



Barry Stowe
Chief Executive
Prudential Corporation Asia
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Key Messages

Prudential's platform in Asia is unique, has leadership positions in terms of both scope and scale and **will continue to deliver strong growth that outperforms** the competition.

We have a proven track record of **delivering on our commitments**, both strategic and financial.

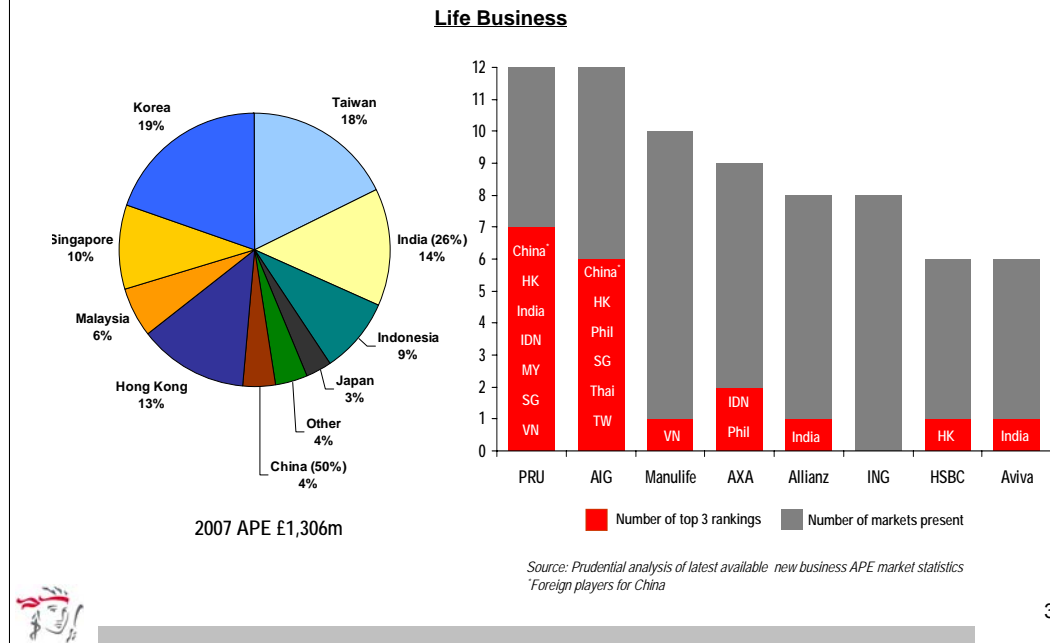
Asia is evolving in unprecedented ways...and with **significant positive implications for our business.**



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- Over the next couple of days we will provide you with a great deal of information about Prudential's business in Asia. But there are **three overarching messages** that I would like to emphasize to you now as we begin.
 - **Prudential's platform in Asia** is unique, **has leadership positions** in terms of both **scope and scale** and **continues to deliver strong growth that outperforms** the competition
 - We have a **proven track record** of **delivering on our commitments**, both **strategic** and **financial**
 - **Asia is evolving** in **unprecedented** ways...and with **significant positive implications for our business...that means "headroom"**

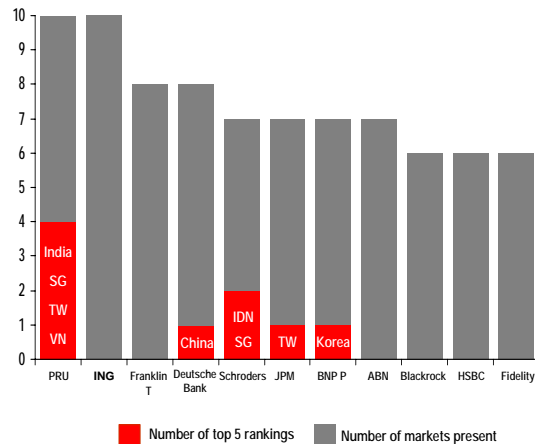
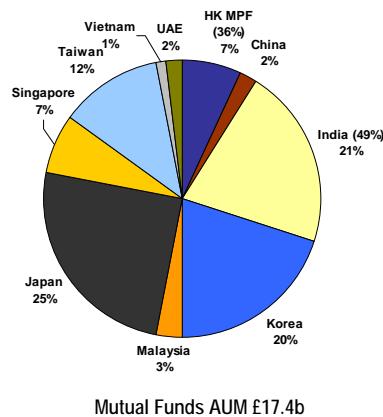
Prudential's Asian platform : Diversity and Market Leadership



- We are **unique** in that we have **scope and scale** in both our **Life** business and our **Funds** business
- Our peers in Asia tend to have **one or two** operations which **dominate** their results...and **expose** them more significantly to the **vagaries of a single market**. Prudential is **present** in **every strategically important market** in Asia...and it is important to note that **gaining a presence** requires **diligence** and **hard work**...but Prudential is **distinctive** because we've been **very successful** at **converting presence** into **market leading businesses** that produce **strong shareholder value**. We have more **"top three"** market positions in the **Life Insurance sector** than any competitor in the region. We have the **market leading position** in **India**...in **Vietnam**...in **Singapore**...in **Indonesia**. We have the largest foreign joint venture in **China**...we are ranked number two in **Malaysia**...and in 2007 our **Hong Kong business** overtook **HSBC** to become the number two company in Hong Kong.
- We are **certainly** the **largest writer** of **Takaful** business in **Asia**, and **anecdotal evidence** suggests we may be the **largest in the world**. In the **first quarter of 2007** we wrote no **Takaful** business in **Indonesia**...in the **fourth quarter** Takaful products made up **25% of our sales**. This is **yet another** segment of the industry in Asia where there remains a **great deal** of **headroom**...and where **we are the first mover**.

Prudential's Asian platform : Diversity and Market Leadership

Retail Funds Business



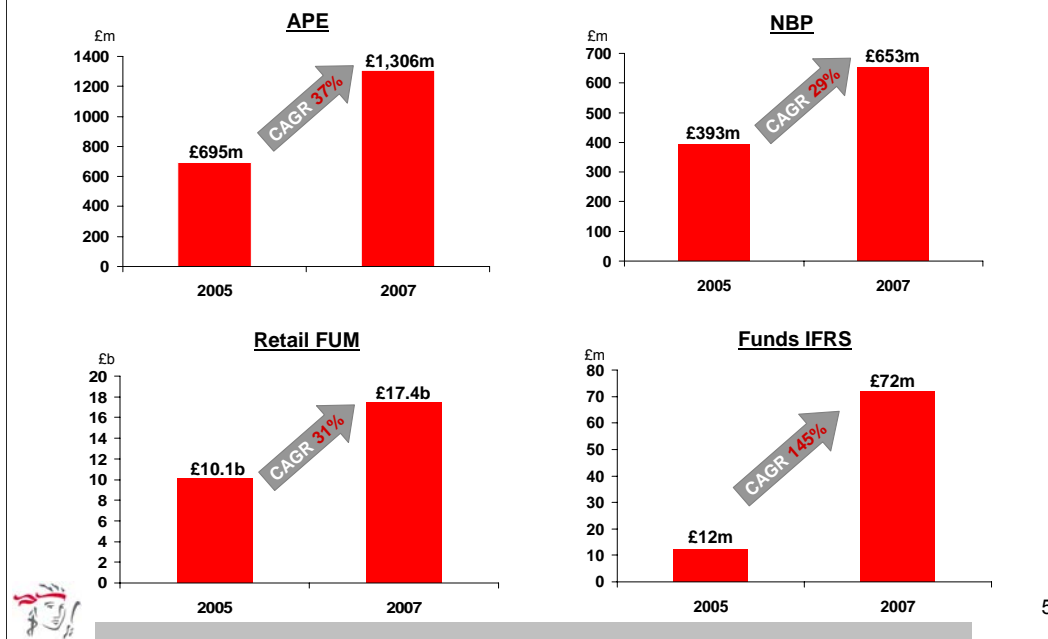
Source: Prudential analysis of latest available new market statistics.



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- As you can see from this slide, **Retail Funds business enjoys twice as many top five market positions** as any competitor in the region.
- In **Taiwan** we increased **our market ranking** from **9th to 4th**...two **India Funds** marketed in **Japan** are the **largest in their category**...in **India** we held the **#2 market position** at the end of 2007 and **80% of our FUM was in the top two quartiles for performance**...in **Singapore** our **Dragon Peacock Fund** is the **largest equity fund** in the market (**£480m** at the end of 2007)...in **Hong Kong** our **joint venture with Bank of China** has more than **500,000 MPF customers**...and in **our newest funds business**, in the **UAE**, we have established **13 distribution agreements** which have **generated £400 million of FUM**.
- So our platform in Asia is **unique**. It has been built with a **proper balance between value and volume**...it offers **broad, diversified exposure to Asia**...and **extraordinary opportunity** for the future.

Financial Commitments : Outstanding delivery track record
On track to double 2005 NBP this year



- **Sandeep** will take you through the **financial results generated by our platform** in Asia in a few moments...so I will simply point out that we have **delivered time and again on every financial** metric. The **CAGRs** speak for **themselves**.
- In **December 2006** we committed to **double 2005 NBP** (at constant exchange rate) by December 31 2009...and we have more recently said that we will not only **deliver on that commitment...we will deliver it in 2008**.

Strategic Commitments

- **Agency**....Increase Scale and Improve Productivity
- Build **Partnership** Distribution
- Focus on **Health** Products
- Focus on **Retirement**
- Deepen and Strengthen **Customer** Relationships

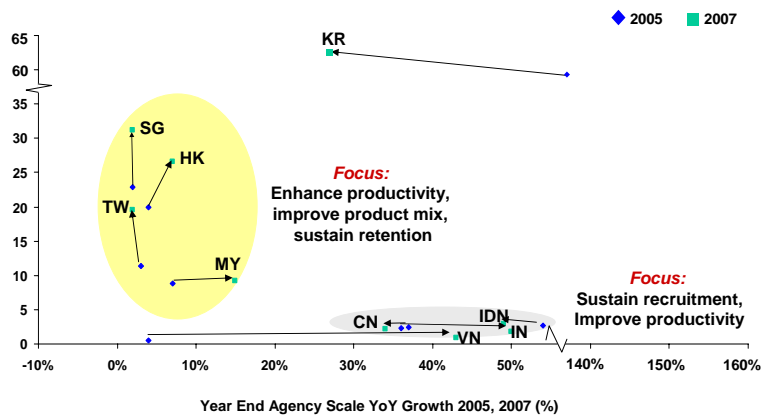


- While the **financial target** we set in December 2006 **was important**, I think of **greater long term significance** are the **strategic commitments** we made.
- I'd like to take you through a bit of detail which will make it clear that **we've delivered...and continue to deliver** on these as well.

Insurance : Distribution Economics

We have tailored our agency growth strategy by the stage of development within each market

APE Sales Per Agent 2005, 2007 (€k)



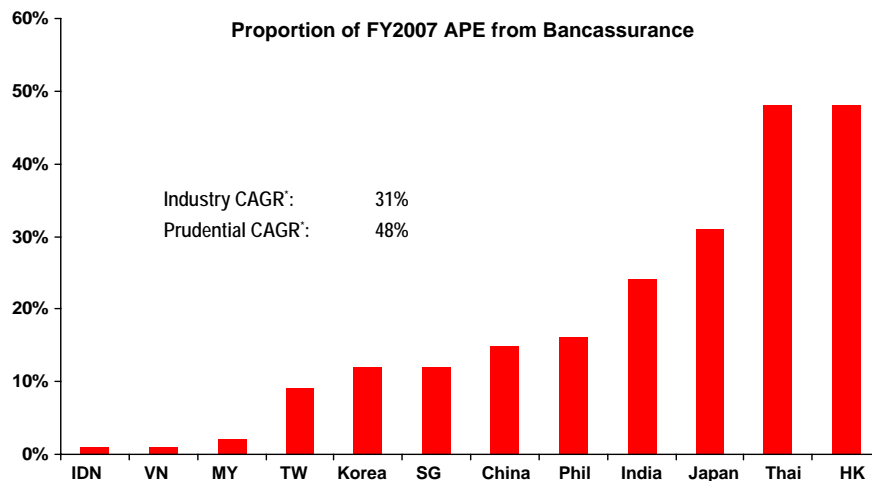
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- As I have said before, if one is serious about **Asia** one must be serious about **Agency**...and **we are obviously very serious about both**.
- But we have **rightly resisted** the temptation to assume that there is a **single agency model** that works in every market, or that there is a **single measure of success**. The **Hong Kong model** you will hear about later today is **different** in some respects from the **Indonesian model** you will hear about tomorrow.
- In some markets we have focused on **improving the productivity** of our agents, and our 2007 productivity gains of **+24% in Hong Kong** and **+21% in Singapore** are **indicative** of the **success** of these efforts.
- In **other markets**, such as **India, China and Indonesia**, we are principally focused on the **scale** of the platform. During 2007 **we added almost 100,000** new agents in India, and our **sales force in Indonesia is three times the size** of that of our closest competitor.
- Just as we are **not wedded to a single agency model**...neither is our **agency platform reliant** upon a **single product**. You will see in the presentations to come that a **variety** of new products such as **health insurance** and **more sophisticated accumulation products** are being **successfully driven** through this channel.
- I feel **compelled** to give **credit** where **credit** is due...as much as we in this room would like to take responsibility for these accomplishments, **this success is rightly credited** to the approximately **14,000 staff** and **30,000 agency leaders** who drive this **critically important** element of our business. I'm **very much looking forward** to tomorrow evening in **Jakarta**, where you will get an **opportunity to experience** the **enthusiasm and commitment** of these people. **Opportunities** like this are the **best part of my job**, and I **predict** it will be the **best part of your visit to Asia**.

Improve and Expand Partnerships

Bank distribution growth rates for industry outpacing agency

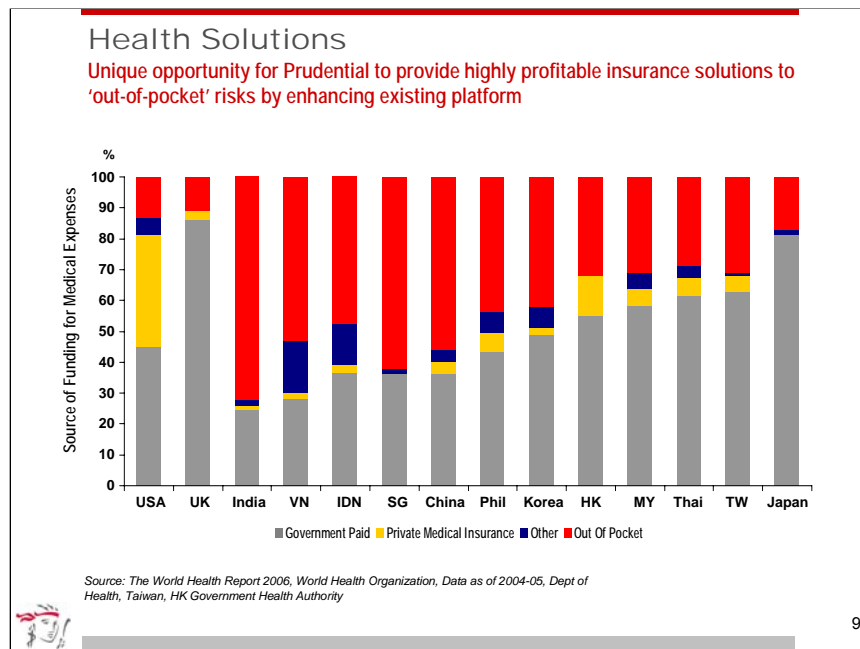
Prudential has proven bancassurance model delivering faster growth than market



: 2005 – 2007, source Prudential estimates from market data

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- **Selling through banks** is often characterized as an “**alternative**” to agency distribution, but I don’t think “**alternative**” is exactly the right word. I think fundamentally that **agency** and **bank** are **complementary**, and in our own case, our **bank distribution strategy**...and **capability**...is **heavily informed** by our **deep agency distribution competency**.
- We do not **simply rely** on bank counter staff to **promote** insurance **products** in addition to **the various other products** offered through the bank. **We deploy a highly trained and specialized sales force within** the bank branch... and **in the field**...to develop business through **bank customers**. This sales force is **managed** in a **manner similar** to our **agency force**...each individual is held to **high standards of quality and productivity**...and they are **rewarded well** when they **perform well**. It is **this approach** that **underpins** our ability to generate such **strong** results with our **existing partners**, and to **attract new partners**.
- On this **latter point**, I would **call your attention** to the fact that **during 2007** we **extended** our **very successful** relationship with **SCB to Taiwan**, we added **two significant distribution relationships** with banks in **Korea**, and we **launched a regional distribution arrangement** with **Citibank**.
- Our **Funds** business continues to **focus** on its’ **highly efficient** bank distribution model...which now accounts for **39%** of our Retail FUM. We have expanded our regional distribution relationship with **Citi** and **HSBC** in **India, Malaysia and Korea**...we are launching a **global partnership** with **HSBC Private Banking**...we are **now distributing Funds** products through **SCB** in **Indonesia, Malaysia and Hong Kong**...and we are now part of **Credit Suisse’s Fundslab** platform with **access** to their **global** network.

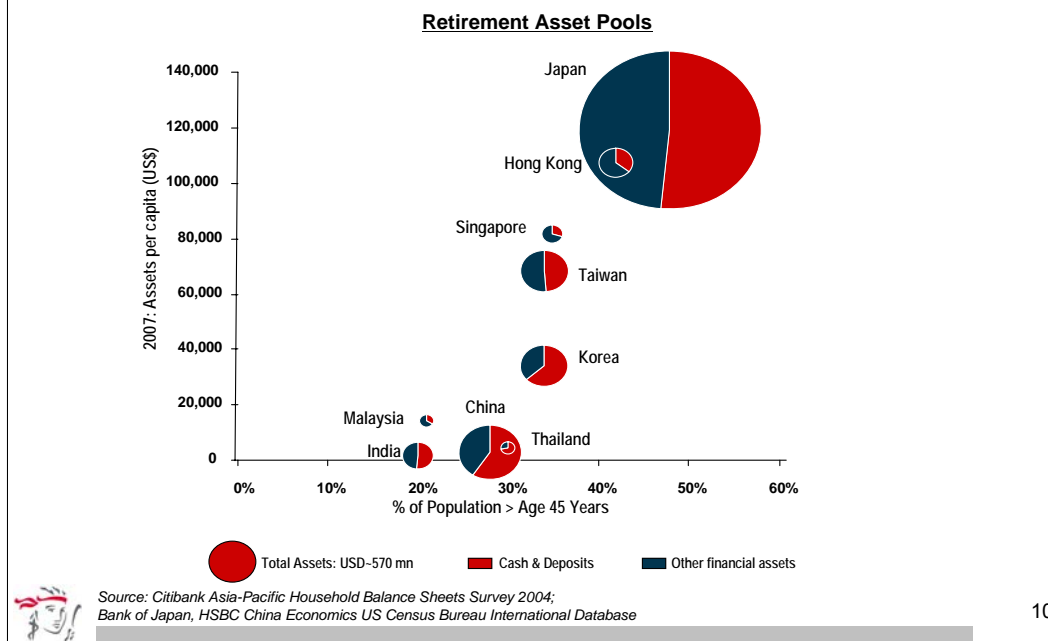


- I have made **no secret** of my **enthusiasm** for the health insurance business and my **determination** that it be an **increasingly important contributor** to our **results** in Asia...let me tell you why.
- The data on this slide demonstrates that the **opportunity is significant**. **Because most Asian markets** do not have a **“National Health Service”** there are gaps in coverage...the **scale of the “coverage gap”**...shown here in red...varies from market to market... but it is **material** in every market and it is **growing** as **governments shift the burden** of health care **expenses to individuals**...so **regulatory** authorities throughout Asia **welcome well-managed private solutions** to this increasingly serious **public problem**.
- Our **platform is perfectly suited** to both the **manufacture** and **distribution** of health products...these products represent an **important component** of our **retirement strategy** in that they **mitigate** the **greatest perceived risk** of **individuals** approaching retirement...that a health related incident will wipe out their savings....and they are **perfectly suited** to **cross-selling** activities. This point can be **powerfully illustrated** by our experience in Singapore last year...we launched a new health product and sold over **60,000 basic policies** ...and, on **average**, **each** of those customers **also purchased** a life policy with an average premium **eight times** the size of the health premium.
- And as I said when I **first spoke** to you about this opportunity in December of 2006, **health products** deliver **strong results** to **shareholders**...**New Business Margins** generated by **health products** are generally about **2X** that of typical unit-linked products. **Brad Harris**, who we recruited early last year to **lead this initiative**, will share **more details** during the **health insurance carousel session** later today...and I **predict** you may well leave that **session** with a **level of enthusiasm** for this business that **rivals** my own.

Retirement Solutions

Asian savings rates are high but unfocussed

Prudential exceptionally well placed to provide Total Retirement Solutions

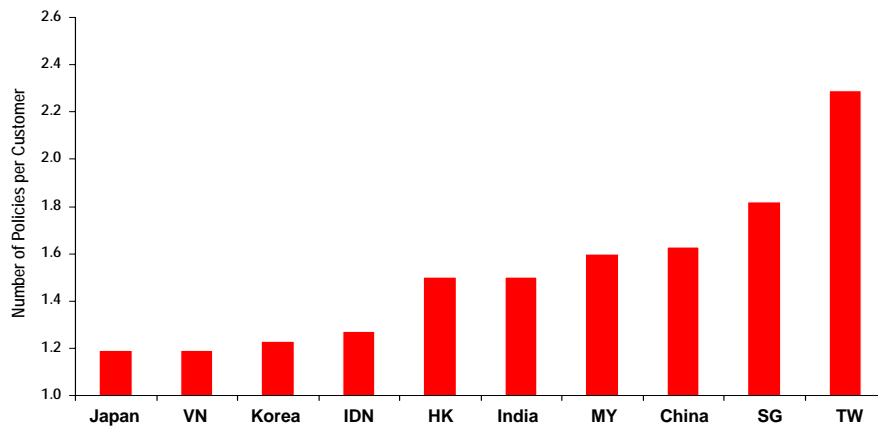


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- You will also hear much more on retirement during the carousel session later this morning led by **Paul Hancock** and **Adrian O'Connor**, but I want to speak to this **very important** topic for a moment as well.
- Asia is **rightly renowned** for its **high savings rates**, but while **people in Asia** save with great **diligence** they often do so without a **plan**. Our strategy is designed to meet the **TOTAL retirement needs** of our customers...these **needs** include **helping customers build a comprehensive retirement plan**...helping them **accumulate adequate assets** to fund their plan...and helping them **de-risk** their plan during **both the accumulation phase** and the **decumulation phase**.
- The **theme** of the strategy is “**What’s Your Number?**”...you’ve **seen** this message **on our sign across the harbour** in Kowloon...if you travel through Asia you can see it on **television** in **Korea, Hong Kong, Taiwan, Malaysia, Singapore** and **India**.
- This **strategy leverages** our **genuinely unique capabilities** around **product development** and **distribution**...and we are making **very good progress**...you’re **already aware** of the **results we’ve generated** in **Taiwan** which are **indicative** of the **scale of the opportunity** throughout the region... again, **further detail** will be provided in the **carousel session**.

Customer Relationships

Material opportunities to offer existing customers more needs based products, providing, for example, health and retirement solutions



- I also spoke to you in **December 2006** about **customers**, and I told you that we had over **7 million** customers in Asia, but that **most of them** had bought from us only **one time**. That situation has **changed** since we **last spoke**...first of all, we now have about **10 million customers**...and we are **executing** against our plans to make it **easier** than **ever before** for **these customers** to **buy additional products** from us.
- Although we still have a **great deal of work** to do, I'm pleased to report that **during 2007** we made **new product offers** to **over 1 million** existing customers with **very good** outcomes. Of **particular note** were our **health insurance upgrade** in **Malaysia** where we sold **124,000** new policies and the **Indexation of Benefits** offer that was **accepted** by **7,000 customers** in **Hong Kong** during the **last two months of 2007**.
- We are continuing to build our **database marketing expertise** at both the **regional** and **local** levels, and we **expect**...and you can **expect**... **results** from this initiative to **accelerate** in **2008** and **beyond**.

People

- **Best-in-Class leadership team**
- **Combination of long-term Prudential executives and recent additions...often bringing new skill sets**
- **Execution-focused**
- **Approximately 40% of Prudential plc's Group Leadership Team**
- **Winning the War for Talent**



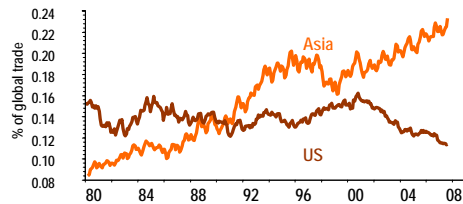
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- I must **emphasize** that the **delivery** that I have just **demonstrated** to you, be it **financial results** or **progress** on **strategic initiatives**, is possible **only because** we have...and **continue** to **attract**...the **very best** people in Asia. The **combination of experienced Prudential executives** with **long track records of success** and **deep institutional knowledge**...**together with new executives recruited more recently** who **bring additional perspectives** and **skills**...**is extraordinarily potent**. **Some** of these individuals have responsibilities in a **specific market**...and some are **subject matter experts** who **work across the region**...but the whole is **infinitely greater** than the **sum of the parts**.
- One of the most **important elements** of this visit to Asia is the **format** we've adopted which allows you to **meet**, and **get to know**, many of our **senior leadership group**.
- Unfortunately a long-standing commitment precludes Don Kanak from being with us this week but I'd be **remiss** if I did not **specifically mention** his joining our team as our non-executive Chairman. I am **immensely enthusiastic** about having Don as a **thought partner** and a **strategic advisor**. I worked with Don for **several years** at AIG, and I can **tell** you from **experience** that he has one of the **greatest strategic minds** in our industry.

Asia is developing its own momentum

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

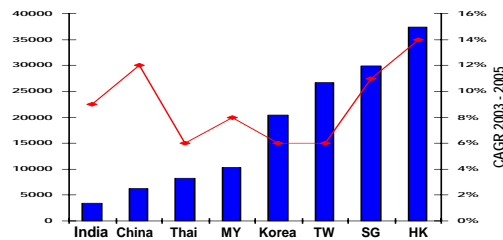
Asia's share of global trade vs US



Asia GDP Growth Forecasts

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

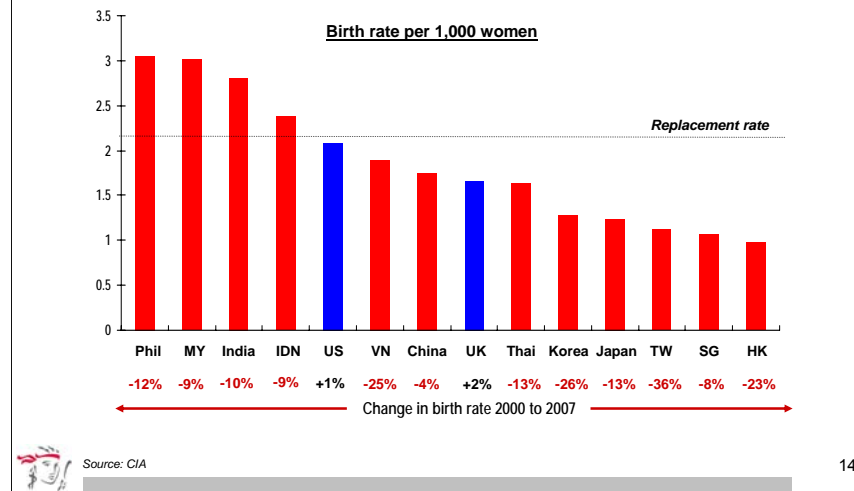
GDP per Capita (PPP Basis)



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- I want to **spend a few moments** now talking about **our environment here in Asia**...about **macroeconomics** and **demographics**...but I promise that I'm not going to put you to sleep because I want to **approach** this from a **different perspective**.
- I don't want to talk about technical details...I want to talk about **change**. The "**decoupling**" of **Asian economies** from Western economies is an **emotive subject** and one we could **debate ad infinitum**. It **does seem clear** that **world's economies** are **interconnected and interdependent**, but it **also seems clear**, and **most everyone accepts** that **Asia** is now **generating its own growth** ...and this growth is **feeding through** into **higher household incomes** that support **increasing demand for goods and services**. In short, there is a **rapidly growing mass affluent class** in Asia...in **developed and developing markets alike**. It is **logical to assume** that this **phenomenon** would in **most any environment** create **demand** for the **products that we offer**.

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



- **But this isn't just any environment...what is happening in Asia is much more complex than higher disposable incomes driving greater demand.**
- **The demographic changes taking place in Asia are unprecedented and represent nothing less than a redefinition of "retirement" for Asian families. Historically in Asia, as one aged one became increasingly reliant upon one's children and grandchildren for shelter and support. But the factors noted on this chart make it clear that the traditional multi-generation household is an increasingly untenable "retirement plan".**
- **Birth rates are declining rapidly...the implications of the one-child policy in China are extraordinary...since 1970 China's fertility rate has fallen from 5.8 to 1.6...during the same period Indonesia's fertility rate dropped from 5.6 to 2.4... is important to understand that 2.1 is the fertility rate at which zero population growth is achieved...Hong Kong recently surpassed Japan as the market with the longest average life expectancy...and Hong Kong has the lowest fertility rate in the world today.**
- **Asia is changing. In many respects the implications of all this change are cultural and social...but the solutions Asian families require in order to cope with these changes are largely financial...and they are perfectly aligned with our capabilities.**

Summary

Prudential's platform in Asia is unique, has leadership positions in terms of both scope and scale and **will continue to deliver strong growth that outperforms** the competition.

We have a proven track record of **delivering on our commitments**, both strategic and financial.

Asia is evolving in unprecedented ways...and with **significant positive implications for our business.**



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- I will **close** as I opened...by **highlighting** what I hope will be the **fundamental takeaways** from this gathering...
- Prudential has a **uniquely advantaged** platform in Asia...the **skill** and **efficiency** and **competency** of that platform are **improving constantly**.
- It is **absolutely clear** that, **just as the changes afoot in Asia** are **unprecedented**...so are the **opportunities** they create...opportunities to **which Prudential** has **broader exposure**...and **for which Prudential** has **greater competency** than any of our peers...and **from which Prudential** will **capture a leading share** of the **value that will be created**.
- So it is **also clear** that **investors** who seek to **profit from** those opportunities would be **hard-pressed** to find a better investment alternative to Prudential.