



**Prudential:
Leading in Asia**

A dark red silhouette map of the Asian continent is centered in the background of the slide.

Korea : Building scale since acquisition

A stylized, intricate illustration of a dragon is located in the bottom left corner of the slide.

**SH Hwang
Prudential Corporation Asia
1 December 2006**



Key market trends in Korea

Changing landscape



- **Fast growing individuals' wealth and migration away from cash products**
- **Rapid growth of pension markets and outsourcing to the asset management industry**
- **Increasing interest in cross border investment opportunities**
- **Open architecture system giving rise to expansion in distribution opportunities**
- **Asset management industry viewed as a core component of Korea's financial sector**

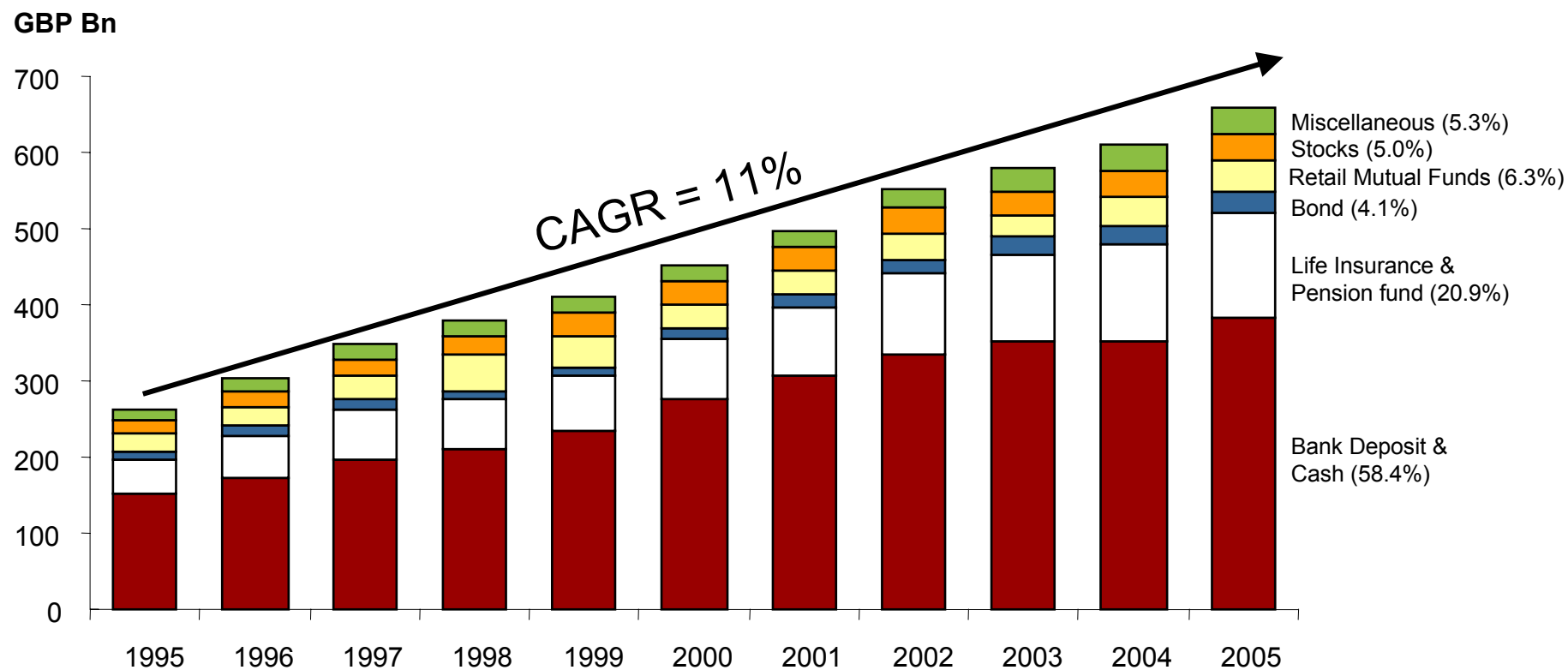


Growth potential Wealth and low penetration



**Korea has the 3rd largest Household Financial Assets in Asia
1% displacement from bank deposits will translate to GBP 4 Billion of FUM**

Financial Assets of Korean Households



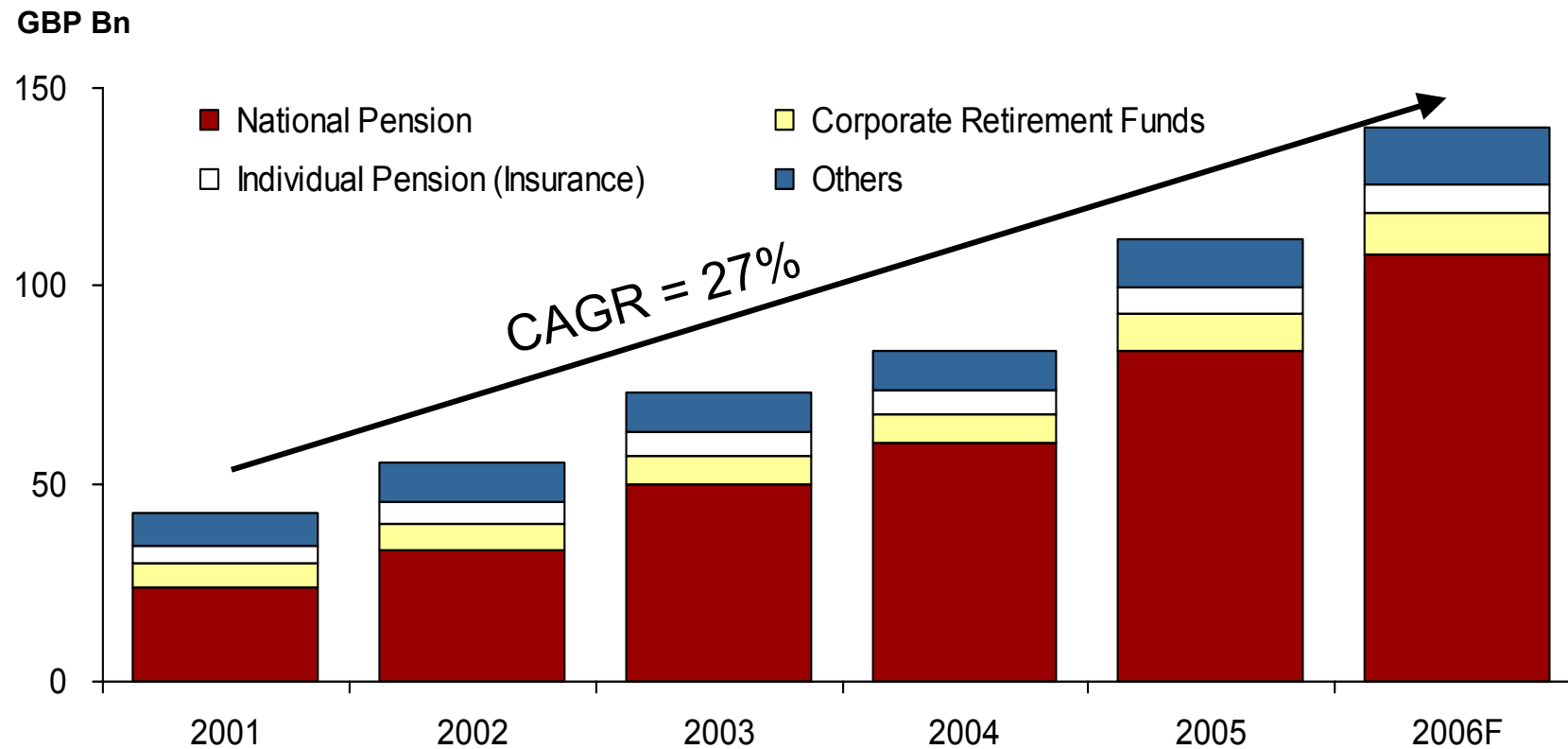


Growth potential Pension market



Recent regulatory reform is expected to drive growth;
Outsourcing to the fund industry is expected to grow rapidly

Rapidly Growing Korea Pension Market



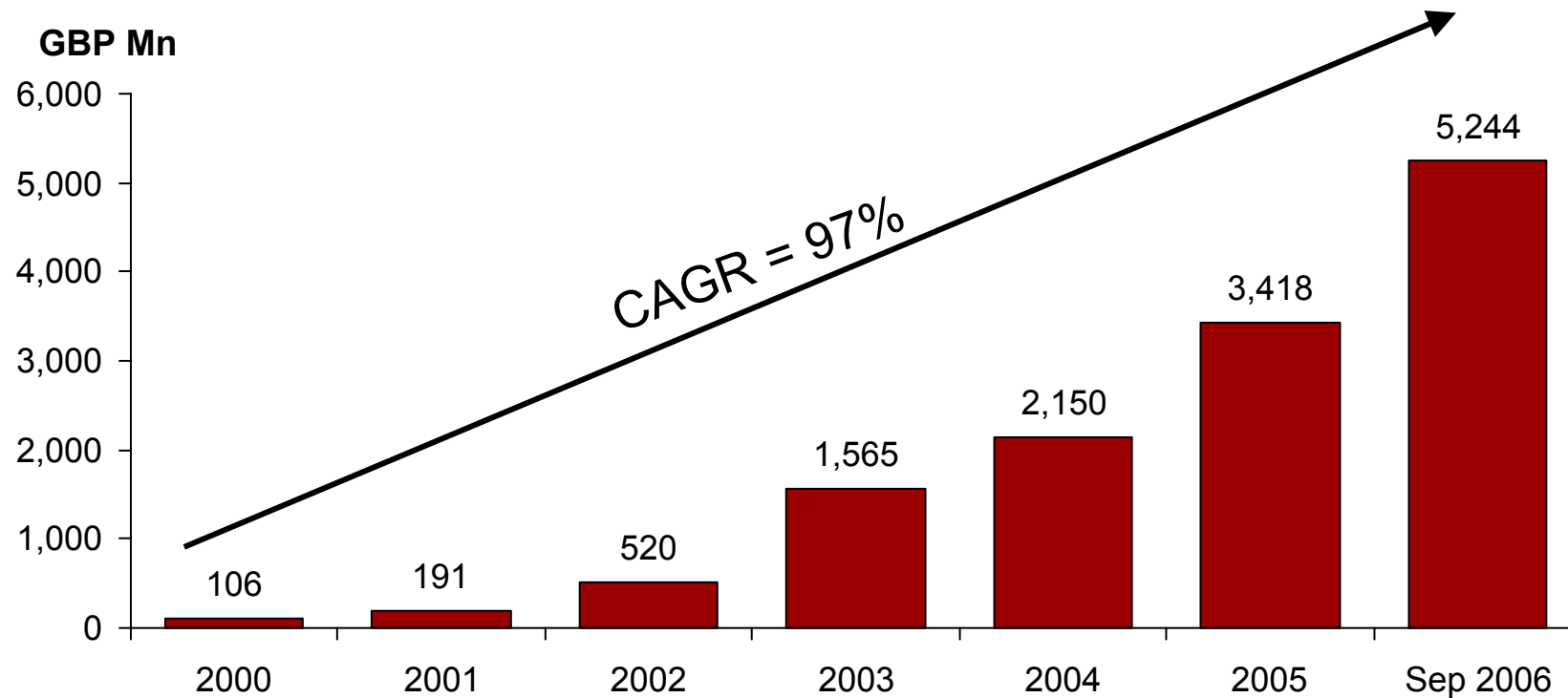


Growth potential Cross border funds



Cross Border Funds CAGR of 97% ; Korea domiciled international funds (approx. GBP 3.5 Bn) is also expected to grow rapidly

Korean Cross Border Funds Market (excluding Fund of Funds structure)



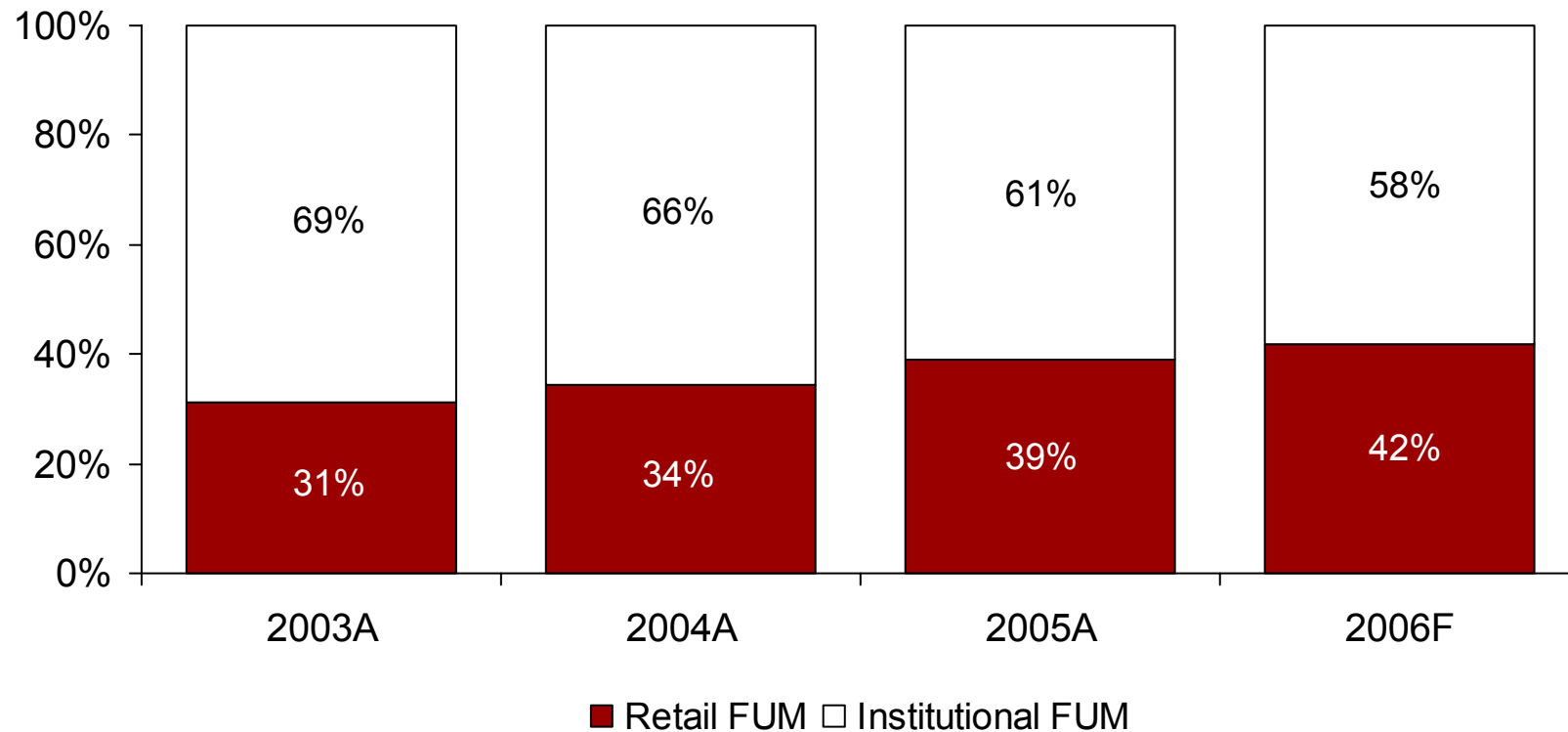


Growth potential

Retail and institutional



Majority of the growth continues to come from retail - CAGR = 29%
Institutional segment is expected to grow through VUL, Pension and International
asset allocation of institutions - CAGR = 11%



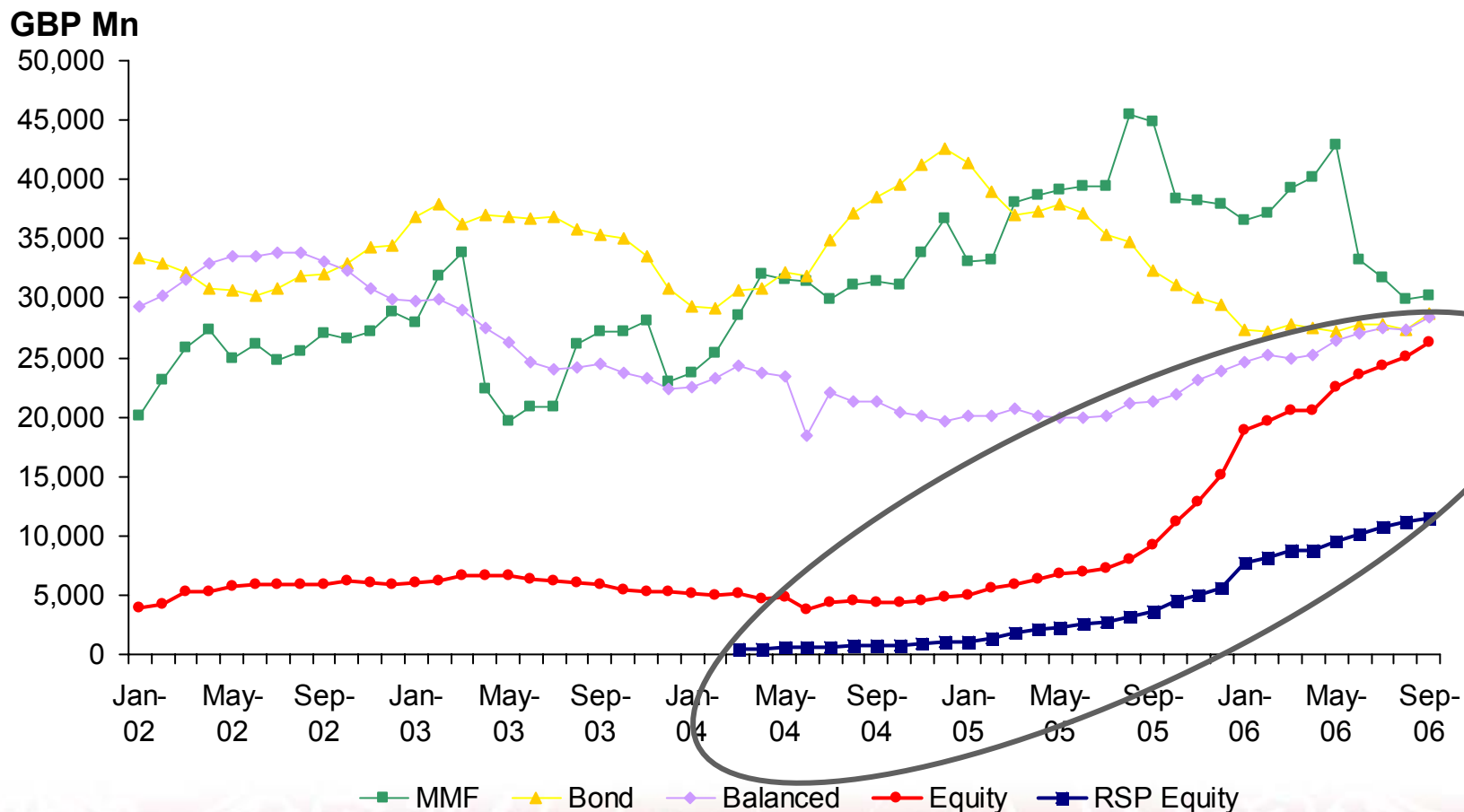


Growth potential Interest in equity products



Appetite for retail equity steadily increasing

Market FUM by asset type



Source: AMAK



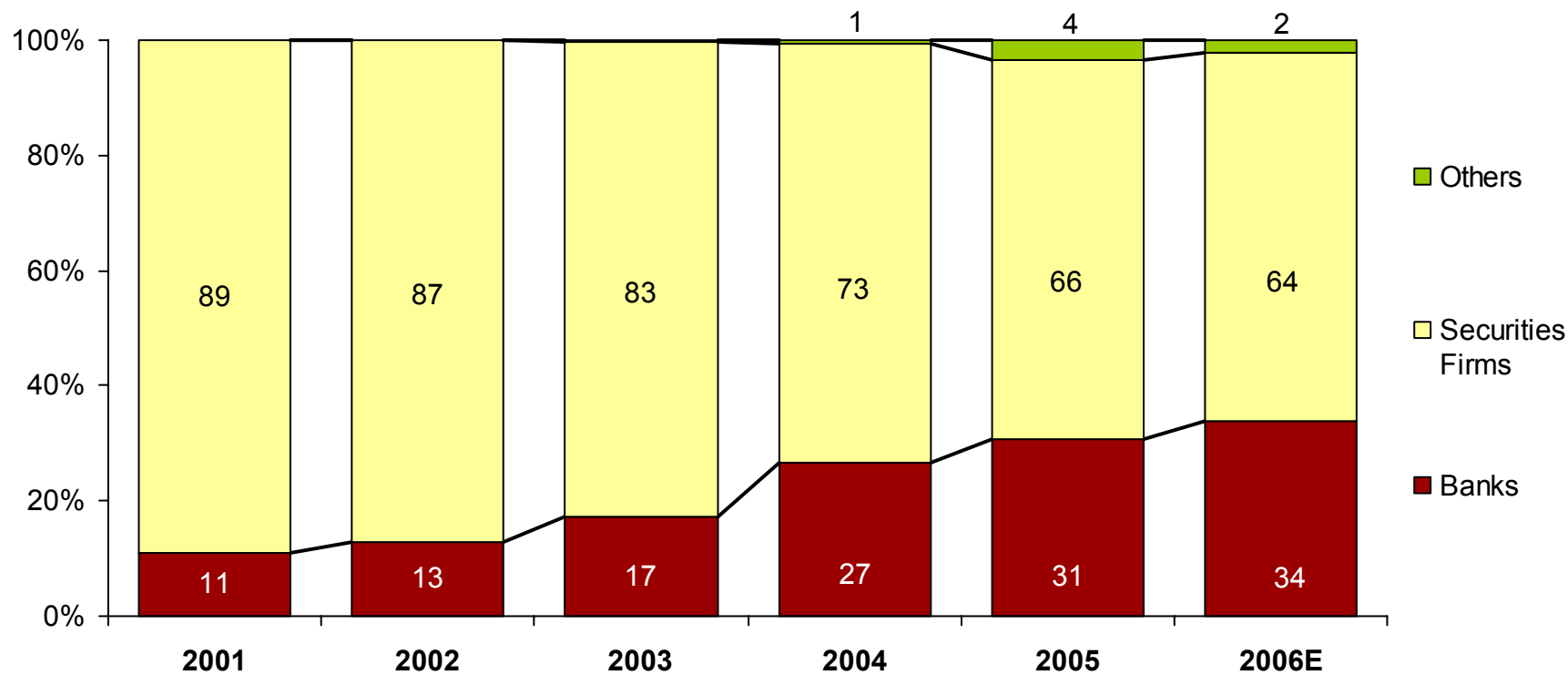
Korea market overview

Channel trend



Securities firms are still dominant but the strong growth of banks' market share is significant

Korean Investment Trust Sales Market share
by Distribution Channel 2001-2006



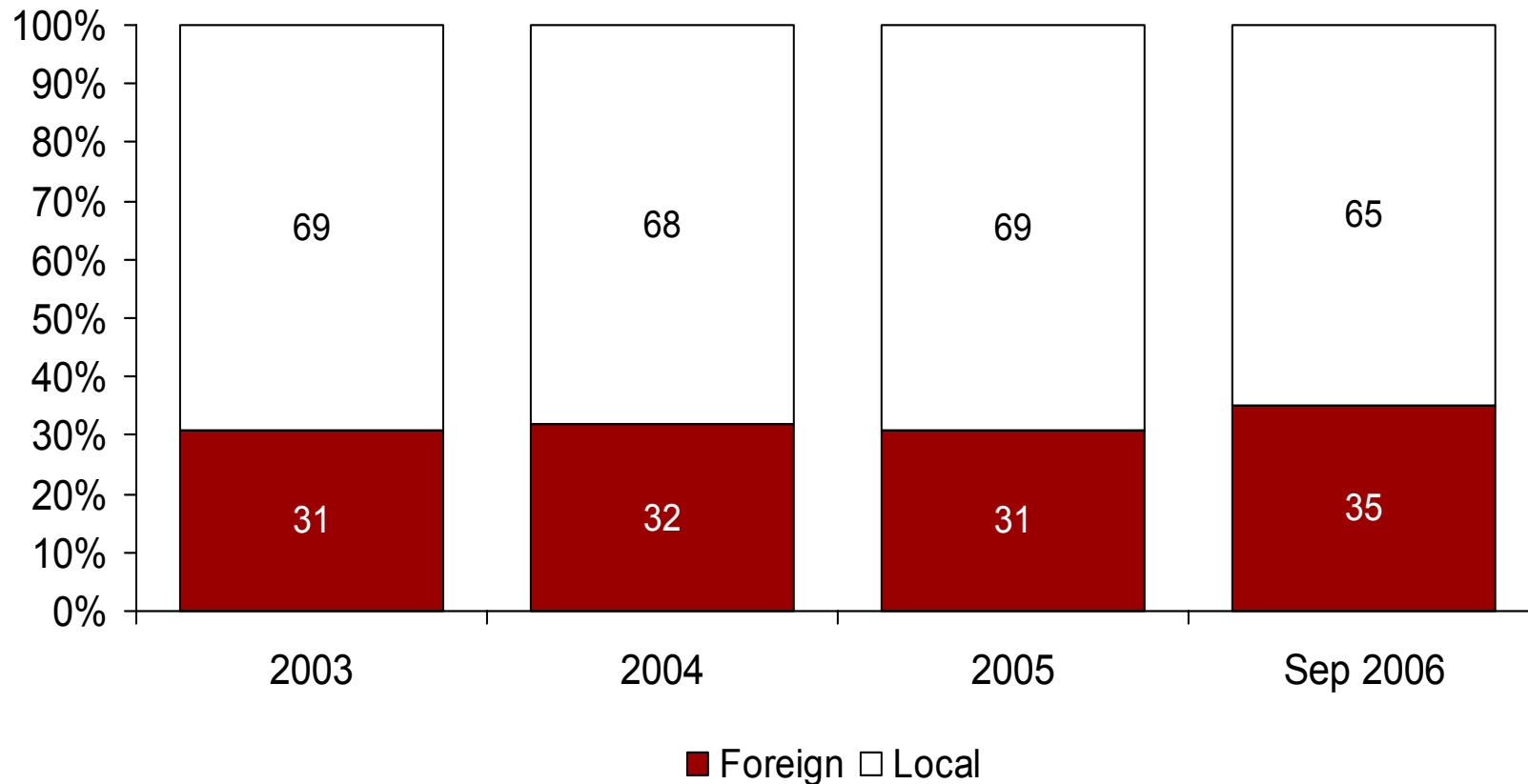


Growth potential

Local and foreign players



Foreign players have gained ground against local asset managers in 2006



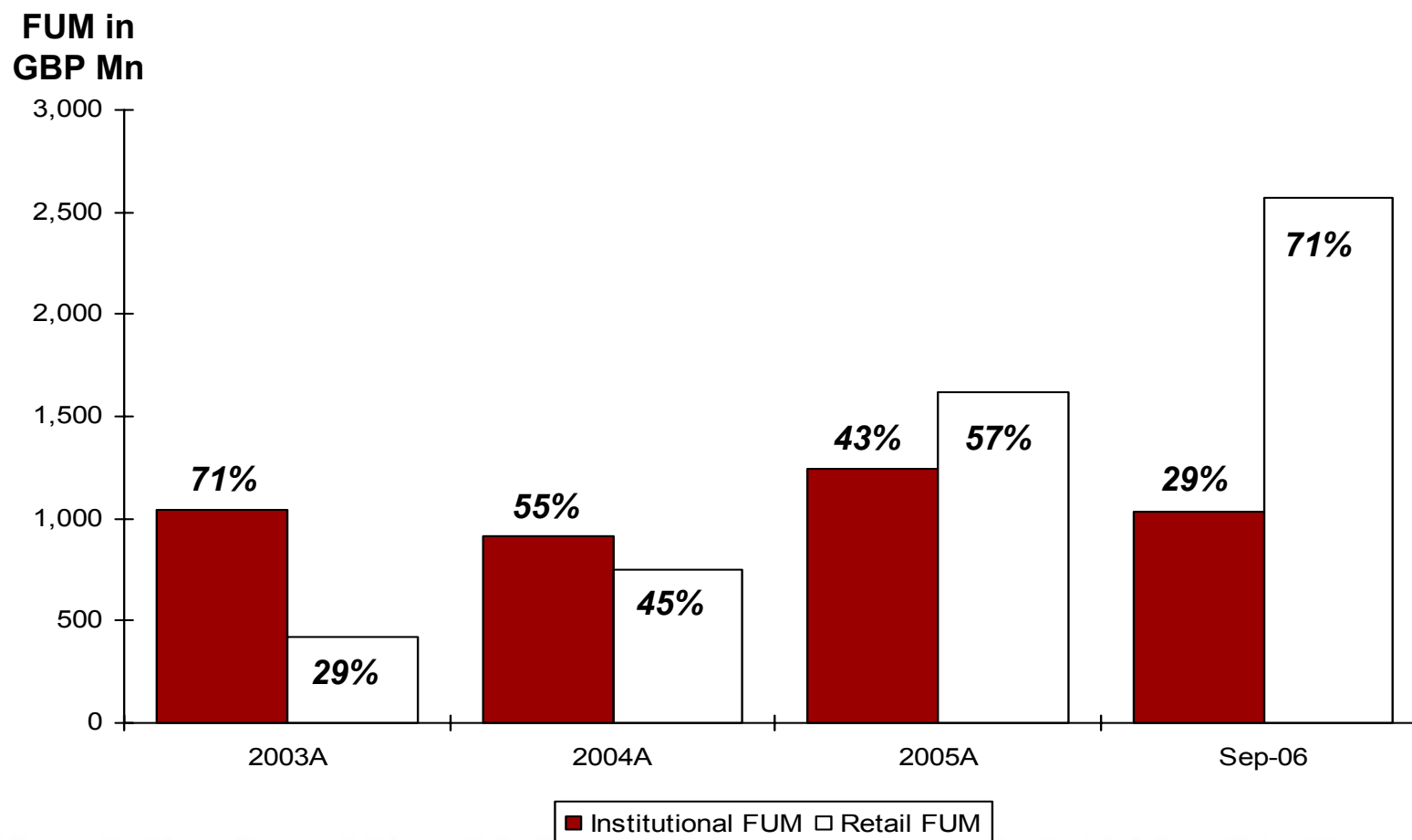


PCA Asset Korea

Retail and institutional



PCA Asset's focus has been on the retail segment



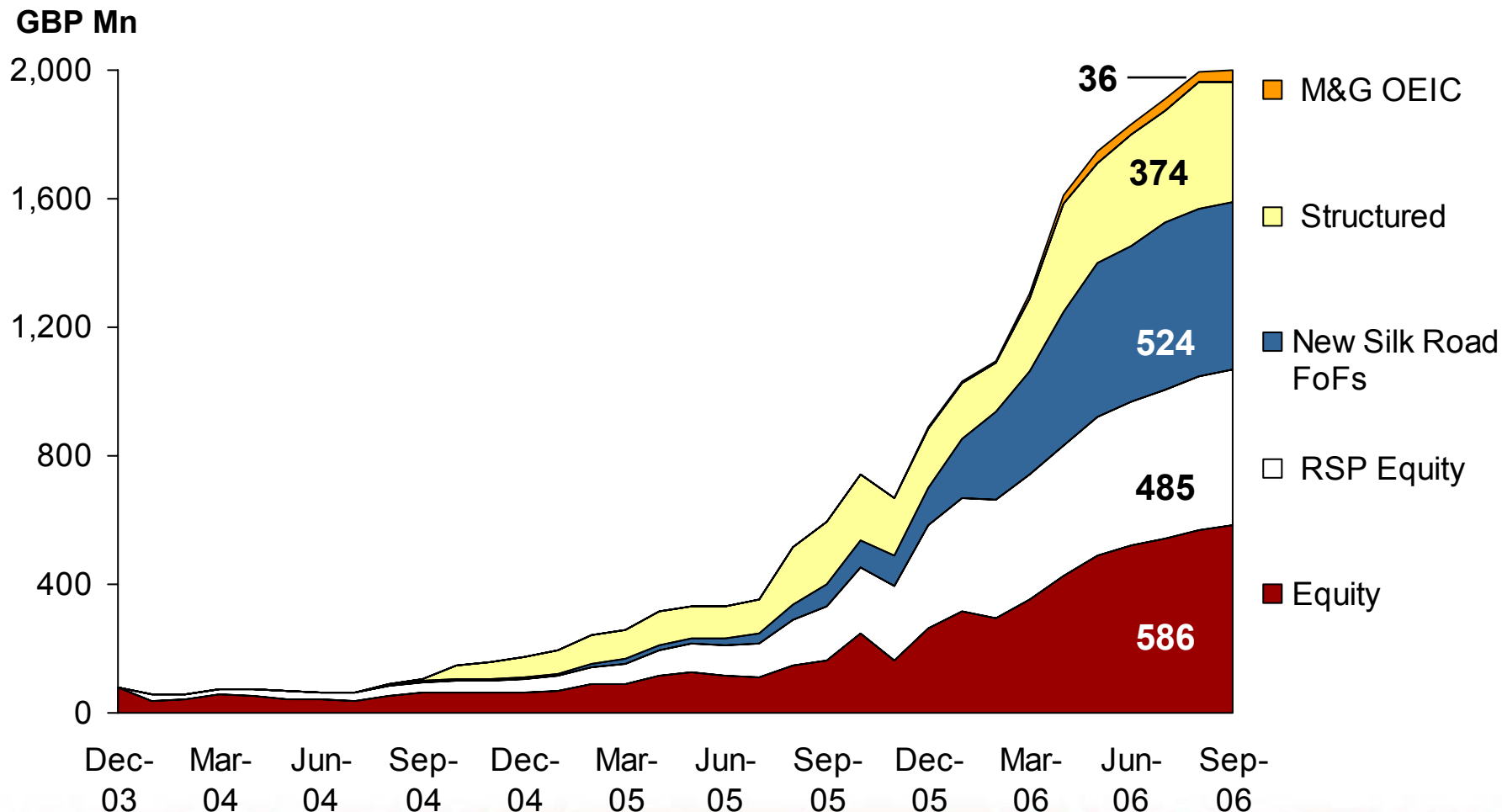


PCA Asset Korea : Product

Innovative and well-perceived products



We have grown our FUM rapidly by launching innovative and well-perceived products over last 3 years





PCA Asset Korea : Nascent product opportunities Pension, VUL & Offshore



Current Market standing

Pension Opportunities

National Pension

Corporate Pension

Individual pension / VUL

Highest fund management rating ('S' rating) received from National Pension

PCA Asset Korea currently ranked as a top 5 pension fund manager in Korea

Received investment management mandates from top 4 insurance players

Offshore funds/ Institutional FOF

Offshore funds

Institutional Fund of Funds (FOF)

Raised over GBP 500 MN in offshore FOF to-date; 17% market share

Pioneered international FOF product concept for leading institutional players



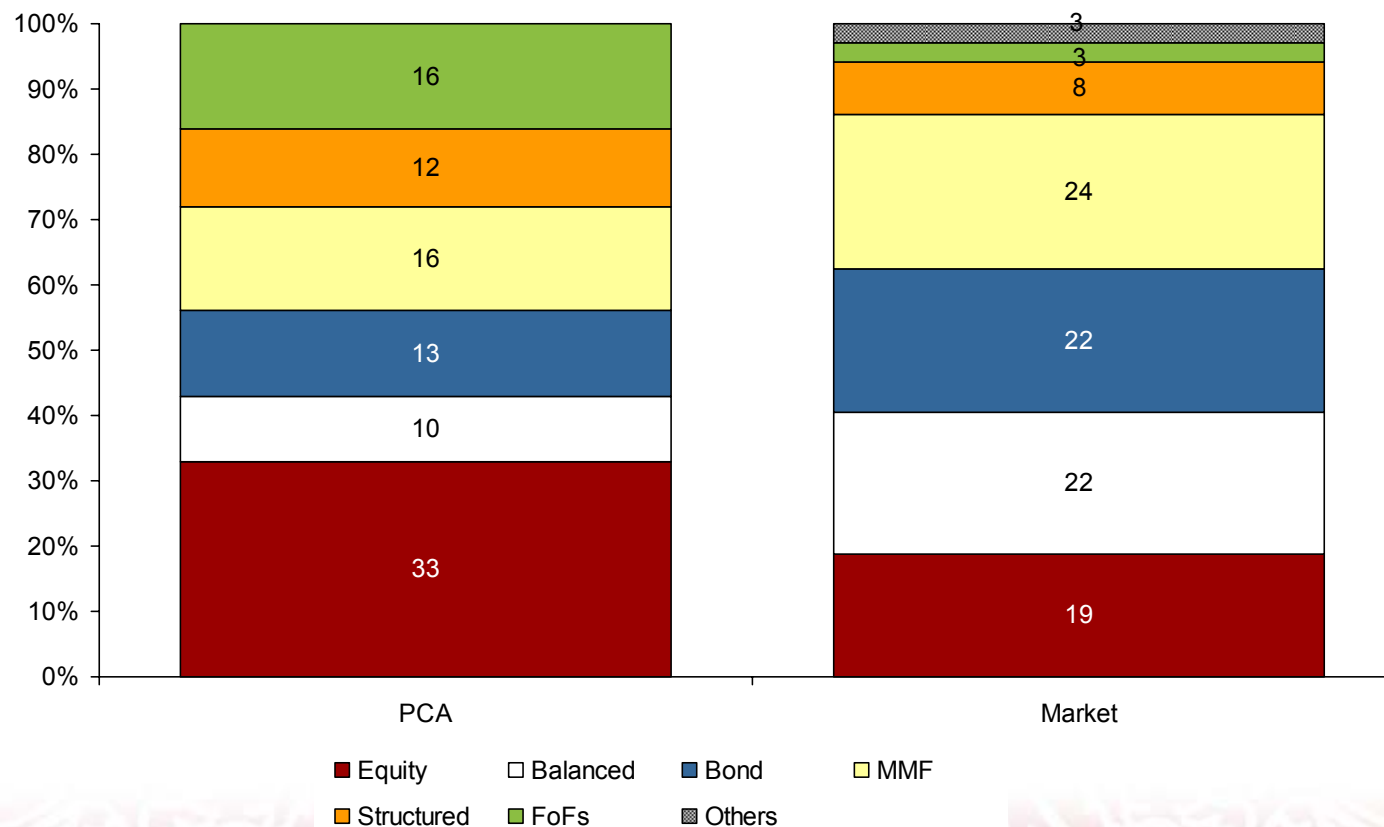
PCA Asset Korea : Product

Focus on actively managed, value added funds



Focus on higher margin products

FUM by product type as of Sep 30, 2006





PCA Asset Korea : Our distributors

Breadth and depth of coverage



All major banks and securities companies are distributors of our products; PCA Asset has capitalised on the wide geographical reach and customer base of these distributors

Our Bank Distributors



All major banks
(14) and
securities co.
(28) distributing
PCA AK products

Total no. of
branches close
to 7000

FUM
concentration
with distributors
well spread out

Our Securities Co. Distributors

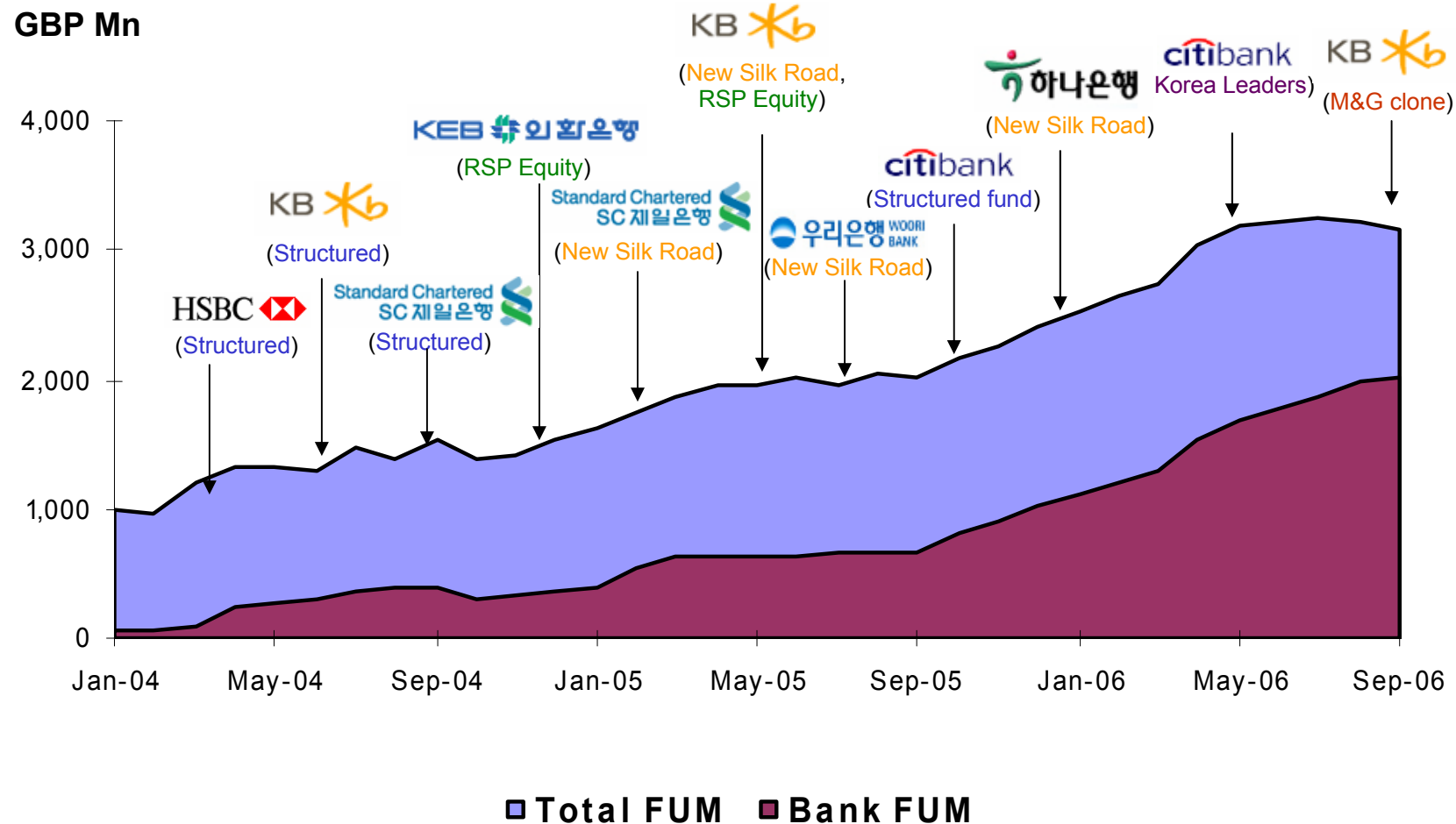




Distribution FUM growth through bank distribution



Inflows from banks contributed to the strong FUM growth over last 3 years





PCA Asset Korea : Branding

Consistent and award winning fund performance



Increasing brand awareness by strong and consistent fund performance

Major awards include:

- 2nd best Asian fund house for 3 year KOSPI linked equity fund management (Asia Asset Management, 2005)
- Best Equity Fund House (Money Today, 2005)
- Best Equity Fund House (Korea Economic Daily, 2004)
- ‘S’ rating (highest) from National Pension Fund for equity portfolio management as of end of June 2006



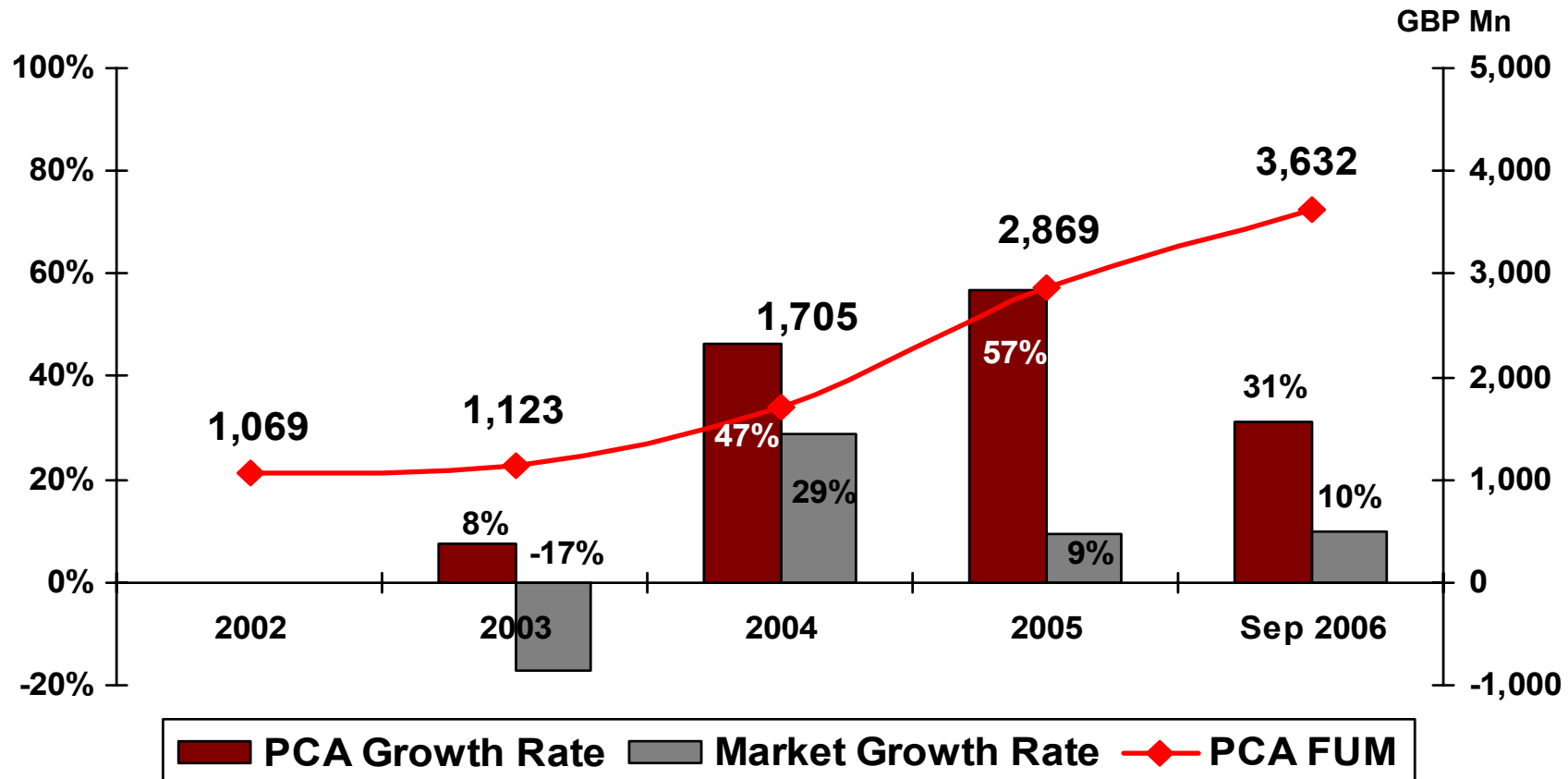


FUM growth

Outperforming market and creating Value



PCA entered the Korean market through acquisition in 2002 and since then has grown the business strongly, tripling our FUM



* Growth rate is based on units incremental (excluding DAM)

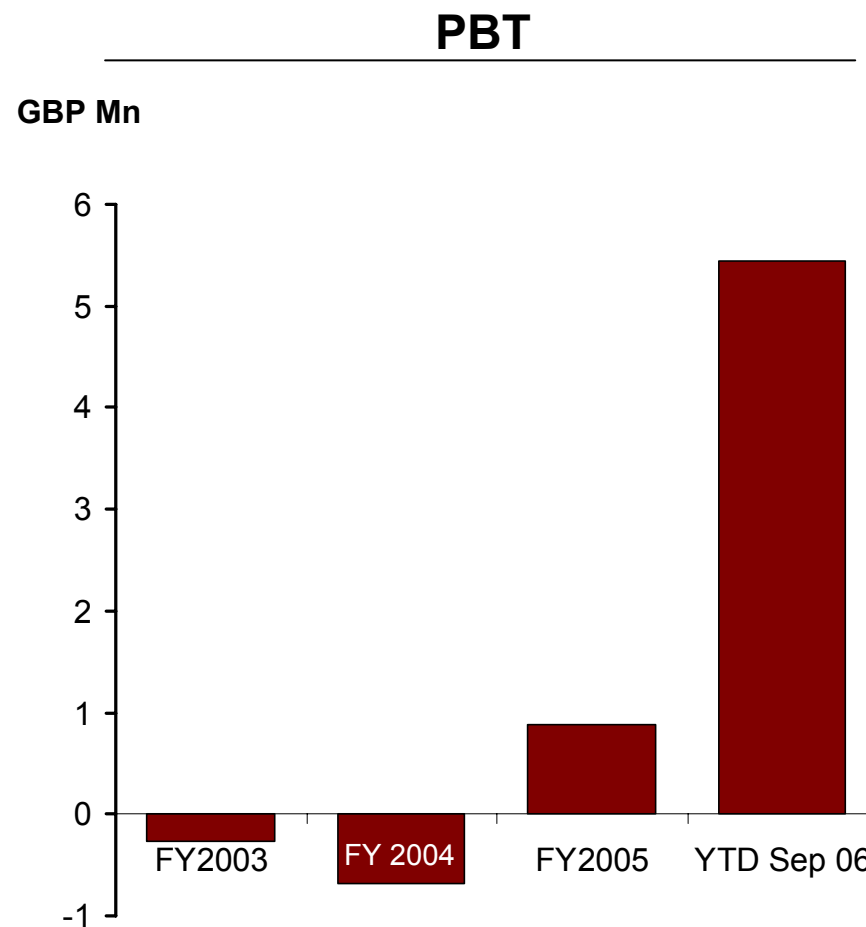
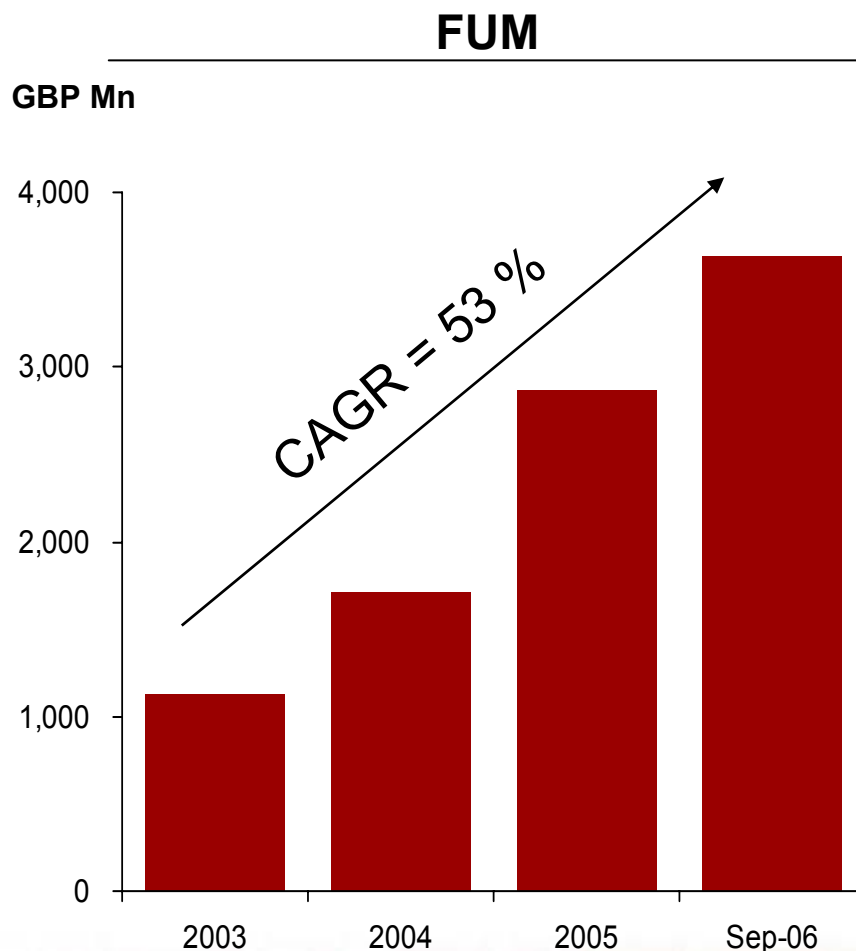


Profitability

Significant improvement in profitability



Consistent improvement in FUM size and quality of assets leading to increased profitability





Ranking Improvement in ranking



PCA is the only ITMC to have broken in to the Top 15 without any captive distribution network

December 2002		
ITMCs	Name of Company	GBP mn
1	Samsung ITMC	12,386
2	Daehan	10,425
3	Hankook Investment	10,282
4	Prudential US Asset	9,735
5	CJ Asset	7,076
6	KB Asset	5,875
7	Woori Asset	4,993
8	SH Asset	3,854
9	Shinhan BNP	2,709
10	Dongyang	2,497
11	Hanhwa	2,287
12	Woori ITMC	2,171
13	Kyobo	1,906
14	Mirae Asset ITMC	1,804
15	KDB Asset	1,773
16	KEB Commerz	1,735
17	Landmark	1,636
18	Dongwon	1,528
19	Seoul Asset	1,407
20	Daishin	1,362
21	SK	1,293
22	Franklin Templeton	1,292
23	Allianz Global Investors	1,283
24	Shinyoung	1,258
25	PCA ITMC	1,011
26	I ITMC	859
27	Mirae Asset	750
28	Midas Asset	728
29	Heungkuk	721
30	Macquery-IMM Asset	671

September 2006		
ITMCs	Name of Company	GBP mn
1	Daehan	10,432
2	Samsung	10,010
3	Hankook Investment	9,522
4	Woori Credit Suisse	8,296
5	KB Asset	7,176
6	SH Asset	5,678
7	Mirae Asset ITMC	5,550
8	Prudential US Asset	5,173
9	Mirae Asset	4,910
10	CJ Asset	4,782
11	Shinhan BNP	4,078
12	Tongyang	3,717
13	Landmark	3,460
14	Nonghyup CA	3,353
15	PCA ITMC	3,142
16	KDB Asset	2,424
17	Hanwha	2,414
18	Seoul Asset	2,381
19	IBK SG Asset Management	2,259
20	Macquaire-IMM Asset	2,039
21	KTB Asset	1,931
22	Yoori Asset	1,902
23	Shinyoung	1,735
24	Midas Asset	1,481
25	Kyobo	1,372
26	Plus Asset	1,222
27	Heungkuk	1,132
28	Hyundai Wise Asset	1,097
29	Dongbu	1,042
30	Macquery Shinhan Infra	1,026





Story since acquisition

Scale, profitability, retail and distribution



		At acquisition (Oct 2002)	Sep 2006
Scale and Profitability	FUM (in GBP Bn)	1.1	3.7
	PBT (in GBP Mn)	- 0.3	5.4
	Return on Equity	Nil	62%
Retail Focus	Customer numbers (estimate)	< 50,000	300,000
	Retail FUM (% of total)	< 20%	71%
Increase access	Number of bank distributors	1	14
	% of FUM from bank channel	< 1%	64%



PCA Asset Korea: Our formula for success going forward



Our competitive edge

**Broad product range
with strong fund
performance**

**Depth and stability of
customer and asset mix**

**Well established
distribution reach**

**Group's global and
regional presence**



Strategy going forward

**Leverage current market
standing in pension, VUL
and international FOF
market**

**Continue to strengthen
distribution network, using
open architecture**

**Work with PCA Life for
alternate distribution**

**Leverage global / regional
investment management
expertise**



**Continuous
growth in
scale and
profitability**

