

PRUDENTIAL PLC

Jonathan Bloomer, Group Chief Executive

6 October 2004

Merrill Lynch Banking and Insurance Conference

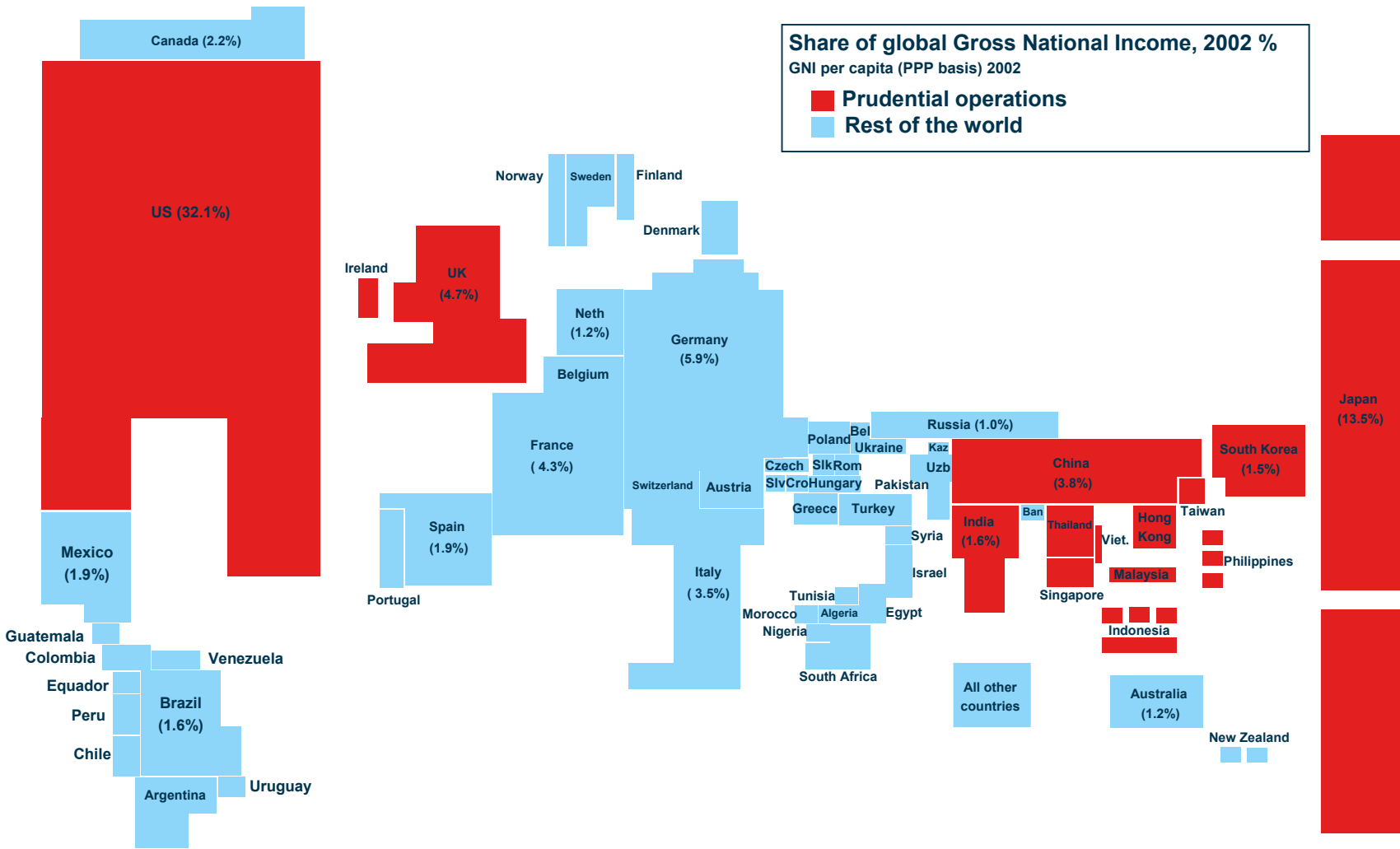
“MANAGING COMPLEXITY”

This statement may contain certain “forward looking statements” with respect to certain of Prudential plans and its current goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements containing the words “believes”, “intends”, “expects”, “plans”, “seeks” and “anticipates”, and words of similar meaning are forward-looking. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Prudential’s control including among other things, UK domestic and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the policies and actions of regulatory authorities, the impact of competition, inflation and deflation; experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; and the impact of changes in capital, solvency or accounting standards, and tax and other legislation and regulations in the jurisdictions in which Prudential and its affiliates operate. This may for example result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. As a result, Prudential’s actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Prudential’s forward-looking statements. Prudential undertakes no obligation to update the forward-looking statements contained in this statement or any other forward-looking statements it may make.

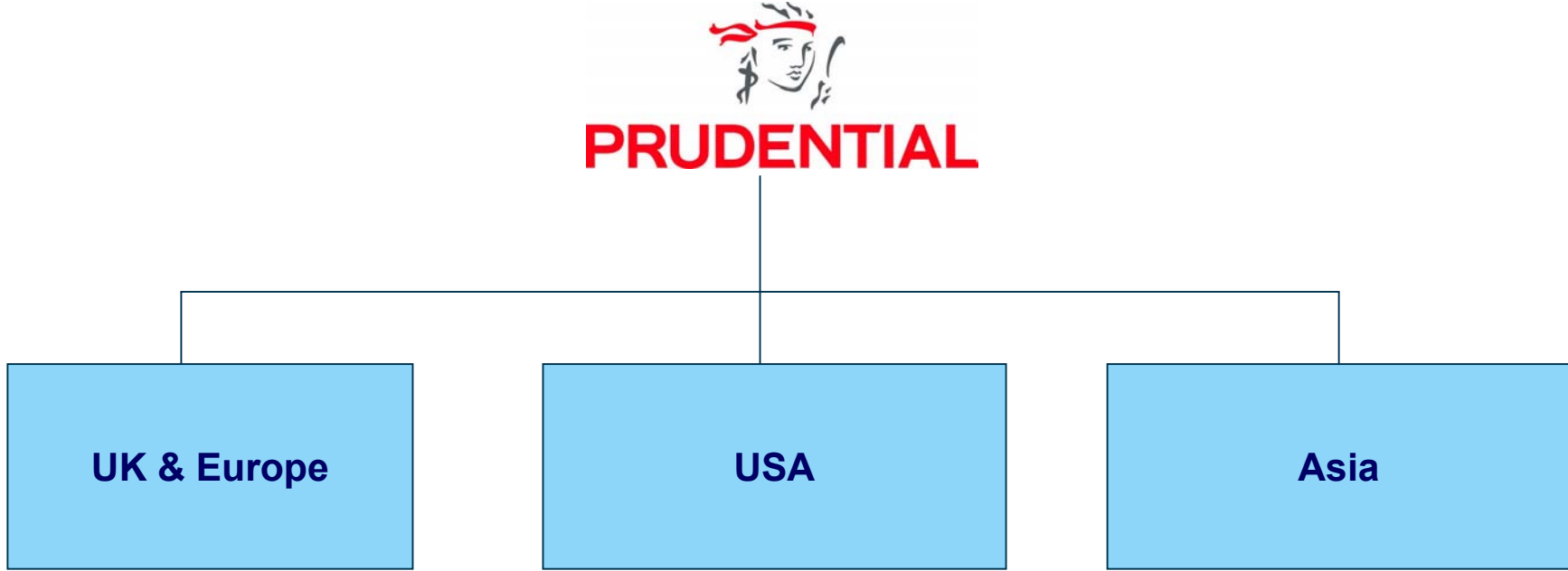
ATTRACTIONS OF DIFFERENT MARKETS



HOW MONEY SHAPES THE WORLD



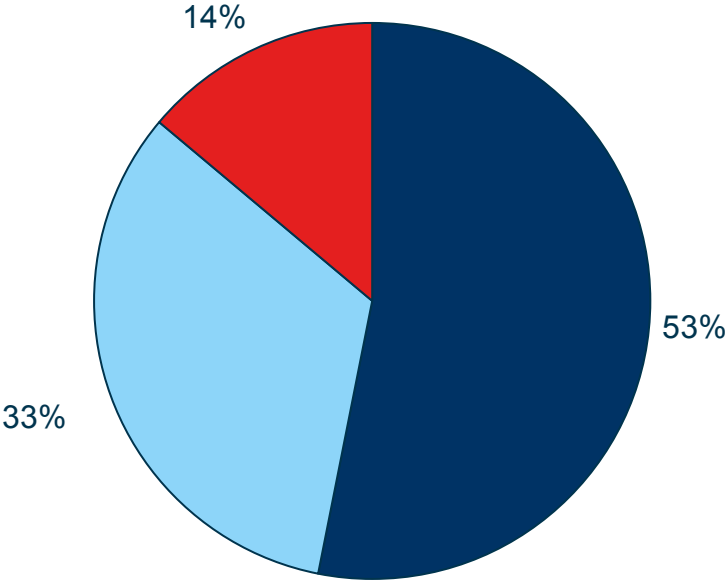
Adapted from the Financial Times, 20 January 2004



INCREASING INTERNATIONAL DIVERSIFICATION

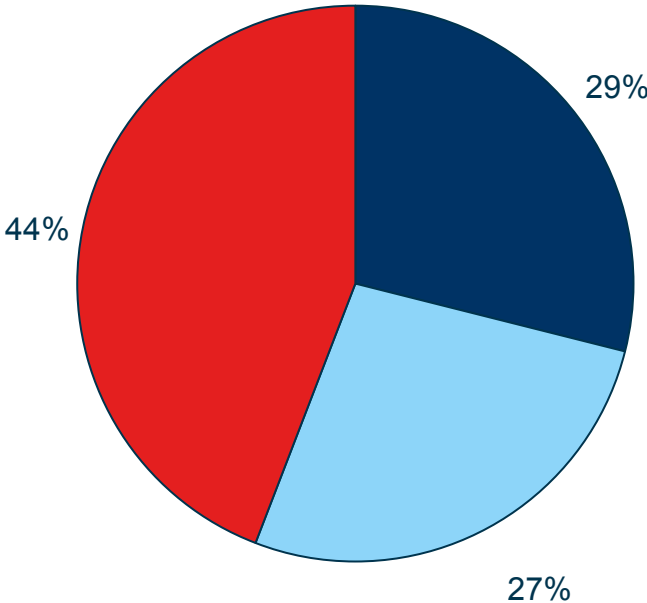
New business achieved profits

1998



New business achieved profits

2004 HY



■ UK and Europe ■ US ■ Asia

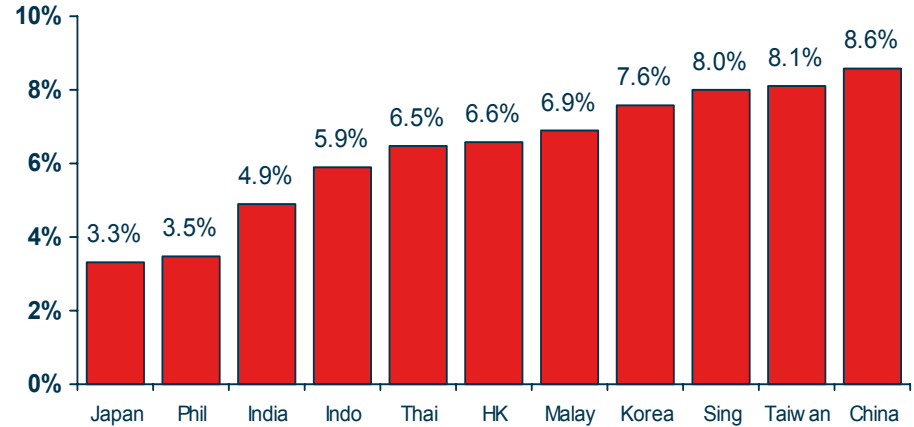
ASIA



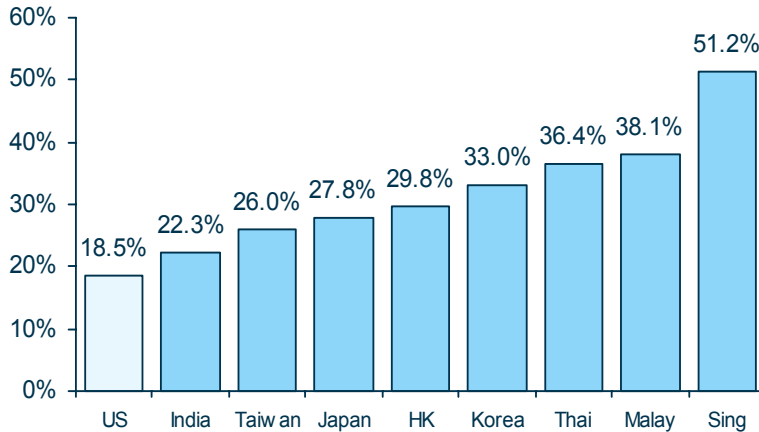
Population (m)

	Now	2030
China	1,259	1,470
India	986	1,380
Indonesia	206	285
Japan	126	117
Vietnam	80	110
Philippines	76	119
Thailand	62	77
S. Korea	46	53
Malaysia	22	34
Taiwan	22	32
Hong Kong	7	8
Singapore	4	4

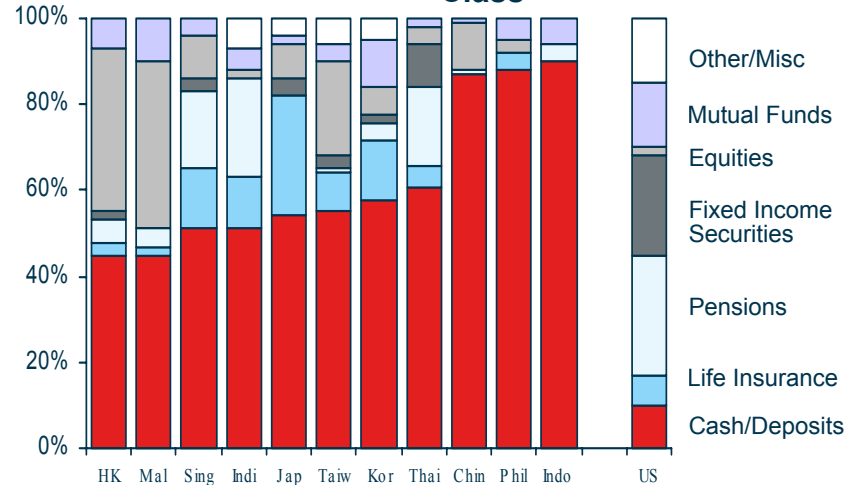
Long-term GDP Growth Rates



Savings Rates

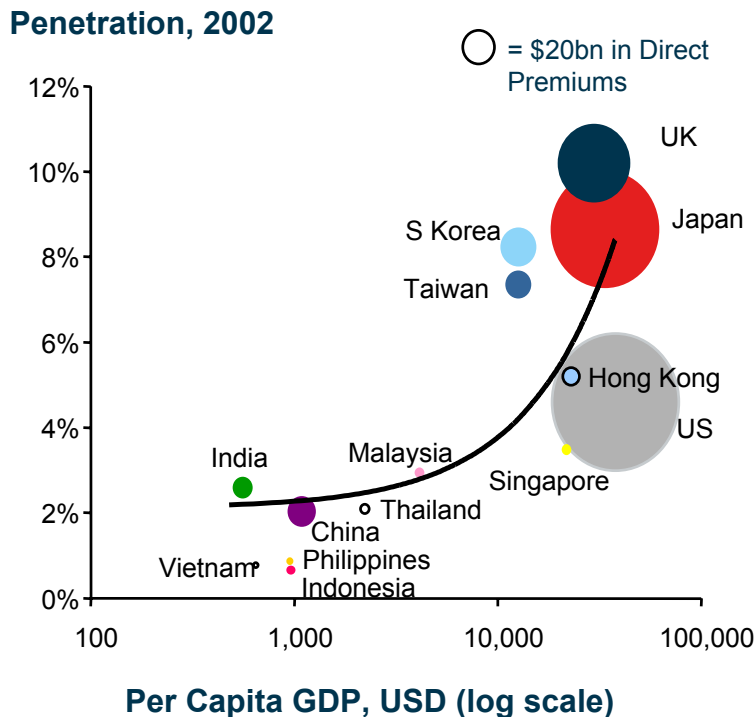


Percentage of Holdings By Asset Class



LIFE PENETRATION INCREASES AS ECONOMIES DEVELOP

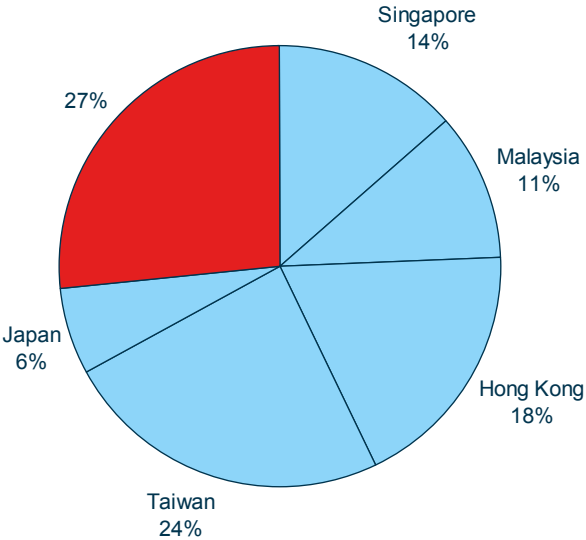
Life Penetration



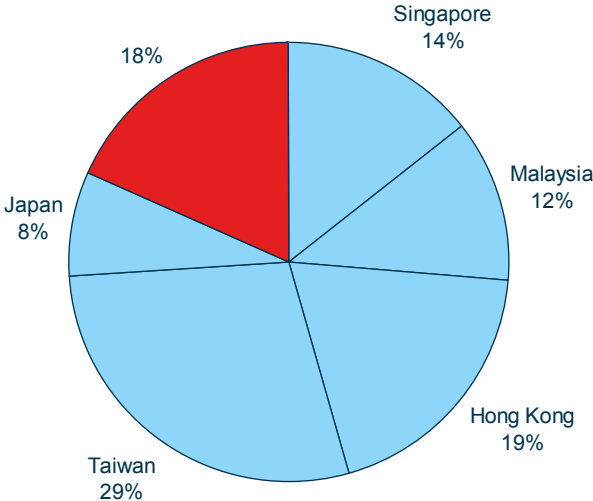
- North Asian markets dominate in terms of scale
- Strong correlation between GDP per capita and penetration of life insurance
- Inflexion point at \$10,000 where life insurance takes off
- Tremendous potential for nascent markets (eg Malaysia, urban populations in China and India) as they move up the curve

GROWTH OF NEWER OPERATIONS

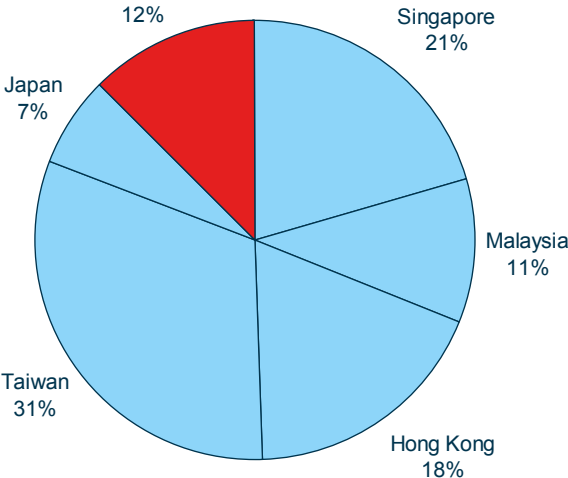
2003 APE SALES BY COUNTRY
TOTAL £555m



2002 APE SALES BY COUNTRY
TOTAL £513m



2001 APE SALES BY COUNTRY
TOTAL £434m



 China, India, Indonesia, Korea, Philippines, Thailand and Vietnam

INDIA

- Joint venture with ICICI
 - restricted to 26% ownership
- Full product range
- Multi-channel distribution
 - 12 bank distribution agreements
- Acknowledged as market leading operation
 - ‘the leading private sector Indian life insurance company on all counts’ *
 - Insurance Award for “impressive growth and innovation” **

India Life Insurance Market Shares

April 2002 - March 2003

	Private Share	Total Share
LIC	-	92.2%
ICICI - Prudential	38.1%	3.0%
Birla Sun Life	13.5%	1.1%
HDFC Standard Life	13.5%	1.1%
Max New York Life	8.0%	0.6%
SBI Life	7.6%	0.6%
Tata AIG	6.2%	0.5%
Allianz Bajaj	5.6%	0.4%
OM Kotak	3.2%	0.2%
ING Vysya	1.8%	0.1%
AVIVA Life	1.3%	0.1%
MetLife	0.6%	0.1%
AMP Sanmar	0.5%	0.0%
	100.0%	100.0%

CHINA

- 50:50 with joint venture partner CITIC
 - c15% market share in Guangzhou
 - strong start in Beijing, Q3 launch in Suzhou
 - fourth licence expected this year
- Market undergoing further change
 - IPOs of domestic insurers
 - opening up of new cities and provinces
- Main challenge is limited amount of experienced human resource
 - PCA leverages Chinese speakers from existing operations
 - already a well-known name



信诚

人 寿 保 险

父亲是儿子
追赶和超越的
领路人

是女儿
判断何为
真爱自己男人的标尺

愿全天下的父亲：
节日快乐！

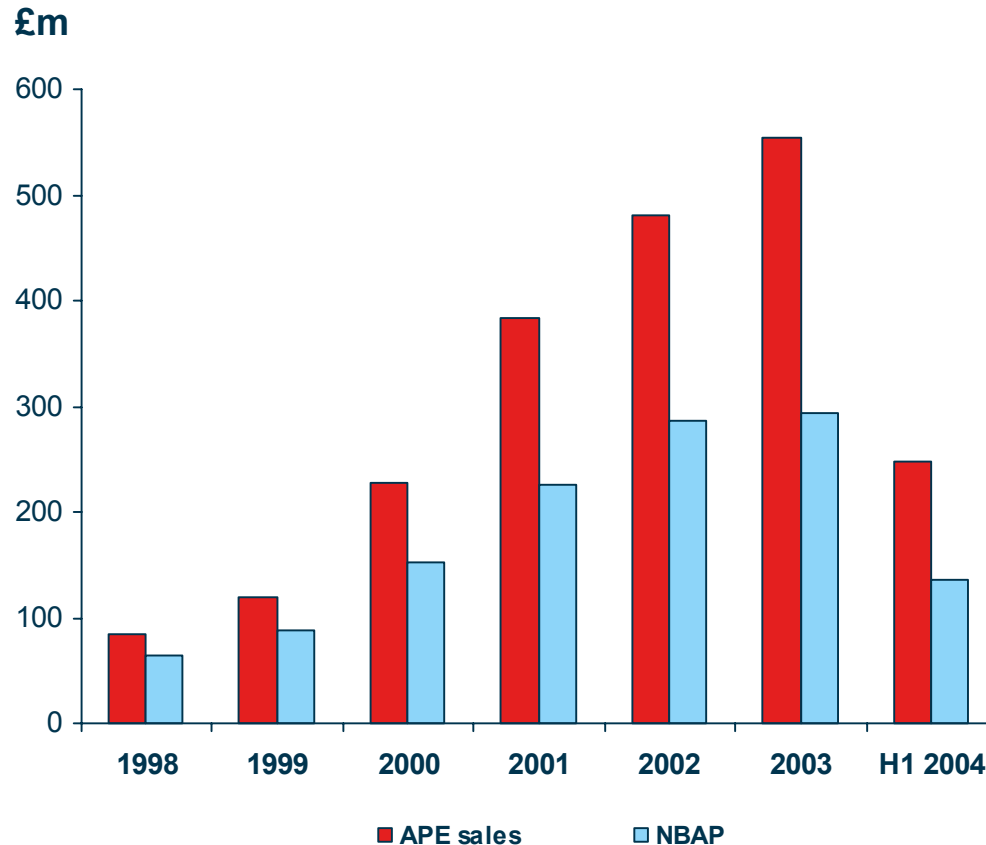
爸爸爸爸

信诚

华泰财险

我的家 我的信

STRONG GROWTH IN SALES AND IN PROFIT



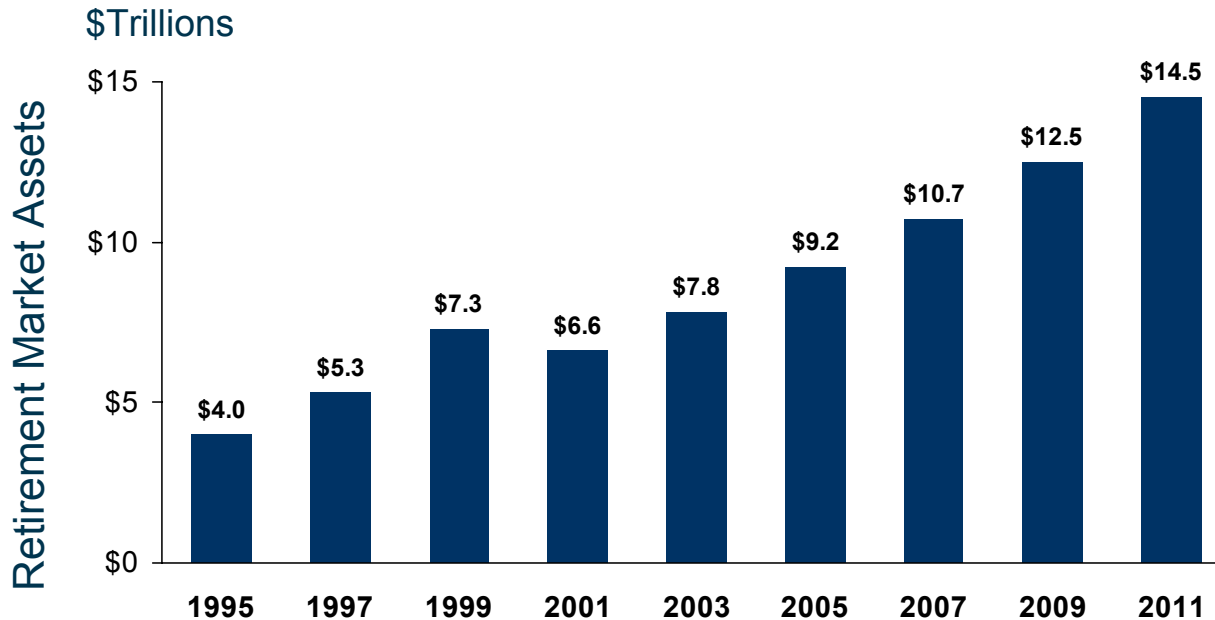
- Strategy has delivered excellent results
- 30% CAGR in AP shareholders' funds since 1998
- Now present in all 12 target markets
- Product and distribution models well-established
- Cash positive in 2006

USA



US HAS BY FAR THE LARGEST RETIREMENT ASSETS

Total Private Retirement Market Assets



- The US has more than 70% of the world's retirement assets
- The UK is second with 10%

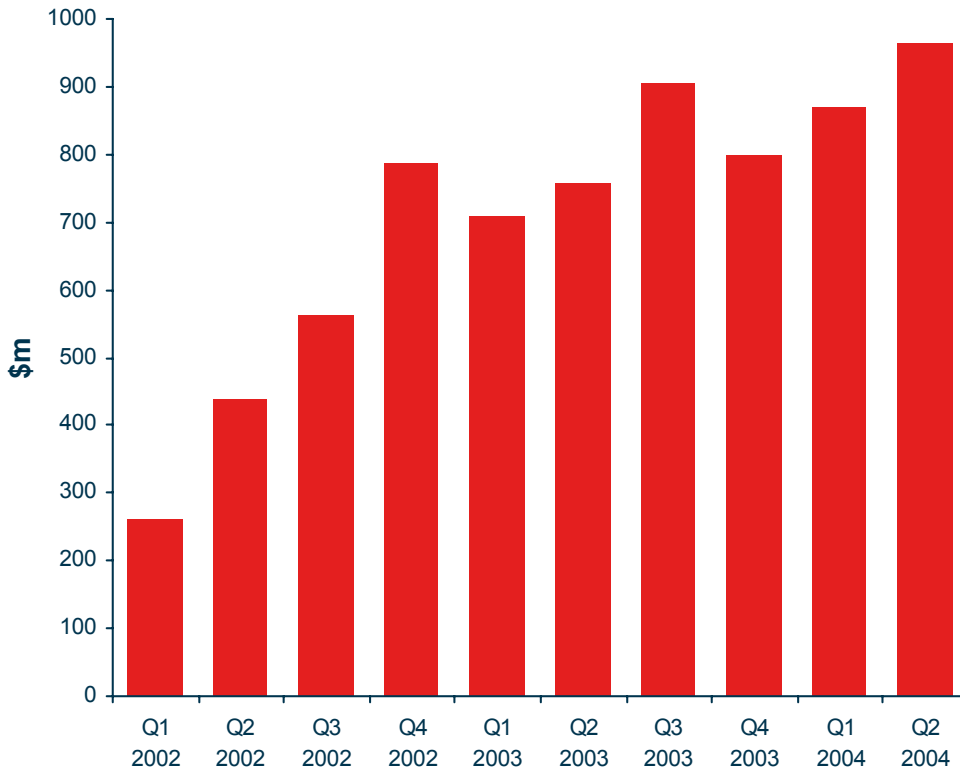
THE WORLD'S LARGEST RETIREMENT MARKET

- Scale player in US life industry
- Excellent product manufacturing and administrative capability
- Relationship-driven distribution model
- Strong risk management capabilities and financial discipline
- Low-cost, flexible infrastructure
- Consistent growth in GAAP assets



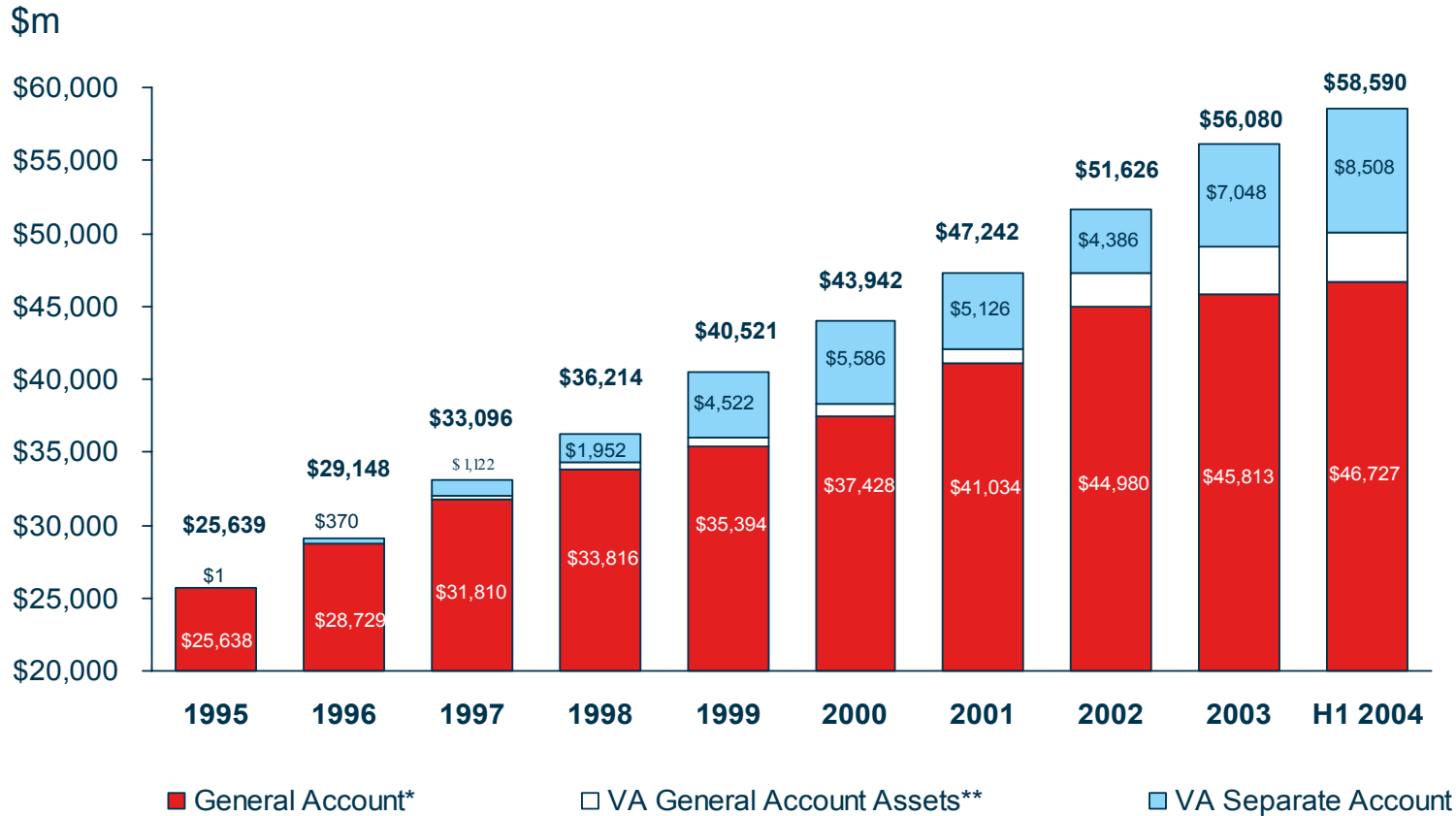
FOCUS ON VALUE WHILE INCREASING SALES

Variable annuity premiums



- January 2002
 - launched Perspective II
- August 2003
 - doubled fees for GMDBs
 - reduced minimum interest rates for fixed option
- May 2004
 - priced to increase gross margin by 25bps

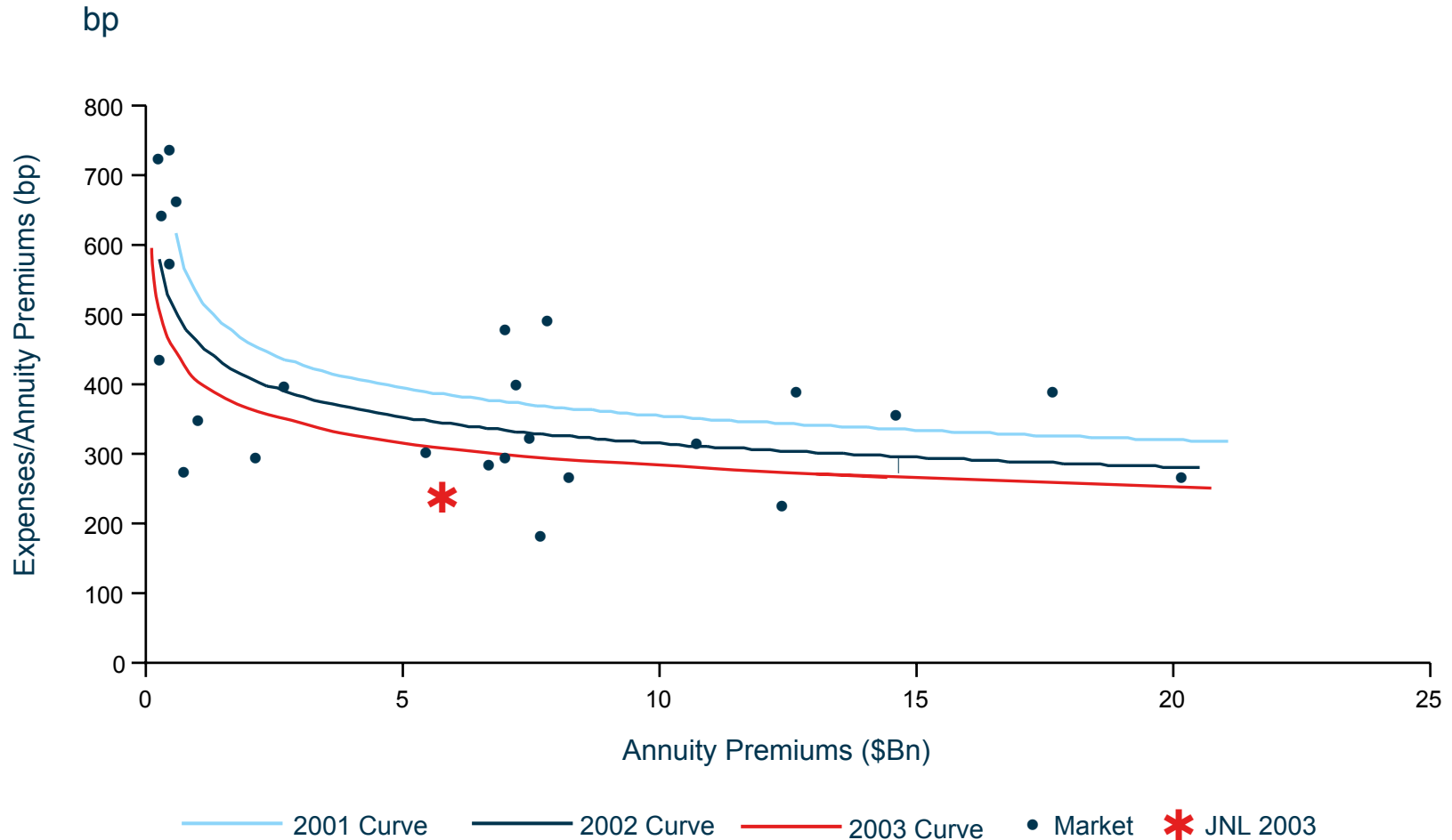
STRONG GROWTH IN US GAAP ASSETS



* Excludes FAS-115, FAS-133, reverse repurchase obligations, and securities lending deposits

** VA General Account Assets breakdown (\$m) - 1995 = 0, 1996 = \$49, 1997 = \$164, 1998 = \$446, 1999 = \$605, 2000 = \$928, 2001 = \$1082, 2002 = \$2260, 2003 = \$3219, H1 2004 = \$3,355.

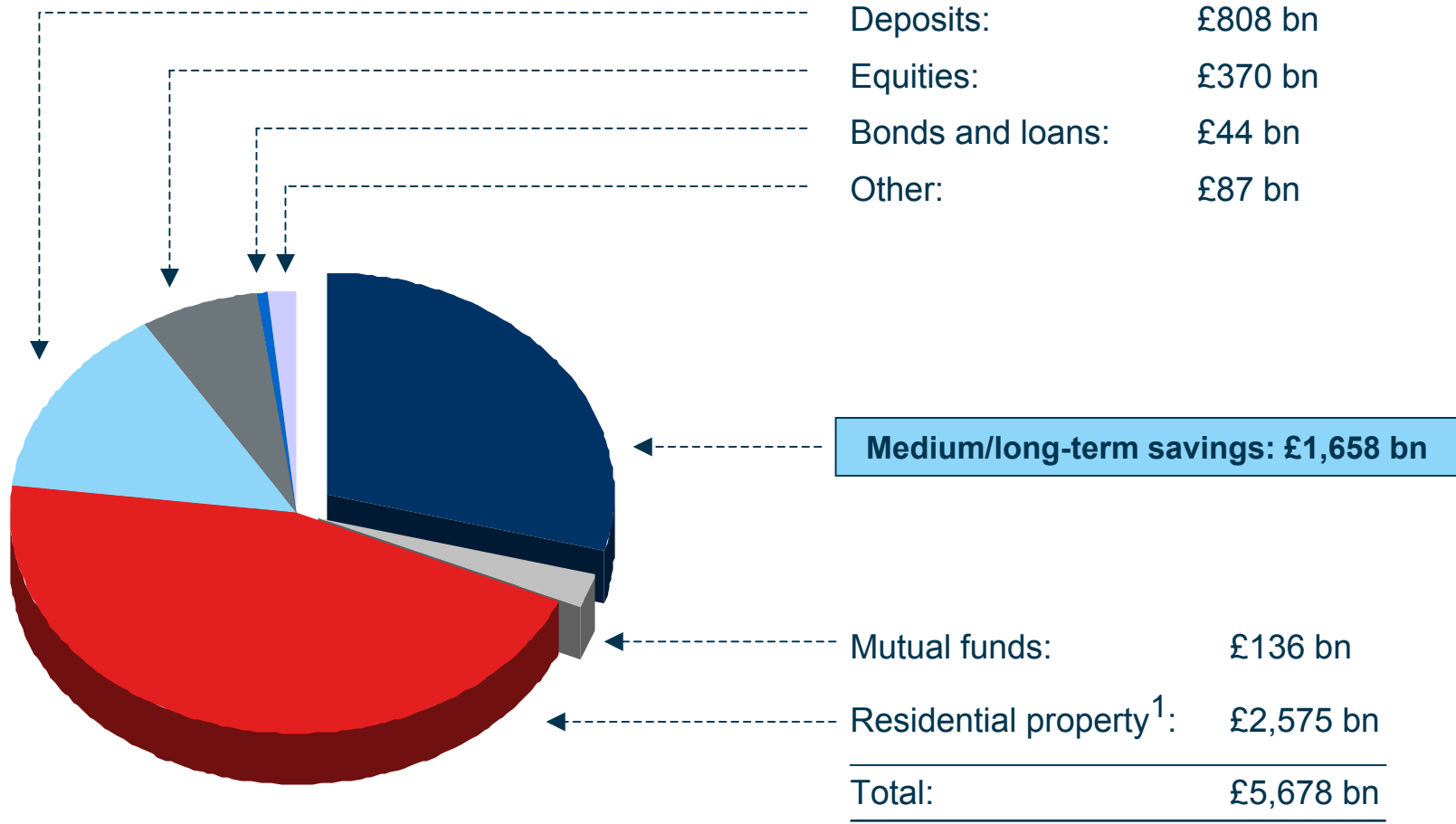
LOW-COST STRUCTURE OFFERS COMPETITIVE ADVANTAGE



UK AND EUROPE



TOTAL GROSS HOUSEHOLD WEALTH (£BN) 2003



Sources: ONS (UKEA Table 64, & Residential Property Blue Book Table 10.10)

1. Residential property data is 2002

A TIME OF CHANGE AND OPPORTUNITY

Market

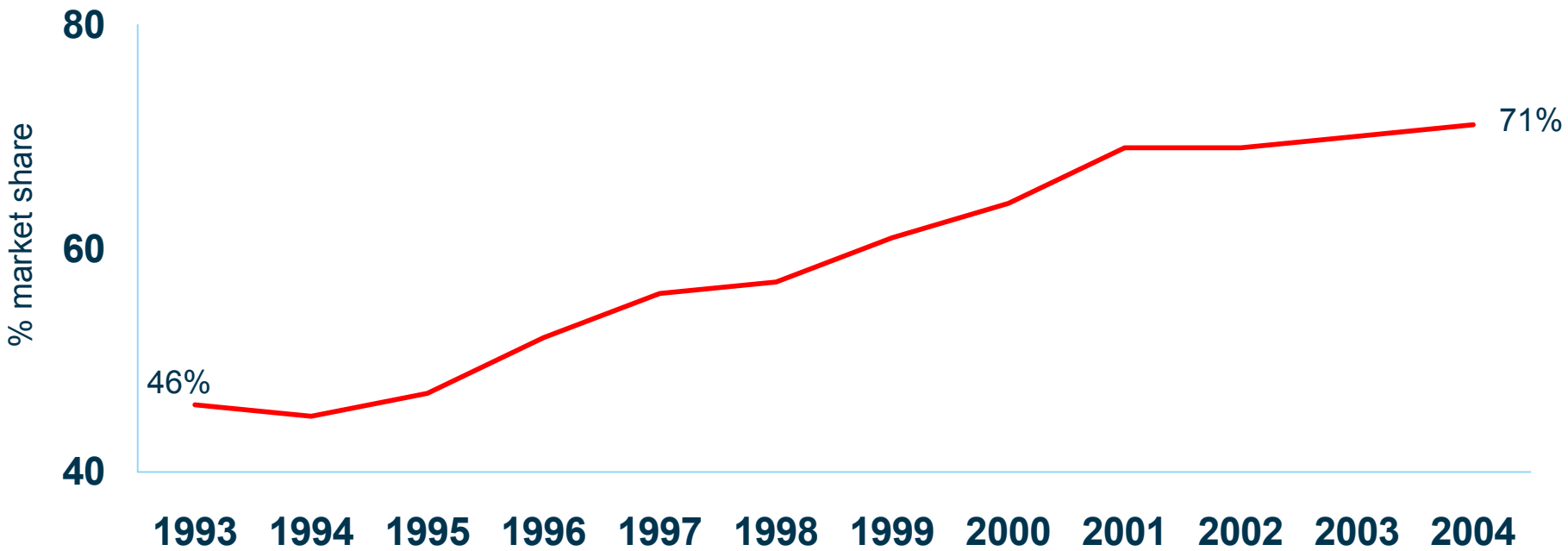
- Environment beginning to stabilise
- Market is concentrating: will favour stronger players
- 1.5% price cap provides opportunity
- Clarity emerging on distribution
- Restoring consumer confidence is key

Prudential's position

- Undisputed financial strength
- Powerful product propositions
- Scale business with low cost base and efficient operations
- Net winners in changing distribution environment
- The industry's "biggest" brand

Clear beneficiary of market concentration

MARKET SHARE OF TOP 10 LIFE PLAYERS HAS INCREASED TO 71%



DIVERSIFIED DISTRIBUTION STRATEGY

	Business to Business	Intermediaries	Direct to Consumer	Partnerships
APE sales (1H 03)	£105m	£116m	£73m	£16m
APE sales (1H 04)	£113m	£141m	£63m	£40m
% of UK APE sales (1H 04)	32%	39%	18%	11%
Channel	Consulting Actuaries and Benefit Advisers	Retail IFAs	Direct Marketing	Banks, Distributors, Retail Brands
Product	Defined Benefit, Defined Contribution, AVC and Stakeholder Schemes, Bulk Annuities	With-Profit and Unit-Linked Bonds, Annuities, Protection	Individual Pensions, Annuities, Savings and Investments, Protection	Individual Pensions, Annuities, Savings and Investments, Protection

ACHIEVING MOMENTUM IN PRODUCT INNOVATION

CORPORATE PENSION FUND RANGE

FLEXIBLE INVESTMENT PLAN



PROTECTION ENHANCEMENT



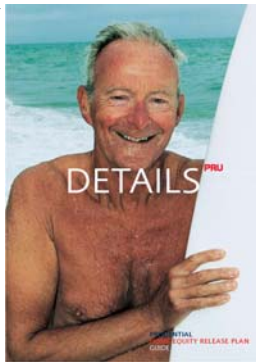
INDIVIDUAL PENSIONS PROPOSITION

2003

2004

2005

EQUITY RELEASE



RISK MANAGEMENT PRODUCTS FOR DB PENSION SCHEMES

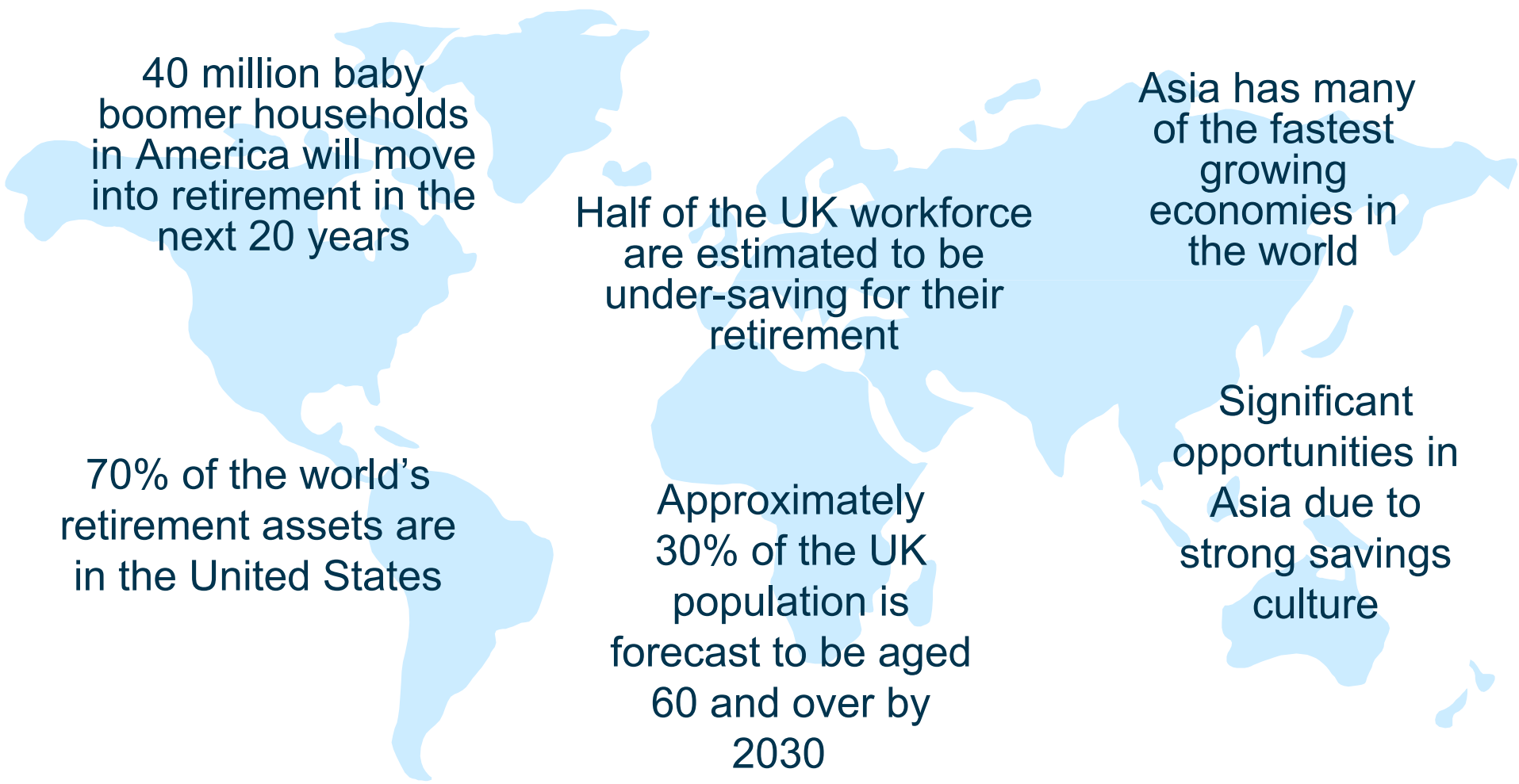


PROTECTION PROPOSITION

DISTRIBUTION BOND

MONEY PURCHASE PLAN

ISAs



40 million baby boomer households in America will move into retirement in the next 20 years

Half of the UK workforce are estimated to be under-saving for their retirement

Asia has many of the fastest growing economies in the world

70% of the world's retirement assets are in the United States

Approximately 30% of the UK population is forecast to be aged 60 and over by 2030

Significant opportunities in Asia due to strong savings culture