantage of business opportunities as they arise.

Items 7 to 9 propose changes to our remuneration practice that reflect recent consultations with major shareholders and best practice guidelines and item 15 seeks to amend the Company's Articles of Association by adopting the recent relaxation of the prohibition in the Companies Acts against directors' indemnities.

The directors believe that all the proposals we are to consider at the AGM are in the best interests of the Company and all of its shareholders. They recommend that you vote in favour of the proposed resolutions. The directors will be voting in favour of the proposed resolutions in respect of their own shareholdings in the Company. The Notice contains or refers to an explanation of each item.

What to do next

Whether you have a share certificate for your ordinary shares in the Company or hold your shares through the nominee of the Friends Provident Share Account (which means that you do not have a share certificate), you are entitled to come to the AGM and vote on the resolutions. All our shareholders have the opportunity to vote even if they cannot attend the AGM and whether they hold their shares through the nominee of the Friends Provident Share Account or otherwise.

There is one deadline for voting, irrespective of how you hold your shares and whether you vote by post or online. If you cannot come to the AGM, to exercise your vote by post, your voting instructions must be received at the offices of the scrutineer by 11am on Tuesday 24 May 2005.

Instructions on voting and appointing a proxy to vote on your behalf are set out in section D (Important Information about the AGM) on pages 21 and 22 of the Notice. Please follow them carefully when completing your Personalised Voting Form or voting on-line.

If you appoint a proxy online or complete and return your Personalised Voting Form, you can still come to the AGM and vote yourself. Details of proxy votes received will be given at the AGM after each vote is taken on a show of hands.

How we communicate with you

At the AGM, you will have the opportunity to ask any questions relevant to your shareholding. **While the AGM is not the appropriate forum for questions specific to your own insurance policy with Friends Provident, our senior customer services staff will be in the registration area at the AGM to deal with all such personal queries.** We try to use the AGM and the correspondence generated by this letter to keep our shareholders informed of the progress of the Company. For those who cannot attend the AGM, the voting results will be published on our website - www.friendsprovident.com.

As you will be aware from the Notice of the Annual General Meeting and, for those of you who requested them, from the Annual Report and Accounts, I will retire from the Board at the close of the AGM. I was appointed to the Board of the Life Office in 1993 and became Chairman in 1998, becoming Chairman of the plc on demutualisation and public listing in 2001. This is the last letter I will address to shareholders as Chairman, so I would like to take the opportunity to wish the Company and all its constituents every success for the future.

Yours sincerely
David Newbigging



David Newbigging
Chairman
Friends Provident plc

We are holding our Annual General Meeting on 26 May 2005 at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London, SW1. The meeting will start at 11am.

The following items 1 to 12 (Resolutions 1 to 12) will be proposed as ordinary resolutions. For these resolutions to be passed, more than 50% of votes cast must be in favour.

1. Directors' Report and Accounts (Resolution 1)

To receive the Directors' Report and Accounts for the year ended 31 December 2004 and the auditors' report on those accounts.

The directors usually present their Report and the Accounts for the previous year to shareholders at an AGM. The Summary Financial Statement is included with this Notice. However, if you have chosen to receive the full Directors' Report and Accounts, it is enclosed with this Notice. Any shareholder who has not chosen to receive the full Directors' Report and Accounts may access it on the website of the Company (www.friendsprovident.com) or, alternatively, may obtain a copy of it on application to the Company Secretary at the Company's registered office, Pixham End, Dorking, Surrey, RH4 1QA, during usual business hours on any weekday (public holidays excluded).

2. Dividend (Resolution 2)

To declare a final dividend of 5.00 pence for each ordinary share.

Shareholders must approve the final dividend payable for each ordinary share held. The final dividend, which will be paid on 31 May 2005, cannot be more than the amount the directors recommend. Under our Articles of Association, the directors can pay interim dividends (these are dividend payments made during the year). The final dividend recommended by the directors and proposed in this resolution is 5.00 pence for each ordinary share and is in addition to the interim dividend of 2.55 pence for each ordinary share that was paid on 26 November 2004, making a total of 7.55 pence for the year for each ordinary share held.

3. To elect Adrian Montague, a director appointed by the board since the last AGM, as a director of Friends Provident plc. (Resolution 3)

Our Articles of Association require that any director appointed by the board must stand for election at the next AGM. Adrian Montague was appointed as a director on 27 October 2004 and he now stands for election by shareholders. The Company has announced that Mr Montague is the chairman-elect. There is information about him in the Directors' Report and Accounts and on page 20 of this document that the board believes is sufficient to enable shareholders to make an informed decision on his election. Further, for the purpose of the Combined Code, the board regards Mr Montague as an independent director.

4. Re-electing directors who are retiring under our Articles of Association (Resolutions 4a and 4b)

Our Articles of Association require a third of our directors to retire in turn at each AGM. This does not include directors appointed by the board since the last AGM. Of the four directors who are retiring, two – Messrs Newbigging and Sweetland - will not seek re-election. The other two directors, Alison Carnwath and Howard Carter, have been directors for the longest period of time since they were last elected by shareholders and have confirmed they will stand for re-election. There is information about these directors in the Directors' Report and Accounts and on page 20 of this document, that the board believes is sufficient to enable shareholders to make an informed decision on their re-election.

4a. To re-elect Alison Carnwath as a director of Friends Provident plc. (Resolution 4a)

4b. To re-elect Howard Carter as a director of Friends Provident plc. (Resolution 4b)

The chairman and chairman-elect are satisfied that Alison Carnwath, an independent, non-executive director seeking re-election, continues to perform effectively and demonstrates commitment to her role, including commitment of time for board and committee meetings and her other duties. Mr Carter, being the chief executive of the group's asset management business, is not an independent director.

5. To re-elect Lady Judge as a director of Friends Provident plc. (Resolution 5)

Lady Judge was re-elected as an independent director at last year's AGM and, in accordance with the requirements of the Combined Code for directors who have served more than nine years since first being elected, submits to annual re-election by shareholders. Lady Judge was first elected to the board of Friends' Provident Life Office, a mutual life assurance company, on 25 May 1994 and to the board of Friends Provident plc on 5 June 2001. The board is satisfied that Lady Judge is independent in character and judgement and that there are no relationships or circumstances that are likely to, or could appear to, affect her judgement. Further, she has the experience, credibility and commitment required to be an effective independent director and makes important contributions to governance issues that would be difficult to replace. Her other roles as Deputy Chairman of the Financial Reporting Council and Chairman of the Professional Standards Advisory Board of the Institute of Directors inform her contributions to board debates on governance issues and complement her role as the Senior Independent Director. The chairman and chairman-elect are satisfied that, as a non-executive director seeking re-election,

Lady Judge continues to perform effectively and demonstrates commitment to her role, including commitment of time for board and committee meetings and her other duties.

6. Directors' report on remuneration (Resolution 6)

To approve the directors' report on remuneration for the year ended 31 December 2004.

The directors' report on remuneration includes (a) our policy on directors' remuneration for the following financial year and for years subsequent to that (b) a table containing details of the directors' emoluments and (c) a line graph that shows total shareholder return ("TSR") from 9 July 2001, the date on which we became a listed company. The line graph must by law compare our TSR for the period ended 31 December 2001 and each of the subsequent three calendar years with a hypothetical holding of shares of the same kinds and number as those by reference to which a broad equity market index is calculated. We have used the FTSE100 as that index because the comparative performance criterion for the Company's Executive Share Option Scheme is against the TSR of FTSE100 companies.

The directors' report on remuneration is set out in full in the Directors' Report and Accounts. The Summary Financial Statement contains a summary of those matters referred to at (a) to (c) above. Any shareholder who has not chosen to receive the full Directors' Report and Accounts may access the full directors' report on remuneration on the website of the Company (www.friendsprovident.com) or, alternatively, may obtain a copy of it on application to the Company Secretary at the Company's registered office, Pixham End, Dorking, Surrey, RH4 1QA, during usual business hours on any weekday (public holidays excluded).

The resolution is an advisory vote, as permitted by law, and no entitlement to remuneration is made conditional on the resolution being passed.

As outlined in the directors' report on remuneration, the remuneration committee has undertaken a review of both short and long term incentives put in place at the flotation of the Company in 2001. Details of the proposed new bonus plan and changes to the existing share plans are set out below.

7. The Friends Provident plc Deferred Bonus Plan 2005 (Resolution 7)

To approve the Friends Provident plc Deferred Bonus Plan 2005 (the "Plan"), the main provisions of which are summarised in the attached Appendix and to authorise the directors to do all such things as may be necessary or desirable to carry the Plan into effect.

The directors are seeking shareholders' approval for the introduction of the Plan.

The intention of the board is that the Plan will be a part of the changes to the total remuneration package for staff that is designed to deliver market-competitive rewards. As part of these changes, the board has concluded that there is a role for a simple share-based bonus deferral arrangement within the Company to support the objectives of shareholder alignment and retention. These changes are explained more fully in the directors' report on remuneration.

It is proposed that the Plan would be used in one of two ways. First, if the remuneration committee deemed it appropriate to increase the maximum annual bonus for executive directors above the current level of 80 per cent of salary, then any gross bonus in excess of 60 per cent of salary would be delivered through the Plan as shares deferred for three years, forfeitable on resignation. Secondly, the remuneration committee is proposing that, from 2005, the Long Term Incentive Plan ("LTIP") should form the primary vehicle for long-term incentivisation for senior executives, replacing the Executive Share Option Scheme ("ESOS") in normal circumstances. To ensure the alignment of incentivisation mechanisms within the Company, the remuneration committee is considering the replacement of the ESOS by deferred bonus awards for those current recipients of ESOS grants for whom the LTIP is not currently considered the most appropriate incentivisation tool.

The remuneration committee believes that the use of the Plan has advantages in better aligning employees with shareholders and being less dilutive than the existing ESOS plan. As the Plan may use newly issued and/or treasury shares to satisfy awards the directors are seeking shareholders' approval.

A summary of the principal terms of the Plan is contained in the Appendix to this Notice. The draft rules of the Plan will be available for inspection as described in section G (Important Information about the AGM) on page 22 of this Notice.

8. Amending the Friends Provident plc Executive Long Term Incentive Plan (the "LTIP") (Resolution 8)

To amend the rules of the LTIP in the form produced to the meeting and, for the purpose of identification, initialled by the Chairman.

The directors' report on remuneration sets out the amended performance criteria to be used for future LTIP grants.

The remuneration committee, following consultation with major shareholders, is proposing to adjust the definition of the maximum award level under the LTIP, by expressing the maximum award as a multiple of base salary rather than total remuneration (base salary plus bonus over a twelve month period). The multiple proposed by the amendment is two.

While not requiring a change to the rules or specific shareholder approval, the remuneration committee intends to introduce a policy to pay dividend equivalents on future LTIP awards so as further to support shareholder alignment.

In addition, and for the avoidance of doubt, the remuneration committee confirms that if LTIP awards vest early due to a change of control of the Company the level of vesting will depend upon the extent to which the performance conditions have by then been met, and will be scaled back to reflect the proportion of the performance period that has elapsed at the point of change of control.

A copy of the proposed amended rules of the LTIP that reflect the above change is available for inspection as stated in Section G (Important Information about the AGM) on page 22 of this Notice.

9. Amending the Friends Provident plc Executive Share Option Scheme (the "ESOS") (Resolution 9)

To amend the rules of the ESOS in the form produced to the meeting and, for the purpose of identification, initialled by the Chairman.

The proposal will change the maximum grant under the ESOS just as Resolution 8 above changes the LTIP.

It should be noted that the remuneration committee has determined that the ESOS plan will not be used for executive directors and other senior executives who participate in the LTIP, other than in highly exceptional circumstances, for example to facilitate the recruitment of a senior individual.

A copy of the proposed amended rules of the ESOS that reflect the above change is available for inspection as stated in Section G (Important Information about the AGM) on page 22 of this Notice.

10. The auditors (Resolution 10)

To re-appoint KPMG Audit Plc as our auditor until next year's AGM.

Shareholders have to appoint auditors at every general meeting at which we present accounts to shareholders. On the recommendation of the Audit and Compliance Committee, the board recommends that shareholders re-appoint KPMG Audit Plc as auditor to the Company until the conclusion of the next general meeting at which accounts are laid before shareholders.

11. Paying the auditors (Resolution 11)

To authorise the directors to set the fees we pay to the auditor.

It is normal practice for a company's directors to be authorised to agree the auditor's fees.

12. Authority to allot shares (Resolution 12)

To authorise the directors (including a duly authorised committee of the board) generally and unconditionally, pursuant to Section 80 of the Companies Act 1985 (the "Act"), to exercise all the powers of Friends Provident plc (the "Company") to allot relevant securities (as defined in the said Section 80(2) of the Act) up to an aggregate nominal amount of sixty-eight million five hundred and ninety-nine thousand and ninety-eight pounds and fifty-seven pence (£68,599,098.57) provided that this authority, unless renewed, shall expire on the fifth anniversary of the passing of this resolution, such authority being in substitution for any existing authority to allot relevant securities of the Company, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired; and that this resolution shall cancel and replace all unexercised authorities to allot relevant securities.

It is standard practice for most major public companies to renew the directors' authority to allot shares at each AGM both to re-affirm shareholders' approval and to reflect changes in issued

share capital since the last such resolution which, in our case, was passed at the extraordinary general meeting ("EGM") held on 30 September 2004. The new authority, which includes conversion rights into ordinary shares, is based on the nominal value (at 10p per share) of our issued share capital (excluding treasury shares) as at 17 March 2005 of £205,797,295.70. Last year's equivalent resolutions, first at last year's AGM on 20 May 2004 and then at the above EGM, allowed us to issue shares to fulfil obligations under the All-Employee Inland Revenue Approved ShareSave Scheme, the All-Employee Share Incentive Plan and the Company's Executive Share Option Scheme, in which over 700 staff participate, and to allot shares to fund our asset management subsidiary's merger with F&C Group (Holdings) Limited on 11 October 2004 and our purchase on 11 January 2005 of Lombard International Assurance SA. The maximum amount of relevant securities that the directors will have authority to allot if this resolution is approved at the AGM is £68,599,098.57, which is one third of the nominal value (at 10p per share) of our total issued ordinary share capital as at 17 March 2005 excluding treasury shares. The directors have no present intention of exercising this authority except to satisfy the exercise of options under our two all-employee share schemes, to satisfy any conversion rights exercised by holders of £290 million 5.25% convertible bonds (due 2007) under the issue dated 11 December 2002 and, provided the remuneration committee (which comprises only independent directors) so recommends, to satisfy the exercise of options or awards under our share option scheme and long term incentive plan and formally to satisfy obligations under our agreement to acquire Lombard International Assurance SA. This authority, unless renewed, will lapse on 26 May 2010.

The following items 13 to 15 (Resolutions 13 to 15) will be proposed as special resolutions. To pass these Resolutions, at least 75% of votes cast must be in favour.

13. Authority for Friends Provident plc to disapply pre-emption rights (Resolution 13)

To empower the directors (including a duly authorised committee of the board), pursuant to Section 95 of the Act, to allot equity securities within the meaning of Section 94(2) of the Act for cash pursuant to the authority conferred by Resolution 12 above or by way of a sale of treasury shares as if Section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited to:

- a) **the allotment of equity securities in connection with a rights issue, open offer or other offer of securities in favour of the holders of ordinary shares on the register of members at such record date(s) as the directors may determine and other persons entitled to participate therein where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be) to the respective number of ordinary shares held on any such record date(s), or deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory**

body or stock exchange or by virtue of shares being represented by depository receipts or any matter whatever; and

- b) the allotment (otherwise than pursuant to subparagraph a) above) to any person or persons of equity securities up to an aggregate nominal amount equal to ten million two hundred and eighty-nine thousand eight hundred and sixty-four pounds and seventy-nine pence (£10,289,864.79) and shall expire on the first anniversary of this resolution or the date of the next AGM of the Company, whichever shall be the later, such authority being in substitution for any existing authority to allot relevant securities of the Company as aforesaid, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

If shares are to be allotted for cash, Section 89 of the Act requires that those shares be offered first to existing shareholders in proportion to the number of shares they hold at the time of the offer.

However, it may sometimes be in the interests of the Company for the directors to allot shares other than to shareholders in proportion to their existing holdings. This resolution allows the directors to do that for rights issues, open offers and similar pro rata issues and to the issue of shares on the exercise of share options held by employees. The resolution also allows the directors to allot shares for any purpose (once these shares are allotted for cash only) up to a nominal value of £10,289,864.79, which is 5 per cent. of the issued ordinary share capital as at 17 March 2005 excluding treasury shares.

If a share issue is not a rights issue or similar pro rata issue, the proportionate interest of existing shareholders could not, without their agreement, be reduced by more than 5 per cent. by the issue of new shares for cash to new shareholders by reference to the issued share capital as at 17 March 2005.

The operation of the pre-emption rights set out in the Act, which apply only in relation to issues of shares (or conversion rights into shares) for cash consideration, was, as is customary, disapplied at the last AGM for potential issues up to an amount representing five per cent. of the Company's total issued share capital as at 1 March 2004.

This authority will last until 26 May 2006 or, if later, the next AGM.

14. Authority for Friends Provident plc to buy back its own ordinary shares (Resolution 14)

To authorise the Company generally and unconditionally to make market purchases (within the meaning of Section 163(3) of the Act) of ordinary shares of 10 pence each of the Company provided that:

- a) the maximum number of ordinary shares hereby authorised to be acquired is 205,797,295;

- b) the minimum price which may be paid for any such share is 10 pence;

- c) the maximum price which may be paid for any such share is an amount equal to 105 per cent. of the average of the middle market quotations for an ordinary share in the Company as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased;

- d) the authority hereby conferred shall expire on the first anniversary of the passing of this resolution or the date of the next AGM of the Company, whichever shall be the later; and

- e) the Company may make a contract to purchase its ordinary shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its ordinary shares in pursuance of any such contract.

This resolution authorises us, without conditions, to buy back our own ordinary shares in the market. The following terms would apply:

- The highest number of shares we can buy is 205,797,295 ordinary shares, which is 10 per cent. of our issued share capital as at 17 March 2005, excluding treasury shares.
- The lowest price we can pay for each ordinary share is 10 pence.
- The highest price (not including expenses) we can pay for each ordinary share is 105 per cent. of the average of the middle market price of ordinary shares. This is based on the London Stock Exchange Daily Official List for the five business days immediately before the day on which we contract to buy the shares.
- This authorisation will last until 26 May 2006 or, if later, the next AGM.
- We may agree, before this authorisation ends, to buy back ordinary shares even though the purchase may be completed after this authorisation ends.
- If we buy back any shares, they will be cancelled or, to the extent determined by the directors and permitted by law, be held as treasury shares.

This resolution follows investor protection guidelines that are more restrictive than both the Act and applicable regulation. We are committed to managing our capital effectively. Because of this, we keep under review the possibility of buying back our shares. We will only do this if the directors believe that it would increase earnings per share and would be in the best interests of shareholders generally, or, in the case of the creation of treasury shares, that to do so would be in the best interests of shareholders generally. There is no current intention of exercising this authority.

“Earnings per share” is the amount of profit we make (after allowing for tax attributable to equity shareholders), divided by the weighted average number of ordinary shares outstanding during the year.

15. Replacing Article 140 of the Company's Articles of Association (Resolution 15)

To delete the existing Article 140 of the Company's Articles of Association and replace it with the new Article 140 set out below:

140. Subject to the provisions of the Act, the Company may:

- (a) indemnify any person who is or was a director, directly or indirectly (including by funding any expenditure incurred or to be incurred by him), against any loss or liability whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise in relation to the Company or any associated company; and / or**
- (b) purchase and maintain insurance for any person who is or was a director against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise in relation to the Company or any associated company,**

where for the purposes of this Article 140, the expression "associated company" bears the same meaning as in section 309A of the Act.

This change reflects the relaxation of the prohibition contained in the Companies Act 1985 (the "Act") against directors' indemnities, which is due to come into force from 6 April 2005. At present, provisions in the Articles of Association of a company or in any contract with a company are void if they seek to exempt a director, the company secretary or its auditors from liability, or indemnify such an officer or auditor against any such liability, for negligence, default, breach of duty or breach of trust.

The exceptions to this prohibition are (i) purchasing insurance for an officer or auditor; (ii) indemnifying an officer or auditor against any liability incurred in defending civil or criminal proceedings in which judgement is given in his favour or he is acquitted; and (iii) indemnifying an officer or auditor against the costs of successfully procuring an order from the court excusing a director from liability for negligence, default of breach of duty or trust where he has acted honestly and reasonably, and in all the circumstances ought fairly to be excused.

The changes to the Act mean that (i) companies will not be permitted to indemnify a director of another company in its group if the indemnity would be unlawful if it was given by the company of which the individual is a director; (ii) the restrictions only apply to directors and not to "officers"; (iii) in the case of liabilities arising from actions brought by third parties, both the costs (of the director and of the third party) and any damages may, subject to certain exclusions, be paid by the company even if the judgement goes against the director; (iv) in the case of liabilities owing to the Company, the Company will not be able to indemnify a director against damages awarded to the Company itself but may pay directors' defence costs as they are incurred (although a director would be liable to repay his defence costs if his defence was to be unsuccessful); (v) companies will not be permitted to indemnify directors against criminal fines, fines by regulators or the legal costs of successful criminal proceedings against directors; and (vi) indemnities permitted by the new provisions must be disclosed in the directors' report on the annual accounts and made available for inspection at the Company's registered office.

The Company's current Memorandum of Association gives it the power to grant indemnities and does not need to be amended to reflect the changes. The Company, having reviewed Article 140 for consistency with the new provisions, proposes that a new Article 140 replaces the existing Article 140 expressly reflecting the amendments to the Act. The proposed new Article 140 is a permissive power that tracks the wording of new provisions of the Act and allows the Company to indemnify its directors subject to those provisions.

A copy of the proposed amended Articles of Association that reflect the above change is available for inspection as stated in Section G (Important Information about the AGM) on page 22 of this Notice.

On behalf of the board:



R.G. Ellis
Company Secretary

Friends Provident plc
17 March 2005

Registered Office: Pixham End, Dorking, Surrey, RH4 1QA

APPENDIX

SUMMARY OF THE FRIENDS PROVIDENT PLC DEFERRED BONUS PLAN 2005

Introduction: Friends Provident plc (the “Company”) is proposing to adopt a new deferred bonus plan, namely the Friends Provident plc Deferred Bonus Plan 2005 (the “Plan”), under which employees will be granted rights to acquire Ordinary Shares or awarded Ordinary Shares subject to forfeiture provisions.

The description that follows is a summary of the main features of the Plan. The defined terms used in the summary have the same meaning as under the rules of the Plan, unless stated otherwise. The Plan is being proposed to shareholders as a necessary tool for meeting the remuneration committee’s remuneration policy objectives as set out elsewhere in this Notice to shareholders and in the directors’ report on remuneration.

Key features of the Plan

Awards available under the Plan (“Awards”): The Board or the remuneration committee (hereafter “the Committee”) may at their discretion make awards under the Plan. In general, the awards will be made as the result of mandatory deferral of a part of the discretionary bonus. The part subject to deferral will be at the discretion of the Committee or any body appointed by them for the purpose of the Plan. An Award constitutes a right to receive a number of Ordinary Shares at the end of the relevant deferral period when the Award vests. The Committee will retain the discretion to pay the value of the Award to the participant in the form of cash or other assets with a value equivalent to the Ordinary Shares underlying the Award, although it is anticipated that employees will receive Ordinary Shares in most cases. The number of Ordinary Shares that may be acquired pursuant to the Award will be calculated at the date of award.

Awards under the Plan may not exceed one times base salary (defined as the annual rate of basic salary at date of award) where value is determined by the face value of shares placed under award at the date of grant. It should be emphasized that, as it is envisaged that the Plan will in general be used as a bonus deferral arrangement, and given that, for 2005, the maximum bonus even for executive directors is 80 per cent of base salary, it is to be expected that in almost all circumstances awards will be very significantly less than this maximum limit.

The legal form of the Award will be determined by the Committee prior to the date of grant, but it may take the form of a contingent award of Ordinary Shares, a share option with a nominal or nil exercise price, or Ordinary Shares subject to forfeiture (referred to as forfeitable shares). References below to the transfer of Ordinary Shares after vesting refers to the issue of new or treasury shares or transfer of existing shares and, shall, in the case of forfeitable shares, be taken to refer to the lifting of restrictions attaching to the Ordinary Shares after which the individual is free to transfer or dispose of his Ordinary Shares if he chooses. In each case, the economic effect of the Award is intended to be materially the same (save for any differences generated by the personal tax treatment of an individual’s Award).

Eligibility: Any employee (including a director) of the company or any member of the group who is invited to participate by the Committee is eligible to participate in the Plan.

Deferral Period: The deferral period will be three years from the date of grant of the Award for Executive Directors and will in

general be three years for other employees. However for employees who are not Executive Directors, the deferral period may be such other period as the Committee shall decide. At the end of the deferral period the Awards shall vest and Ordinary Shares underlying an Award will be transferred to employees as soon as practicable (or, in the case of a nil or nominal priced option, following the exercise of that option). Where an employee ceases employment with the Company before the expiry of the deferral period, the provisions referred to below will apply.

Overall limits on Ordinary Shares over which Awards may be made under the Plan: No Award may be granted pursuant to the Plan if, as a result, the aggregate number of Ordinary Shares issued or issuable pursuant to Awards granted under the Plan and any other employees’ share scheme of the Company (whether or not discretionary) in the preceding 10-year period would exceed 10 per cent. of the issued ordinary share capital of the Company on that day.

In addition, no Award may be granted pursuant to the Plan if, as a result, the aggregate number of Ordinary Shares issued or issuable pursuant to Awards granted under the Plan and any other discretionary employees’ share scheme of the Company in the preceding 10-year period would exceed 5 per cent. of the issued ordinary share capital of the Company on that day.

These limits are in accordance with the guidelines issued by The Association of British Insurers.

Awards may be satisfied by newly issued Ordinary Shares, treasury Ordinary Shares, or Ordinary Shares acquired in the market. The above limits will only apply to newly issued and treasury Ordinary Shares. To the extent that any Award is surrendered or lapses unvested, it shall not be included against these limits.

Grant of Awards: Awards may be made in the period of six weeks commencing on the day immediately following the day on which the Company announces its results for any period, provided the granting of such Awards is not prohibited by the Model Code, or (where the Board, following a recommendation from the Committee, considers it appropriate) at any other time at which the Company is not prohibited from making such Awards by the provisions of the Model Code. No Award may be granted later than ten years after the approval of the Plan by the Company in general meeting.

Vesting of Awards: The Award will normally vest on the first day following the end of the deferral period. On vesting:

- in the case of a contingent award of Ordinary Shares, the Ordinary Shares underlying the Award will be transferred to the participant as soon as practicable; or
- in the case of an option, Ordinary Shares will be transferred as soon as practicable after that option has been exercised; or
- in the case of forfeitable shares, the risk of forfeiture and any other restrictions will expire

following which no further amounts will be due under the Award.

If an equivalent sum is paid in the form of cash or other assets, this sum shall be determined by the Committee based on the number of Ordinary Shares comprising the Award and the market value of those Ordinary Shares on the day of vesting or, in the case of an option, on the date of exercise.

Lapse provisions and cessation of employment: Any unvested Awards will lapse immediately if the participant ceases to be an employee of the Company or a member of the group in circumstances where he would not be considered to be a "good leaver" under the rules of the Plan.

If the participant is considered to be a "good leaver", the participant's Award vests. For any Awards that are not options, all Ordinary Shares underlying a vested Award shall be transferred to him without restrictions as soon as practicable. In the case of a vested Award that is a nil or nominal priced option, Ordinary Shares will be transferred only after that option has been exercised, which must be in the period of six months following the date of cessation or such longer period as determined by the Committee at its absolute discretion. "Good leaver" circumstances would include, but not be limited to, cessation as a result of redundancy, retirement, ill health, injury, or disability. In the event of a participant's death the Award shall vest provided he ceases to be a participant by reason of his death.

In the event that an Award has not previously lapsed and no payment has been made pursuant to the Award, the Award shall lapse on the tenth anniversary of the date of grant.

Takeovers and liquidations: If a takeover or scheme of arrangement occurs, terms of accelerating the vesting of Awards will be at the discretion of the Committee having regard to the transaction and the interests of shareholders. Where the Committee decides that certain Awards should continue to subsist following a change of control, this will be in a form appropriate to the terms of the takeover, for example cash value where ordinary shares cease to be traded. Where any accelerated vesting occurs, any Awards that are not options, Ordinary Shares or cash equivalents underlying the Award shall be transferred to the participant without restrictions no later than one day prior to the change of control. For any Awards that are options, the Ordinary Shares or cash equivalents shall be transferred only after that option has been exercised, which must be in the period of six months following the date of the change of control. Alternatively a participant may, by agreement with the acquiring company, release his Award in whole or in part in consideration of the grant to him of a new award which is equivalent in value to the Award but which relates to shares in the acquiring company.

In the event of winding-up of the Company, the Awards may vest at the discretion of the Committee

Voting, dividends and other rights: In relation to Awards granted pursuant to the Plan, participants will have no voting or other rights in respect of the Ordinary Shares underlying their Awards until such Awards vest or, in the case of options, until such options are exercised. Shares transferred pursuant to an Award under the Plan, or forfeitable shares which have vested, shall rank *pari passu* in all respects with the Ordinary Shares already in issue, except that they will not rank for any dividend or other distribution paid or made by reference to a record date falling prior to the date of vesting of the Awards (or the date of exercise in the case of Awards that are options). The Committee retains the right to pay "dividend equivalent" amounts to a participant in respect of the Ordinary Shares underlying his Award. Such amounts will normally be payable only when the

corresponding Award has vested (or been exercised in the case of an Award that is an option).

No Award is assignable or transferable except in the event of the death of a participant. Once Ordinary Shares have been transferred to participants pursuant to an Award, they will not be subject to any restrictions.

Alterations of Share Capital: In the event of any capitalisation issue, rights issue, rights offer or bonus issue and a sub-division or consolidation of shares or reduction of capital or any other variation in the share capital of the Company, adjustments to the number of Ordinary Shares subject to Awards may be made by the Board in such a manner and with effect from such date as the Board may determine to be appropriate. In the case of Awards that comprise forfeitable shares, the participant shall be entitled to the same treatment in respect of his Ordinary Shares as any other shareholder.

Administration and Amendment: The Company, shall generally be responsible for, and shall have the conduct of, the administration of the Plan. The Committee may amend the Plan by resolution provided that:

- prior approval of the Company in general meeting will be required for any amendment to the advantage of participants except for minor amendments to benefit the administration of the Plan and amendments to take account of changes in legislation or to obtain and maintain favourable tax, exchange control or regulatory treatment for participants or for the Company or members of the group;
- no amendment may be made which would alter to the disadvantage of the participant any rights already acquired by him under the Plan without the prior approval of the affected participant.

Sub-plans: The Company may at any time without further formality establish sub-plans in overseas territories or in respect of overseas employees, any such sub-plan to be similar to the Plan but modified to take account of local tax, exchange control or securities laws, regulation or practice.

Ordinary Shares made available under any sub-plan will count against any limits on overall or individual participation in the Plan.

Termination: The Plan may be terminated at any time by resolution of the Board or of the Company in general meeting and shall, in any event, terminate on the tenth anniversary of the date on which the Plan is adopted. Termination of the Plan will not affect the outstanding rights of participants.

Tax Withholding: Where a participant becomes liable to income tax, national insurance contributions (or any foreign equivalents) or any other taxes or duties that is required by law, or the general understanding of current practice, to be withheld by the employer or his agent in relation to an Award, the Company (or the participant's employing company if different) may recover any amounts due from the participant by way of withholding or remittance. If Awards are made by the trustees, the trustees shall make such arrangements with the employing companies in the group as are necessary to enable those companies to fulfil their tax withholding obligations.

Relationship with contract of employment etc: The rules of the Plan will provide that the Plan does not form part of the contract of employment of any participant and that any claim for loss of employment does not include the loss of any benefit or advantage under the Plan. Benefits under the Plan shall not be pensionable.

SUMMARY REPORT OF THE DIRECTORS

This is a summary of the report presented by directors to shareholders for the financial year ended 31 December 2004. The full Directors' Report & Accounts, which includes the entirety of the Report of the Directors, the reports by the Nomination, Audit and Compliance and remuneration committees and the Report on Corporate Governance and the Financial Statements will be laid before the Annual General Meeting.

The Summary Financial Statement has been prepared on the basis of accounting policies set out in the Group's Annual Report and Accounts for the year ended 31 December 2004. The financial information for the periods shown has been abridged from those accounts.

Accounts: The summary consolidated profit and loss account and balance sheet is presented on both the achieved profit basis and the modified statutory solvency ("MSS") basis. The focus is on the achieved profit basis as the Board considers that the achieved operating profit from our core life and pensions insurance business is a more realistic measure of the performance of that business. The achieved profit basis has been developed by the Association of British Insurers and is accepted by the life assurance industry generally. Such basis fully recognises the shareholders' interest in the in-force life and pensions business. The results of the life and pensions business can be affected, in any particular year, by significant movements in investment values. Operating profit before tax (based on longer-term rates of investment return, which eliminate the volatility caused by short term movements in investment values) is used to measure the underlying business performance of the group.

Important Notice: The Summary Financial Statement does not contain sufficient information to give a full understanding of the results and state of affairs of Friends Provident plc. You will find more details in the full Directors' Report and Accounts, which contains an unqualified auditors' opinion. You can obtain a copy by calling the Friends Provident Shareholder Helpline on 0870 609 4534. The full Report and Accounts can also be viewed or downloaded from our website: www.friendsprovident.com/reports.

If you prefer to receive the full Report and Accounts in future years, please write to the Company Secretary at Pixham End, Dorking, Surrey, RH4 1QA.

Principal activities: Friends Provident plc is the holding company of the Friends Provident Group of companies and is a constituent of the FTSE100 Index. The group has two core businesses, life and pensions and asset management, whose principal activities are the provision of retail financial services, chiefly long-term insurance business and asset management. The life and pensions business operates primarily in the UK and in selected international markets, the latter serviced through a subsidiary life assurance company, Friends Provident International Limited in the Isle of Man and a branch operation in Guernsey. The asset management business is undertaken through F&C Asset Management plc ("F&C"), a 51% owned, publicly listed group subsidiary company. Lombard (see below) became part of the international life and pensions operations in January 2005.

Statement of going concern: After making enquiries, the directors are satisfied that the Company and the group have adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Results and business review: During 2004 the Group continued to focus on its two core businesses. A summary of the results for the financial year and the financial position at 31 December 2004 are included within this document on pages 16 to 19.

Dividend: The directors are recommending a final dividend for 2004 of 5.0 pence per share, payable on 31 May 2005 to all holders of ordinary shares on the register of shareholders at the close of business on 8 April 2005. The dividend for the year, including the interim dividend of 2.55 pence per share paid on 26 November 2004, amounts to 7.55 pence per share (2003: 7.4 pence per share). The total cost of dividends for 2004 will amount to £152 million. The intention is for interim dividends to be paid in November and final dividends to be paid in May each year. The interim dividend will represent approximately one third of the anticipated total dividend.

Institutional Placing: In July the Company effected an institutional placing of new ordinary shares to raise approximately £229 million net of expenses to fund part of the cash consideration paid in October for the merger of the asset management business (below).

Merger of Asset Management Business: At an EGM in September, shareholders approved the proposal to acquire from Eureka B.V. its asset management business, which led to the Company's asset management business, in which it held 67.3%, merging with the acquired business and being renamed as F&C in October, with the Company owning 51.2%. The price paid, in cash and shares, was £383 million.

Debt Capital: In December, the life and pensions business raised £380 million, at approximately 5.5% p.a., of additional high quality core regulatory capital by securitising the cash flows expected from a book of its life assurance business.

Post Balance Sheet Event - Acquisition of Lombard International Assurance S.A. ("Lombard"): In January 2005 the Company acquired Lombard, originally announced on 26 October 2004. The Company paid Lombard's shareholders an initial consideration of €265 million (£187 million), satisfied in new ordinary shares of ten pence each in the capital of the Company. Further consideration may be payable, depending on Lombard's performance up to end-2006.

Treasury Shares: As at 17 March 2005, the Company held 44,400,474 shares in treasury (9 July 2004: 46,537,610 shares). During the year, 919,638 treasury shares (2003: Nil) were used to satisfy awards under three of the Company's employee share schemes.

Friends Provident Charitable Foundation: The Foundation is a registered charity created to be the vehicle through which the Company would contribute to charitable purposes after the demutualisation of Friends' Provident Life Office ("FPLO") in 2001. Accordingly, the Company donated to the Foundation £250,000 annually for three years and in July 2004 endowed the Foundation with £20 million worth of shares from shares unclaimed by former members of FPLO. In this way, a significant future income stream has been generated for use by the Trustees of the Foundation and the Company has facilitated the Foundation's grant-making intentions for the foreseeable future. Further, the Group provides a range of services to the Trustees free of charge.

Charitable and political donations: Donations to charitable organisations (including Friends Provident Charitable Foundation) paid by the Group amounted to £20,164,948 (2003: £324,337), of which F&C donated £85,000 (2003: £58,000). No political donations were made (2003: Nil).

Auditors: The Company's auditor, KPMG Audit Plc, has indicated its willingness to continue in office and, on the recommendation of the Audit and Compliance Committee, a resolution to reappoint KPMG Audit Plc as auditor to the Company will be proposed at the AGM.

For the Board



R.G. Ellis,
Company Secretary
17 March 2005

SUMMARY CORPORATE GOVERNANCE REPORT

The names and brief details of the twelve current members of the Board and their significant commitments are given on page 20.

Role of the Board: The Board provides leadership of the Group and, either directly or through the operation of committees of directors constituted with appropriate written terms of reference and delegated authority, brings an independent judgement on all issues of strategy, performance, resources (including key appointments) and standards of conduct. During 2004 the Board, which comprises the chairman, five executive and six independent directors with significant insurance and financial services experience, met on 12 occasions. The Board sets the Group's strategic aims, which it then implements through its approval and regular monitoring of a business plan and budget prepared by the executive directors. This plan relates to the Group's two core businesses: life and pensions and asset management. Each core business is organised through a group of subsidiary companies, each group having a principal operating company: Friends Provident Life and Pensions Limited ("FPLP") for the life and pensions business and F&C Asset Management plc ("F&C") for the asset management business. F&C is 51% owned by the Company and is itself listed on the London Stock Exchange. The business plan specifies key developments towards the strategic objectives that are to be achieved by management within an agreed budget. At its monthly meetings, supplied with information that is both timely and appropriate, the Board deals with those matters specifically reserved for its decision, and takes all material decisions affecting the Group. These include acquisitions, sales, capital expenditure and financing, and the oversight and review of the operation and achievement of the Group's activities. The Boards of F&C and FPLP (and other FSA-regulated subsidiaries) also meet separately and regularly to monitor and direct the operations of those businesses.

Reporting to shareholders: The Company places considerable importance on communications with shareholders and responds to them on a wide range of issues. It has an ongoing programme of dialogue and meetings with major institutional shareholders, where a wide range of relevant issues are discussed. Further, the Chairman writes annually to the twenty largest shareholders, emphasising his availability to meet with them. At its Annual General Meeting, the Company complies with the provisions of the Combined Code relating to the disclosure of proxy votes, the separation of resolutions and the attendance of directors, particularly committee chairmen. The timing of the despatch of the formal notice of the Annual General Meeting complies with the Combined Code. The outcome of every general meeting of shareholders, including detailed voting results and votes withheld, is published on the Company's website following the close of the meeting.

Statement of compliance with provisions of the Combined Code: The directors consider that, save as next mentioned, the Company has throughout 2004 and up to the date hereof applied the principles and met the requirements of the Combined Code. While it remains the intention of the directors fully to comply with the requirements of the Combined Code wherever such compliance is within their control, between 20 May 2004 and 27 October 2004, the number of independent, non-executive directors on the board did not represent at least half the board membership, excluding the chairman.

Internal controls - compliance position: The Board of the Company is ultimately responsible for the Group's systems of internal control and for reviewing their effectiveness. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives as no business can be successful without taking some risk. They can thus provide reasonable but not absolute assurance against material misstatement or loss.

In accordance with guidance published in September 1999 by the Institute of Chartered Accountants in England and Wales – 'Internal Control: Guidance for Directors on the Combined Code' (the "Turnbull Guidance") – the Board confirms that there has been in place for the year under review, and up to the date of approval of the annual report and accounts, an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. This process is regularly reviewed by the Board to ensure it complies with the Turnbull Guidance and the ABI Disclosure Guidelines on Socially Responsible Investment, which focus on Social, Ethical and Environmental ("SEE") risks.

Last year's report mentioned that formal committees had been established from 1 October 2003 to oversee risk management and that the framework for the management of risk would continue to develop during 2004. That framework has operated satisfactorily throughout 2004 and the several formal committees, chaired by the Group Risk Officer, have met regularly in fulfilment of their roles. As expected, the benefit of the Group's experience of working within that framework during 2004 has resulted in the further development of the structure of the Group's risk management framework. Accordingly, in November 2004, the Board approved that a revised structure should have effect from 1 January 2005.

The Board retains its responsibility for the system of internal control. The Group Risk Committee, which comprises the executive directors of the Company and is chaired by the Group Chief Executive, recommends to the Board the Group's overall risk management framework and its high level policy for managing risk. The Group Risk Committee approves the risk management frameworks within the Group's two core businesses and determines policy for the management of group risk. The board of FPLP reviews risk management information within its core business and is responsible for the identification and assessment of risks to the achievement of group strategy within the life and pensions business. Within the asset management core business, the F&C Risk Committee sets and implements risk management policies.

The Executive Committee of the Company comprises executive directors of the Company and the CEO of F&C and the Management Committee of F&C comprises the executive directors and senior management of F&C. The appropriate risk committee will bring to the attention of the Executive Committee of the Company, the Management Committee of F&C, the Audit and Compliance Committees of both the Company and F&C (and through them to the boards of F&C and the Company), and to other parties, as necessary or appropriate, details of known, material control weaknesses or significant risks and agreed actions to eliminate those weaknesses or mitigate the risks.

The Board has reviewed the effectiveness of the Group's systems of internal controls during the year. This review covered all controls, including financial, operational, compliance and risk management. This is primarily achieved by the Company's Audit and Compliance Committee periodically receiving and reviewing reports from the compliance and internal audit functions within both core businesses. On an annual basis, the Company's Audit and Compliance Committee meets specifically to review annual assessments from the compliance, internal audit and risk management functions before recommending to the Board the adoption of the Internal Controls statement.

Auditors' Report: The Auditors' Report on the modified statutory solvency results in the financial statements and the part of the directors' remuneration report to be audited for the year ended 31 December 2004 was unqualified and did not contain a statement under section 237(2) or 237(3) of the Companies Act 1985.

SUMMARY REMUNERATION REPORT

Company's policy on directors' remuneration

Executive directors: Our policy is that individual rewards and incentives are aligned with the performance of the Company and the interests of the shareholders and are set at an appropriate level in order to attract, retain and motivate executives who are expected to meet challenging performance criteria. The remuneration committee sets the level for each of the executive directors, with the exception of Howard Carter, taking account of their individual contribution to overall performance and independent research. Howard Carter, the Chief Executive of F&C Asset Management plc, is remunerated entirely by that company.

The executive directors' remuneration packages include the following elements:

- (a) **Salary** - determined by reference to external market research data
- (b) **Performance-related annual bonus** - based on a combination of achievement of personal performance indicators and company performance
- (c) **Savings-related share schemes** - two Inland Revenue approved schemes with eligibility on the same basis as other eligible UK employees
- (d) **Share incentive schemes** - two schemes, one designed to assist with the recruitment of senior individuals and one to ensure that a significant element of executives' remuneration is related to increases in shareholder value.
- (e) **Benefits** - in common with many financial services organisations, whereby benefits are provided to all staff, some being dependent upon seniority.

Total remuneration review: During last year, the remuneration committee reviewed market remuneration data and took independent advice on the level and structure of the remuneration packages for senior executives. The Committee concluded that the base salaries and total remuneration of continuing executive directors had fallen significantly below competitive market practice. At the same time, the Committee decided that it would be appropriate to make certain alterations to the structure of long-term incentives to align them more closely with the current priorities of the group, and in order to conform with current best practice. To facilitate this, the Board is seeking approval at the AGM for changes to the share incentive schemes' rules (Resolutions 8 and 9).

Remuneration and performance: The elements of directors' contracts that are directly performance-related are cash bonuses and share options. Basic salary is determined by reference to market conditions and individual performance and other major benefits are directly related to base salary. Making some reasonable assumptions about the results of the share option schemes, the directly performance related elements of the remuneration packages of the executive directors for 2004 would, for on-target performance, represent around 75% of base salary.

Service Contracts: The executive directors have rolling contracts of employment with notice requirements of twelve months from the employer and six months from the employee and are subject to the same redundancy provisions as other staff.

Pensions: The executive directors are members of a defined benefit pension plan. Howard Carter and Ben Gunn have a funded unapproved pension arrangement and an unfunded unapproved pension arrangement respectively.

Share Options: There was one net gain (gross proceeds: £212,957.10; deductions of £99,277.81) of £113,679.29 under shares granted to G.K.Aslet in respect of the unapproved part of the Executive Share Option Scheme after deduction of PAYE income tax, Employee's and Employer's National Insurance Contributions, the purchase price and all transaction costs.

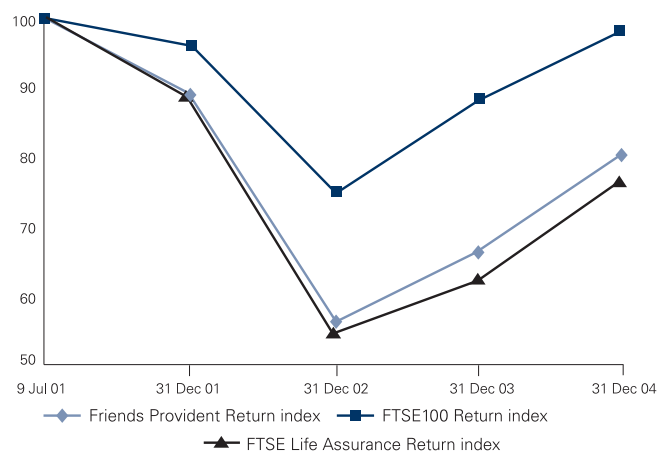
Non-executive directors: The non-executive directors are not part of any pension, bonus or other incentive schemes of the Company or the Group. None of the non-executive directors has a service contract and none is entitled to compensation on leaving the Board save that, if requested to resign, a non-executive director is entitled to three months' prior notice or fees in lieu except R. King and A.A. Montague, who are entitled to one month's prior notice or fees in lieu. The Chairman is entitled, in such circumstances, to six months' prior notice or fees in lieu.

Apart from the Chairman and Deputy Chairman, non-executive directors are paid a basic fee, currently £40,000 per annum, for their role on the Board and are separately remunerated for services as chairmen or members on the Board Committees. Fees for non-executives are determined by the full Board with reference to market data gathered from a number of independent sources and are reviewed annually, normally from 1 July. The Chairman (whose fees are determined by the remuneration committee) and Deputy Chairman of the Board each receive an annual inclusive fee only, currently £220,000 and £80,000 respectively.

Performance Graph:

The graph below demonstrates the performance of the Company since flotation in 2001 based on total shareholder return ("TSR") compared with the FTSE100 TSR index and the FTSE100 UK Life Assurance Sector TSR for the same period.

Total shareholder return indices - Friends Provident, FTSE100 and Life Assurance



During the period from 9 July 2001 to 31 December 2004, Friends Provident's TSR has always been close to that of the FTSE UK Life Assurance sector and has outperformed it by 4.8% over the whole period. For the calendar year 2004, Friends Provident's TSR movement was ranked 38th (45th in 2003) when compared with the constituents of the FTSE100 at the beginning of the year.

Directors' emoluments

The remuneration of the directors in and for 2004 (figures in £000s, with 2003 comparison) comprised:

	Salary and fees £000	Benefits £000	Annual Bonus £000	Directors' Loss of Office £000s	Total Reported 2004 £000	Total Reported 2003 £000
Executive						
G.K. Aslet (retired from the Board 31.12.2004)	173	19	144	235	571	304
H. Carter	282	83	950	-	1,315	797
A.R.G. Gunn	264	21	158	-	443	466
P.W. Moore	283	15	166	-	464	259
K. Satchell	444	25	297	-	766	777
B.W. Sweetland	237	21	146	-	404	423
Non-Executive						
A. Carnwath	104	-	-	-	104	85
C.M. Jemmett	92	-	-	-	92	87
Lady Judge	74	-	-	-	74	67
R. King (appointed 06.01.2004)	44	-	-	-	44	-
Lord MacGregor	51	-	-	-	51	47
A.A. Montague (appointed 27.10.2004)	10	-	-	-	10	-
R.F.H. Morton (retired 20.05.2004)	24	-	-	-	24	58
D.K. Newbigging	226	-	-	26	252	215

Notes:

1. Benefits include the provision of a company car and private medical insurance
2. Pensions: All executive directors are members of a defined benefit scheme
3. In addition to the salary, bonuses and benefits mentioned, the executive directors are members of two share incentive schemes. Executive directors also have the opportunity to participate in all-employee share savings schemes.
4. No long-term bonus was payable in 2004, the scheme having terminated the previous year.

STATEMENT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FRIENDS PROVIDENT PLC

pursuant to section 251 of the Companies Act 1985

We have examined the summary financial statement set out on pages 16 to 19.

This statement is made solely to the company's members, as a body, in accordance with section 251 of the Companies Act 1985. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the summarised annual report in accordance with applicable United Kingdom law. Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the summarised annual report with the full annual financial statements and directors' report and the directors' remuneration report, and its compliance with the relevant requirements of section 251 of the Companies Act 1985 and the regulations made thereunder.

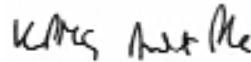
We also read the other information contained in the summarised annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditor's statement on the summary financial statement' issued by the Auditing Practices Board for use in the United Kingdom. Our report on the group's full annual financial statements describes the basis of our audit opinion on those financial statements.

Opinion

In our opinion the summary financial statement is consistent with the full annual financial statements, the directors' report and the directors' remuneration report of Friends Provident plc for the year ended 31 December 2004 and complies with the applicable requirements of section 251 of the Companies Act 1985 and the regulations made thereunder.



KPMG Audit Plc
Chartered Accountants
Registered Auditor
London
17 March 2005

SUMMARY FINANCIAL STATEMENT

Summary consolidated profit and loss account on an achieved profit basis

For the year ended 31 December 2004

	2004 £m	2003 £m
Operating profit		
Life & Pensions achieved operating profit	320	248
Asset Management	40	26
Expected return on net pension liability	8	5
Expected return on corporate net assets	(14)	(3)
Corporate costs	(10)	(10)
Operating profit before amortisation of goodwill, operating exceptional items and tax	344	266
Operating exceptional items	(52)	(22)
Amortisation of Asset Management goodwill	(25)	(17)
Operating profit on ordinary activities before tax	267	227
Investment return variances	191	137
Effect of economic assumption changes	(94)	(82)
Profit on ordinary activities before tax	364	282
Tax on operating profit before amortisation of goodwill and operating exceptional items	(99)	(82)
Tax charge on items excluded from operating profit before amortisation of goodwill and operating exceptional items	(13)	(10)
Profit on ordinary activities after tax	252	190
Equity minority interests	2	4
Profit after tax attributable to equity shareholders	254	194
Dividend	(152)	(127)
Retained profit for the financial year	102	67
Earnings per share on an achieved profit basis		
Based on profit attributable to equity shareholders – basic	14.0p	11.3p
– diluted	14.0p	11.2p
Based on operating profit on an achieved profit basis before amortisation of goodwill and operating exceptional items, after tax, attributable to equity shareholders	12.9p	10.4p
Dividend per share		
– interim	2.55p	2.50p
– final	5.00p	4.90p
– total	7.55p	7.40p

Consolidated statement of total recognised gains and losses on an achieved profit basis

For the year ended 31 December 2004

	2004 £m	2003 £m
Profit after tax attributable to equity shareholders	254	194
Pension scheme (losses)/gains	(7)	27
Deferred taxation on pension scheme (losses)/gains	2	(8)
Profit on deemed disposal of share in Asset Management business	47	-
Foreign exchange gains and other movements	4	-
Total recognised gains arising in the year	300	213

Summary balance sheet on an achieved profit basis

At 31 December 2004

	2004	2003
	As restated (i)	
	£m	£m
Life & Pensions - long-term funds	629	773
Life & Pensions - shareholder funds	654	662
Life & Pensions net assets	1,283	1,435
Corporate net liabilities	(275)	(275)
Shareholders' invested net assets	1,008	1,160
Attributable net asset value of Asset Management business (including goodwill)	462	16
Net pension liability of FPPS	(4)	(3)
Shareholders' net worth	1,466	1,173
Value of in-force Life & Pensions business	1,613	1,352
Shareholders' net assets on an achieved profit basis	3,079	2,525
Called up share capital	199	172
Share premium account	1,799	1,446
Achieved profit reserves	1,081	907
Shareholders' funds on an achieved profit basis	3,079	2,525

(i) The attributable net asset value of Asset Management business as at 31 December 2003 has been restated in respect of the carrying value of goodwill.

Reconciliation of movement in shareholders' funds on an achieved profit basis

For the year ended 31 December 2004

	2004	2003
	Restated (i)	
	£m	£m
Consolidated recognised gains arising in the period including Life & Pensions business on an achieved profit basis	300	213
Fair value adjustment to Asset Management goodwill, net of minority interests	-	(6)
Adjustment in respect of intra-group goodwill	26	-
Dividend	(152)	(127)
Increase in achieved profit reserves in the period	174	80
Issue of shares	365	-
Movements in respect of unclaimed shares issued on demutualisation	15	-
Net additions to shareholders' funds	554	80
Shareholders' funds at beginning of period	2,525	2,445
Shareholders' funds at end of period	3,079	2,525

(i) Opening shareholders' funds have been restated in respect of the carrying value of goodwill

Pro forma embedded value

As at 31 December 2004

Assets held outside the Life & Pensions business are reported using the MSS basis of accounting. A proforma adjustment to include the listed Asset Management business at market value is shown in the table below:

	2004	2003
	Restated (i)	
	£m	£m
Pro forma adjustment to bring listed subsidiary to market value:		
Shareholders' funds on an achieved profit basis	3,079	2,525
Adjustment of the value of the listed Asset Management business to market value	147	237
Pro forma embedded value	3,226	2,762

(i) Opening shareholders' funds have been restated in respect of the carrying value of goodwill

Summary consolidated profit and loss account on a modified statutory solvency basis

For the year ended 31 December 2004

	2004 £m	2003 £m
Gross premiums written	3,132	3,217
Balance on the long-term business technical account	168	129
Tax credit attributable to balance on long-term business technical account	72	55
Profit before tax from long-term business	240	184
Return on other shareholders' funds	16	76
Profit on ordinary activities before tax	256	260
Tax on profit on ordinary activities	(79)	(72)
Profit on ordinary activities after tax	177	188
Equity minority interests	2	4
Profit after tax attributable to equity shareholders	179	192
Dividend	(152)	(127)
Retained profit for the financial year transferred to reserves	27	65
Earnings per share		
Based on profit attributable to equity shareholders – basic	9.9p	11.2p
– diluted	9.8p	11.1p
Based on operating profit (based on longer-term investment return) before amortisation of goodwill and operating exceptional items, after tax, attributable to equity shareholders	12.4p	10.4p
Dividend per share		
– interim	2.55p	2.50p
– final	5.00p	4.90p
– total	7.55p	7.40p

Operating profit (based on longer-term investment return) before amortisation of goodwill, operating exceptional items and tax; and reconciliation to profit after tax on a modified statutory solvency basis

For the year ended 31 December 2004

	2004 £m	2003 £m
Life & Pensions	277	234
Asset Management	40	26
Operating profit before amortisation of goodwill, operating exceptional items and tax	317	260
Operating exceptional items	(52)	(21)
Amortisation of goodwill	(37)	(30)
Operating profit on ordinary activities before tax	228	209
Short term fluctuations in investment return	28	51
Profit on ordinary activities before tax	256	260
Tax on operating profit before amortisation of goodwill and operating exceptional items	(81)	(76)
Tax credit on items excluded from operating profit before amortisation of goodwill and operating exceptional items	2	4
Equity minority interests	2	4
Profit after tax attributable to equity shareholders	179	192

Consolidated statement of total recognised gains and losses on a modified statutory solvency basis

For the year ended 31 December 2004

	2004 £m	2003 £m
Profit after tax attributable to equity shareholders	179	192
Pension scheme (losses)/gains	(7)	27
Deferred taxation on pension scheme (losses)/gains	2	(8)
Profit on deemed disposal of share in Asset Management business	47	–
Foreign exchange gains and other movements	4	–
Total recognised gains arising in the year	225	211

Summary consolidated balance sheet on a modified statutory solvency basis

At 31 December 2004

	2004 £m	2003 £m
Assets		
Intangible assets	757	416
Investments	21,087	20,405
Present value of acquired in-force business	145	154
Assets held to cover linked liabilities	13,024	11,094
Reinsurers' share of technical provisions	112	103
Debtors and other assets	540	351
Prepayments and accrued income	1,331	1,189
Total assets	36,996	33,712
Liabilities		
Equity shareholders' funds	2,444	1,965
Equity minority interests	17	44
Subordinated liabilities	521	512
Fund for future appropriations	935	535
Technical provisions	18,614	18,731
Technical provisions for linked liabilities	13,024	11,094
Provisions for other risks and charges	152	108
Creditors, accruals and deferred income	1,272	715
Net pension liability	17	8
Total liabilities including net pension liability	36,996	33,712

BOARD OF DIRECTORS

David Newbigging

OBE, 71, Chairman

Appointed a director in April 2001 and chairman in June 2001, having been an independent director of Friends' Provident Life Office from 1993 to 1998 and its chairman from 1998 to 2001. Chairman of the Investment Committee; member of the Nomination Committee.

Also chairman of Faupel Plc and Talbot Holdings Limited and a director of Merrill Lynch & Co Inc. and PACCAR Inc. Chairman of The Council of Trustees of the Mission to Seafarers and chairman of The Council of Trustees of Cancer Research UK.

Former appointments include chairman and chief executive of Jardine, Matheson & Co Ltd, and chairman of Rentokil Group plc, Equitas Holdings Limited and Thistle Hotels Plc. He will retire from the board at the close of the AGM.

Keith Satchell

BSc, FIA, 53, Group Chief Executive

Appointed group chief executive and an executive director in June 2001 having been an executive director of Friends' Provident Life Office since 1992 and its chief executive since 1997. Member of the Investment Committee. Joined Friends Provident from UK Provident in 1986. Appointed a divisional general manager in 1987 and managing director (business operations) in 1995. A non-executive director of F&C Asset Management plc, which is 51% owned by the Company.

Also a member of the senior board of Banco Comercial Português SA and of the board of Swiss Mobilier Cooperative Company and European Alliance Partners Company AG.

Lady Judge

BA, JD, 58, Deputy Chairman, senior independent director

Appointed a director and deputy chairman in June 2001 (when her name was Barbara Singer Thomas), having been an independent director of Friends' Provident Life Office from 1994 to 2001 and its deputy chairman from 1998 to 2001. Chairman of the remuneration committee, deputy chairman of the Investment Committee and member of the Nomination Committee.

Chairman of the UK Atomic Energy Authority, Deputy Chairman of The Financial Reporting Council, Chairman of the Professional Standards Advisory Board of the Institute of Directors. A director of Quintain Estates and Developments plc, and amongst others, Portmeirion Group PLC. A former commissioner of the United States Securities and Exchange Commission.

Alison Carnwath

BA, ACA, 52, independent director

A qualified accountant, appointed a director in December 2002. Member of the Remuneration and Audit and Compliance Committees and, since April 1 2004, has chaired the With Profits Committees of Friends Provident's three regulated wholly-owned life and pensions operating companies. Non-executive director of Gallaher Group plc, Glas Cymru Cyfyngedig (Welsh Water), Land Securities plc, Man Group plc and ISIS Equity Partners plc. Chairman of Glas Cymru's remuneration committee and Man's Audit Committee. Previously a managing director of the US investment bank, Donaldson, Lufkin and Jenrette International, before it merged with Credit Suisse Group in 2000. Formerly, a director of J Henry Schroder Wagg & Co Ltd, National Power plc, Arcadia Group plc, QA Group plc, The Vitec Group plc and Nationwide Building Society.

Howard Carter

BA, MA, 53, Chief Executive, F&C Asset Management plc

Appointed an executive director in June 2001, having been appointed an executive director of Friends' Provident Life Office from 2000 and chief executive of ISIS Asset Management plc (now called F&C Asset Management plc) since October 2000 when its name was Friends Ivory & Sime plc. Member of the Investment Committee. Joined Prudential Bache in 1984 as chief economist and director of gilt edged market making. Chief economist/manager, fixed interest at Friends Provident (1988 - 1995) and head of investments (1996 - 1998). Appointed chief investment officer of Friends Ivory & Sime plc in 1998.

Ben Gunn

MA, FCII, 54, Chief Executive, Friends Provident Life and Pensions Limited

Appointed an executive director in June 2001 having been appointed an executive director of Friends' Provident Life Office from 2000 and managing director, Friends Provident Life and Pensions Limited in March 2001. Joined the Friends Provident Group in September 1998 following the acquisition of London and Manchester Group plc where he was managing director of London and Manchester Assurance and a group executive director. Joined London & Manchester in February 1996 from Hambro Countrywide where he was an executive director. Also a non-executive director of Pension Advisers Support System Limited, PASS Loans Limited, PASS Fees Limited and PASS Review Limited.

Christopher Jemmett

68, independent director

Appointed a director in June 2001, having been an independent director of Friends' Provident Life Office from 1997 to 2001. Chairman of the Audit and Compliance Committee and member of the Investment and remuneration committees. An independent director of F&C Asset Management plc (called ISIS Asset Management plc until October 2004) since February 1998 (when its name was Friends Ivory & Sime plc) and its deputy chairman and senior independent director since May 1998. Chairman of F&C's Audit and Compliance Committee.

Former director and member of the executive committee of Unilever PLC and Unilever NV and a former member of the Council of The Crown Agents Foundation.

Ray King

BSc, FCA, 51, independent director

A qualified accountant, appointed a director in January 2004. Member of the Audit and Compliance Committee. Group finance director for BUPA since 2001. Formerly the deputy chief executive of Parity Group plc, the director of group finance and control at Diageo plc and the group finance director of Southern Water plc.

The Rt Hon Lord MacGregor of Pulham Market

OBE, MA, LLB, 68, independent director

Appointed a director in June 2001, having been an independent director of Friends' Provident Life Office from 1998 to 2001. Chairman of the Nomination Committee and a member of the Audit and Compliance Committee.

Also a non-executive director of Associated British Foods plc, Slough Estates plc and Uniq plc and a member of the Supervisory Board of DAF Trucks

NV of Eindhoven, The Netherlands. A Conservative Member of Parliament 1974 - 2001 and a member of the Government 1979 - 1994. This included five Cabinet posts including Chief Secretary to the Treasury. Formerly a member of the Committee for Standards in Public Life.

Adrian Montague

CBE, MA, Solicitor, 57, independent director

Appointed a director in October 2004. Member of the Audit and Compliance, Investment and remuneration committees. He is currently the non-executive Chairman of British Energy Holdings plc, Michael Page International plc, Cross-London Rail Links Limited (a pro bono appointment until 31 March 2005) and Infrastructure Investors Limited; and a non-executive director of Cellmark Holdings AB (Sweden).

Mr Montague, was a partner with Linklaters & Paines, and subsequently the Global Head of Project Finance for Dresdner Kleinwort Benson, Chief Executive of the Treasury Taskforce, Deputy Chairman of Partnerships UK plc, and Deputy Chairman of Network Rail. He has held several other part-time advisory or supervisory positions including Private Finance Adviser to the Department of Transport, Environment and the Regions and a Board Member of the Strategic Rail Authority. Mr Montague is the chairman-elect.

Philip Moore

TD, MA, FIA, 45, Group Finance Director

Appointed an executive director on 1 September 2003, having joined Friends Provident plc on 1 July 2003. Member of the Investment Committee. Previously at AMP (UK) where he was corporate director of finance and head of mergers and acquisitions, having been finance director and actuary of NPI on its acquisition by AMP. Prior to joining NPI in 1998 he spent 9 years at PricewaterhouseCoopers, initially in London and then based in Hong Kong as the partner responsible for the firm's East Asia Insurance Consultancy Practice. A non-executive director of Lombard International Assurance SA, a Luxembourg registered insurance company wholly-owned by the Company and a non-executive director of F&C Asset Management plc since January 2005.

Brian Sweetland

LLB, Solicitor, ACol, 59, Executive Director

Appointed an executive director in June 2001, having been an executive director of Friends' Provident Life Office since 1995. Joined Friends' Provident Life Office in 1974; was its Secretary from 1983 to June 2001. Member of the Investment Committee. Company Secretary from June 2001 to end-December 2004. Responsible at board level for the Group's corporate services, group risk, governance (including corporate social responsibility) and health and safety. A non-executive director of F&C Commercial Property Trust Limited. A trustee of the Friends Provident Charitable Foundation and a member of the Committee of Reference that independently determines the investment selection criteria for F&C Asset Management plc's Stewardship range of investment products and has a monitoring role for the Friends Provident Group's Stewardship and other ethical and environmental portfolios. Formerly a director of F&C Asset Management plc and Benchmark Group PLC. He will retire from the board at the close of the AGM.

IMPORTANT INFORMATION ABOUT THE AGM

This is the formal Notice to shareholders of the Annual General Meeting. It gives details of the date, time and place, and the business we shall consider at the meeting. It is an important document. If there is anything you do not understand, please talk to an appropriate professional adviser.

A. Attending the AGM

A.1 Entitlement to attend and vote

To be entitled to attend and vote at the AGM or any adjournment of it (and for the purpose of the determination of the number of votes cast), your name must be entered on the register of members of Friends Provident plc at 6.00pm on 24 May 2005 (or the date which is two days prior to any adjournment).

You have the right to attend, speak and vote at general meetings. If you do not return the Personalised Voting Form or attend the AGM or vote online, your entitlement to vote will not be exercised.

A.2 What you need to bring

If you come to the AGM, please bring with you the admission slip that is attached to the enclosed Personalised Voting Form.

A.3 How to ask a question

If you want to ask a question at the AGM, it will help us if you send your question before the AGM to: The Secretary, Friends Provident plc, Pixham End, Dorking, Surrey, RH4 1QA. This will help us to make sure that we can answer your question as fully as possible at the AGM. At the AGM, you can, of course, ask questions that have not been submitted in advance. If you cannot come to the AGM but would like a written answer to your question, please also write to The Secretary with your question.

A.4 At the AGM you will be able to ask questions relevant to your shareholding.

Questions about your personal insurance policy are inappropriate for the AGM. If you have an insurance policy with Friends Provident, you will be able to have questions about it answered by senior customer services staff who will be available in the registration area of the AGM venue both before and after the AGM.

B. Have you recently sold or transferred all your Friends Provident plc shares?

If you have recently sold your shares, you should forward this Notice and the enclosed Personalised Voting Form to your broker, who can send them to the new owner of the shares. However, such documents should not be forwarded or transmitted to any US person (as defined in Regulation S of the United States Securities Act of 1993, as amended) or in or into the United States, Canada, Australia or Japan.

C. Are you a new owner of shares in Friends Provident plc and this Notice has been passed to you recently rather than received directly by you from the Company?

To have the right to attend and vote at the AGM, you must, by 6pm on 24 May 2005 (or the date that is two days prior to any adjournment), have registered your shareholding so that you then hold, either directly or through a nominee, ordinary shares in Friends Provident plc.

D. How to appoint a proxy

D.1 Using the Personalised Voting Form

If you cannot come to the AGM, you can use the enclosed Personalised Voting Form to appoint someone as your proxy (and in the case of Friends Provident Share Account holders, through the registered holder, Lloyds TSB Registrars Corporate Nominee Limited who hold shares on your behalf) to attend the AGM and cast your vote according to your instructions. A proxy does not have to be a shareholder of the Company. Your proxy could be the Chairman, another director of the Company or someone you know personally who has agreed to attend and represent you. Your proxy must attend the meeting for your vote to be counted.

Your proxy will vote as you direct on the form. You can vote 'For' or 'Against' the resolutions. The 'Vote withheld' option is provided to enable you to abstain on any particular resolution. If you select the 'Discretionary' option or do not select any of the given options, your proxy can vote as he or she chooses.

A proxy can vote on a poll. A proxy representing a shareholder (other than the Chairman in his capacity as a proxy) can also vote on a show of hands but shall only have one vote if he or she is also a shareholder or is a proxy for more than one person. If you are appointing the proxy for a corporation, the form must show the corporation's seal or be signed by an officer authorised to sign on behalf of the corporation.

If you appoint a proxy, you may still attend the meeting.

There is also information on how to appoint a proxy on the enclosed Personalised Voting Form. If more than one shareholder votes on a shareholding, we will only accept the vote of the shareholder whose name appears first on our register.

Please, carefully follow the instructions on the Personalised Voting Form and return it to the following address:

Lloyds TSB Registrars, (Friends Provident Scrutineer's Office),
The Causeway, WORTHING, West Sussex, BN99 6ZH

If you prefer to return the Personalised Voting Form to the Registrars in an envelope, you can do so using your own envelope and a freepost facility that will remain in place until 25 May 2005. The address to write on the return envelope is as above, marking the envelope "Freepost SEA 10844".

If you have any questions about how to fill in your Personalised Voting Form, please telephone Lloyds TSB Registrars on 0870 609 4534.

D.2 Voting Online

We are again offering shareholders use of an online voting facility. Shareholders can use www.friendsprovident.com/agm to appoint a proxy online. The same voting deadline applies as if you were using your Personalised Voting Form to appoint a proxy by post to vote for you. You will need to use the unique personal identification details (Reference Number, Card ID and Account Number) that are printed on your Personalised Voting Form or, if you already use the Friends Provident shareholder services online, your access number and password.

E. CREST members

Registered shareholders who are CREST members and who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting, or any adjournment of it, by utilising the procedures described in the CREST Manual and should also refer to the notes published on www.friendsprovident.com/agm. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent, Lloyds TSB Registrars (ID 7RA01), by 11.00am on 24 May 2005. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Friends Provident plc may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

F. General Notes

F.1 If you make any alterations to your Personalised Voting Form, you must put your initials against them. If someone signs your Personalised Voting Form for you, he or she must send us the authority under which the form is signed. If we receive two or more forms relating to the same shareholding, we will act upon the one which is delivered last (regardless of its date). If we cannot confirm which was delivered last, we will not act on any of the forms. If your form arrives after 11.00am on 24 May 2005, it will not be valid and will not replace any earlier Personalised Voting Form we have received.

F.2 The Personalised Voting Form should not be used for any comments, change of address or other queries. Please send separate instruction to Lloyds TSB Registrars, The Causeway, Worthing, West Sussex, BN99 6DA.

G. Documents you can look at

You can look at copies of the current and proposed rules of the ESOS and the LTIP share schemes, the current and proposed Articles of Association of the Company, the executive directors' service contracts, the non-executive directors' contracts for services and the list of the directors' share interests in the Company during normal business hours (from 9am to 5pm on weekdays) at the registered office of Friends Provident plc at Pixham End, Dorking, Surrey, RH4 1QA. You can also inspect the above documents at the Enquiries Desk at the AGM from 10am until the close of the meeting.

H. There is a deadline for voting:

Your instruction must be received, whether via post, online or through CREST, by 11.00am on 24 May 2005.

If you cannot come to the AGM, to exercise your vote you must send back the enclosed Personalised Voting Form so that it is received at the offices of the scrutineer by 11am on Tuesday 24 May 2005.

Alternatively, you may appoint a proxy online at www.friendsprovident.com/agm but the above deadline still applies. To appoint a proxy online you need to use your unique personal identification details (Reference Number, Card ID and Account Number), all of which are printed on your Personalised Voting Form.

Annual General Meeting	26 May 2005
We pay the final dividend for 2004	31 May 2005
We announce our half-year results	2 August 2005
We pay the interim dividend for 2005	25 November 2005

Annual General Meeting 2005

We are holding our 2005 Annual General Meeting at 11am on 26 May 2005 at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London, SW1.

If you have queries or need help, the person to contact for answers will depend on the nature of your question:

- For help about how to appoint a proxy online or fill in your personalised voting form, please telephone Lloyds TSB Registrars on 0870 609 4534.
- For help about the proposed AGM resolutions, please telephone Friends Provident on 0845 600 5131 (if you are telephoning from outside the UK, please telephone 00 44 1392 282984).
- However, if you have a question relating to your insurance policy with Friends Provident, please telephone the Friends Provident customer services telephone help-line on 0870 607 1352.

Help for disabled shareholders

The Queen Elizabeth II Conference Centre is fully accessible to those who have physical or sensory disabilities. There will be a sign language interpreter at the AGM and there is an induction loop system. Please ask any of our staff if you need help during the AGM.

Do you unintentionally hold the Company's shares in more than one account?

If you have received more than one copy of this Notice of Annual General Meeting 2005 and/or the Directors' Report and Accounts, it may be because you hold

shares in different accounts. If you wish to consolidate your registered shareholding in the Company into one account, please write to Lloyds TSB Registrars at The Causeway, Worthing, West Sussex, BN99 6DA.

Tax vouchers for shareholders who have mandated their dividends

We currently issue tax vouchers to shareholders twice a year, with the payment of the interim and final dividends in November and May respectively. Following a review of this procedure, we will be changing the way we issue tax vouchers to shareholders who have mandated their dividends and have them paid directly into a bank account rather than by cheque.

For tax years commencing on or after 6 April 2005, we will issue one tax voucher each year instead of two to shareholders whose dividends are paid directly into their bank/building society accounts. While they will not receive a tax voucher at the time of the May dividend, instead, a consolidated tax voucher will be issued with the November interim dividend relating to both payments. We believe this will prove to be more convenient for shareholders in that all the information they need for their annual tax return will be in one document. The new arrangement will not alter the amount of the dividend payments nor when they are paid. Any shareholder who prefers to continue to receive tax vouchers with each dividend may elect to do so by contacting the Company's Registrar, Lloyds TSB Registrars by telephone on 0870 609 4534 or by emailing them at friends.enquiries@lloydtsb-registrars.co.uk or writing to them at The Causeway, Worthing, West Sussex, BN99 6DA.

Downloading documents from the Company's website

From the investor section of our website - www.friendsprovident.com/investor - you can download the Directors' Report and Accounts for 2004, the Annual Review for shareholders, the Directors' Report on Remuneration, the Corporate Social Responsibility Report for 2004 and this Notice of AGM. If you prefer to download future editions of the Directors' Report and Accounts (or the Annual Review) rather than receiving it through the post, simply sign up for our shareholder online services on our website, www.friendsprovident.com/signup and we will send you an E-mail to let you know when these documents are available on our website in future years.



FRIENDS PROVIDENT