

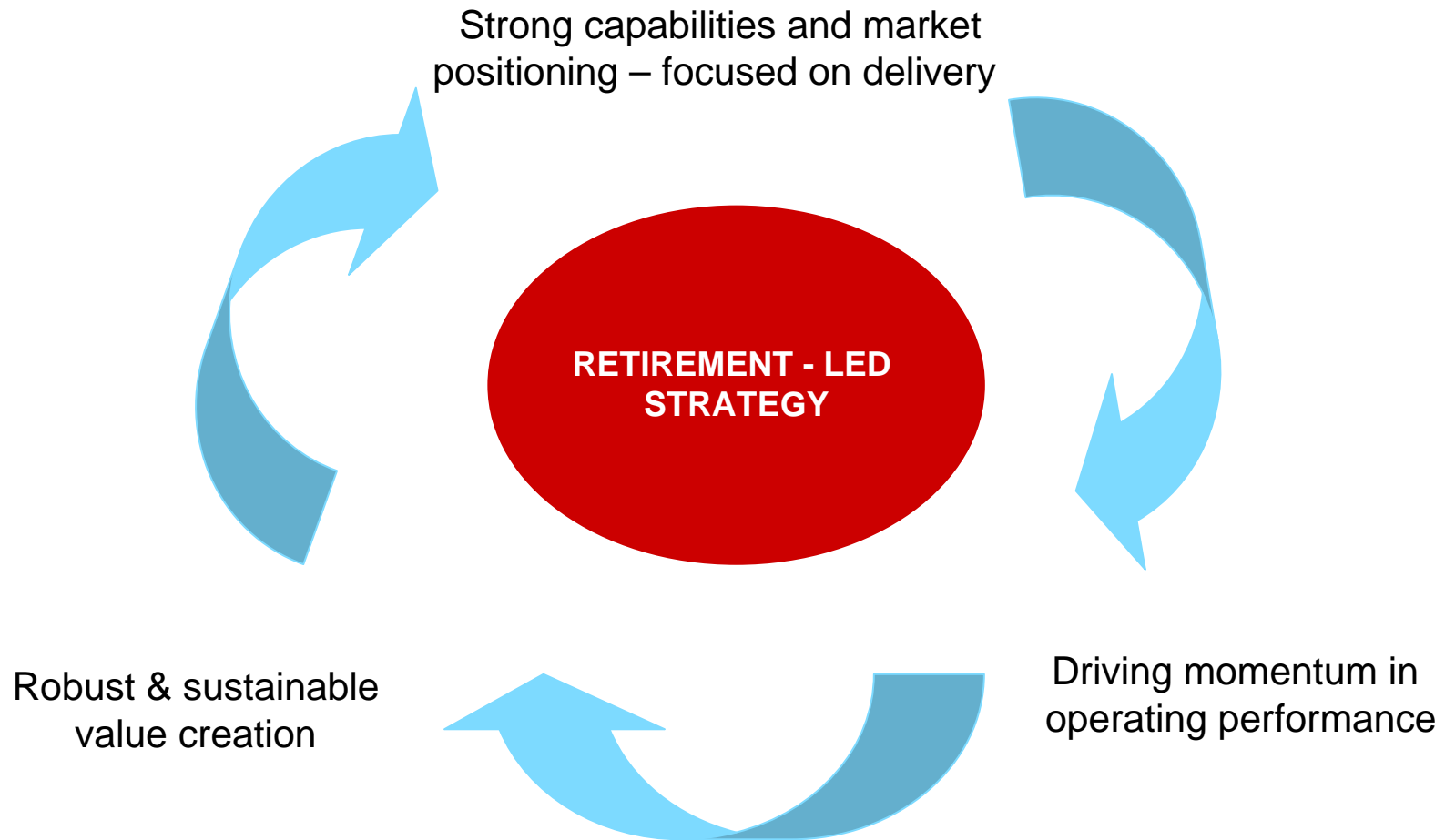


**Prudential plc**  
**Goldman Sachs Conference June 2008**

Mark Tucker, Group Chief Executive

## Group strategy

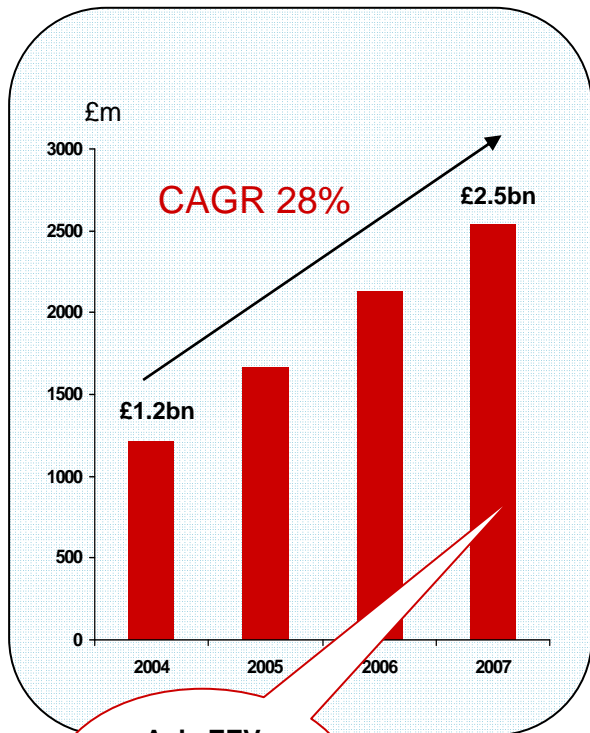
Capturing sustainable value from powerful strategic growth drivers in the pre and post retirement market



# Group financial performance

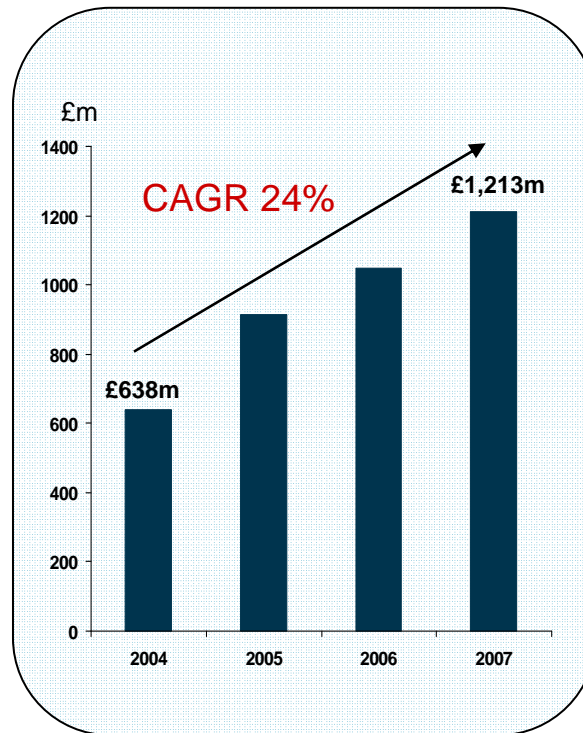
## Strong three-year performance track record

### EEV operating profit<sup>1</sup> doubled over 3 years

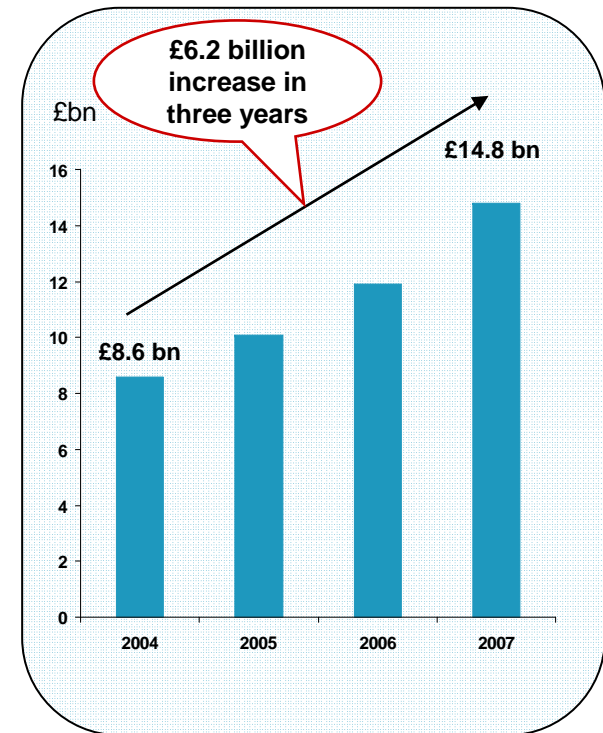


Asia EEV operating profit passes £1 billion

### IFRS operating profit<sup>1</sup> almost doubled over 3 years



### EEV shareholders' funds

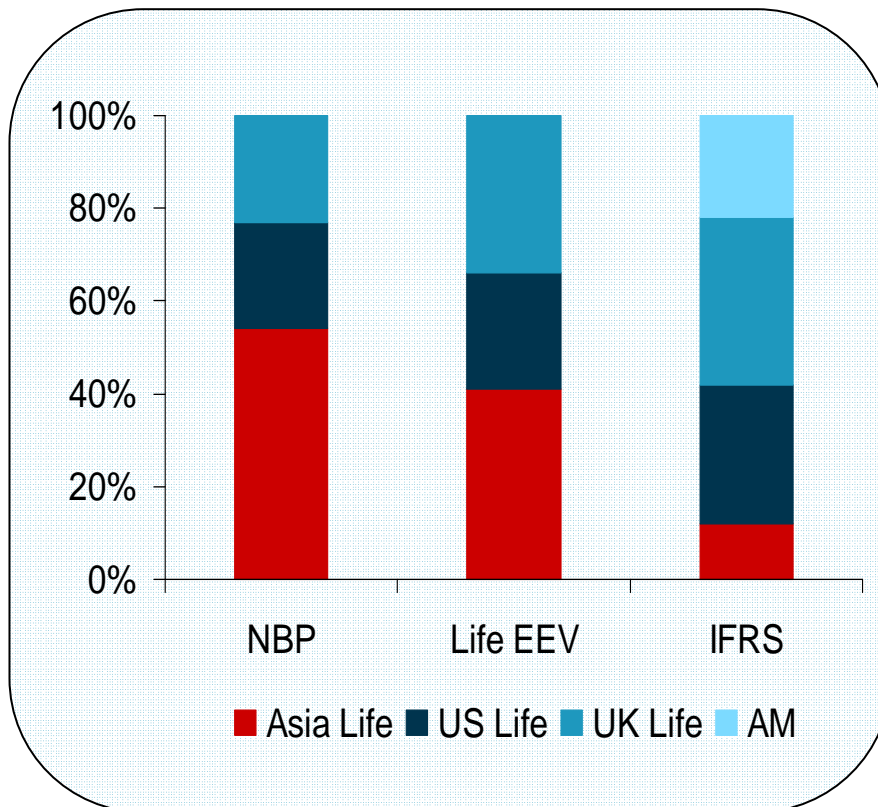


3 1. Continuing operations before tax at actual exchange rates

# Group

## Diversified earnings

### 2007 contribution to profit



- **Over 75% of new business profit generated overseas**
  - High growth in Asia and the US
  - Value driven positioning in UK
  - Asia on track to deliver doubling of 2005 NBP this year
- **Two-thirds of Life EEV operating profit generated overseas**
  - Rapidly growing Asian in-force
- **Approaching 50% of IFRS operating profit generated overseas**
  - UK life; strong with-profits and growing annuity profits
  - Continuing investment in developing markets in Asia
  - Asset Management; rapid growth in M&G and in Asia

NBP: Life new business profit

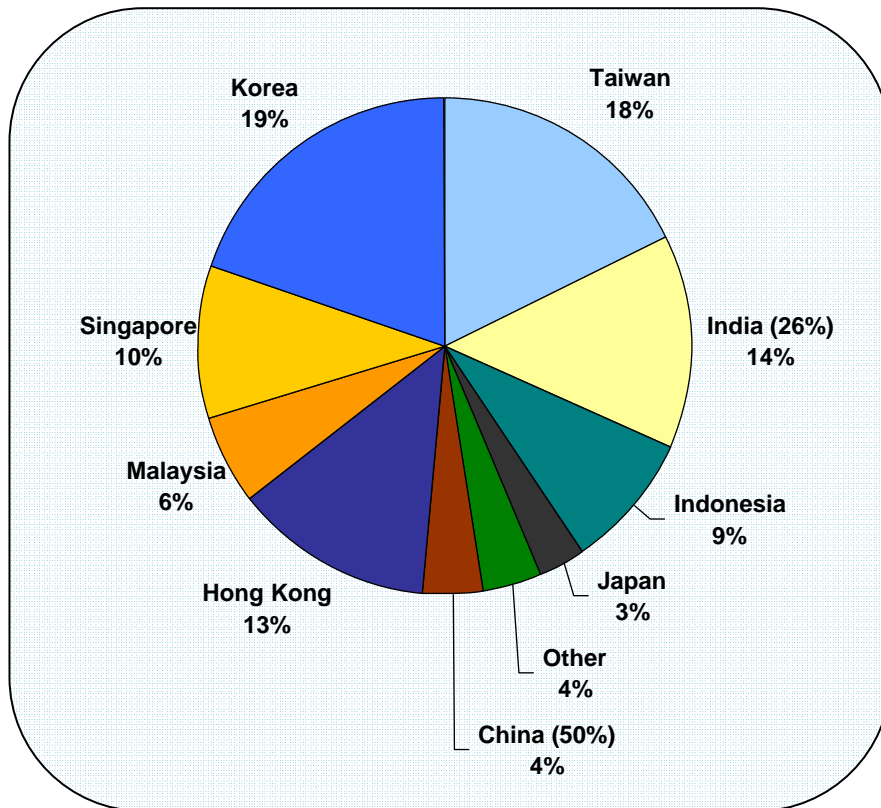
Life EEV: Life EEV operating profit before tax; including Asia development costs

IFRS: IFRS operating profit on continuing operations before central items and restructuring costs

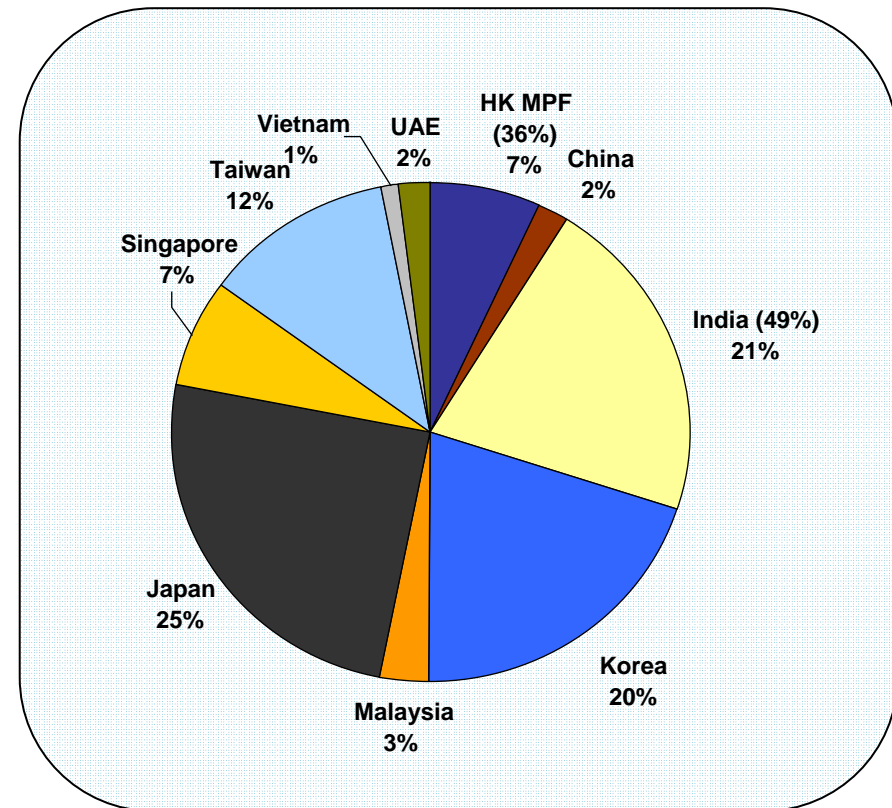
# Asia

## Prudential's platform: Diversity and Market Leadership

**Life Business**  
2007 APE £1,306m



**Retail Funds Business**  
Mutual Funds AUM £17.4bn



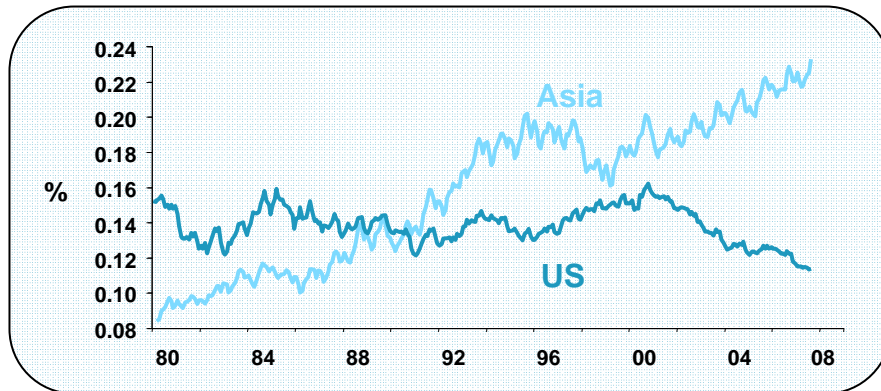
- Life business – more top 3 market positions than any competitor
- Retail Funds – more top 5 market positions than any competitor

Source: Prudential analysis

## Asia: Developing its own momentum

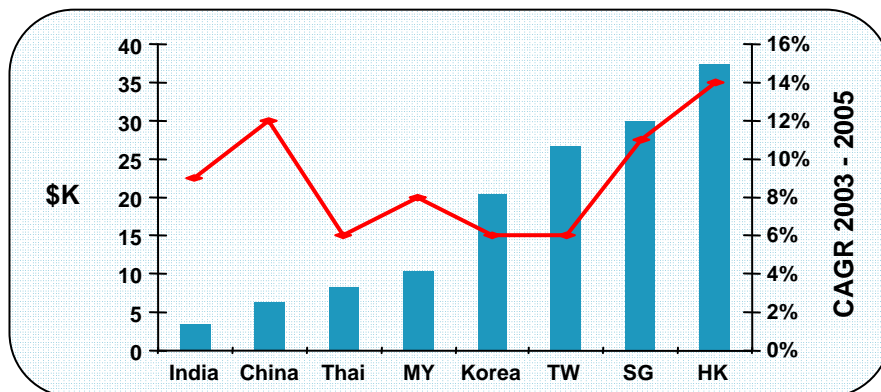
Asia is sustaining its own growth; mass affluent class is driving demand for goods and services

### Asia's share of global trade vs US



Source: Datastream as at January 30, 2008

### GDP per Capita (PPP Basis)



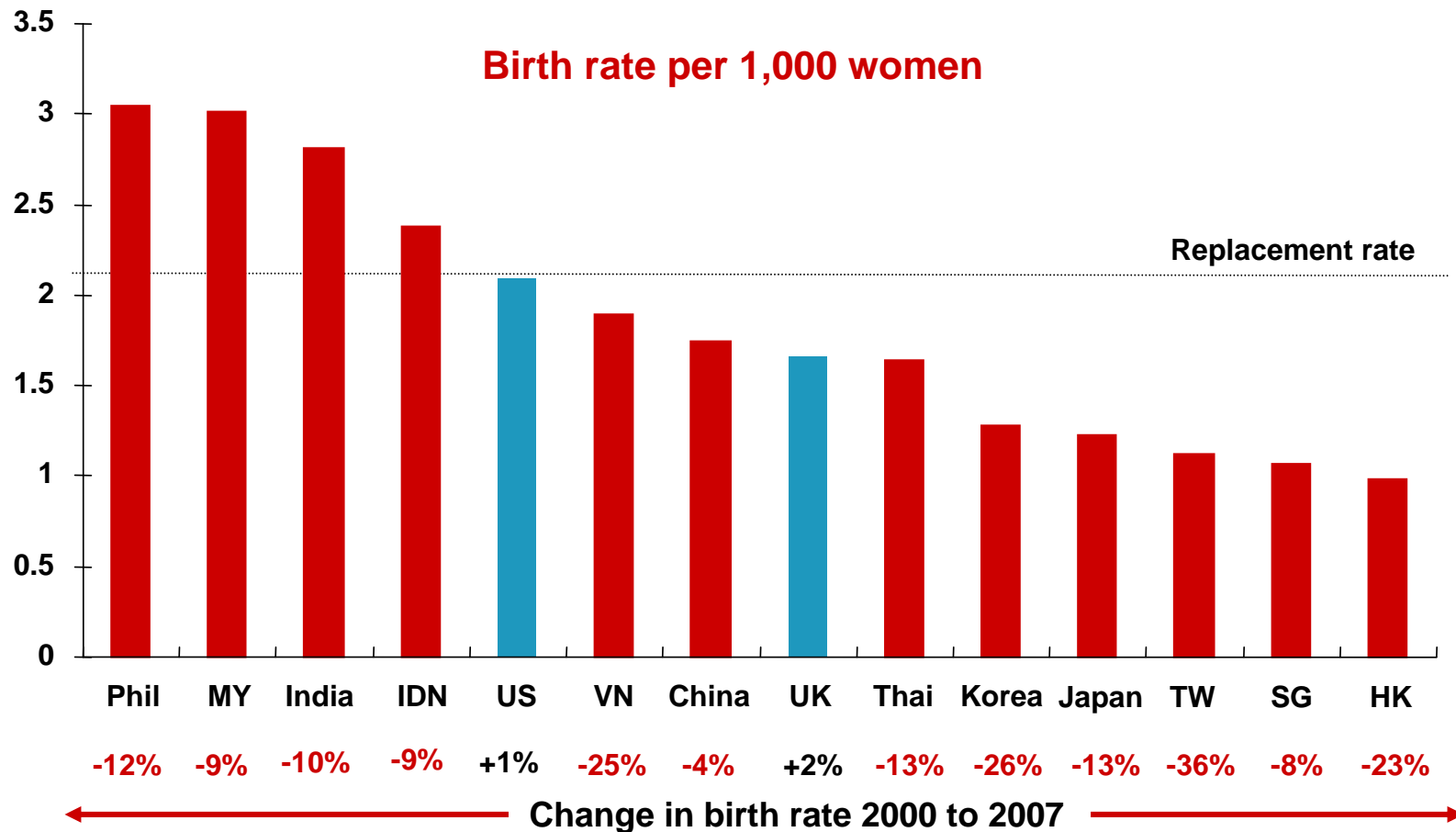
6 Source: Citibank

### Asia GDP Growth Forecasts

(Growth %)	2008 (E)	2009 (F)	2009 – 2012 (F)
<b>China</b>	10.3	9.7	8.5
<b>Hong Kong</b>	4.9	5.1	5.3
<b>India</b>	7.9	8.4	7.4
<b>Indonesia</b>	6.1	6.0	5.8
<b>Japan</b>	1.4	1.9	1.8
<b>Malaysia</b>	5.6	5.9	5.8
<b>Singapore</b>	5.6	5.9	4.6
<b>South Korea</b>	4.6	4.9	4.7
<b>Taiwan</b>	4.3	4.6	3.6
<b>Thailand</b>	4.6	5.0	4.1
<b>Philippines</b>	5.6	5.8	5.8

## Asia: Powerful demographic and cultural changes underway

Households rapidly becoming smaller, older, better educated, urbanised, healthier, wealthier and more mobile; social/cultural changes that require financial solutions

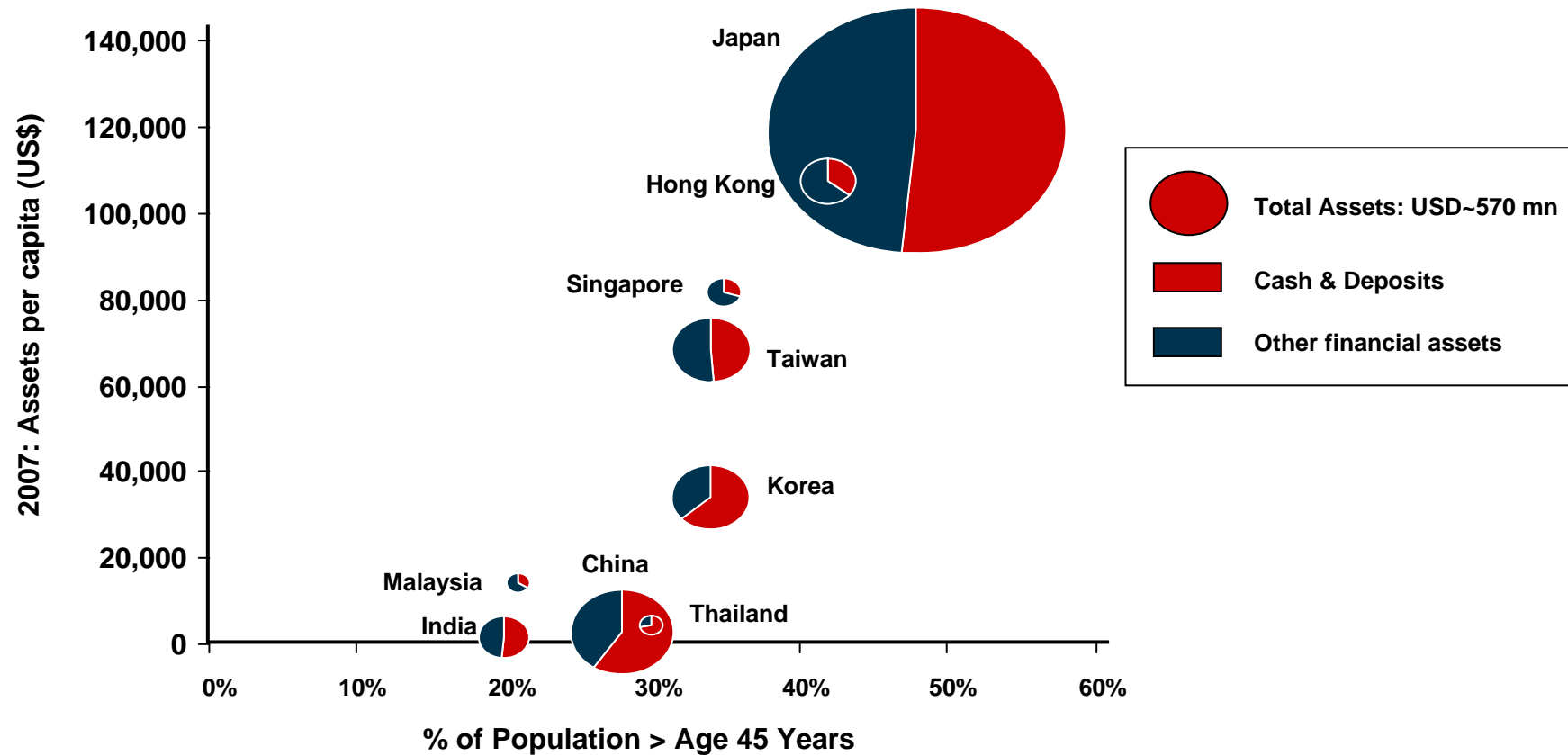


Source: CIA

Asia: Retirement planning is a relatively new concept with huge potential

Savings rates continue to be high but are unfocussed

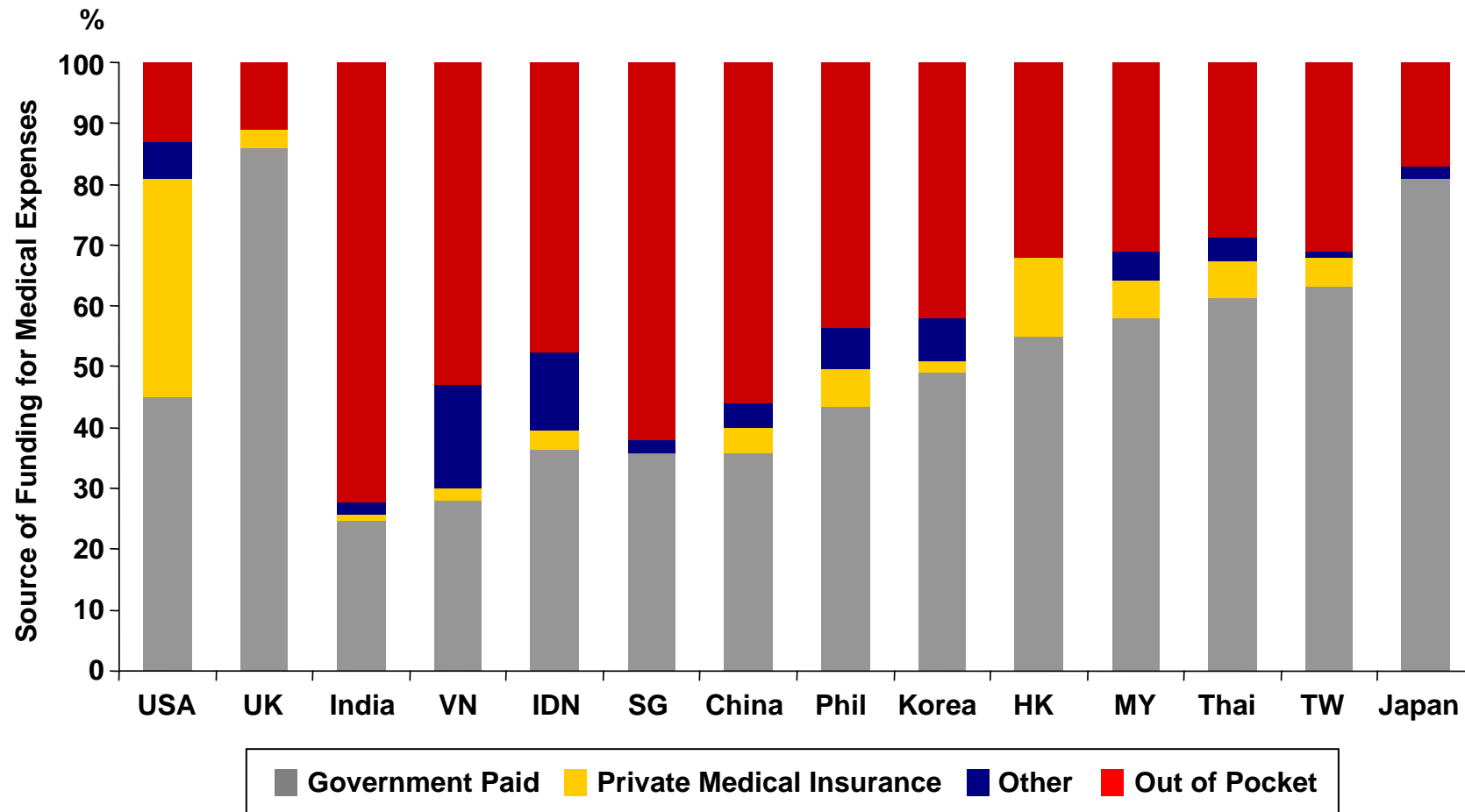
### Retirement Asset Pools





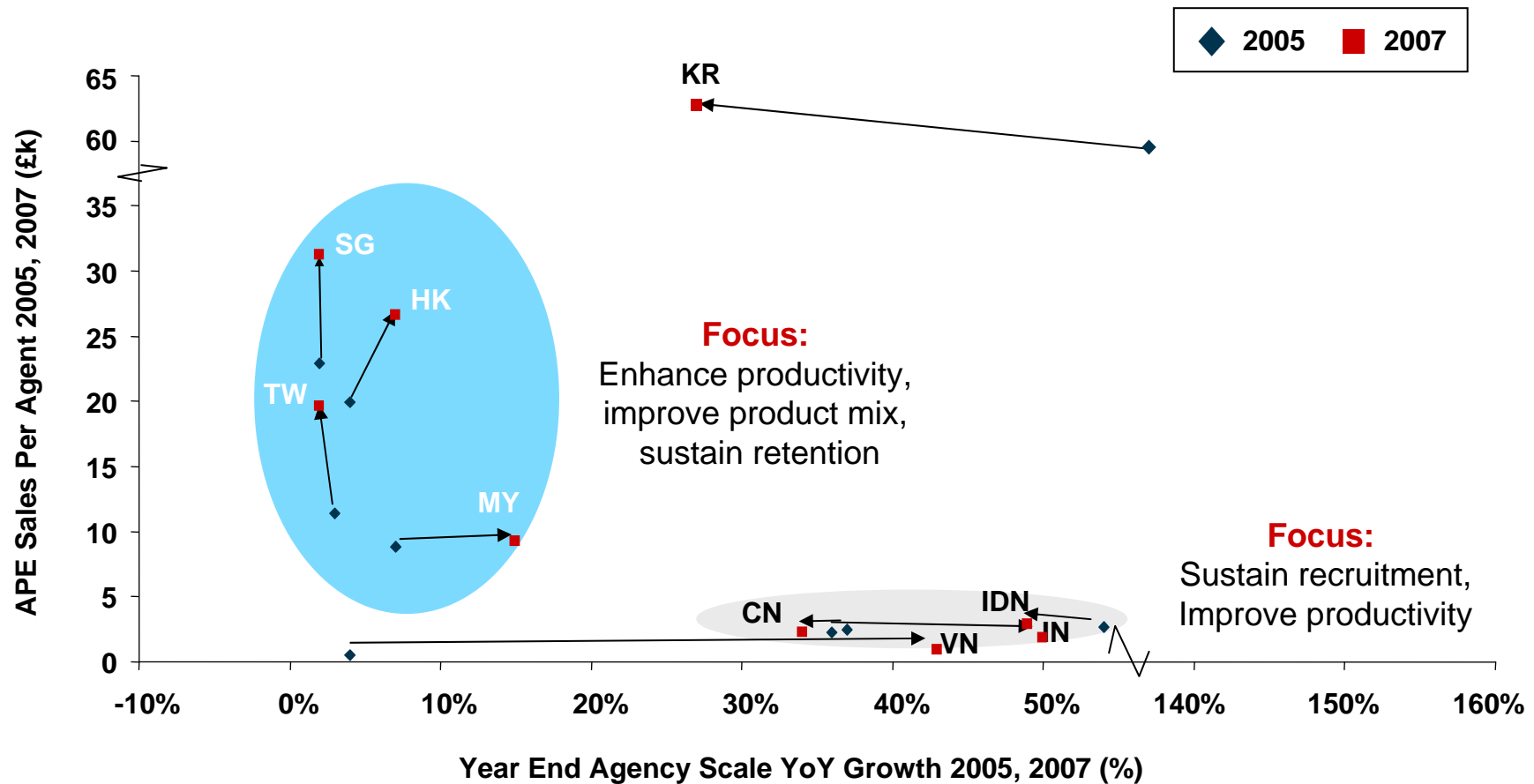
## Asia: The health market opportunity

High 'Out-of-pocket' costs representing a US\$ 170bn market that will continue to grow



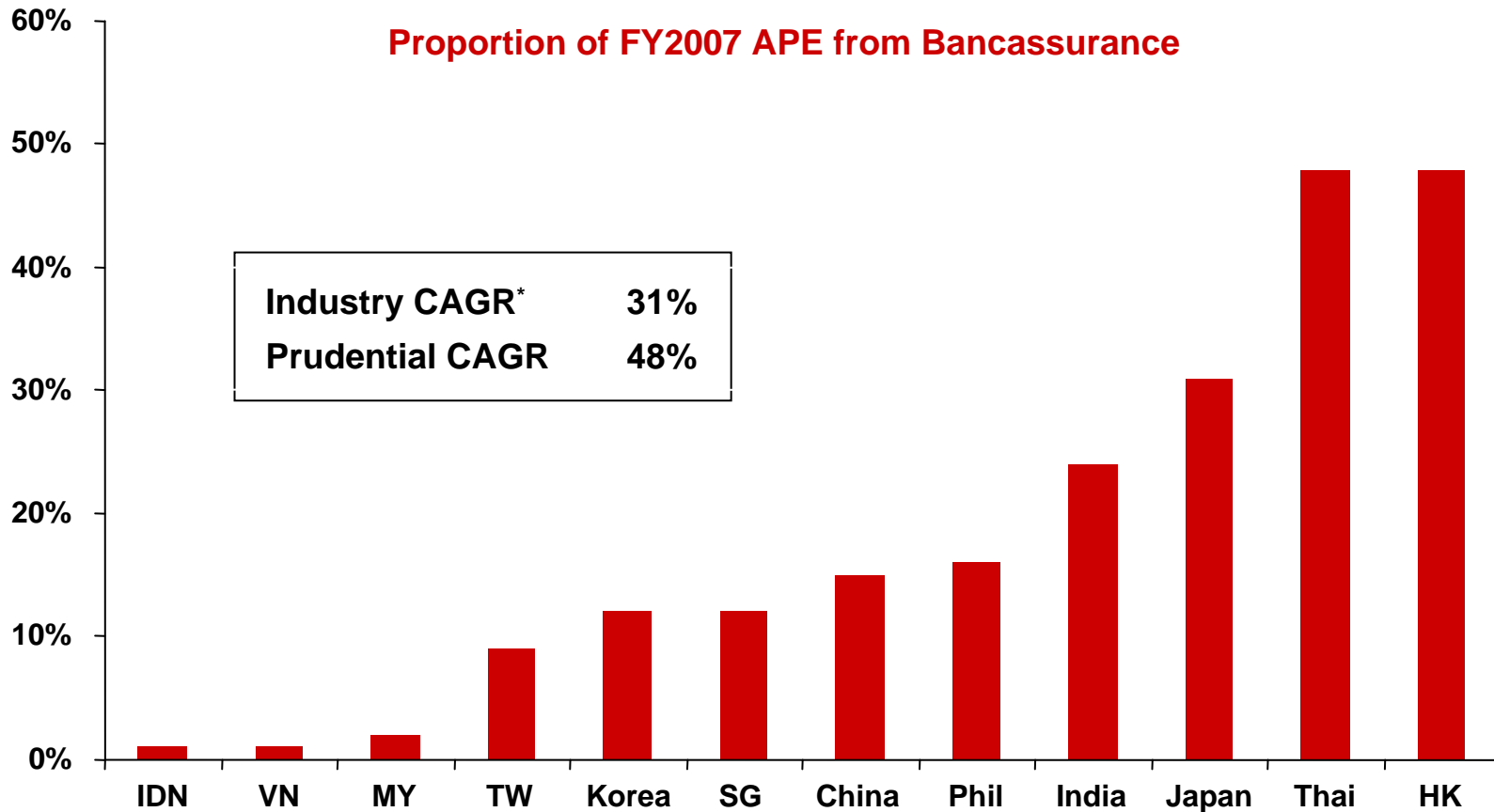
# Asia insurance operations

Agency strategy driven by the stage of development within each market



## Asia insurance operations

Proven bancassurance model delivering faster growth than market

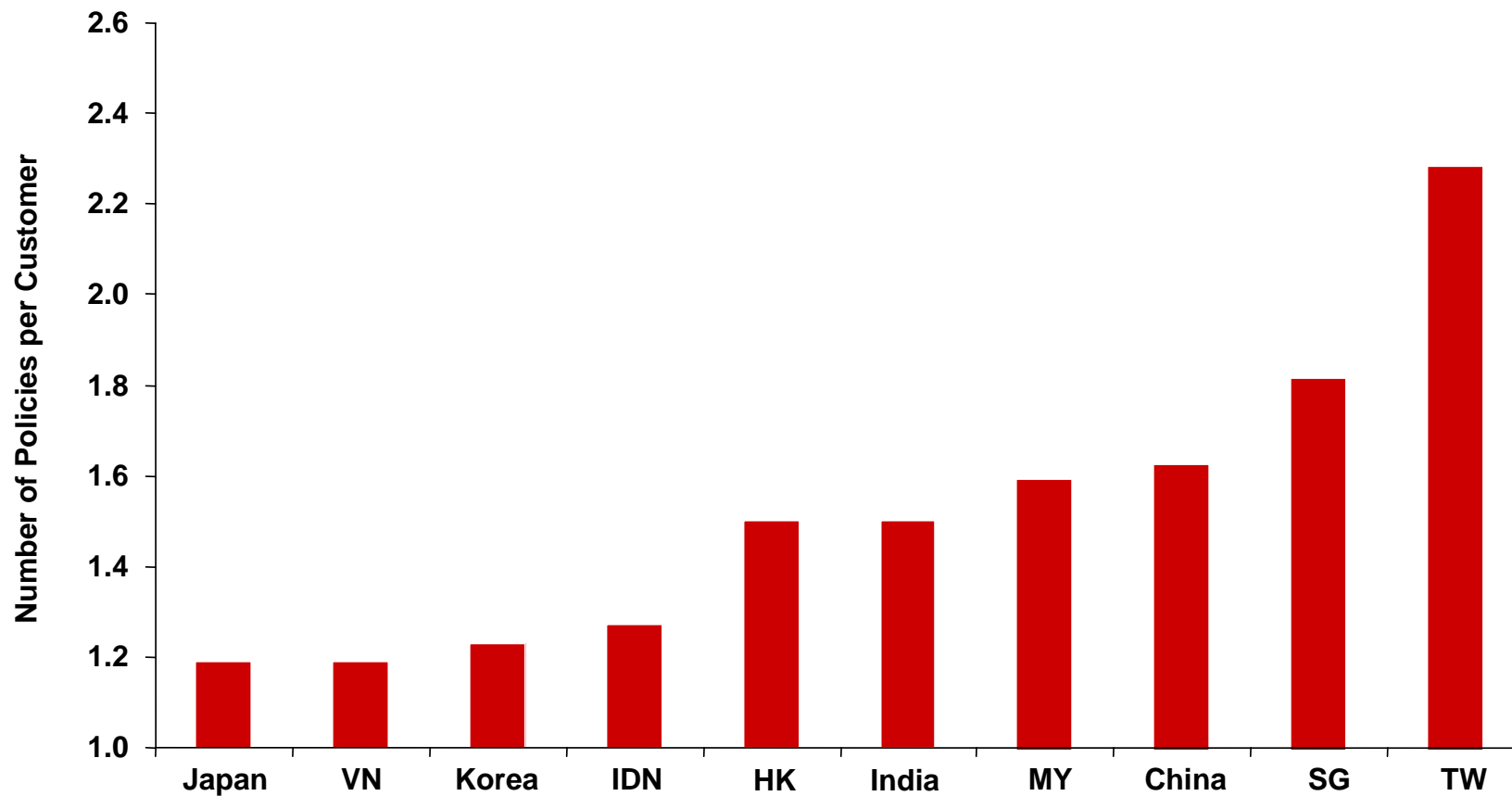


\*: 2005 – 2007, source Prudential estimates from market data

## Asia insurance operations

Material opportunities to offer existing 10 million customers more needs based products

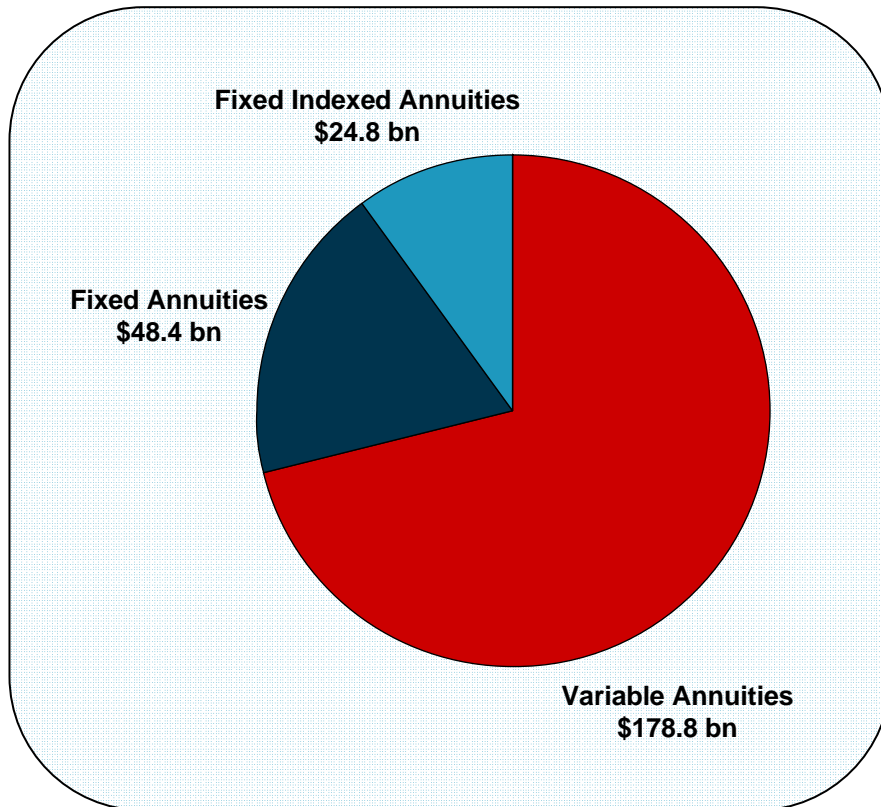
### Systematic and disciplined up-sell and cross-sell



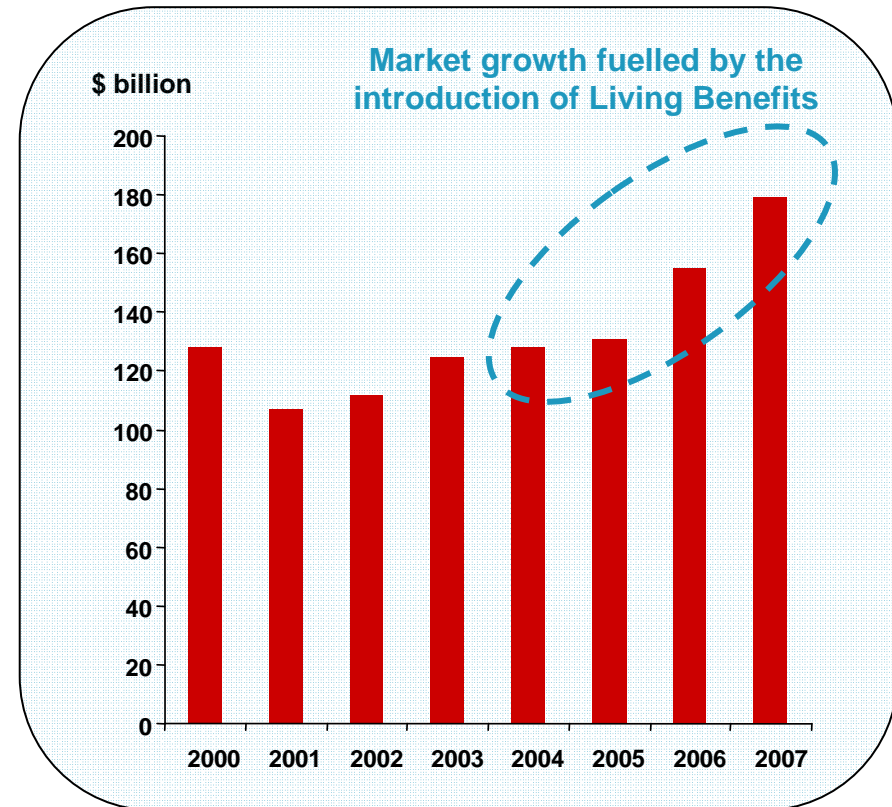
# US

78 million 'baby boomers' will continue to provide a growing market

## 2007 US annuity market



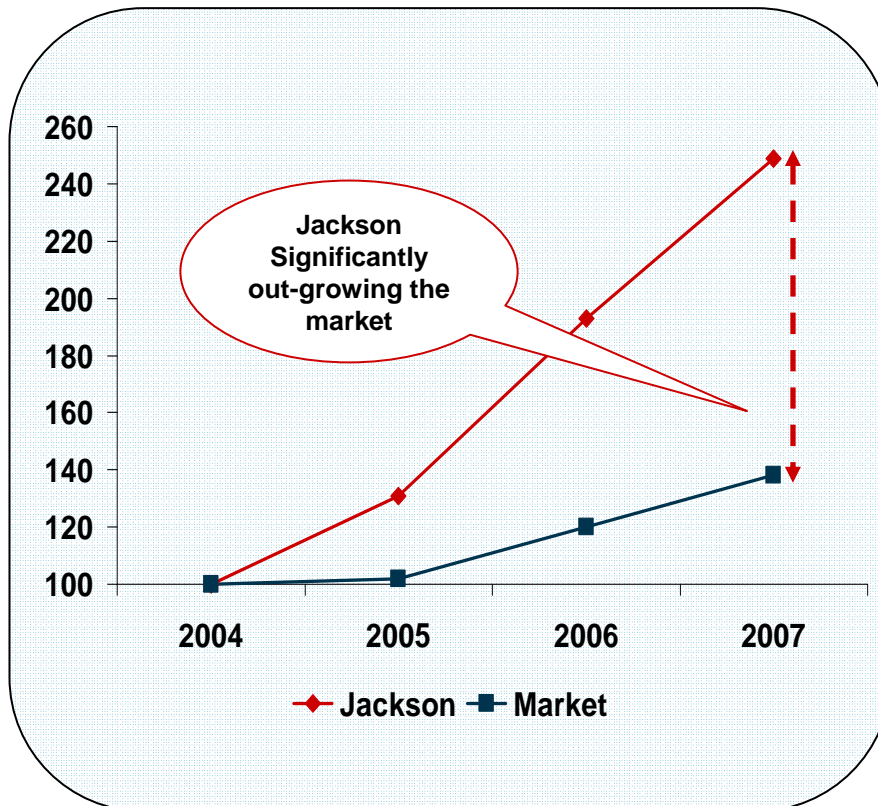
## Variable annuities



## US insurance operations

Advice based model driving long-term out-performance in variable annuities

### Relative growth in variable annuities (indexed to 2004)

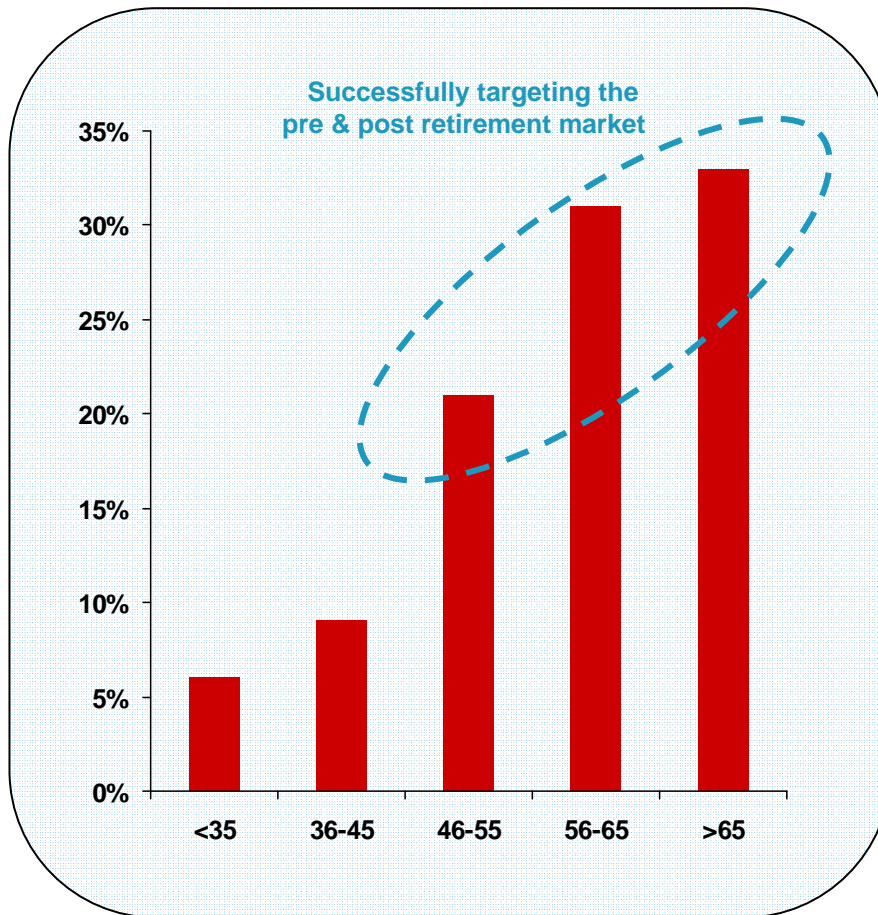


- **Success in fast growing IBD channel**
  - No.2 with 10.8% share
  - 76% of Jackson's 2007 sales
  - PII top-selling contract 2003-2007
- **Growing share in RBD and bank channels**
  - RBD No.6 with 7.2% share
  - Banks No.8 with 4.4% share
- **VA wholesalers increased by 25% in 2007**
  - Higher average productivity per wholesaler
- **Continuing product innovation**
  - > 2300 benefit combinations
  - Significant advantage from flexibility

## US insurance operations

A significant retirement opportunity that plays to Jackson's strengths

### Jackson customer age profile 2007

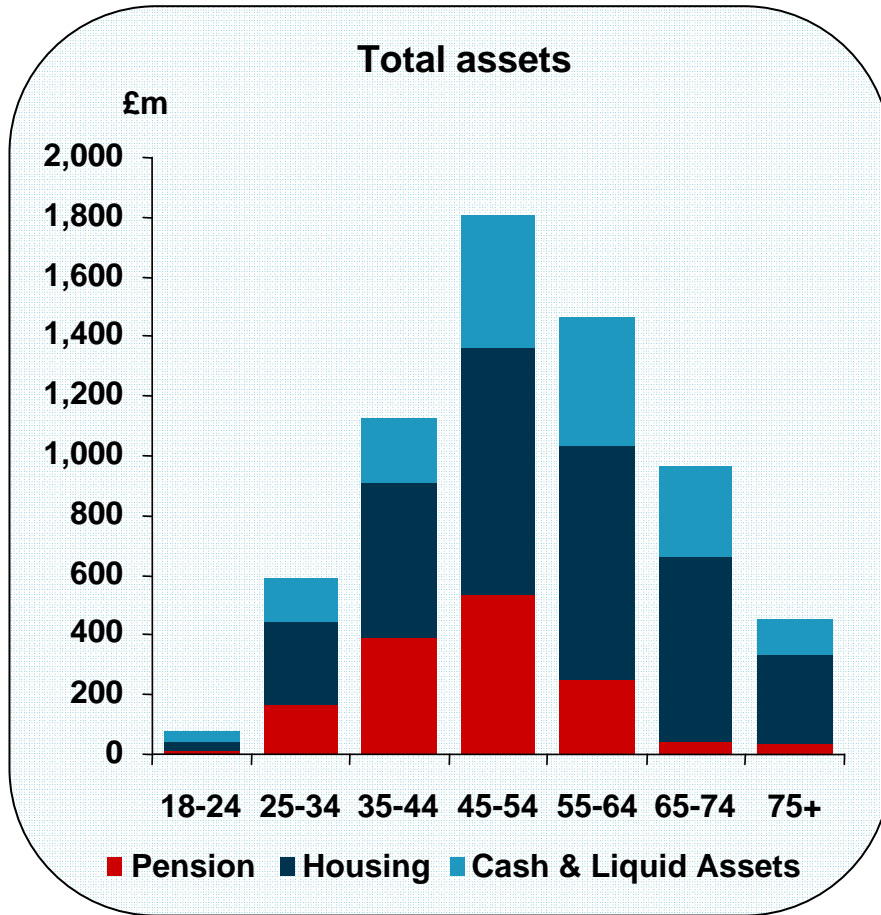


- Two-thirds of Jackson VA sales include a GMWB
- Differentiated model based on advice, customisation and flexibility, not price
- Expense advantage and world class service
  - 17bps advantage over top 25
- Maintain top-ten position in fixed and fixed-index annuities
- Continue to assess bolt-on acquisitions

# UK

## Delivering on our strategy

**Significant and growing pre and post retirement assets**



**A clear strategy based on our strengths and an objective view of the economics**

- Focus on strengths in retirement income
- Re-shape and simplify retirement savings to improve returns
- Take the required action on the cost base
- Maintaining high margins and returns relative to the market

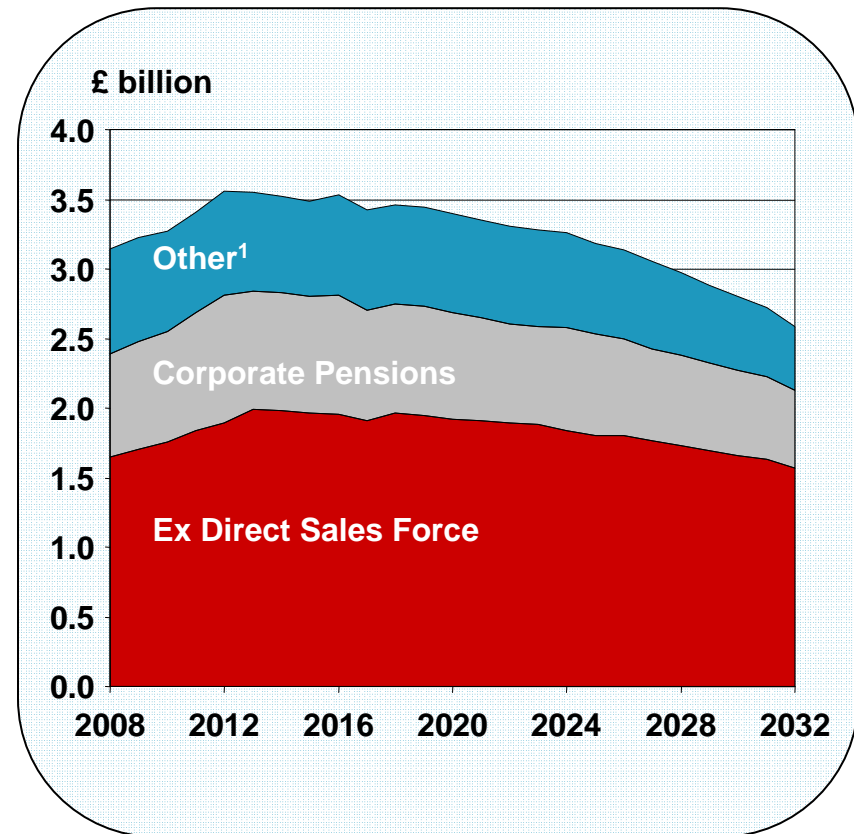


# UK insurance operations

Focus on strengths in retirement income

- **Individual annuities**
  - One in four annuities in the UK written by Prudential
  - 50% of new business from internal vestings
  - 30% of new business from direct and partnerships
  - Market leader in with-profit annuities
  - Conservative view of longevity
  - Maintain pricing discipline
- **Developing broader market position**
  - Lifetime Mortgage
  - Income drawdown
- **Selective in wholesale market based on returns**
  - £1.7bn Equitable Life transaction completed

## Internal vestings pipeline



## UK insurance operations

Implementing change to support growth and returns

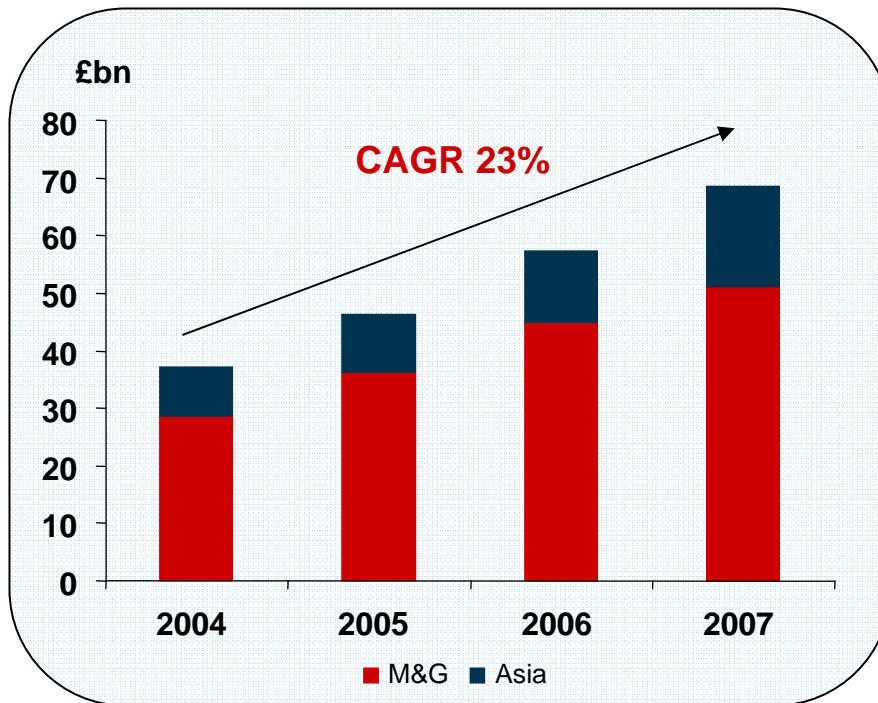
- **Reshape and simplify retirement savings**
  - Exited structurally unprofitable market segments and launched factory-gate product suite
  - Emphasis on cautious managed products; £231m APE of with-profit new business in 2007 up 21%
  - Improving returns on Corporate Pensions; IRR 9% (2006: 6%)
- **Plans in place to deliver target £195m cost savings**
  - £115 million of target delivered by the end of 2007
  - Policy administration outsourcing significantly reduces future expense risk
  - Net £60 million benefit to Embedded Value by 2011
- **Considering Inherited Estate reattribution**

## Asset management

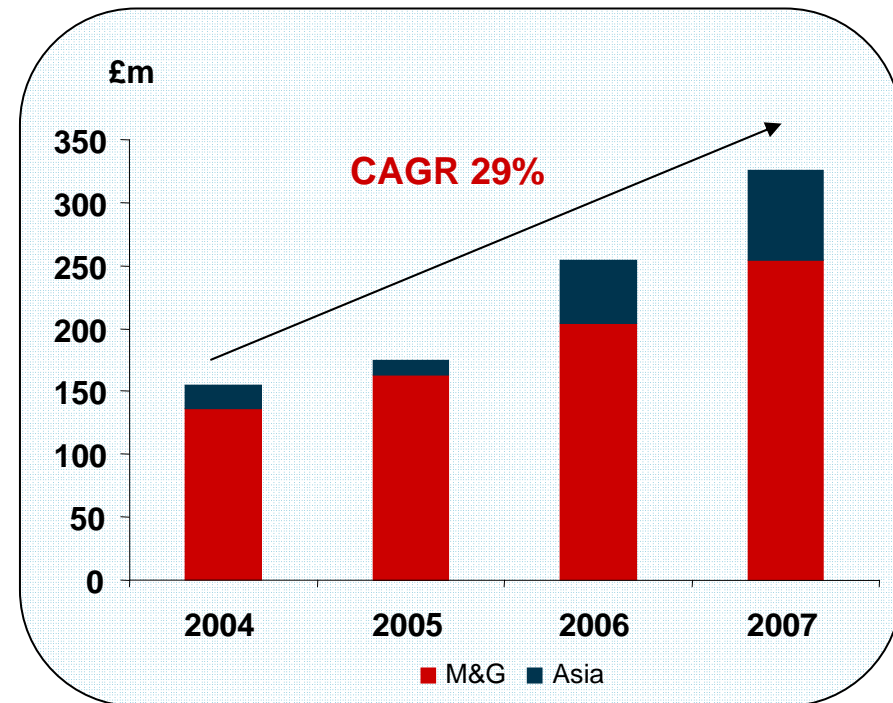
Excellent investment performance across multi-asset capability

- Adding value to insurance operations
- Material external funds business across UK, Europe and Asia

### External funds under management



### Operating profit



## Group

Prospects for the Group are positive

**Asia** expected to deliver doubling of 2005 NBP a year early

Record of out-performance in the **US** to continue

**FULLY EXPLOIT THE GROUP'S  
RETIREMENT-LED STRATEGY**

Value driven strategy in the **UK** delivering strong returns

**Asset management** well placed to capitalise on strong positions and track record of investment performance

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