



**PRUDENTIAL**

# **PRUDENTIAL PLC 2006 ANNUAL GENERAL MEETING**

**Thursday 18 May 2006**



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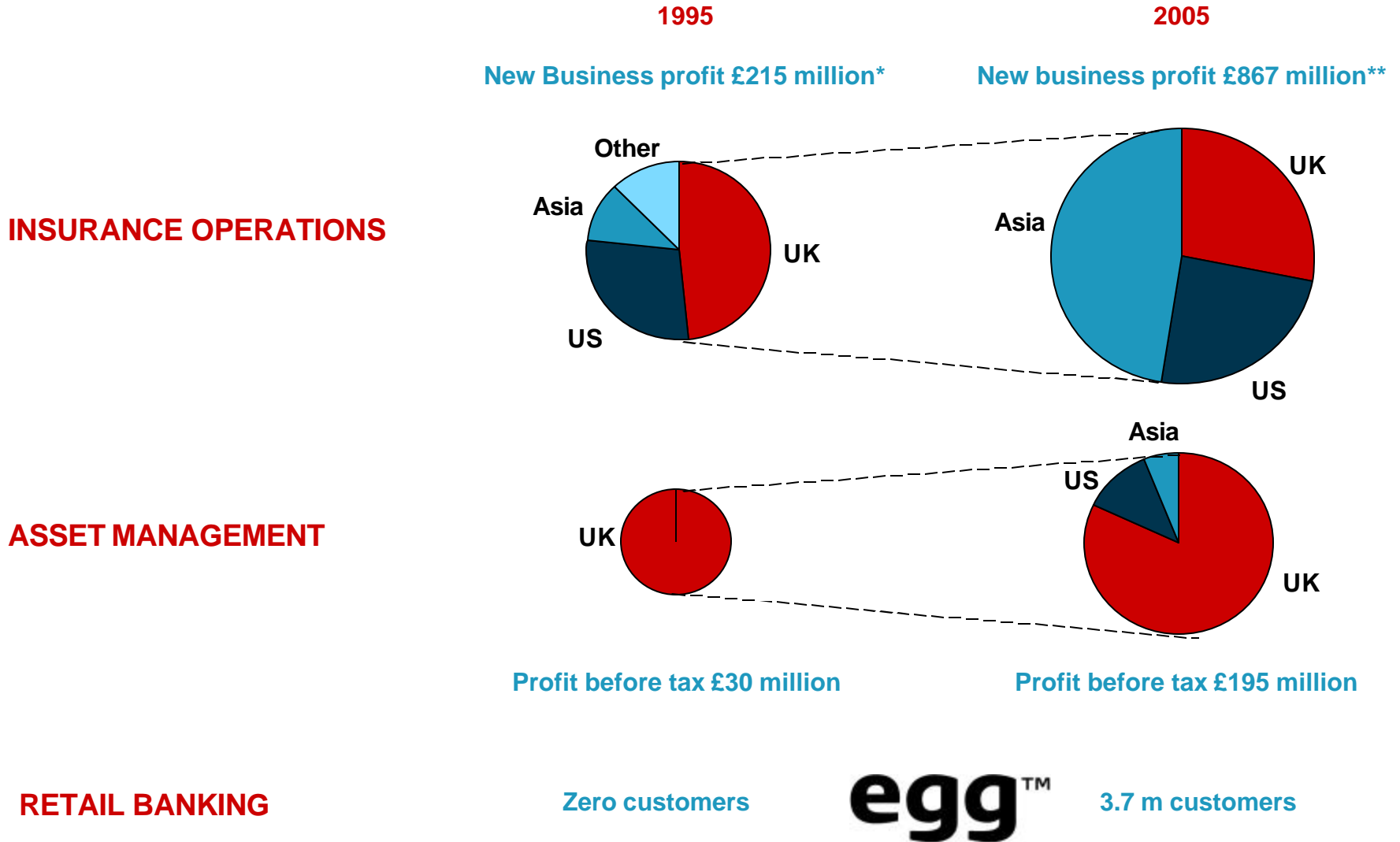
# **PRUDENTIAL PLC 2006 ANNUAL GENERAL MEETING**

**MARK TUCKER**

**GROUP CHIEF EXECUTIVE**

# PRUDENTIAL

## Building and diversifying the Group



# PRUDENTIAL

A high growth, high return business with strong momentum

UK

US

Asia

Insurance



Asset Management



Retail banking



# FULL YEAR 2005 RESULTS

## A high growth, high return business with strong momentum

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### GROUP

- Embedded Value operating profit up 33% to £1,712 million
- Statutory operating profit up 36% to £957 million
- Full year dividend up 3% to 16.32 pence

### INSURANCE OPERATIONS

- New business profits up 15% to £867 million
- Embedded Value operating profit up 30% to £1,743 million

### ASSET MANAGEMENT

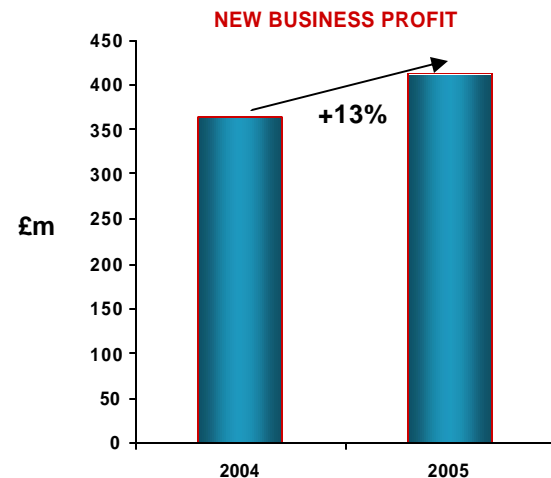
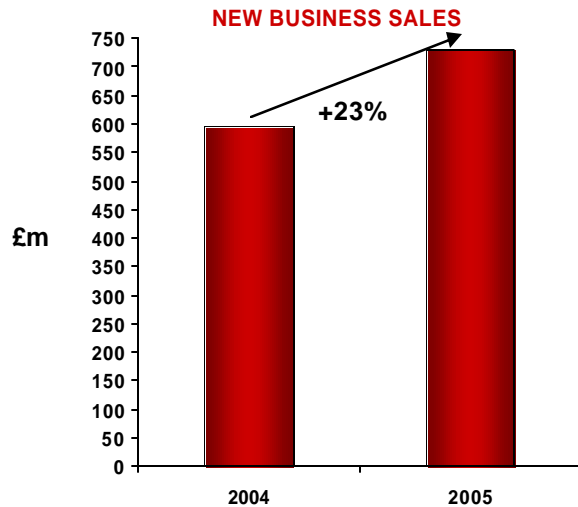
- Operating profit up 16% to £195 million

### RETAIL BANKING

- Operating profit down 28% to £44 million

# ASIA INSURANCE OPERATIONS

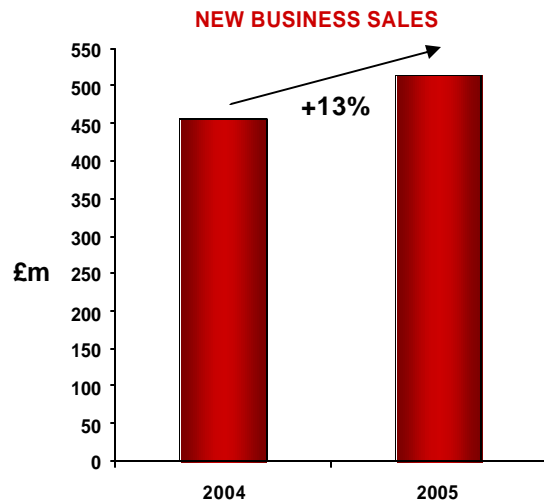
## Unrivalled Asian sales and profit growth potential



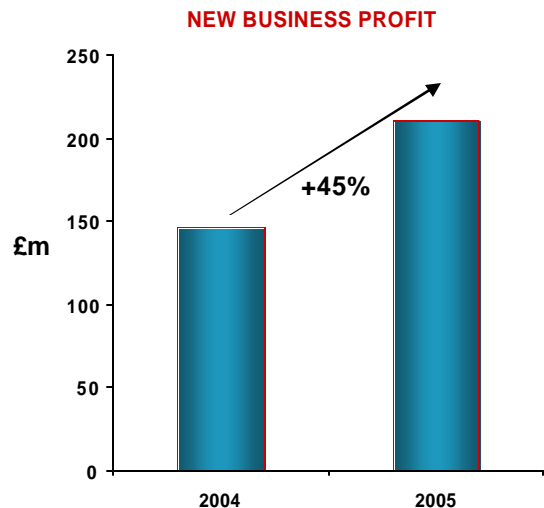
- New business compound growth 24% 1994-2005
- High return business
- Powerful regional position
  - Top-5 position in 8 out of 12 markets
  - 170, 000 agents
  - over 40 banking relationships
- Extracting regional synergies

# US INSURANCE OPERATIONS

## Highly cash generative business positioned for profitable growth



- High return business
- Strong product positioning and innovation
  - 3<sup>rd</sup> largest Variable Annuity provider by net sales
  - 7<sup>th</sup> largest Fixed Indexed Annuity provider
  - 11<sup>th</sup> largest Fixed Annuity provider

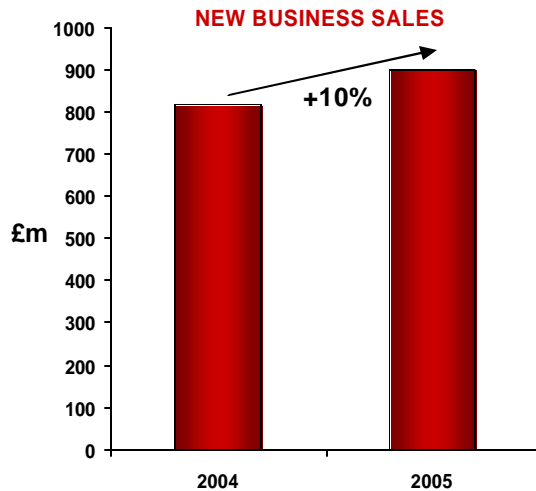


- Advantaged position in advice based distribution
- Low cost flexible infrastructure
- Completed consolidation of Life of Georgia

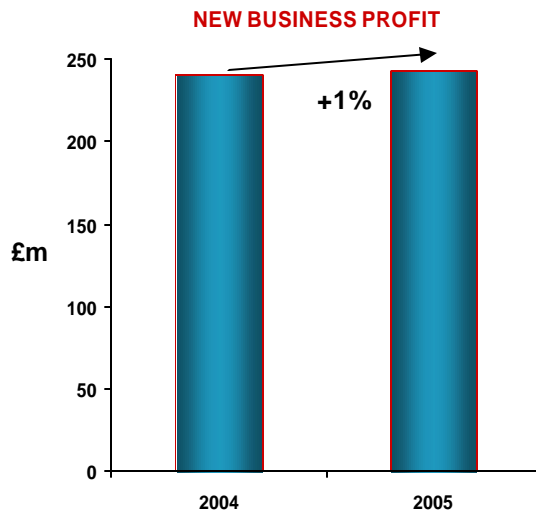
# UK OPERATIONS

## Strong businesses with improved returns

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- Focus on returns
- Building shareholder backed business
- Diversified distribution
- Egg minority buyback
  - £40 million annual cost savings
  - Revenue opportunities



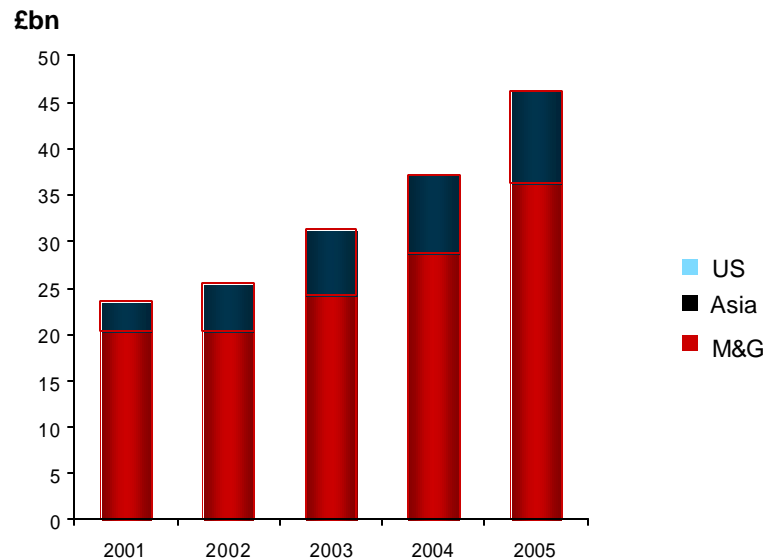


# ASSET MANAGEMENT

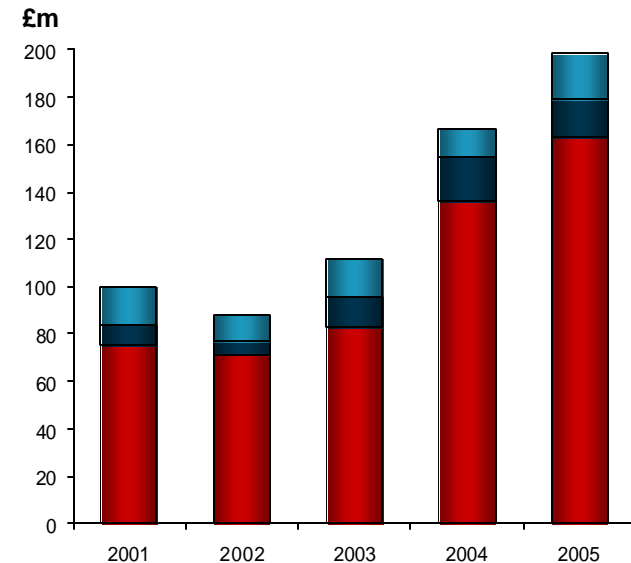
## Strong investment performance and growing cash flow

- M&G net inflows up 93% in 2005 to £3.9 billion
- Significant inflows in Japan and Korea
- Superior investment performance creating value for insurance businesses
- Profits doubled since 2001

**EXTERNAL FUM**



**PROFIT BEFORE TAX**



# PRUDENTIAL

## A high growth, high return business with strong momentum

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- Compelling positions in the world's leading retail financial services markets
  - Unrivalled Asian sales and profit growth potential
  - Highly cash generative US business well positioned for retirement services growth
  - Excellent UK businesses with improving returns
  - Asset management business with strong investment performance and growing cash flow
- Capital and cash to fund growth plans
- Significant scope to increase value from each business and by accessing Group benefits

# BUILDING PROFITABLE GROWTH & EFFICIENCY ACROSS THE GROUP

## Key priorities

### **BUSINESSES:**

#### **Asia**

- Grow and broaden distribution
- Improve productivity and efficiency
- Emphasise unit-linked
- Cash positive in 2006

#### **US**

- Pre and post retirement focus
- Capital generation
- Diversify book

#### **UK**

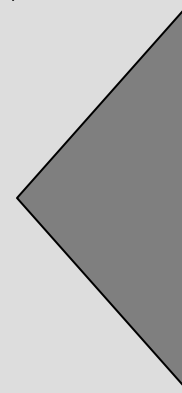
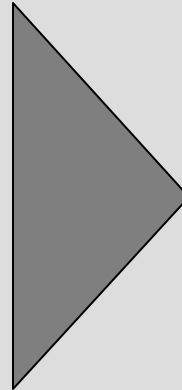
- Build on product and distribution strengths
- Deliver £40m cost savings
- Drive revenue synergies

#### **Asset Management**

- Grow external FUM
- Superior investment performance

### **GROUP:**

- Global cost efficiencies
- Sharing expertise and resources
- Aggregate risk management
- Risk adjusted performance measurement
- Balance sheet efficiency
- Lower funding costs
- Maintain diversification



**PERFORMANCE DRIVEN LEADERSHIP CULTURE**



# PRUDENTIAL

**A high growth, high return business with strong momentum**

**Capital and cash to fund organic growth**

**Significant scope for value creation**



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