



Prudential
Seizing
the
Opportunity

The Opportunity

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Prudential Corporation Asia
November 2004



Asia : Drivers of growth

- **Size and growth of market**
- **Market liberalization**
- **Low penetration of medium and long-term savings products**



Drivers of growth strong as ever

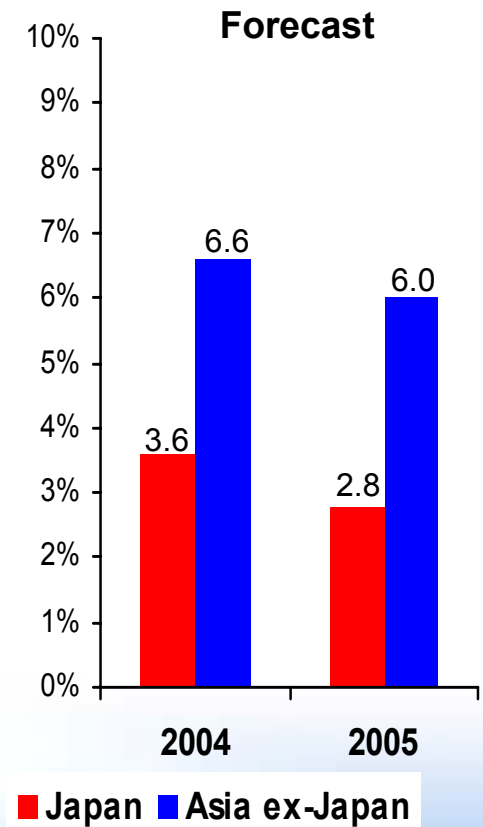
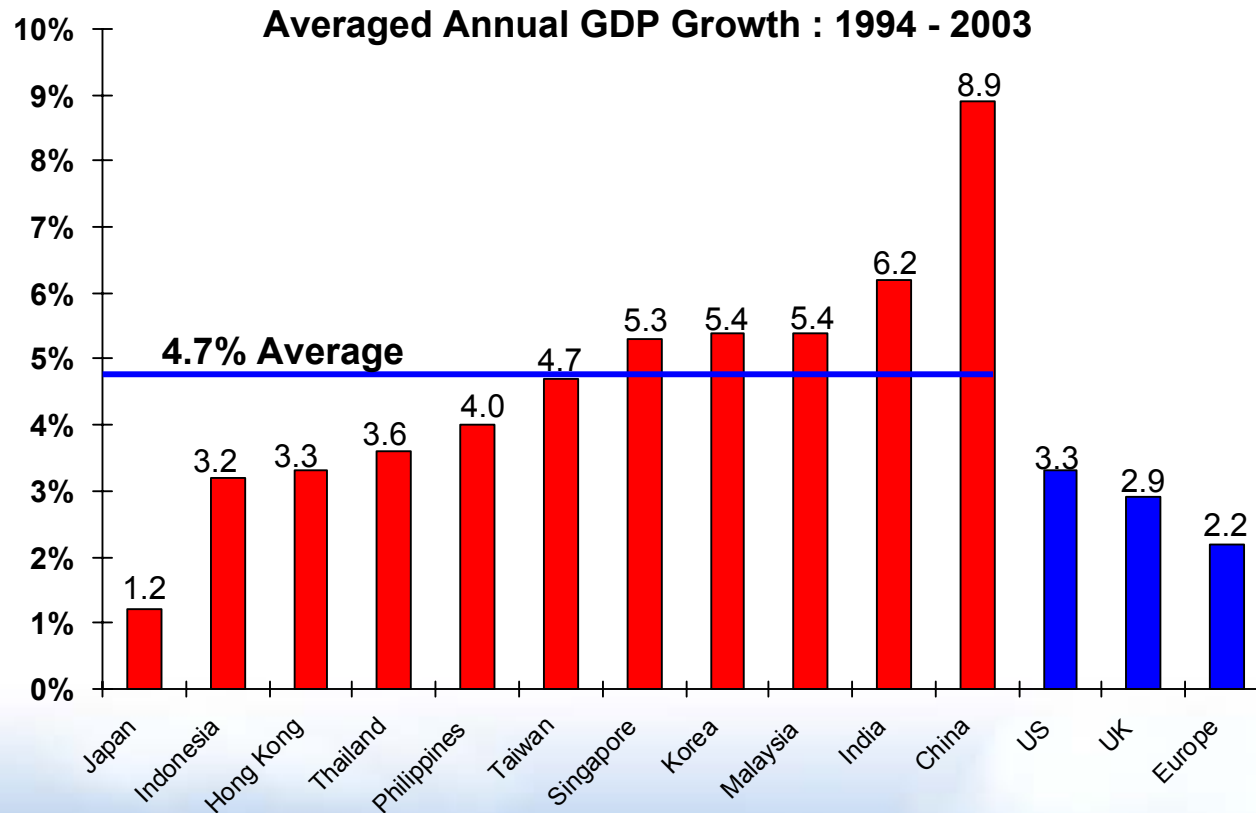


Asia : Size of market



Population (m)	
China	1,292
India	1,055
Indonesia	219
Japan	128
Vietnam	81
Philippines	80
Thailand	64
South Korea	48
Malaysia	25
Taiwan	23
Hong Kong	7
Singapore	4

Asia : Potential for sustained growth

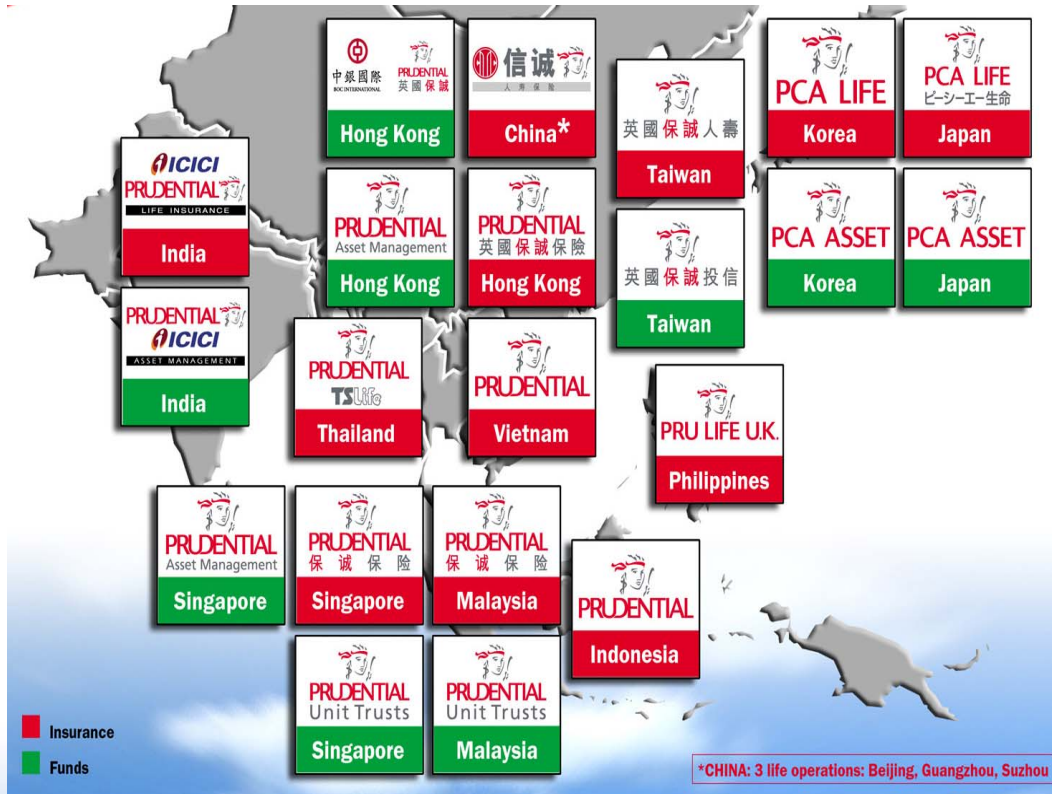


Source: UBS

Source: IMA Asia (September, 2004)

Continuing to outpace Europe and the US

Asia : Market liberalization



“ Diversity is now one of the key benefits as Prudential has operations in no fewer than 12 different countries within the region ”

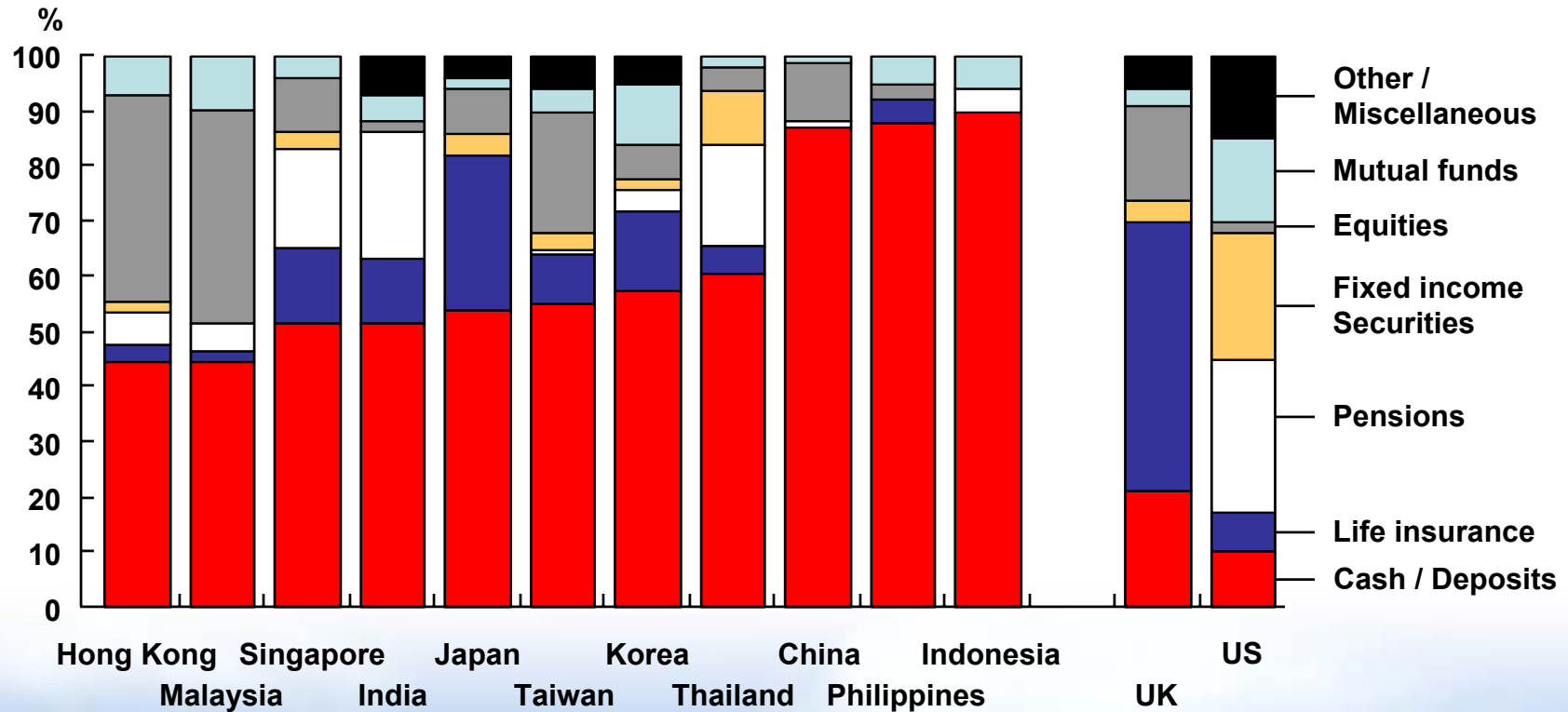
Merrill Lynch (6 October, 2004)

An enviable set of licenses



Asia : Demand for products

Percentage of holdings by asset class



Increasingly seeking alternatives to cash

Source : Marakon 2002

Note : UK Life and Pensions sectors are combined



Key points : Seizing the opportunity

- **Growth opportunity in Asia remains significant for insurance and funds management**
- We are uniquely positioned to seize this opportunity
- We are strengthening our foundation to ensure sustainability of above-market performance
- Our scale and our focus will yield accelerated profitability : Strong top-line growth, even faster bottom-line growth



Delivering profitable and sustainable growth



Turning challenges to opportunity

Challenges

- Local incumbents
- Economic volatility
- Developing legal and regulatory frameworks
- Increasing competition

Our strengths

- Partnering with locals
- Pioneering market development
- Diversity of markets, products and distribution
- Extensive local experience
- Market leading innovation, distribution and brand

Local experience.... Diversity.... Market leadership



Nascent markets

Success factors :

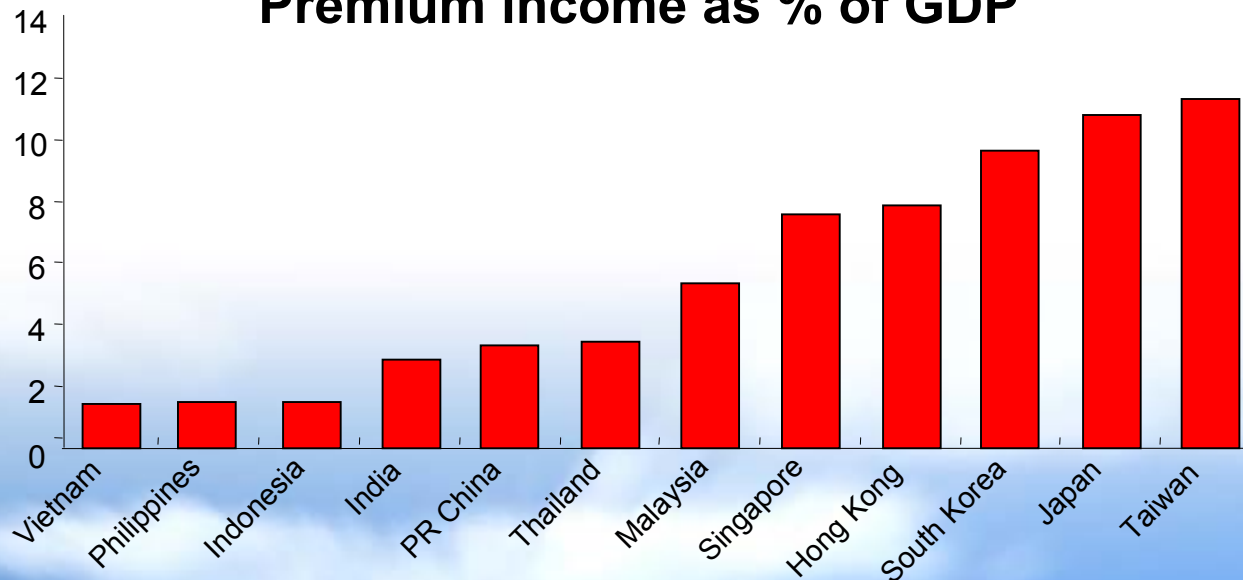
- First mover advantage
- Build distribution quickly to access customers : Agency model
- Core product focus
- Build brand awareness
- Sound operation

Developed markets













Success factors :

- Differentiation from competitors
- Multi-channel distribution
- Innovative product mix
- Customer life cycle management
- Scale efficiencies
- Superior service

Premium income as % of GDP



The advantage of experience

	South Asia							Greater China			North Asia	
												
Country	SG	MY	Tha	Indo	Phil	VN	India	HK	TW	China*	JN	KA
Products												
Life : Traditional	●	●	●	●	●	●	●	●	●	●	●	●
Unit-linked	●	●		●	●		●	●	●	●	●	●
Mutual funds	●	●					●	●	●		●	●
General	●	●						●				
Distribution												
Agency	●	●	●	●	●	●	●	●	●	●	●	●
Bank	●	●	●	●	●	●	●	●	●	●	●	●
Broker	●						●	●	●			●
Direct	●	●	●	●	●		●	●	●	●		●

● 1994 ● 2000 ● as of October 2004

* Guangzhou



Building market leadership

Number of
markets in
top 5 share*


In 2000

6 - 10

4 - 5

2 - 3

0 - 1

		Manulife	 AIG
	Great Eastern Sun Life CMG		
Cathay Life RSA CGNU	Zurich US Prudential New York Life Aegon Allianz	AXA ING	

1 - 2

3 - 6

7 - 8

9+

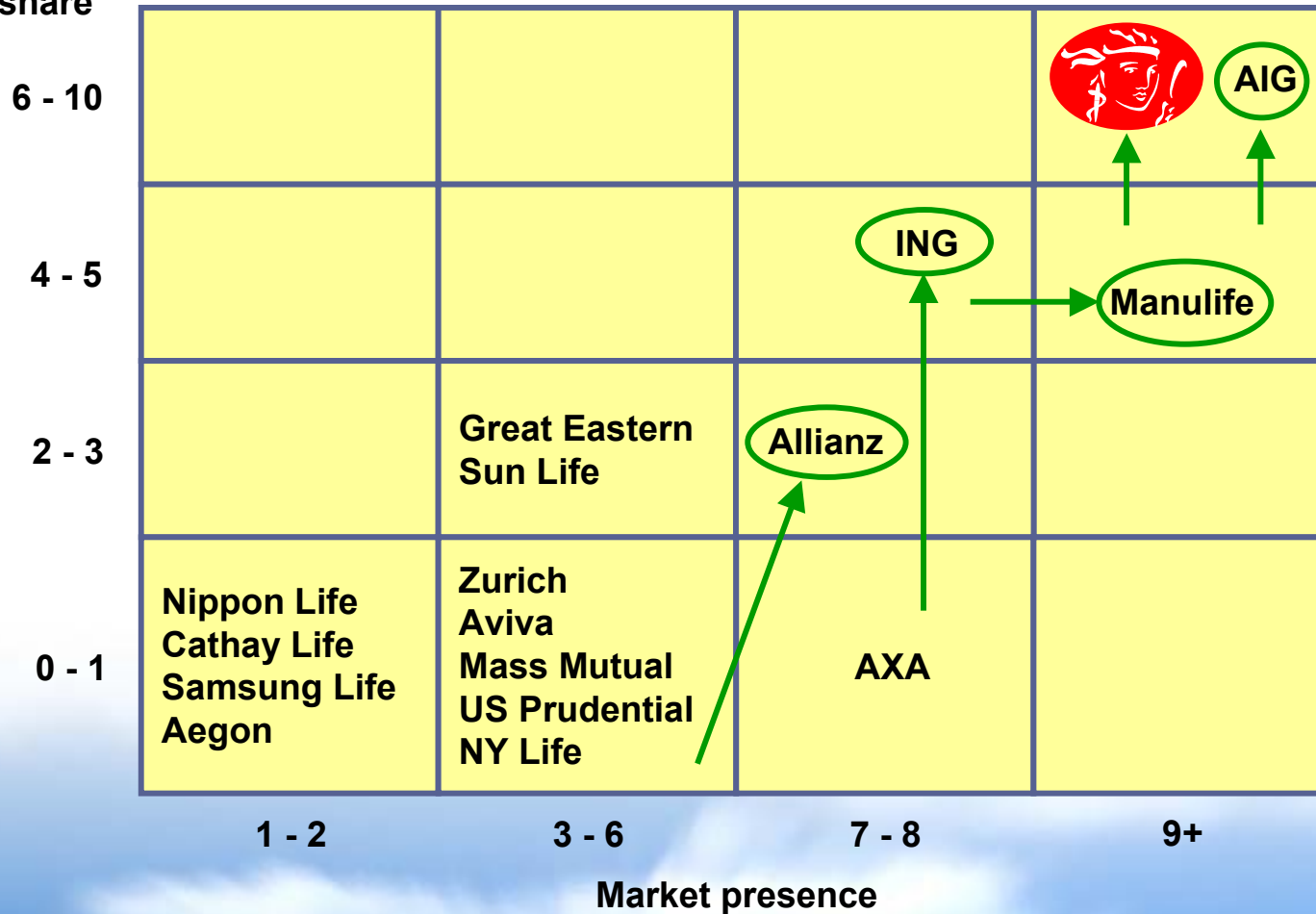
Market presence



Strengthening market leadership

Year end 2003

Number of
markets in
top 5 share*





“ Winners are likely to be established players who know the culture and have management strength and depth in the region ”



Key points : Seizing the opportunity

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Vision : Market leadership

To be the market leading savings, investment and protection company in Asia...



Brand strength and reputation

Superior service and professional advice

Flexible multi-distribution

Innovative products

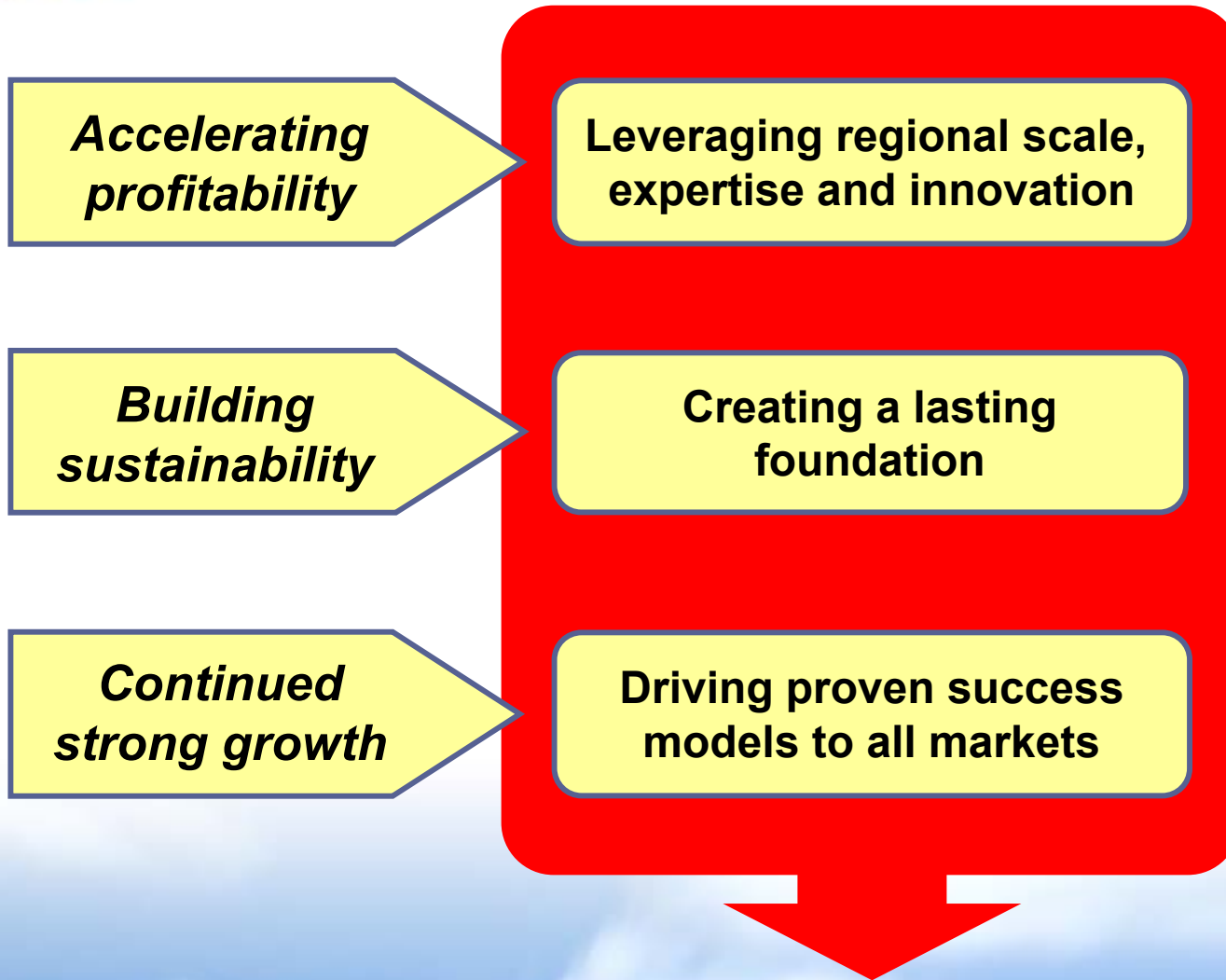
Best people and management

Highest growth rate and return

***...for our customers, staff, distributors, partners,
and shareholders***

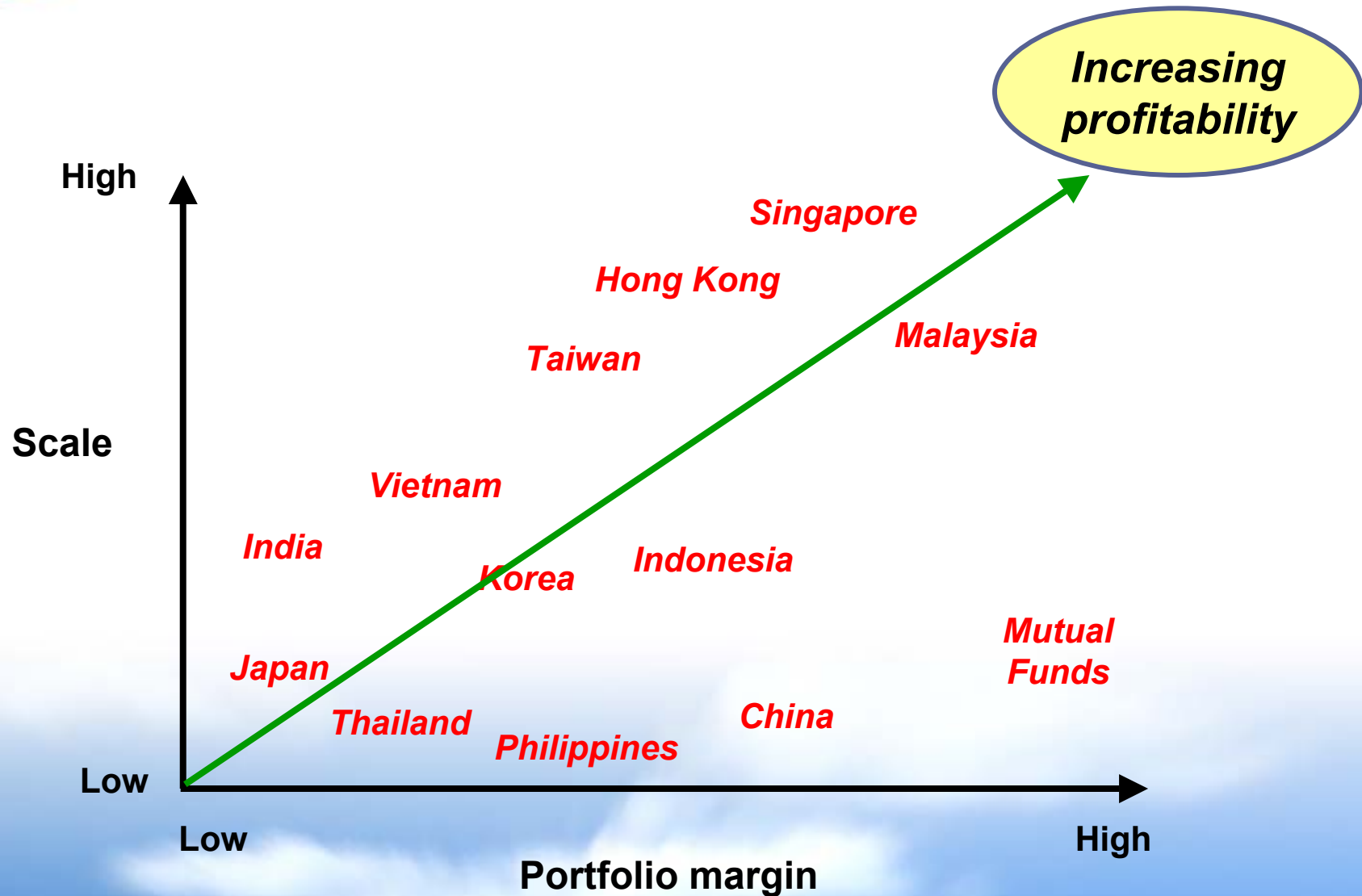


Delivering profitable and sustainable growth



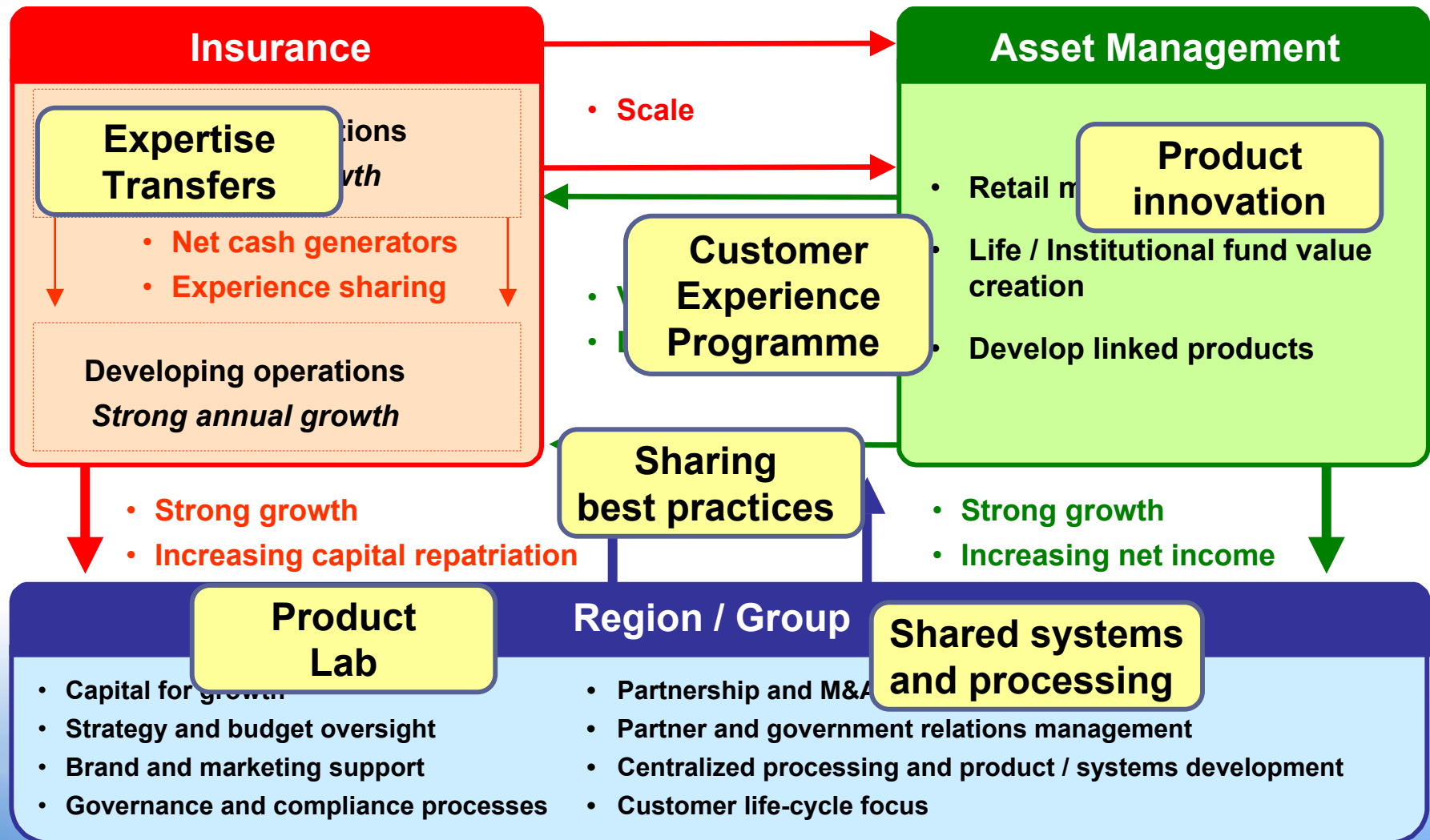
Strong top-line growth - even faster bottom-line growth

Increasing profitability



Leveraging scale, expertise and innovation

The Integrated Operating Model





Accelerating profitability

	Scale benefits	Increases margin
Expertise transfers	✓	✓
Sharing best practices	✓	✓
Shared systems and processing	✓	✓
Product Innovation / Lab	✓	✓
Customer experience programme	✓	✓



A lasting foundation

Building sustainability

People

**Risk
management**

**Brand
strength**



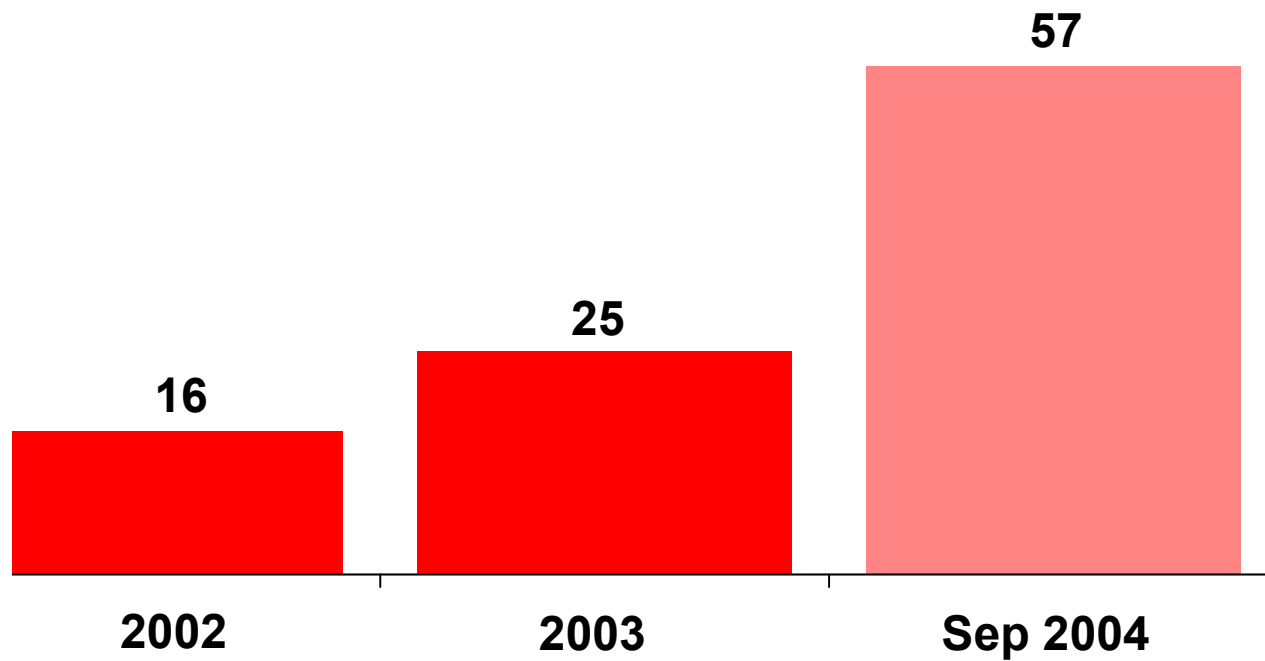
Attracting and retaining people

What employees want...

- **Scale, growth and diversity – A company with outstanding career opportunities**
- **Reputation and culture – A place where you are proud to work**

Career development opportunities

People transfers between our Asia businesses



Over 95% across borders



Leadership development

Asia Leadership Development Programme

Selection

- High potential
- Flexible
- Language skills

Class training

- People and functional skills
- Company culture

Apprenticeships

- On-the-job training and assessment

Exposure

- Top management access and advice

- Initially focused on China
- 6 month programme
- 3 classes (28 people) to date

Developing the pipeline of future leaders today



Risk management focus

Risk management
A framework for
strengthening the
business foundation

Strategic

Business environment

Investment

Operational

Compliance

Underwriting

Partners and suppliers

**Improved
process**

**Greater
accountability**

**Deeper
compliance
culture**



Compliance

Three-pronged strategy

Prevention

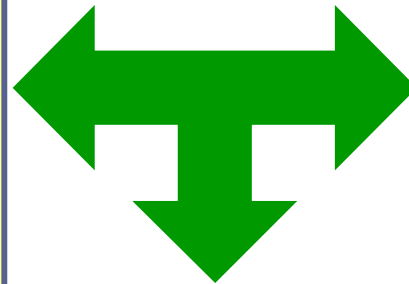
- Clear guidelines
- Management communication
- Case-study based training

Culture of compliance

Detection

- Every business with a senior compliance leader
- Every major sales force has a compliance organization
- Immediate issue reporting

80 compliance staff



Reaction

- Prompt and strict discipline
- Full cooperation with regulators

No exceptions to the rules

Making our culture of compliance a competitive advantage

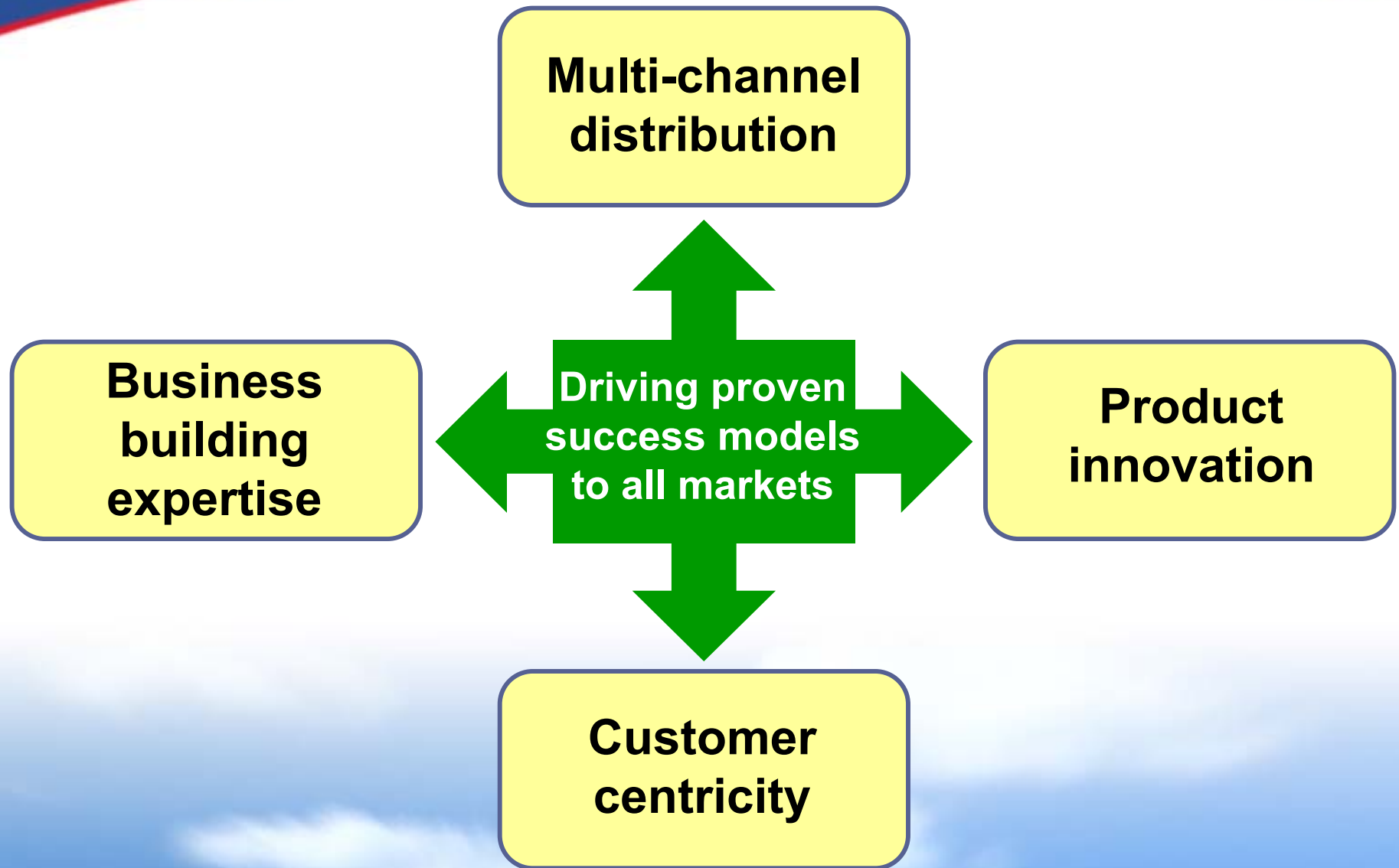


Brand strength





Continued strong growth





Business building expertise



Vietnam

- No 1 market share
- Over 37,800 agents
- 65 offices
- 95% brand recognition



India

- No 1 market share
- Over 44,000 agents
- 90 offices
- 92% brand recognition



China

- Over 6,900 agents
- 3 offices
- Using our growth model tested in Vietnam and India

Plus Shanghai



Multi-channel distribution



Tied agents



Independent financial advisors



Bank



Direct and telemarketing



Target customers



Innovative products and services





Customer centricity



- **Segmentation and targeting**
- **Understanding their lifetime needs**
- **Innovative needs-based products**
- **Trusted for professional advice and superior service**

Market leadership... Profitability

Delivering profitable and sustainable growth

**Accelerating
profitability**

**Leveraging regional scale,
expertise and innovation**

**Building
sustainability**

**Creating a lasting
foundation**

**Continued
strong
growth**

**Driving proven success
models to all markets**

- Integrated operating model
- Leadership development
- Risk management
- Brand strength
- Business building expertise
- Multi-channel distribution
- Product innovation
- Customer centricity

Strong top-line growth - even faster bottom-line growth



- 1** Growth opportunity in Asia remains significant for insurance and funds management
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