



**Prudential:
Leading in Asia**

Prudential in Asia

**Barry Stowe
Prudential Corporation Asia
1 December 2006**





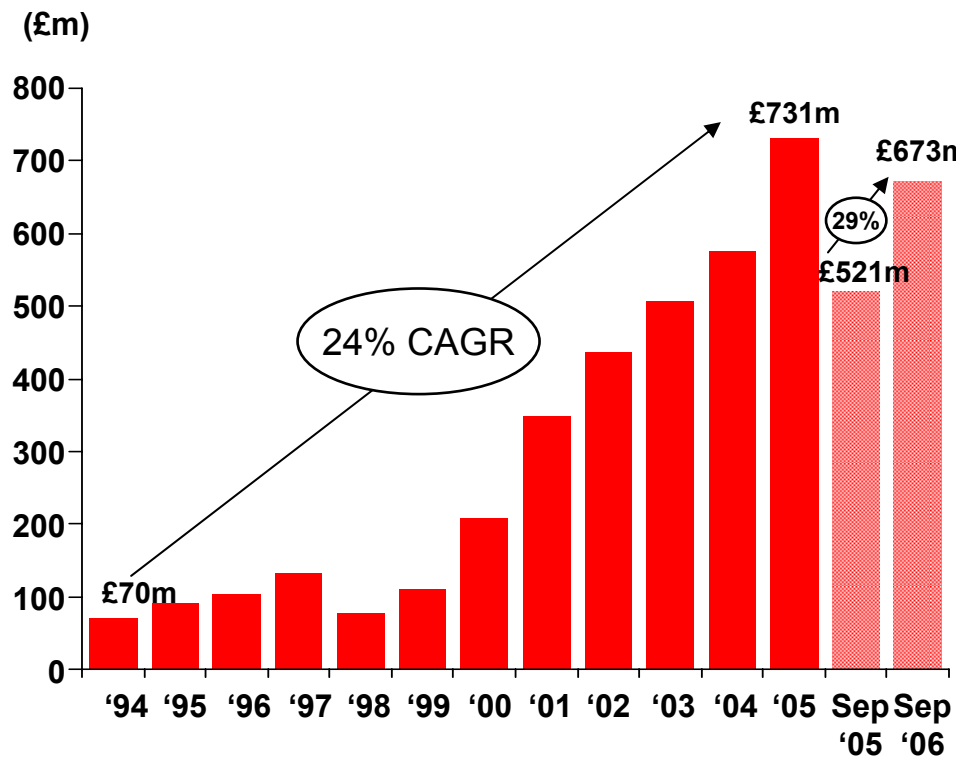
Prudential Asia : Decision to invest

- **Presence and scale**
- **Core competencies**
 - Agency
 - Complementary distribution—banks, brokers...direct...
 - Product innovation
 - Funds management

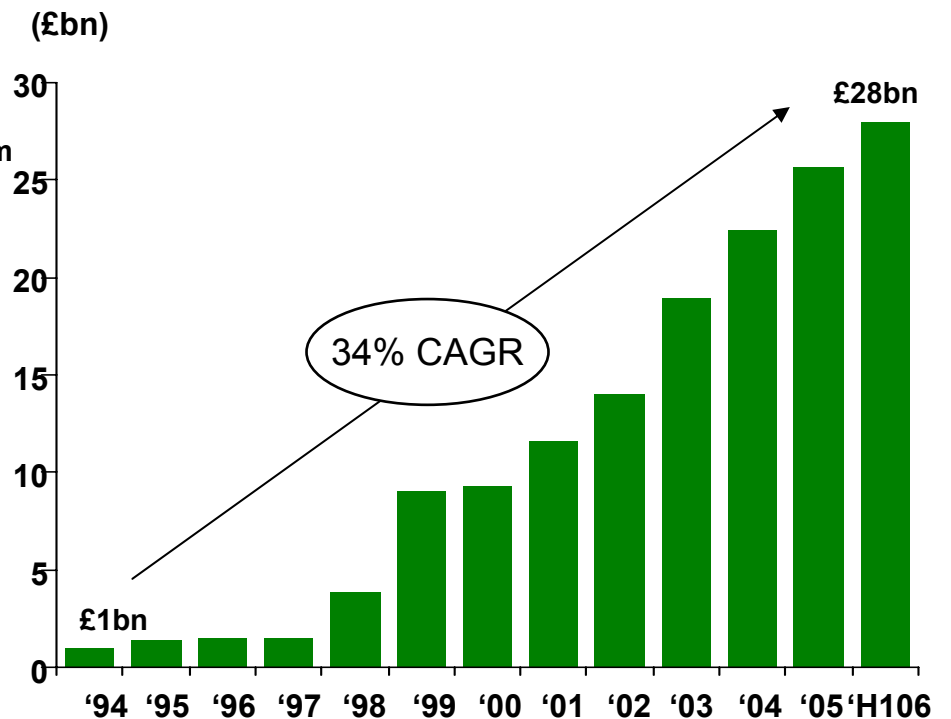


Prudential Asia : Terrific track record

Life Insurance APE



Funds Under Management



Note: on constant exchange rate basis



Prudential Asia : Building on existing strengths

- **Agency—scale and productivity**
- **Improve and expand distribution partnerships**
- **Continued product innovation**
- **Build on successes across the region including:**
 - India
 - Korea
 - China
 - Hong Kong



Prudential Asia : Leveraging the model

- **Deepen and strengthen relationship with over 7 million customers**
 - Systematic
 - Disciplined
- **Retirement**
- **Direct distribution in markets with proven potential**
- **Health product strategy**
 - Beyond “Riders”
 - Value for customers
 - Suited to multi-channel distribution
 - Government support
 - Value for shareholders



Prudential Asia : Committed to generating value

**New Business Profits will at least double
from 2005 to 2009**



Today's agenda

	Agenda	Speakers
8:30am	Welcome Prudential in Asia CFO Perspective	Mark Tucker Barry Stowe Sandeep Malik
	<i>Insurance Presentations</i>	
	Malaysia, Singapore, Indonesia, Philippines Hong Kong Q&As	Ng Keng Hooi Kevin Wright
10:15am	<i>Coffee Break</i>	
	India, Vietnam, Thailand India : the ICICI perspective (incl Q&As) Korea Taiwan and China Morning Summary and Q&As	Huynh Thanh Phong KV Kamath Bill Lisle Garth Jones Barry Stowe
12:30pm	<i>Lunch Break</i>	
1:15pm	<i>Fund Management Presentations</i>	
	Strategic Overview / Performance Japan Korea China India Q&As	Ajay Srinivasan & Ted Pull Felix Pang SH Hwang Cheeseng Shek Pankaj Razdan
2:45pm	Closing Comments	Barry Stowe



**Prudential:
Leading in Asia**

CFO Perspective

**Sandeep Malik
Prudential Corporation Asia**

1 December '06





Key messages

- Prudential Asia has **delivered an overall strong performance**
- Underpinning this performance are strategic choices **focused on the economics** of product and channel segments
- The business is **positioned to sustain profitable growth** despite market and competitive challenges
- Prudential Asia is now **starting to generate cash**, and we also see opportunities for further investment



Three topics to address

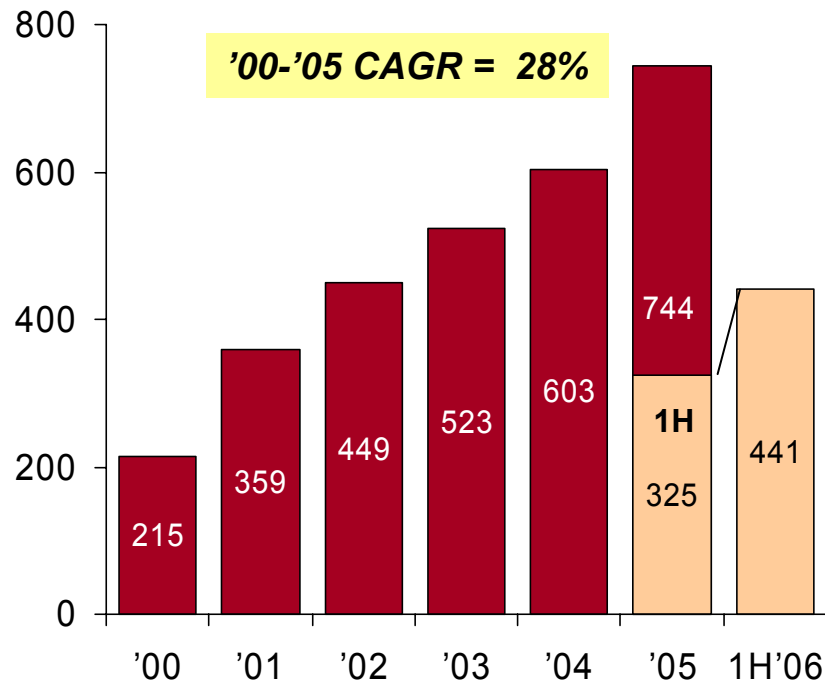
- 1. What performance has Prudential Asia delivered?**
2. What product and channel economics have driven our strategic choices?
3. How is the business positioned to sustain profitable growth?



Growth and materiality

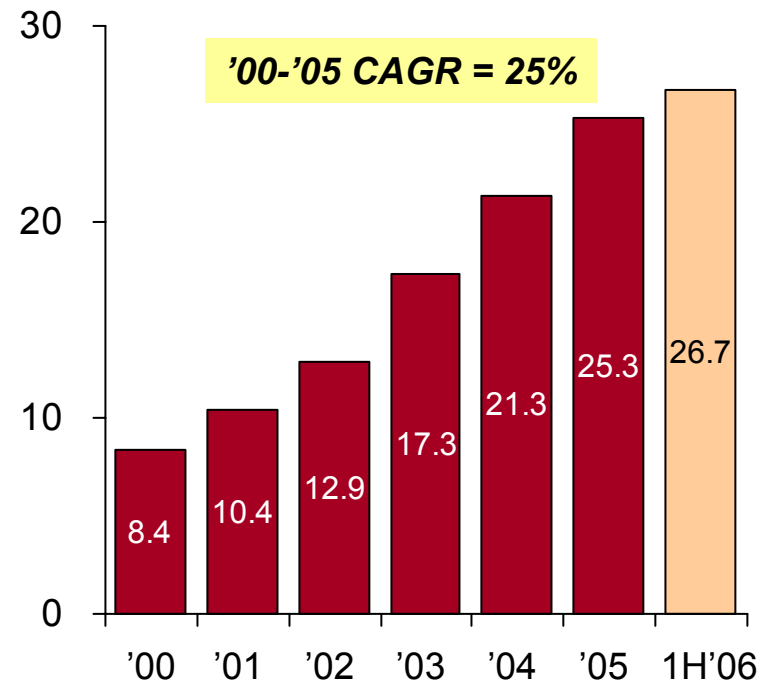
Insurance

PRU APE (£m)



Asset Management

PRU FUM (£bn)

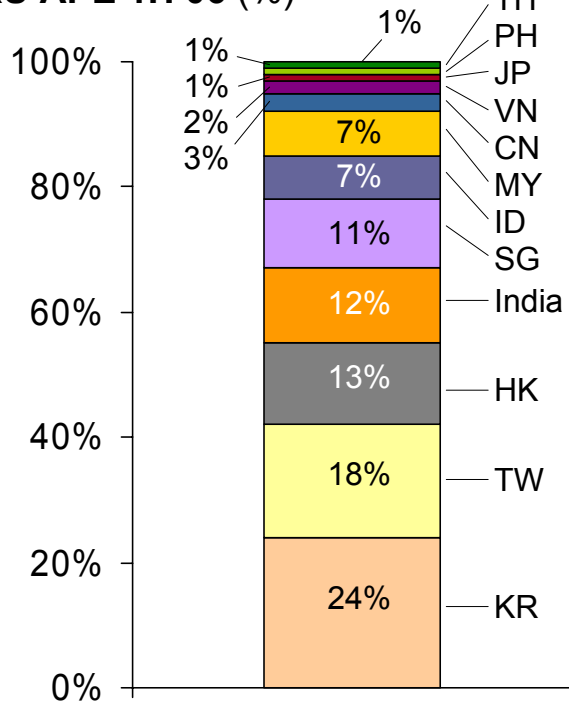




Contribution by market

Insurance

PRU APE 1H'06 (%)

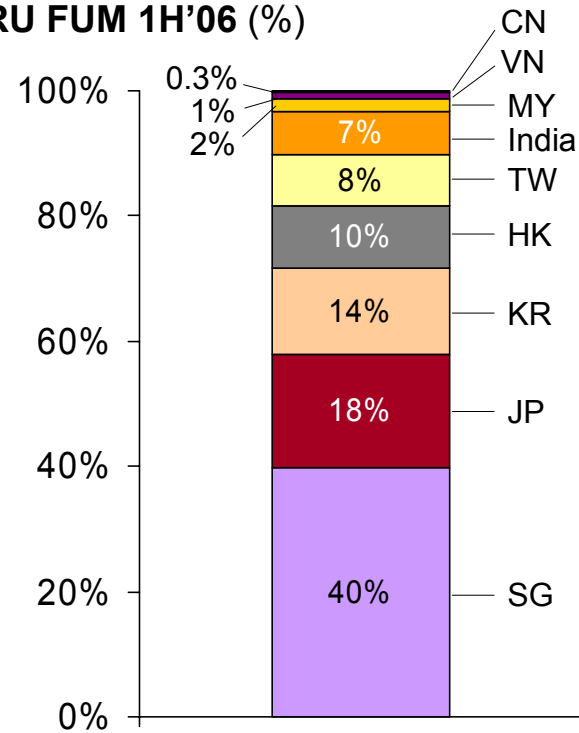


1H'06
APE (£m)

441

Asset Management

PRU FUM 1H'06 (%)



1H'06
FUM (£bn)

26.7

Note: Asset management FUM is on a contracted basis

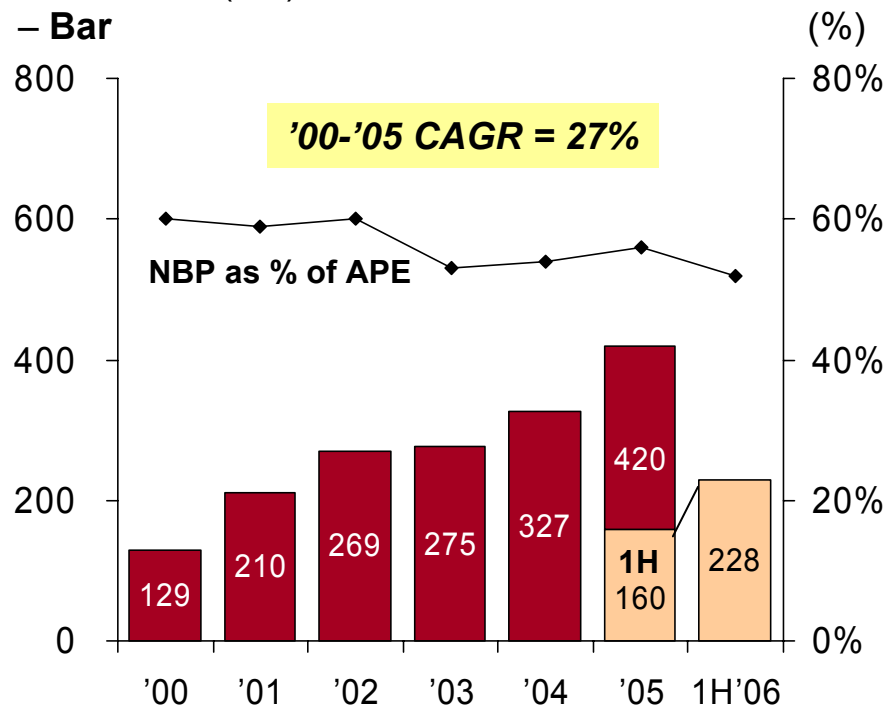


Profits and margins

Insurance

PRU NBP¹ (£m)

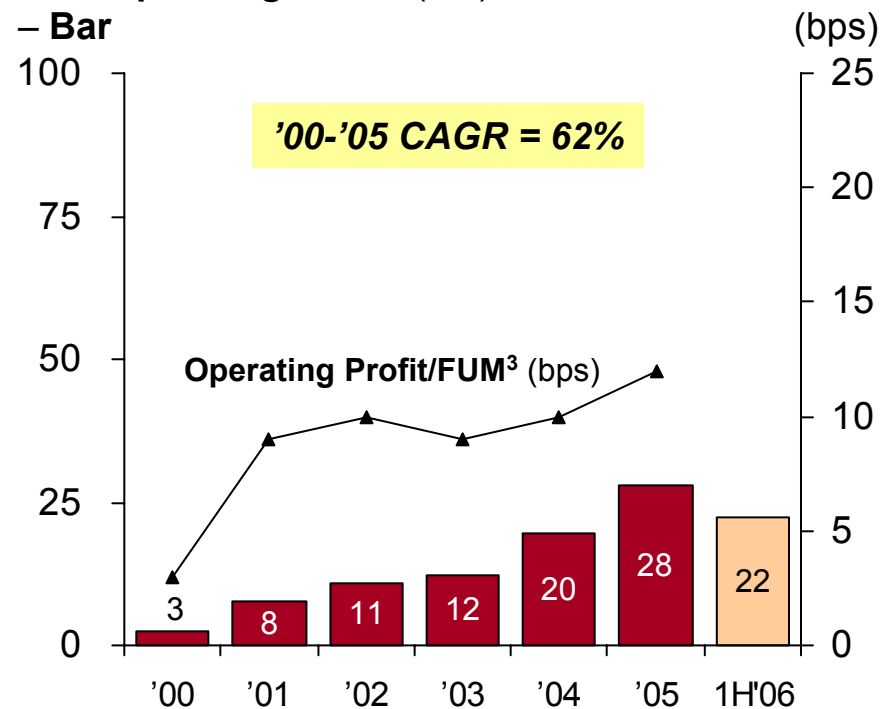
– Bar



Asset Management

PRU Operating Profit² (£m)

– Bar

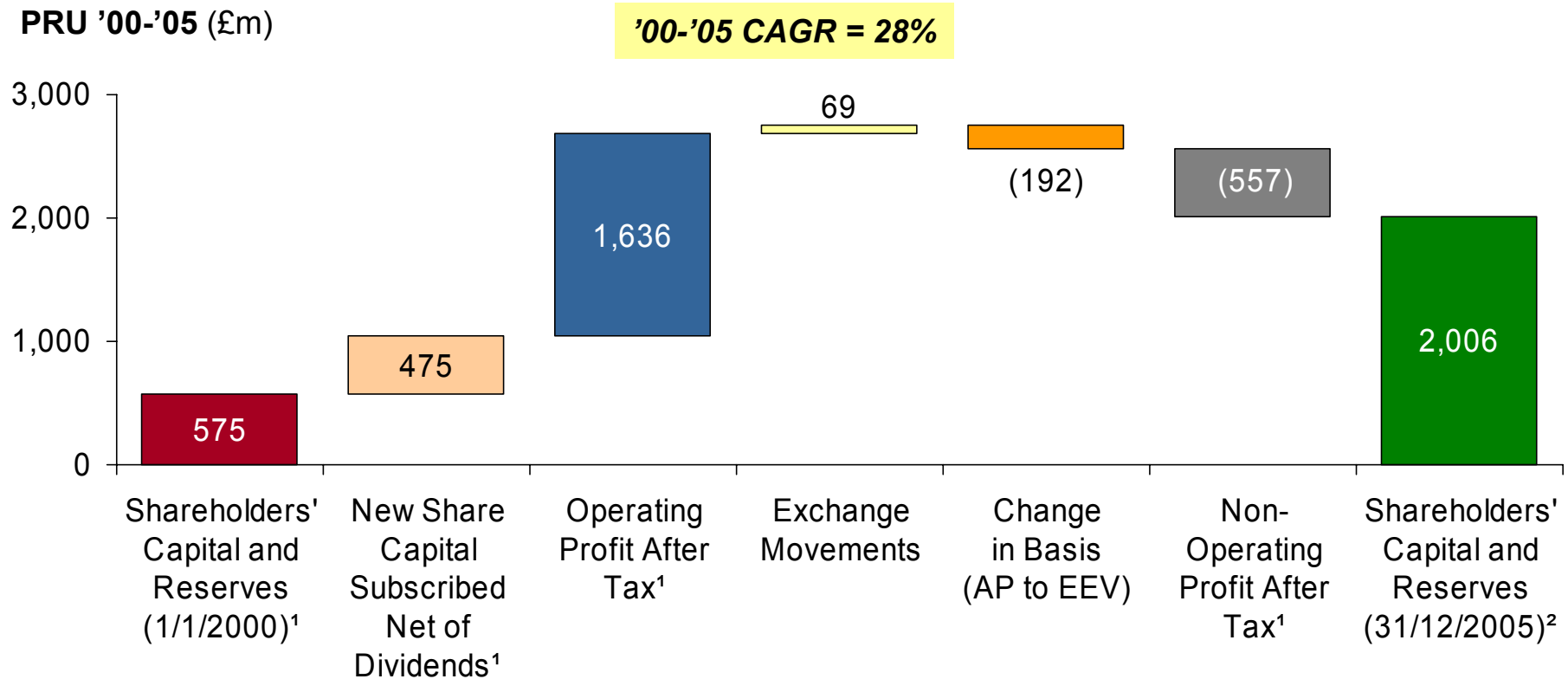


1. '05 and '06 NBP reported on EEV basis; 2. '05 Op Profit excludes £16m of charges related to bond funds in Taiwan; 3. Average FUM balance for the year



Insurance: Embedded Value ('00-'05)

Embedded value has grown by over £1.4bn



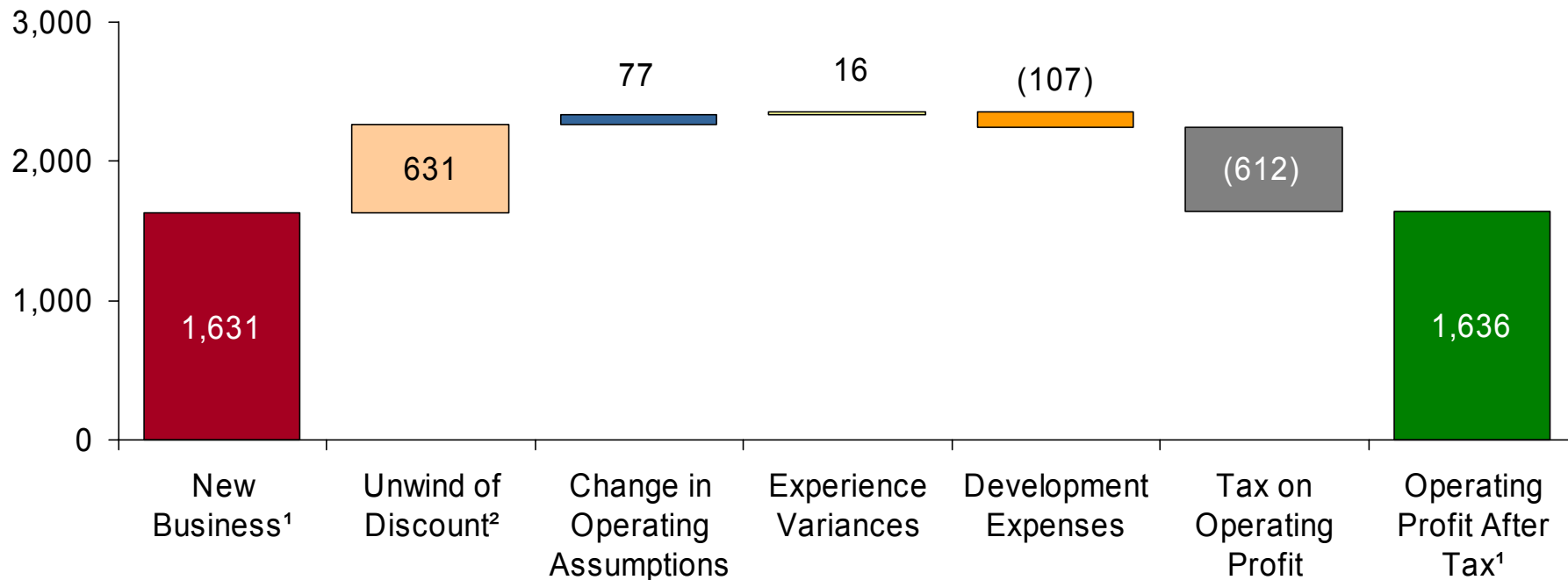
Note: Excludes goodwill; 1. '00 to '04 on achieved profits basis, '05 on EEV basis; 2. EEV basis



Insurance: Operating Profit ('00-'05)

Growth in new business is the key driver of operating profit

PRU '00-'05 (£m)



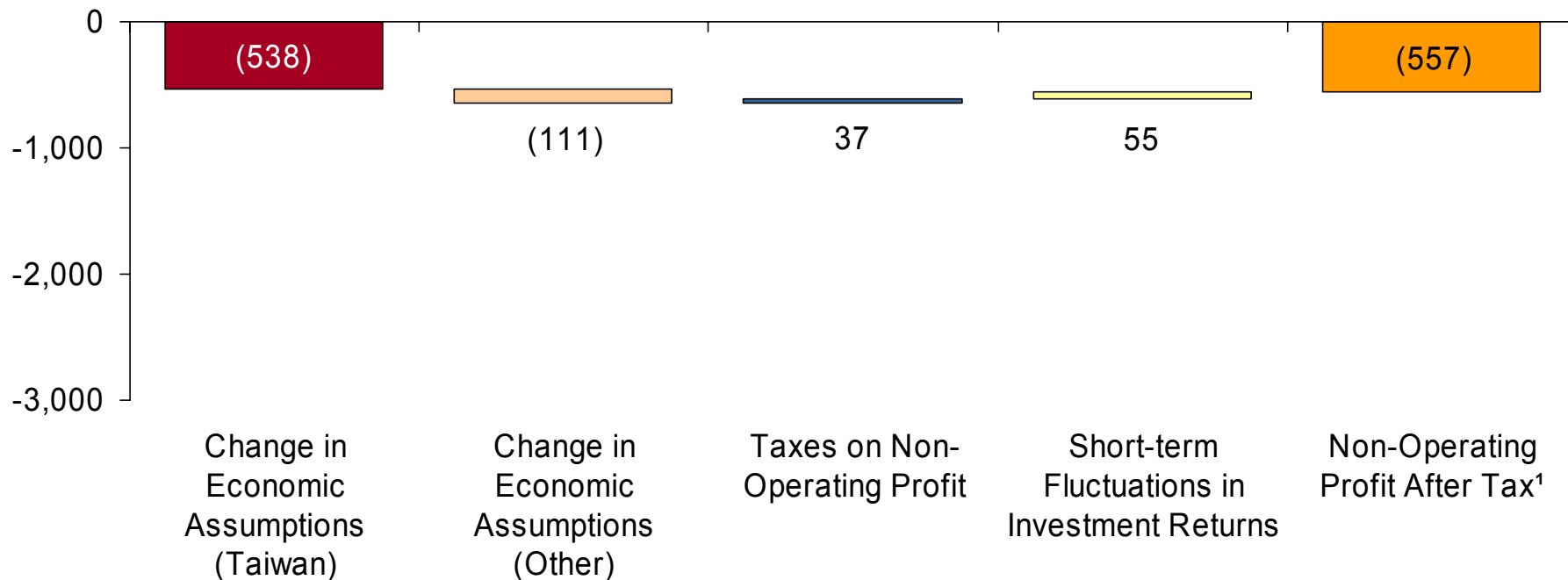
Note: Excludes goodwill; 1. '00 to '04 on achieved profits basis, '05 on EEV basis; 2. Includes other expected returns



Insurance: Non-Operating Profit ('00-'05)

Economic assumption changes in Taiwan accounted for over 90% of non-operating loss

PRU '00-'05 (£m)



Note: Excludes goodwill; 1. '00 to '04 on achieved profits basis, '05 on an EEV basis



Taiwan

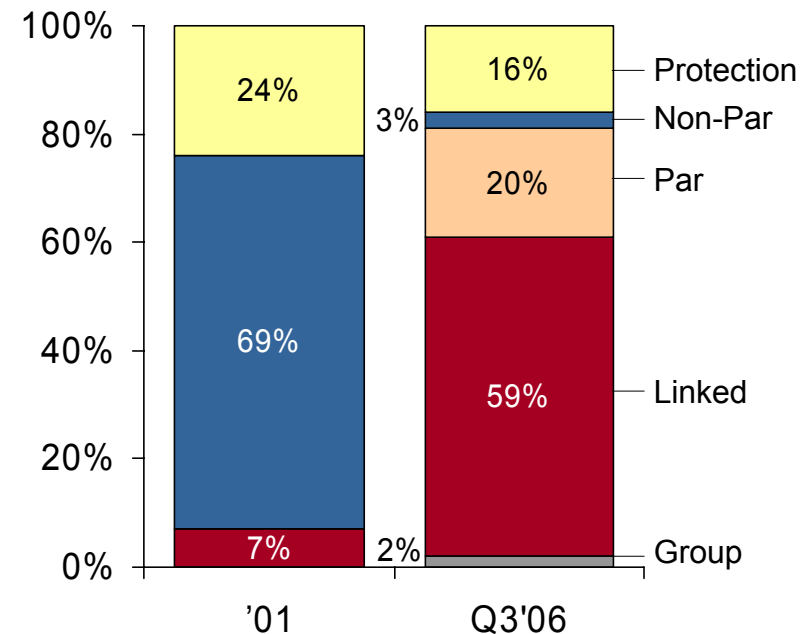
The in-force book has negative spread, but the new business is attractive

Book In-Force

- We have a negative embedded value in Taiwan of £311m arising from the negative spread in the back book, and the cash of servicing remains about £30m per year¹
- Recap from year-end 2005
 - One year delay in rise of yields and consequential changes would reduce EEV shareholder value by c. £100m
 - 100bps fall in interest rates would lower current new business margin by less than 2 percentage points

New Business Mix²

PRU APE (%)



1. Per 2005 Full Year Results Presentation on 16 March 2006; 2. Q3'06 business mix is for first nine months of 2006

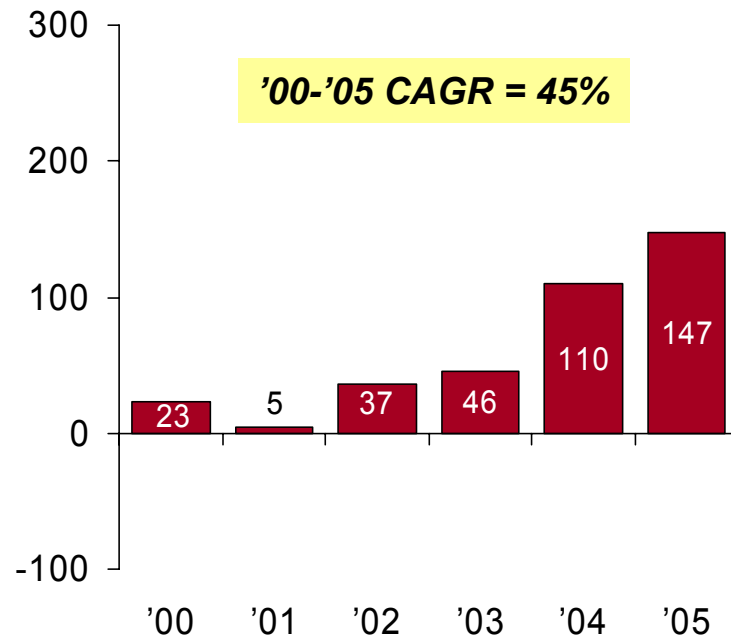


IFRS Operating Profit

Our in-force book is now generating significant IFRS operating profit

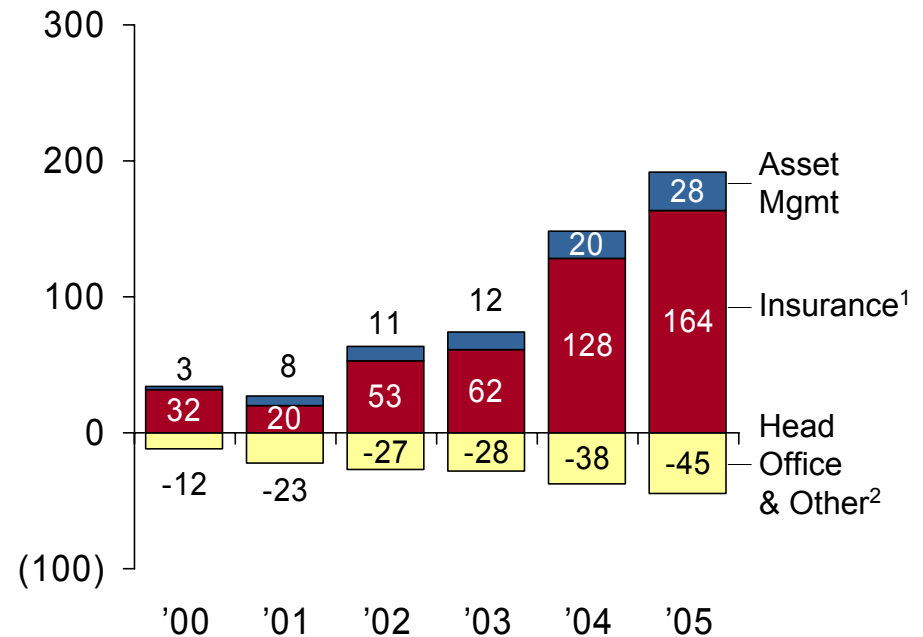
Total IFRS Operating Profit

PRU IFRS Operating Profit (£m)



IFRS Operating Profit by Business

PRU IFRS Operating Profit (£m)



Note: '05 results exclude exceptional items; 1. Includes development expenses; 2. Includes Regional Operation Hubs

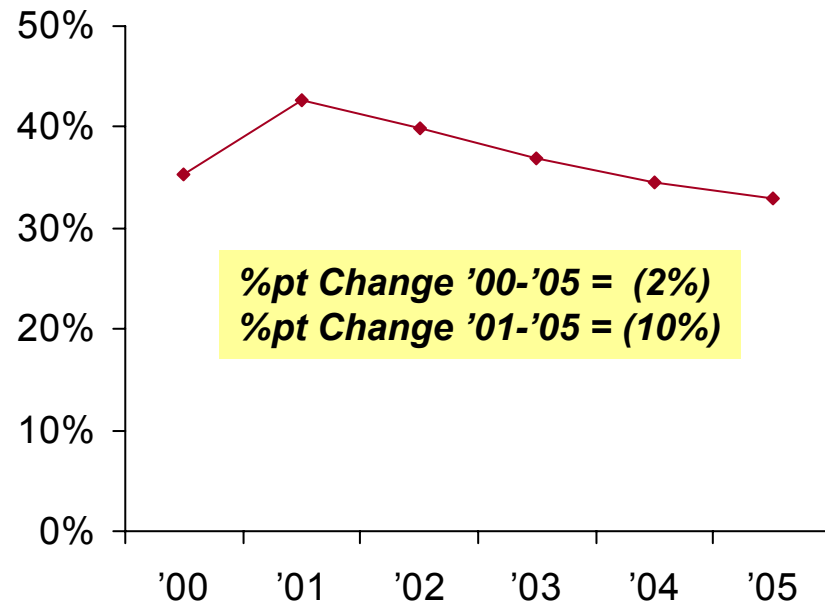


Costs

We have started to see the benefits of scale

Insurance

PRU Costs as a % of Gross Written Premiums

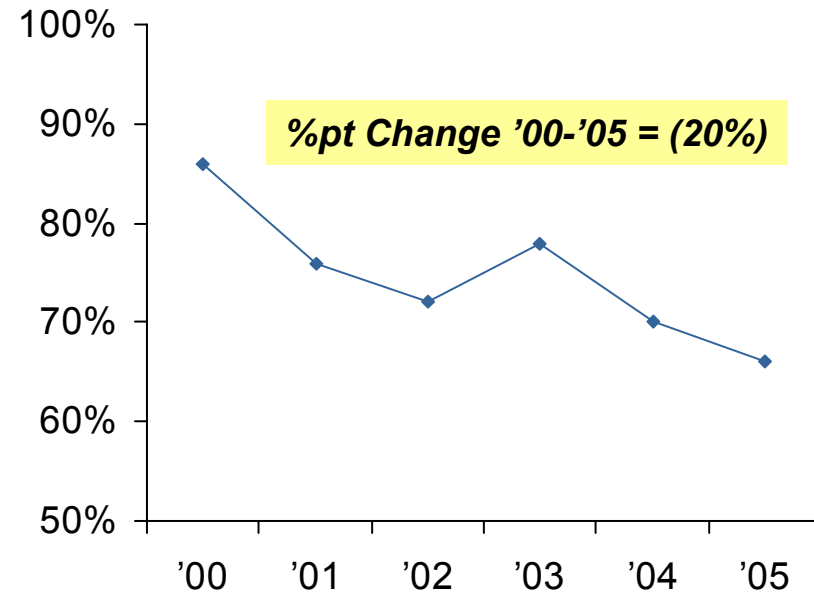


Total Cost (£m)	'00	'01	'02	'03	'04	'05
	249	428	495	585	652	744

Note: Insurance costs include commissions

Asset Management

PRU Costs as a % of Net Revenue



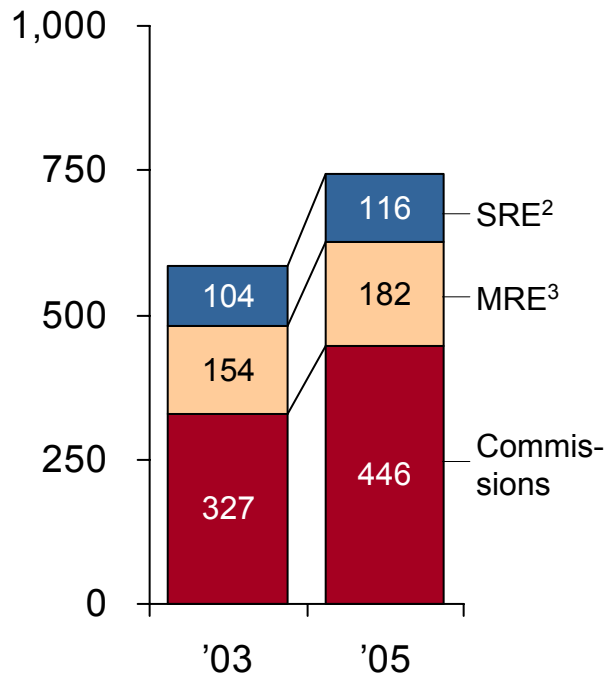
Total Cost (£m)	'00	'01	'02	'03	'04	'05
	17	25	29	35	42	50



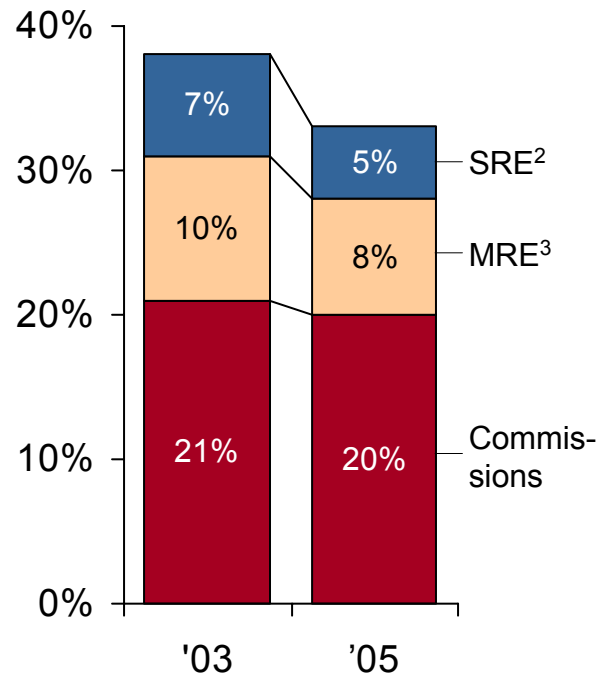
Insurance: Costs

Since 2003, insurance costs as a percentage of gross written premiums have decreased by 13%

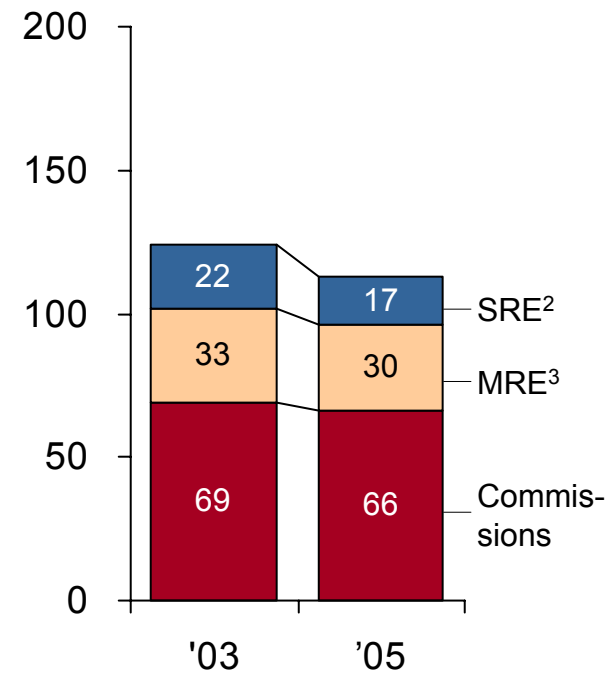
PRU Cost (£m)



PRU Cost as a % of GWP¹ (%)



PRU Cost per Policy (£)



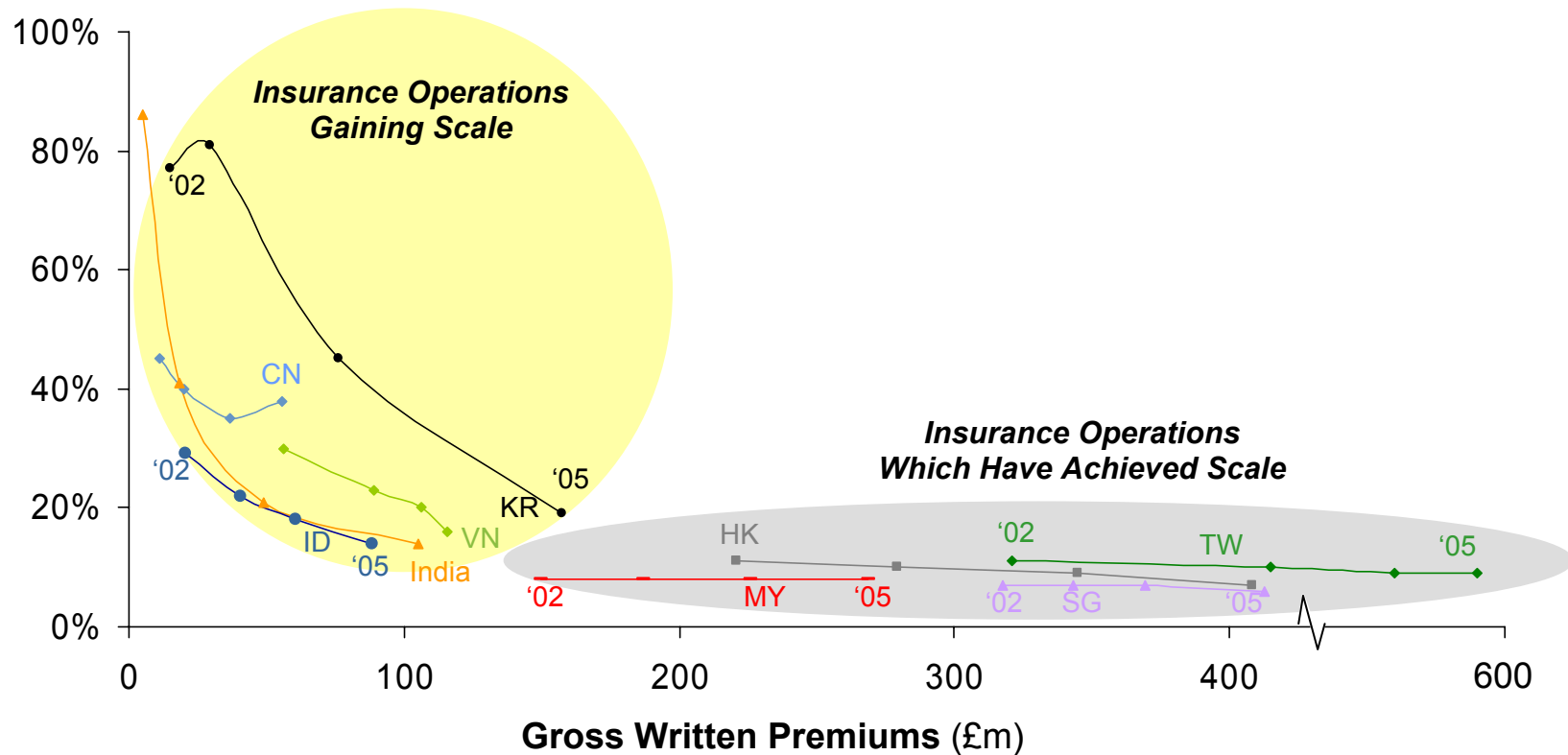
1. Gross Written Premiums; 2. Sales Related Expense; 3. Management Related Expense



Insurance: Costs ('02-'05)

There is still headroom for improvement, especially as newer insurance operations gain scale

PRU Operating Expense as % of Gross Written Premiums '02-'05 (%)



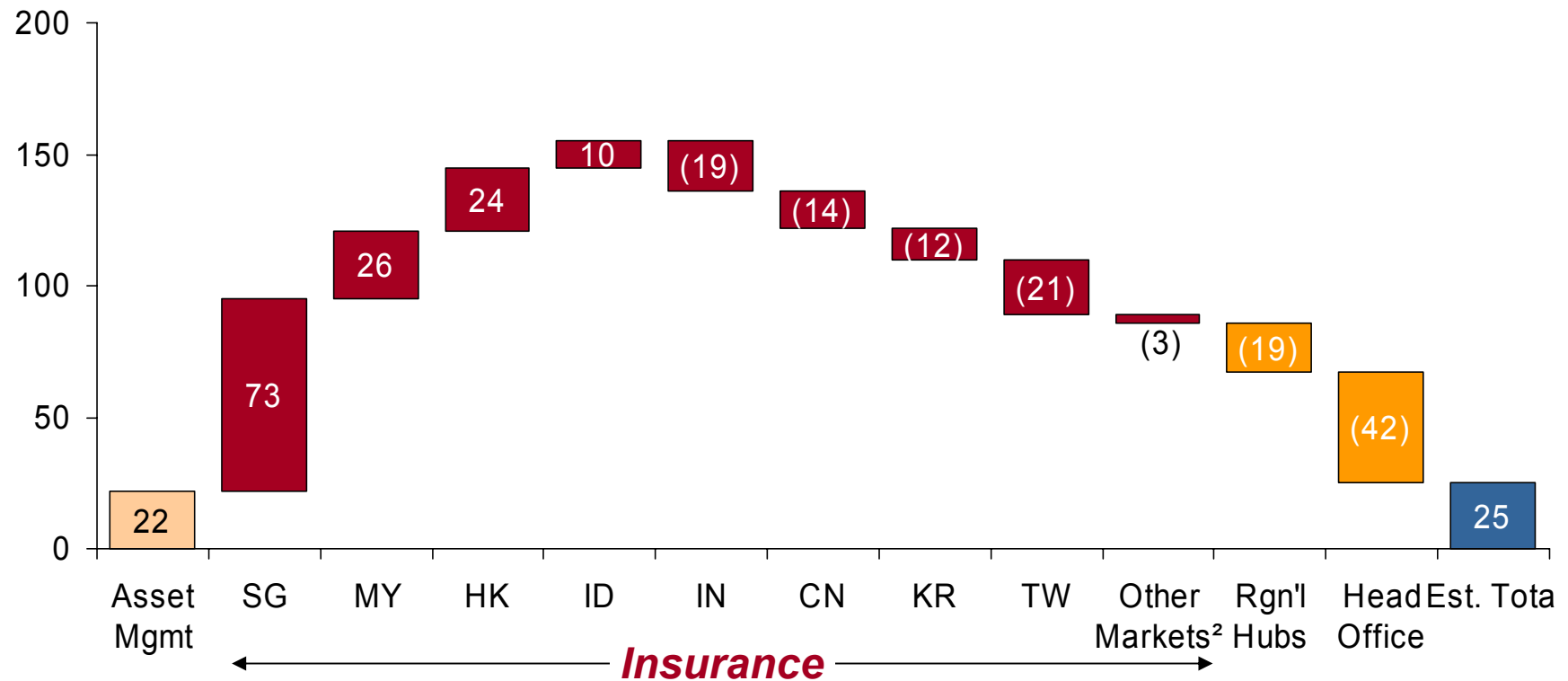
Note: Operating Expense = Management Related Expense + Sales Related Expense ; India's operating expense and GWP are on 100% interest basis



Sources and uses of capital

Prudential Asia is now starting to generate cash

PRU Net Capital Estimate '06¹ (£m)



Note: "Rgn'l Hubs" refers to Regional Operations Hubs; 1. Estimate for full year 2006, actual results may vary; 2. Japan, Vietnam, Thailand, and Philippines



What performance has Prudential Asia delivered?

Prudential Asia has delivered an overall strong performance

	CAGR '00-'05
APE	28%
Asset Management FUM	25%
NBP	27%
Embedded Value	28%
IFRS Operating Profit¹	45%

1. Excludes '05 exceptional items



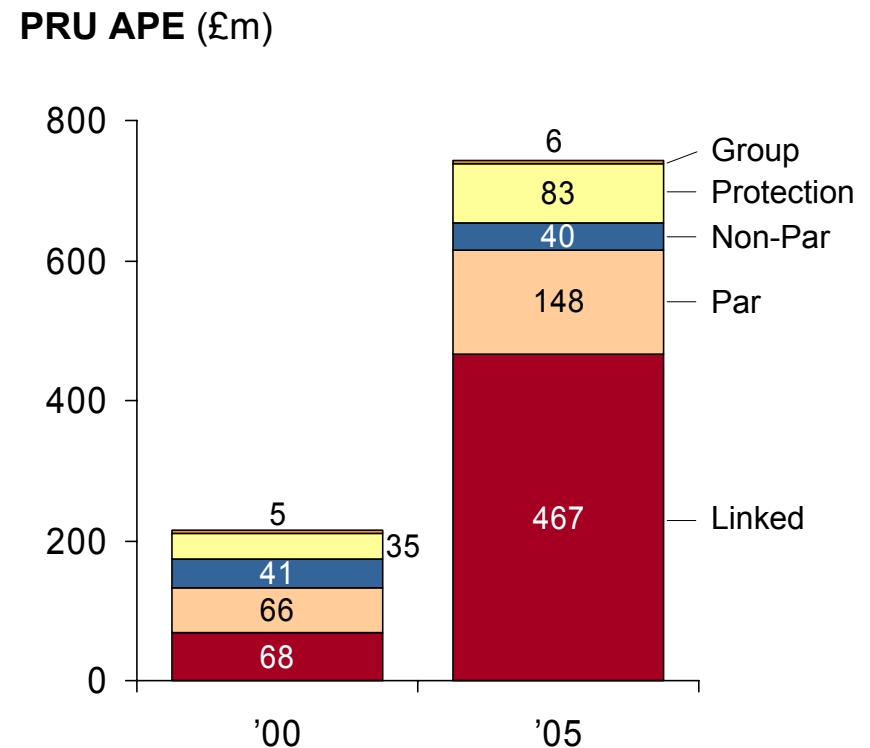
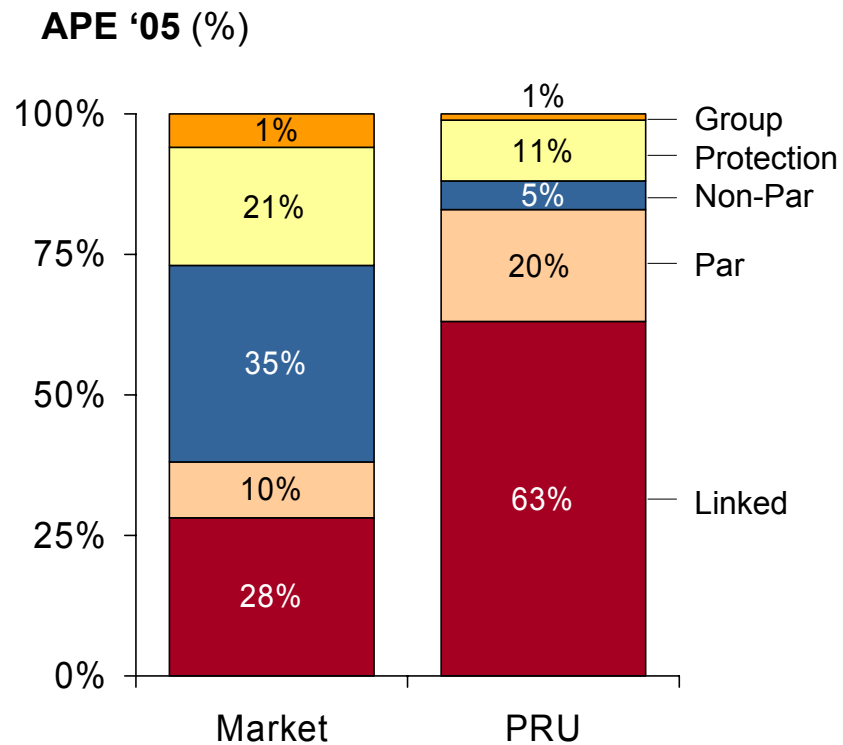
Three topics to address

1. What performance has Prudential Asia delivered?
- 2. What product and channel economics have driven our strategic choices?**
3. How is the business positioned to sustain profitable growth?



Product strategy

Our portfolio is weighted towards more profitable products



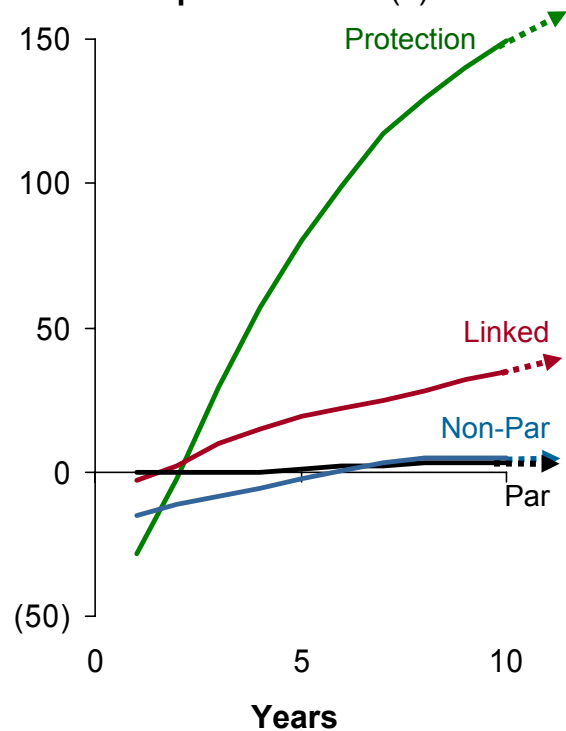


Product economics: Product type

There are considerable differences in profitability, capital efficiency and returns across product types and markets

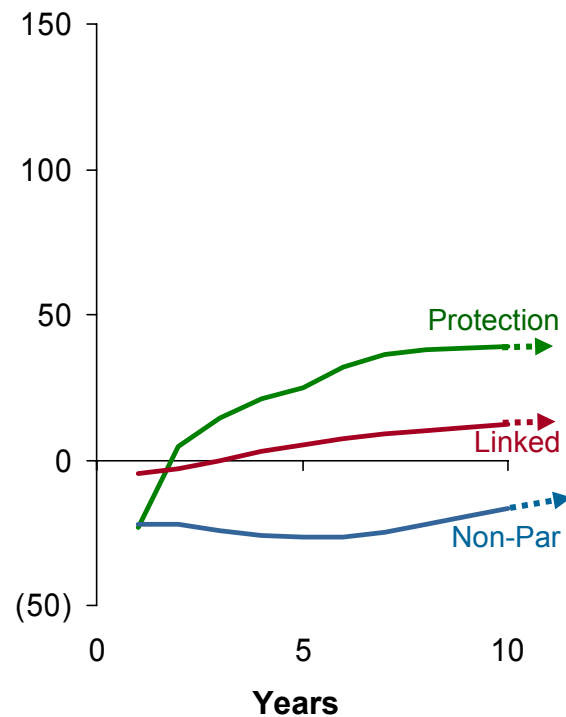
Singapore

PRU Post-Tax Discounted Cumulative Cash Flow per £100 APE (£)



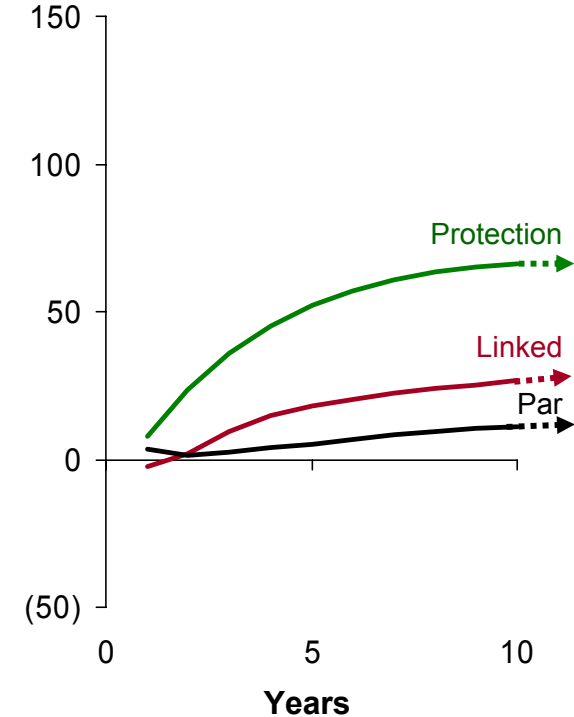
Korea

PRU Post-Tax Discounted Cumulative Cash Flow per £100 APE (£)



Indonesia

PRU Post-Tax Discounted Cumulative Cash Flow per £100 APE (£)

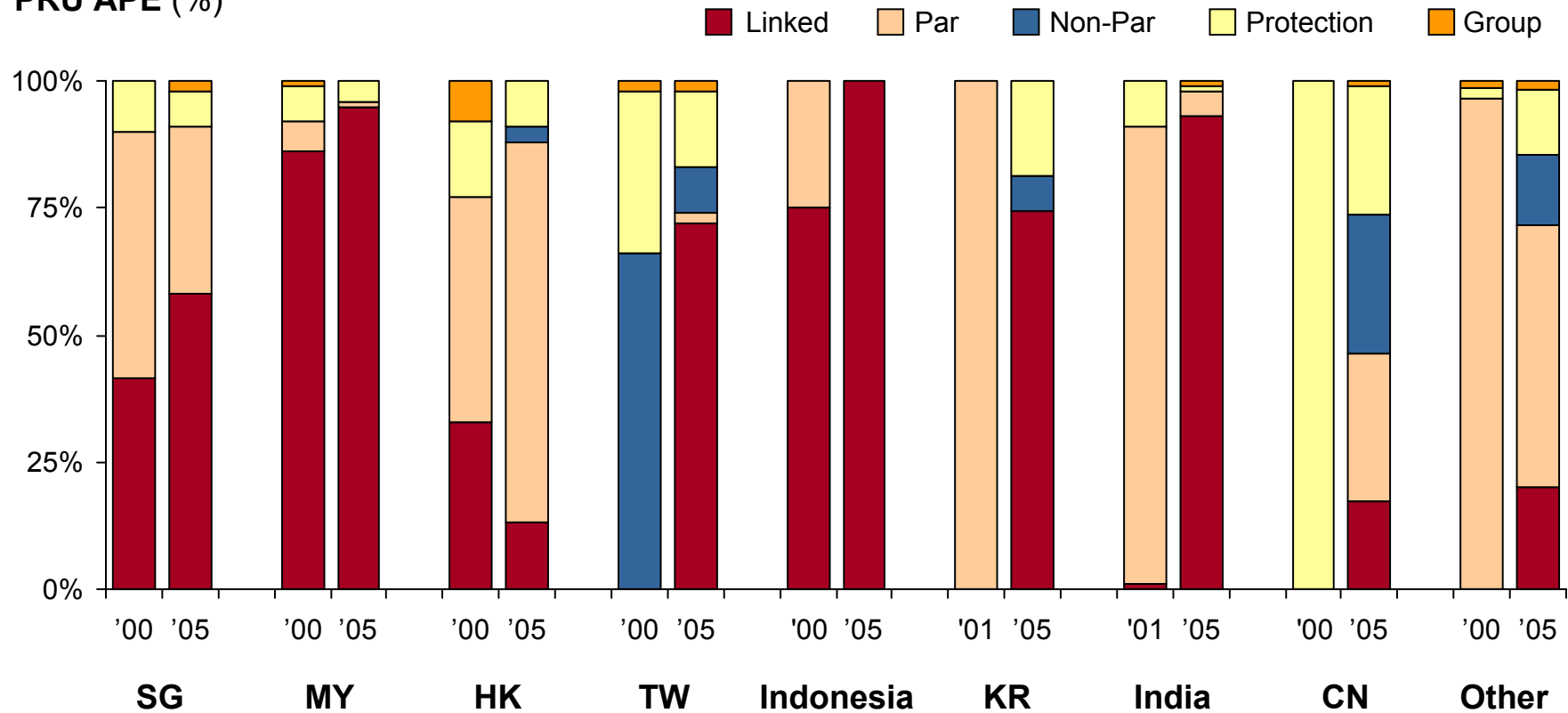




Product focus

We are continuing to invest in expanding the unit-linked product category across Asia

PRU APE (%)

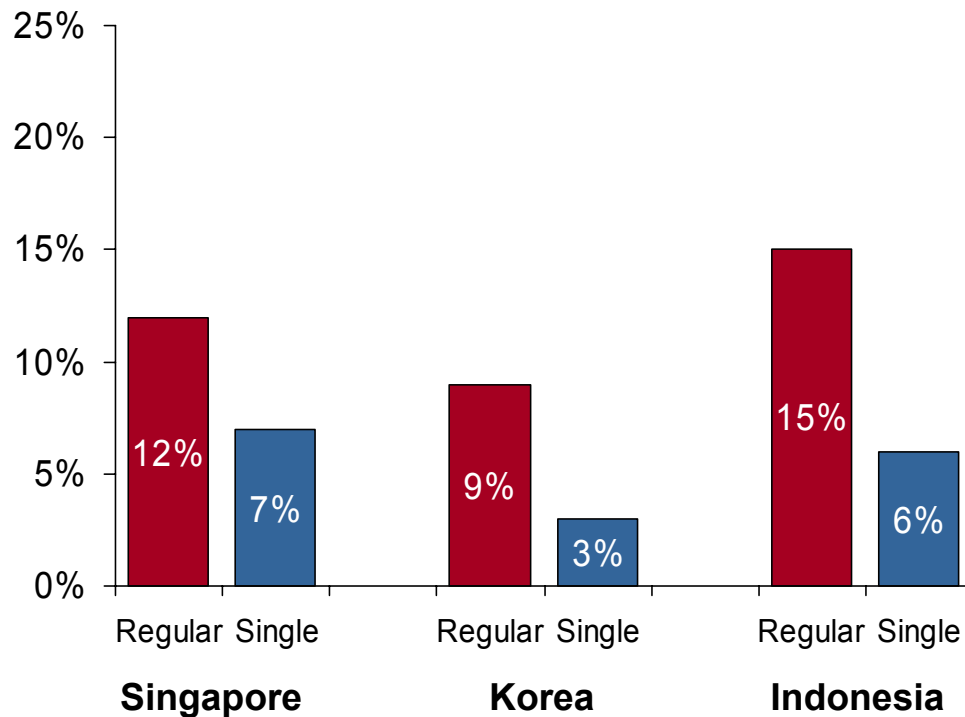




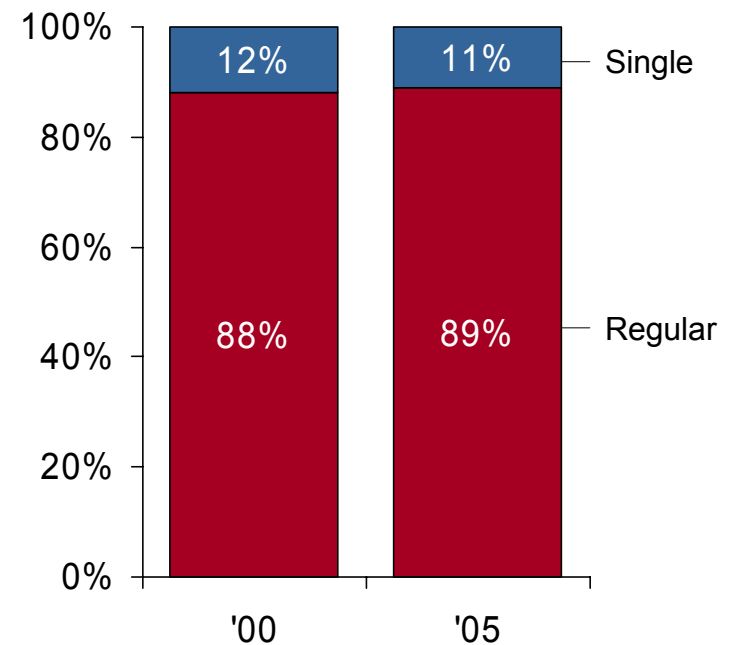
Product economics: Premium type

We focus on more profitable regular premium products

PRU NBP Margin on PVNBP Basis '05 (%)



PRU APE by Premium Type (%)





Product: Key messages

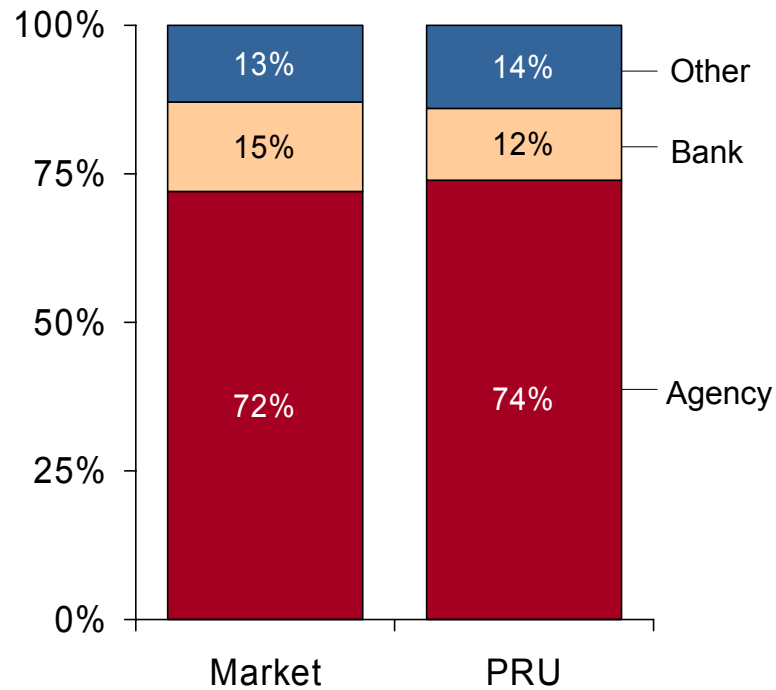
- The **economics differ significantly across the range of products** being sold in the market
- We are focused on **profitable and capital efficient products**; however, the market is selling a broad mix of products
- In particular, we have led the market in **concentrating on unit-linked products**, and the market is now following
- We also focus on **regular premium products** which are more profitable
- In addition, we see opportunity to **increase our share of protection products**



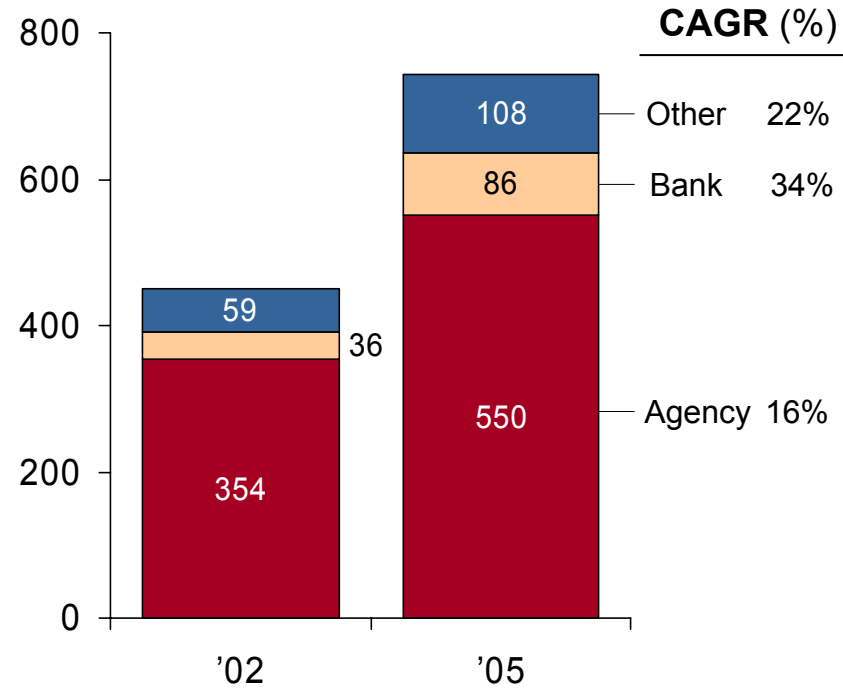
Distribution strategy

The primary distribution channel for us, and the market, is agency

APE '05 (%)



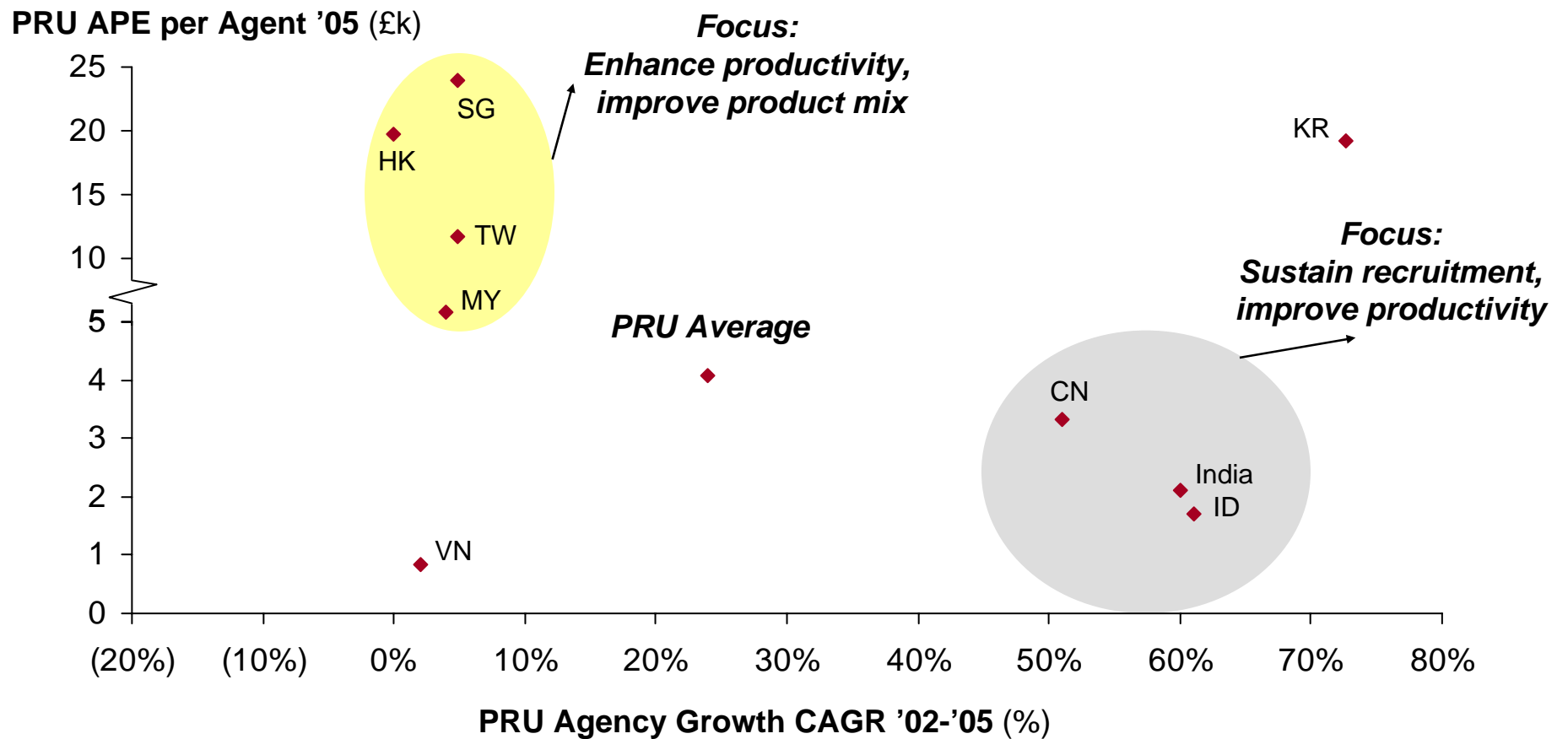
PRU APE (£m)





Agency Strategy

Our agency strategy is tailored by the stage of development of the market



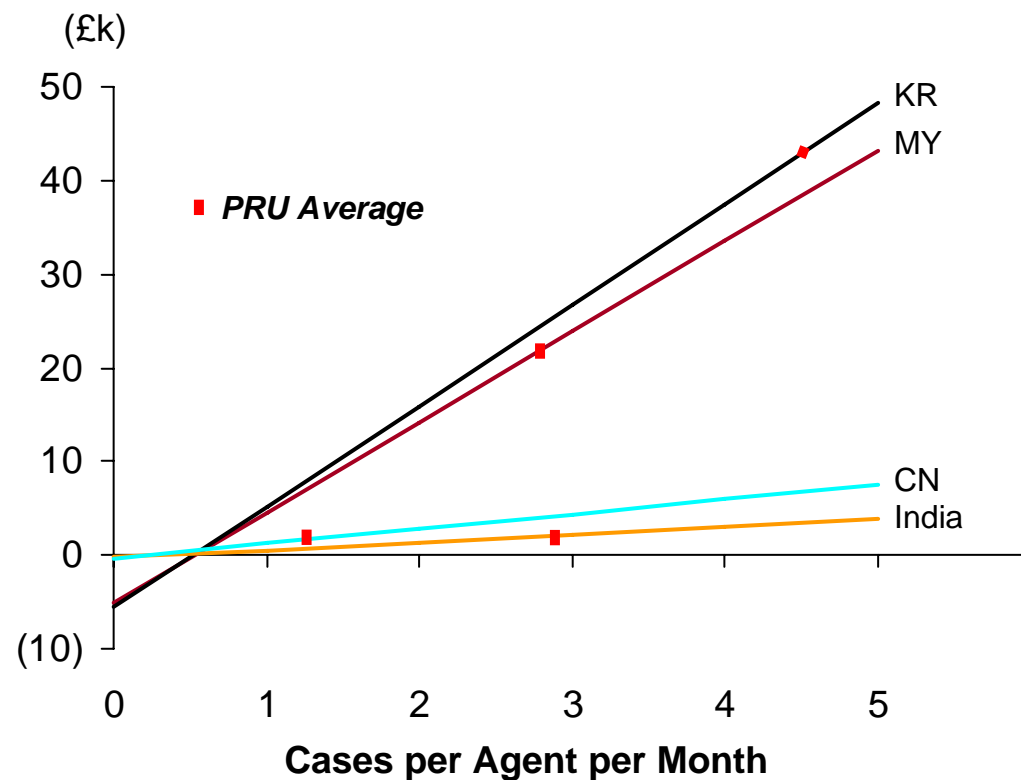
Note: India presented at 100% interest



Distribution Economics: Agency

Agent economics are highly attractive in Asia

Value of an Agent to PRU (Net of Acquisition Cost)



- Average acquisition cost for an agent is low
- On-going costs are mostly variable
- Agents are profitable even at low productivity levels

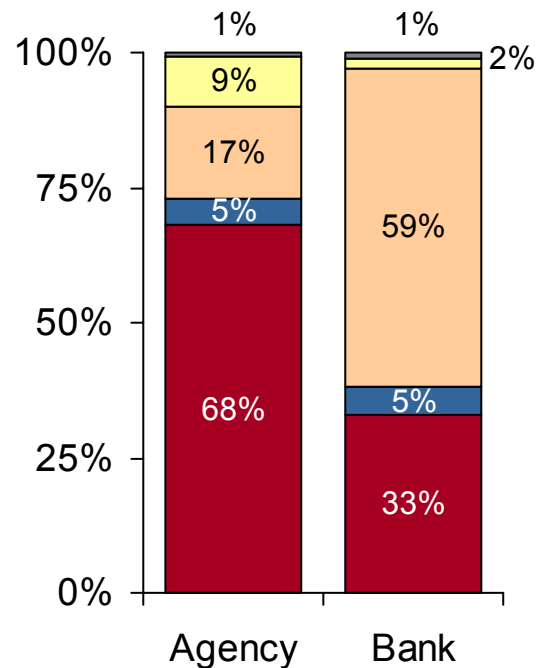
Note: India presented at 100% interest



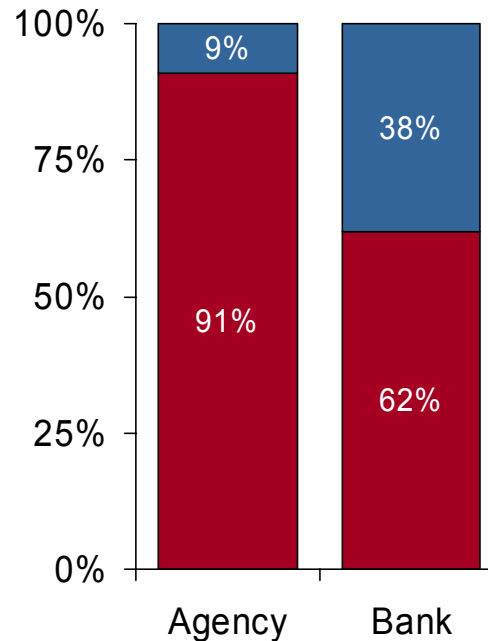
Distribution Economics: Bank

Bank distribution is profitable, but different mix of products and premium types results in lower profitability than agency

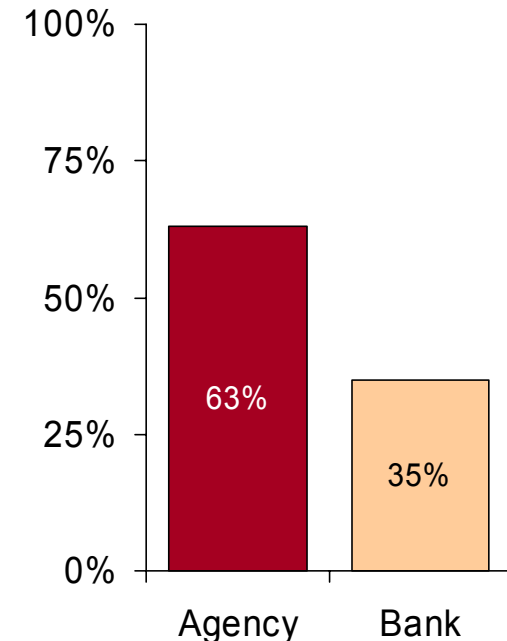
PRU APE '05 (%)



PRU APE '05 (%)



PRU NBP Margin '05 (%)



■ Linked ■ Non-Par ■ Par
■ Protection ■ Group

■ Regular Premium ■ Single Premium



Distribution: Key messages

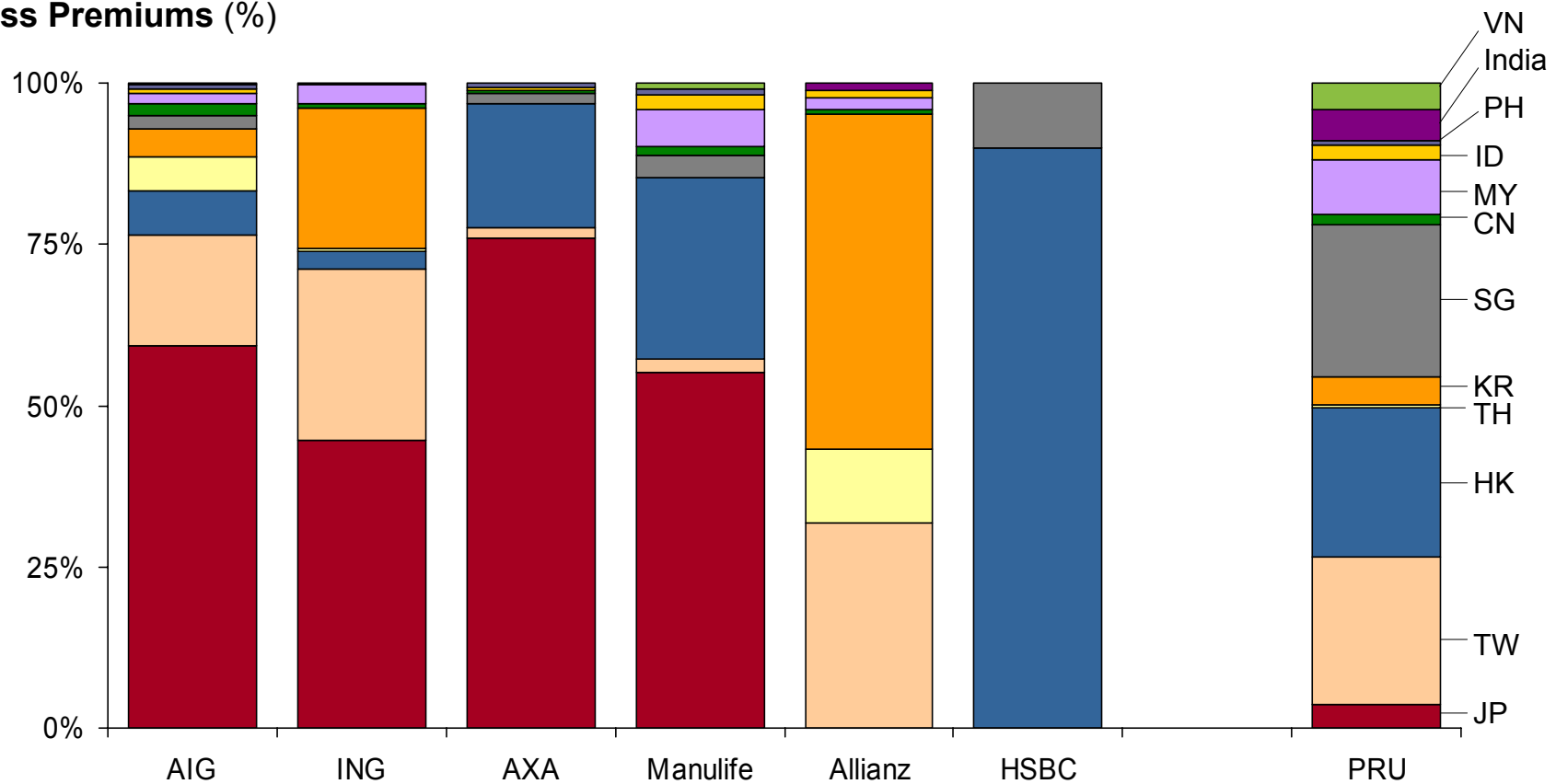
- Agency remains the dominant distribution channel in Asia today, and **agents are highly valuable**
- In **growth markets, we are focused on increasing the size** of our agency force faster than the market
- In more **developed markets, we are working to improve productivity** more quickly than the market
- Though growing and profitable, **bank distribution is less profitable than agency distribution**
- We are **selectively participating in other distribution channels**. In addition, we see opportunity in direct marketing



Geographic diversification

Prudential Asia's regional footprint is more diversified than competitors

Gross Premiums (%)



Source: Swiss Re, latest available data



Asset Management: Key messages

- Our asset management business drives our profitable growth in three ways:
 - Generating **above average fund performance** for life funds
 - Supporting our **linked product** strategy
 - Attracting and managing **external retail funds**

- As in our insurance business, we have built an asset management business **focused on the economics** of product and channel segments

- In our product mix, we **emphasise equity products**, market conditions permitting

- Our **distribution mix is multi-channel** but tailored by country market

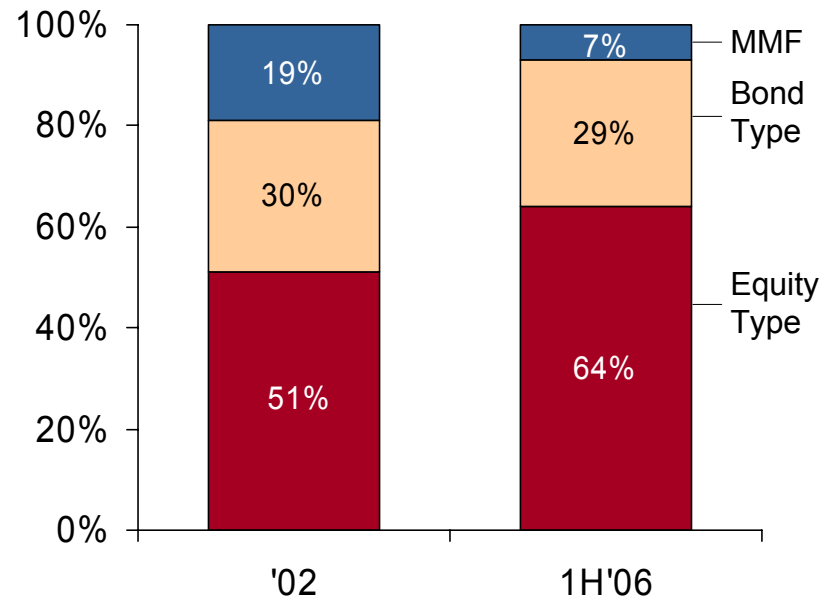


Asset Management: Product strategy

Our product mix is weighted towards more profitable equity products

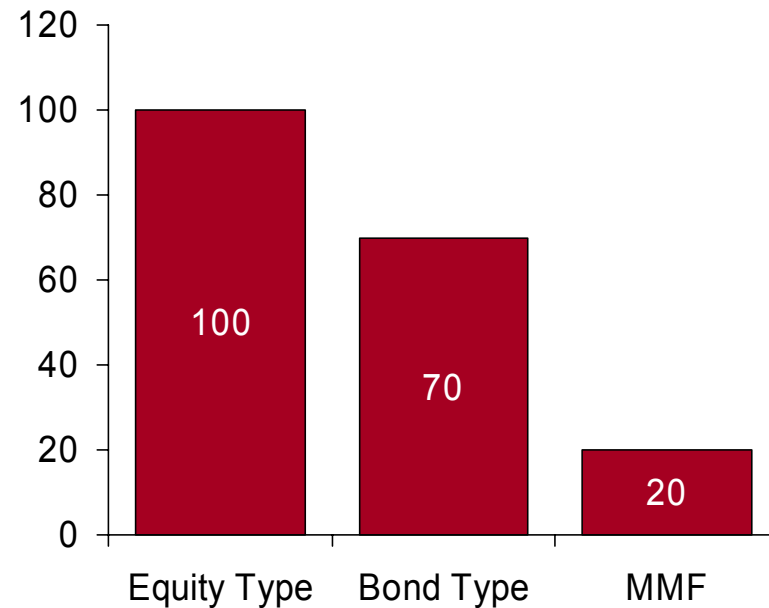
Product Mix

PRU FUM (%)



Product Pricing

PRU Gross Fee '05 (bps)

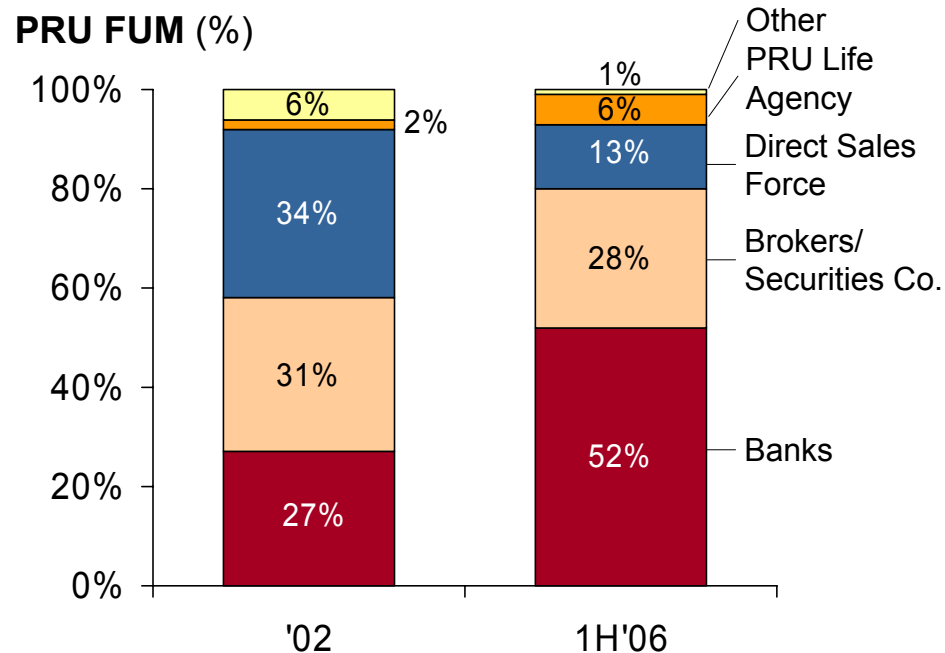




Asset Management: Distribution strategy

Multi-distribution platform with banks now accounting for over half of FUM

Distribution Mix



- We have nearly doubled the contribution from bank distribution which now accounts for over half of FUM
- Brokers and securities companies account for over a quarter of total distribution

Note: Retail mutual funds only; excludes life insurance assets under management



Three topics to address

1. What performance has Prudential Asia delivered?
2. What product and channel economics have driven our strategic choices?
- 3. How is the business positioned to sustain profitable growth?**



Margins and profit growth

We see pressure on margins but also opportunities to offset them. In addition, we see significant headroom for growth...

Sustaining Margins

- Pressure on margins
 - Increasing competitive intensity
 - Additional disclosures and customer awareness
 - Growth from lower-margin markets
 - Increased share of bank distribution
- Offsetting factors
 - Further changes to product mix (protection products, rider attachments)
 - Additional economies of scale

Headroom for Profitable Growth

- Strong fundamentals
 - Shift from cash and deposits to insurance and mutual funds
 - Strong macroeconomics
- Regulatory reform further opening up markets
- Specific new opportunities
 - Retirement/pensions
 - Direct distribution

...and expect overall strong profitable growth with New Business Profits at least doubling from 2005 to 2009

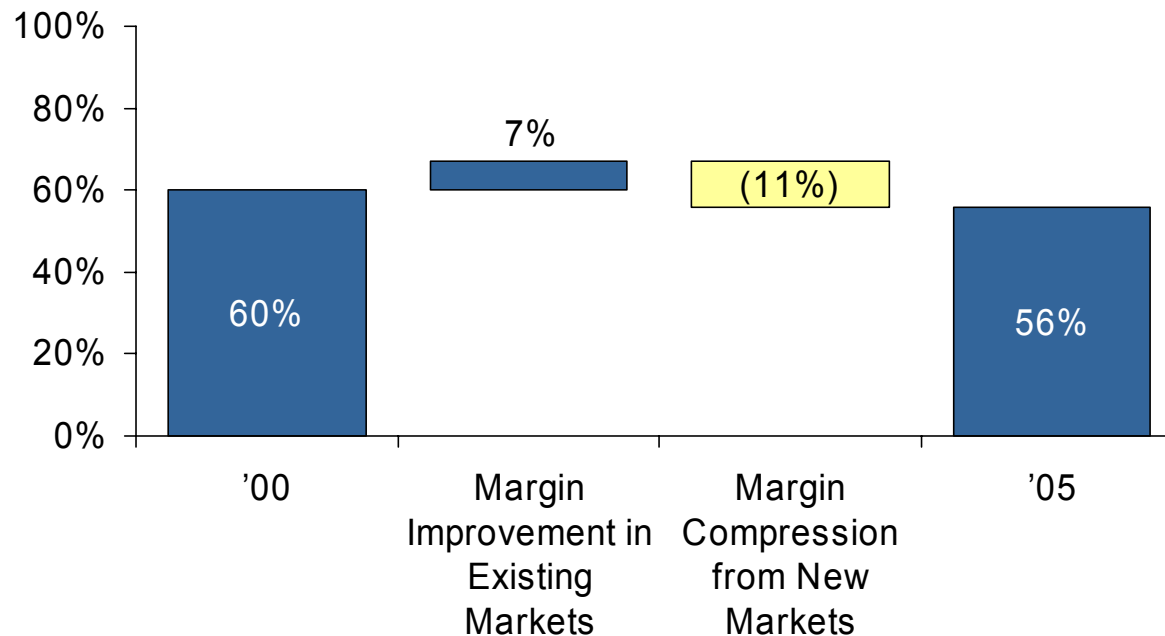


Sustaining margins

We have a good track record of sustaining margins

Impact of Geographic Mix on Margins

PRU NBP Margin (%)



- We have been able to increase margins in many markets since '00
 - Improved product mix
 - Increased rider sales
- Margins have declined as a result of growth in new markets
 - Korea, India and China

Note: Existing markets at start of '00: SG, TW, HK, MY, ID, TH, VN, PH; New markets: KR, CN, India, Japan



Headroom for profitable growth

We see headroom for profitable growth in Asia

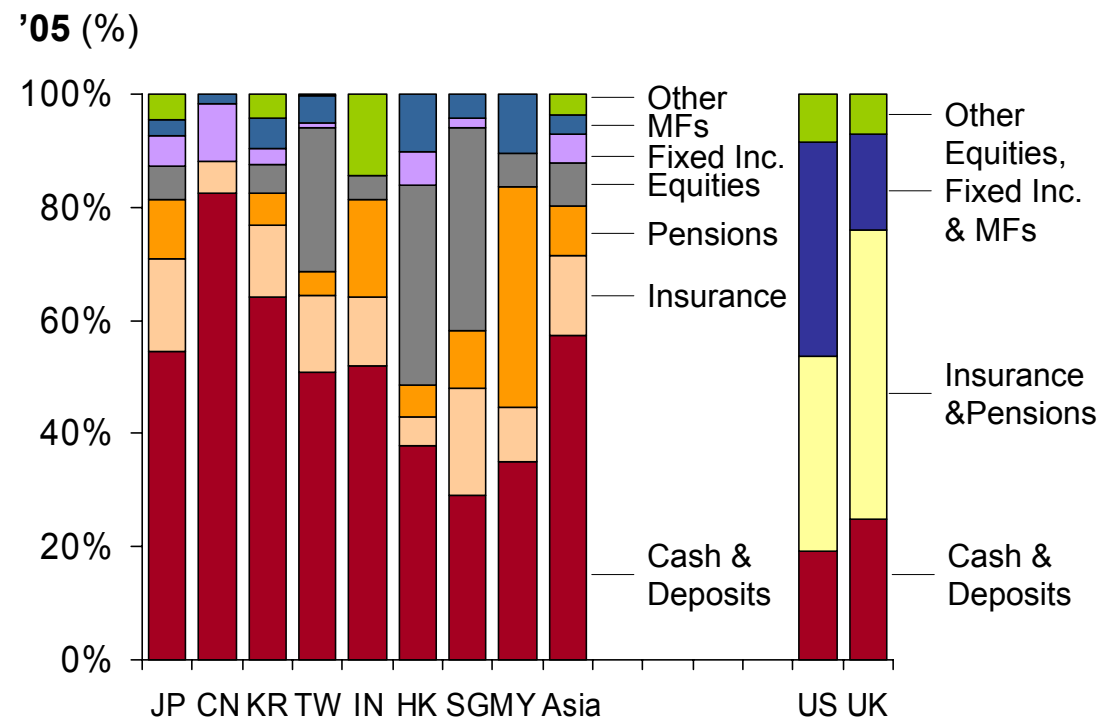
Headroom in Market

- Shift away from cash and deposits
- Strong economic growth
- Regulatory reform

Specific New Opportunities

- Demographic shift will stimulate growth from new areas
 - Retirement/pensions
 - Accident and health
 - Direct distribution

Household Financial Assets



Source: Citibank Consumer Banking Report, 2005

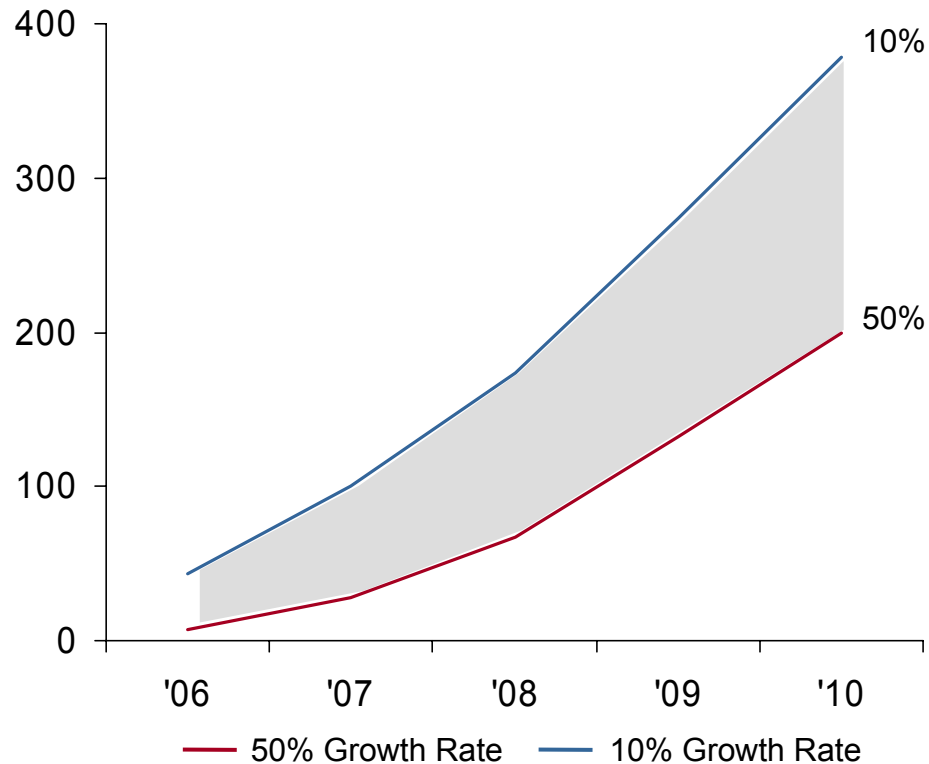


Funding growth and new opportunities

Assuming 2005 business mix, Asia will generate increasing levels of cash

PRU Asia Future Annual Cash Flows

Illustration Under Different Growth Scenarios¹ (£m)



- Cash flow scenarios assume:
 - organic growth
 - 2005 business mix and product margin
- Even at a growth rate of 50%, Asia remains self-funding with accelerating cash flows
- Pursuing new opportunities may shift the profile of the curve

1. This illustration is not a forecast of future growth rates or sales mix



Summary

- We have **delivered an overall strong performance**
- We have **built an attractive model** that is focused on profitable product and channel segments in our markets
- The business is **positioned to sustain profitable growth** despite market and competitive challenges
- Prudential Asia is now **starting to generate cash**, and we also see opportunities for further investment



**Prudential:
Leading in Asia**

South East Asia Next phase of profitable growth



Ng Keng Hooi
Prudential Corporation Asia
1 December 2006



Prudential: 4 South East Asian markets at a glance



Malaysia

Established : 1924
Population : 22 m
Penetration : 39%* / 3.5%**
Mkt share¹ : 18%
Pru Ranking: # 2



Singapore

Established : 1931
Population : 4 m
Penetration : 71%* / 6.0%**
Mkt share¹ : 21%
Pru Ranking: # 1



Indonesia

Established : 1995
Population : 240 m
Penetration : 4%* / 0.6%**
Mkt share¹ : 11%
Pru Ranking: # 1



Philippines

Established : 1996
Population : 80 m
Penetration : 6%* / 0.9%**
Mkt share¹ : 7%
Pru Ranking : # 5

* Policies in-force as % total of population

** Policies in-force as % total of GDP

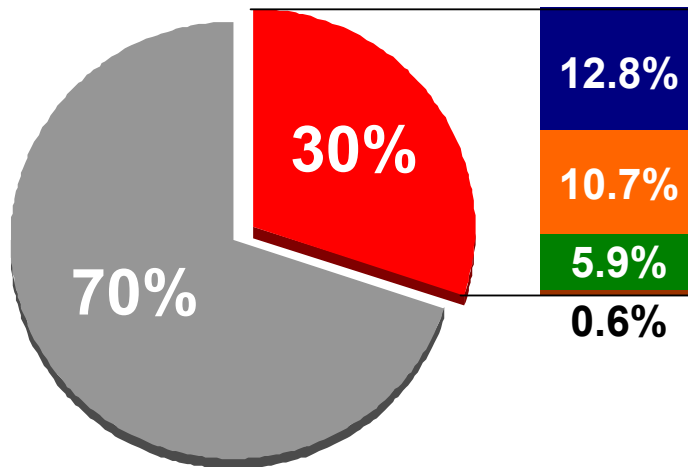
¹ Prudential's new business market share in terms of NB Annualized Premium Equivalent (APE) as at 2005



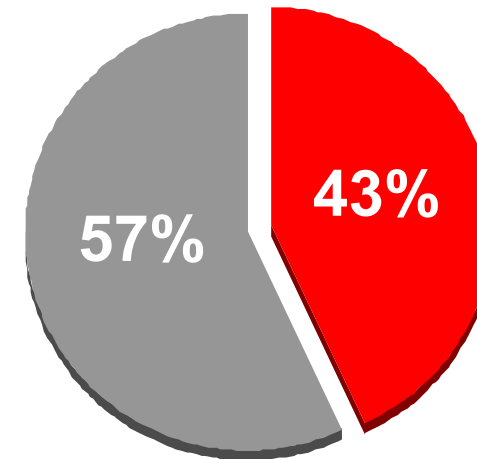
Prudential South East Asia : APE and NBP overview

South East Asia contributed 30% of Prudential Asia's APE but 43% of NBP in 2005

2005 Prudential Asia APE



2005 Prudential Asia NBP





Malaysia Market : Highlights



Overview

- Low insurance penetration in Malay segment of population
- Government keen to position as Islamic financial services hub

Regulatory

- Change in regulatory structure to drive growth and move towards more principle based regulations
- Risk based capital expected in 2008
- New financial advisers act passed in 2005 to encourage development of IFA channel

Product and distribution channels

- Big shift from traditional PAR products to investment-linked in anticipation of possible higher RBC on traditional products
- Takaful yet to take off. New licences issued in 2006 to inject more competition into this area and grow the market
- AP products sold mainly via tied-agency, banks focus mainly on deposit replacement SP products
- Tied-agency dominates (80% of 2005 APE)



Prudential Malaysia : Relative product and channel position

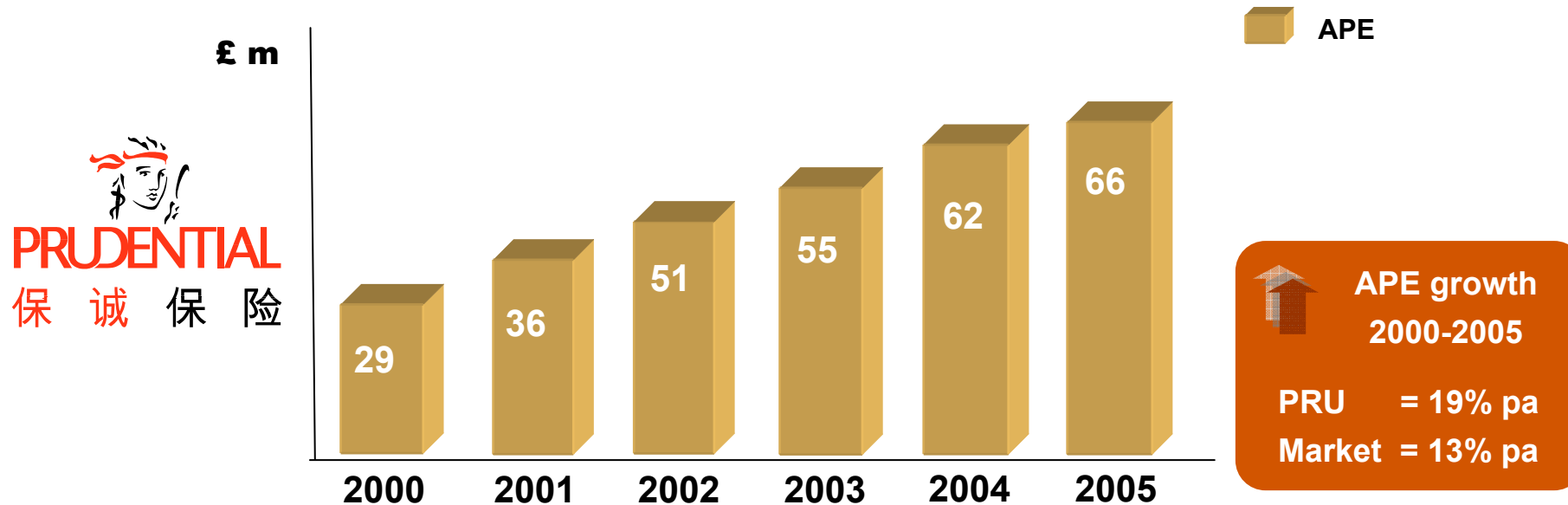
	Composition		Comment
Products	% NB from ILP		<ul style="list-style-type: none"> Prudential is ahead in ILP sales Agents have accepted lower commission on ILP vs trad plans
	Prudential	94%	
	Market*	45%	
Products	% AP	% SP	<ul style="list-style-type: none"> Prudential focuses on higher profitability AP sales with close to 7 riders on average per policy SP products in the market are mainly deposit replacement with very low margin
	Prudential	99%	
	Market*	88%	12%
Distribution Channel	% Agency	% Others	<ul style="list-style-type: none"> Agency is the dominant distribution in Prudential Foreign insurers are restricted to one bank partnership and this constrains bancassurance growth in Prudential
	Prudential	98%	
	Market*	85%	15%

*From LIAM statistics 2005, Group business excluded



Prudential Malaysia : APE sales – 5 year view

PRU has outgrown the market through success in transforming agent productivity



Market position

2nd 2nd 2nd 2nd 2nd 2nd

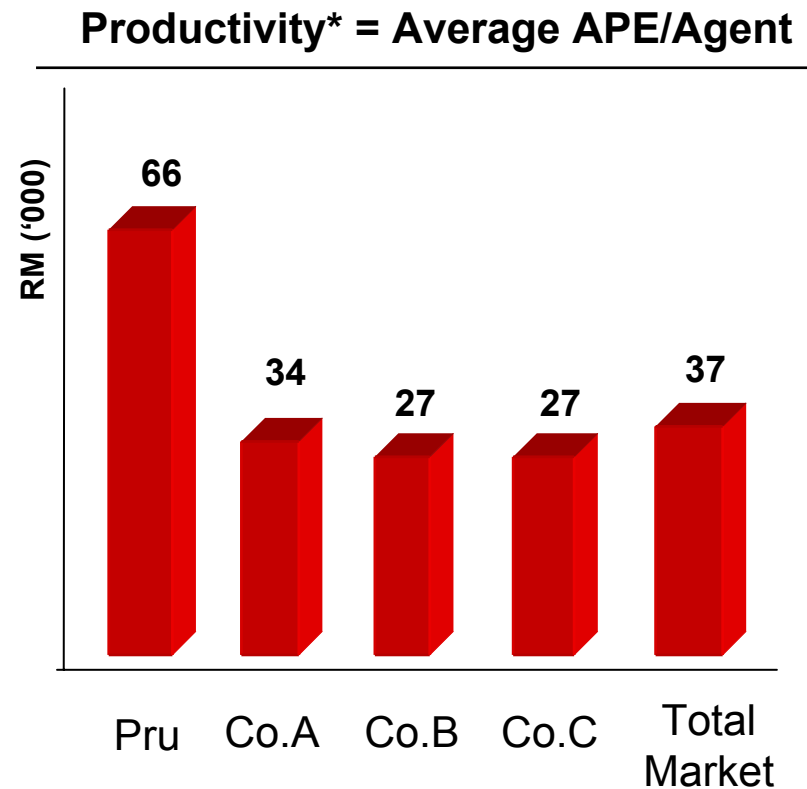
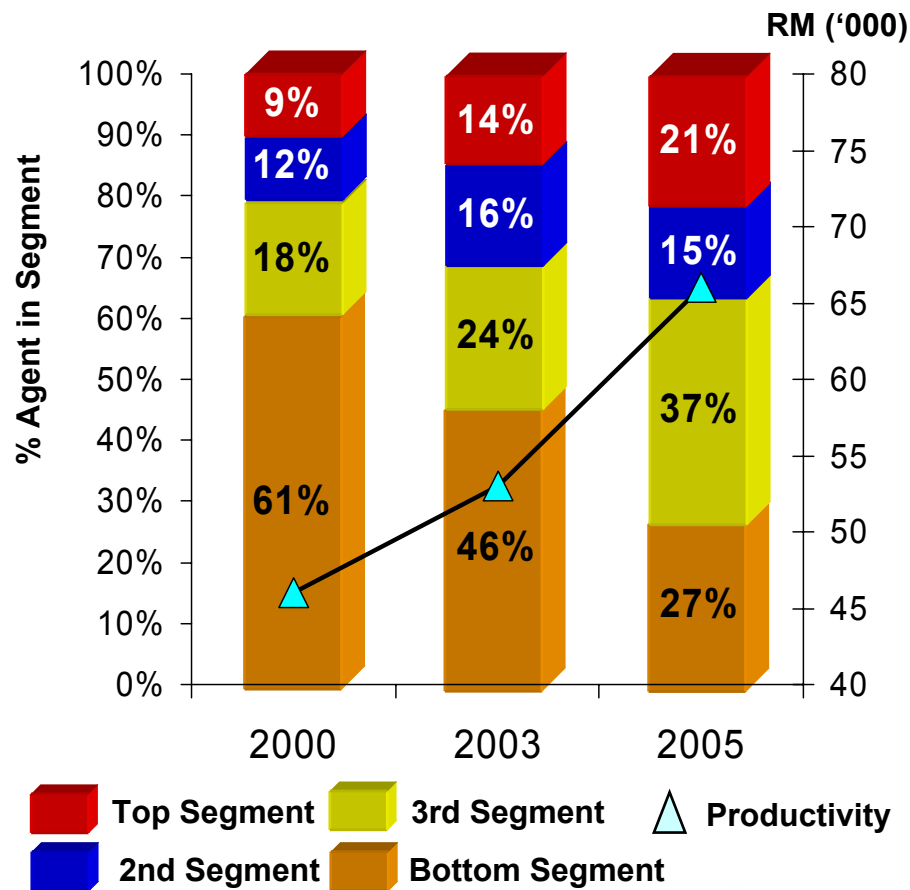
Market share

14% 15% 18% 16% 18% 18%



Prudential Malaysia : Agency distribution

Agency Segmentation Strategy has ensured healthy growth of top 2 tiers of productive agents. Prudential agent productivity is twice market average



* Derived from LIAM statistics 2005



Prudential Malaysia : Partnership distribution

Building scale in non-agency distribution via relationships of Prudential BSN Takaful, local JV with fewer regulatory restrictions

PRUDENTIAL BSN TAKAFUL



Customer base	# branches
7,000,000	382
500,000	33

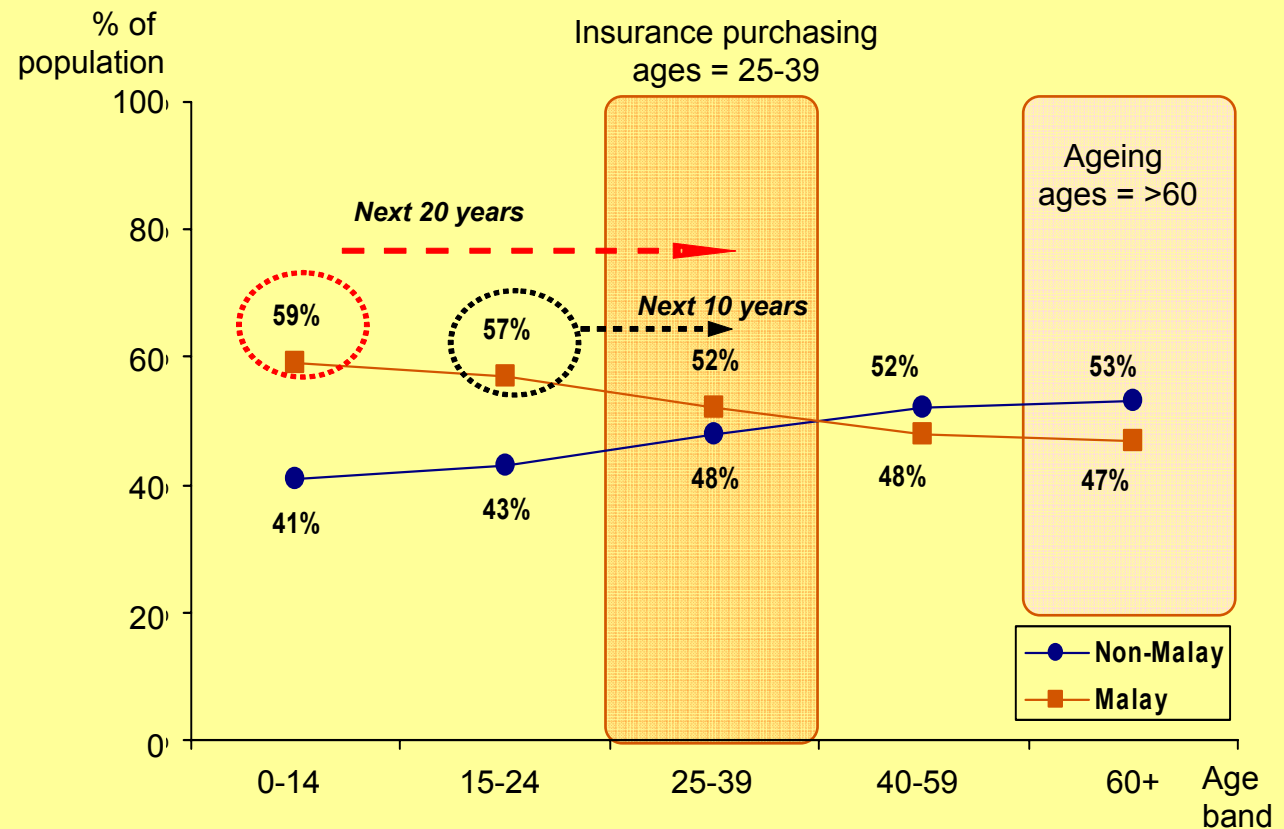


Prudential Malaysia : Opportunities



Demographics

- Over next 10-20 years, Malays will become main purchasers of insurance
- Increasing percentage of non-Malays in higher age groups (>40), indicates an ageing non-Malay population



% of Popn	1970	1990	2005
Malays	45%	47%	55%
Non-Malays	55%	53%	45%



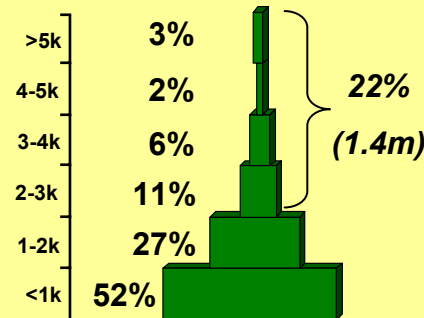
Prudential Malaysia : Opportunities



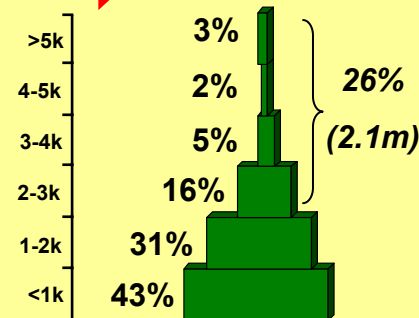
Demographics (*continued...*)

- Growing affluence of Malays
- # of Malays earning > RM2,000/month (who can afford insurance) rapidly increasing

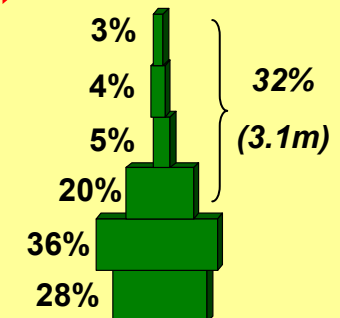
Malays 1998



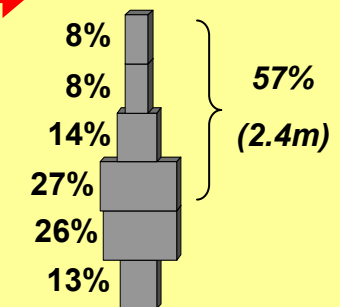
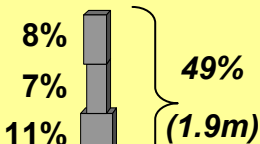
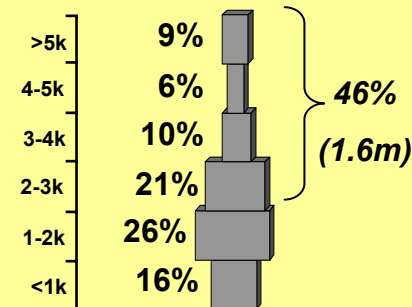
2004



2010 F



Chinese





Prudential Malaysia : Going forward

Core Strategic Areas

Products

Takaful

Expand range of Takaful products for Malay customers

Retirement

Leverage Prudential Group's expertise to develop a strategy covering branding, marketing and design of pension products for non-Malay customers

Product Strategy

Diversify product range to reduce reliance on ILP

Distribution Channel

Agency

Accelerate recruitment of Malay agents to market Takaful products. Continue agency segmentation strategy to drive productivity

Bancatakaful

Build successful banking distribution with BSN, JV partner for Takaful





Singapore Market : Highlights



Overview

- Developed insurance market
- Rich economy: one of the highest per capita GDP in world
- Many people are underinsured despite 71% penetration

Regulatory

- Ageing population - government wants to develop pensions and elderly medical market to close the gap between CPF funds and the real cost of retirement

Product and distribution channels

- Both traditional PAR and investment-linked (ILP); former is more popular due to customer preference for guarantees.
- Single Premium market fairly significant but sales are mainly driven by CPF and deposit replacement bancassurance products
- Tied-agency still dominates (71% of 2005 APE), 5% IFA, remaining coming mainly from bancassurance



Prudential Singapore : Relative product and channel position

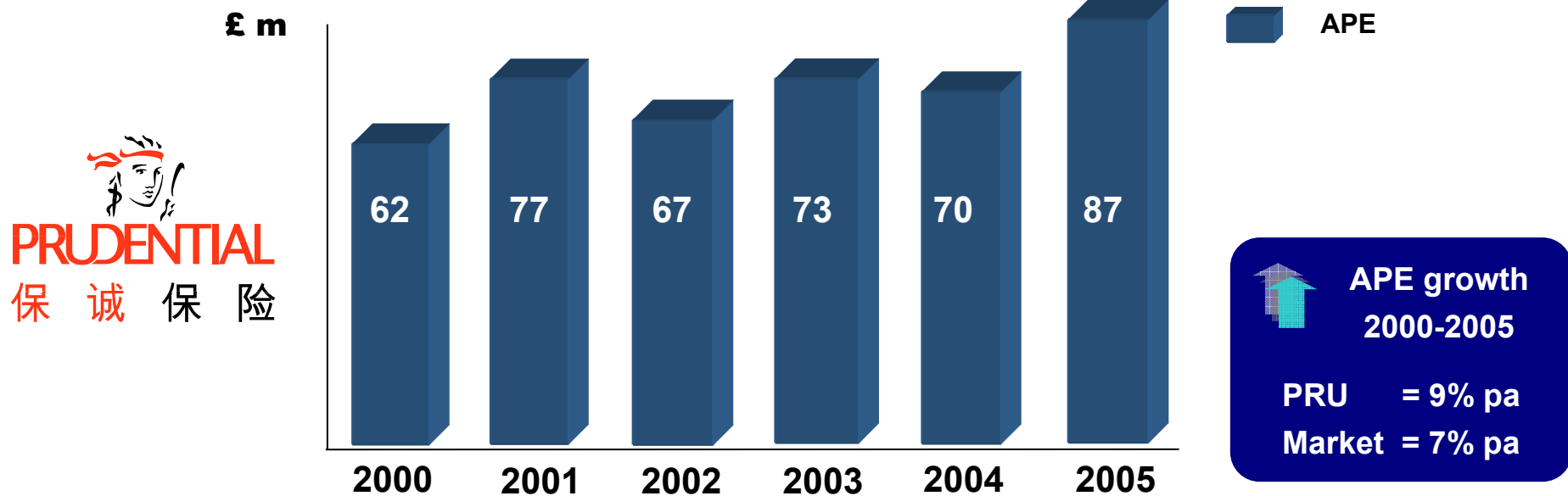
	Composition		Comment
Products	% NB from ILP		<ul style="list-style-type: none"> Prudential is ahead in more profitable and capital efficient ILP sales
	Prudential	58%	
	Market*	35%	
Products	% AP	% SP	<ul style="list-style-type: none"> Prudential sell more AP products with higher insurance protection
	Prudential	67%	
	Market*	60%	40%
Distribution Channel	% Agency	% Others	<ul style="list-style-type: none"> Prudential's success in agency continues to make this our dominant sales channel Bancassurance dominated by 2 banks who control 70% of sales
	Prudential	88%	
	Market*	71%	29%
	# Agents		
	Prudential	3,300	
	Market*	12,800	

* From LIA statistics 2005



Prudential Singapore : APE Sales – 5 year view

With 24% growth, Prudential Singapore has outgrown the market to reach #1 position in 2005



Market position
Market share

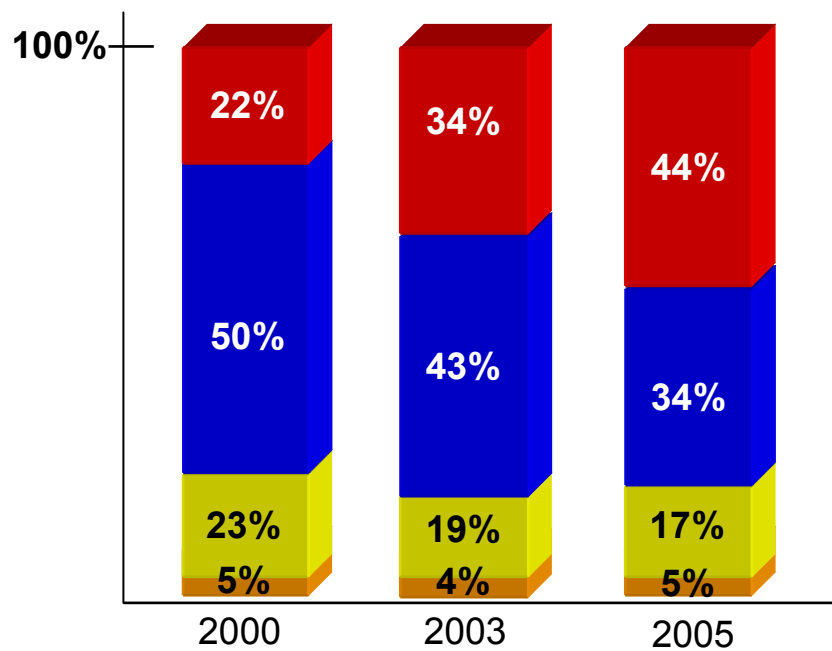
2nd	3rd	2nd	2nd	2nd	1st
19%	18%	18%	20%	17%	21%



Prudential Singapore : Agency distribution

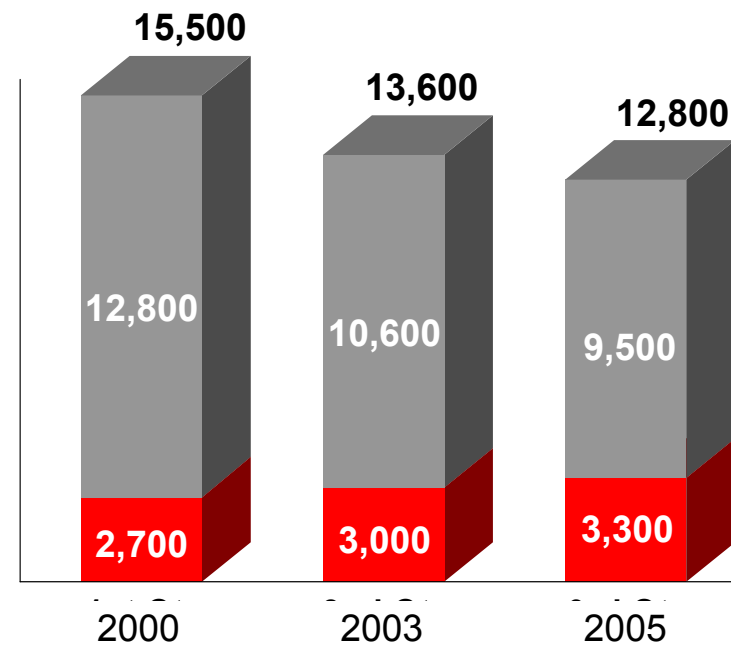
Prudential Singapore continues to rejuvenate its agency force with younger agents, against a declining pool

Distribution of Agents by Age



20-29 30-39 40-49 50+

Total agents* in market



Other Prudential

* Rounded to nearest 100



Prudential Singapore : Partnership distribution

Prudential Singapore has exclusive partnerships with Singapore Post, Standard Chartered and Maybank



# branches	# branches with Pru staff
34	21
20	20
22	22

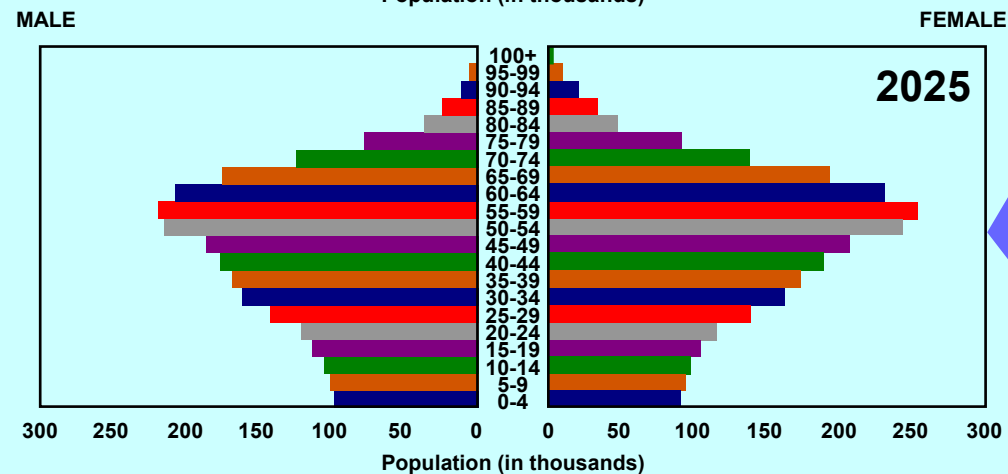
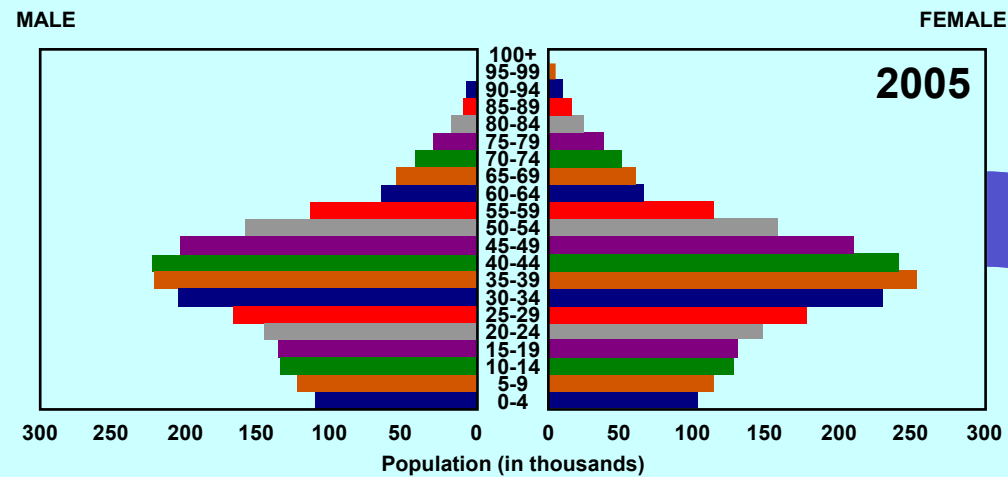


Prudential Singapore : Opportunities



Demographics

- Despite inflow of foreign talent (middle/middle-upper class), population continues to age due to low fertility rate (TFR* = 1.2)



Population > Aged 60+

Year	%
2005	11%
2025	28%

* Source : U.S Census Bureau

** TFR = Total fertility rate = # of child a woman is expected to give birth to in her fertile life



Prudential Singapore : Going forward

Core Strategic Areas

Products

Retirement

Leverage Prudential Group's expertise to develop a strategy covering branding, marketing and design of pension products

Distribution Channel

Agency Distribution

Maintain recruitment activity to attract young agents who relate to new entrants in job market

Partnership Distribution

Deepen relationship and customer penetration with existing partners





Philippines Market : Highlights



Overview

- Low insurance penetration rate reflects high levels of poverty
- 35 companies competing in relatively small market

Demographic

- Majority of population with low income level (below C)

Peso ('000)	AB	C	D	E
Household* Mthly Inc	>50	>15	>6	<6
% of population	1.4%	7.3%	54.4%	36.9%
# Households* ('000) ≈	200	1,000	8,300	5,600

*Avg 5 person per household

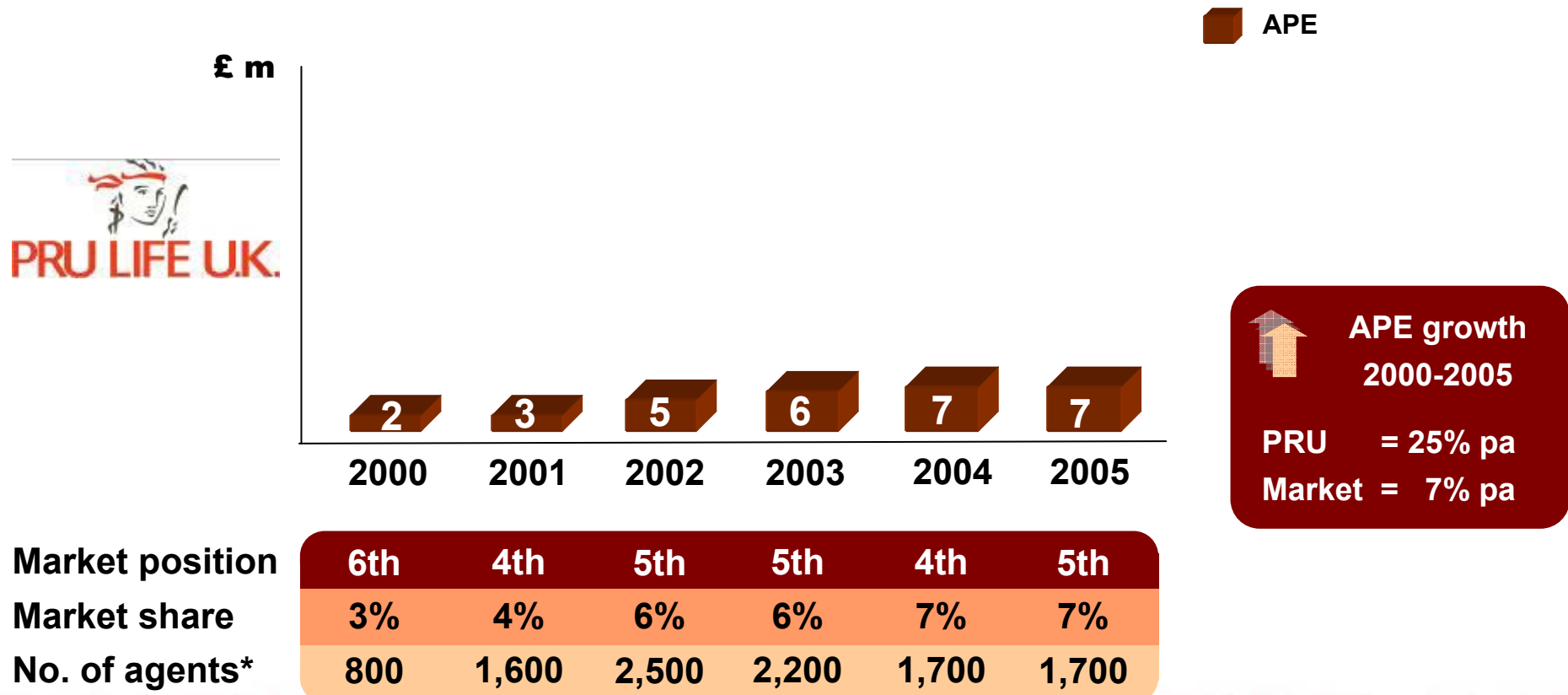
Core Strategic Areas

- Prudential selling mainly to AB market
- Expand by designing products with lower premium suitable for C market
- Quickly scale up and increase agency numbers



Prudential Philippines : APE sales – 5 year view

Prudential Philippines has demonstrated steady growth from AB customer segment



* Rounded to nearest 100



Indonesia Market : Highlights



Overview

- Low insurance penetration rate offers great potential for growth
- Macroeconomic outlook is favourable

Regulatory

- Increasing regulation expected following merger of Securities Commission and Insurance Bureau

Product and distribution channels

- Industry growth driven by linked business (40% of total 2005 market APE) and growth of agents
- Agency dominates (88% of 2005 APE)

Demographic

- Higher proportion of life insurance bought by higher earning Chinese Indonesians who are a smaller percentage of the population. Vast potential in the wider population



Prudential Indonesia: Relative product and channel position

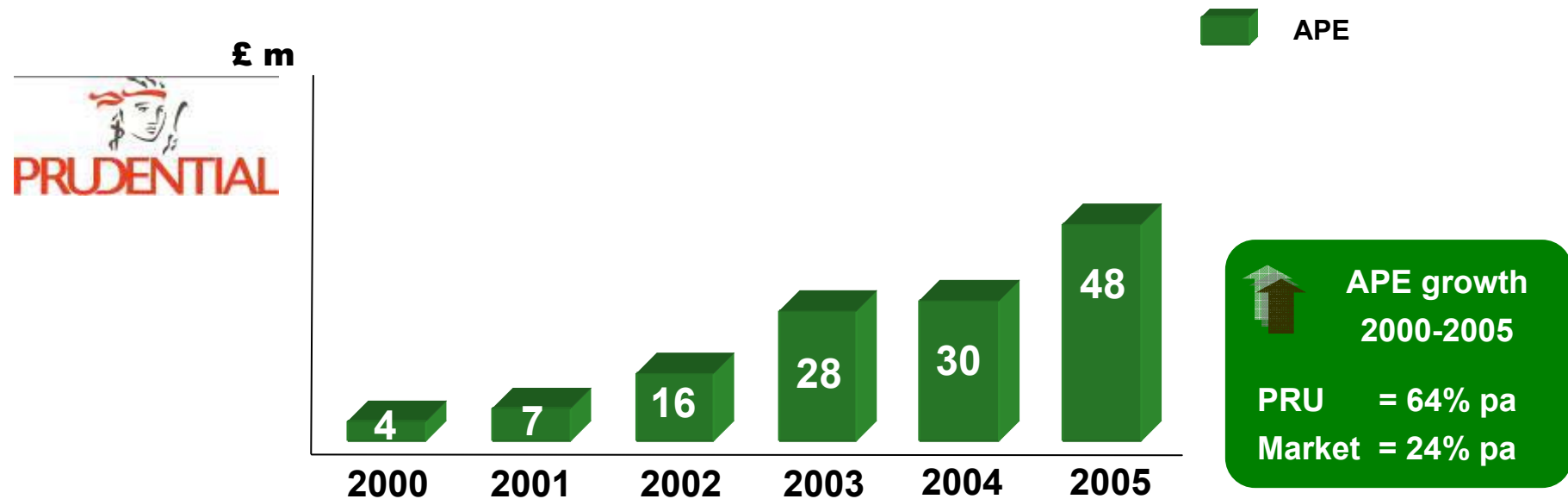
	Composition		Comment									
Products	<table border="1"> <thead> <tr> <th></th> <th>% NB from ILP</th> </tr> </thead> <tbody> <tr> <td>Prudential</td> <td>99%</td> </tr> <tr> <td>Market</td> <td>40%</td> </tr> </tbody> </table>			% NB from ILP	Prudential	99%	Market	40%	<ul style="list-style-type: none"> Prudential is market leader in capital efficient and profitable ILP products Adapted product structure and sales methodology from Prudential Malaysia 			
		% NB from ILP										
Prudential	99%											
Market	40%											
Distribution Channel	<table border="1"> <thead> <tr> <th></th> <th>% AP</th> <th>% SP</th> </tr> </thead> <tbody> <tr> <td>Prudential</td> <td>91%</td> <td>9%</td> </tr> <tr> <td>Market*</td> <td>60%</td> <td>40%</td> </tr> </tbody> </table>			% AP	% SP	Prudential	91%	9%	Market*	60%	40%	<ul style="list-style-type: none"> Prudential focuses on higher profitability AP sales with average 4-5 riders per policy
		% AP	% SP									
Prudential	91%	9%										
Market*	60%	40%										
Distribution Channel	<table border="1"> <thead> <tr> <th></th> <th>% Agency</th> <th>% Others</th> </tr> </thead> <tbody> <tr> <td>Prudential</td> <td>99%</td> <td>1%</td> </tr> <tr> <td>Market</td> <td>88%</td> <td>12%</td> </tr> </tbody> </table>			% Agency	% Others	Prudential	99%	1%	Market	88%	12%	<ul style="list-style-type: none"> Agency success is built on expertise of sales managers from Malaysia and Singapore With no major bank partner, Prudential has low share of non-agency distribution
		% Agency	% Others									
Prudential	99%	1%										
Market	88%	12%										

*Estimates



Prudential Indonesia : APE sales – 5 year view

Prudential Indonesia has delivered impressive results to become the market leader



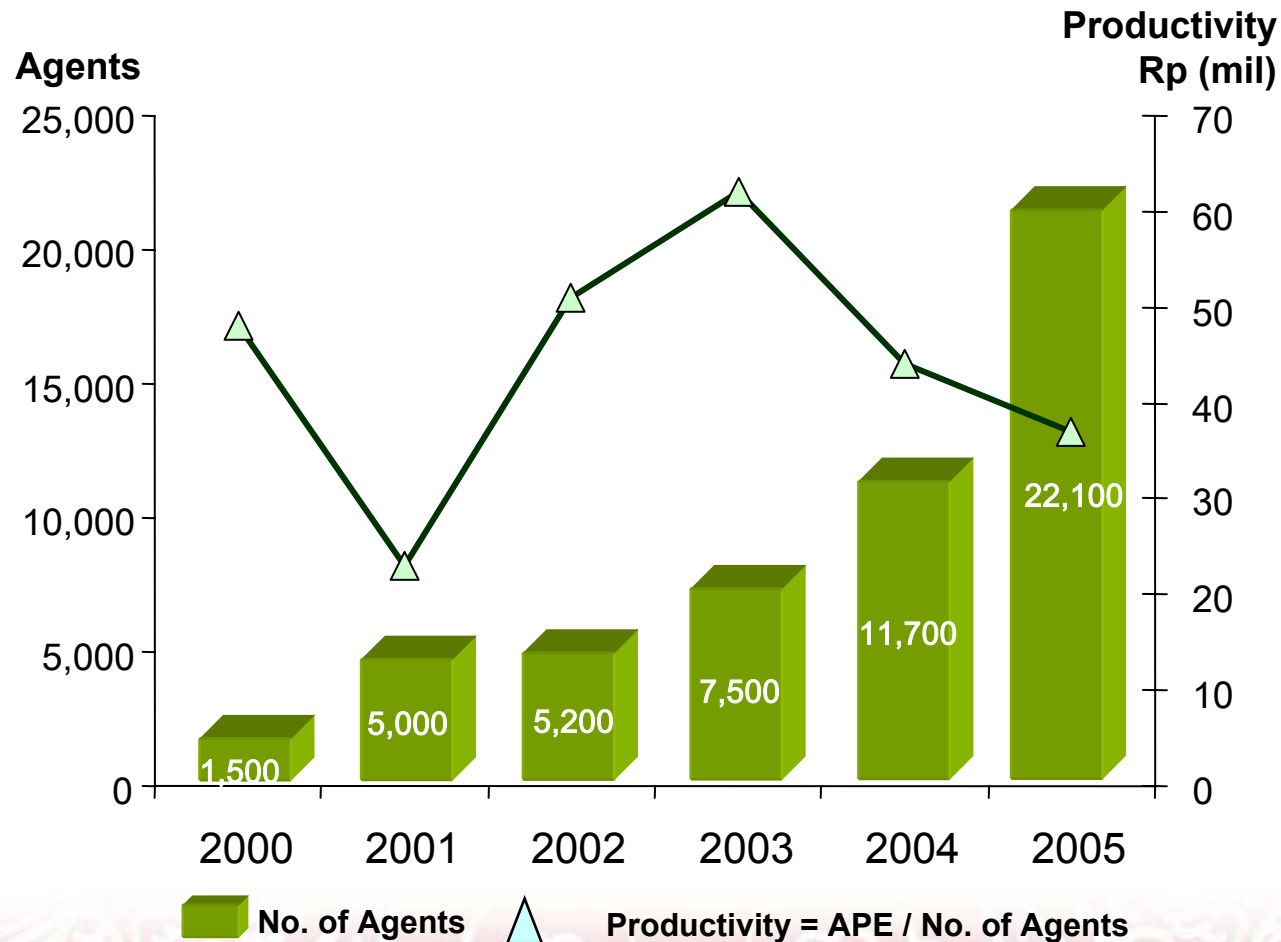
Market position
Market share

8th	7th	3rd	2nd	4th	1st
2%	4%	10%	11%	8%	11%



Prudential Indonesia : Agency Distribution

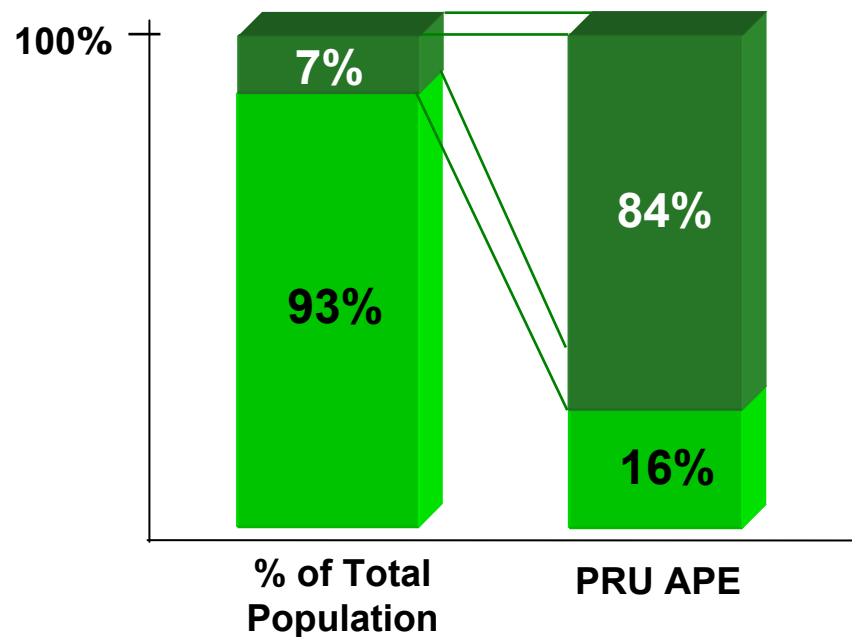
Building agency scale has impacted productivity, now launching Agency Segmentation Strategy to build on this





Prudential Indonesia : Opportunities

More than 80% of APE comes from 5 Indonesian cities, (c7% of total population). Still plenty of room to grow through geographic expansion



■ Top 5 cities in terms of population
■ Other cities

Cities	Popn (mil)	% APE
Jakarta	9.0	60%
Medan	2.0	12%
Surabaya	2.8	5%
Bandung	2.3	4%
Denpasar	0.6	3%
Total	16.7	84%



Prudential Indonesia : Going forward

Core Strategic Areas

Products

Takaful Strategy

Leverage Takaful expertise from Malaysia to access world's largest Muslim population (200 million)

Product Strategy

Diversify product range to reduce reliance on ILP

Distribution Channel

Agency

Continue to grow agency aggressively with increasing focus on agent productivity

Geographic Expansion

Expand to new cities

Partnership Distribution

Secure alliance with a strong bank to broaden distribution reach





Prudential in South East Asia : Summary

We will continue to work hard to maintain our leading position by focusing on the identified core strategic areas :

Malaysia

- New Takaful market and sizeable BancaTakaful opportunity
- Retirement opportunity
- Product strategy

Singapore

- Retirement opportunity
- Agency distribution strategy
- Maximise potential with partners

Indonesia

- Agency growth and productivity
- Geographic expansion
- Takaful strategy

Philippines

- New customer segment with large number of households
- Agency growth

***Clear strategies and execution strength
to carry our business to the next phase
of profitable growth***



**Prudential:
Leading in Asia**

Prudential Hong Kong

Kevin Wright

Prudential Corporation Asia

1 December 2006





Country Overview : Hong Kong

Country

Population	6.9m
Savings rate	32%
Insurance penetration	7.88%

Characteristics

- Ageing, increasingly affluent market
- Stable regulatory environment
- Growing bancassurance
- Savings orientated products predominate

Life insurance market

- 6th largest market in Asia
- Dominated by foreign insurers
- 51 life insurers with top 5 accounting for over 50% of 2006 life premiums
- FY '05 total life premiums US\$15b

Top 5 players*

- AIA
- HSBC Life
- Hang Seng
- Prudential
- AXA (including MLC)

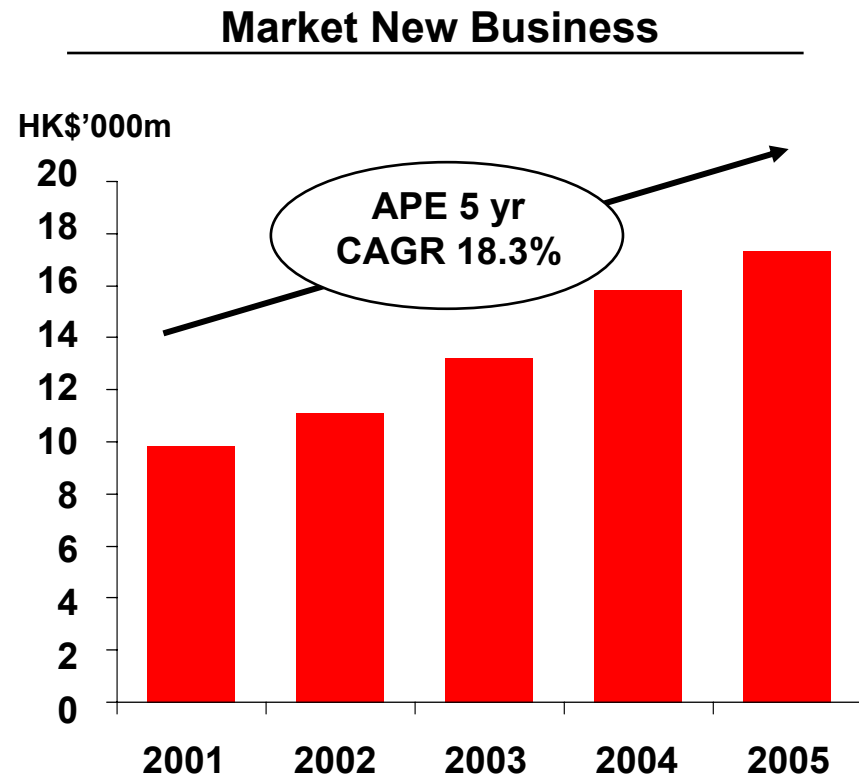
**Prudential has
8.2% market share**



Hong Kong : Market growth

With 5 year APE CAGR of 18.3%, the life market continues to grow strongly, largely driven by bank sales and unit linked products

- **Market growth drivers;**
 - Bancassurance - 17% market APE 2000 to 38% H1 2006
 - Linked business – 27% market APE in 2002 to 48% H1 2006
- **Prudential 5 year APE CAGR 22%**

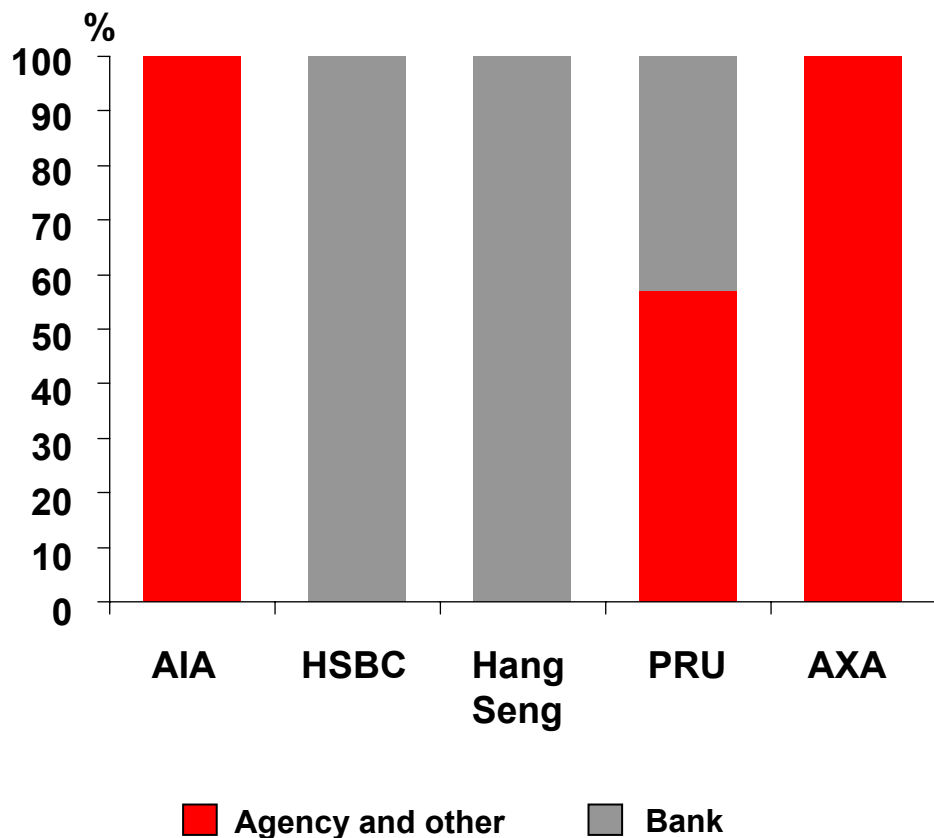




Prudential Hong Kong : Multi distribution a key strength

Prudential's pioneering multi distribution approach offers growth opportunities across both channels

- **Successful, strong agency brand**
- **One of first insurers to recognise potential of bank distribution**
 - Q3 2006 APE sales; 57% agency vs. 43% bancassurance.
- **Distribution options reflect growing demand for choice from increasingly sophisticated customers**
- **Multi distribution to be enhanced via expansion of direct marketing in 2007**
 - 69% of customers only have 1 Prudential policy





Prudential Hong Kong : Agency remains key

Growing agency force with initiatives in place to further drive productivity, activity and recruitment levels

- **Agency remains predominant channel**
 - 63% of H1 2006 market APE sales
- **Prudential successfully recruiting and training high quality agents**
 - 9 months 2006: 9% increase in agents v total market decline of 24% over 5 years
 - 9 months 2006: 3 year persistency of 97.7%
- **Agent productivity continuing to improve**
 - New business profit per agent up 33% 9 months 2006 v 9 months 2005
 - Average 9 months 2006 case size up from HK\$11,000 to HK\$15,000
- **Recruitment and growth driven by**
 - Recruiting incentive package
 - Enhanced training
 - Strong brand



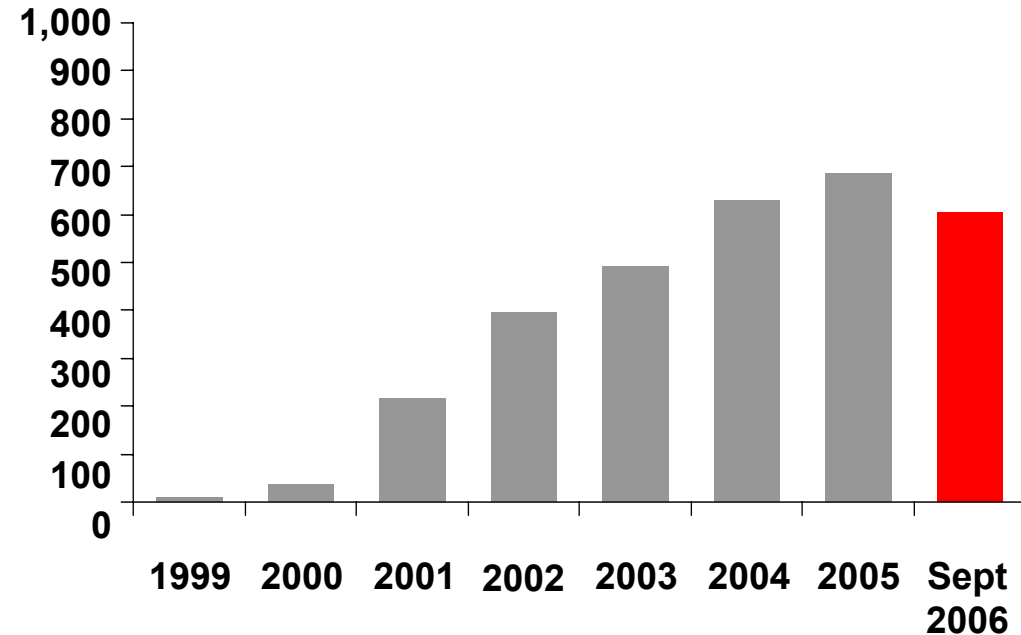
Prudential Hong Kong : Exclusive Standard Chartered partnership

Exclusive relationship offers additional reach into growing customer segments

- One of first insurers to recognise potential of bank distribution
 - 47% Prudential YTD Q3 2006 APE
- 55 SCB branches in Hong Kong
 - 170 Prudential staff selling savings and protection products.
 - 330 SCB staff selling Prudential insurance products

PACHK Bancassurance Growth

APE HK\$m

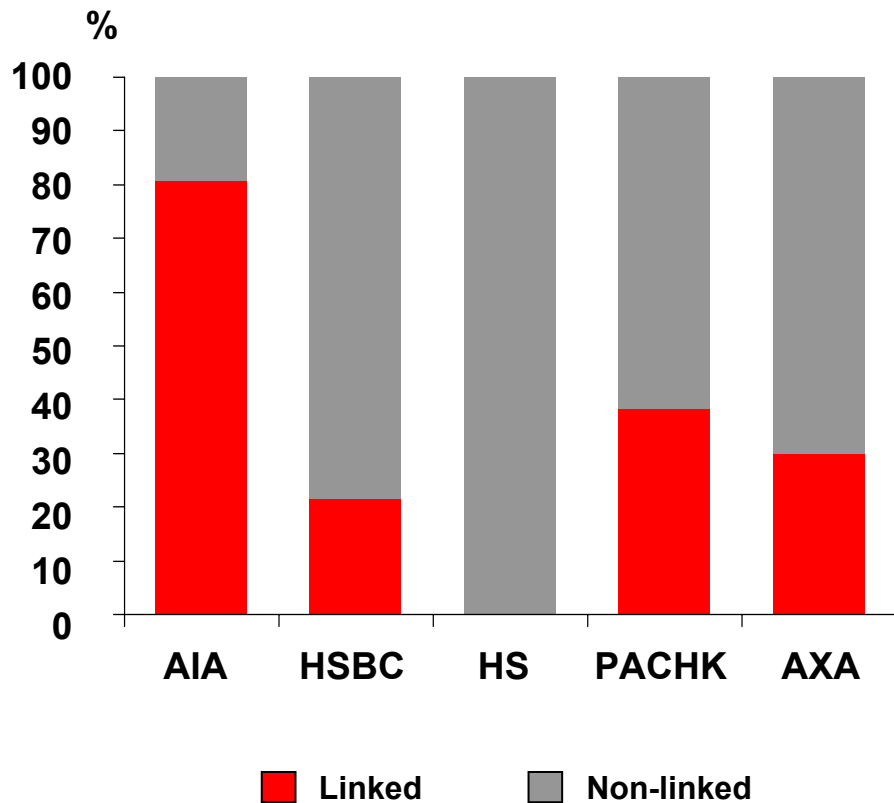




Prudential Hong Kong : Product opportunities

Strong margins from diversified range of protection, savings and investment products. Linked and DM products offer incremental growth opportunities

- **H1 2006 NBP margin 67% up 12% on H1 2005**
- **Margin improvement driven by a number of factors**
 - Strong sales of long term bundled protection products with savings element
 - Increasing linked business volumes
- **Opportunities:**
 - Direct marketing simple risk products
 - Enhance unit linked proposition
 - Retirement savings and income





Prudential Hong Kong : Material growth prospects

Prudential well-placed to expand in growing market

- **Retirement planning and health insurance will be key strategic focuses**
 - Leverage Prudential's UK health initiative
 - PCA LIFE (Korea) retirement initiative
- **Expand SCB relationship**
 - Unit-linked business
 - Productivity improvements
- **Drive agent productivity and activity**
- **Implement framework for evolution of agents to financial advisers**



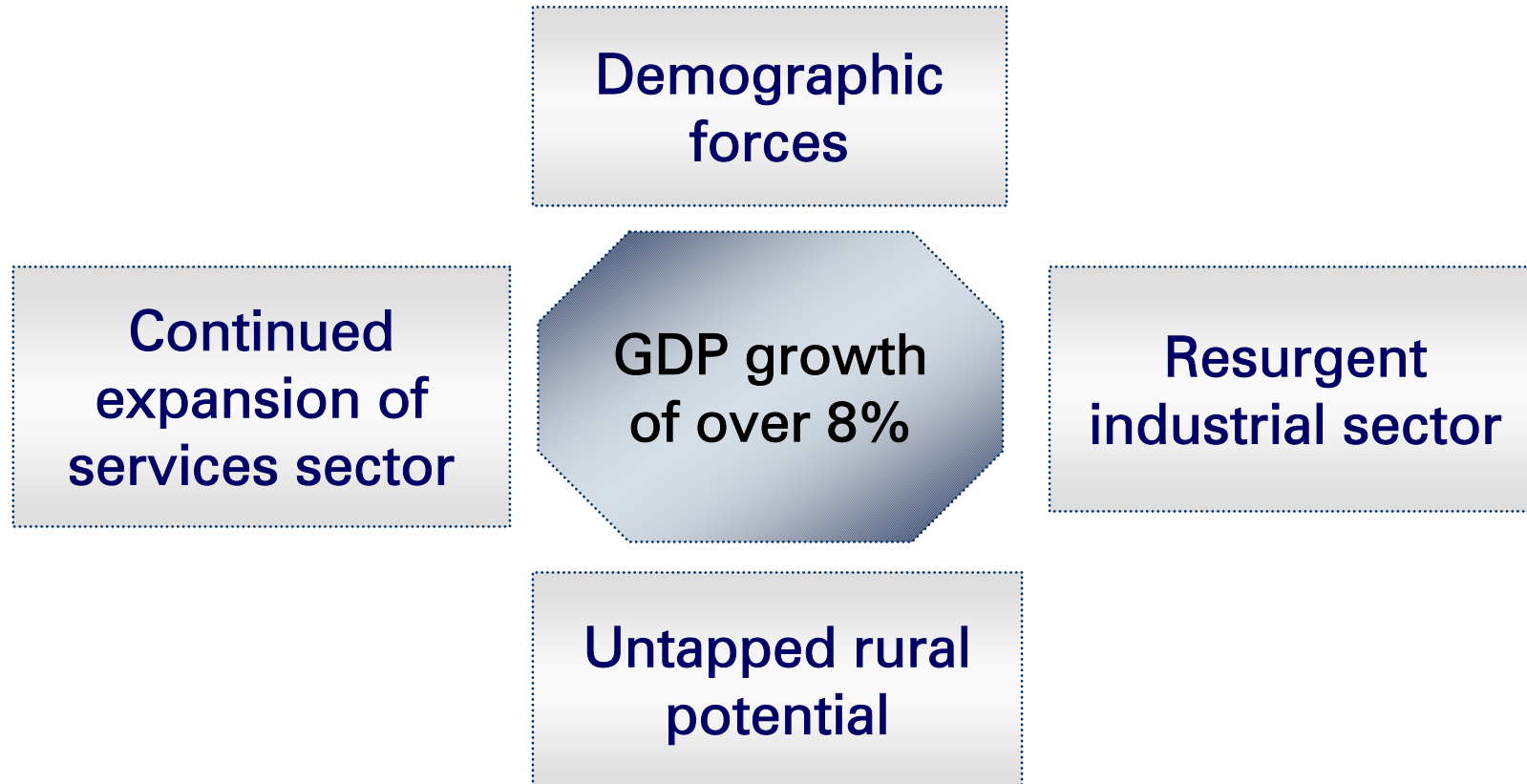


Indian Financial Sector: Outlook and Opportunities

December 1, 2006

A solid, light olive-green horizontal bar at the bottom of the slide.

Economic backdrop



...growing international linkages giving impetus to all sectors of the economy



Drivers of growth

- Demographic advantage
 - 58% of the population in the working age group of 15-59 years and another 35% in the 0-14 age group
 - Rising household incomes
- Services sector driving momentum
 - Quality educational institutions and a large English speaking population
 - Established leadership in information technology
 - Successful forays across knowledge-based sectors: pharmaceuticals, biotechnology, engineering design
 - International services hub



Drivers of growth

- Internationally competitive manufacturing sector
 - Operational efficiency and quality focus
 - De-leveraging and organic capital generation
 - Increased deployment of technology
- The internationalisation of India
 - Rapidly growing global linkages
 - Emergence of Indian multinationals
 - Vast Indian diaspora: about 20 million
 - Inward remittances US\$ 24.5 bn per year, growing at 25%



Rural India: The next growth horizon

- Traditionally viewed as food grain producer
- However, the rural landscape is changing
 - Diversification of economic activity
 - Industries and services estimated to account for about 54% of rural GDP¹
 - Increasing household expenditure on non-food items
- Integration of rural India into economic mainstream will boost rural household incomes and have a multiplier effect on the demand for goods and services across the economy

1. Source: CERG (Consumer & Economic Research Group)



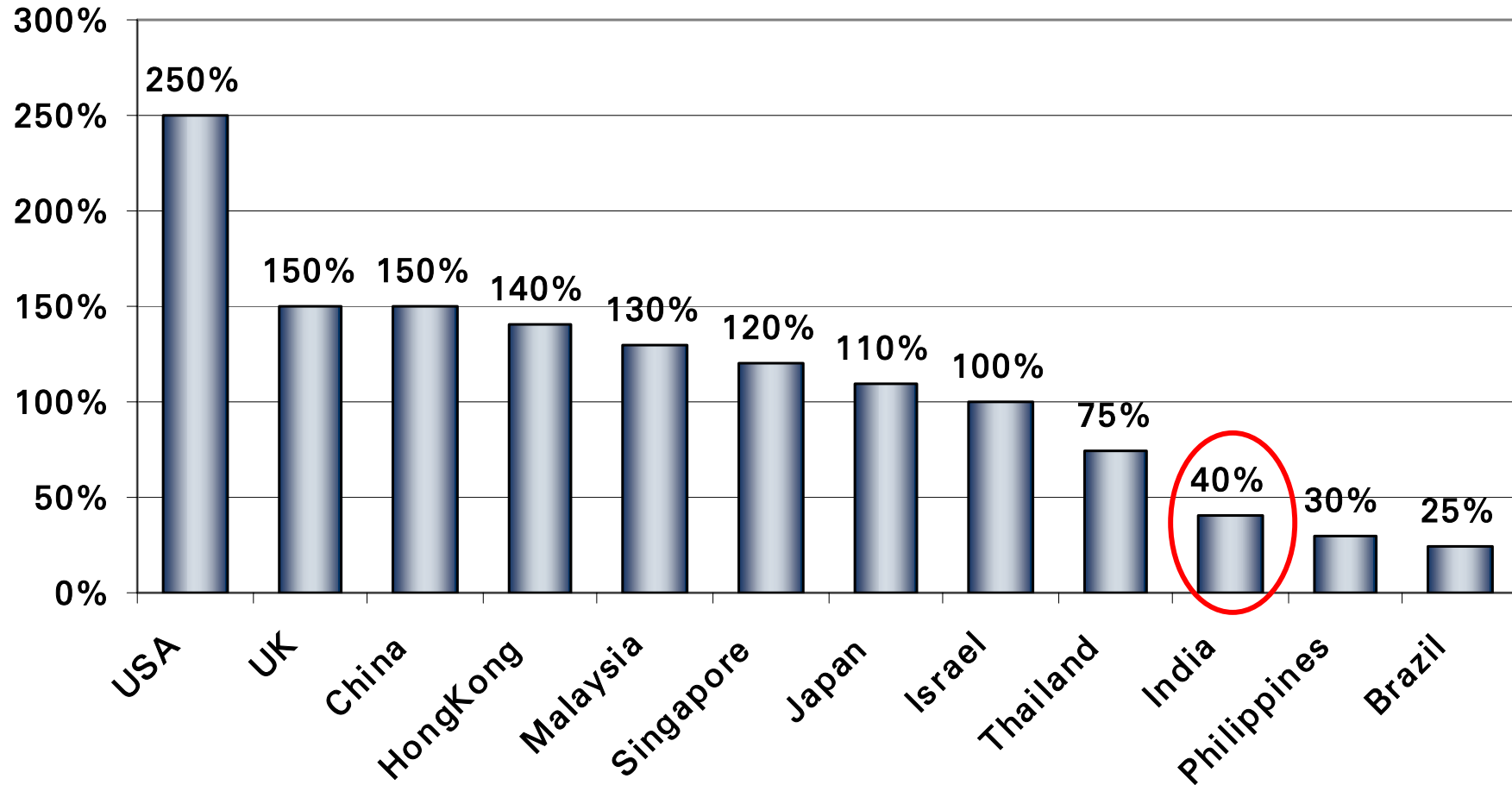


These drivers and the existing under penetration of financial services provide robust growth opportunities



Low penetration of bank credit

Credit to GDP



Source: Reserve Bank of India



Large opportunities in retail credit

Favourable demographic profile

- 69% of the population is under 35⁽¹⁾

Rising household incomes

- Number of middle and high income households estimated to increase to over 100 mn by 2010⁽²⁾

Low penetration

- Retail credit/ GDP at only 11-12% in India; significantly lower than other countries
- Low level of household leverage

1. Source: Tata Statistical Outline
2. Source: National Council for Applied Economic Research



Resurgent corporate sector

Renewed investment cycle

- Large investment pipeline: estimated at US\$ 150-200 bn
- Domestic capex plans
- Global expansion: organic and inorganic

Markets and transaction banking

- Forex: increasing integration with global markets
- Growing use of derivatives for risk management
- Demand for efficient transaction banking



Rural banking opportunity

Opportunities and challenges

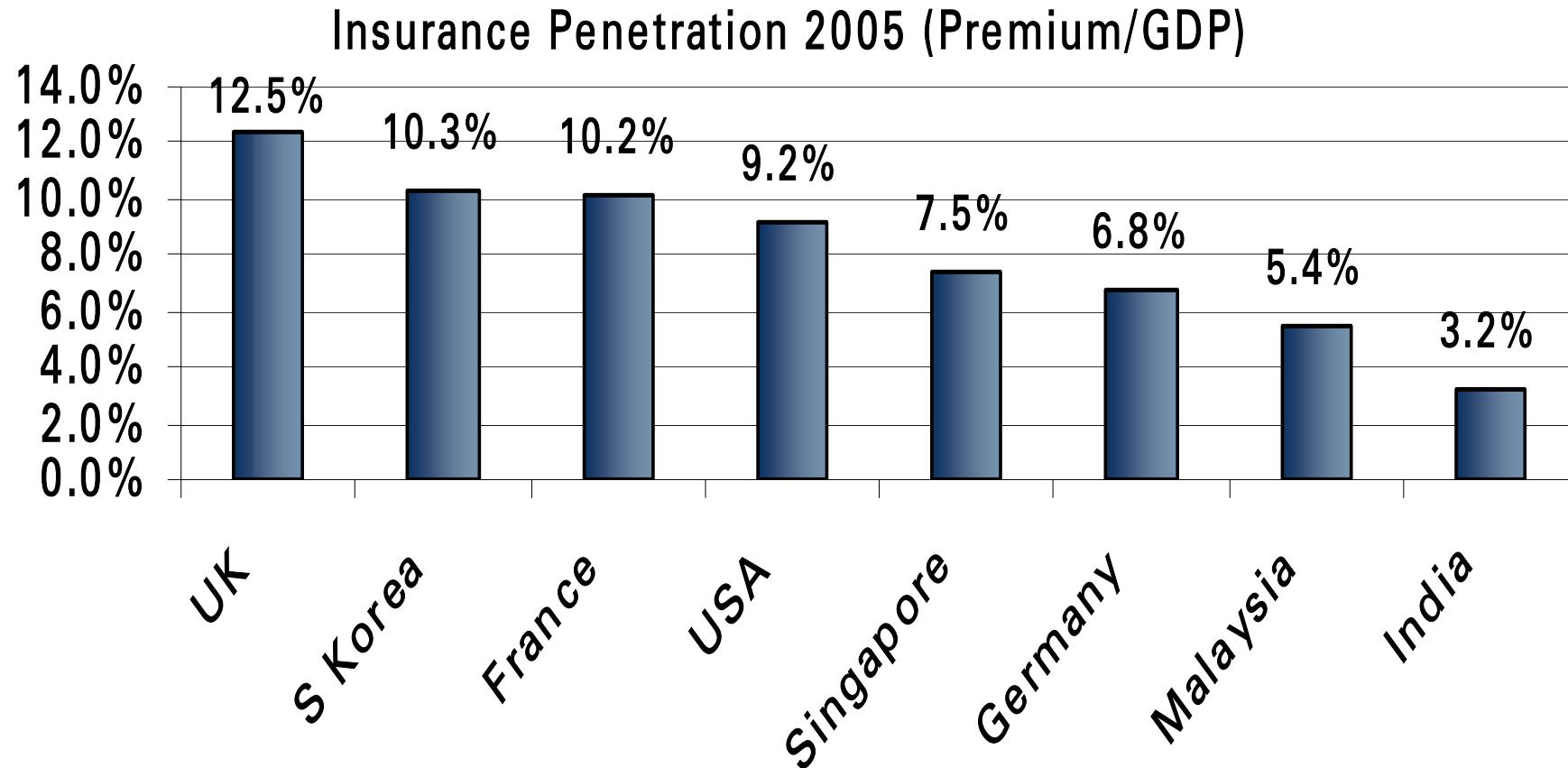
- Rural population of about 780 million¹ with limited access to financial services
- However, there are significant challenges
 - High costs of delivery through conventional channels
 - Low value and high volume of transactions
 - Doorstep banking and flexibility in timings

New approach

- Multiple channels targeting specific segments of the rural population
 - Migration to technology-based service delivery: smart cards, internet kiosks
 - Partnerships with micro finance institutions, corporates and franchisees
- Provision of comprehensive suite of financial services to enable wealth creation

1. Source: Tata Statistical Outline

Opportunities in insurance



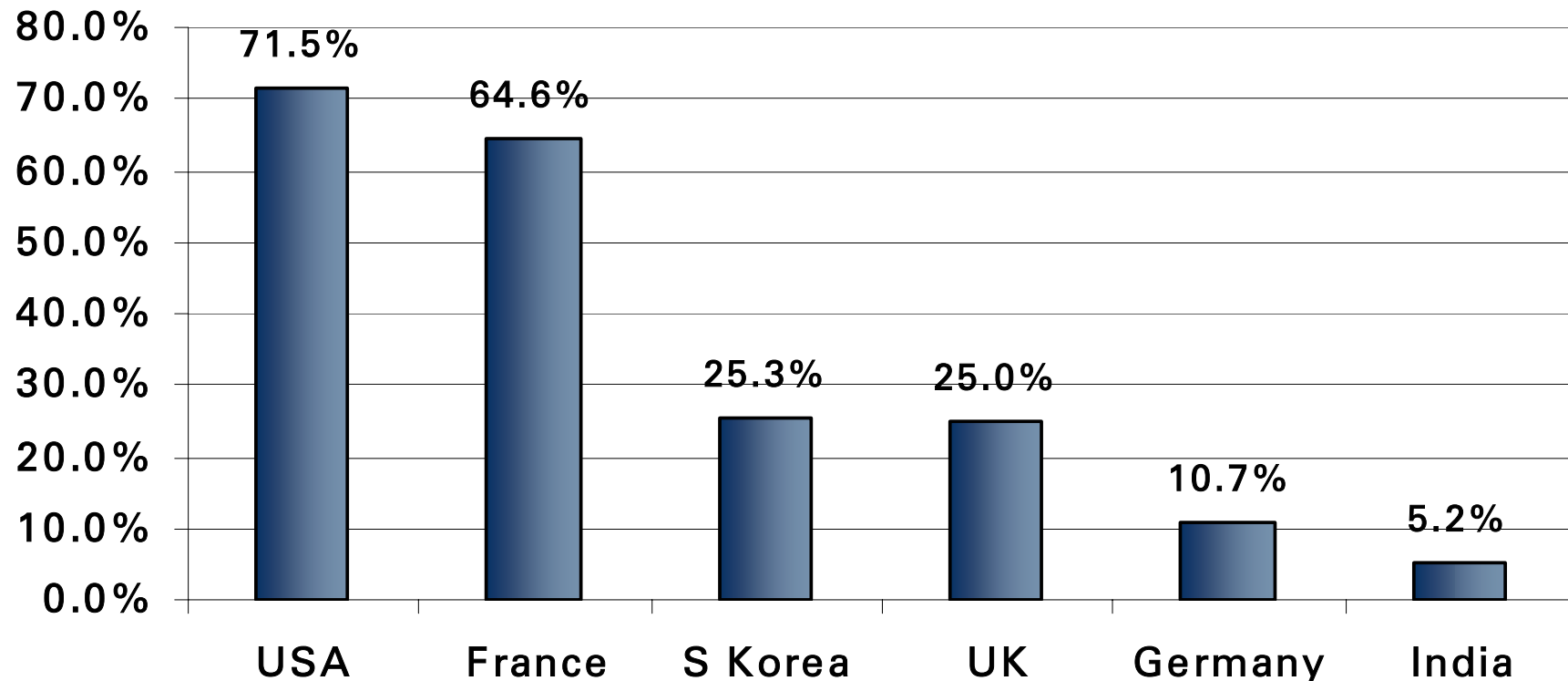
Significant under-penetration of insurable population with low average sum assured



Source: Swiss Re, Economic Research & Consulting (2006)

Opportunities in asset management

AUM/GDP 2005 (in %)



Robust growth potential – AUM at only about 12.2% of bank deposits

Source: Association of Mutual Funds of India, Reserve Bank of India, World Bank, Investment Company Institute



Insurance and asset management

- The insurance industry was opened to private participation in 2000
 - Currently, there are 16 life insurance and 15 general insurance companies with most globally well known insurance companies present through joint ventures
- In the last six years, private sector players have increased their market share to 35% in general insurance and 30% in life insurance¹
- Asset management industry was opened to private participation in 1990s
 - Currently, there are 30 asset management companies including many foreign players
 - Private sector players have a market share of 88%



ICICI Prudential Life Insurance

Rs. bn	H1-2006	H2-2006	FY 2006	H1-2007	Growth over H1-2006
Total premiums	13.13	29.48	42.61	25.90	97%
Funds under management	52.20	88.21	88.21	114.23	119%
New business achieved profit	1.69	3.59	5.28	3.47	105%
Advisors (nos.)	57,000	72,000	72,000	122,000	114%

Market share of 30% among private players



Prudential ICICI Asset Management

	H1-2006	H2-2006	FY 2006	H1-2007	Growth over H1-2006
Assets under management (Rs. bn)	214.77	235.02	235.02	302.10	41%
Profit after tax (Rs. mn)	91.60	382.60	474.2	431.0	200%

Among the top two mutual funds with a market share of 10%



In summary

- **Indian economy: robust growth prospects**
 - Continued momentum in services
 - Resurgent industrial sector
 - Integration with the global economy
 - Untapped rural potential
- **Vast potential for financial services**
 - Under penetrated banking sector
 - Opportunities arising out of each area of growth in the economy
 - Insurance and asset management: in nascent stage and poised for rapid growth
- **ICICI and Prudential JVs are market leaders in their respective businesses**



Except for the historical information contained herein, statements in this Release which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion in business, the impact of any acquisitions, the adequacy of our allowance for credit losses, technological implementation and changes, the actual growth in demand for banking products and services, investment income, cash flow projections, our exposure to market risks as well as other risks detailed in the reports filed by us with the United States Securities and Exchange Commission. ICICI Bank undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.





Thank you



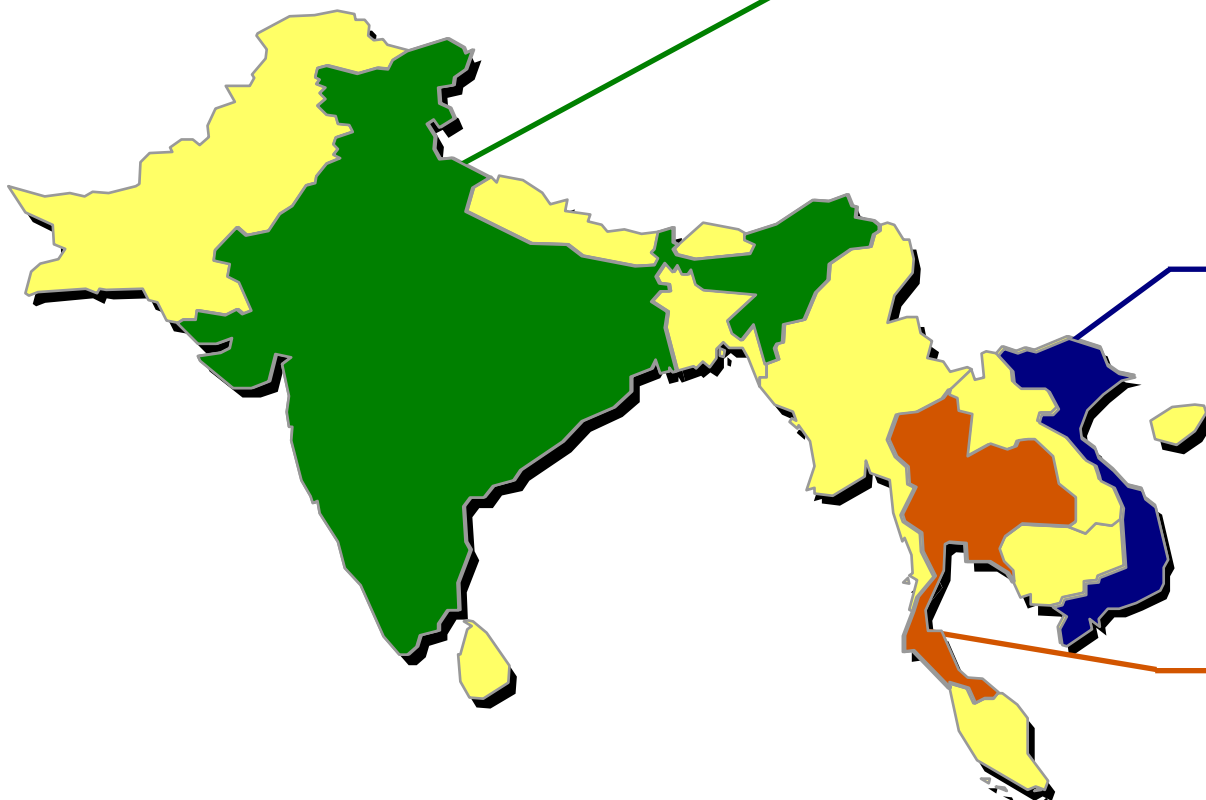


**Prudential:
Leading in Asia**

First Mover Advantage in Nascent Markets

**Huynh Thanh Phong
Prudential Corporation Asia
1 December 2006**

Favourable macro economic conditions



India

Population:	1,103m
GDP (MER):	US\$ 775bn
GDP (PPP):	Int.\$3,633bn
GDP per capita (PPP):	Int.\$3,320
Real GDP growth:	7.7%
GDP 5-year CAGR:	5.9%
Savings rate:	29% GDP

Vietnam

Population:	84 m
GDP (MER):	US\$ 51 bn
GDP (PPP):	Int.\$ 252 bn
GDP per capita (PPP):	Int.\$3,025
Real GDP growth:	8.4%
GDP 5-year CAGR:	7.3%
Savings rate:	35% GDP

Thailand

Population:	64 m
GDP (MER):	US\$ 169 bn
GDP (PPP):	Int.\$ 545 bn
GDP per capita (PPP):	Int.\$8,368
Real GDP growth:	4.5%
GDP 5-year CAGR:	4.5%
Savings rate:	30% GDP

Source: Swiss Re Sigma No 5/2006, IMF World Economic Outlook Database April 2006, India FY 2005 Apr 1 – 2006 Mar 31, Vietnam & Thailand 2005 Jan 1 – Dec 31

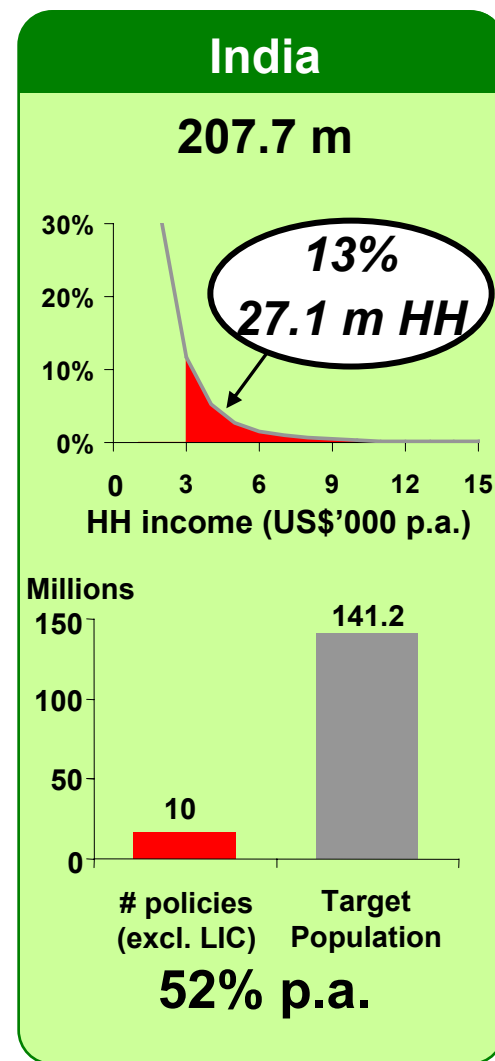
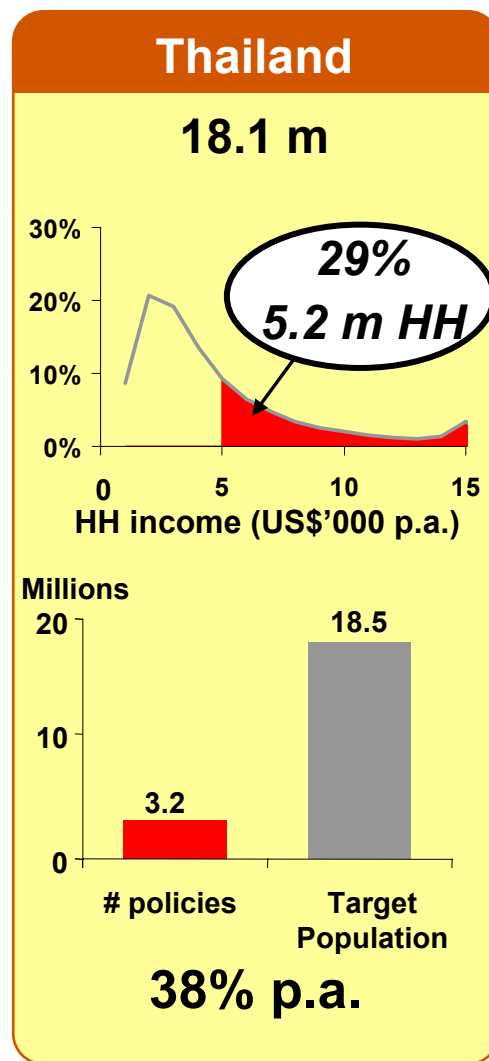
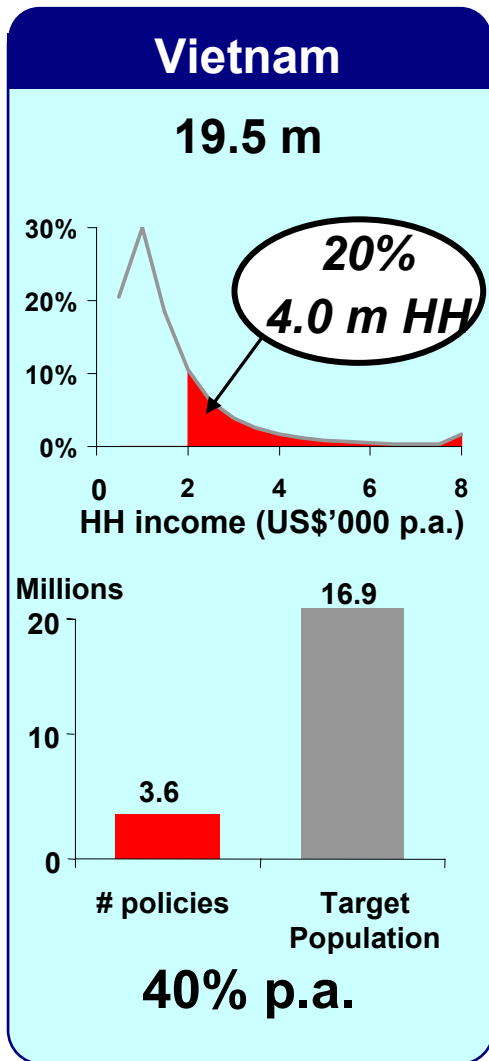
Tremendous potential for life insurers

households (HH)

Prudential's target HH

Insurance penetration of target population

Forecast target HH CAGR 2005-10





Challenges of nascent markets

Infrastructure

- Fluid regulatory environment
- Emerging nature of capital markets and investment environment
- Poor infrastructure for customer service and distribution support

Industry

- Market dominance by local incumbents
- Competitive pressure when market first opened to large number of foreign players
- Challenges associated with building distribution channels

Market

- Lack of market/customer sophistication in financial services and limited knowledge of Prudential brand



Vietnam



Vietnam :

Led by Prudential, foreign insurers dominate

Life industry

Penetration:	1.0% GDP
Density:	US\$ 6 per cap
Total premium:	US\$ 0.5 bn
New business:	US\$ 0.1 bn
# Policies:	3.6 million
Liberalization:	1999
# Players:	7 (6 foreign / JV)

Vietnam



Characteristics

- Agency driven, unsophisticated in terms of distribution and products
- Still quite rural – wealth more evenly distributed
- Foreign companies dominate

Top players H1 2006

1.	Prudential	39%
2.	Bao Viet	39%
3.	BaoMinh-CMG	8%
4.	Manulife	7%
5.	AIA	6%

Recent developments

- Fast take-up in early years, slowing down since 2003
- WTO accession - opening of banking industry

Vietnam : Challenges and strategies

Infrastructural challenges	Strategy	Success
<ul style="list-style-type: none">• Fluid regulatory environment	<ul style="list-style-type: none">• Work closely with regulators before market entry	<ul style="list-style-type: none">✓ Best FDI enterprise in Vietnam 2005 awarded by The Ministry of Planning and Investment
<ul style="list-style-type: none">• Emerging nature of capital market and investment environment	<ul style="list-style-type: none">• Leverage regional expertise: build up in house investment capacity	<ul style="list-style-type: none">✓ Largest investor of long government and corporate bonds✓ Launched first 100% foreign owned fund management company
<ul style="list-style-type: none">• Poor infrastructure for customer service and distribution support• Lack of options to diversify distribution channels	<ul style="list-style-type: none">• Invest and build own infrastructure and strong operating platform to support current business and future expansion	<ul style="list-style-type: none">✓ Largest branch network of all foreign financial institutions, including banks, covering all major geographic areas

Vietnam : Challenges and strategies

Industry Challenges	Strategy	Success
<ul style="list-style-type: none">• Market dominance by local incumbent	<ul style="list-style-type: none">• Fast ramp up of agency channel. Build and maintain the largest agency force	<ul style="list-style-type: none">✓ Largest direct agency force (41% of industry total)✓ Dominate face to face sales
<ul style="list-style-type: none">• Competitive pressure associated with market opening• Challenges associated with building distribution channels	<ul style="list-style-type: none">• Distribution arrangements with key State owned and private banks	<ul style="list-style-type: none">✓ Partners for bancassurance<ul style="list-style-type: none">– 2 largest state-owned banks– Leading private sector bank
<ul style="list-style-type: none">• Limited number of insurance professionals	<ul style="list-style-type: none">• Invest in our people and foster an "employer of choice" image	<ul style="list-style-type: none">✓ 5 non Vietnamese out of 1,500 staff

Vietnam : Challenges & strategies

Market Challenges

- Due to its turbulent history, Vietnamese people place strong emphasis community support

- Lack of market / customer sophistication in financial services and limited knowledge of Prudential brand



Strategy

- Place extra focus on social & charitable activities and community services e.g. Prudence Foundation



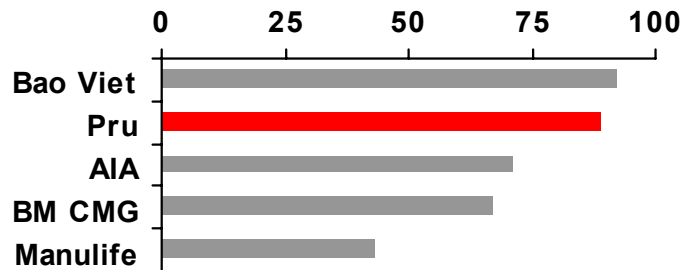
- Identify customers' needs and meet them. Successful examples include
 - children education savings plan
 - regular savings plan with added protection
- Adapt international standard for customer services in contrast to those provided government owned financial institutions
- Bricks and mortar strategy – highly visible customer service centres

Vietnam : Some recent achievements

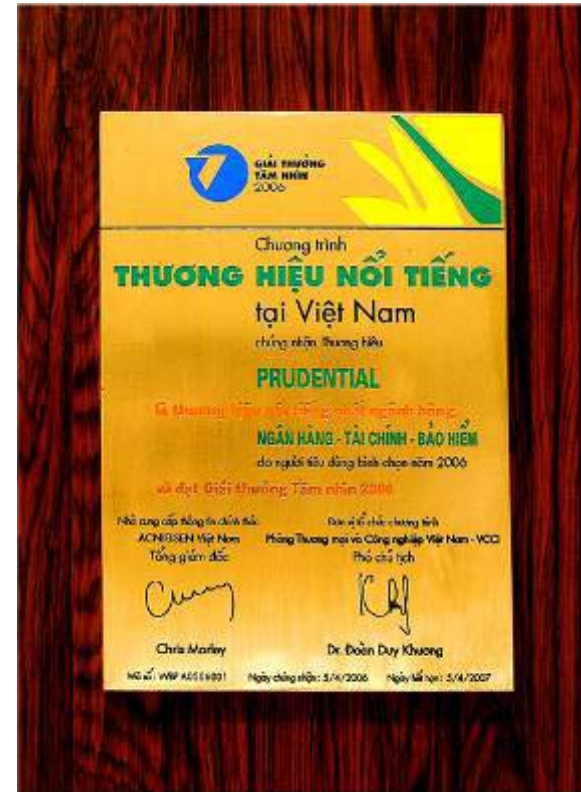
- ✓ 4 consecutive Golden Dragon Awards (2002 – 2005): best life insurance company in Vietnam by customers



- ✓ Top brand awareness among all foreign insurers



- ✓ Best brand for Finance, Banking, Insurance and Investment Award by Vietnam Chamber of Commerce and Industry





Vietnam: Best in class insurer with tremendous RFS potential

Developments

- RFS landscape will change significantly with WTO membership
- Fast development of capital markets especially equities
- Local retail banking industry changing rapidly in preparation for foreign competition
- Favourable demographics and strong foreign investment drives high growth of RFS sector

Prudential's position

- Best in class life operation platform
- Outpacing other foreign insurers
- Strong track record of managing agency productivity
- Leading market with introduction of new products e.g. unit linked
- Regulatory approval for 1st retail fund management & consumer finance operations



Thailand



Thailand :

Emergence of new distribution channels

Life industry

Penetration:	2.0% GDP
Density:	US\$ 55 per cap
Total premium:	US\$ 3.5 bn
New business:	US\$ 0.8 bn
# Policies:	3.2 million
Liberalization:	1995
# Players:	25 (13 JV)

Thailand

Characteristics

- Dominated by agency distribution but channel stagnant in recent years
- Strong emergence of bancassurance and direct marketing channels
- Slow pace of product innovation – still dominated by traditional guaranteed products

Top players H1 2006

1. AIA	39%
2. Thai Life Insurance	16%
3. Muangthai Life	8%
4. Ayudhya Allianz C.P Life	8%
5. Bangkok Life	6%
10. Prudential	1.5%

Recent developments

- Recent political development has had little impact
- Multi distribution companies increasing market share
- Agency poaching significantly reduced due to cost and persistency issues

Thailand : Challenges & strategy

Challenges

- Market dominated by long entrenched, traditional agency players
- Difficult for new entrants to establish agency distribution profitably

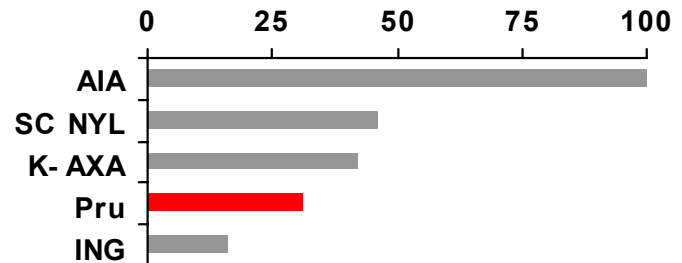
Prudential strategy

- Build best in class DM capabilities and establish first mover advantage in this emerging channel
- Rapidly expanding PruCall centre currently with 400 TSRs

- ✓ Growing list of direct marketing partners trusting us with their customer base



- ✓ Improving brand awareness amongst foreign companies





Thailand : Building best in class DM operation

Developments

- Growth in agency distribution has been stagnant
- Bancassurance and direct marketing channels taking off
- Pace of product innovation remains disappointing; linked products not yet approved by regulators

Prudential's position

- Prudential is investing to become the leader in direct marketing
- Continue to build a diversified distribution capability



India



India :

The most exciting life insurance market today

Life industry

Penetration:	2.5% GDP
Density:	US\$18 per cap
Total premium:	US\$ 20bn
New business:	US\$ 8bn
# Policies:	200 million
Liberalization:	1999
# Players:	16 (13 JV)

Characteristics

- Primarily rural population, but urban income rising rapidly – government mandate rural coverage
- Customers exhibit tax and investment driven behaviors
- Relatively diversified distribution for a developing market

India

Top players Apr-Aug 2006

1. Life Insurance Company in India (LIC)	66%
2. ICICI Prudential	11%
3. Bajaj Allianz	5%
4. HDFC Standard Life	3%
5. SBI Life	3%

Recent developments

- Rapid market growth for last 5 years, pace accelerated in 2006
- Increasing share of unit-linked products
- Push towards pension & health products
- Sharp growth in single premium market
- Regulators tightening up on product definitions
- Continued market entry by local and foreign players

Source: Swiss Re Sigma No 5/2006, FY 2005 Apr 1 – 2006 Mar 31, Insurance Regulatory and Development Authority.

India : ICICI-Prudential is a great partnership

At market entry

- ➔ Little knowledge of the Prudential brand
- ➔ No recognizable insurer except LIC

Brand strength

Infrastructure

Customer base

Market innovators

Local knowledge



Reputation

Insurance expertise

Product

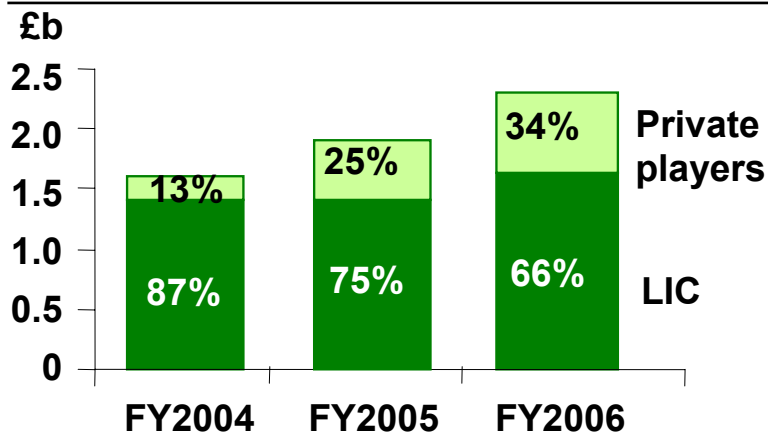
Distribution

Operations

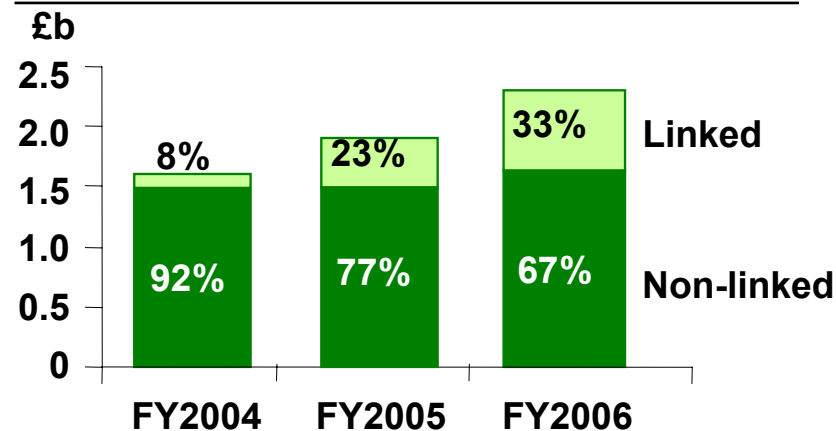


India : Fast changing insurance industry landscape

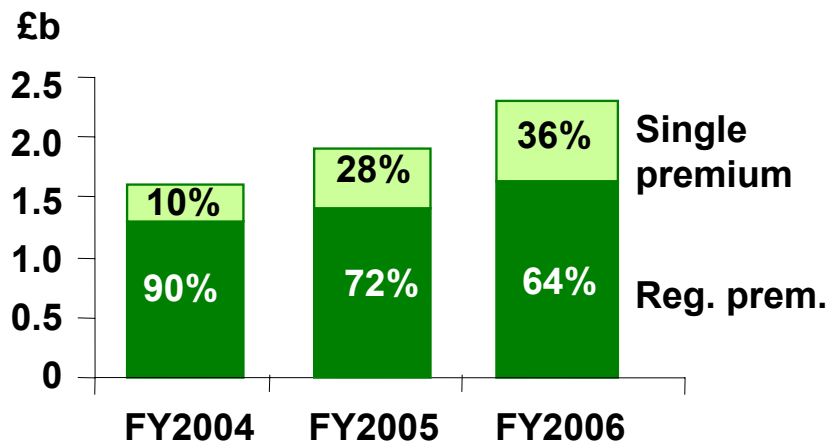
Private insurers driving growth



Shift towards linked products



Emergence of single premium



Key drivers

- Positive macro economic outlook – GDP forecast to grow at 8%+ for next few years
- Changing demographics leading to higher demand for life insurance

Source: IRDA, individual weighted premium basis.

India : Challenges and strategy

ICICI-Prudential Brand Strategy

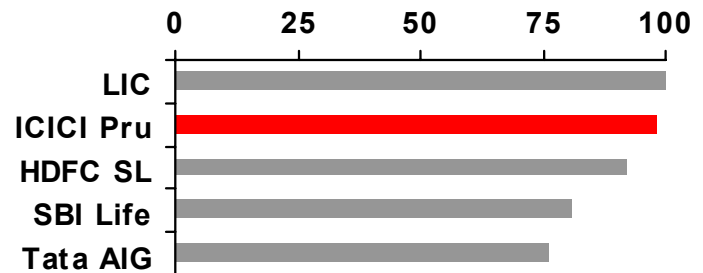
- Cohesive branding from day one
- Branding campaigns highlight local sensitivities and cultures within life insurance context



- ✓ Quickly gained strong brand and icon recognition



- ✓ Top brand awareness amongst foreign companies



- ✓ “The Most Trusted Private Life Insurer” by Economic Times AC Nielsen survey – 3 years running

India : Challenges and strategy

Market challenges

Increasingly sophisticated customers; awareness of products and service levels is high

ICICI- Prudential strategy – Products

- Customer centric product positioning based on life stage and income needs
- Innovative and flexible product solutions
- Absolutely no short cut in agency training

- ✓ First to market with innovative products:
 - ➔ Unit link, Cancer, Diabetes
 - ➔ Premium guaranteed products

**Diabetes** Care

1st critical illness insurance for diabetics.

- ✓ First to implement six sigma program to enhance service level
- ✓ Avaya Global Customer Responsiveness Award
- ✓ AUM of £1.3 billion, consistently outperform benchmarks
 - ➔ Strong plus for unit linked portfolio

India : Challenges and strategy

Industry challenges

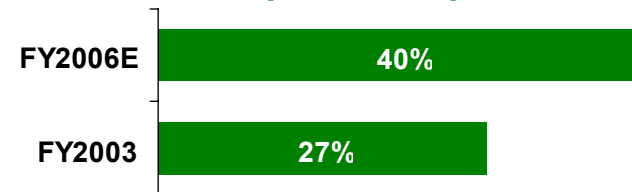
- LIC dominates agency distribution
- Extensive branch network necessary to support a large agency force and geographically spread customer base
- New industry – talent squeeze

ICICI-Prudential strategy – distribution

- Aggressively build multi channel distribution capability – seize first mover advantage amongst private insurers
- Leverage partner's geographic footprint to support expansion
- Bring in talents from partner and other financial service companies – limited number of expatriates required in first 3 years

- ✓ Created the largest and most productive agency force now exceeding 130,000
- ✓ 400 branches in 271 locations – still expanding
- ✓ Large bancassurance and direct marketing channels

% sales from partnerships



- ✓ 100% local team
- ✓ Now exporting talent to other operations



India : Managing operational risks

Industry risks

Mis-selling

Increased competition for talents

Our Response

- ✓ Extensive training interventions, covering new unit linked guidelines
- ✓ Bilingual Key Features Document
- ✓ Quarterly news letters with full disclosure on benchmarks and investment portfolios

- ✓ Talent management
- ✓ Long term engagement – ESOS, accelerated career programs, learning & development architecture



**Prudential:
Leading in Asia**

**ICICI Prudential illustrated interview
can be viewed on demand at
www.prudential.co.uk**





India : Our operation in the last seven months

Apr 2006

72,000 agents

177 branches

37% PD sales

**2.5 million
policies**

**FUM
< US\$ 2 billion**

Oct 2006

133,000 agents

400 branches

**40% PD sales
+ 10 new bank
tie-ups**

**3 million
policies**

**FUM
> US\$ 2.5billion**





India : Leveraging our best in class platform

Developments

- **Smaller cities have potential**
- **Evolving consumer needs for pension and health**
- **Polarization of foreign insurers**

ICICI-Prudential position

- **ICICI footprint covers majority of target cities**
- **Continued expansion of distribution channels**
- **Leverage best in class operating platform**
- **First mover in emerging health and pension lines**

Summary

In nascent markets, first mover advantage is critical and difficult to replicate. Prudential's aggressive early investment is paying off and we will continue to leverage our leadership positions.

Market assessment

Role in strategy

Competitive position

Top priorities

Vietnam

- Recent market decline slowing
- Growth of mass-affluent class promising

- Maintaining leadership position

- # 1 market share amongst all insurers
- Excellent brand-awareness

- Sharpening focus on urban markets
- Improving agency productivity
- Product innovation

Thailand

- DM providing growth opportunities

- Establishing leadership position in DM channel

- Biggest in-house DM infrastructure

- Top in DM

India

- Continued high growth
- Tighter product regulation

- Key market

- # 1 market share amongst private insurers
- Most trusted private life insurer

- Continued geographic expansion
- Pensions and health
- Operating platform



**Prudential:
Leading in Asia**

A large, light-colored map of the Asian continent is centered in the background of the slide.

**PCA LIFE Korea
Ambition: To be the Leading
Foreign Insurer**

A traditional East Asian dragon illustration in a light color, positioned in the bottom-left corner of the slide.

Bill Lisle

Prudential Corporation Asia

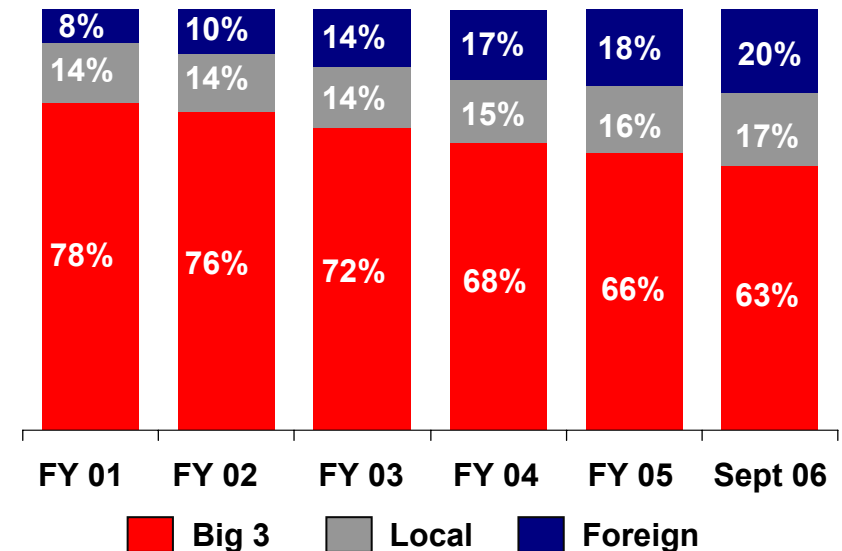
1 December 2006

Korea : A dynamic insurance market

A large and growing market giving huge opportunities

- **FY 05 Life Premium US\$59bn**
 - 2nd largest market in Asia
 - 7th largest in the world
- **Industry to grow circa 10% annually till 2010**
- **Foreign players gaining momentum**
 - 20% market share up from 8% 2001
 - Taking share from Big 3
- **Fluid regulatory environment**
- **A transforming market**

Market importance trend of Foreign Insurers – GWP base



Big 3 players

Samsung Life

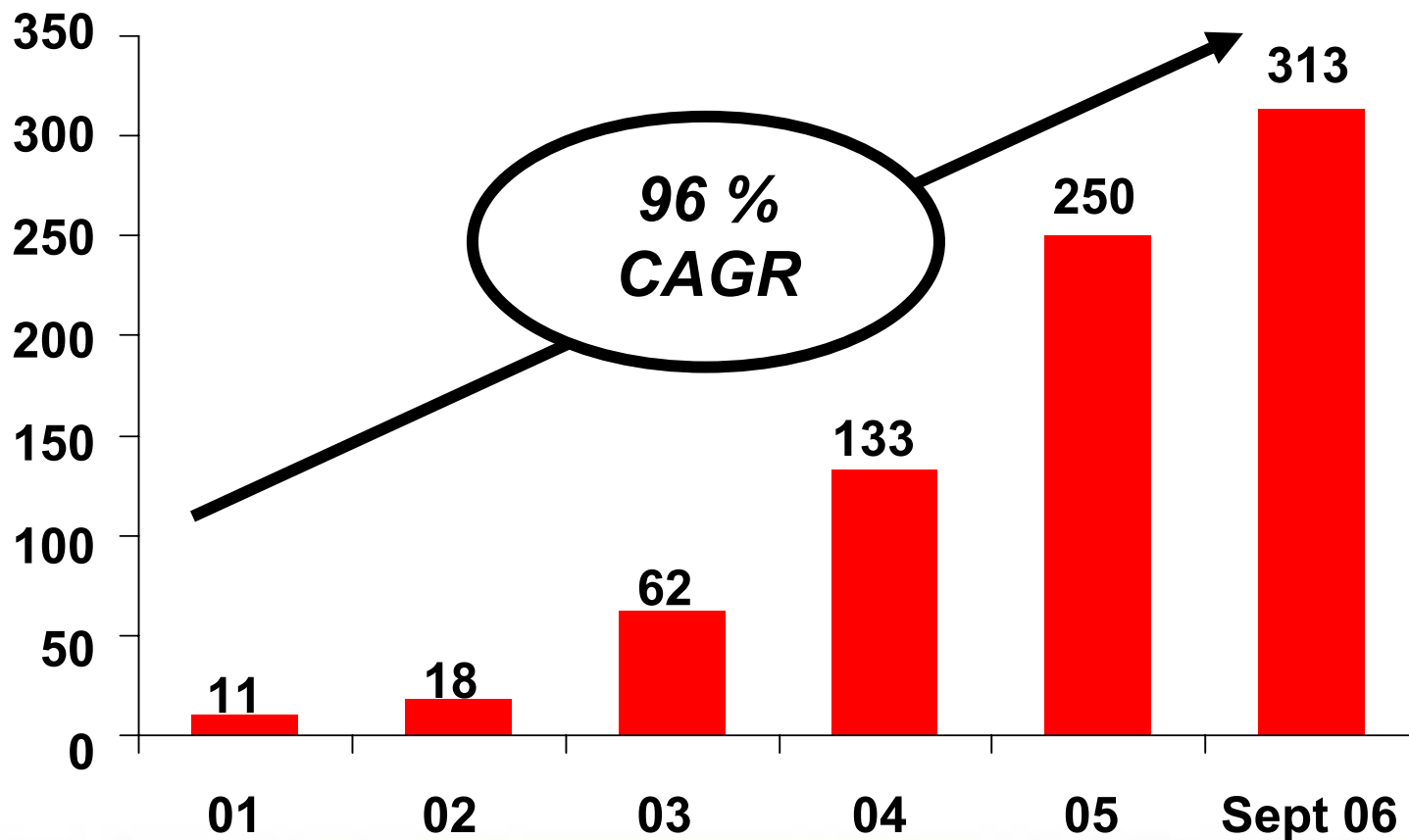
Korea Life

Kyobo Life

The fastest growing life insurance company in Korea

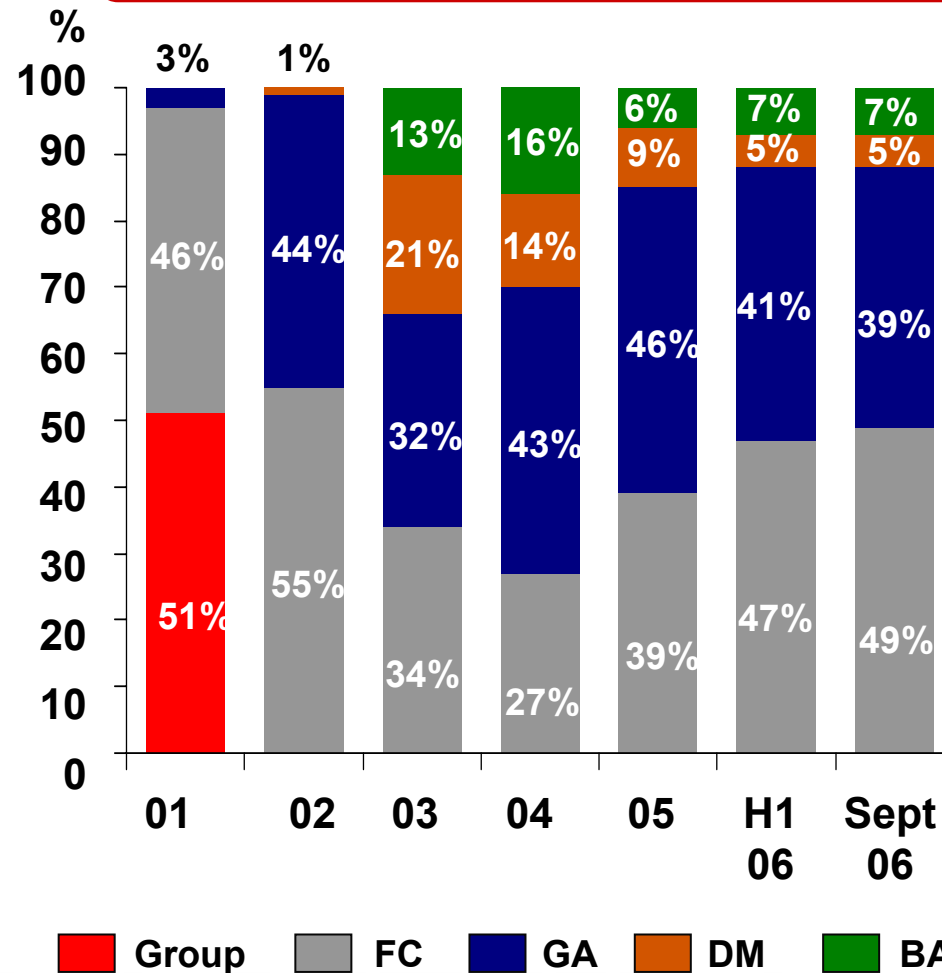
Market position #23 to #14 in less than 5 years

APE KRW bn



PCA LIFE Korea : Multi distribution = Multiple advantages

PCA Life Korea distribution profile



- Drives fast market penetration
- Facilitates differentiated products
- Gives clients choice
- No channel conflict – launched simultaneously
- Local players struggling to follow – held hostage to traditional agency
- Ability to build brand quickly
- Up sell / cross sell opportunities



PCA LIFE Korea : Multi distribution driving growth

Financial consultants 49%

- 1,700 FCs in 61 branches across Korea
- Highly professional
- Academy based training
- Activity ratio 93%
- Cases per active FC = 4.5 per month
- Ability to sell funds from 07 – Leverage PCA ASSET Korea relationship

Predictable model that is scaleable

GA Channel 39%

- Seen as market leader in GA market
- 2,840 FAs in 56 GA companies across Korea
- Multi-tied / IFA
- Activity ratio with PCA LIFE 43%
- Ability to convert FC to GA if tied agency is abolished
- Will use lessons from JNL in next phase of development

Huge opportunity in coming years



PCA LIFE Korea : Multi distribution driving growth

Bancassurance 7%

- Existing partners SCB, HSBC, Citibank
- Excellent relationships, maxed out to 25% cap with all
- New partners KB and IBK:
 - KB No.1 bank in Korea :30% market share in bancassurance
 - IBK No.5 bank in Korea
 - Huge footprint in market
- Opportunity in 2008 with de-regulation
- Potential to access bank card databases post de-regulation

Potential to be biggest channel

Direct Marketing 5%

- Pioneered home shopping
- Low premium protection products
- Sponsors difficult to acquire
- No bank card databases
- Regulator concerned regarding transparency
- Strategy for 2007
 - Build own database
 - Off page / ISP / Home shopping
 - Innovative products – Kids plan
 - Health products ‘Well being’

Emerging opportunity in coming years



As first mover in the retirement space, PCA Life Korea is seen as the market leader

 유미 김희숙	 ?	 김재 현민	 유미 박민석	 ?
 유미 김희영	 유미 조희부	WHO	 유미 홍민석	 유미 김민석
 유미 권영민	부자로 은퇴하는 방법 PCA 은퇴견적을 받으세요			 유미 유영민
 ?	<p>당신도 부자로 은퇴할 수 있습니다</p> <p>부족한 퇴직금과 연금, 그리고 부족한 은퇴자금에 대비하고 싶은 PCA 회원님들께 PCA 은퇴견적 서비스를 제공합니다. 은퇴견적은 은퇴 후 안정적인 생활자금 마련을 위한 자금 사용 전략을 알려주는 도구입니다.</p>			 유미 이다희
WHO	 유미 김희하	 유미 조영민	 ?	WHO
 유미 김희숙	 유미 조희부	WHO	 유미 박민석	 유미 권영민

Packaging variable products for the retirement market

Using 'life cycle concept' we have been able to take a leading position in retirement market

- Leading foreign player in VUL market
- Product packaging to help educate consumer regarding retirement
- Positioned as accumulation products
- Life cycle funds gives peace of mind to clients





High impact marketing campaign built on consumer insights

Phase 1 : Oct 2005

High impact “What’s my number?”



Phase 2 : Apr 2006

After much research, softer approach through print



Phase 3 : Sept 2006

Back to TV with “A way to a wealthy retirement”





Integrated marketing approach : Toolkit for distribution

VIPs seminars



Retire site renewal



Mobile advice centre



POS information



Keyword advertising

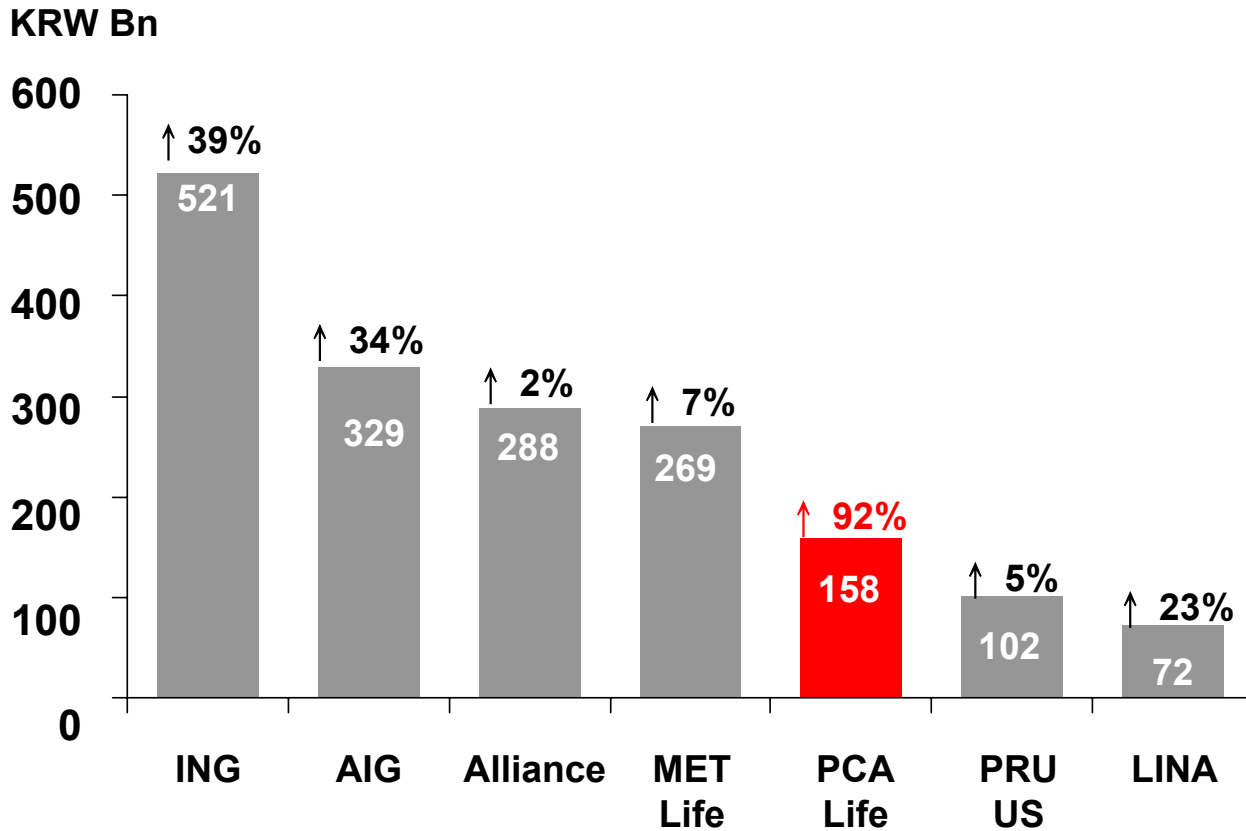


26,000 books sold



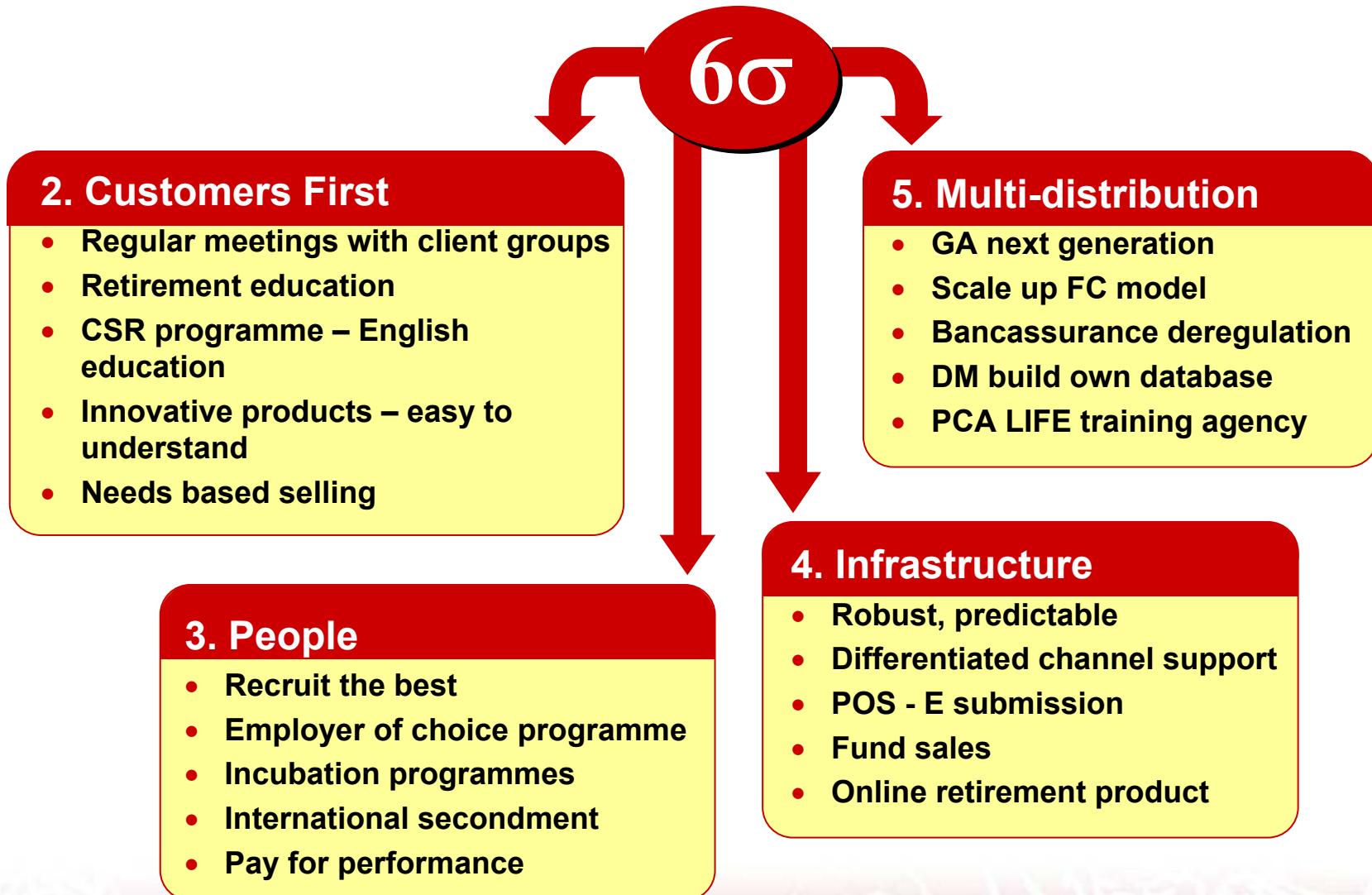
Impact of retirement campaigns

Market share analysis of foreign insurers based on written first year premium growth June 05 vs June 06



Will continue to outpace the market

1. Quality through Six Sigma





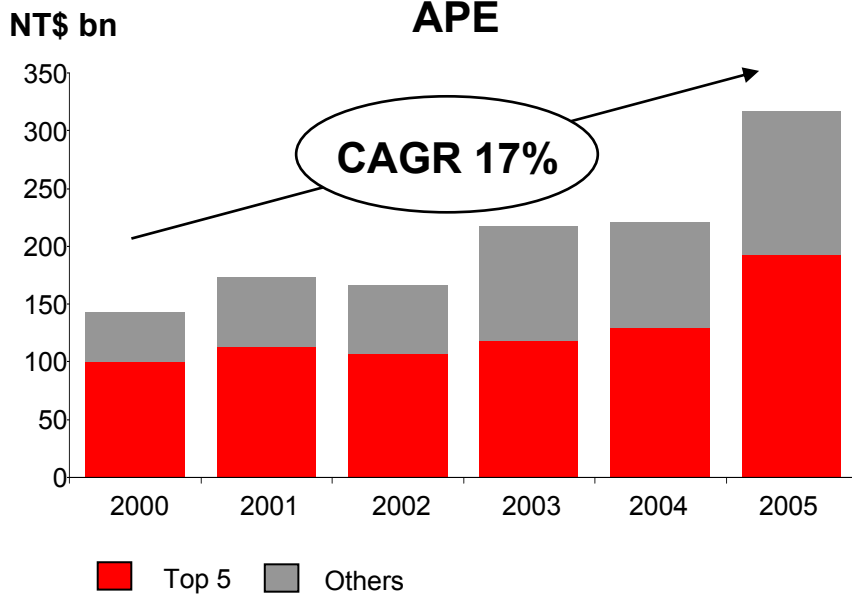
**Prudential:
Leading in Asia**

Taiwan 台灣

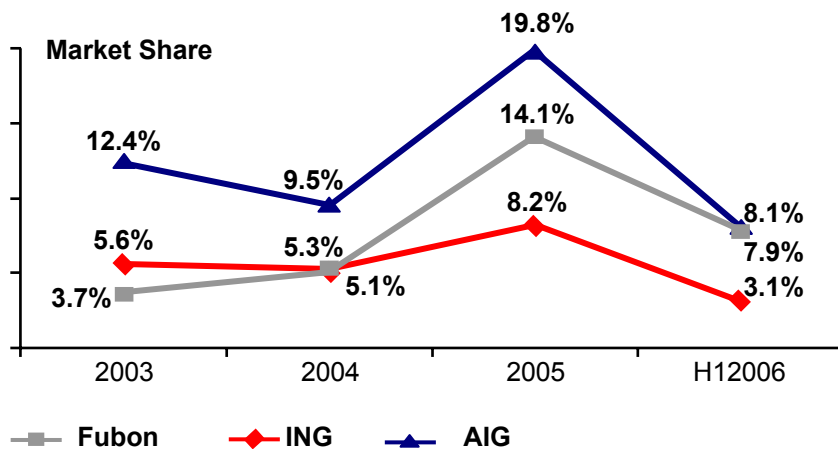


**Garth Jones
Prudential Corporation Asia
1 December 2006**

Large and competitive life insurance market



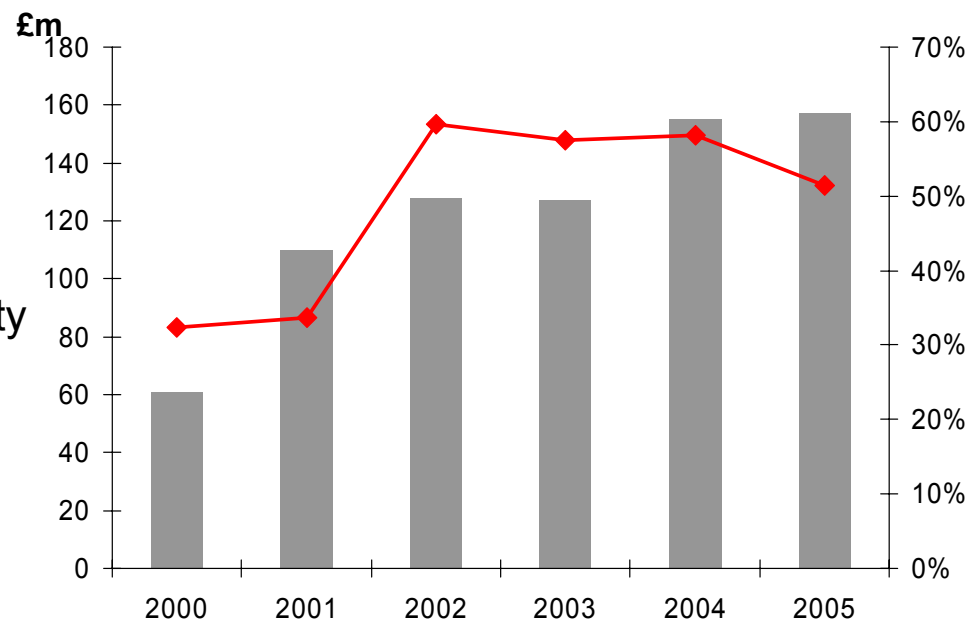
- Asia's 4th largest market with highest penetration rate in world at 11.1% in 2005
- Population of 23m, ageing rapidly
- High savings rates at 27%
- 29 life insurers, with top 5 having 59% market share
- Distribution dominated by agency generating 63% of new business
- Regulator gradually liberalising product and investment rules
- Tactical products capitalising on low interest rate environment used in 2005 by some players to drive short term volume



PCA LIFE Taiwan focus on building profitable scale

- Prudential entered market via acquisition in 1999
- Stages of business transformation:
 - Build professional agency force
 - Introduce bank and DM distribution
 - Launch products with greater profitability
 - Emphasize quality and service
 - Mitigate negative spread risks
- Accomplishments to date:
 - Scale operation with 3% market share
 - Bank distribution (SCB, E.Sun)
 - First to market with unit linked ILPs
 - ‘Most trusted insurance company’ award
 - Rapidly increasing proportion of profitable products on in-force book more than compensating for drag of pre-acquisition book that currently has negative spread

New Business APE and NB Margin



Five year CAGR for APE 21%

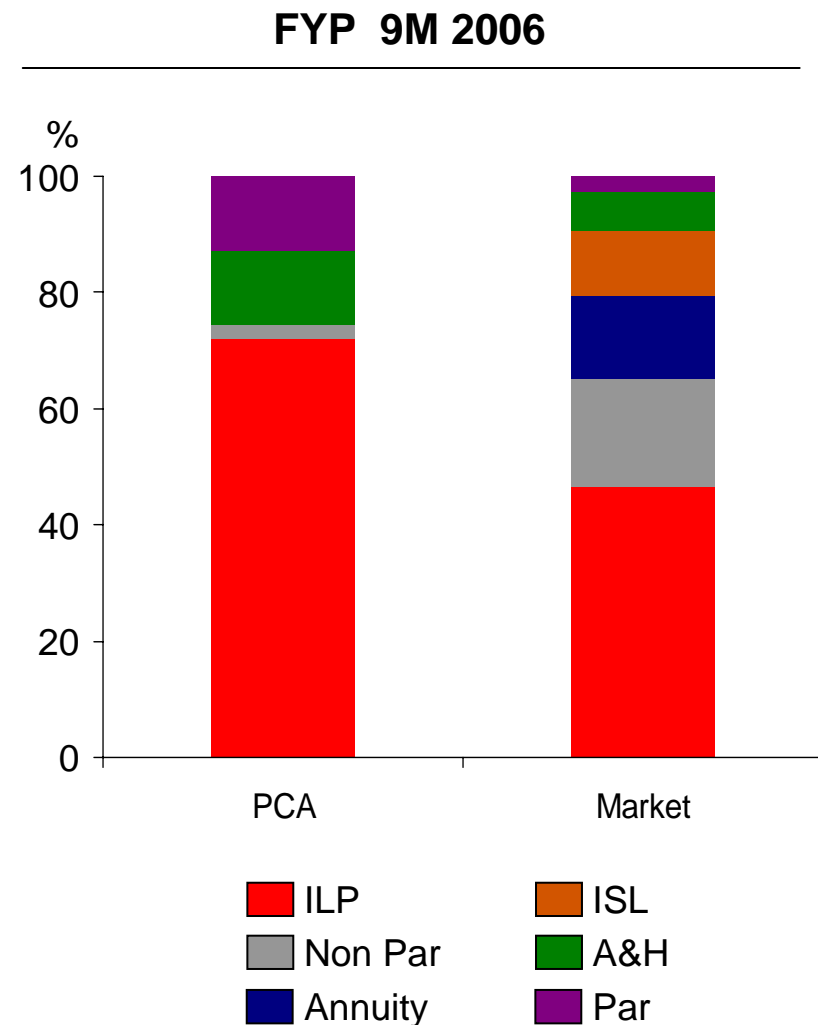
Five year CAGR for NBP 32%

Improved margins



PCA LIFE Taiwan: Differentiated product profile that is producing results

- **PCA Life has purposely differentiated product profile relative to market:**
 - Higher proportion of ILPs
 - Higher proportion of A&H
 - No annuity products
 - No interest sensitive products
- **Agency productivity increasing:**
 - NBP per agent up 23% compared to 9M 2005
- **Growing bank distribution:**
 - Sales up 150% over 2005





PCA LIFE Taiwan: Opportunities ahead

Strengthen Existing Models Further

- Continue improving quality and productivity of agency force and enhance agency management tools
- Expand bancassurance further leveraging existing relationships and create new relationships
- Current rider attachment rates relatively low; opportunity to increase and up-sell to existing customers

Create New Markets

- Greater focus on retirement market opportunities, leveraging experience from Korea
- Leverage international fund management expertise to offshore products
- Direct Marketing with accident and health products



**Prudential:
Leading in Asia**

A large, dark red silhouette of the Asian continent is centered on the slide, serving as a background for the main title.

China 中国

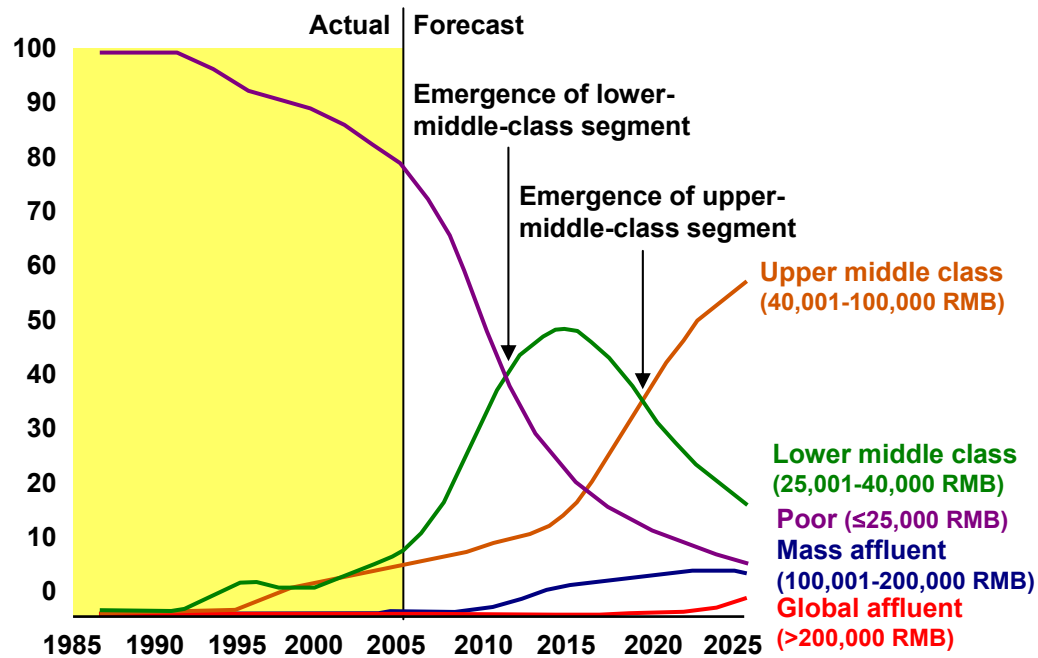
A stylized, intricate red dragon is positioned in the bottom-left corner of the slide.

**Garth Jones
Prudential Corporation Asia
1 December 2006**

China: Rapidly growing levels of individual wealth

Emergence of a middle class

Share of urban households by income class, %



- **1.3bn people**
 - Migrating from rural to urban
 - Rapidly emerging middle class
- **Ageing population**
 - 23% will be over 65 by 2050
- **Market socialism driving personal wealth creation**
- **Increasing personal wealth seen as key to supporting political stability**

*Base case forecast, Q1 2006

Source: National Bureau of Statistics of China; McKinsey Global Institute analysis



China Life Insurance Market: Orderly Development over last 25 years

Establishing Domestic Market

Preparing for WTO

Improving Standards

PICC resumes domestic activity

PICC monopoly broken

Ping An formed

AIG re-enter Shanghai

New Regulator (CIRC)

New insurance law

JVs launch on restricted basis

'Scramble' for JV partners

First foreign licences granted

Foreign rep offices

PICC split; China Life formed

2004: Ping An listed

2003: China Life listed

Clean up of domestic companies

Gradual easing of geographic restrictions

WTO assures 'equal' treatment for foreign JVs

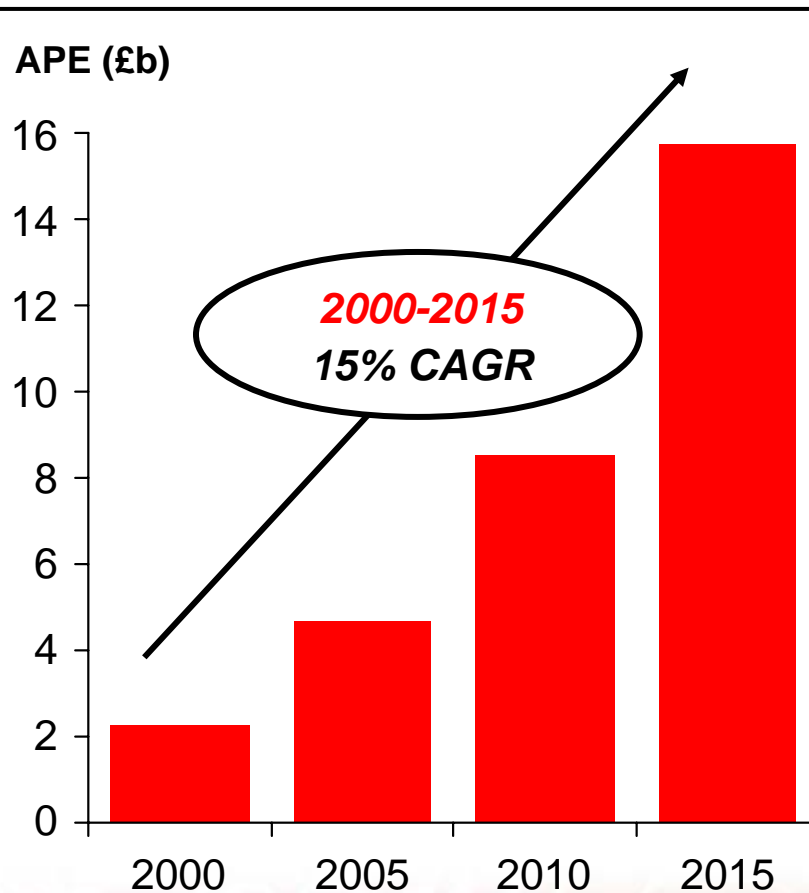
1980 — 1984 — 1988 — 1992 — 1995 — 2001 —



Asia's 3rd largest life insurance market and ranked 8th in world

Already a large industry with drivers in place for material growth

Projected APE



- Massive reform of social security system
- One child policy shrinking base of family support
- High savings rates; 25% of net income
- Newly liberalized industry with more customer centric:
 - marketing
 - products
 - distribution
 - service



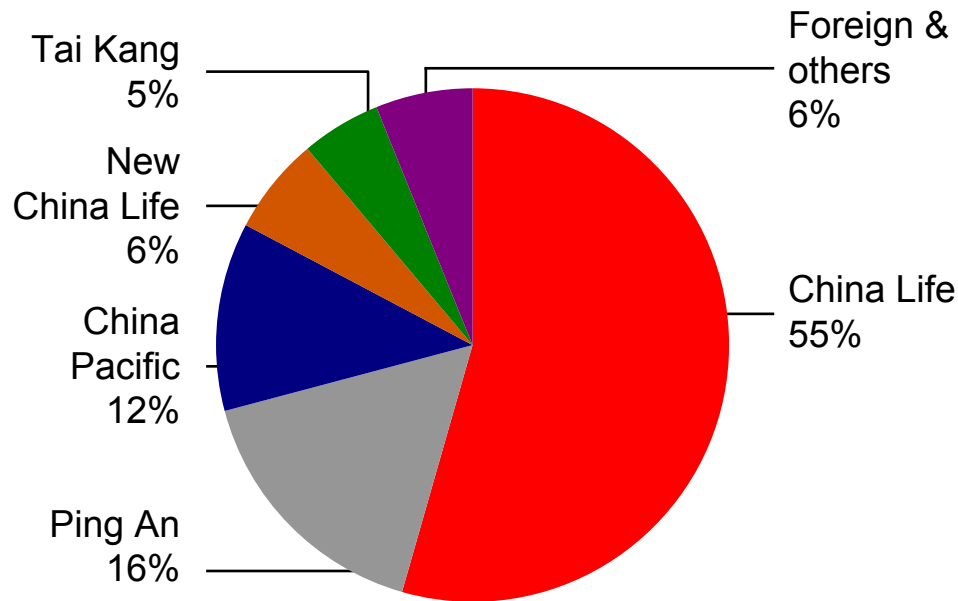
Life insurance market is tightly regulated

CIRC very protective of industry's reputation

- **National and provincial regulators:**
 - Rules open to interpretation
 - Multi levels of relationship required
- **High Corporate Governance standards:**
 - Annual reports on compliance and internal controls
 - Insurance Boards require 2 independent directors
 - Audit Committees required
 - CIRC have right to attend Board Meetings
- **Active monitoring:**
 - Regulators often make unannounced and very thorough investigations of branch operations
- **Solvency:**
 - Companies required to actively monitor solvency
 - Monthly returns on premiums, claims and assets to CIRC
- **Consumer protection:**
 - Standardised disclosures
 - Regulated 'small print'
 - 'Key Features' summaries
 - Policy holder protection fund established with mandatory contributions

China Life Insurance: Large market dominated by strong local players

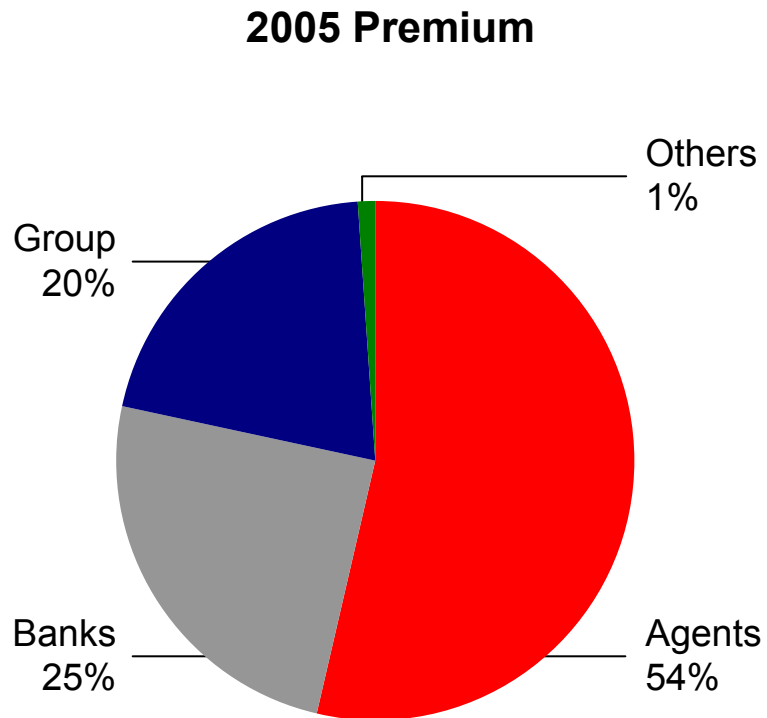
2005 APE
(£4.6 billion)



- **13 domestic life insurers:**
 - Top 5 have 94% market share
- **23 foreign players:**
 - Licensed on a city by city basis
 - Expanding rapidly

Source: CIRC

China Life Insurance: Multi channel distribution; tied agency dominates

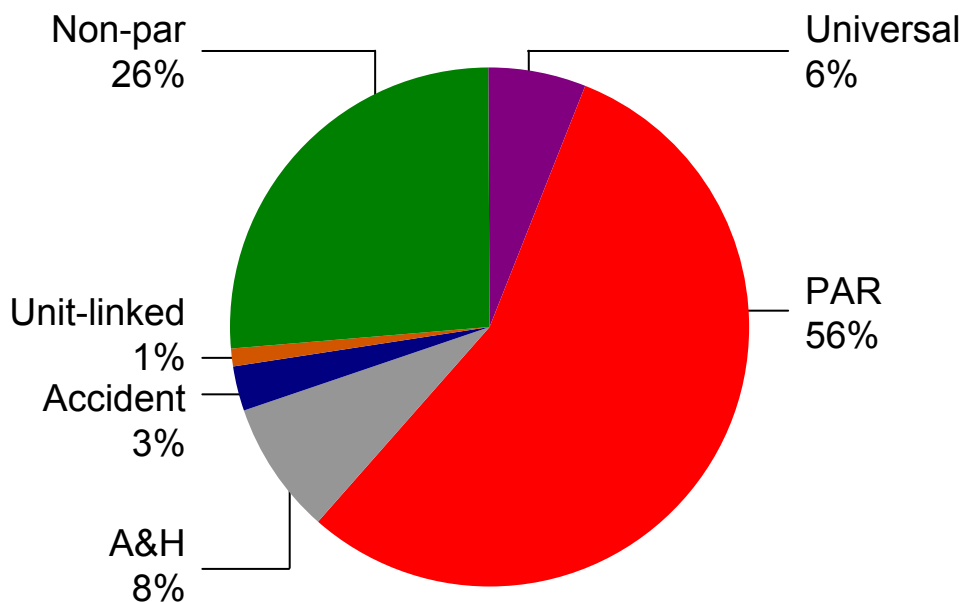


2006 CIRC China
Insurance Yearbook

- **Tied agency dominates individual life insurance distribution:**
 - 1.28m licensed agents
 - Typically poorly trained, unproductive with high turnover rates
 - CIRC driving higher standards; poaching frowned upon
 - Takes time for foreign companies to build scale
- **Bancassurance dominated by single premiums:**
 - Branch by branch agreements
 - ‘Deposit stripping’ style products
 - Volatile and low margin business for insurers
- **Direct sales teams sell large Group policies and call centres sell simple products**
 - Generally bulk investment based

China Life Insurance: Investment based products dominate

2005 Premium



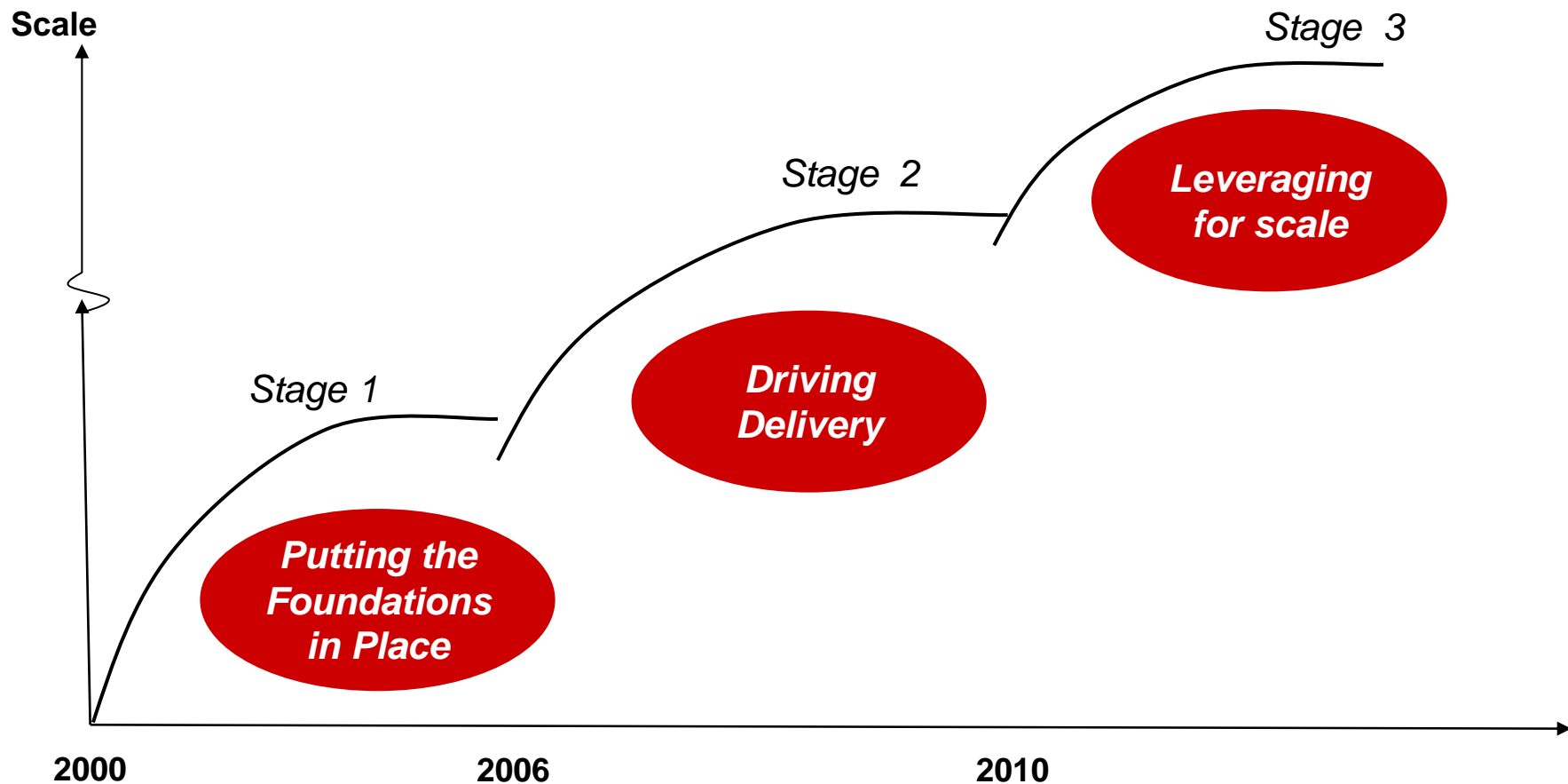
2006 CIRC China
Insurance Yearbook

- **Life insurance principally viewed as investment product:**
 - 3yr and 5yr single premium endowments highly popular; easy sale and good for market share
 - However, low investment return environment means meeting customers expectations is challenging
 - Unit linked investment options limited to domestic markets
- **Latent demand for products to meet medical expenses and retirement:**
 - 40% of all individual bank deposits held as buffer for healthcare and old age (estimated US\$544bn)



Prudential's China Strategy: Three horizons to delivering profitable scale

Three horizons – similar to development of Prudential Corporation Asia





Prudential's China Strategy: Laying the Foundations

- **Long term commitment to China:**
 - Prudential plc highly respected
 - First meetings in 1980s
 - Rep offices established 1990s
 - Active engagement with industry; investment in training, education
- **Excellent jv partner in CITIC:**
 - Highly supportive
 - Leverage strengths of both partners
 - Also have jv for fund management
 - Use CITIC call centre
- **First Sino-British life joint venture:**
 - 50:50 joint venture with CITIC
 - Launched in Guangzhou 2000
- **Actively leverage Chinese speaking community within Prudential Corporation Asia**



Prudential's China Strategy: Excellent joint venture partner



中国中信集团公司
CITIC Group

Financial Services

- Banking including branches in HK, US, Canada, Australia, NZ
- CITIC Industrial Bank
- CITIC Securities; leading underwriter of equity and debt
- CITIC – Prudential Life
- CITIC Trust and Investment Management
- CITIC Prudential Fund Management

Technology

- CITIC Information Industry:
- Asia Satellite Telecomms
 - digital TV
 - call centres

Industrial

- Major infrastructure player in Mainland China
- Power generation
- National stadium for Beijing Olympics
- Mining
- Metro line in Tehran
- Roads in Iran
- Canadian oil
- African oil and gas development

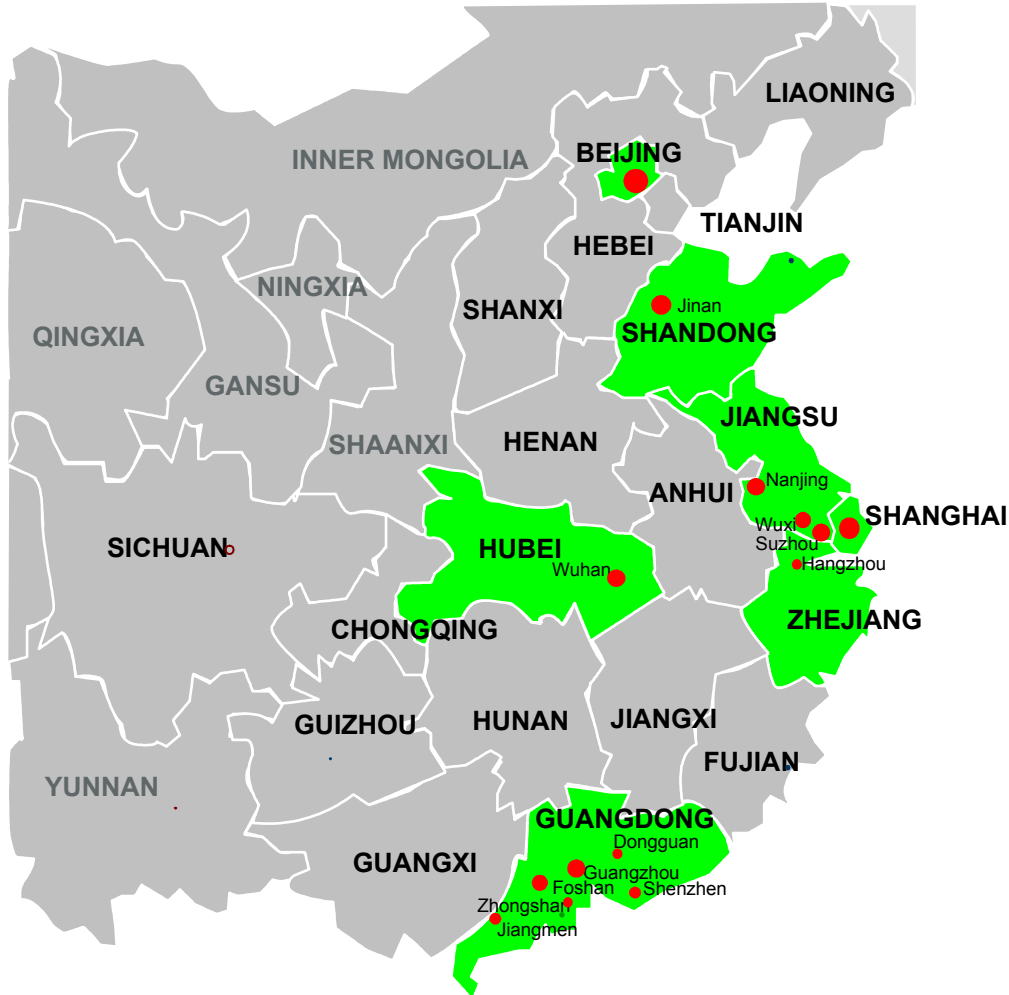
CITIC Overview:

- Initiated by Deng Xiaoping in 1979
- Largest financial company in China
- Reports directly to State Council
- Recognised and respected brand
- Assets at 31 Dec 05 were £60bn with profits of £350m

CITIC Management Team:

- Chairman: Kong Dan
- Vice Chairman : Chang Zhenming
- Vice Chairman : Wang Chuan
- Good relations with Prudential; keen to continue to aggressively grow life business and strong bancassurance with CITIC Bank

CITIC-Prudential has an advantaged platform



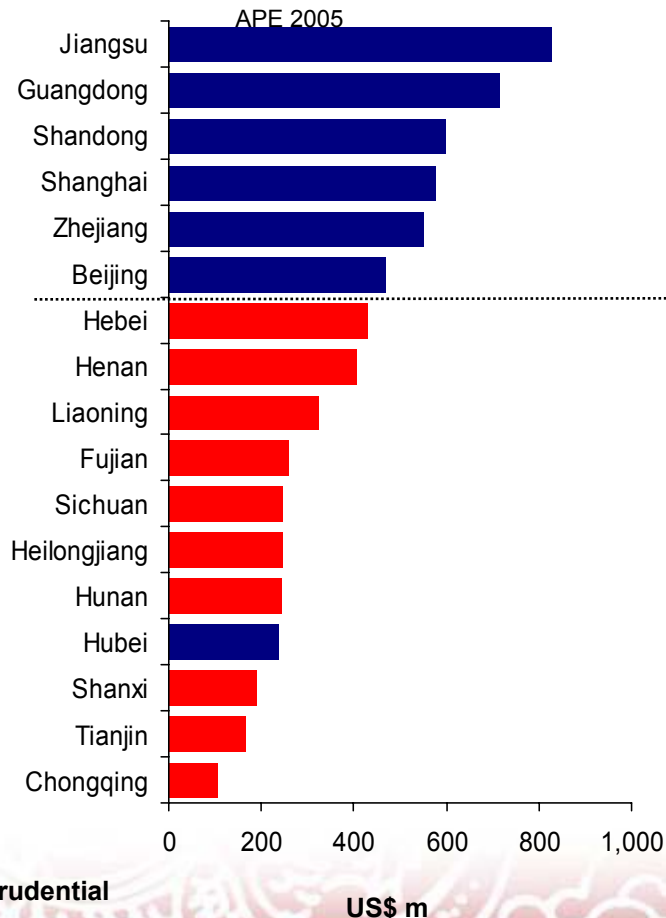
● Current Participation

- **Established in key provinces:**
 - 14 cities operating in 5 provinces & 2 Designated Administrative Zones
- **Good brand recognition**
- **Over 14,000 agents and growing**
- **1,300 staff and growing**
- **5 major bank distribution partners**
- **Full product suite of Life, A&H, Savings, Group:**
 - Average NBP margin 45%
 - RDR 12%

CITIC-Prudential's advantaged portfolio of licences

Already operating in 6 largest provinces

Total APE by Province

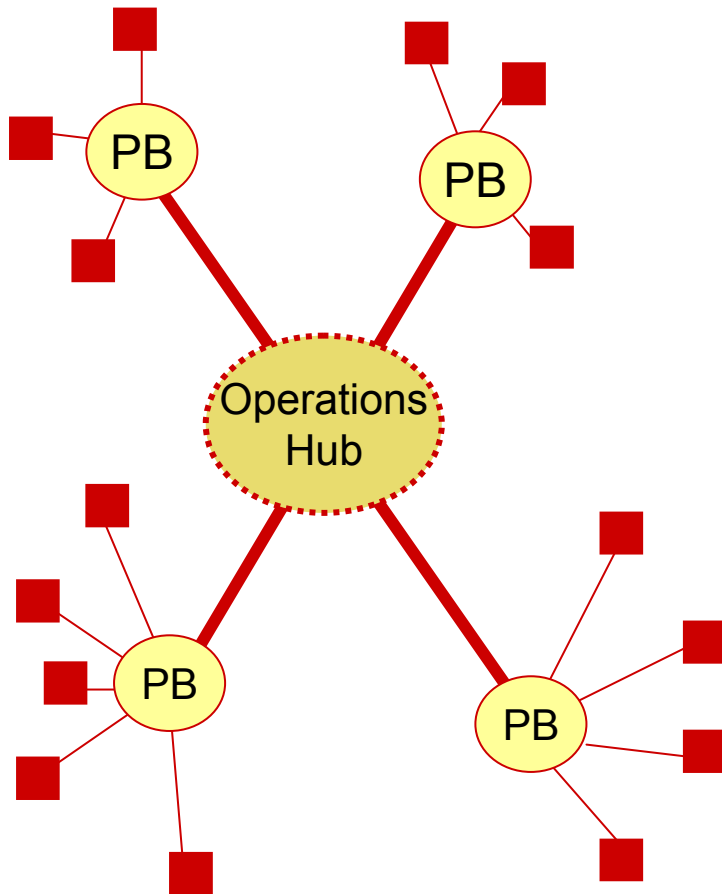


Major Foreign Players: Number of Cities Licenced

PRU	Manulife	Aviva	AIG	Allianz	Generali	NY Life	Aegon	ING	AXA
3	1	-	1	-	-	1	2	-	-
6	6	4	5	5	4	-	-	-	1
1	2	1	-	1	-	2	1	1	-
1	1	-	1	1	1	1	1	-	1
1	3	-	-	1	-	-	-	-	-
1	1	1	1	-	1	-	1	1	1
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	2	-
-	-	2	-	-	-	-	-	-	-
-	1	4	-	-	-	2	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
14	15	12	8	8	6	6	5	4	3

Prudential's China Strategy: Efficient hub and spoke operating model

Operating platform maximises economies of scale and allows new branches to be added quickly and efficiently



Operations Hub

PB

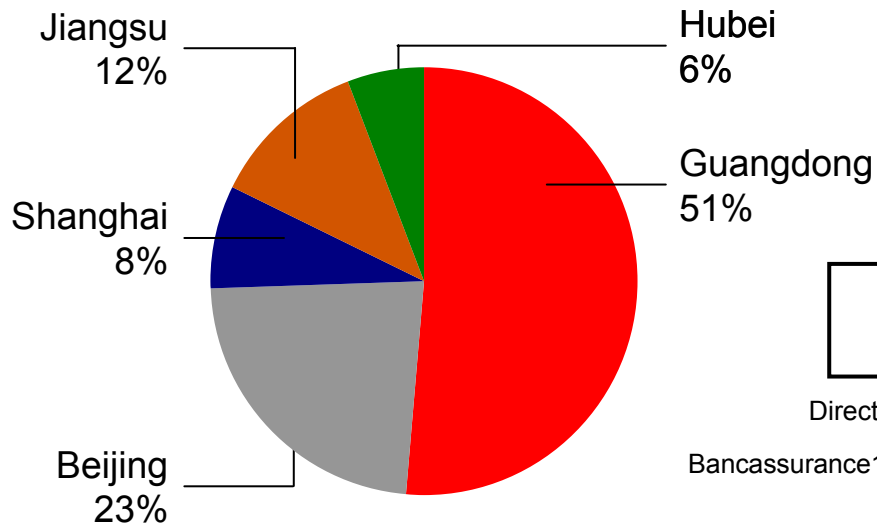


- **Centralised operations hub in Guangzhou:**
 - policy admin
 - underwriting & Claims
 - Finance
 - IT
 - call centre
- **Provincial Branch:**
 - link to operations
 - regulator relationships
 - talent management
- **Branch offices:**
 - training
 - sales management
 - customer service

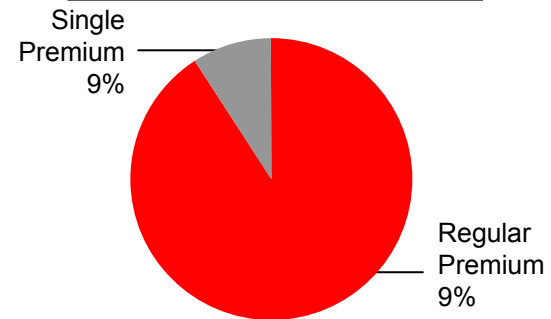
CITIC-Prudential new business profile

APE 9 months 30 September 2006: £23m

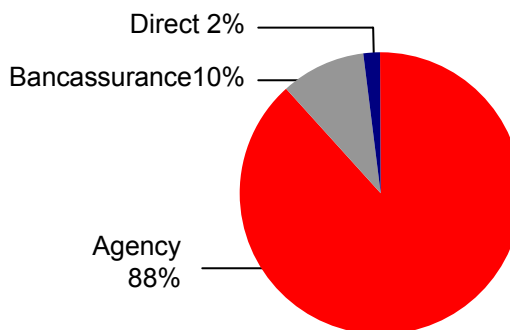
By Geography



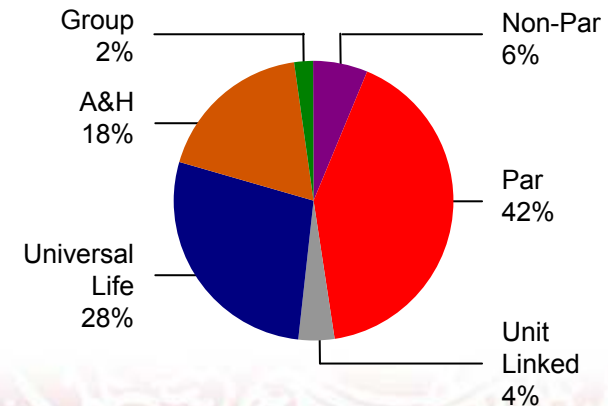
By Premium Mode



By Distribution Channel



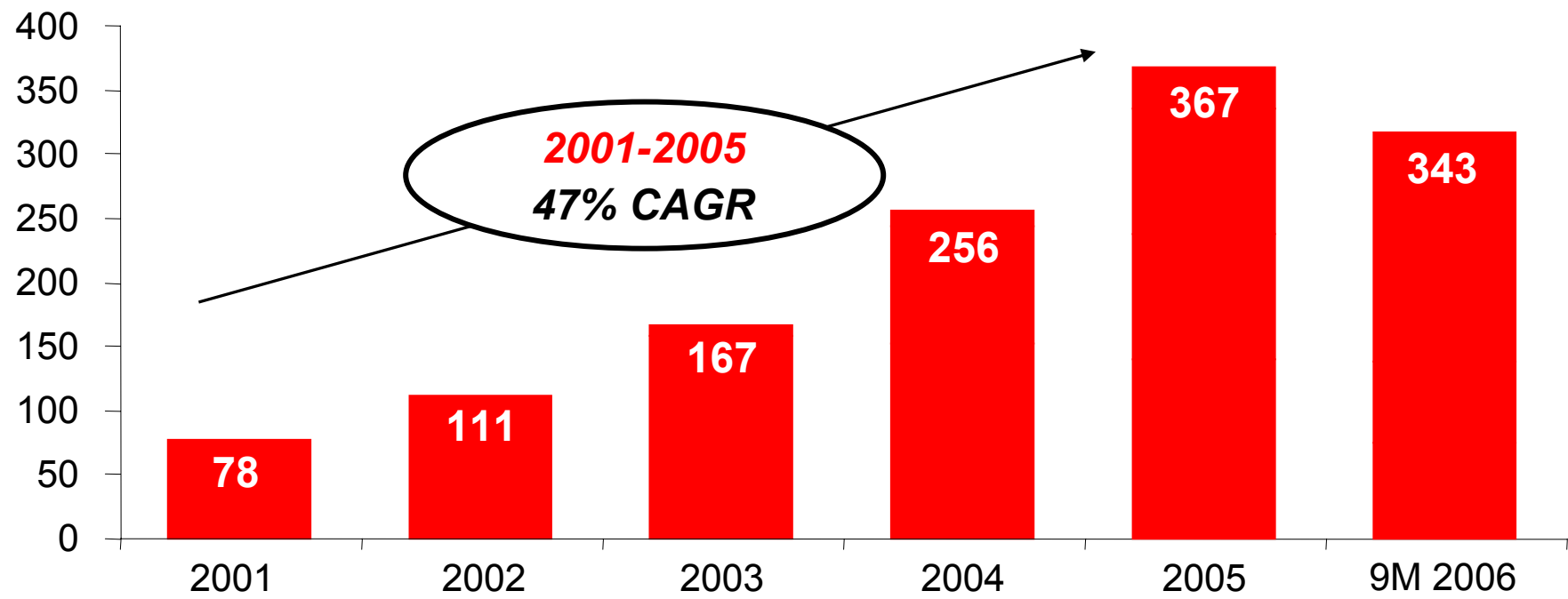
By Product



CITIC Prudential delivery track record

Already have 300,000 customers and growing rapidly

APE (RMB m)



of Cities

1 1 2 3 10 14

CITIC Prudential is leading joint venture

Building market shares, with top 5 positions in 6 cities

APE 9M 2006

Share of Foreign Players APE

AIG	(1992)	44.5%
Prudential	(2000)	12.7%
Manulife	(1996)	5.4%
Generali	(2002)	5.1%
Allianz	(1999)	4.8%
Aviva	(2003)	3.9%
Aegon	(2003)	2.3%
ING	(2002)	2.2%
AXA	(1999)	2.1%

CITIC PRU Market Shares by City

	Started	Mkt Share*	Rank	Foreign Rank
Guangzhou	2000	13%	4	2
Beijing	2003	4%	5	2
Suzhou	2004	3%	8	2
Shanghai	2005	1%	8	5
Wuhan	2005	6%	5	1
Nanjing	2005	5%	4	1
Foshan	2005	3%	6	3
Dongguan	2005	8%	4	2
Zhongshan	2005	5%	5	2
Shenzhen	2005	1%	8	3

*Agency

CITIC-Prudential leveraging delivery platform

- **Building and strengthening management teams to support growth:**
 - Recruiting staff a major challenge as insurance a relatively new industry
 - Prudential able to leverage experienced Mandarin speaking staff in region
 - Material investment in training and development
 - Building pipeline of high quality staff
 - Strong culture
- **Continuing geographic expansion:**
 - New branches as natural extension of existing operations
 - Focus on large urban populations
 - Anticipate two new provinces next year



RESPECT CULTURE

<i>R</i> ESPECT	尊重差异
<i>E</i> NCOURAGE	鼓励开放坦诚的工作环境
<i>S</i> UPPORT	尽全力支持公司，同事和
<i>P</i> RACTICE	以身作则，积极参与
<i>E</i> NJOY	乐在工作，学习成长
<i>C</i> OMMITTED LISTENING	聆听所至，信诚所在
<i>T</i> RUST	信任和授权

CITIC-Prudential leveraging delivery platform

- **Strengthening agency recruitment and productivity:**
 - Using regional best practices
 - Emphasis on quality and professionalism
 - Making agency an attractive career choice
- **Developing alternate distribution:**
 - Increasing retail focus of CITIC Bank
 - Securing additional bank partners
 - Piloting DM
- **Broadening spectrum of accumulation and protection products:**
 - Retirement proposition launched 2006
 - Supporting linked products with regional fund management expertise
 - Developing more health based protection



'Olympic'

Agency Development Programme

PRODUCTIVITY:

Basic skills, systematic managing and monitoring, improved referral tools

RECRUITMENT:

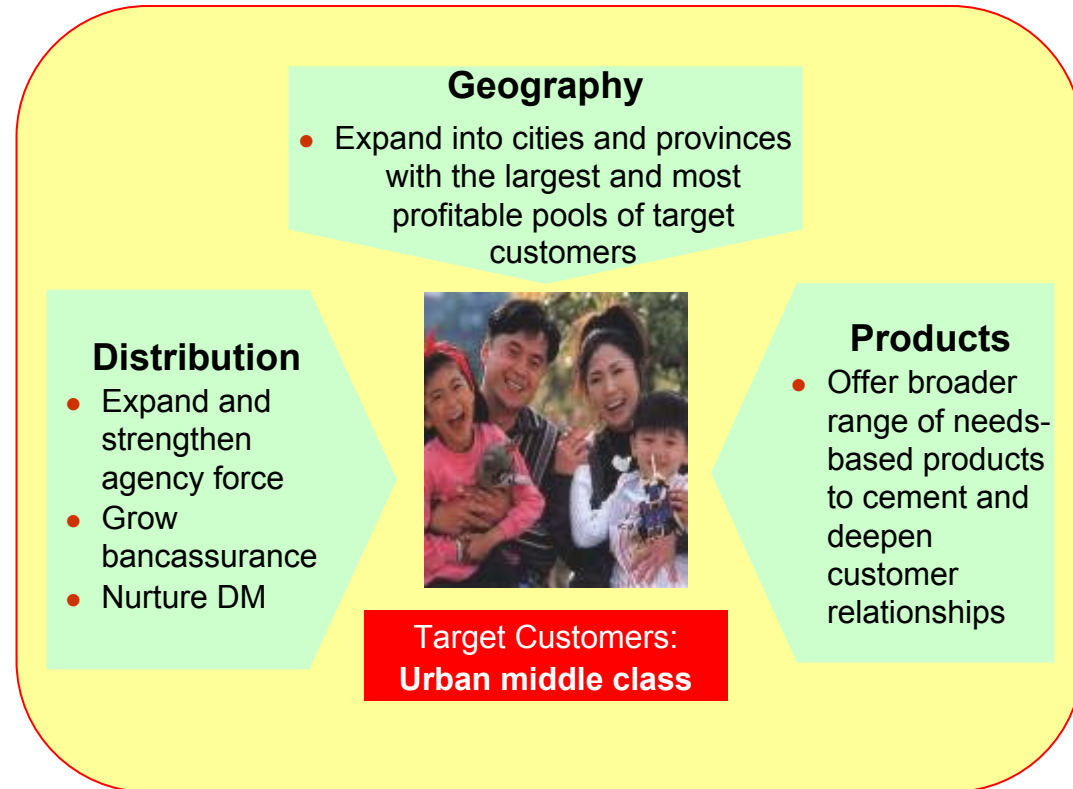
Computer based training for agent licensing exams, personality profiling, recruitment tools,

TRAINING OF LEADERS:

Classroom training and live experience, personal effectiveness training

CITIC-Prudential's Ambition for 2010

- **Largest foreign player:**
 - Leading positions in 50 cities covering 18 provinces
 - Agency led distribution with material bancassurance and DM channels
- **Material contributor to PCA results**
- **Positive recognition Nationwide:**
 - Trusted brand
 - Employer of Choice for staff and agents
 - Partner of Choice for banks





Summary: Prudential has an advantaged platform for growth

- **China life market is already huge and will become larger**
- **Compelling opportunities as market grows and transforms**
- **Prudential has inherent advantages:**
 - Excellent JV partner
 - Already leading foreign JV market
 - Readily scaleable operating model
 - Proven management team
- **Prudential very well positioned for future profitable growth**



**Prudential:
Leading in Asia**

Morning Summary

**Barry Stowe
Prudential Corporation Asia
1 December 2006**





**Prudential:
Leading in Asia**

Prudential in Asia

**Barry Stowe
Prudential Corporation Asia
1 December 2006**





Today's agenda

	Agenda	Speakers
8:30am	Welcome Prudential in Asia CFO Perspective	Mark Tucker Barry Stowe Sandeep Malik
	<i>Insurance Presentations</i>	
	Malaysia, Singapore, Indonesia, Philippines Hong Kong Q&As	Ng Keng Hooi Kevin Wright
10:15am	<i>Coffee Break</i>	
	India, Vietnam, Thailand India : the ICICI perspective (incl Q&As) Korea Taiwan and China Morning Summary and Q&As	Huynh Thanh Phong KV Kamath Bill Lisle Garth Jones Barry Stowe
12:30pm	<i>Lunch Break</i>	
1:15pm	<i>Fund Management Presentations</i>	
	Strategic Overview / Performance Japan Korea China India Q&As	Ajay Srinivasan & Ted Pull Felix Pang SH Hwang Cheeseng Shek Pankaj Razdan
2:45pm	Closing Comments	Barry Stowe



**Prudential:
Leading in Asia**

Building Scale and Materiality

**Ajay Srinivasan
Prudential Corporation Asia
1 December 2006**





Key messages

- **The Asian market for fund management is attractive and growing rapidly; there is significant head room for further growth in Asia**
- **Prudential has successfully built a material fund management business in Asia**
- **We have a clear strategy and have managed the profit drivers effectively to create material value**
- **Four key markets for us are Japan, Korea, China and India and we are very well placed in each of them**
- **We have put in place a distinctive and advantaged platform in Asia and believe this puts us in an ideal position to capitalise on the opportunities ahead**





**Prudential:
Leading in Asia**

Asia : A Material Market

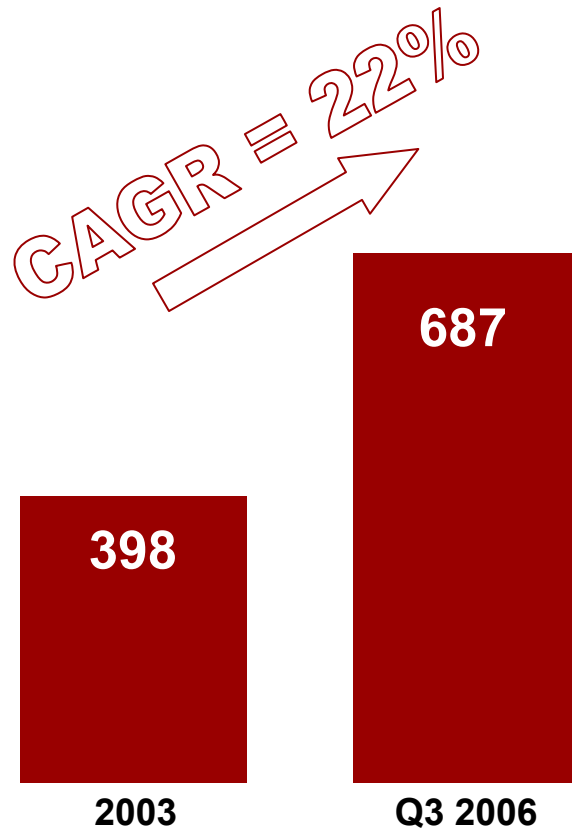




Mutual funds market in Asia

Large, growing and attractive

Asian market size and growth (GBP Bn)



		FUM Q306 (GBP Bn)	FUM 2003 (GBP Bn)	03-Q306 CAGR (%)
	Japan	419	217	27
	Korea	130	83	18
	China	34	12	48
	India	34	16	33
	Taiwan	31	43	(11)
	Hong Kong*	22	18	8
	Singapore	9	6	16
	Malaysia**	7	4	23

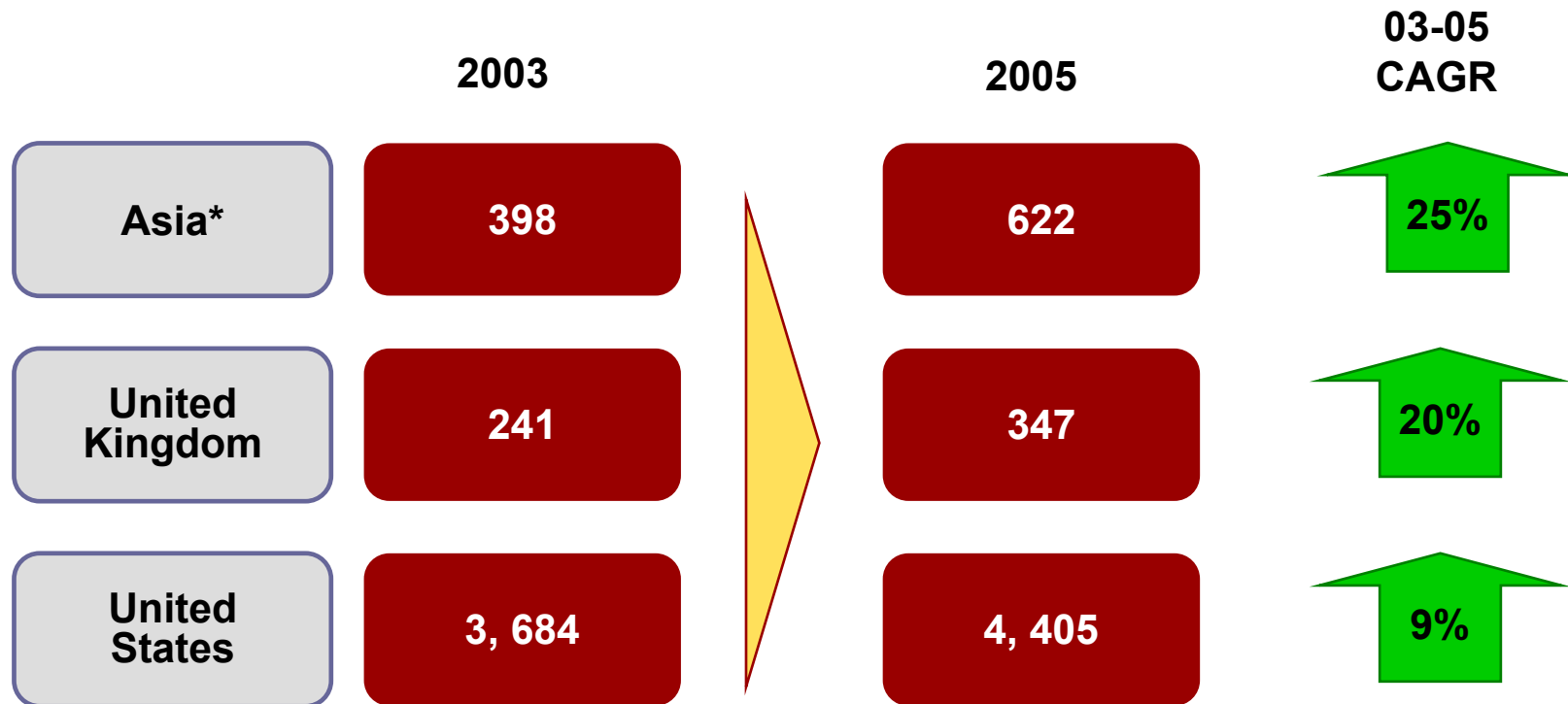
Source: Cerulli Associates, Monetary Authority of Singapore, Association of Mutual Funds in India, Securities Inv Trust Association, KITCA, * local retail funds only, **Securities Commission of Malaysia (private funds only)
FUM = Funds Under Management



Growth of mutual funds markets

The Asian mutual fund market is growing faster than the UK and the US

Mutual funds market FUM (in GBP Bn)



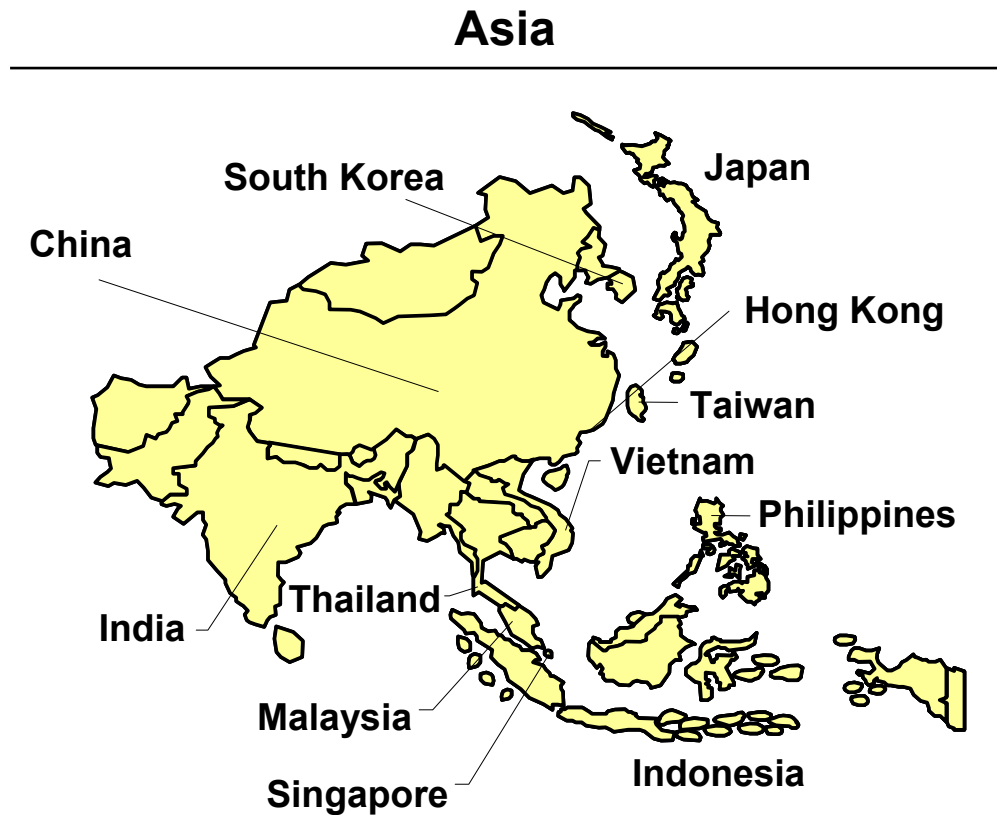
Source: Cerulli and Internal Research * Asia comprises 9 countries that PCA operates in



Customers

There are presently 450mn potential mutual fund customers in Asia

Asian population by countries



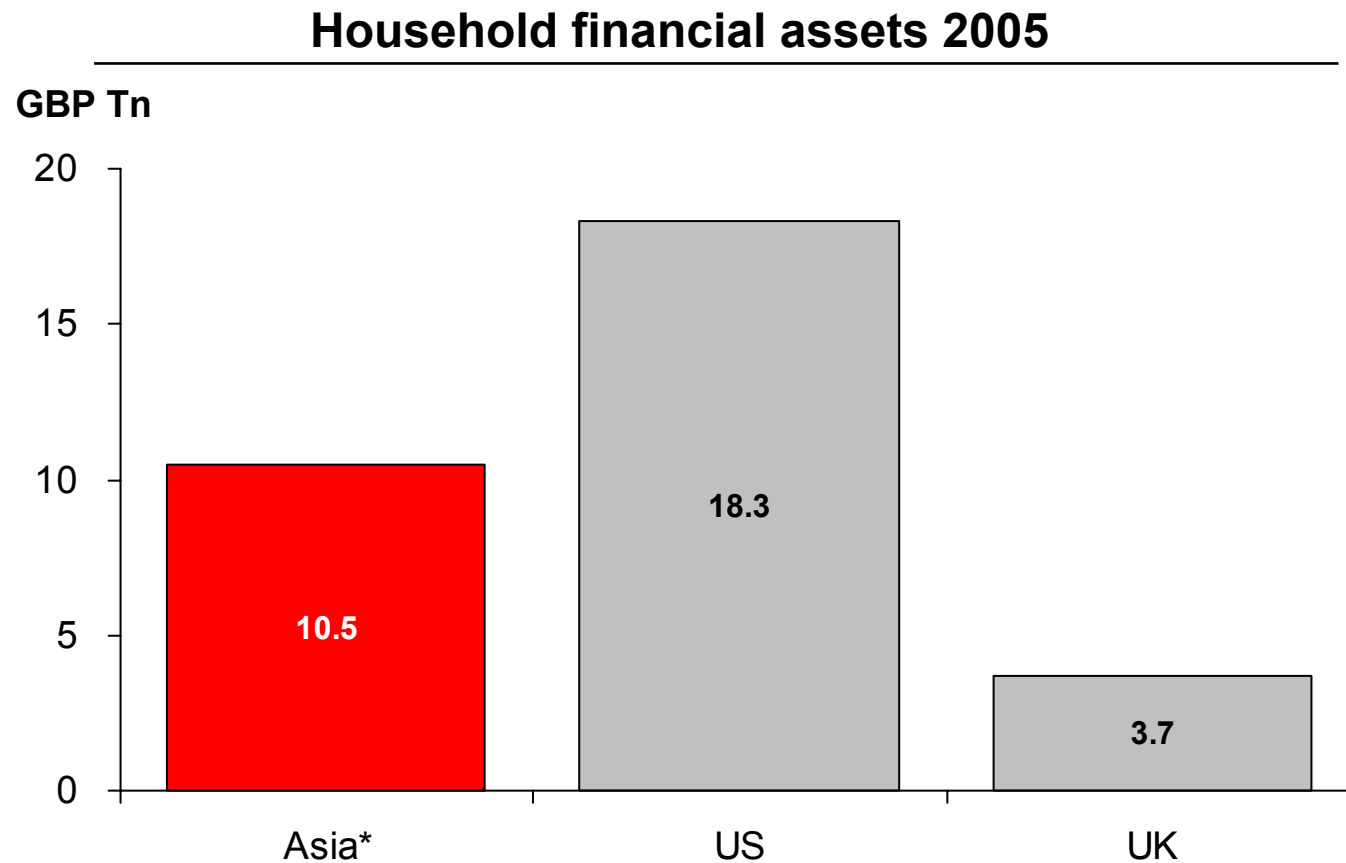
		<u>Million</u>
	China	1,315
	India	1,110
	Japan	128
	Vietnam	85
	Korea	49
	Malaysia	26
	Taiwan	23
	Singapore	4
	Indonesia	221
	Philippines	83
	Thailand	64

Total 3,108



Asian household financial assets

Household financial assets are 3 times the size of UK and half the size of US



Source: Citibank, Internal Research * Asia comprises the twelve countries PCA have presence in

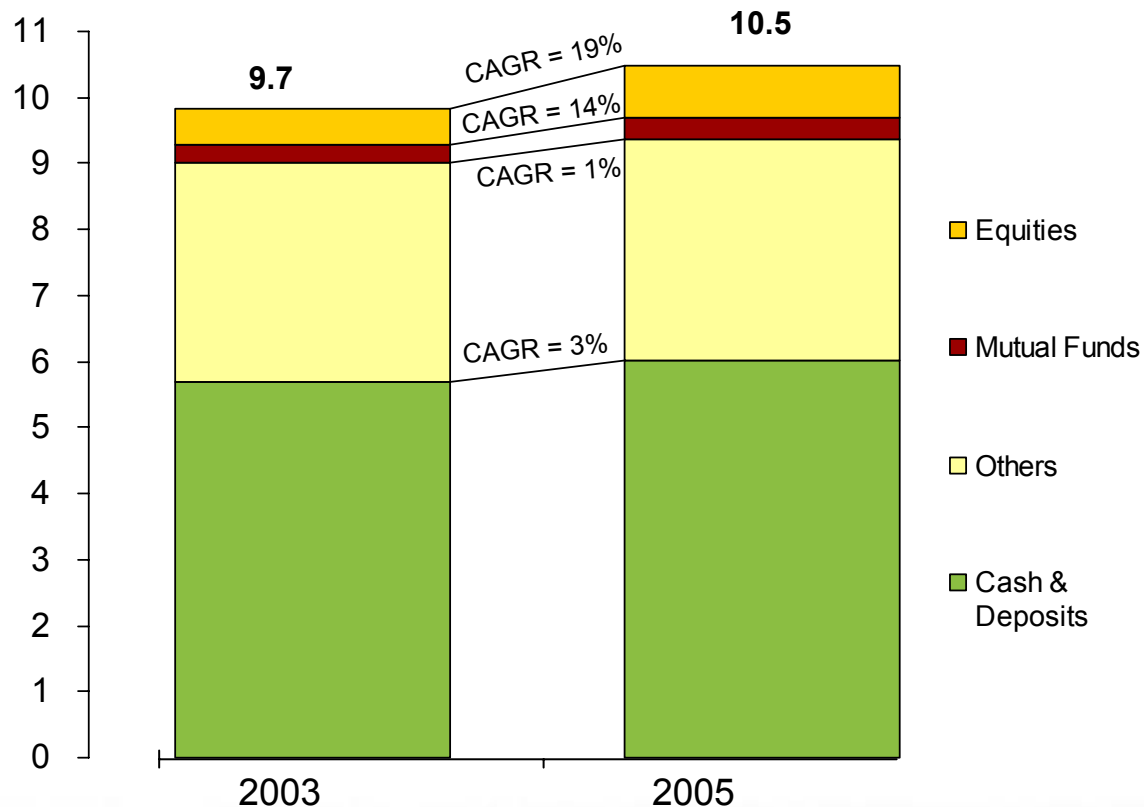


Shift in Asian household financial assets

Increase in demand for equities and mutual funds

Asia's* household financial asset mix

GBP Tn



Key growth drivers:

- Strength of Asian equity markets
- Improved consumer sentiment and business confidence
- Growing realisation that cash savings will not be adequate to meet financial goals

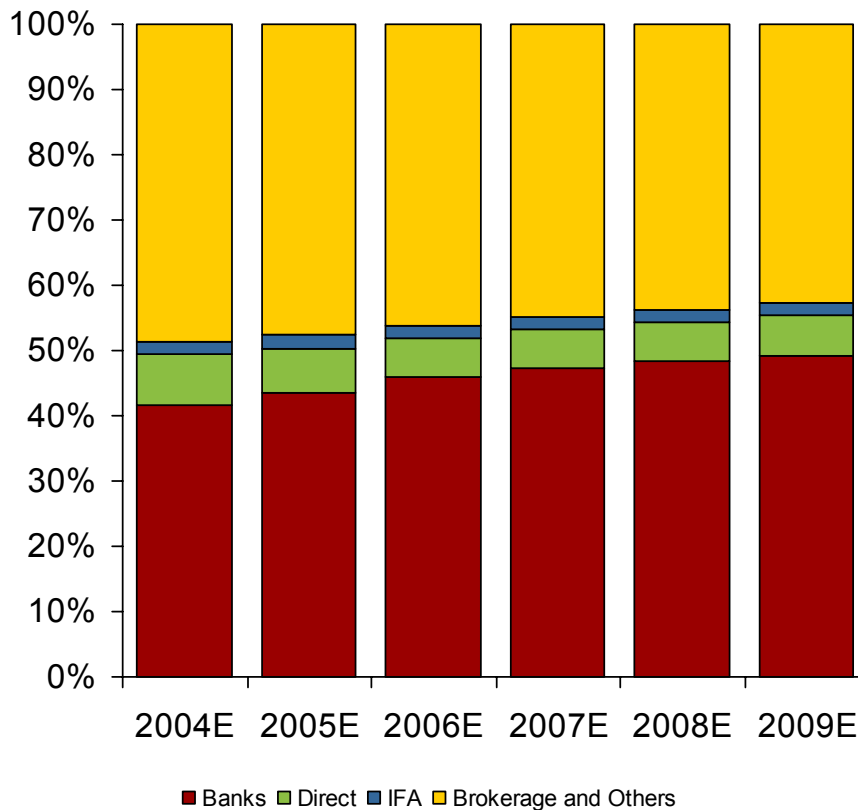
Source: Citibank, Internal Research * Asia comprises the twelve countries PCA have presence in



Distribution channel

Banks are expected to dominate distribution of mutual funds

Asia mutual fund FUM market share by channel, 2004-2009



Source: Cerulli Associates

Major banks' presence in Asia



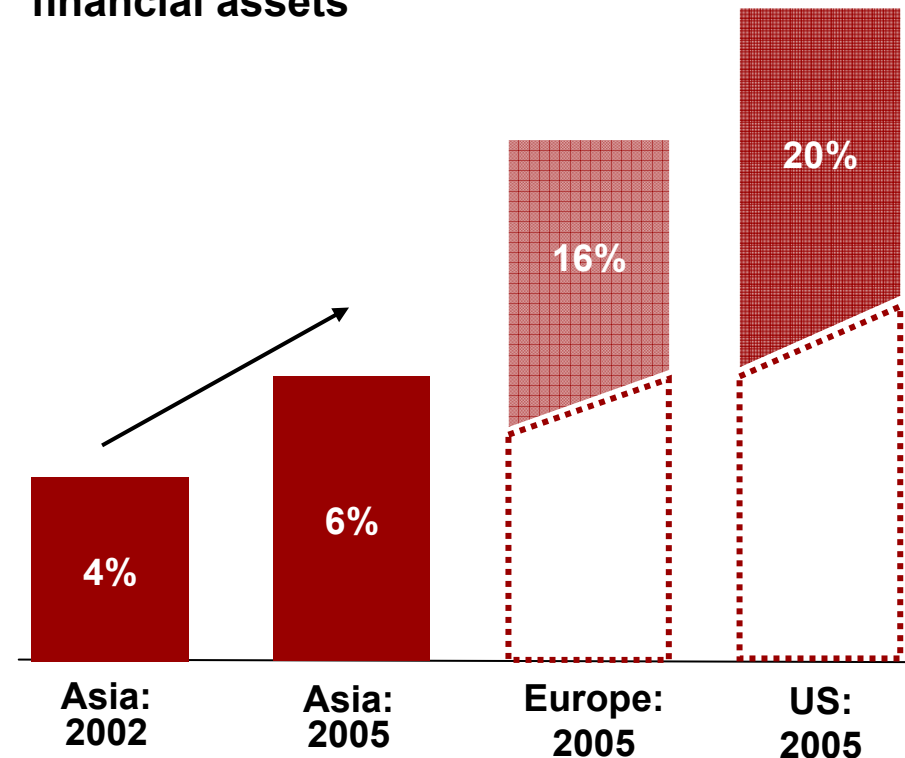


Mutual funds in Asia

Opportunities for growth

1. Large population
2. Positive economic outlook and growing wealth
3. High propensity to save
4. Very low penetration for mutual funds
5. Increasing needs for investment vehicles
6. Increasing awareness for retirement needs

Penetration of mutual funds:
Mutual funds as a % of total household
financial assets





**Prudential:
Leading in Asia**

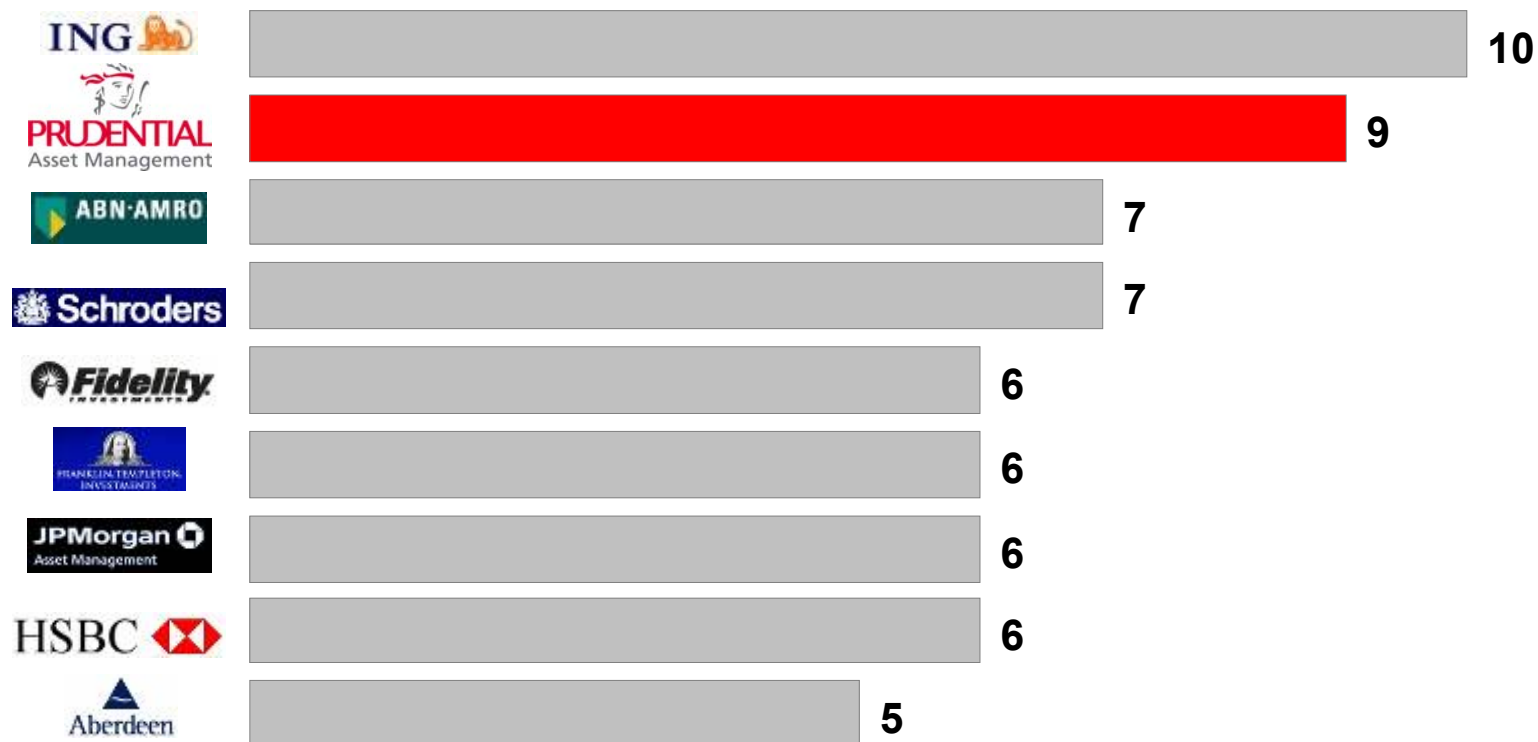
Prudential Fund Management In Asia





Prudential Mutual Funds Leading presence in Asia

Our geographic presence in 9 key markets* covers 96% of Asia's total household financial assets



Note: Presence with licence and office set up as of Sep 2006

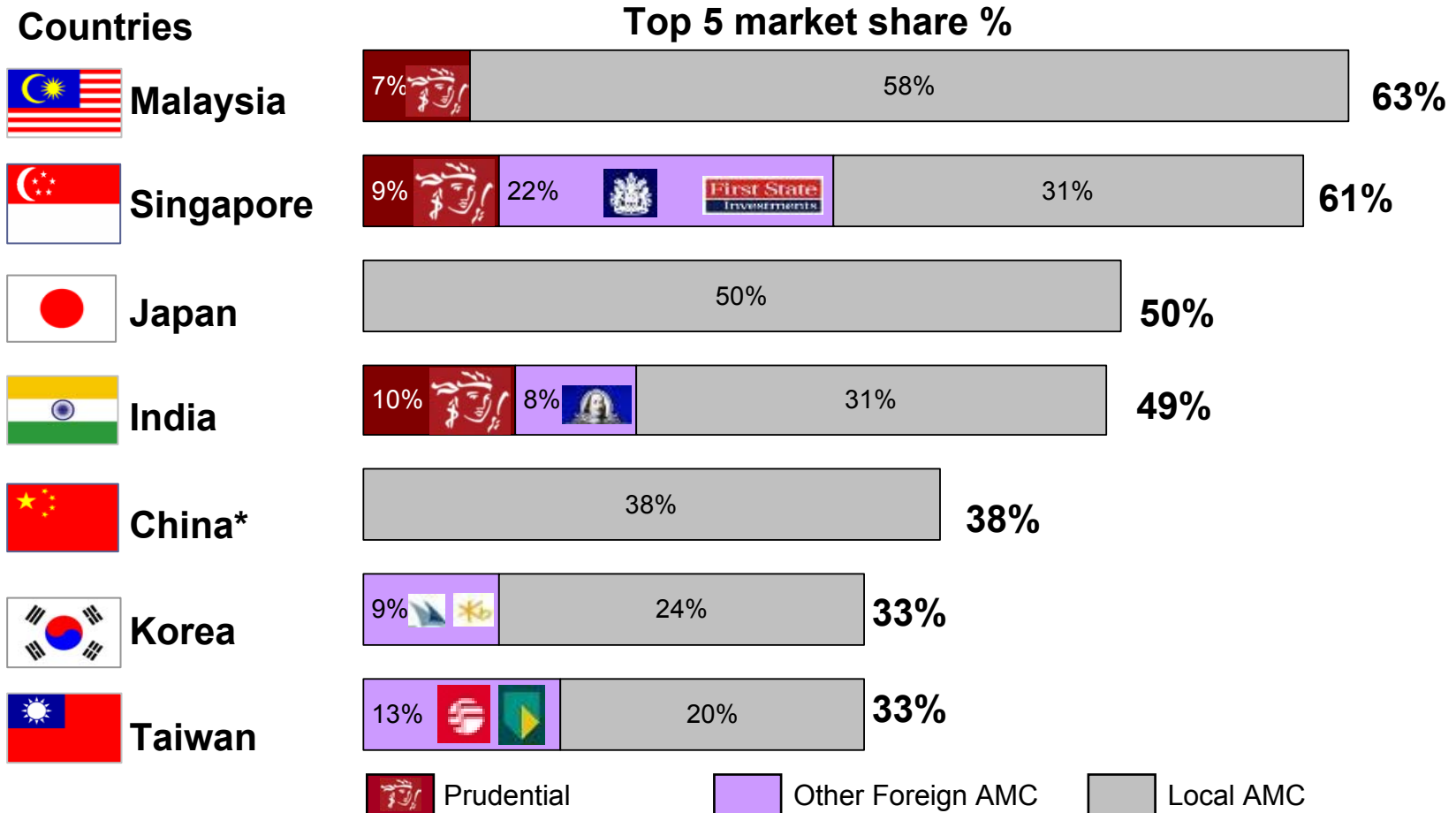
*The 9 markets are Japan, Korea, China, India, Hong Kong, Singapore, Malaysia, Taiwan and Vietnam

Source: Asia Asset Management



Competitive landscape

**Most markets are dominated by local players
PRU is the only foreign player in the top 5 in more than one market**



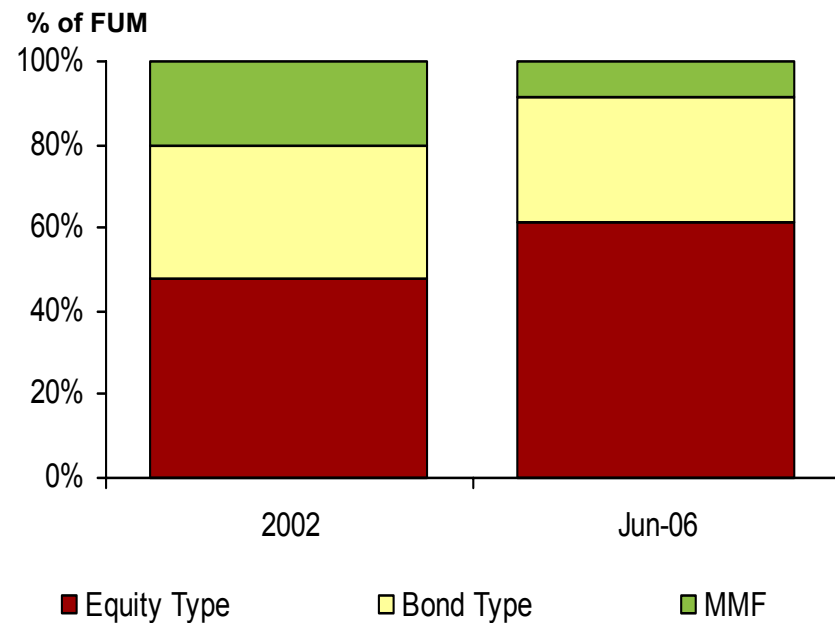
Source: Cerulli Associates, Monetary Authority of Singapore, Association of Mutual Funds in India, Securities Inv Trust Association, KITCA, Securities Commission of Malaysia (private funds only) and China data as at Jun 2006



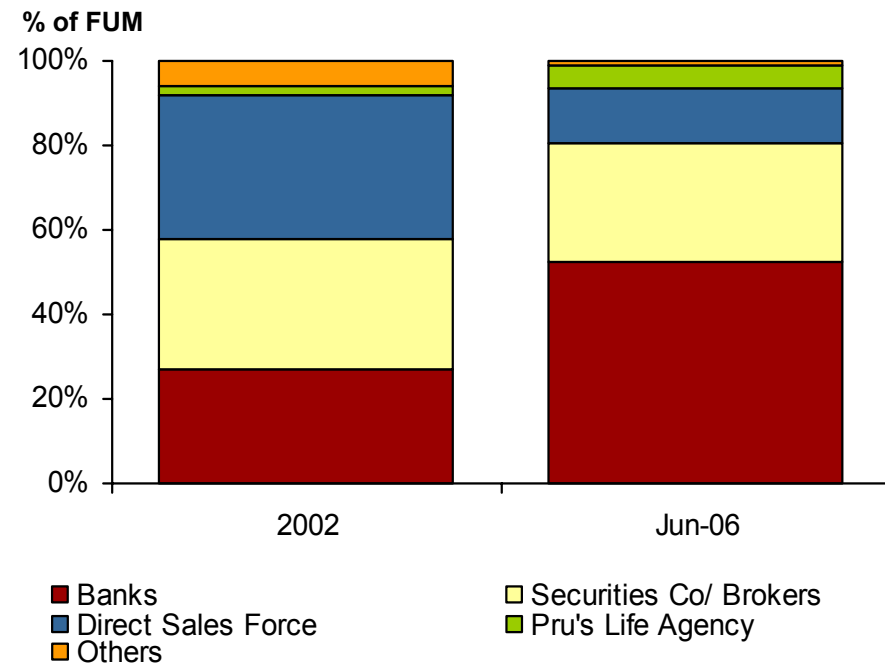
Our product and distribution configuration

Our product mix has shifted towards higher margin products such as equity and balanced funds. Banks are becoming the dominant channel

Product mix



Distribution mix

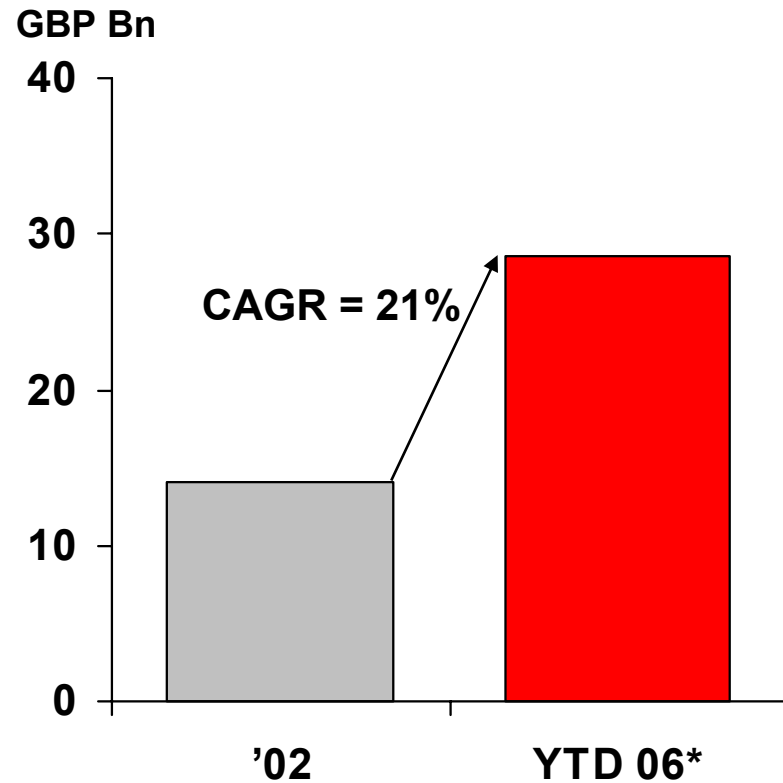




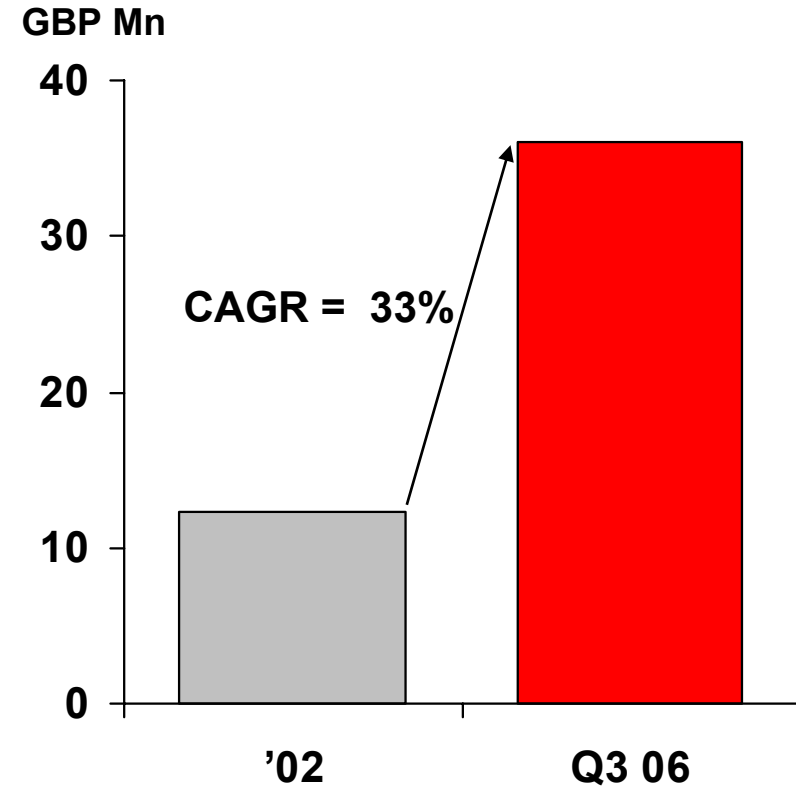
Material profitability

We have doubled our FUM from 2002 to Sep 2006;
Our PBT has tripled over the same period

FUM



PBT



*15th Nov 2006



Asia sourced FUM

Strong growth in retail FUM

Second in retail sourced FUM in 2006 survey

Retail FUM ranking (Asia ex-Japan) 2004-2006

Rank	2004	2005	2006
1	ING	ING	Fidelity Investments
2	JF AM	HSBC	Prudential
3	Prudential	Franklin Templeton	ING
4	HSBC Investments	Prudential	HSBC
5	Franklin Templeton	JF AM	Alliance Bernstein
6	Schroders	Allianz Global	BNP Paribas
7	Allianz Dresdner	Fubon	JF AM
8	INVESCO	INVESCO	Schroders
9	ABN Amro	Alliance Bernstein	Franklin Templeton
10	Alliance Bernstein	State Street	Allianz Global

Source: Asia Asset Management - Fund Manager Survey, Internal Research
Ranking for participating Asset Management Companies only



FUM ranking chart

Significant growth in total FUM

Prudential is a top 3 player in Asia ex-Japan sourced FUM

FUM ranking (Asia ex-Japan) 2004-2006

Rank	2004	2005	2006
1	AIG	AIG	AIG
2	ING	ING	ING
3	JF AM	State Street	Prudential
4	HSBC	HSBC	HSBC
5	Prudential	Prudential	State Street
6	State Street	Allianz Global	Fidelity Investments
7	Allianz Dresdner AM	Citigroup AM	Alliance Bernstein
8	Citigroup AM	Franklin Templeton	Allianz Global
9	Barclays	Barclays	Schroders
10	Schroders	Alliance Bernstein	AXA Rosenberg

Source: Asia Asset Management - Fund Manager Survey, Internal Research
Ranking for participating Asset Management Companies only



**Prudential:
Leading in Asia**

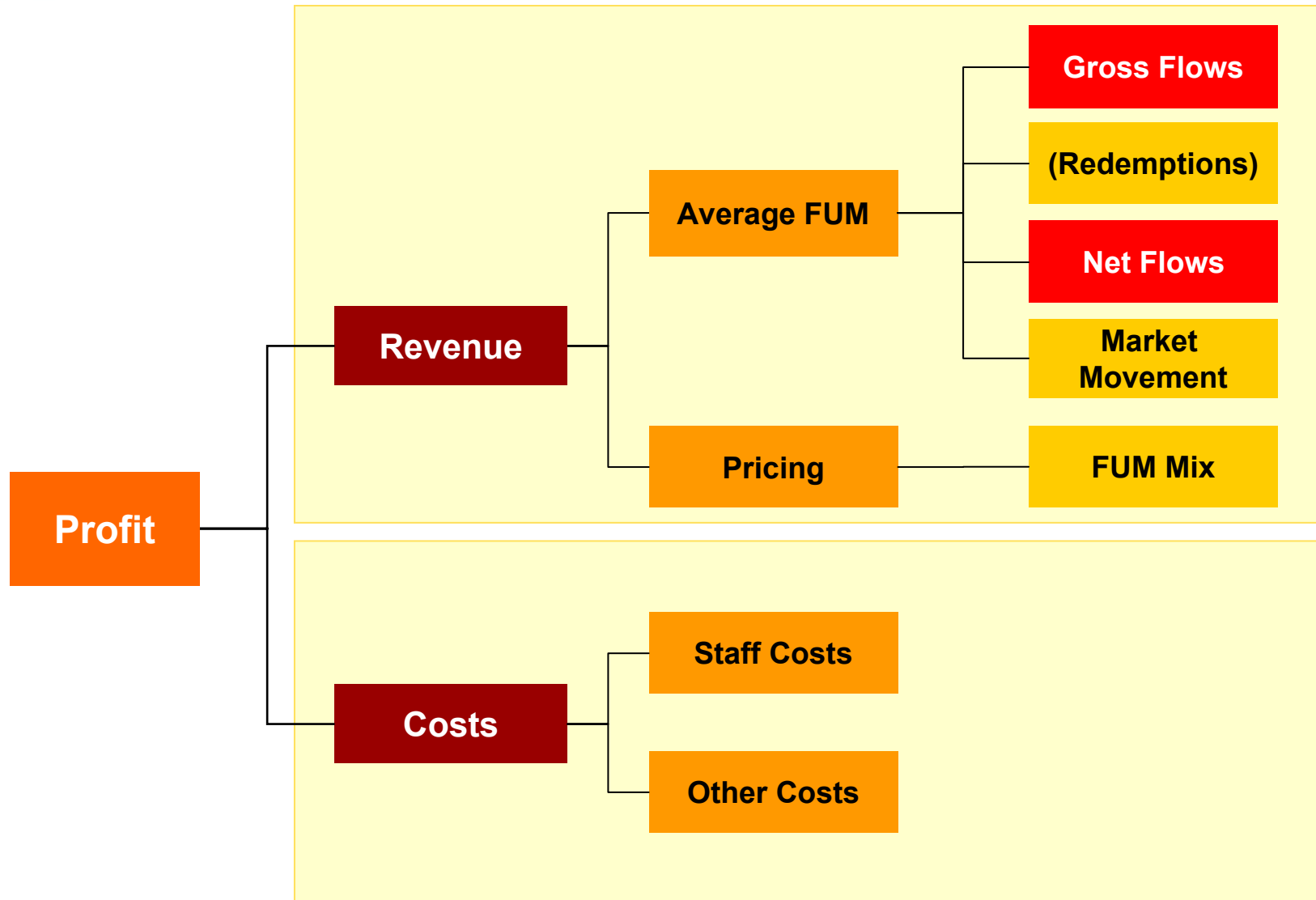
Creating Material Earnings

**Ted Pull
Prudential Corporation Asia
1 December 2006**





Profit drivers

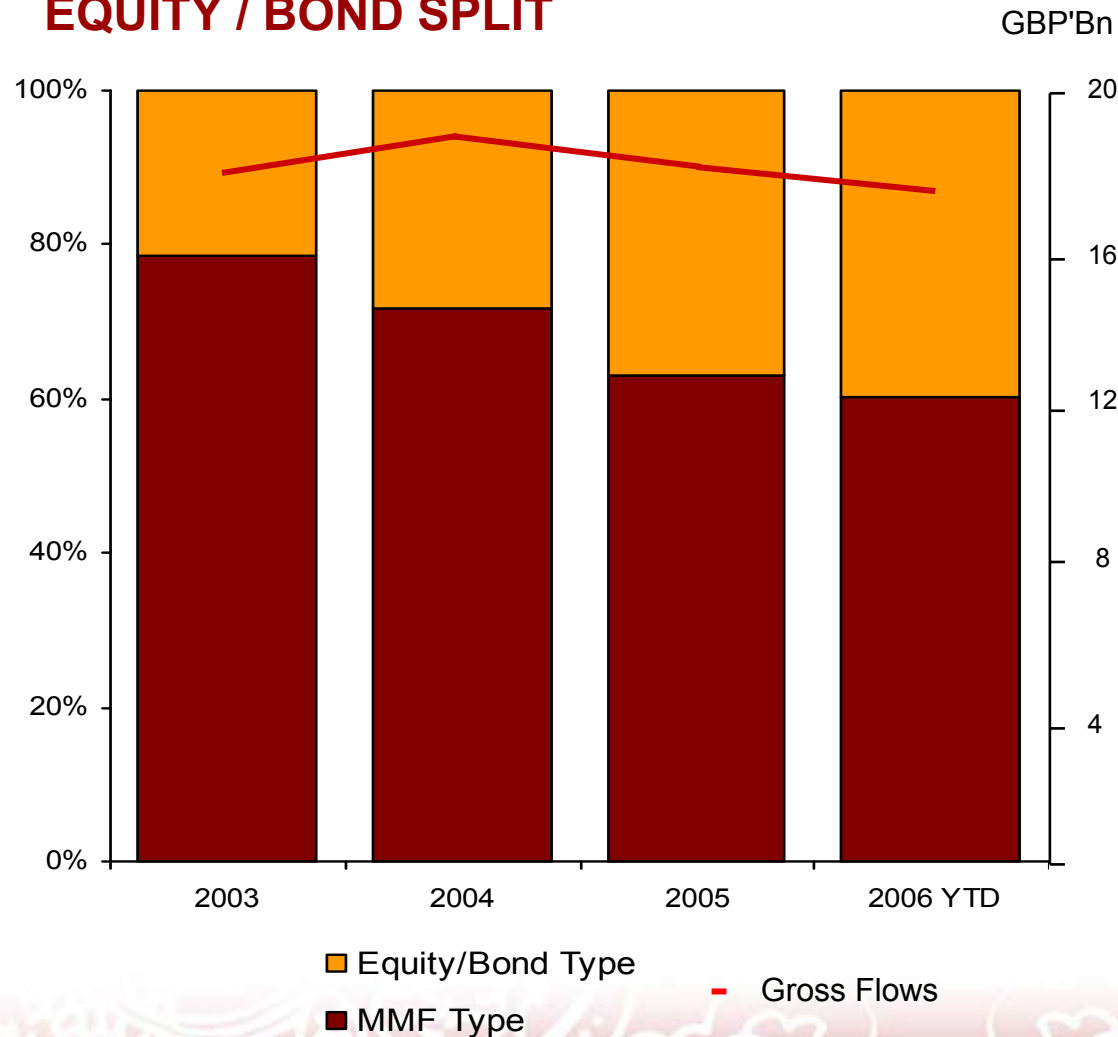




Gross Inflows

Material and dominated by Money Market Funds

MONEY MARKET FUNDS AND EQUITY / BOND SPLIT



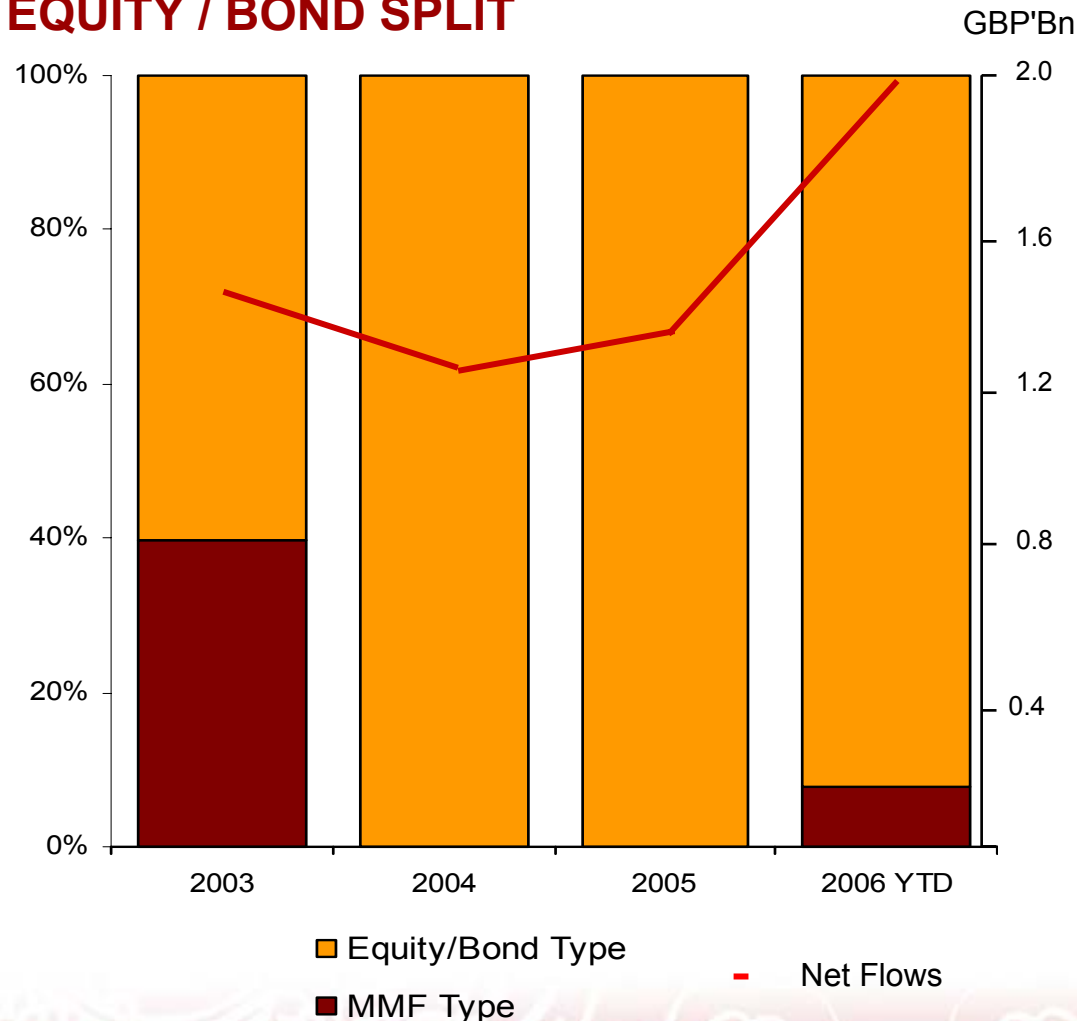
- YTD 2006* Gross Flows of **GBP 17.9 Bn.**
- Total Money Market Funds (MMF) Gross flows decreased from 78% in 2003 to 60% of total Gross Flows YTD 2006.
- Two markets dominate our MMF Gross flows in 2006 - India and Taiwan (82% of gross flows YTD)

* 15 Nov 2006



Net Inflows Predominantly Equity and Bond Funds

MONEY MARKET FUNDS AND EQUITY / BOND SPLIT



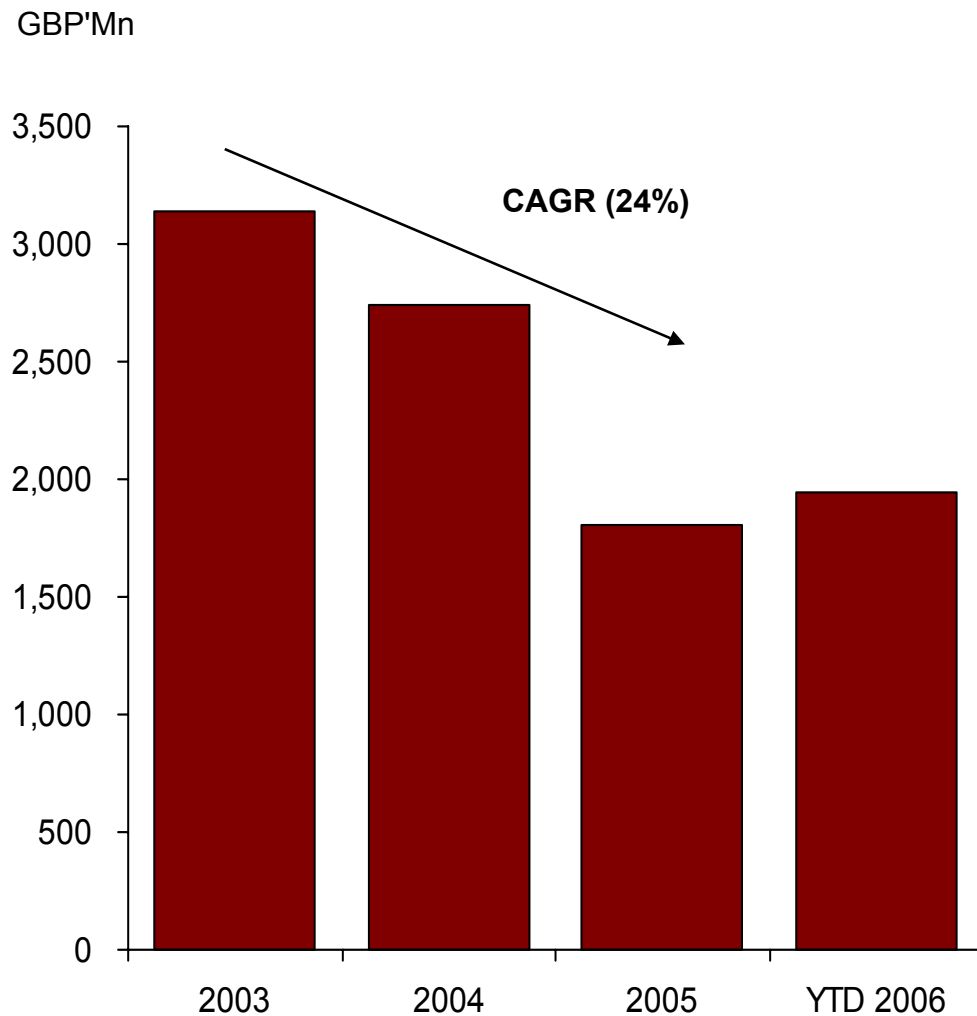
- YTD 2006* record Net Flows of **GBP 2 Bn.**
- Net outflows of MMF in 2004 and 2005
- MMF is still an important asset class offering choice to customers and a “first step” conversion of cash and deposits to mutual fund products.

* 15 Nov 2006



MMF FUM

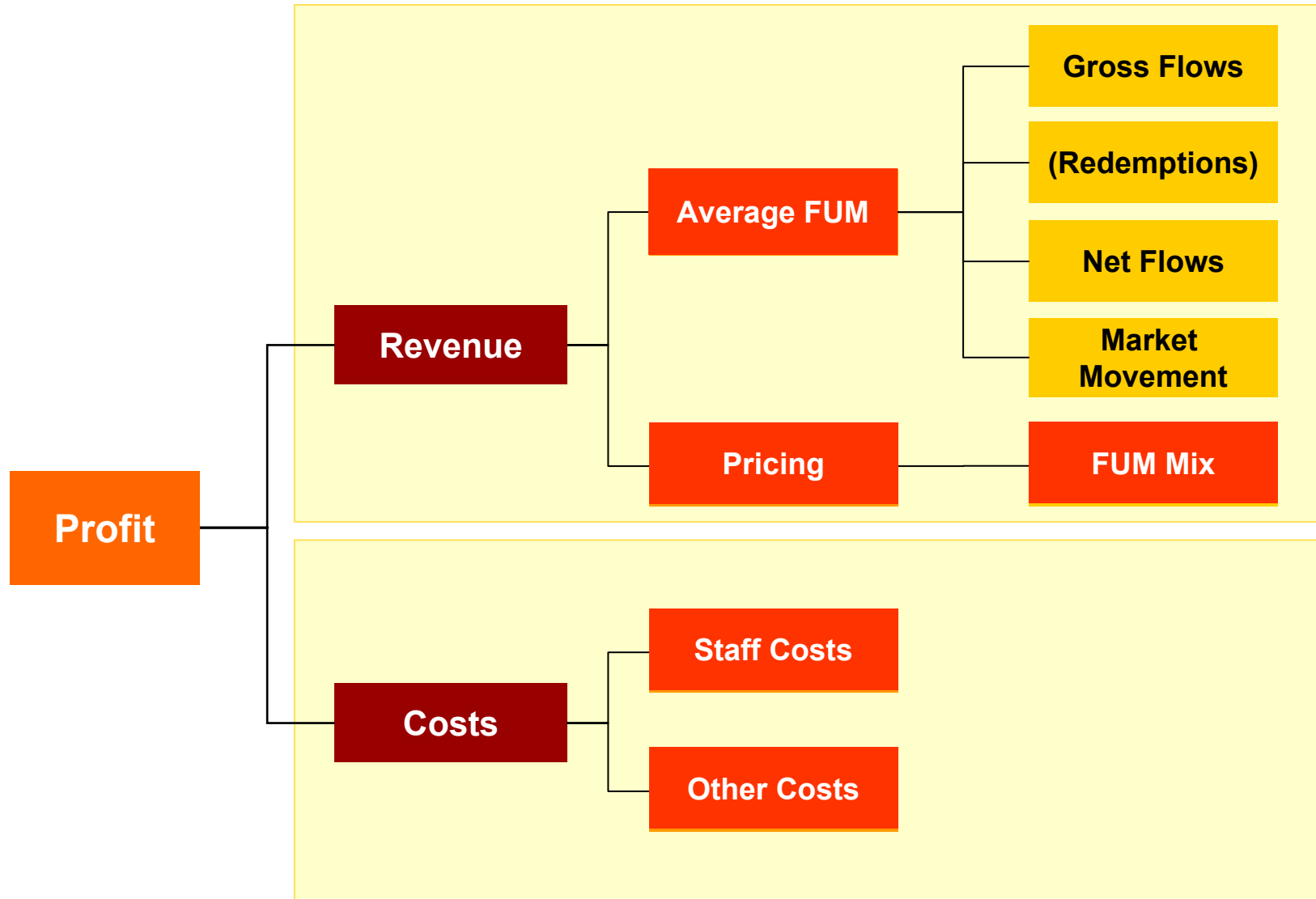
Still sizeable and profitable



- YTD 2006* money market fund FUM of **GBP 1.9 Bn.**
- MMF remains a profitable asset class given low cost of service.
- Material Gross inflows into MMF Funds, which have relatively low persistency, do not have an adverse impact on our business, its stability and sustainability of earnings.



Profit drivers

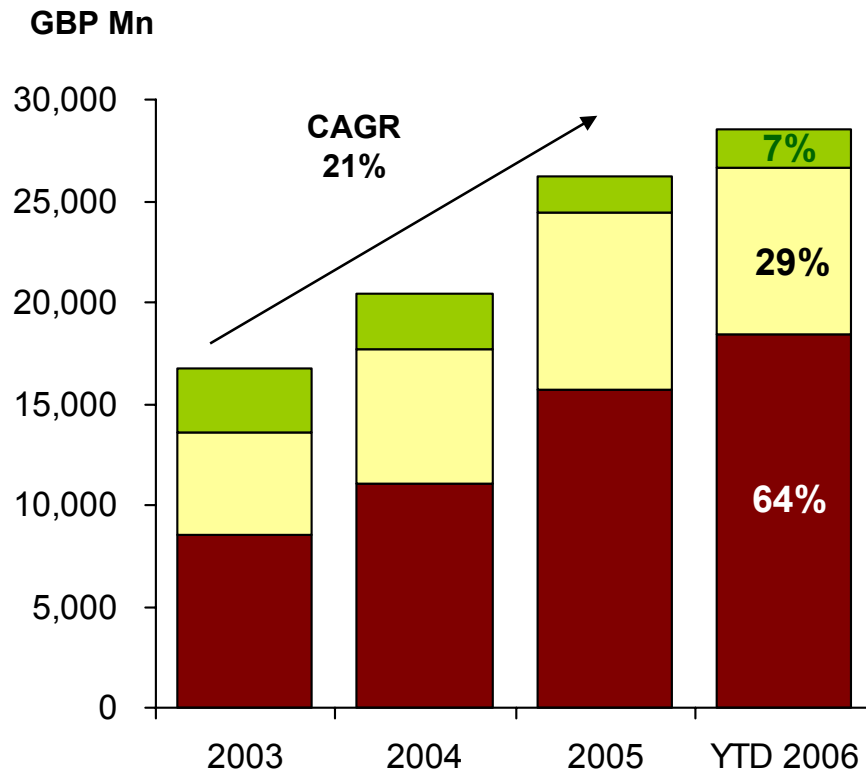




Total FUM

Growing and improving asset class mix

FUM of GBP 28.6bn YTD 2006*



**CAGR
03 to 05**

(24%)

32%

36%

PRICING (Retail)

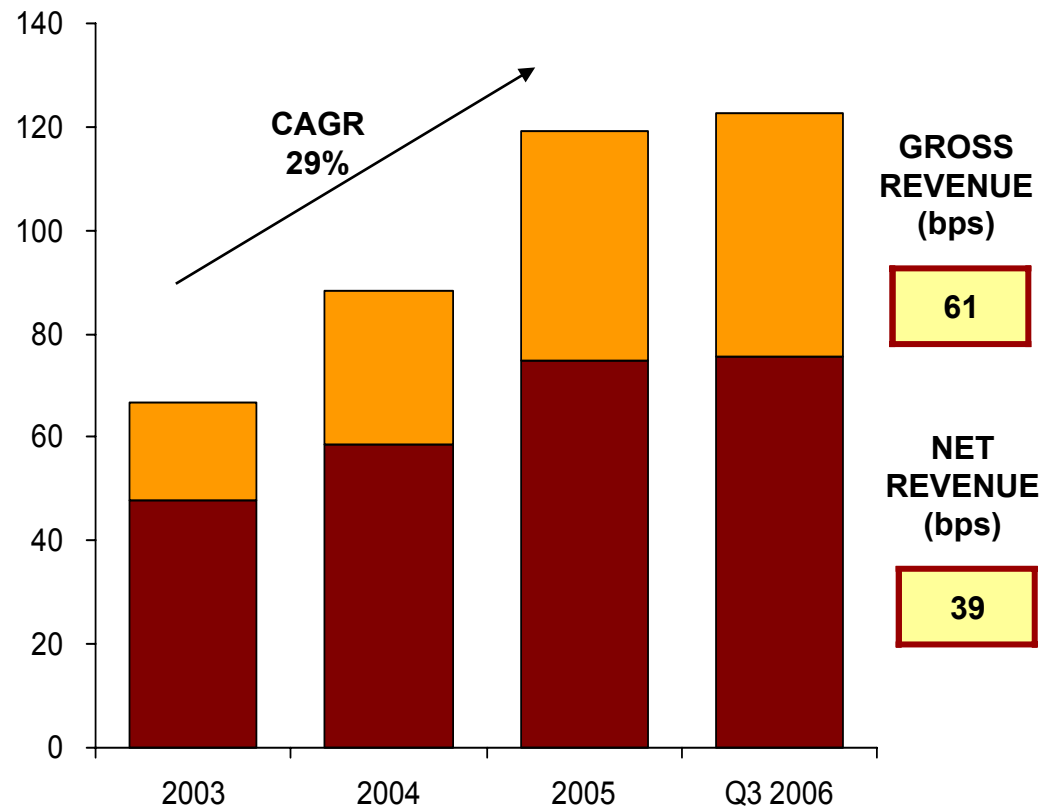
Asset Class	Gross Fee (bps)	Net Fee (bps)
MMF Type	20	15
Bond Type	70	45
Equity Type	100	75



Revenue Growing faster than FUM

GROSS AND NET REVENUE

GBP Mn



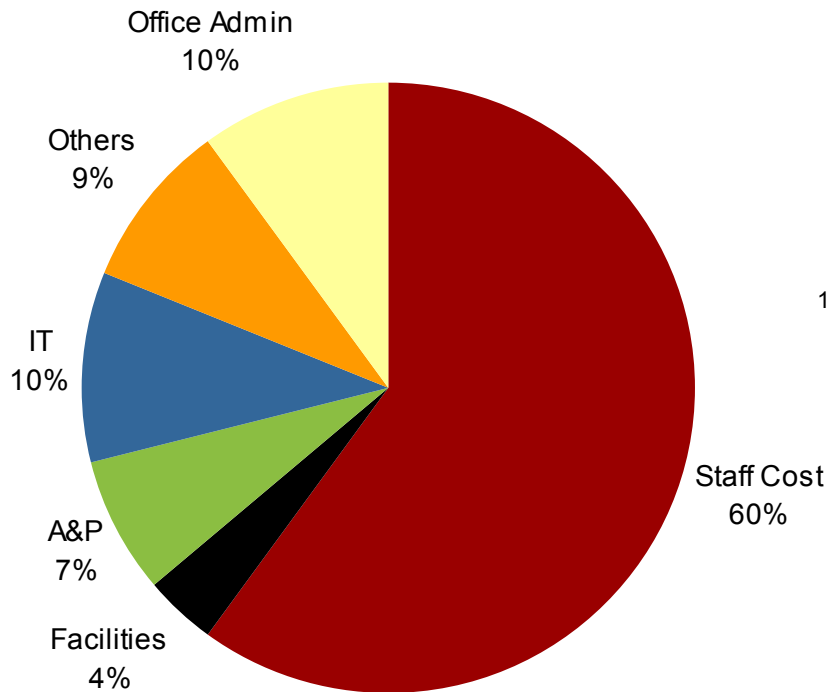
- Gross Revenue calculated from gross fees paid by customer. Net Revenue deducts costs of sales – distributor commission
- Net revenue equivalent to gross profit.
- Higher growth rate of Net Revenue reflects FUM with higher fees and inherent benefits of persistency



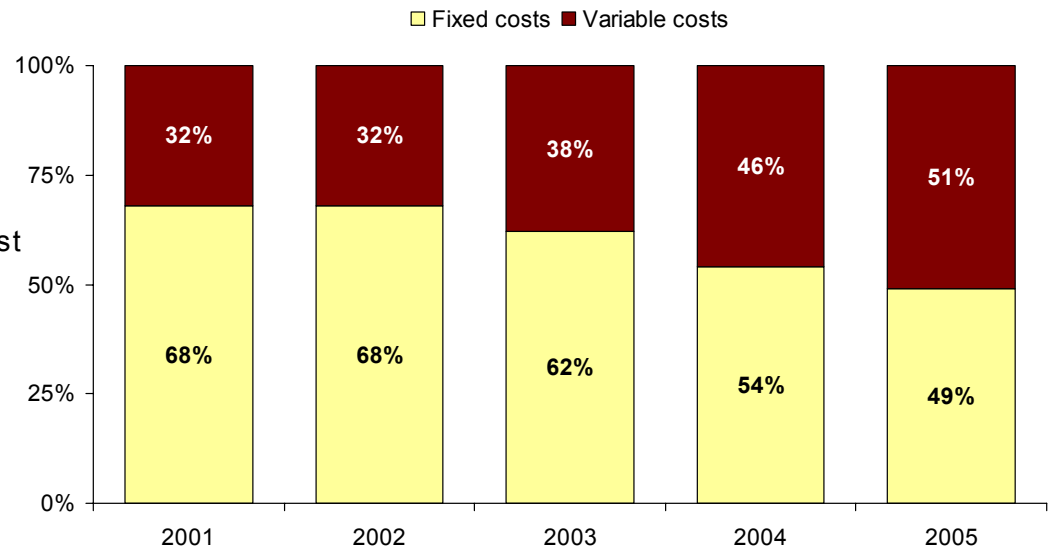
Operating Costs

Building a scalable platform

TOTAL OPERATING COST- FY 2005



- Operating costs are relatively fixed in nature and tend to increase in “step” phases rather than in line with growth in FUM and revenues
- Operating costs net of cost of sales

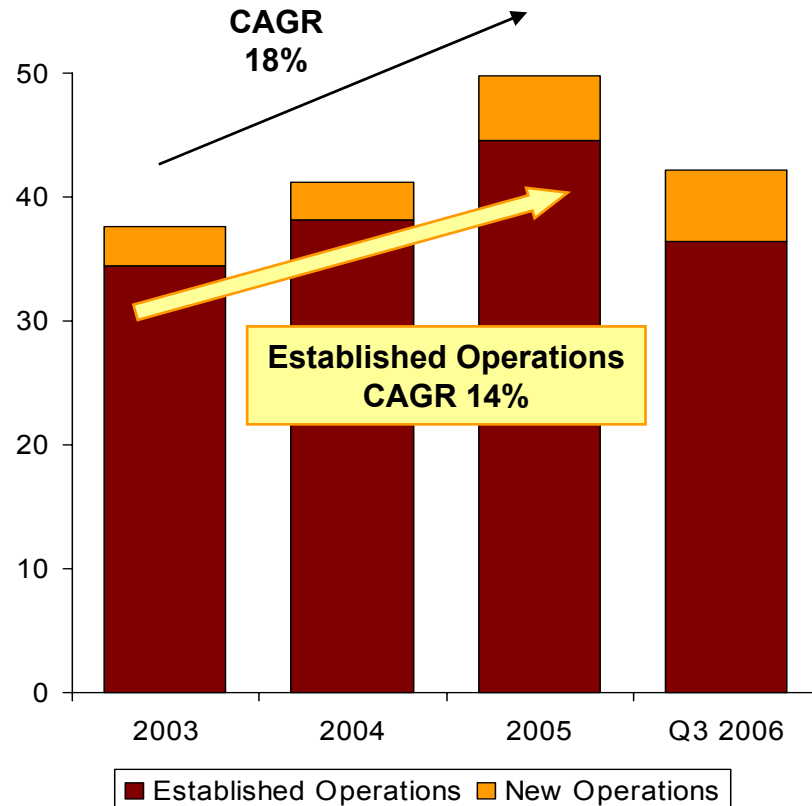




Operating Cost Growing slower than revenue

TOTAL OPERATING COST

GBP Mn



No. of operations

8

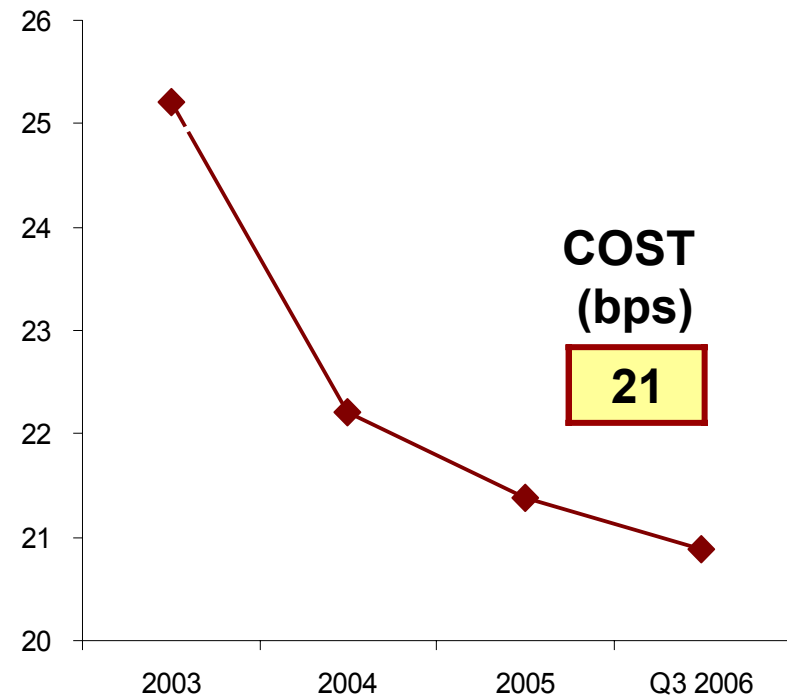
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10

10

OPERATING COST PER UNIT FUM

bps

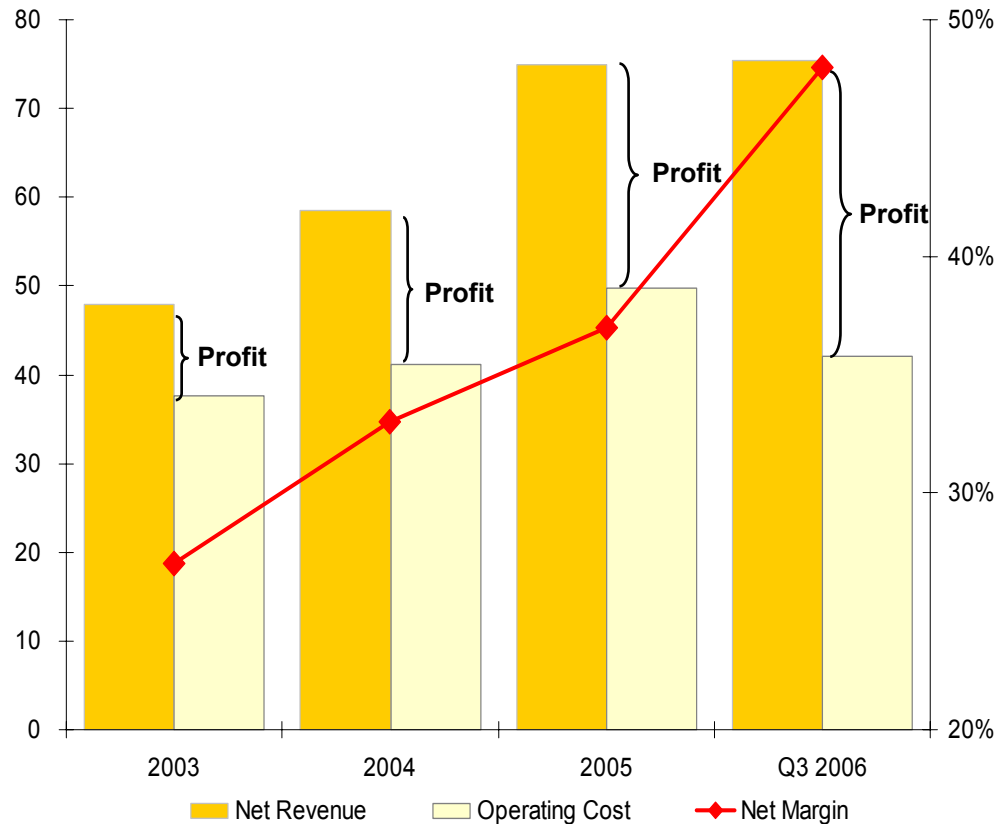


- Scale nature of business reduces average operating cost as FUM grows.



Net Margin Improving as benefits of scale take effect

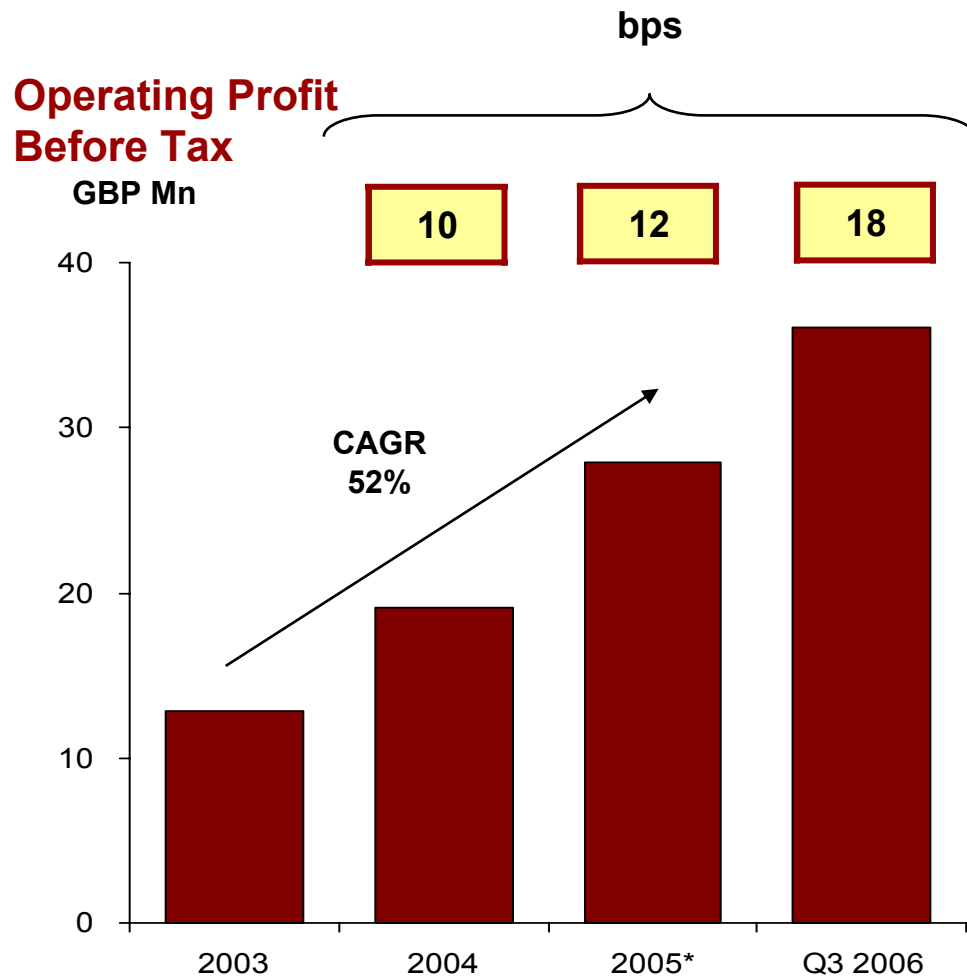
GBP'Mn



- Superior growth rate of net revenue over operating costs resulting in a widening gap between revenues and costs.
- Net margin increased from 27% in 2003 to 48% by Q3 2006



Operating Profits Before Tax Generating significant earnings growth



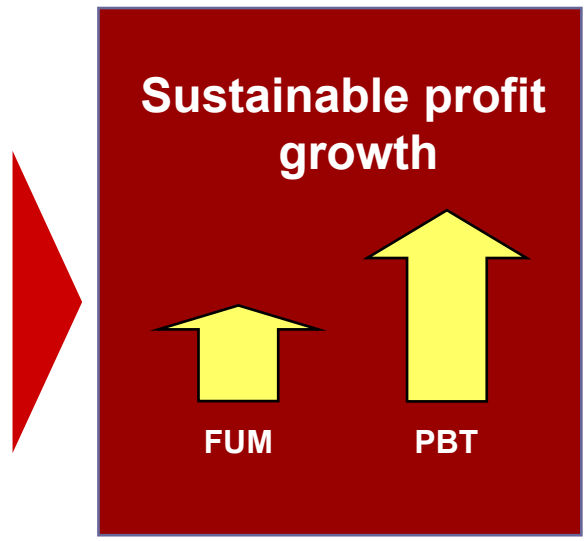
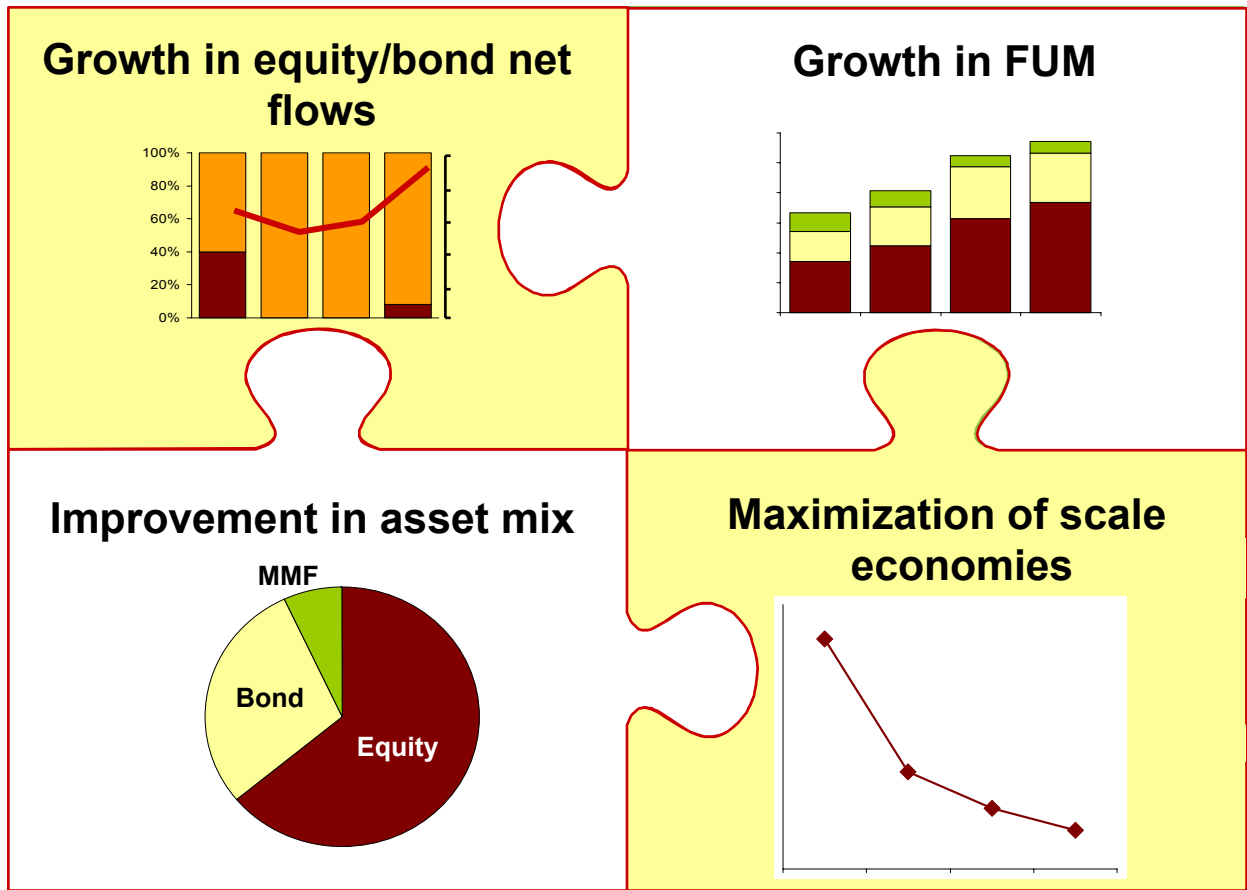
- Q3 2006 PBT of **GBP 36m** is **130%** of full year 2005 and **188%** of same period last year
- Growth in earnings driven by retail mutual fund operations.

* Before Exceptional Item



Summary

Material but we are looking to future growth





**Prudential:
Leading in Asia**

Asia : 4 Key Markets

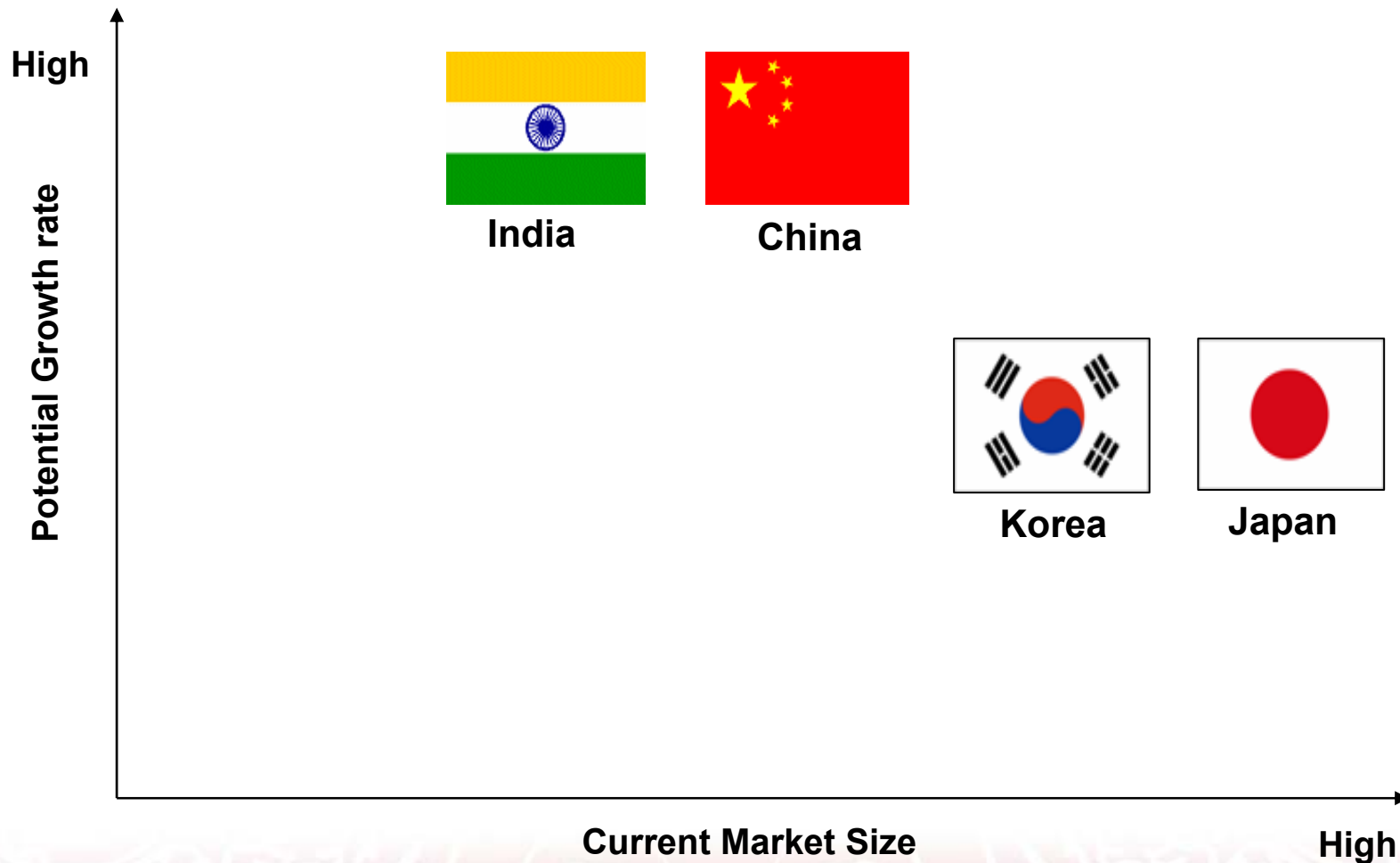
**Ajay Srinivasan
Chief Executive, Fund Management
Prudential Corporation Asia**





Asia's key markets

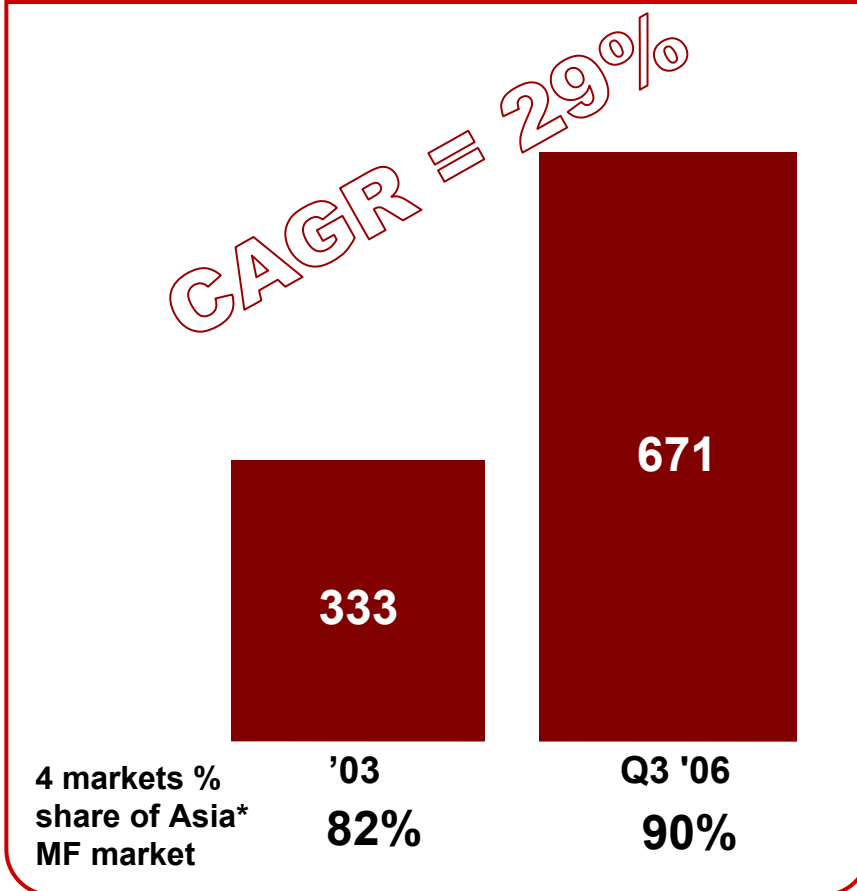
Japan, Korea, China and India : 4 key markets in Asia









Mutual funds market in 4 key markets

Market size and growth of 4 key markets
(GBP Bn)



MF market CAGR 03-Q306

	Japan	26%
	Korea	35%
	China	60%
	India	31%
Total Asia*		25%

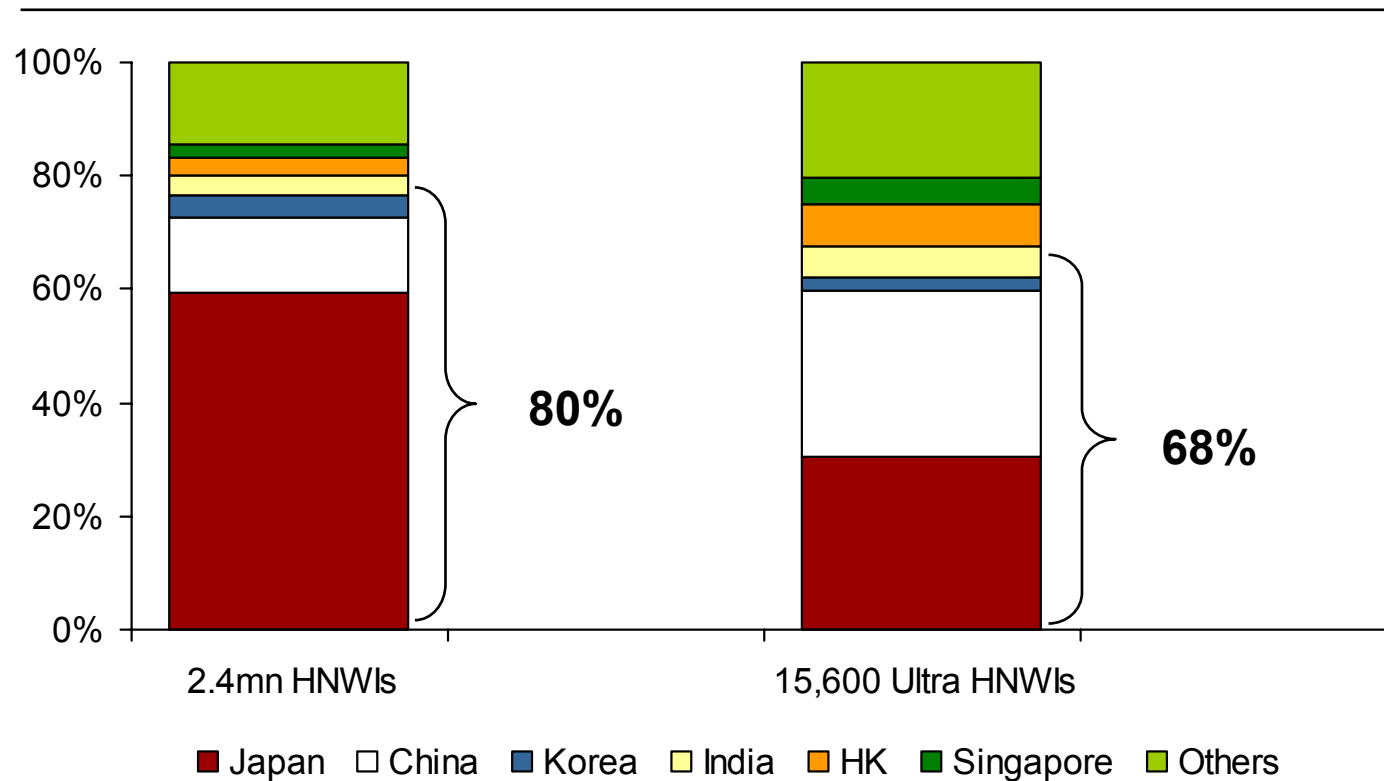
Source: Cerulli Associates, Association of Mutual Funds in India, Wind, Securities Inv Trust Association, KITCA, Internal Research * Consisting of 9 countries that PCA operates in



Large and wealthy economies

Japan, China, Korea and India account for most of the HNWI and Ultra-HNWIs in Asia

% of Asia-Pacific HNWI and Ultra-HNWIs by market 2005

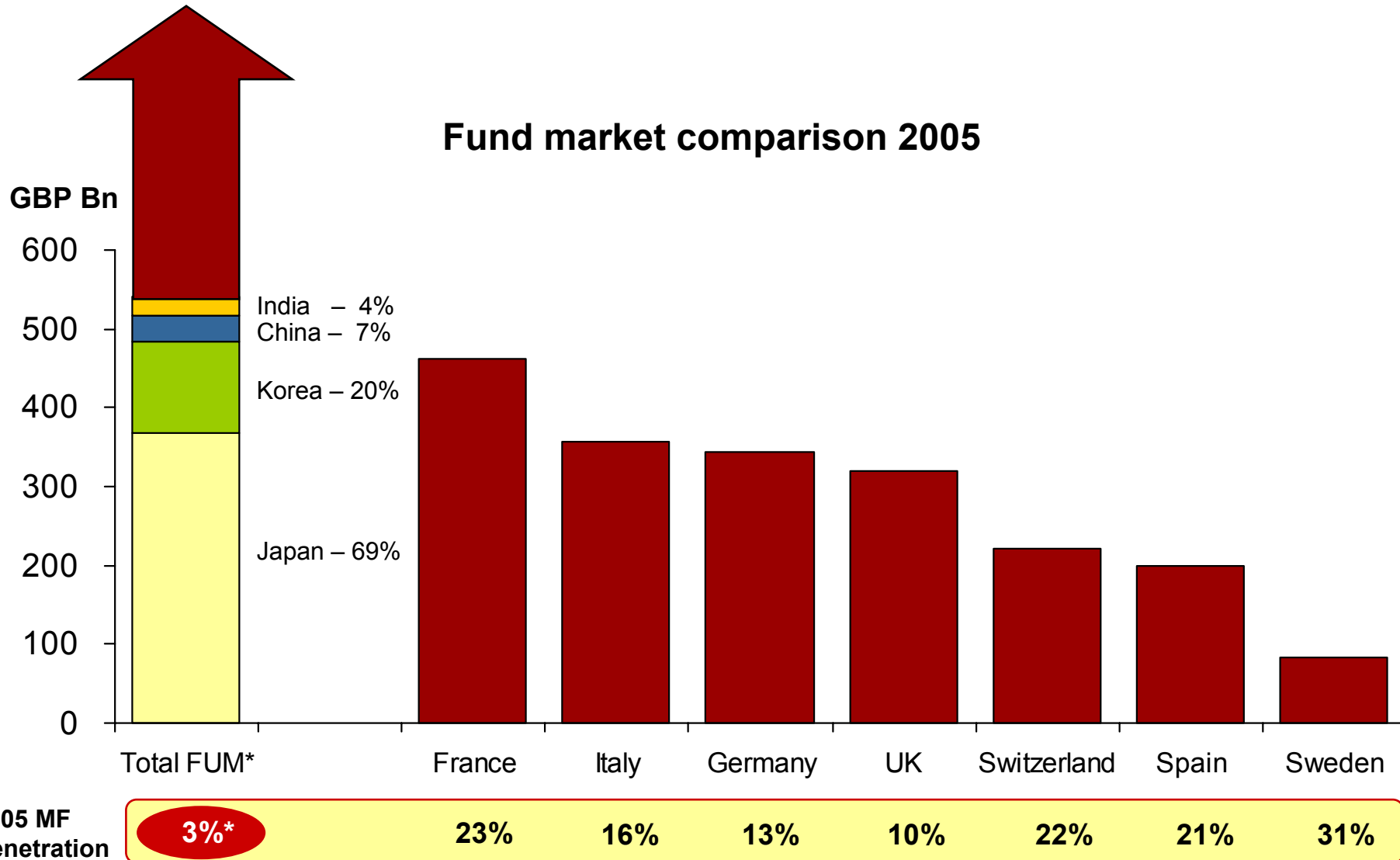


Source: Cap Gemini Merrill Lynch Asia-Pacific Wealth Report 2006

Note : HNWIs hold more than GBP 535,000 in financial assets and Ultra-HNWI hold in excess of GBP 16mn in financial assets



Increasing Asian retail FUM penetration from 3% to 10% would add GBP 620Bn in FUM



Source: Fund market comparison and MF Penetration Rate as % of HHFA - Cerulli Global Update YE2005.

* Total FUM and retail FUM penetration rate for 4 countries based on Internal Research and Citigroup



**Prudential:
Leading in Asia**

A light-colored map of the Asian continent is centered in the background of the slide.

Japan : Building scale via greenfield in Asia's largest market

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

**Felix Pang
Chief Executive Officer
PCA ASSET Japan**



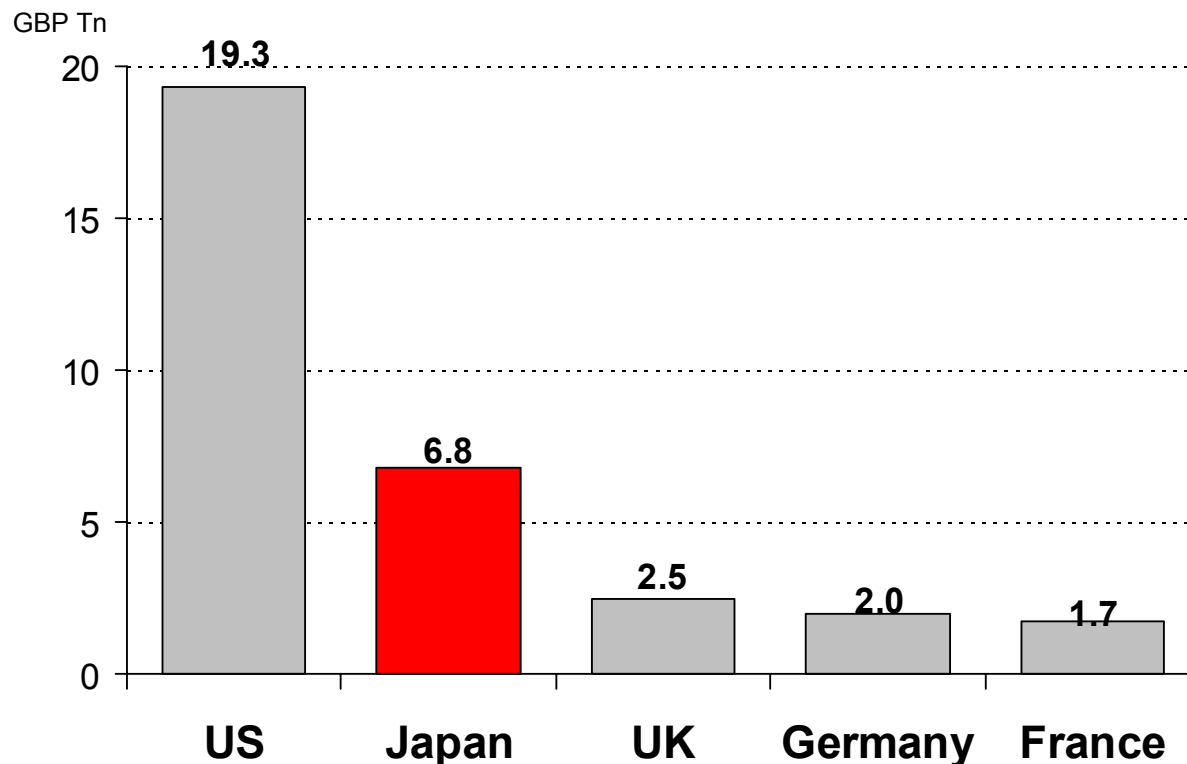
Japan market overview

Large and wealthy economy



The world's 2nd largest pool of personal financial assets (PFA)

Personal Financial Assets



GDP (GBP Tn)

Population (Mn)

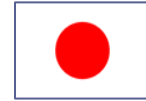
	US	Japan	UK	Germany	France
GDP (GBP Tn)	6.2	2.4	1.1	1.4	1.1
Population (Mn)	298	128	60	83	61

Source: PFA - Bank of Japan; Japan as of March 2006 and other countries as of 2001. GDP & Population - Government of Japan; as of 2005

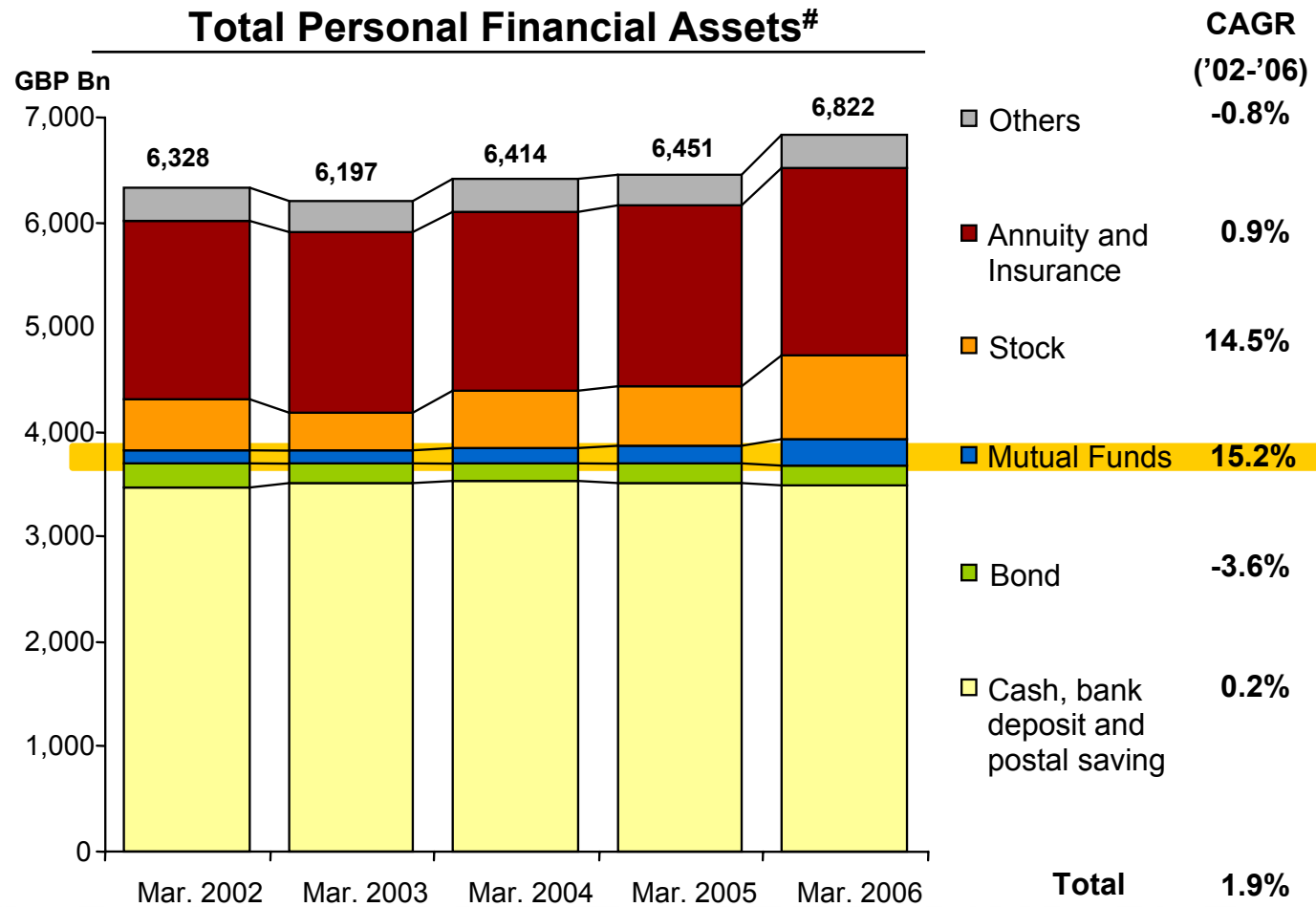


Japan market overview

Steady growth in investment mentality



Only 3% of PFA in Mutual Funds; forecast to grow to 4.8-6.6%* in 2009
1% increase in MF penetration = GBP 68bn increase in market



Source: *Monitor, Nomura Asset Management #Bank of Japan, Daiwa Institute of Research



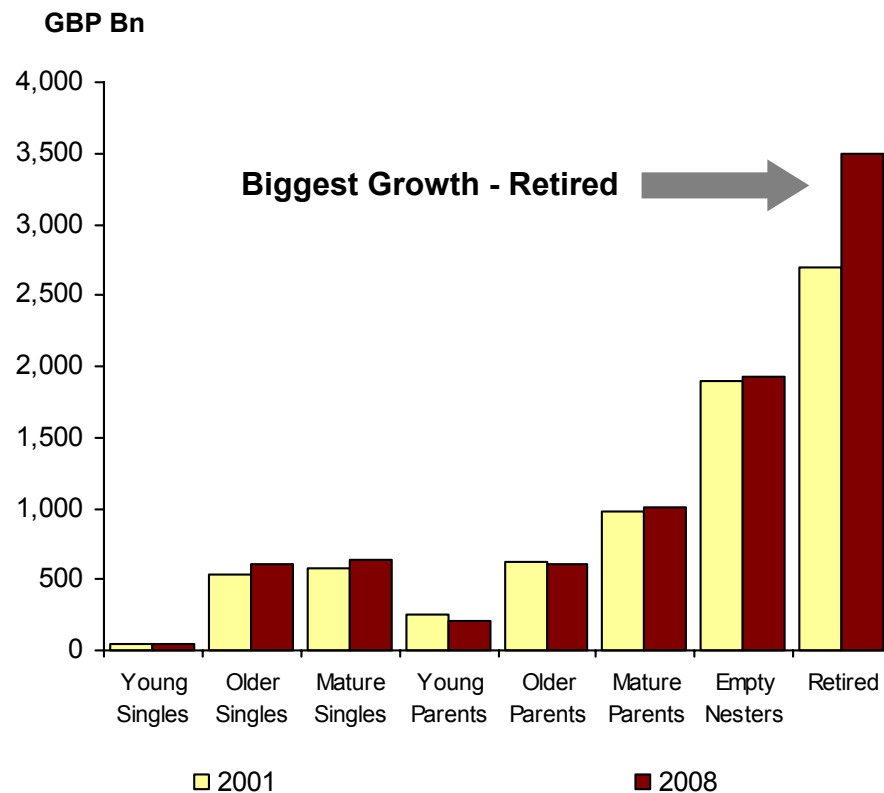
Japan market overview

Active investment by older generation

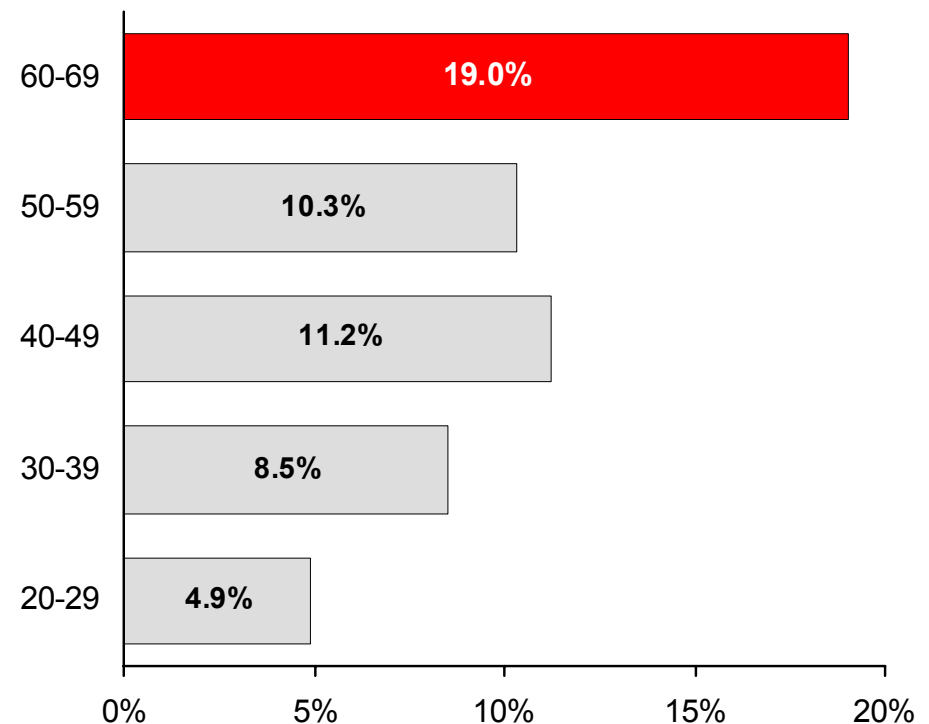


6.8 million baby boomers with GBP 200Bn PFAs* to turn 60 in the next 3 years

Japan - Retail saving pools



Ratio of MF Holding by Age# (2005)



Source: *Nikkei News # Investment Trust Association 'Survey on investment trust 2005' (n=2505) . Retail savings pool - Internal research & 2000 data for others and GDP growth rate. Original data by The Council for Financial Services Information (BOJ Organization).



Japan market overview

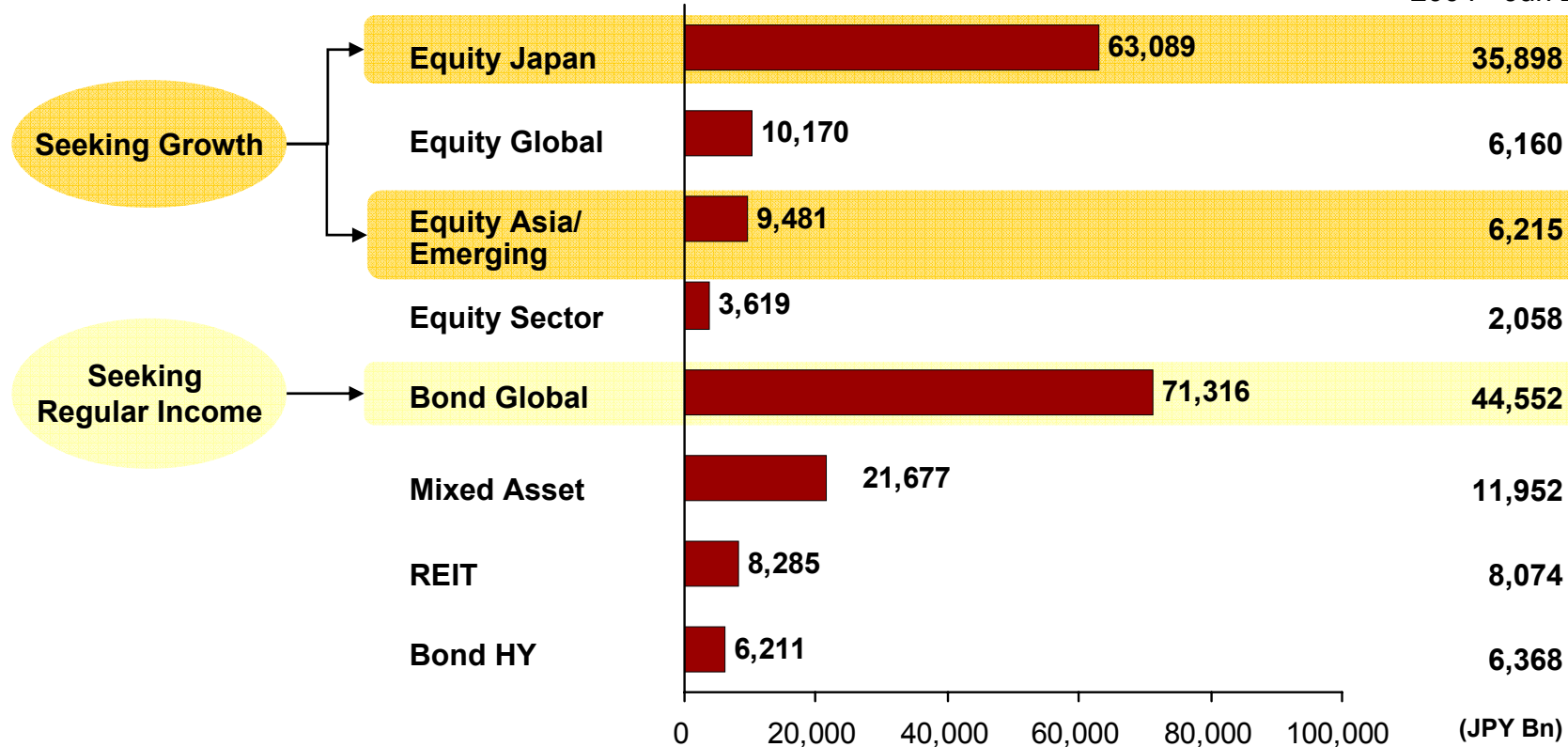
Product trends



“Growth” and “Regular Income” are the two major product categories

MF Market Size and Growth by Asset Category in GBP Mn (Jun 2006)

Inflow from Jun
2004 - Jun 2006



Source: Lipper, Monitor. Note: POIT only, excluding MMF, MRF and ETF trust



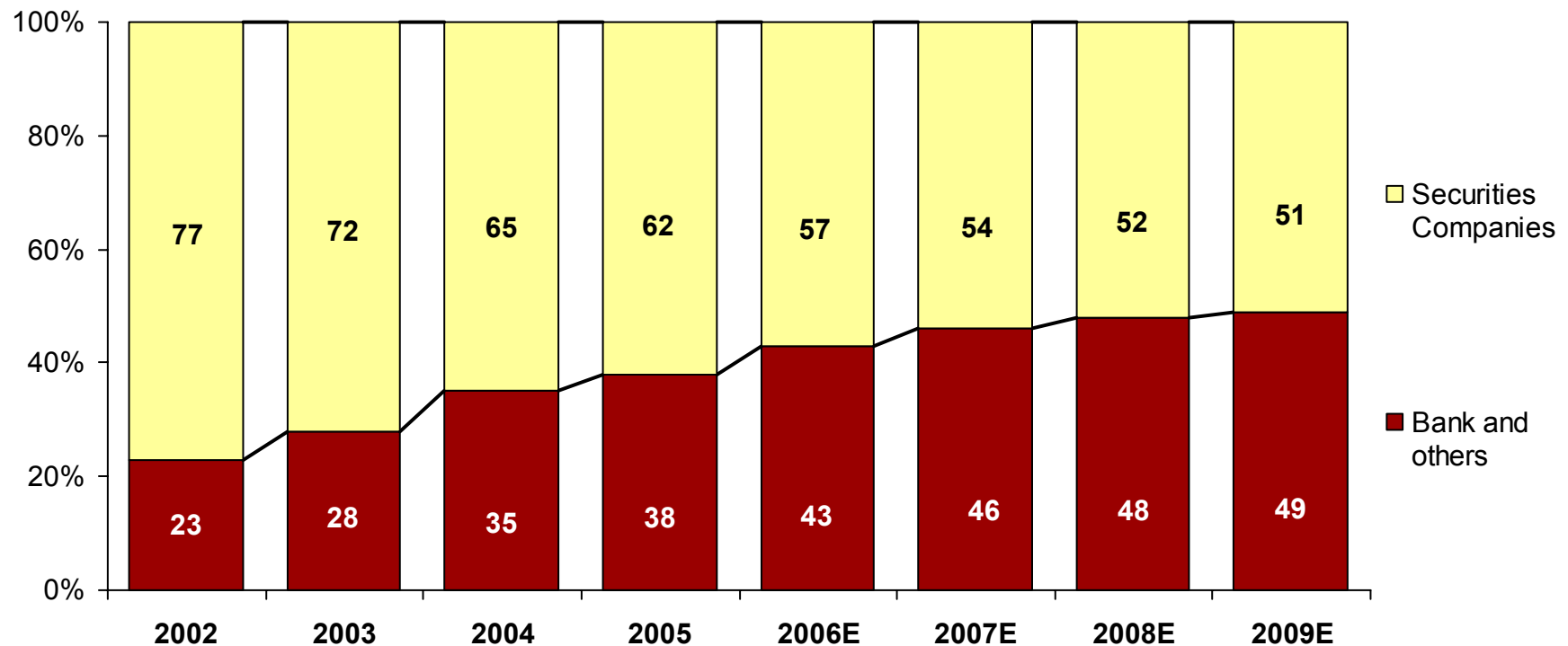
Japan market overview

Channel trends



Intermediaries traditionally dominant; growth of banks is significant and expected to continue

FUM of MFs by Channel



Source: 2002-2005 Actual data for POIT only from the investment trusts association Japan. 2006E-2009E source is Cerulli, for locally domiciled mutual fund AUM market share only.



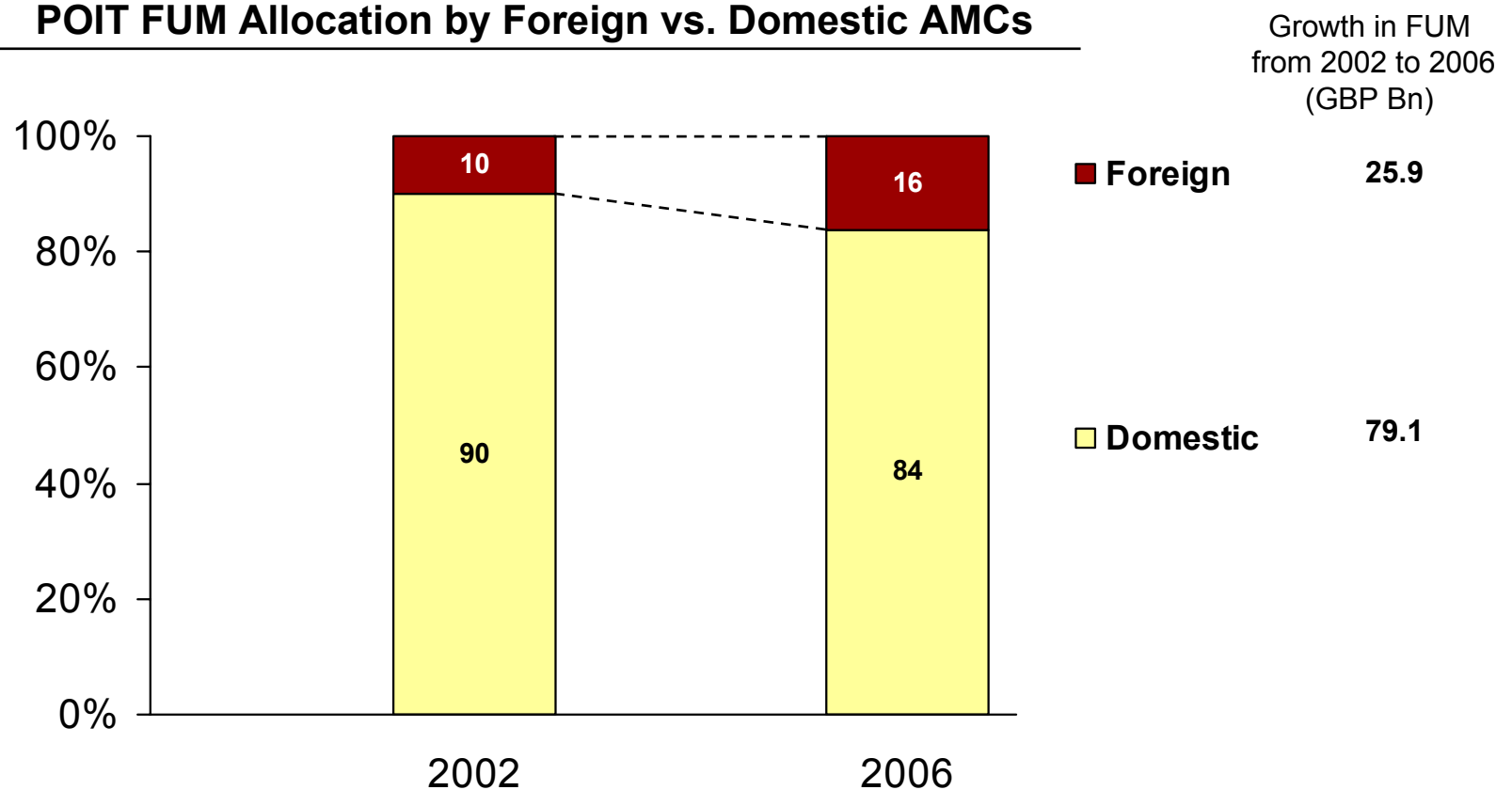
Japan market overview

Industry structure



Foreign asset management companies have grown their market share

POIT FUM Allocation by Foreign vs. Domestic AMCs



Source: Cerulli. Note: POIT only



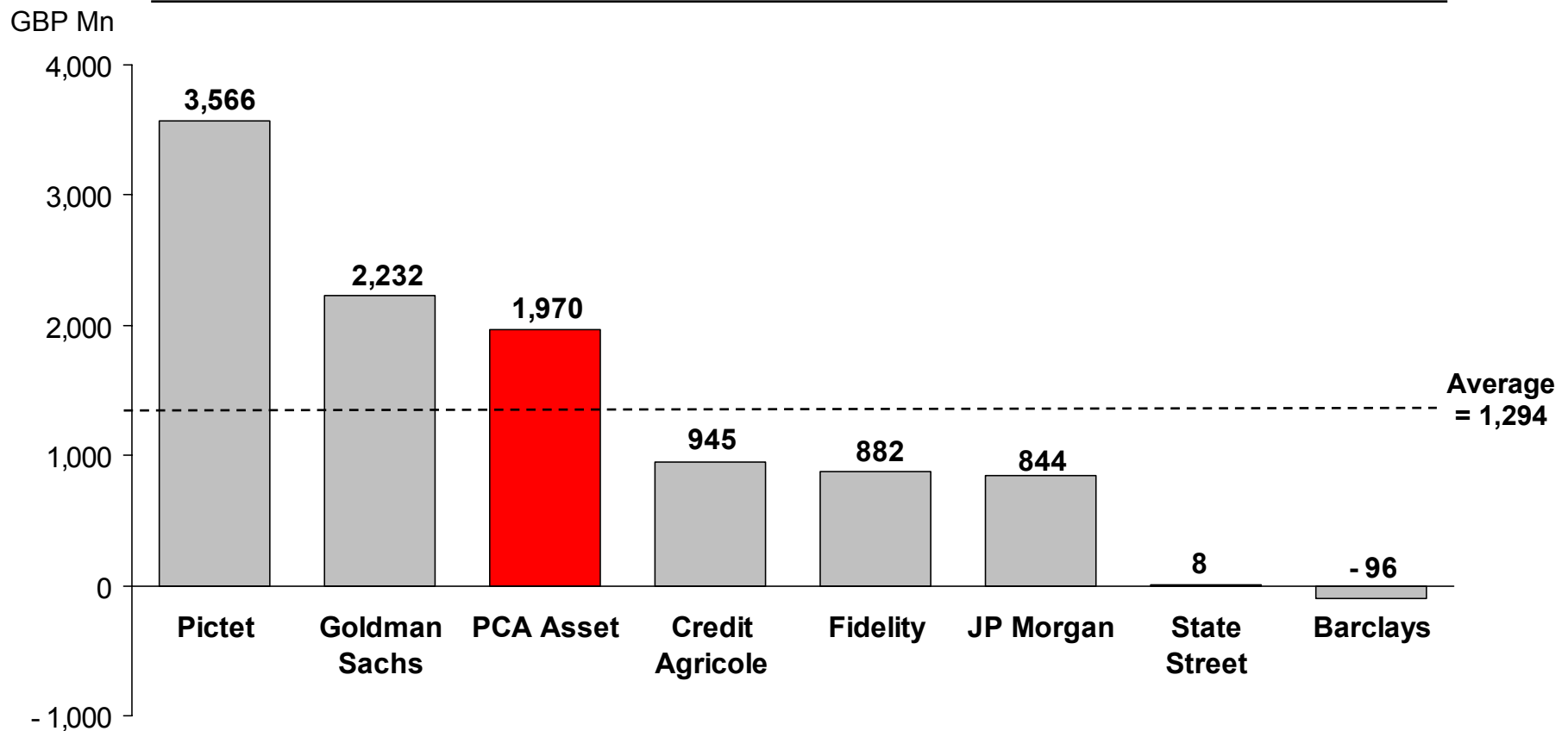
Our position in Japan

Comparative performance



We have the 3rd largest net inflows among all foreign AMCs

Net Inflow of Major Foreign AMCs in 2002-2005



Source: Japan IT Association. Note: Includes PPIT and POIT



Our position in Japan

Customer-centric strategy



We have targeted “regular income” and “growth” seekers with US High Yield and India Equity

Target Customer Needs

Provide Right Product

Significant Investor Needs

- Older generation seeks regular income
- Relatively experienced investors seek higher growth



US High Yield Open

- Open-ended fund investing in US high yield
- Pays stable monthly dividend



India Equity Open

- Open-ended fund investing in Indian equities
- High return can be expected in mid/long-term



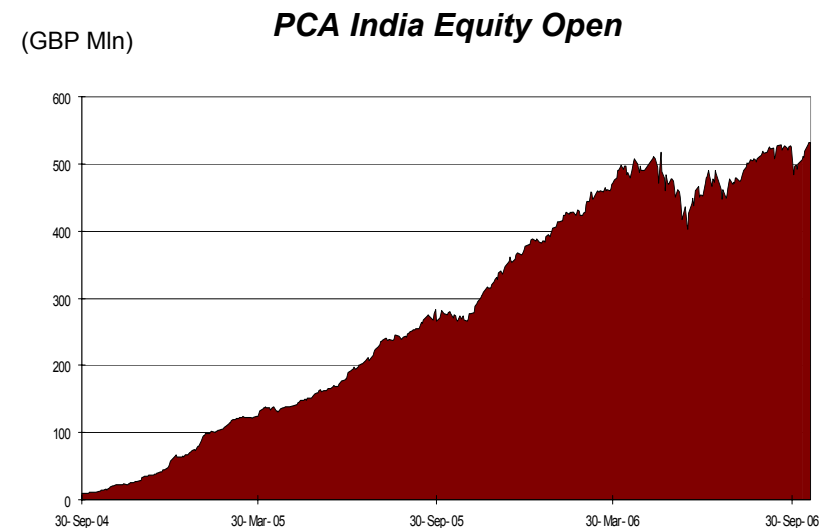
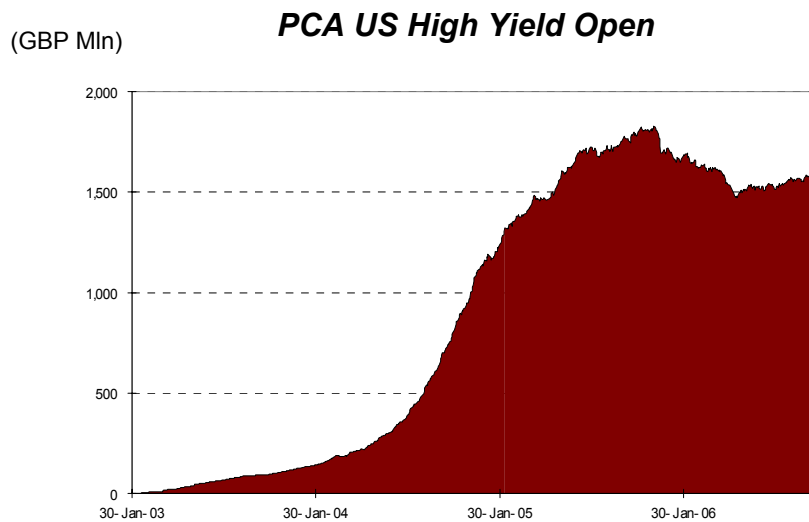
Positioning in Japan

Our key products



US High Yield Open: Japan's largest HY fund
India Equity Open: Japan's first India Equity Fund

Historical FUM



FUM Size by HY Products

AMC	FUM (MN)
PCA US HY Open	1,568
GS HY Bond Fund	1,277
Fidelity US HY Fund	353
PIMCO HY Fund	317
Alliance HY Open	316

FUM Size by IE Providers

AMC	FUM (MN)
Blackrock	560
HSBC	524
PCA Indid Equity Open	518
Deutsche	73

Note: FUM chart as of September 30, 2006 and tables as of August 31, 2006
 Source: PCA Asset Management Japan



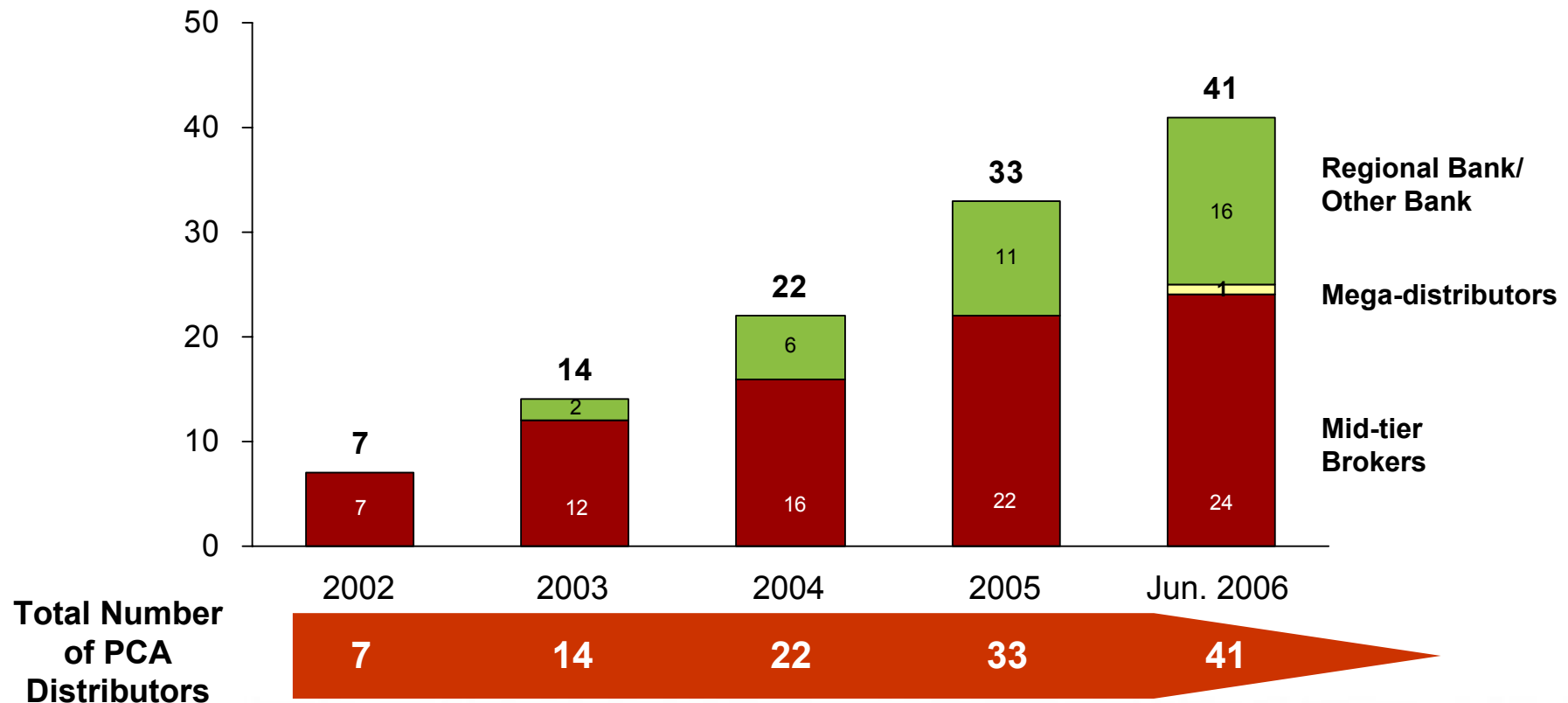
Positioning in Japan

Our distribution structure



Strong relationship with mid-tier brokers and accelerated penetration into regional banks

PCA's Distributor Numbers by Channel Type





Positioning in Japan

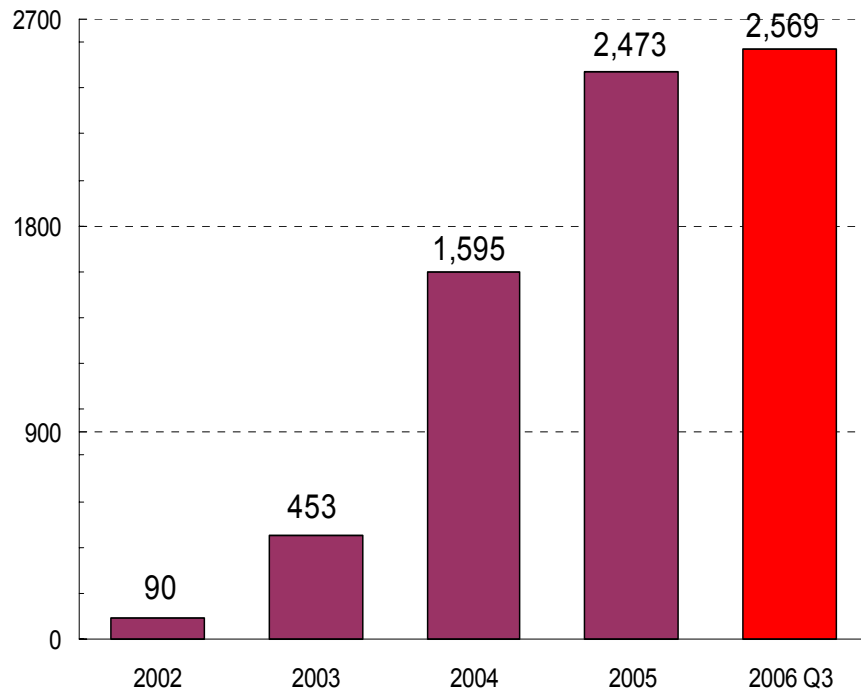
Our financial performance



Generating profits through product diversification and distributor expansion

FUM

GBP Mn



PBT

GBP Mn



Note: Unless otherwise stated, all results at constant exchange rates
Source: PCA Internal Data



Position in Japan

Market share expansion in retail space



Foreign AMC ranking improved from 24th to 6th

December 2002		
Foreign AMC	Name of Company	(GBP MM)
1	Fidelity	3,059
2	Goldman	2,461
3	Alliance	1,425
4	Merrill	1,389
5	L Mason (Citi)	1,218
6	JP Morgan	897
7	Deutsche	775
8	Credit Agricole	476
9	Morgan Stanley	448
10	Credit Suisse	429
11	Prudential	409
12	Franklin	396
13	Invesco	364
14	BNP	309
15	Schroder	307
16	Societe Generale	234
17	Pictet	232
18	United	227
19	Rothschild	207
20	AIG	181
21	Russell	173
22	Meiji Dresdner	141
23	Barclays	109
24	PCA	81
25	Baring	70
26	Commerz	63
27	Gartmore	50
28	UBS	44
29	State Street	38
30	GE	35

August 2006		
Foreign AMC	Name of Company	(GBP MM)
1	Fidelity	7,533
2	Pictet	6,212
3	Goldman	5,470
4	Credit Agricole	2,929
5	JP Morgan	2,829
6	PCA	2,277
7	L Mason (Citi)	1,991
8	Alliance	1,952
9	Deutsche	1,675
10	Franklin	1,652
11	Merrill	1,485
12	HSBC	1,449
13	AIG	1,229
14	Societe Generale	1,041
15	Meiji Dresdner	919
16	Schroder	832
17	UBS	767
18	Invesco	690
19	BNP	474
20	Credit Ssuisse	347
21	Morgan Stanley	337
22	United	218
23	Prudential	212
24	Baring	198
25	Commerz	189
26	Russell	120
27	Pimco	75
28	State Street	70
29	ING	41
30	Mellon	32

Sources : Nikkin Investment Trusts & Pensions. Note: POIT only



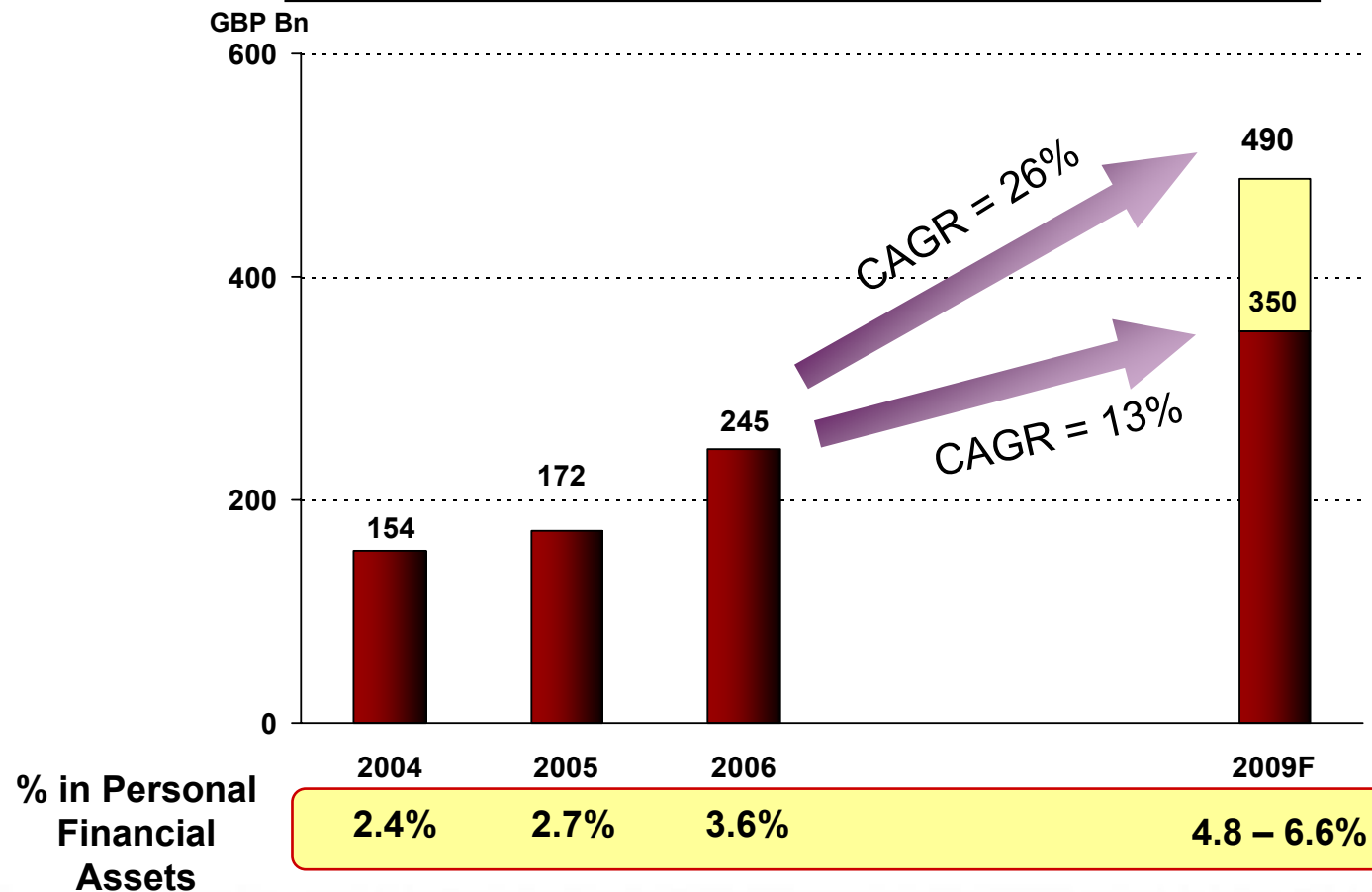
Path forward

Market growth expectation



Retail market is expected to grow to GBP350Bn - 490Bn in 2009

Historical and Expected Retail Funds*



Source: Monitor, Bank of Japan, Daiwa Institute of Research. *POIT only

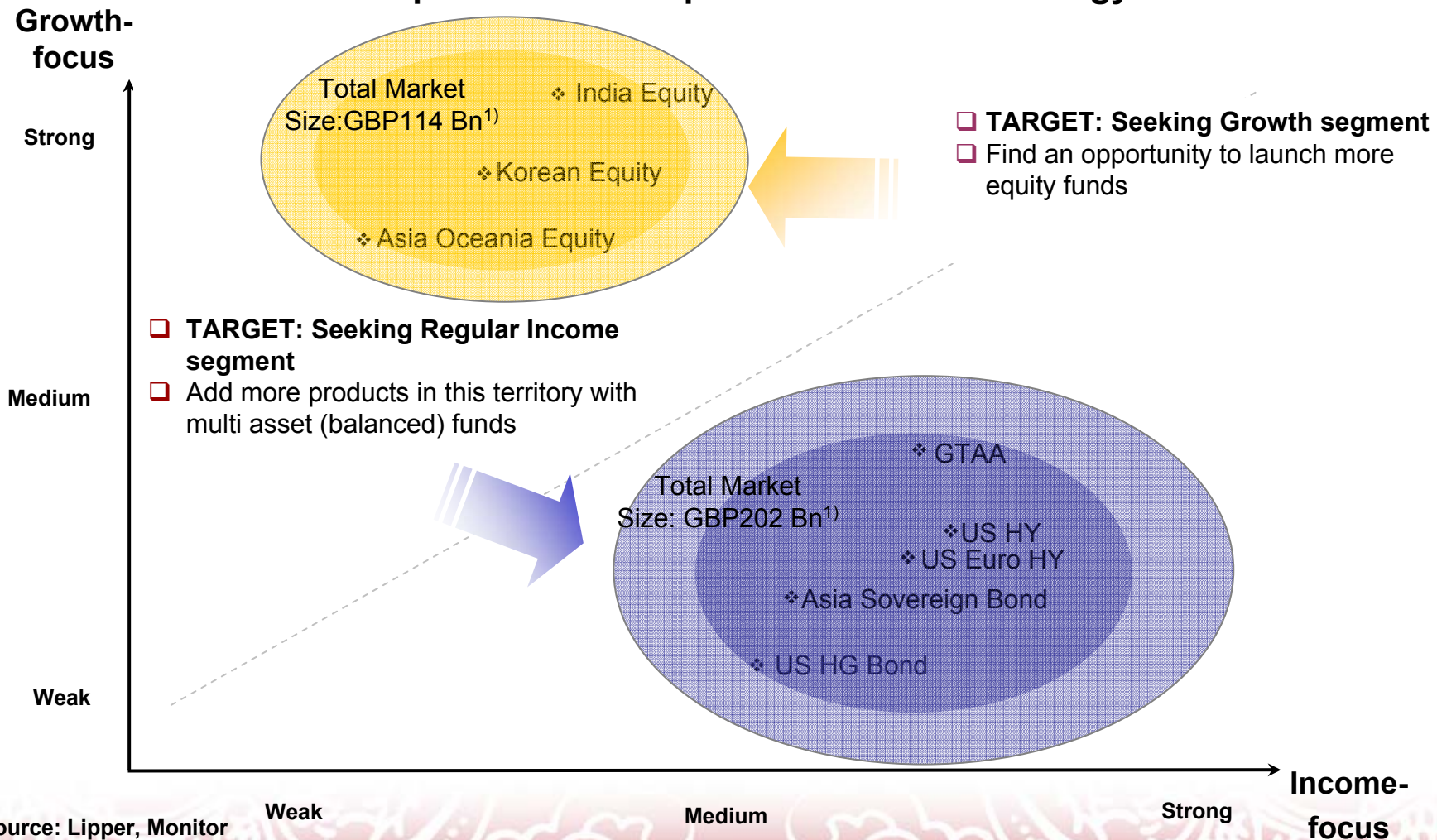


Path forward Product focus



Further expansion of the product range in the two demand areas

Expected Market Space and Product Strategy





Path forward

Distribution focus



Segmented approach for three channels

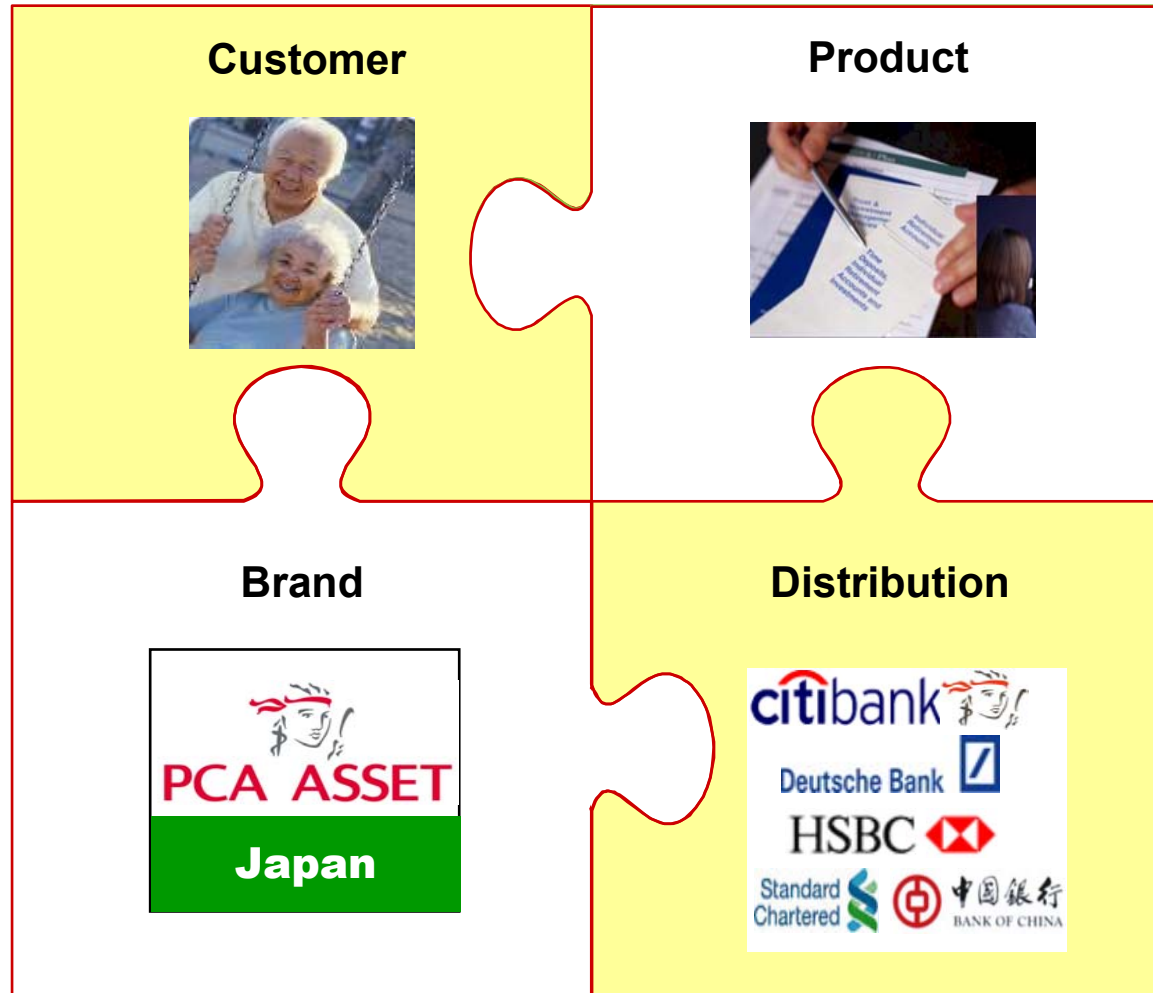
	<u>Focus</u>	<u>Initiatives</u>
Regional Bank	<ul style="list-style-type: none">• Main contact point to regular income seekers	<ul style="list-style-type: none">– Promotional Campaigns– Customer Seminars– Education Programs
Mid-tier Broker	<ul style="list-style-type: none">• Main contact point to growth-oriented customers	<ul style="list-style-type: none">– Sales Support Tools– Customer Seminars– New Products
Mega-distributors	<ul style="list-style-type: none">• Enhance PCA brand equity and marketing capabilities	<ul style="list-style-type: none">– New Products– Product Workshops

Source: The Investment Trust Association Japan, Monitor Analysis



Path forward

Strategic focus



Products

- **Continue to expand Asian products** to further strengthen PCAAM's market position with growth-oriented investors
- **Develop differentiated balanced/mixed type funds** in the mid-risk/return space

Distribution

- Accelerated penetration **into fast-growing regional banks** and other mid-size banks through leveraging existing products
- **Expanding relationships into mega distributors**



**Prudential:
Leading in Asia**

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

Korea : Building scale since acquisition

A stylized, intricate illustration of a dragon in white and light red is positioned in the bottom-left corner.

**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**

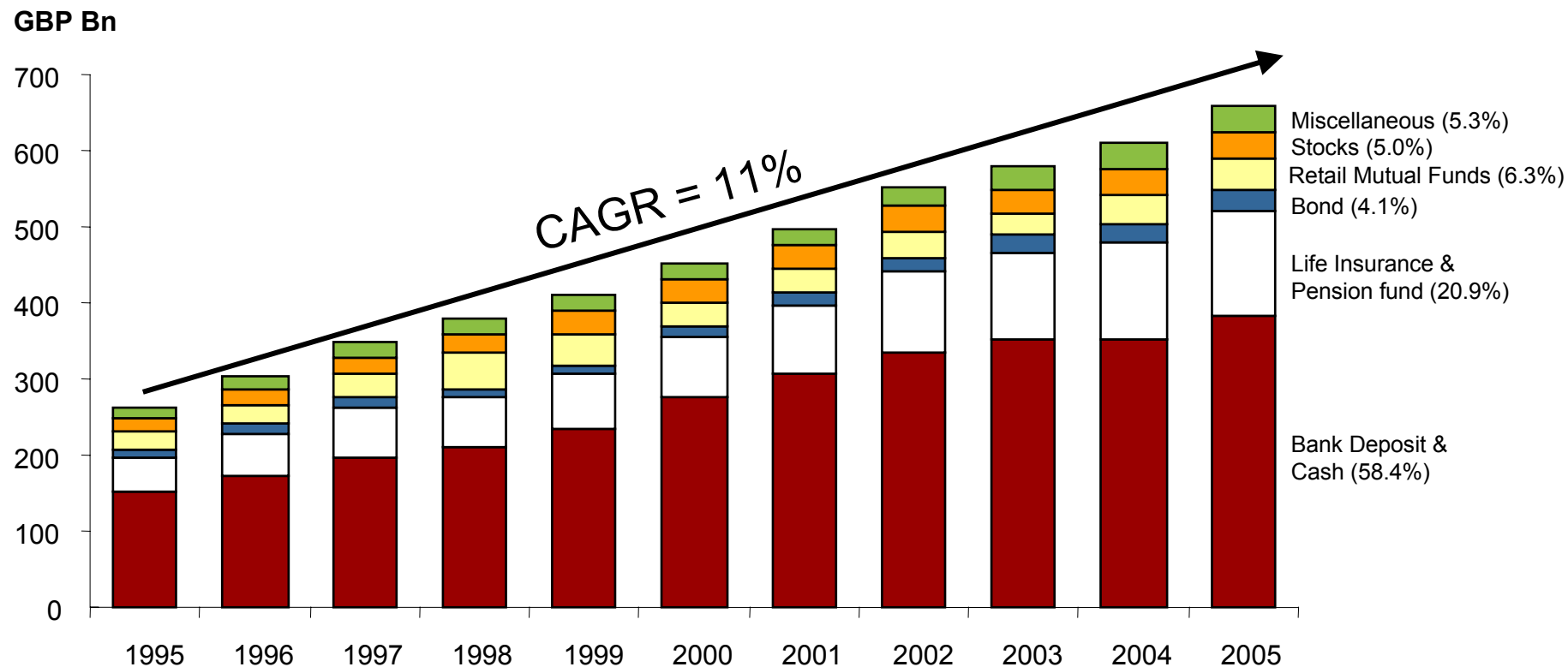


Growth potential Wealth and low penetration



**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



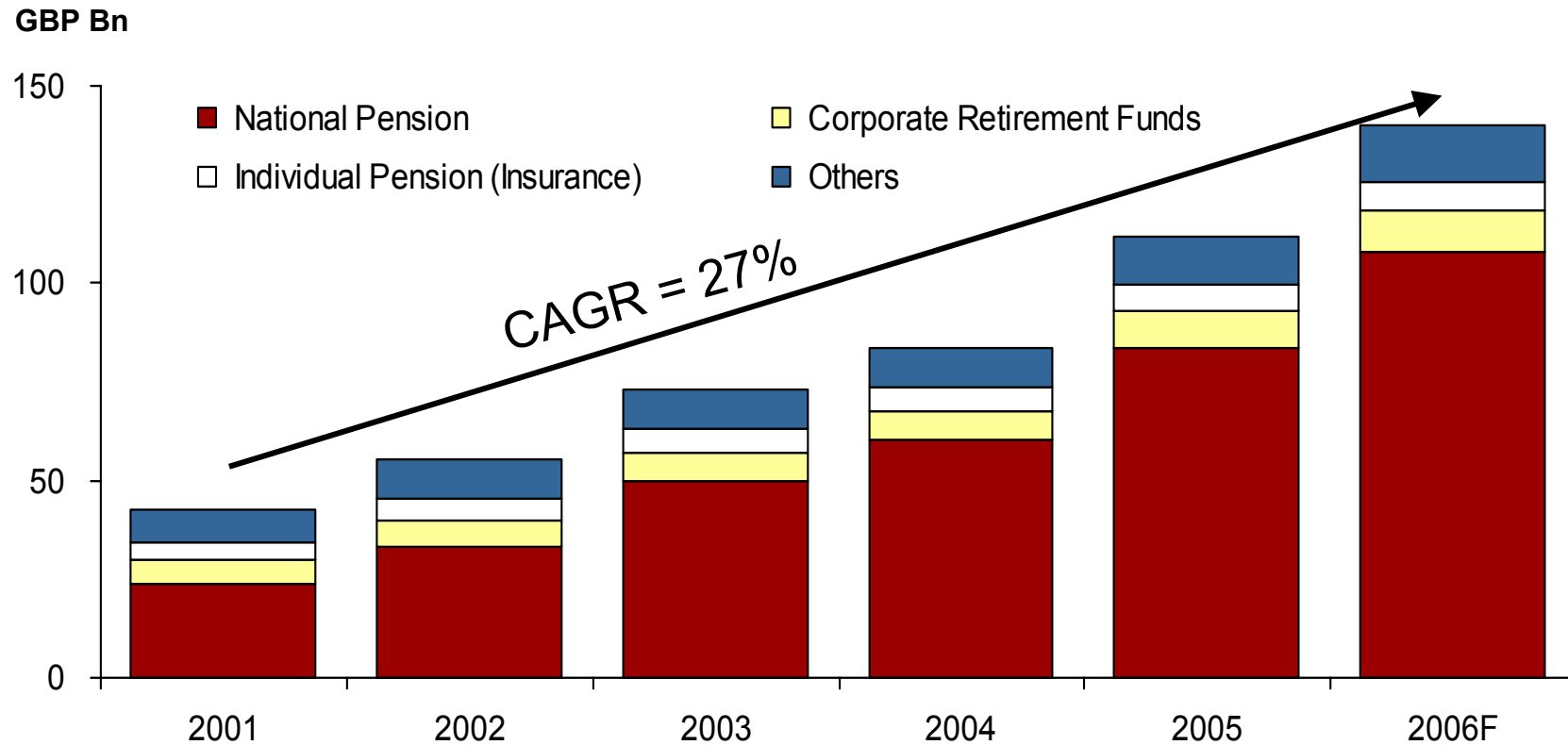


Growth potential Pension market



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

Rapidly Growing Korea Pension Market



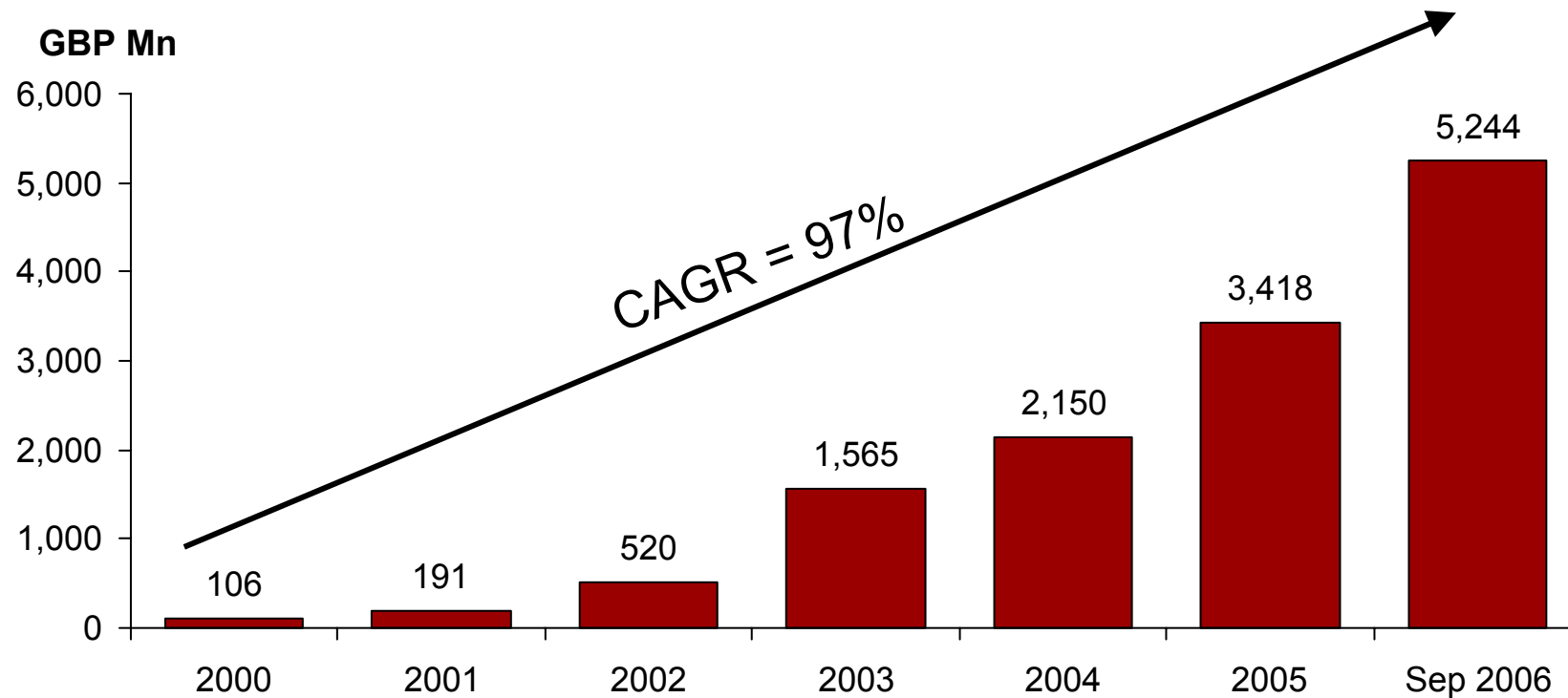


Growth potential Cross border funds



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)**

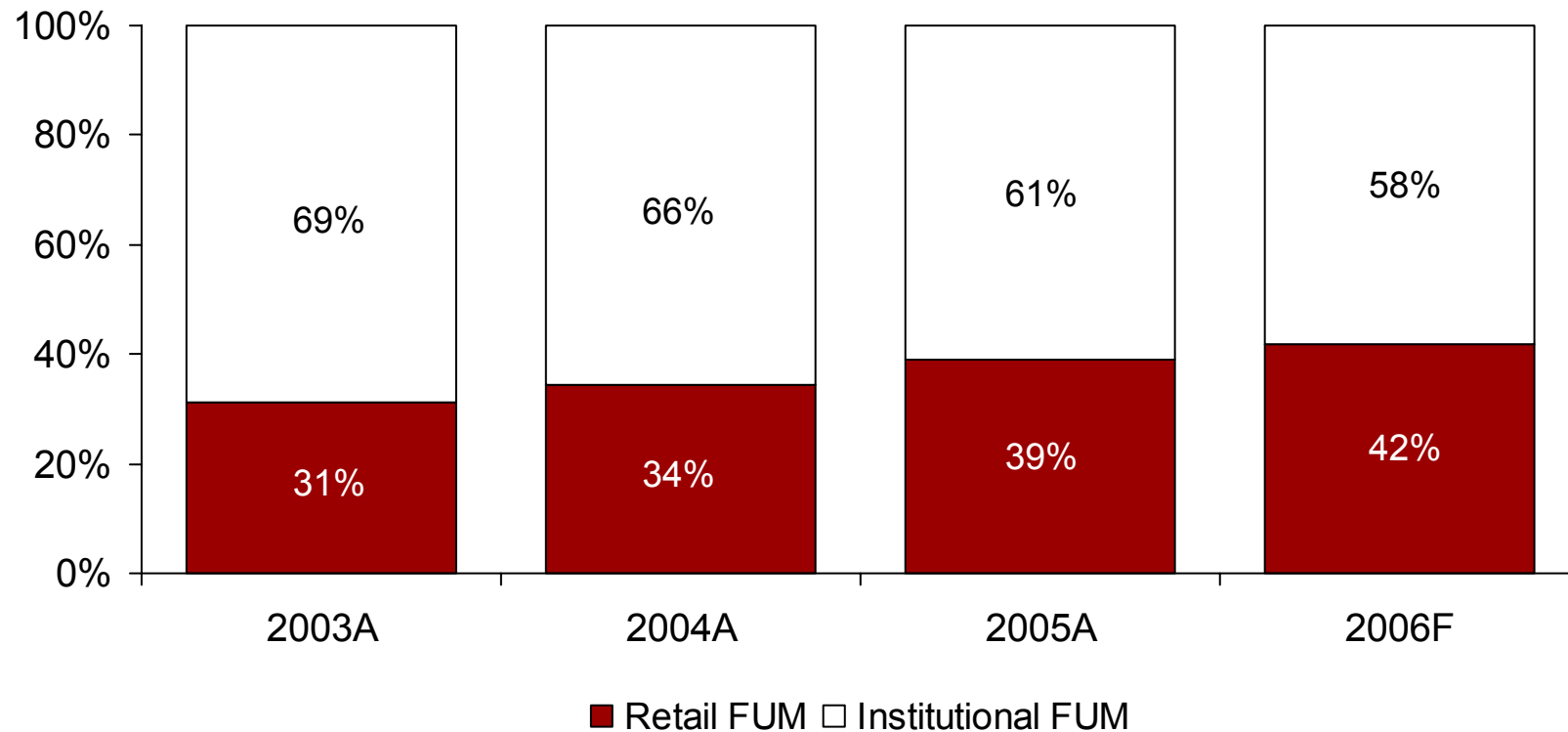




Growth potential Retail and institutional



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%



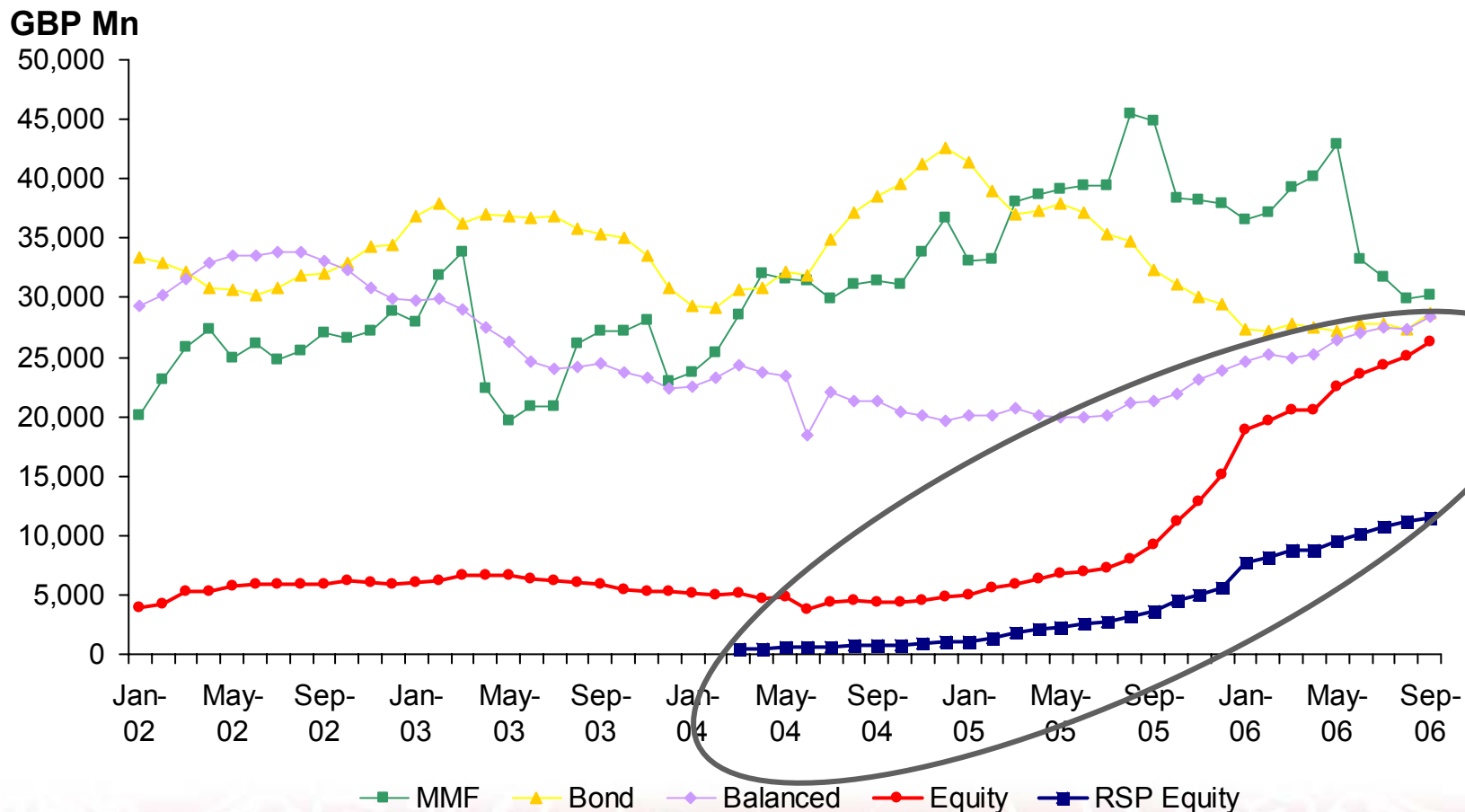


Growth potential Interest in equity products



Appetite for retail equity steadily increasing

Market FUM by asset type



Source: AMAK



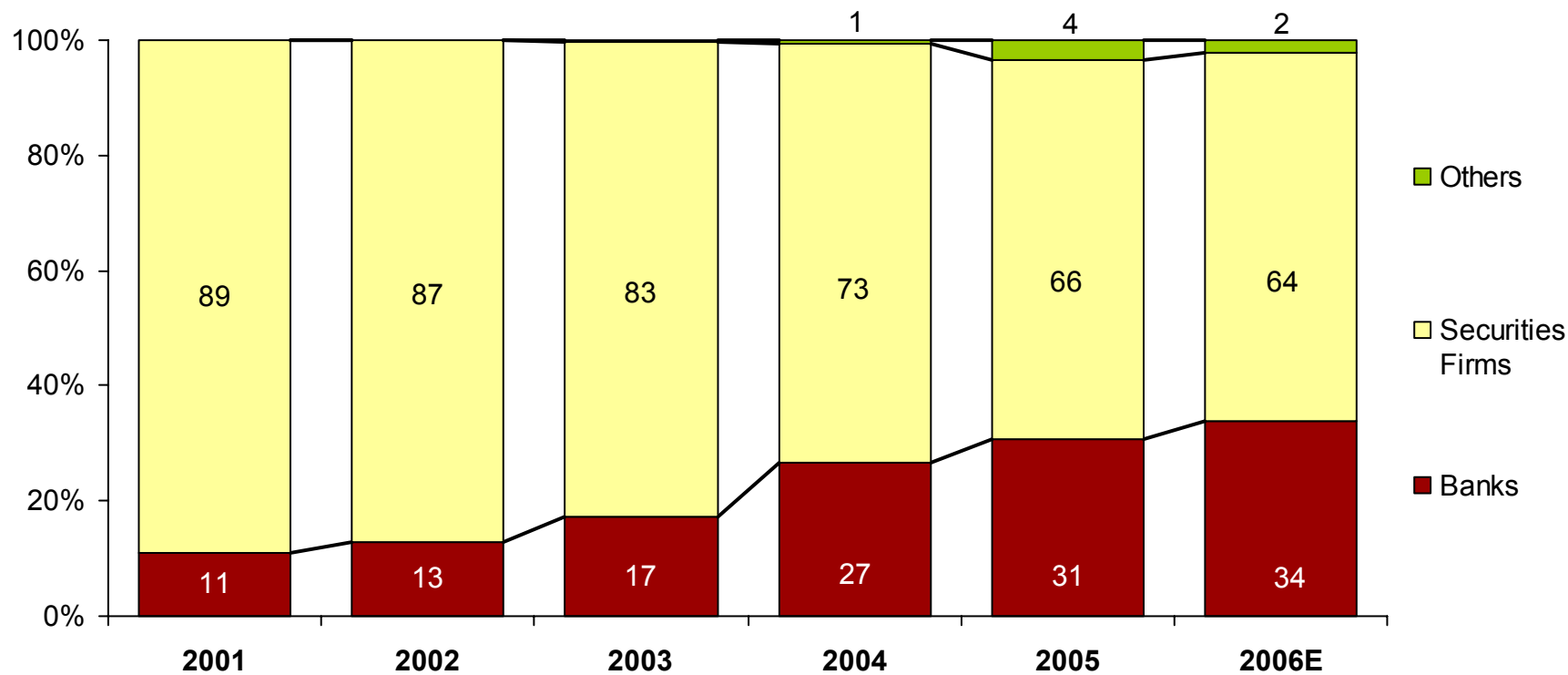
Korea market overview

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



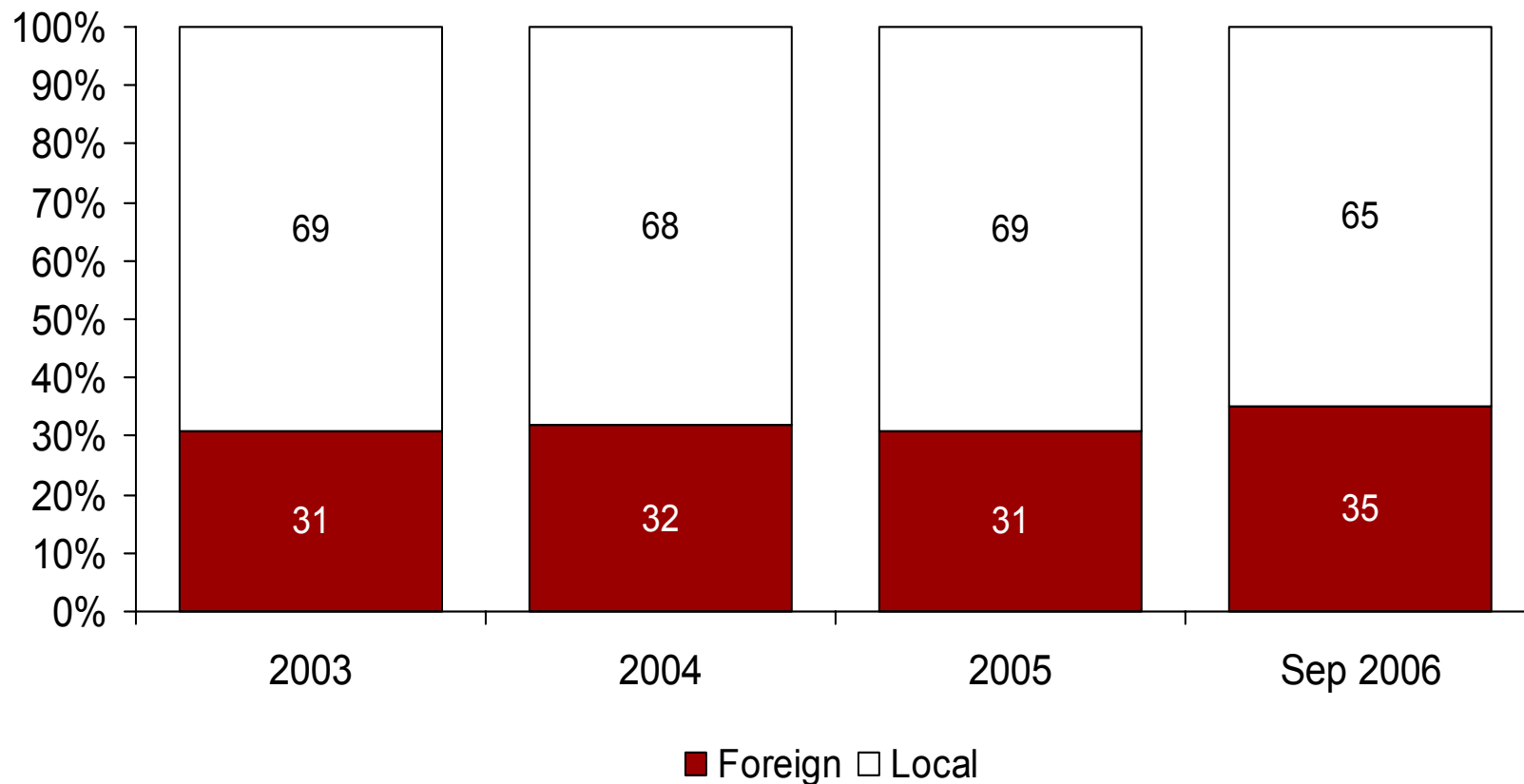


Growth potential

Local and foreign players



Foreign players have gained ground against local asset managers in 2006



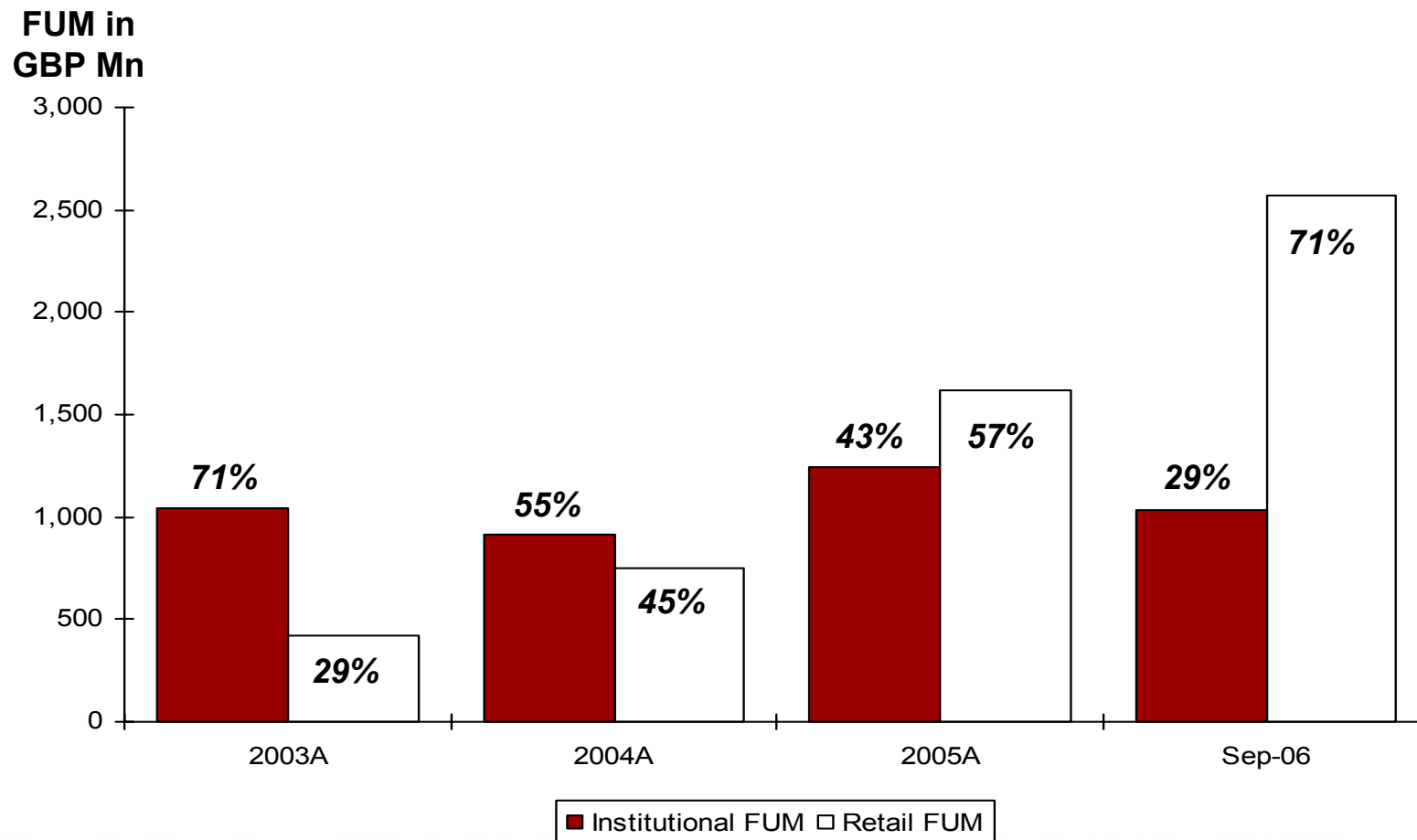


PCA Asset Korea

Retail and institutional



PCA Asset's focus has been on the retail segment



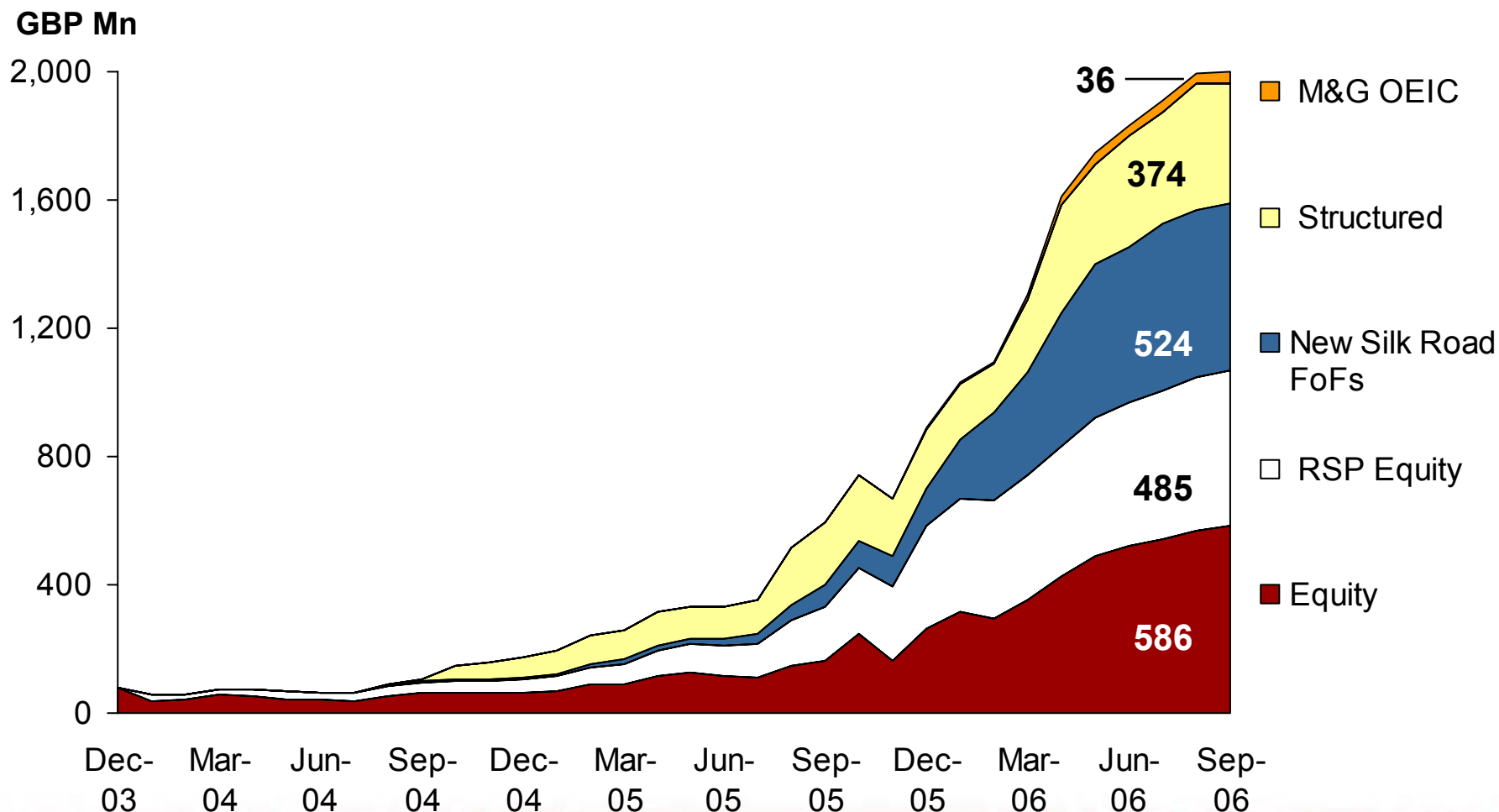


PCA Asset Korea : Product

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



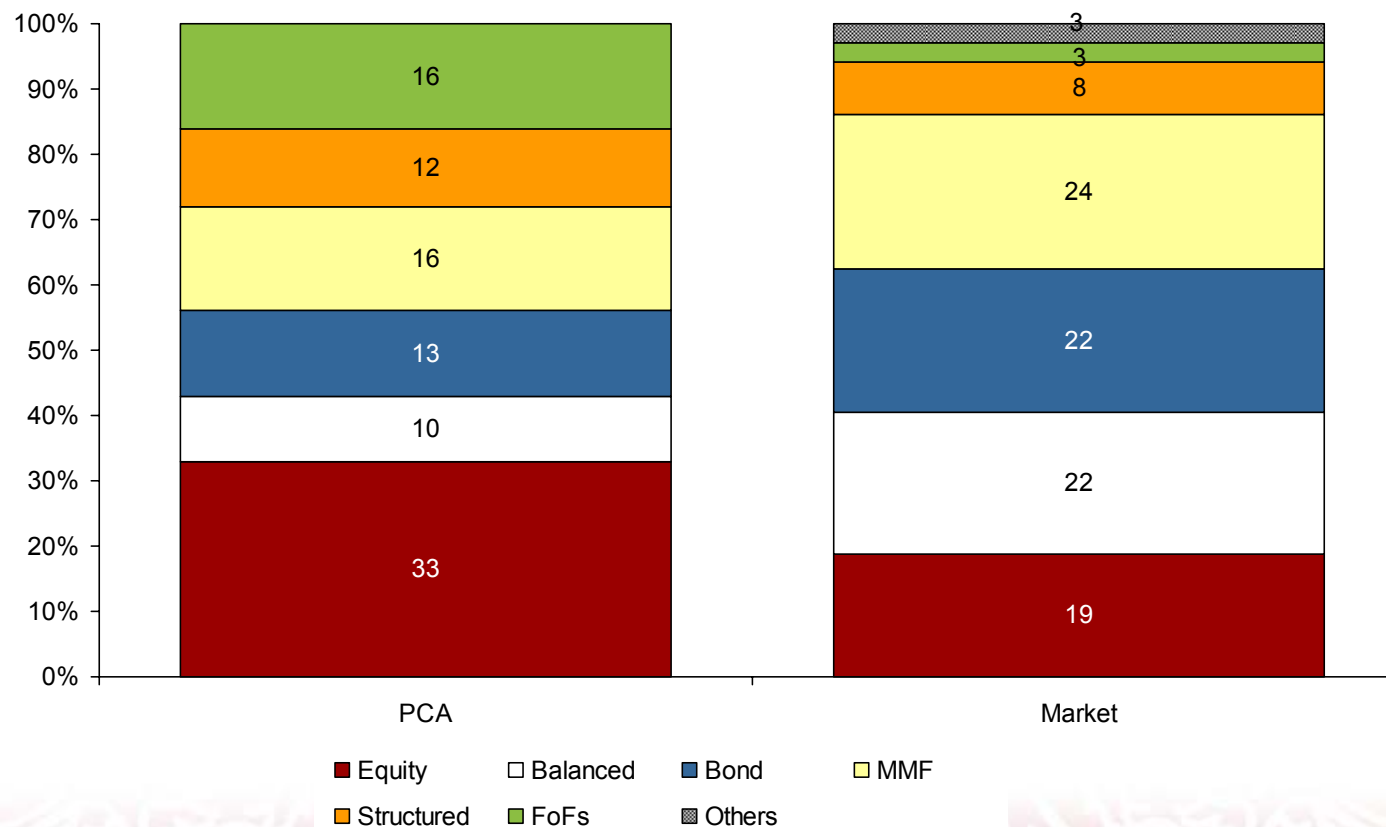
PCA Asset Korea : Product

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

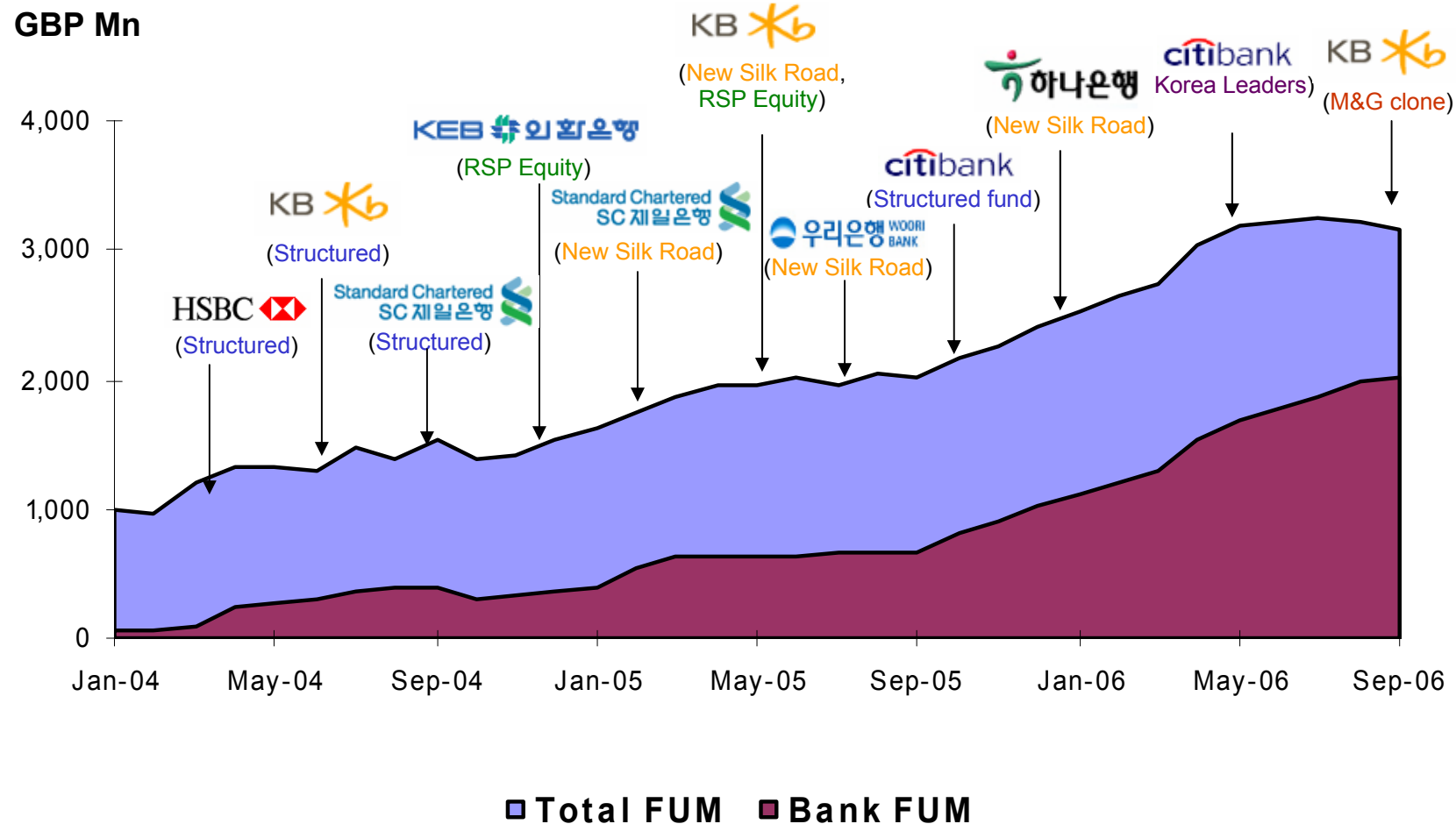




Distribution FUM growth through bank distribution



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



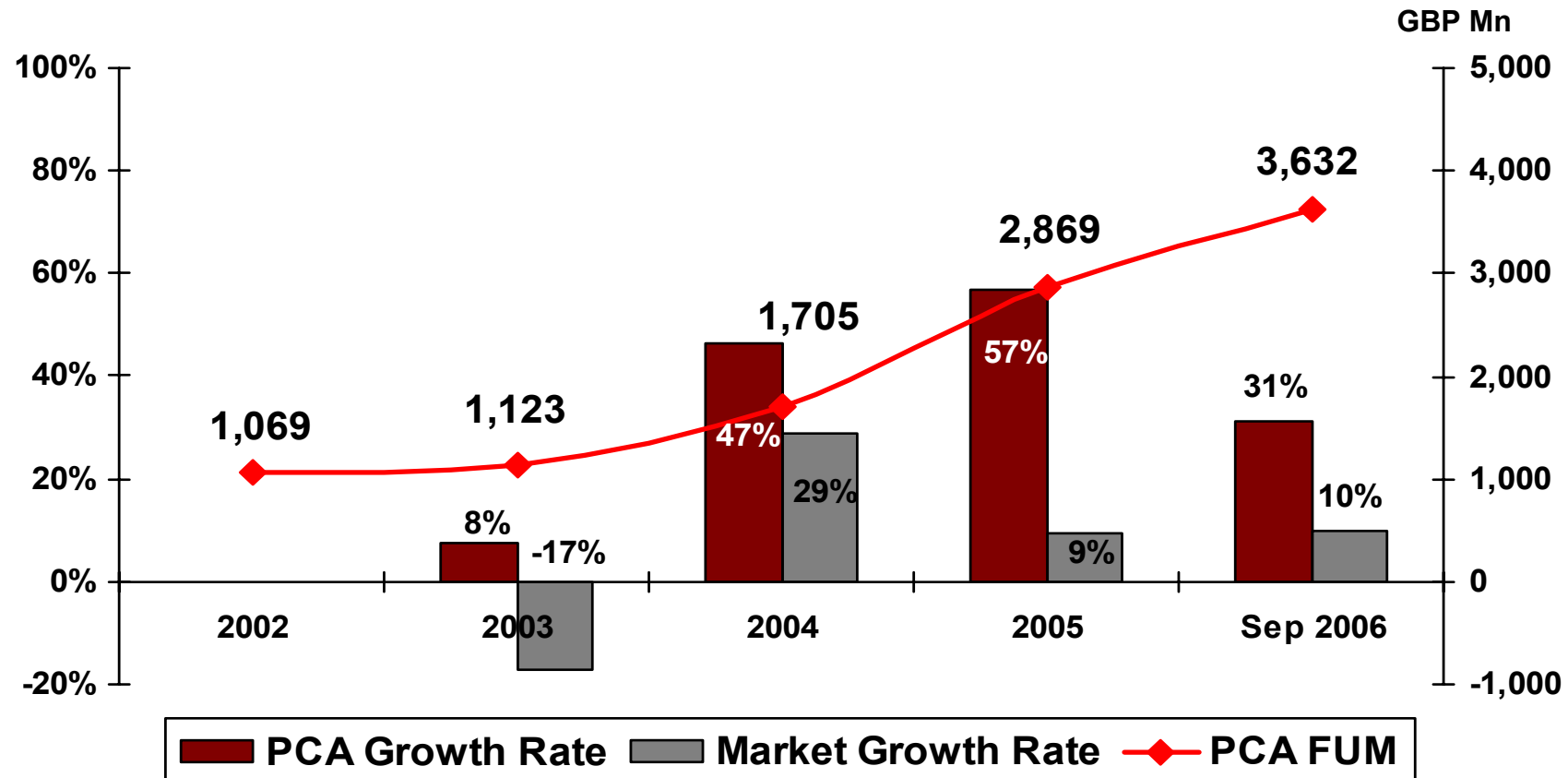


FUM growth

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

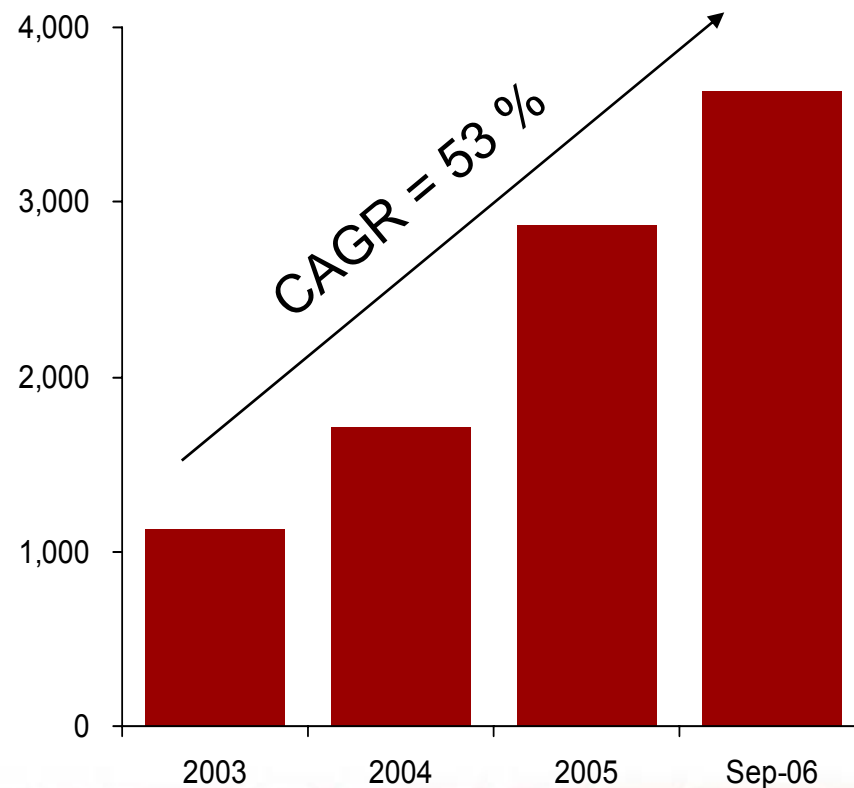
Significant improvement in profitability



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

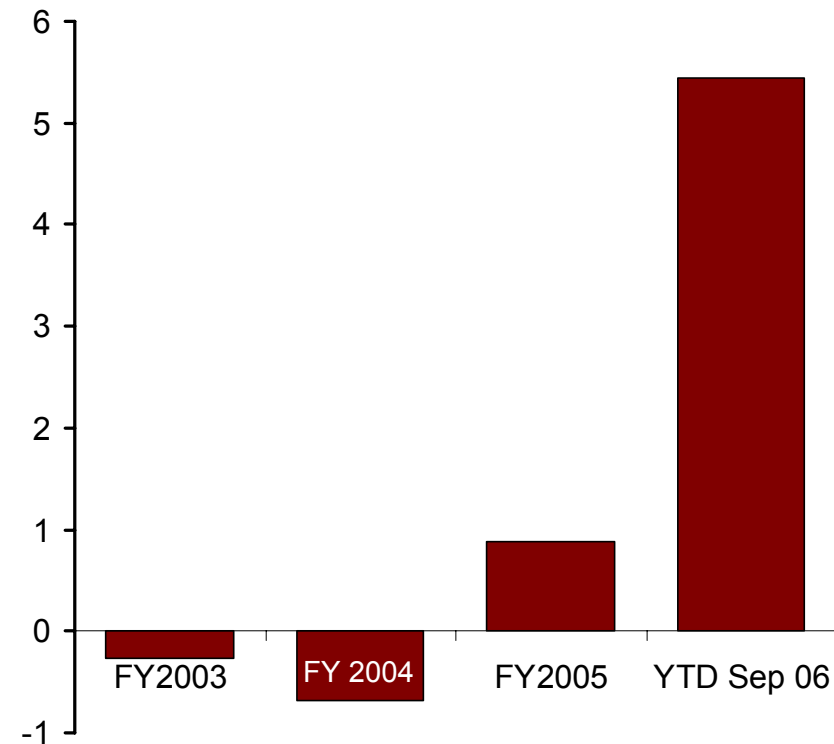
FUM

GBP Mn



PBT

GBP Mn





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**





**Prudential:
Leading in Asia**

China : CITIC-PRU Building scale in a large and fast growing market

**Cheeseng Shek
Prudential Corporation Asia
1 December 2006**





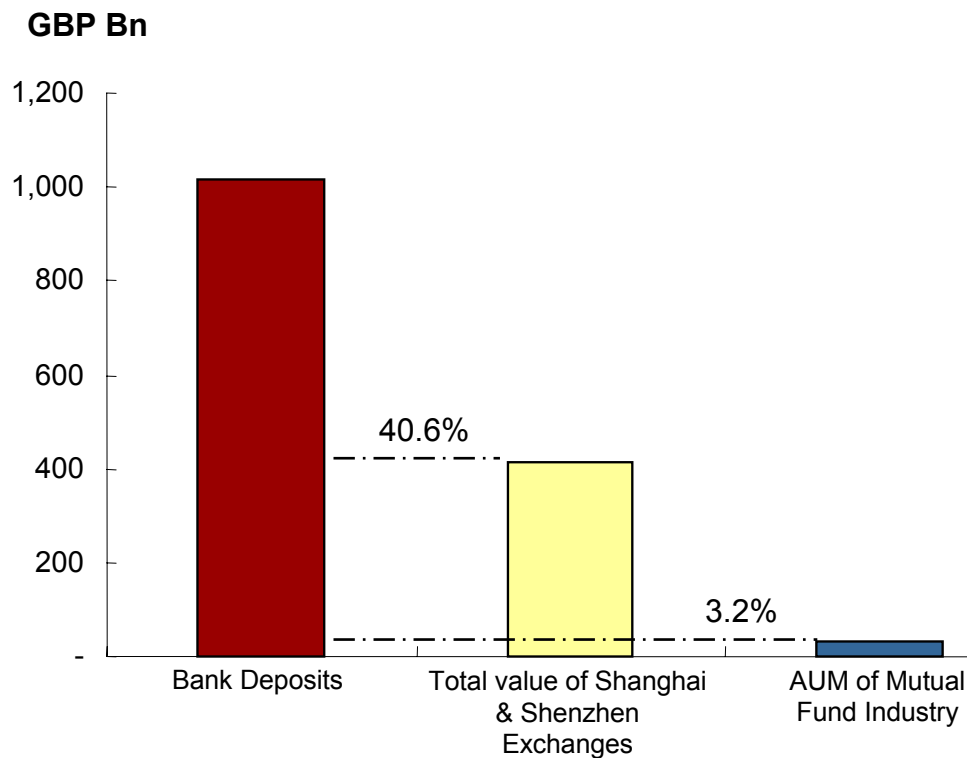
China market overview

Savings remain largely in cash and untapped

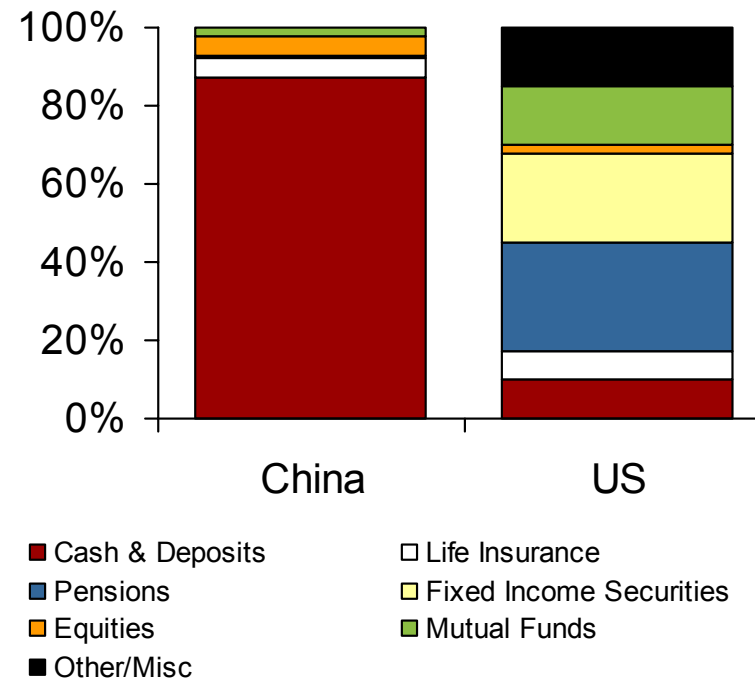


Savings pool is more than twice the size of the local stock market capitalisation
Penetration of mutual funds in China is low relative to China's total retail savings

Retail Savings Relative to Stock Market Value & Size of Mutual Fund Industry



Personal Holdings by Asset Class





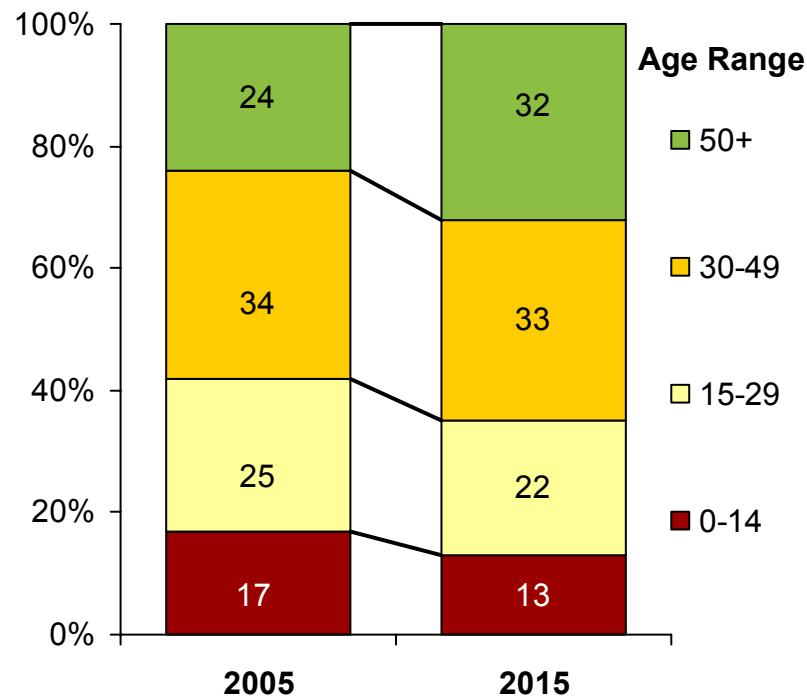
China market overview

China demographics and income distribution

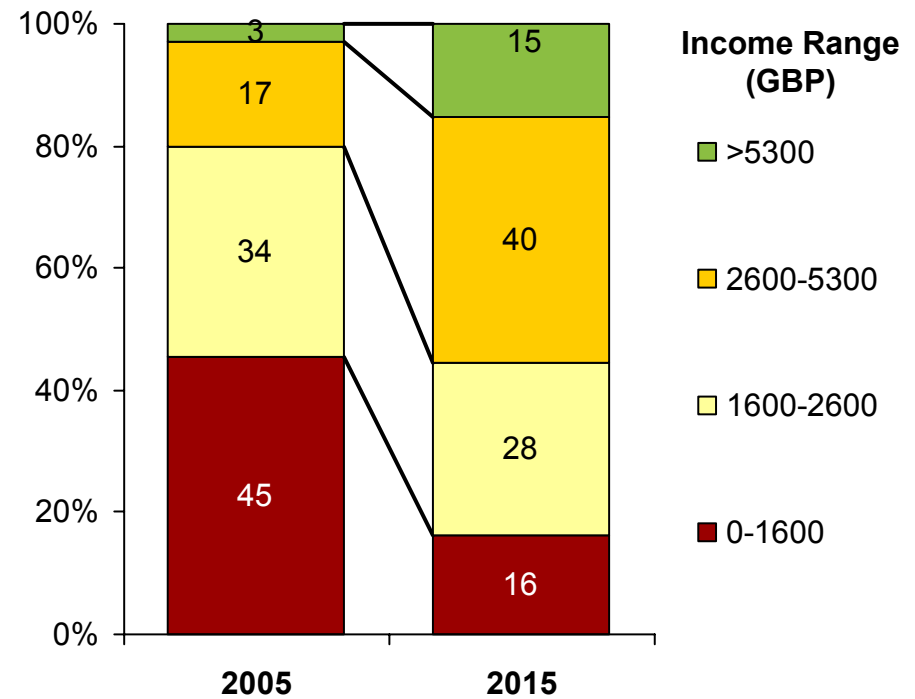


By 2015, 32% of China's population is expected to be older than 50;
China looks to become increasingly wealthy in the future

Population by Age Group



Households by Income Group (Urban China)





China market overview

Customer demographics by geography



6 provinces/cities have been selected as our priorities due to higher concentration of middle class customers



Percentage of Households with > GBP3,200*

Our primary target provinces/cities		Our secondary target provinces/cities	
Shanghai	28%	Tianjin	13%
Beijing	26%	Hubei	7%
Guangdong	26%	Shandong	7%
Zhejiang	21%	Liaoning	6%
Sichuan	16%	Heilongjiang	5%
Jiangsu	14%	Chongqing	3%

Source: *Asian Demographics: Population data by Province and Cities October 2005



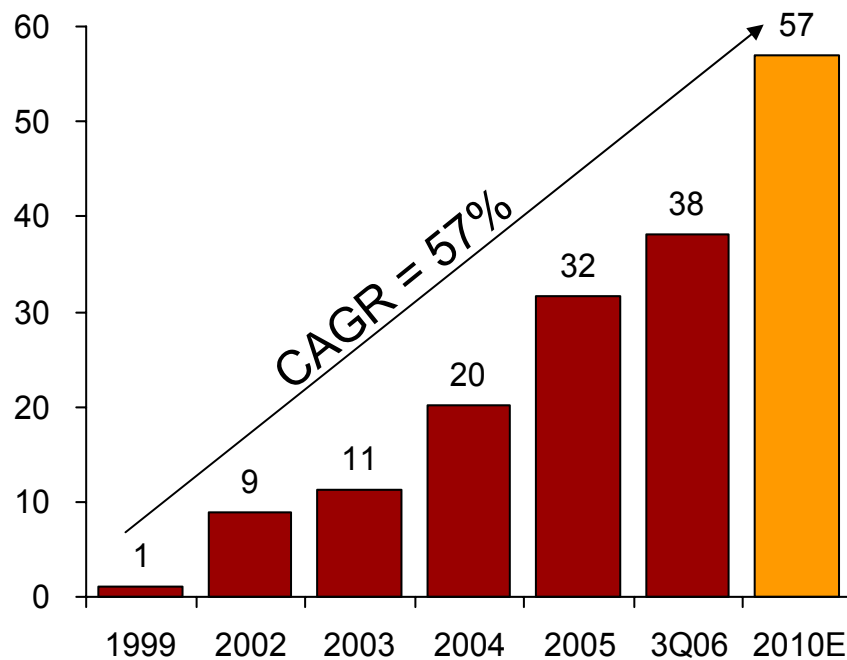
China market overview

Mutual funds industry on a strong growth path

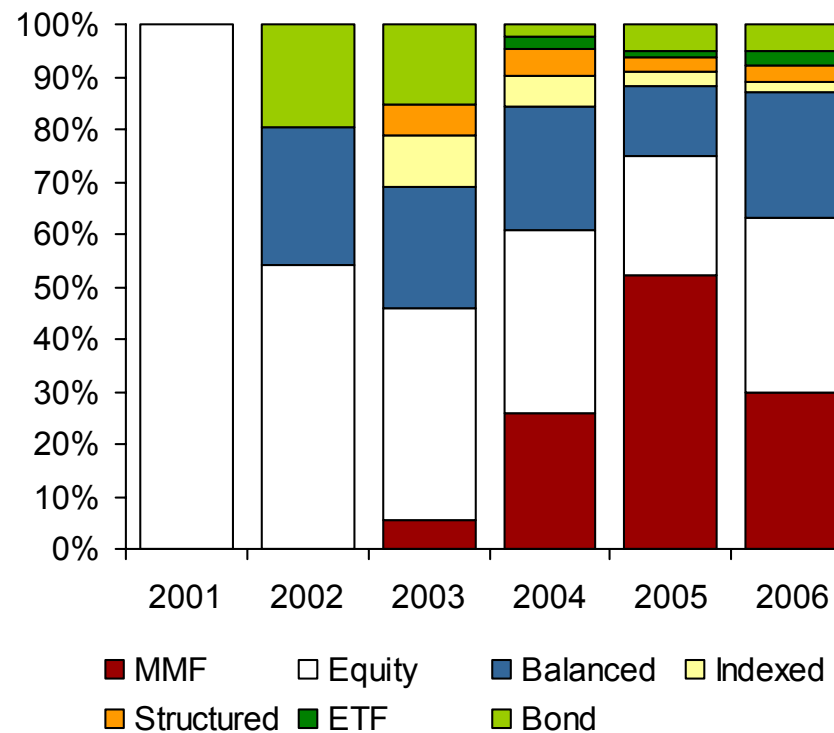


Strong growth in China mutual funds market since 1999 and is expected to continue - Product mix has expanded despite being a domestic oriented market

Industry FUM (in GBP bn)



Industry FUM Mix





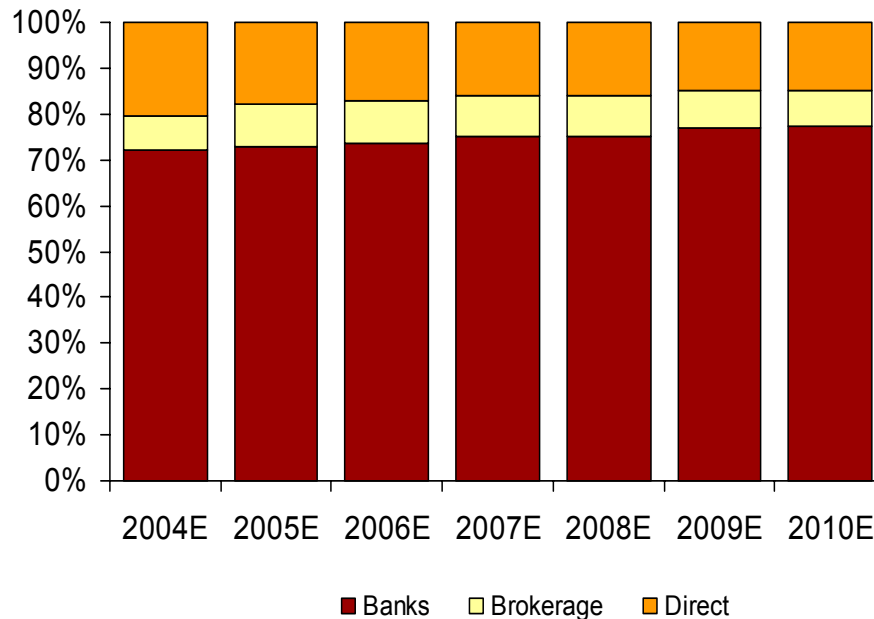
Competitive landscape

Distribution continue to be dominated by banks

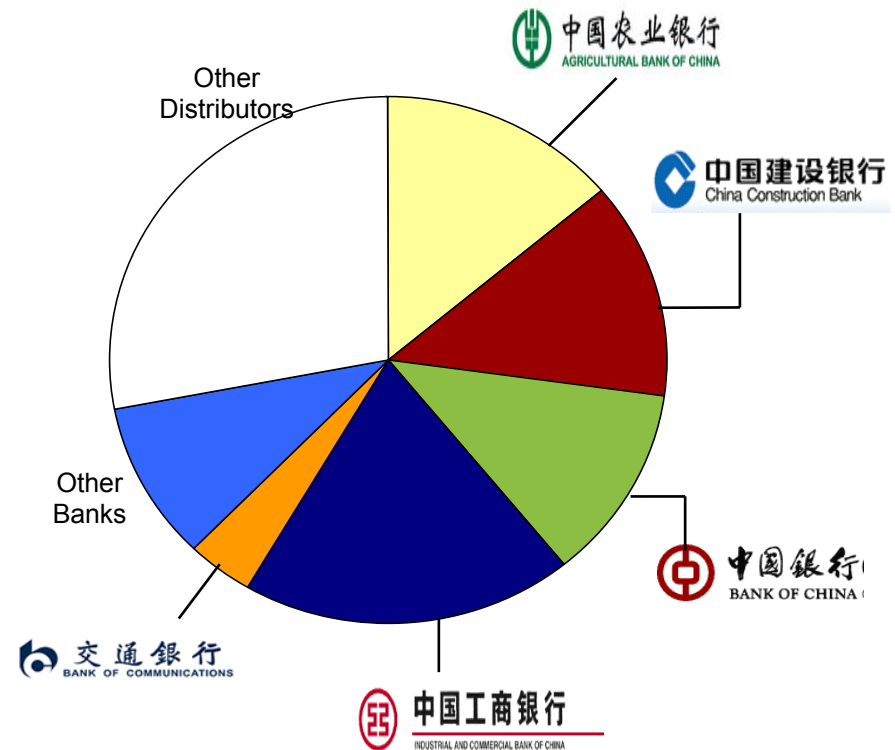


**Banks are expected to continue to dominate the distribution channels -
Securing distribution support from top tier banks is a critical success factor**

China Retail Mutual Fund AUM Market Share By
Distribution Channel, 2004E-2010E



Distribution Market Share of Major
Banks in China



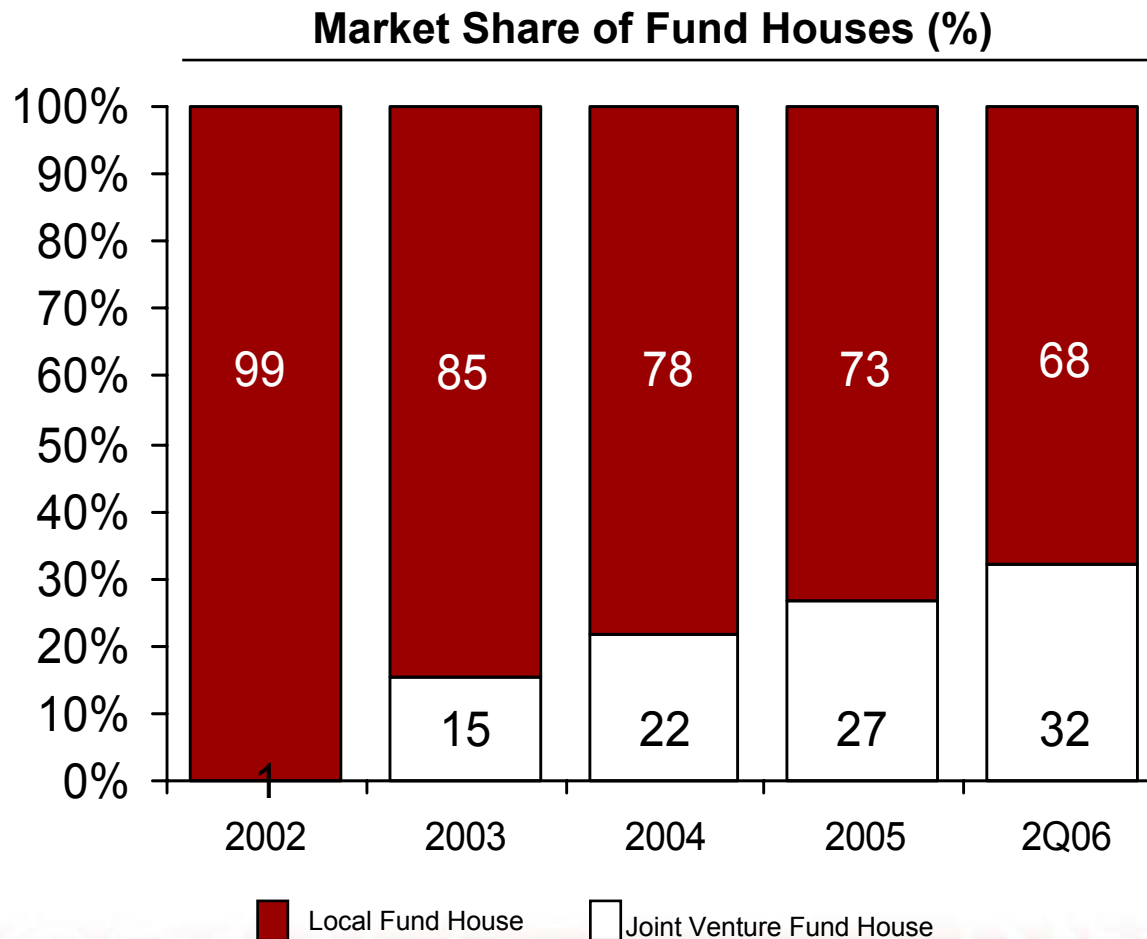


Competitive landscape

Joint venture fund houses are gaining market share



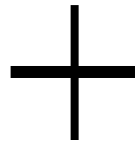
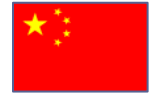
Of the 57 licensed fund houses currently, 24 are joint ventures with foreign parties;
Market share of joint ventures has grown steadily since 2002





CITIC and Prudential

A strategic fit



**Win-Win
Partnership**

- Strong local brand
- Local market knowledge
- Distribution capabilities
- Established customer base
- Relationship with local operators and regulators
- Strong global brand
- Investment expertise
- Innovative product
- Strong customer management
- Compliance & risk management expertise



Competitive landscape

Where we see growth opportunities



- Growing middle class with large untapped savings
- Rapidly ageing population with increasing insurance and investment needs
- Increasingly outward looking population seeking diversification and stable returns
- Growing foreign interest in tapping China's growth





CITIC-Prudential Funds

What have we done so far : Mutual fund products



Target Customer Needs

Significant Investor Needs

- Realise gains on a regular basis
- Long term equity returns



Provide Right Product

Four Seasons Balanced

- Fund type: Balanced
- If NAV at end of each quarter is > 1.0 , the fund will pay out at least 25% of gains
- Customers: 77,000



Jingcui Growth Fund

- Fund type: Equity
- Invest primarily in stocks with solid organic growth capability
- Customers: 97,000



CITIC-Prudential Funds

What have we done so far : Mutual fund distribution



The business has turned profitable since Q3 2006

Custodian/Main Distributors

Others Distributors

Fund Launch Performance



- 4th largest bank in China
- > 30,000 branches
- About 13% market share in fund distribution

12



- 2nd largest bank in China
- > 20,000 branches
- About 13% market share in fund distribution

13



Four Seasons Balanced

- Date launched: April 06
- Raised GBP 208mn in FUM



Jingcui Growth Fund

- Date launched: Oct 06
- Raised GBP 220mn in FUM



CITIC-Prudential Funds QFII and QDII opportunities



Qualified Foreign Institutional Investor (QFII) Scheme

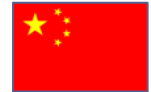
- PAMHK secured a QFII licence and awarded USD 200 million quota
- CITIC-Prudential Funds will act as investment advisor to PAMHK
- Working with PCA Asset Korea and Japan on the launch of China A-share equity funds

Qualified Domestic Institutional Investor (QDII) Scheme

- First fund house was granted USD 500 million quota to launch QDII fund in Q3 06
- CITIC-Prudential Funds is in the process of obtaining product approval from CSRC

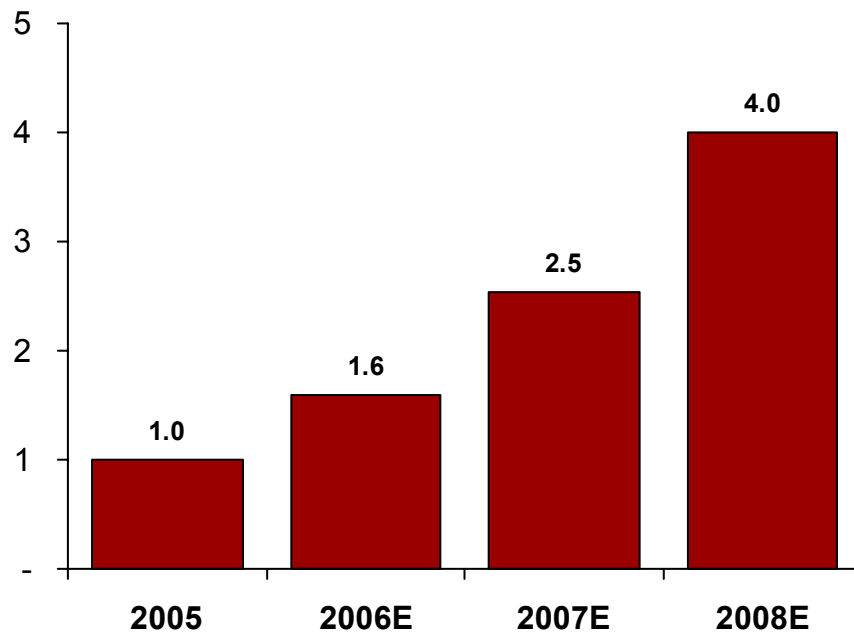


CITIC-Prudential Funds Pension opportunities

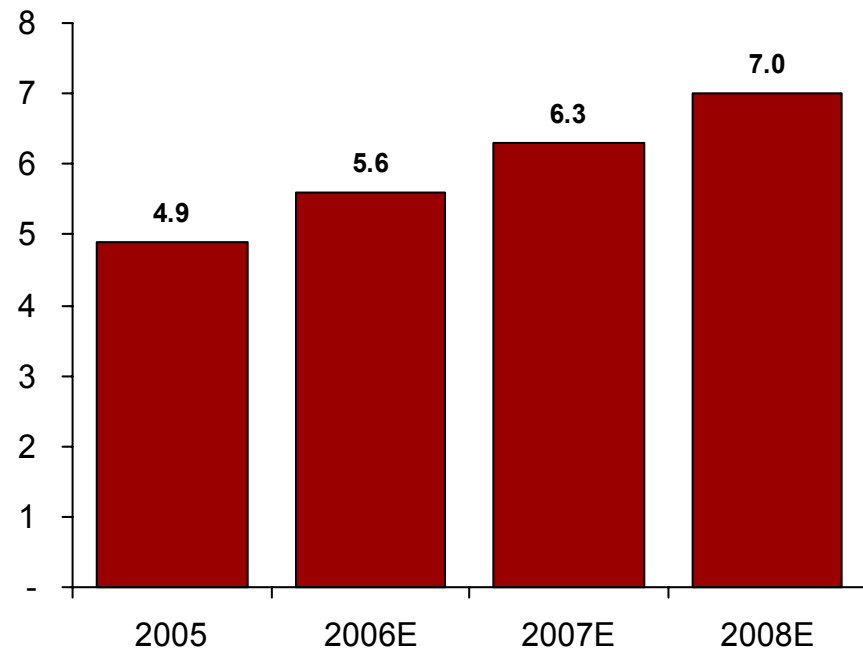


We plan to apply for a licence to manage Enterprise Annuity (EA) funds

Enterprise Annuity (GBP Bn)



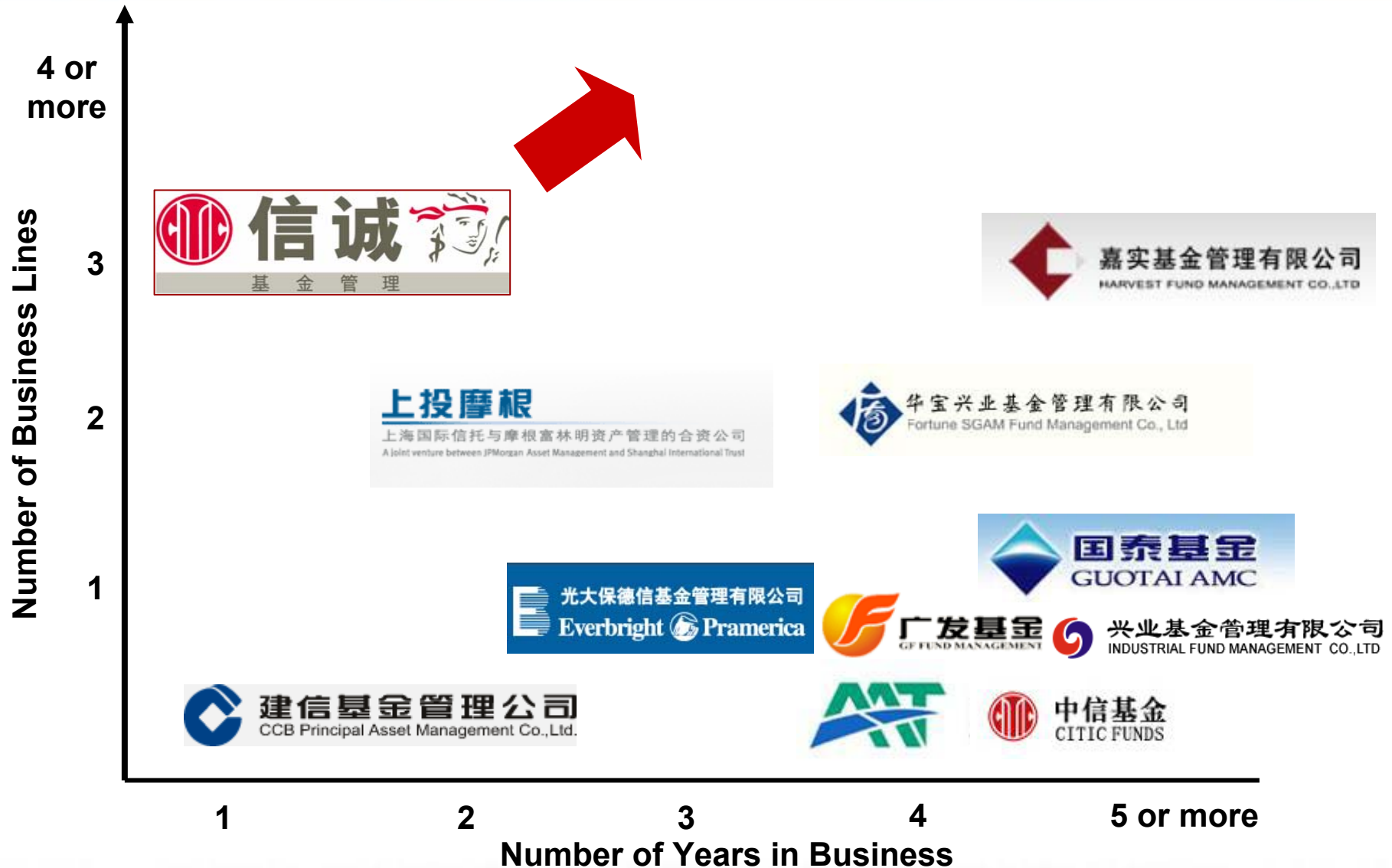
National Social Security Fund (GBP Bn)



Source: 2005 figures from National Council for Social Security Fund (NCSSF).



Mining the opportunities Creating a multi-faceted business



Source: Internal research



CITIC-Prudential Funds Summary



Market Trends in China

- Over GBP1 trillion of cash deposits
- Large and rapidly ageing population
- People becoming more affluent
- Significant growth in mutual funds industry but still low penetration
- Joint venture fund companies are gaining market share from local players



Achievements to-date

- Launched 2 funds since inception, and raised a total of GBP 428 million
- Signed up two of the Top 5 banks as distribution partners
- Achieved operating profitability since July 06
- Advising our Life company on ILPs investment

Strategic initiatives in place

- Secured QFII licence/quota
- Applying for QDII and Enterprise Annuity licenses
- Developing new ILP funds and expand scope of co-branding with CITIC-Prudential Life



In excellent position to seize the significant opportunities in China

Target to acquire GBP 2.5bn in FUM by 2008



**Prudential:
Leading in Asia**

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

India : Building scale and leadership

A stylized, intricate illustration of a dragon in the bottom left corner, rendered in a lighter shade of red.

**Pankaj Razdan
Prudential Corporation Asia
1 December 2006**



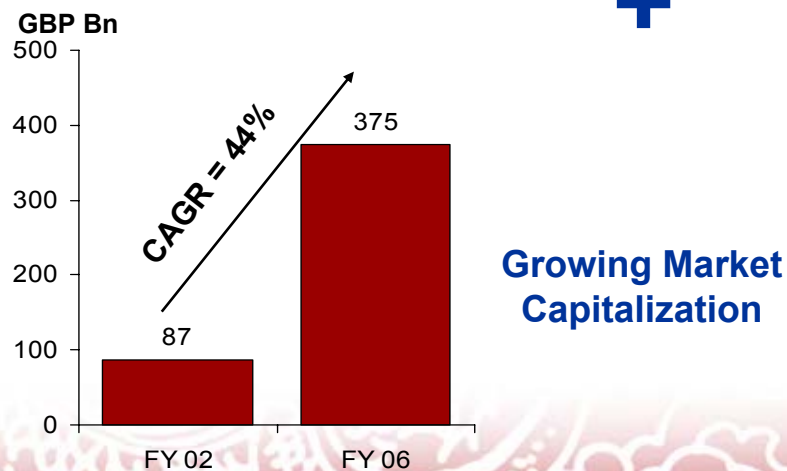
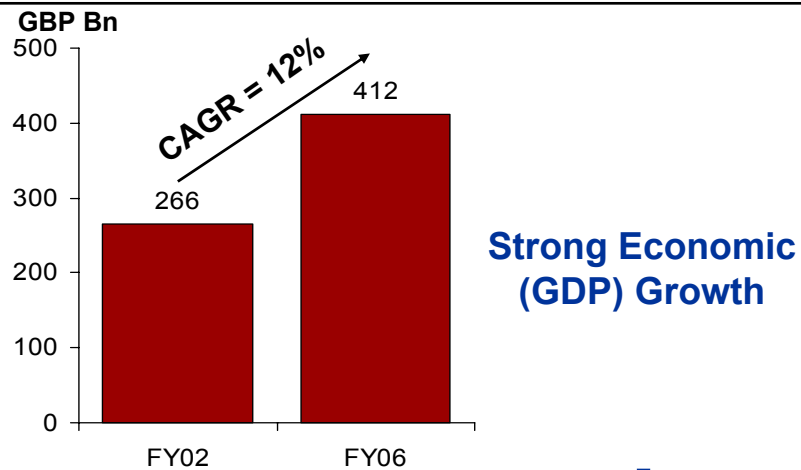
India : Economic Overview

Rising affluence

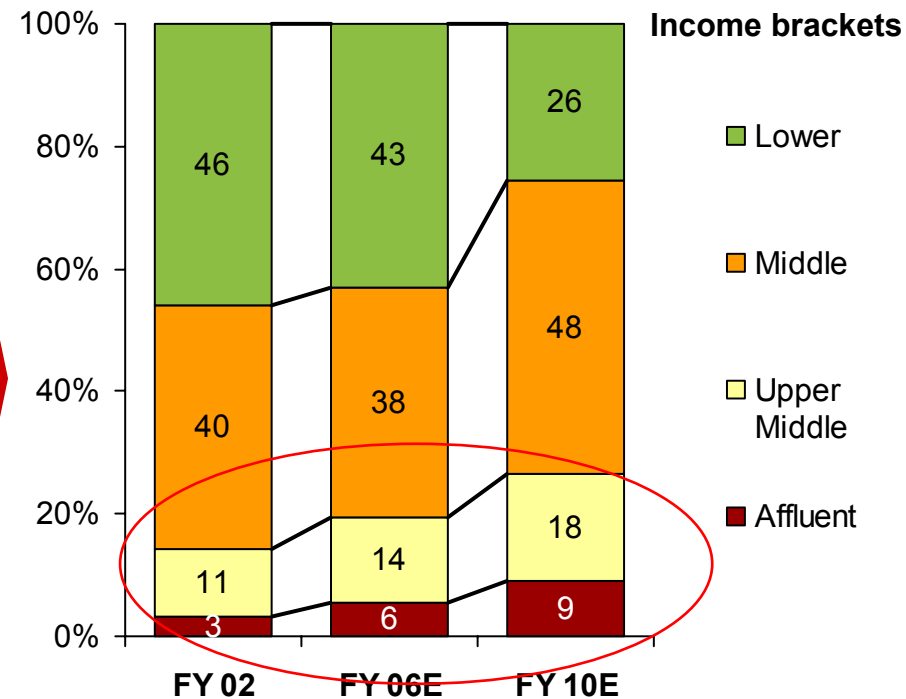


Wealth generation is driven by strong economic and market capitalisation growth

Strong Economy and Rising Market



Rising Affluence



Source: Tata Statistical Online, ML Research, NCAER, Edelweiss Research



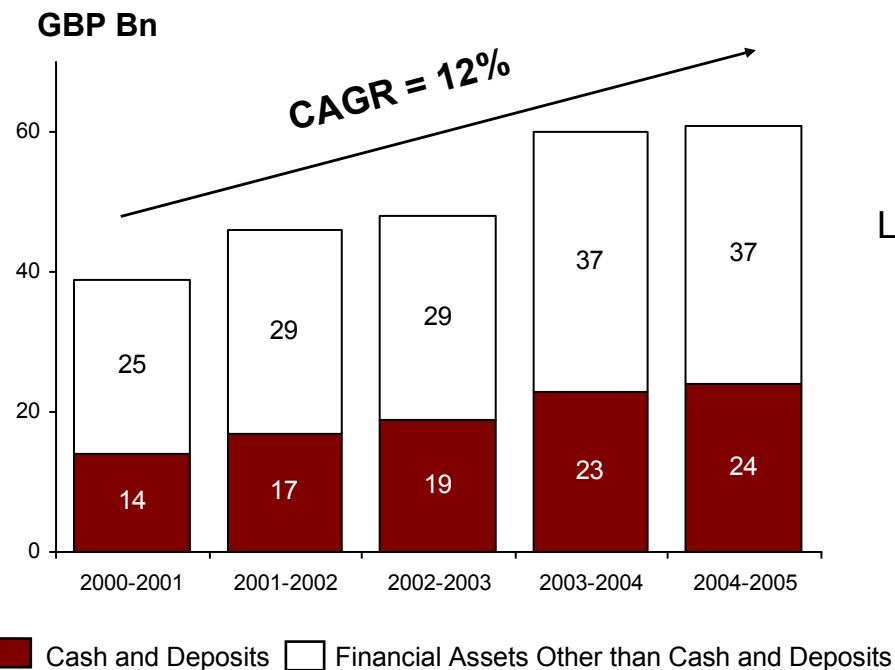
India : Household Financial Assets Opportunity for mutual funds



Growth in personal financial assets coupled with low penetration of mutual funds offers significant opportunity to convert cash and deposits into MFs

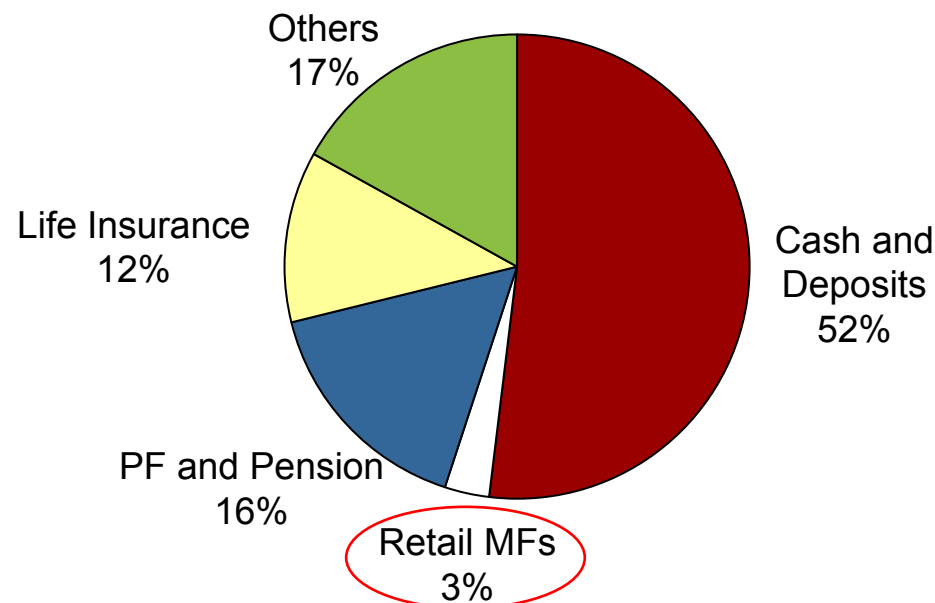
Incremental Household Financial Assets

YoY incremental flows



Distribution of Household Financial Assets

As on 2004-2005



**Total Household Financial Assets
as of 2005 is GBP 408 bn**

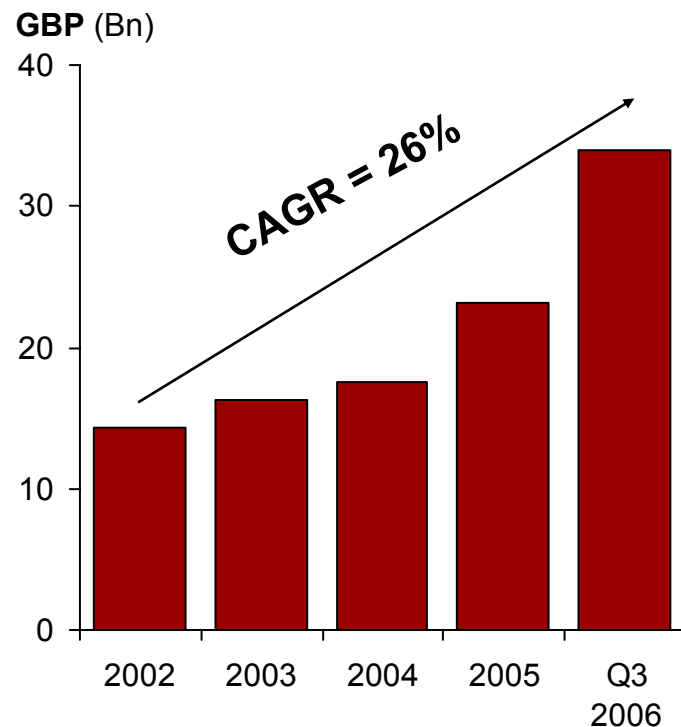


India : Mutual Fund Industry Overview

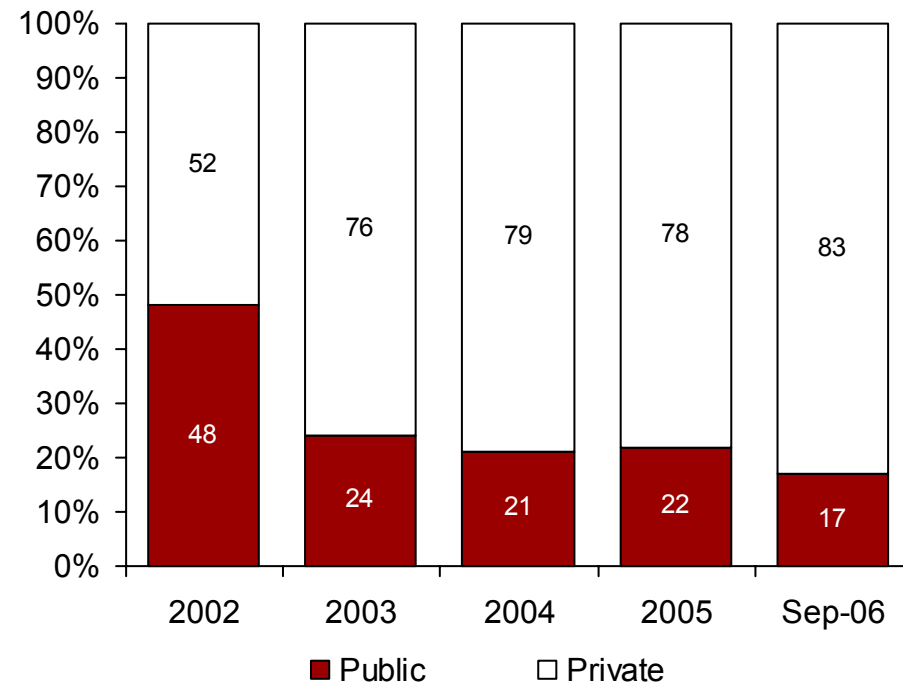


We have seen rapid growth in the MF industry due to increasing MF awareness; private sector has grown significantly

MF Market FUM



MF Market FUM Mix



Private sector has grown at 42% as against negative growth of 4% for public sector



India : Mutual Fund Industry Overview

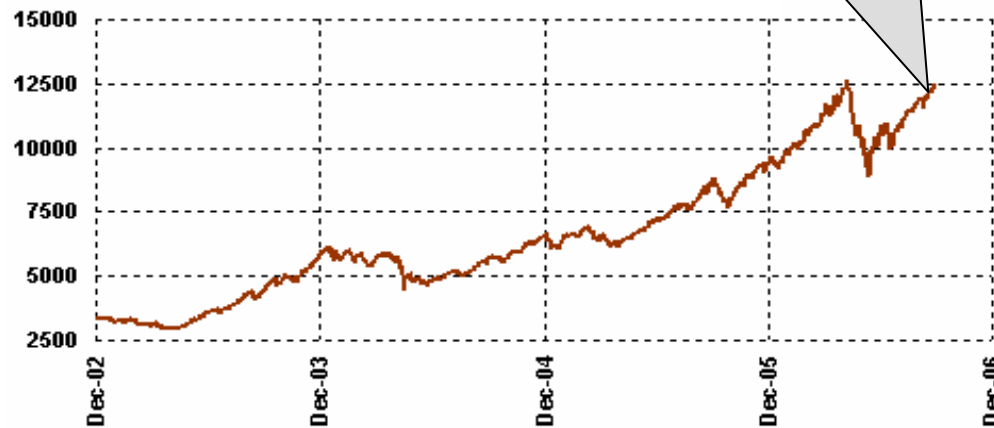
Product trends



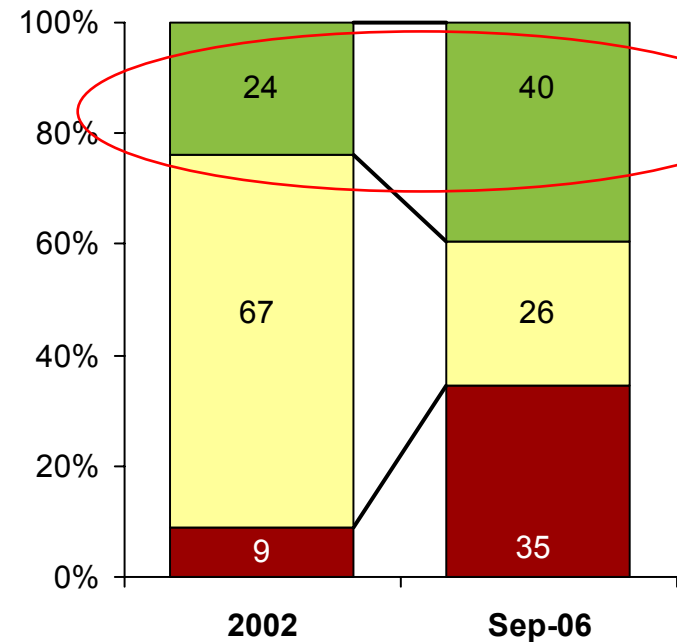
Equity assets have grown as a result of increasing participation by retail investors

Equity Market

BSE Sensex



Product Trends



■ Money Market ■ Bond ■ Equity & Balanced



India : Mutual Fund Industry Overview

Distribution trends



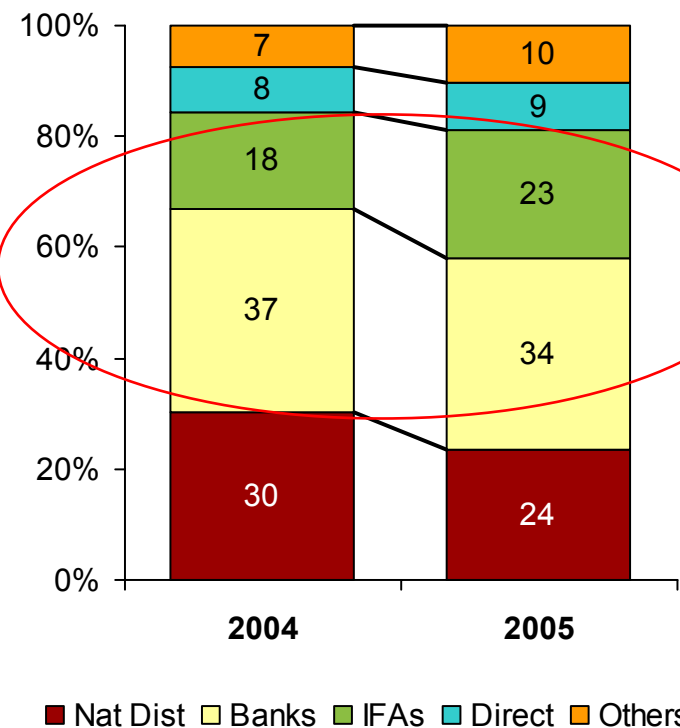
Bank and IFA channels will remain dominant given their geographic reach and the widespread distribution of personal financial assets

Geographic Spread

- Household deposits – GBP 144 Bn
 - Non Metro* - GBP 91 Bn (63% share)
- Banks likely to be dominant
 - Geographic reach
 - Increasing focus on fee-based income
 - Untapped government owned banks

* - Non-metro comprises of 750+ towns and 600,000+ villages

Distribution Trends





India : Mutual Fund Industry Overview

Regulatory trends



Regulatory reforms are providing significant growth opportunities

Regulatory Reforms

Dismantling of benefits to traditional (govt. backed guaranteed) products leading to migration towards MFs

New asset classes for investments

Offshore money to be invested into local funds

Investment opportunities in offshore funds

Opportunity

GBP 380 Bn of existing and incremental financial savings

GBP 300 Bn of existing physical savings

GBP 17.5 Bn from NRI investors + Foreign institutional mandates

GBP 53.5 Mn



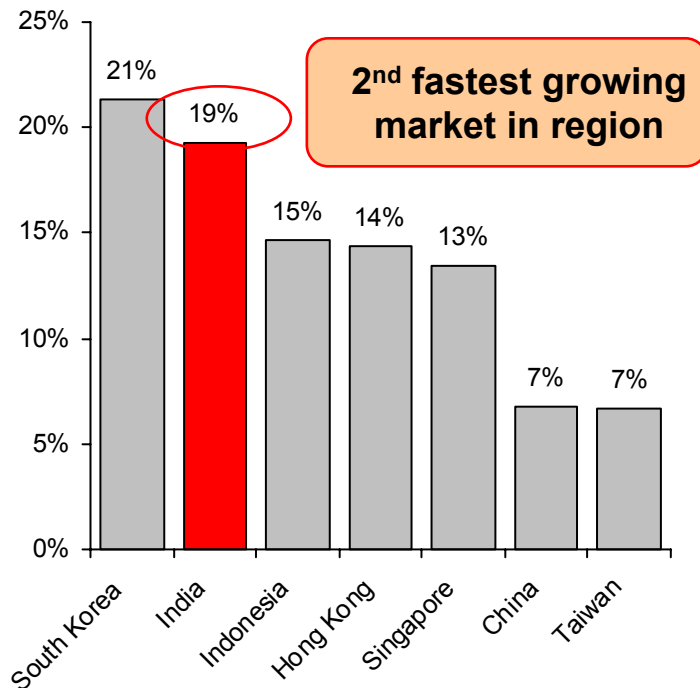
India : High Net Worth Individuals

Opportunity for portfolio management services growing

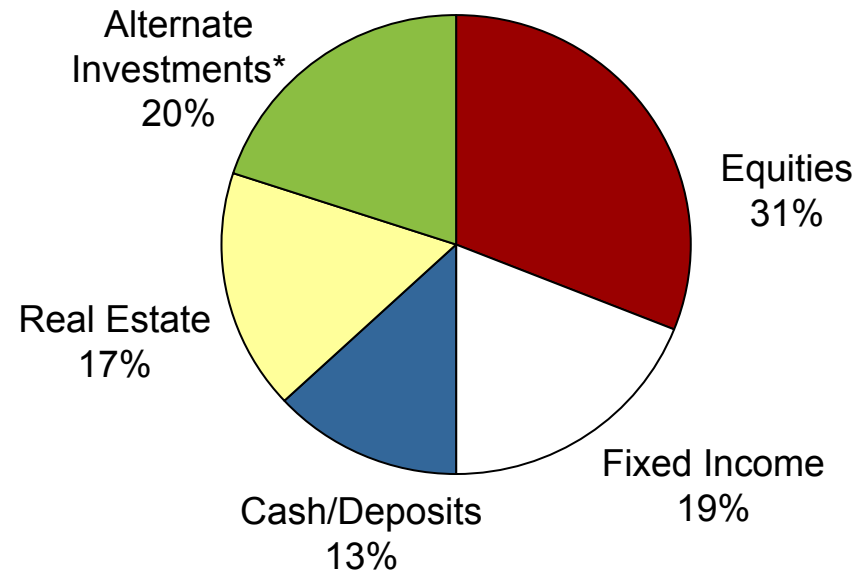


Growing wealth amongst HNWIs is leading to increasing demand for alternate investment opportunities and wealth management services

HNWI Growth



HNWI Wealth Distribution



HNWI Wealth : GBP 155 Bn

* - includes Structured Products, Hedge Funds, Managed Futures, foreign currency, commodities, private equity and investments of passion

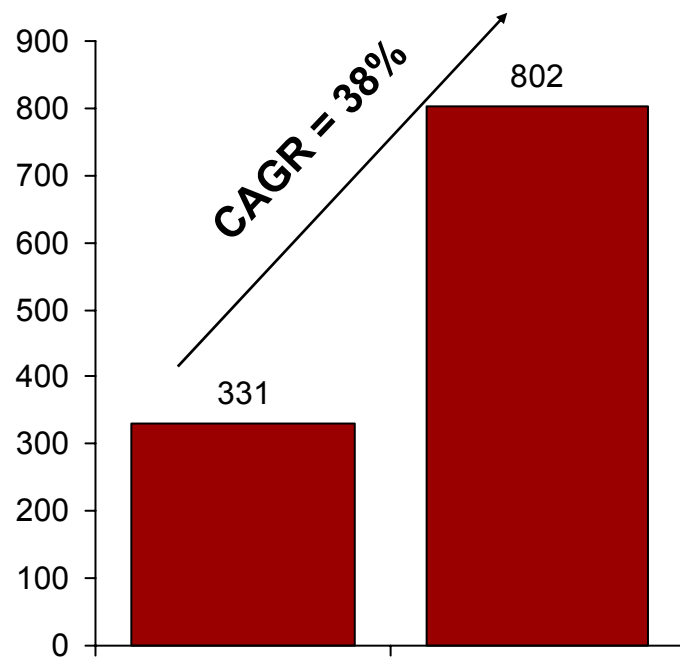


Prudential ICICI AMC : Customers Growth and demographics



Aggressive growth in retail customers; Equity, Non Metro and Agency key drivers

Retail Customer Growth (in '000)



	2003	Sep-06
FuM (GBP Bn)	1.88	3.53
Retail	24%	32%
Institutional	76%	68%

Growth in Focus Areas

	Contribution (%)	3 yr CAGR* (%)
• Asset (FuM)		
– Equity	32	97
– Non Equity	68	18
• Geography (Customers)		
– Metro	47	32
– Non Metro	53	64
• Channel (Customers)		
– Agency	37	59
– Non Agency	63	37

* - CAGR calculated for last 3 years i.e. Sep 03 – Sep 06



Prudential ICICI AMC : Products

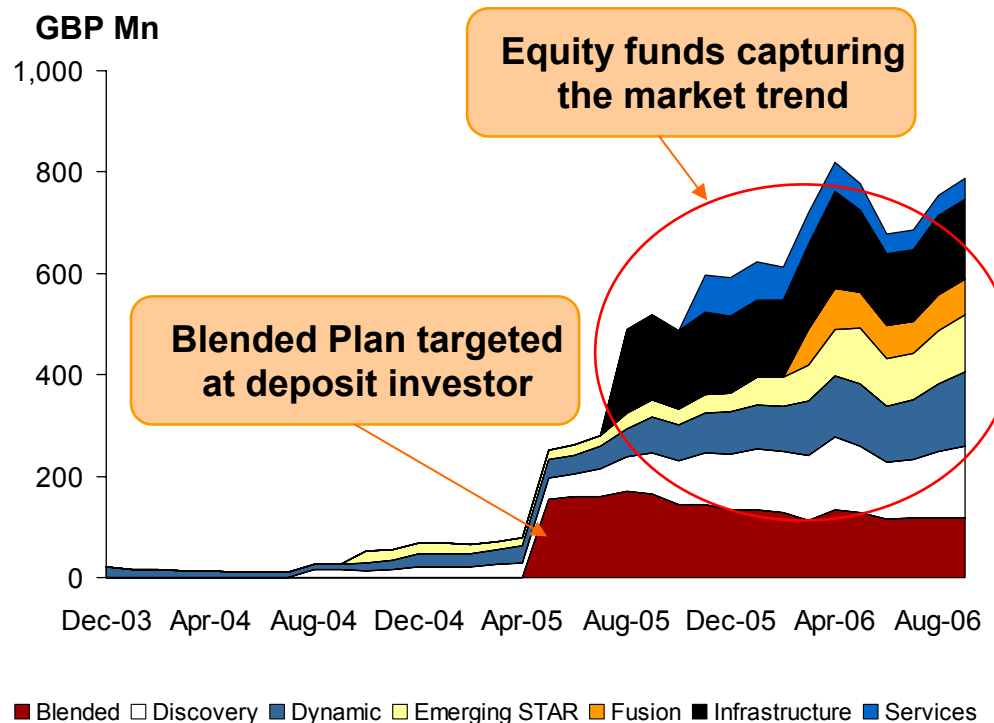
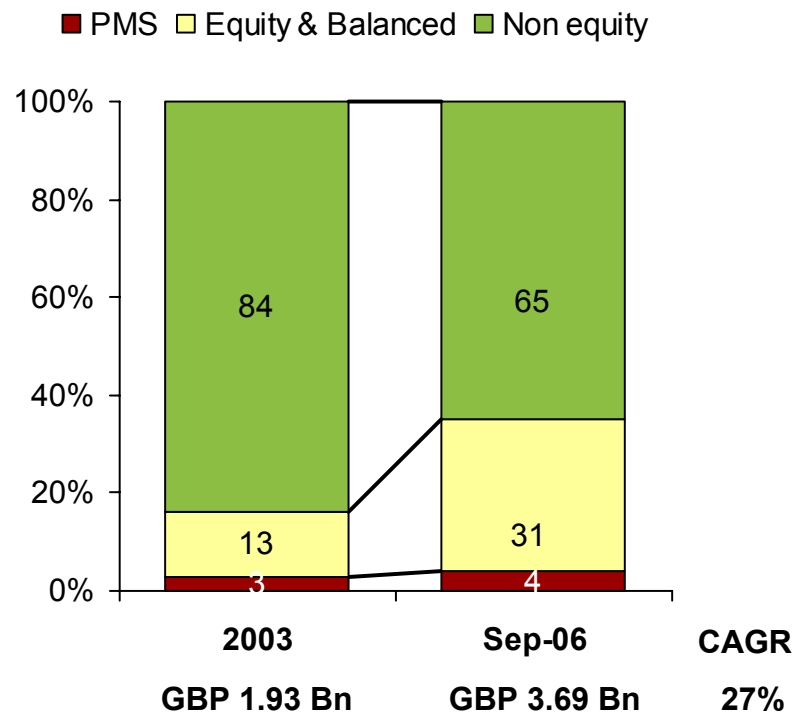
Strong customer proposition



Product launches capture market trends and opportunities

Capture buoyancy in equity markets through growth in equity assets

Launch funds to capture market trends and opportunities





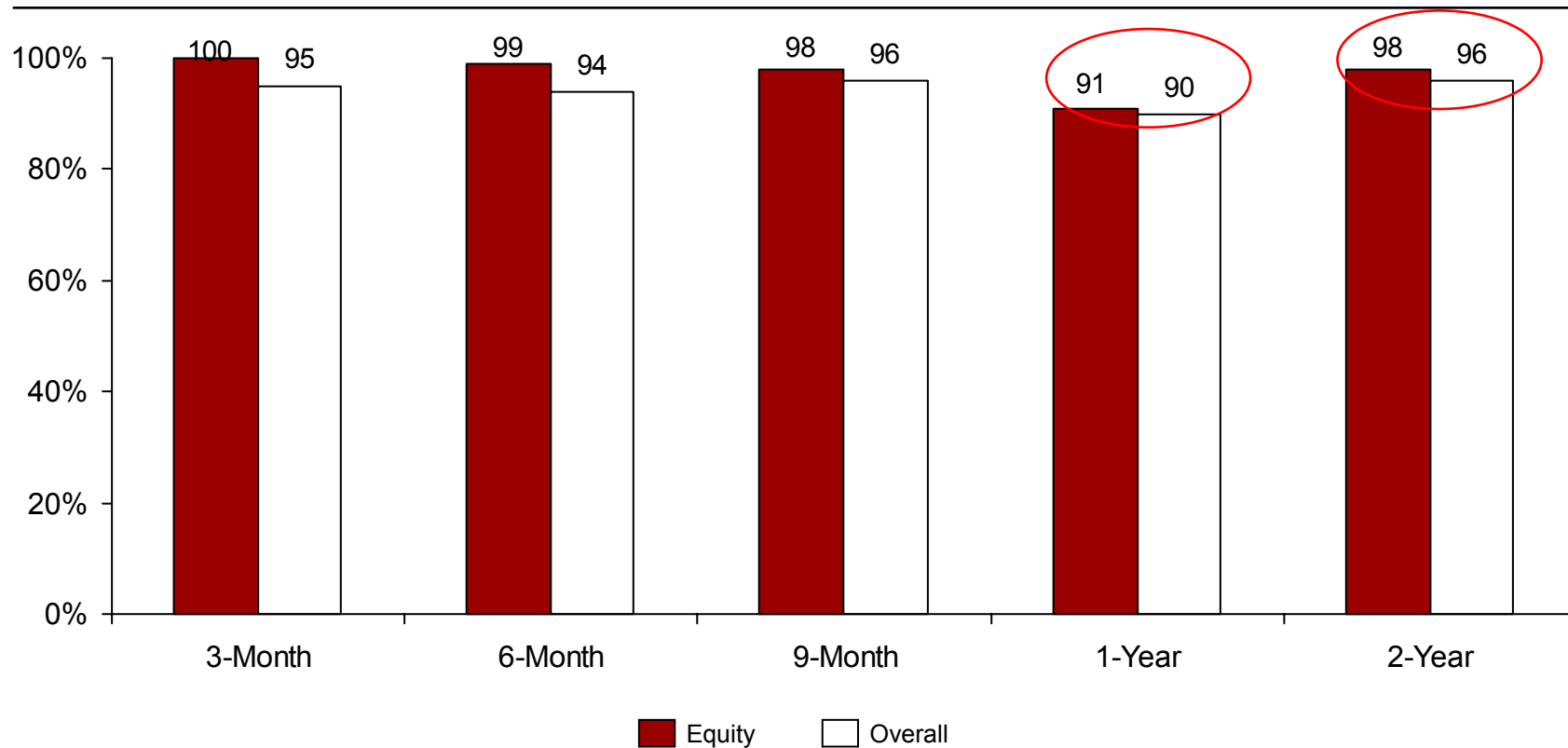
Prudential ICICI AMC : Performance

Superior fund performance across asset classes



We have a high quality team, disciplined investment processes, stringent risk controls and superior technology

Fund Performance – % of Funds in Top 2 Quartiles by FuM



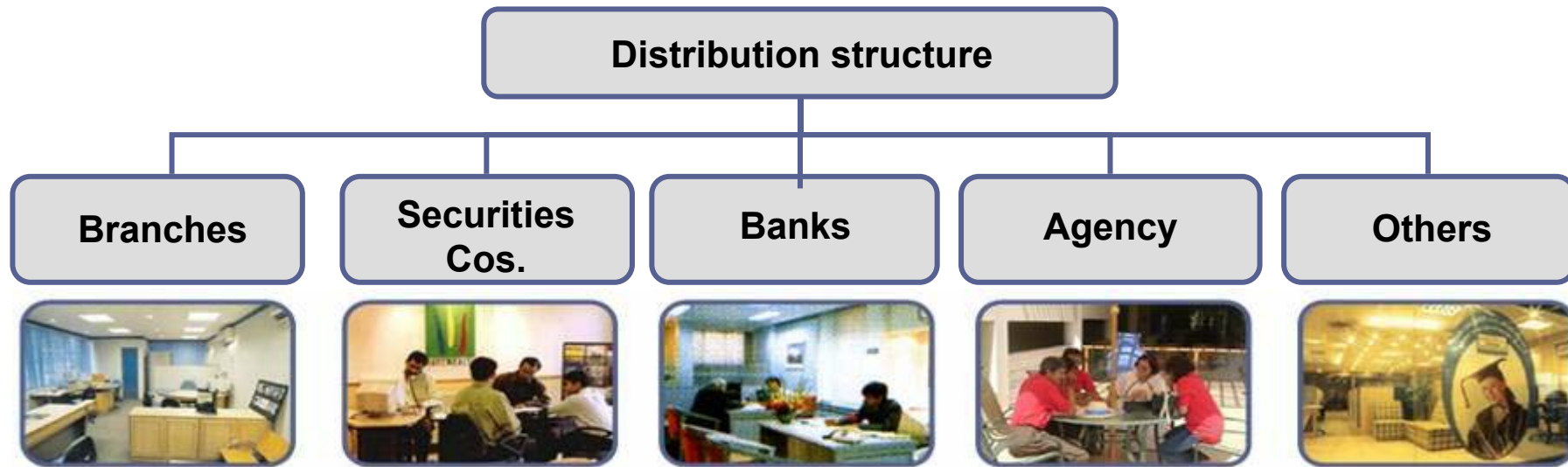


Prudential ICICI AMC : Distribution

Widespread geographic footprint



We have multiple channels; our focus is on growing banking and agency channels to drive retail penetration



Over 30,000 points of sale to access Retail, Institutional and HNWI customers



Prudential ICICI AMC : Distribution

Multiple channel focus



Leveraging existing relationships with banks and securities companies and expanding our own infrastructure and retail channels to capture the retail opportunity

Deepening existing material distribution relationships

Banks and Securities Cos.

Enhancing reach to increase retail penetration

Direct
 Presence - 220 locations
 Expand PoS to 200,000
 Geography coverage through hub and spoke distribution

Agency
 > 1.2 Mn Agents

Govt. owned Banks
 >40,000 branch network
 GBP 964 Bn deposit base

Capturing retail opportunity

GBP 380 Bn
 of existing
 and
 incremental
 financial
 savings



Prudential ICICI AMC : ICICI Bank parentage Significant benefits



ICICI Bank offers unique advantage of local knowledge, relationships, customer base and retail infrastructure



1

Potential Customer Base

– More than 15 Mn + retail customers

2

Access to other Financial Services Business (Group Cos.)

– Bank, Insurance, Investment Bank, Broking, Private Equity and Venture Funds

3

Local Distribution Advantage

– 625 branches, 2275 ATMs, 3000+ Kiosks, Franchisees and DSAs

Local advantage and unique position in local market



Prudential ICICI AMC : Brand Creating value



Strong brand equity is vital and we maintain a consistent focus on branding

Brands are a critical factor for customers' selection of mutual funds

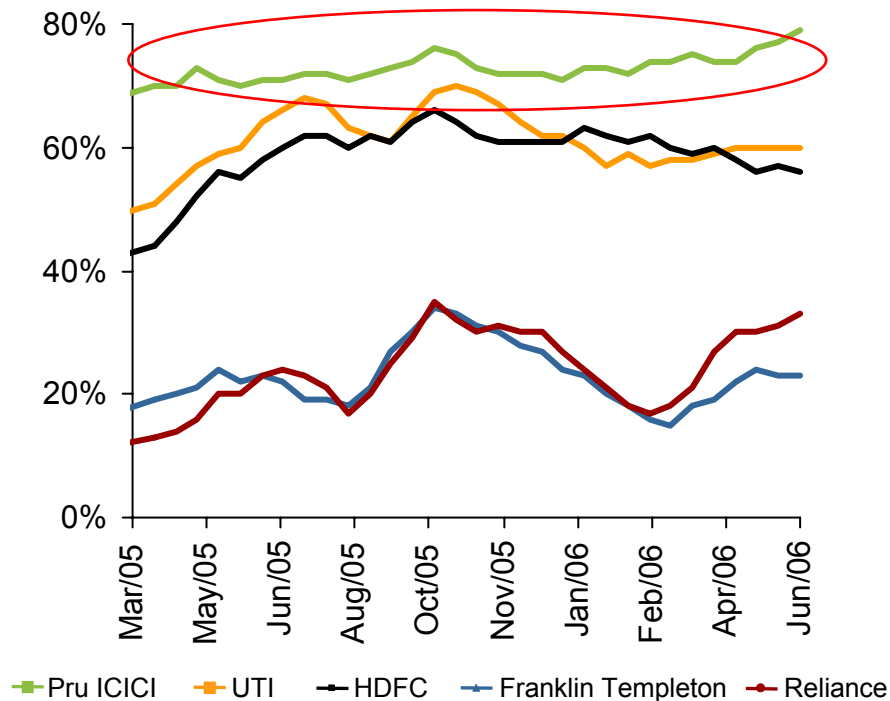
What we hear from the customers:

"The key criterion is company reputation, preferably with a track record."

"Key drivers for selecting a mutual fund company is its reputation"

"We are fed up with cheaters, so we are looking for and wanting a trustworthy company."

Spontaneous Brand Awareness



No.1 Brand Awareness and Preference amongst MFs (TNS Brand Tracker)

Source: TNS Brand Tracker for the period Feb 05-May 06 and TNS Brand Tracker Attribute Preference study for Nov 05 – Jan 06



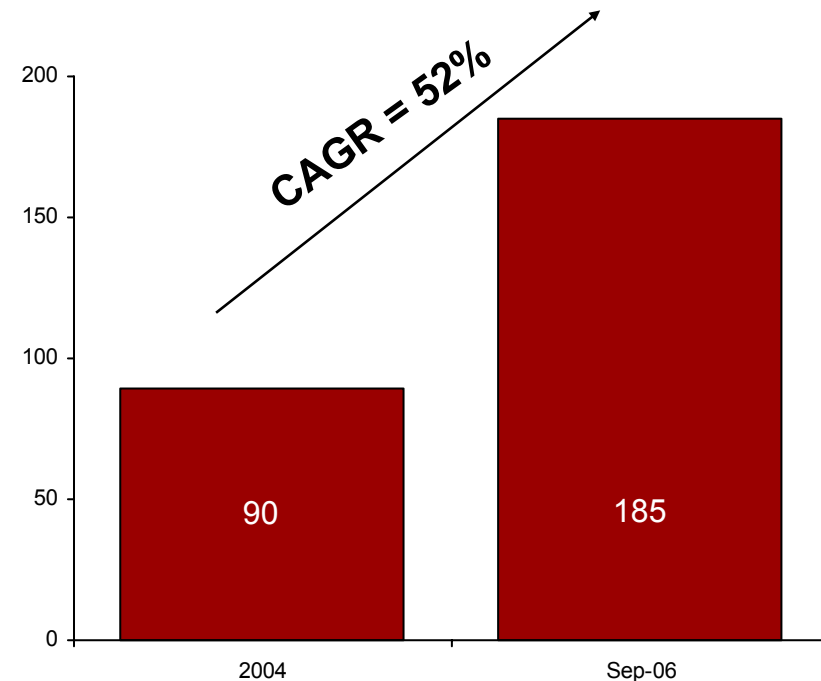
Prudential ICICI AMC : Customer engagement Improving wallet share



We are seeing significant success through directed programmes post acquisition

Customer Management Achievement in '05 Number of multi-product customers (in '000)

Retention	Customer Win Back Programme	23% Win Back rate holding GBP 173 Mn in FuM
Growth	Cross Sell / Up Sell	50% gross sales from existing customers – GBP 375 Mn
Value Add	Pru Tracker	21,774 Customers registered for Pru Tracker Service



Customer retention scores improved from 72% (2004) TO 85% (Sep 06)



Prudential ICICI AMC : PMS

Unique offerings



We have developed innovative products and services to capture the growth potential of PMS for HNWI

Constantly innovate products and services to capture HNWI wealth

Fund/ Services	Objective	FuM (GBP Mn)	
Advisory Business	As per mandate	646	Pru-ICICI is the only PMS to offer fixed income advisory
Equity Funds*	Capital Appreciation	116	
Real Estate Fund	Invest in real estate	9	Pru-ICICI is the only PMS to launch products for capturing alternate investments and real estate
Principal Protected Fund	Capital Guarantee Structure	74	
Personalized Website	Transparency and Service	NA	

* - Deep Value, Focused Fund and Absolute Return Fund



Prudential ICICI AMC : Offshore business Becoming significant



Leveraging on Prudential infrastructure and relationships to tap institutional mandates and offshore investors

Leverage on Prudential Operations



Support from PCA countries to

1. Tap offshore investors for local funds
2. Create offshore funds for local investors

Example: India Infrastructure fund

Exploiting PRU Group Synergies

Prudential ICICI

PRU

- Track record
- Local market knowledge
- Capability to capture market trends

- Leverage existing brand and relationships
- Better utilisation of resources
- Ability to launch quickly

Launch of India Infrastructure Fund in Japan raised over GBP 130 Mn in FUM



Prudential ICICI AMC : Awards and recognition

Awards from multiple agencies for all round performance



CNBC TV-18 Crisil Mutual Fund Of The Year Award – 2006

Readers Digest Platinum Award for “Trusted Brand 2006” –
Voted by the consumers

Asia Asset Management Award for The Most Improved Fund House Of The Year 2005 by Asia Investment Management

Ranked second “Most trusted Mutual Fund” brand as per
Brand Equity Survey for 2005

Marketing campaign won the Bronze Effie 2003 for advertising
effectiveness in the services category





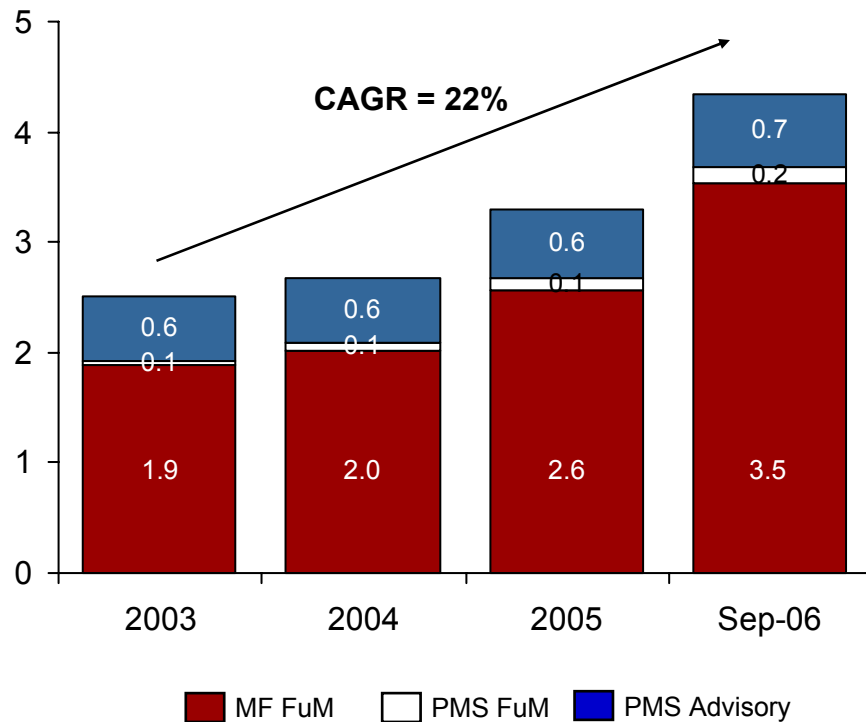
Prudential ICICI AMC : Financials

FUM and Earnings

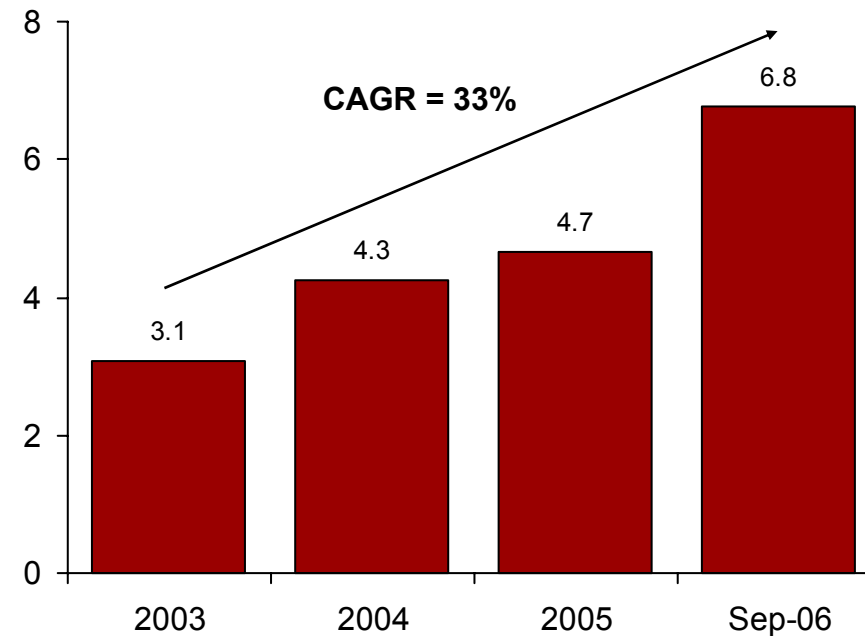


Significant growth in FUM and profits year on year

FUM (GBP Bn)



PBT (GBP Mn)





Prudential ICICI AMC : Market Ranking Leadership position



We are ranked 1st in the private sector in India, 2nd overall

Mar 98

Fund	Rank	Mkt Share
UTI	1	83.43%
SBI	2	2.62%
Canbank	3	2.58%
LIC	4	1.99%
BOI	5	1.43%
GIC	6	1.24%
Morgan Stanley	7	1.06%
Birla	8	0.95%
JM	9	0.87%
IDBI	10	0.49%
DSP ML	11	0.43%
Kothari	12	0.40%
Templeton	13	0.28%
Pru ICICI	14	0.24%
Alliance	15	0.22%

Oct 06

Fund	Rank	Mkt Share
UTI	1	11.69%
Pru ICICI	2	10.68%
Reliance	3	10.26%
HDFC	4	8.75%
Templeton	5	7.63%
Birla	6	6.75%
SBI	7	5.63%
DSP ML	8	5.13%
Kotak	9	4.27%
Tata	10	4.14%
HSBC	11	3.91%
Stanchart	12	3.62%
Principal	13	3.47%
LIC	14	2.38%
Deutsche	15	1.63%



Focus going forward Initiatives to strengthen our market leadership

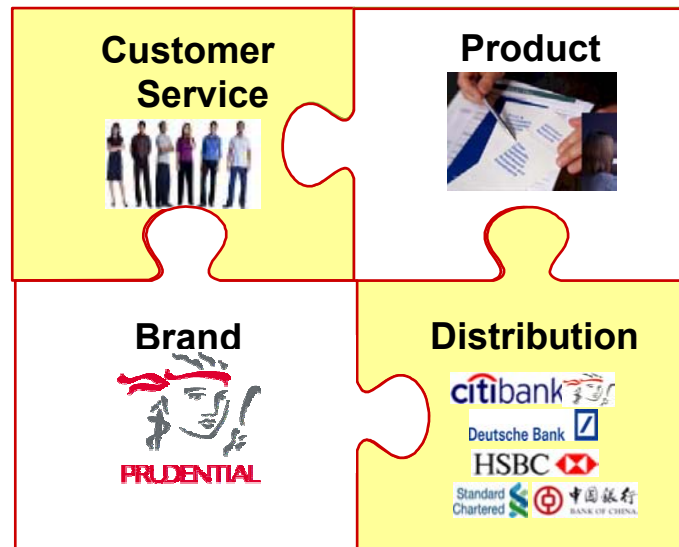


Our Customer Focus

- Retail MF – SEC A&B (35-64) in urban India and non-urban India
- Institutional – SMEs, Trusts, PSUs, Pensions and FIIs
- PMS – HNWIs, Ultra HNWIs and institutions
- International Business – Foreign investors, NRIs and institutional mandates

- Provide differentiated service offerings based on customer profitability

- Multiple channels of communication to improve brand relevance



- **MF** : Life stage funds and alternate asset class products
- **PMS** : Structured products, Managed A/cs, Private Equity and Real Estate
- Increase geographic coverage and grow POS to tap retail opportunity
- Focus and grow agency and government owned Banks for retail penetration



**Prudential:
Leading in Asia**

Summary





Our operations in other countries in Asia



- **Singapore:** The 4th largest player with 9% market share. Formed exclusive distribution alliance with Singapore Post.



- **Malaysia:** The 4th largest player and the only foreign company in the top 5. Leader in products investing offshore.



- **Hong Kong:** The 4th largest Mandatory Provident Funds (MPF) player with over 400,000 of MPF members.



- **Taiwan:** 5th largest foreign player in Taiwan. Became master agent for offshore product range.



- **Vietnam:** One of the largest fund managers in Vietnam. Mutual fund and offshore fund launched.



- **UAE:** Received licence from the regulator, recruited team and in process of starting up.



- **Real Estate:** SICAV approved by regulator, funding expected shortly.



Drivers of competitive advantage

Entrepreneurial, innovation led culture that attracts and retains best talent

- Over 1,000 employees and high retention rates
- Fund performance consistently ahead of benchmarks

Responsive, innovative and efficient product development and delivery that maximises sales success

- Dedicated product development team
- Existing and new products contributed equally to YTD FUM growth

Focus on servicing distributors and better customer service to drive share of wallet

- > 113,000 points of sale across Asia
- Work with leading distributors in each market
- Over 2.1 million customers

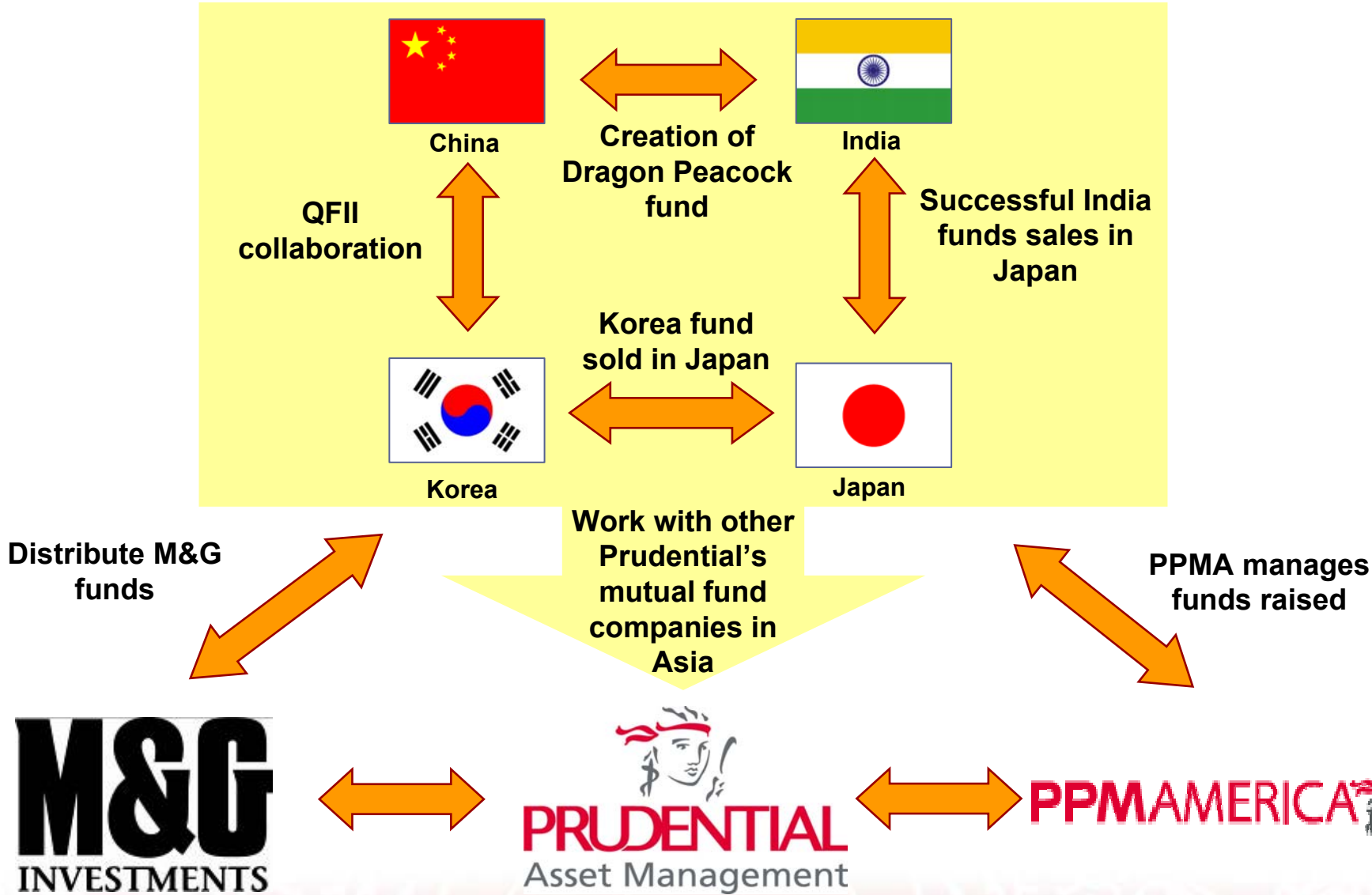
Regional and global footprint allows manufacturing and distribution synergies

- Operate in 10 countries
- Regional centres of Excellence
- Driving economies of scale

Sustainable, profitable growth



Regional and global synergy creates additional competitive advantages





The way forward

- We have doubled our Economic Profit approximately every 18 months over the past 6 years.

Market Valuation*

US listed
AMCs#

16 to 36 PER

UK listed
AMCs#

10 to 23 x EBITDA

Asia

No listed,
trade sales only

Our key growth agenda

- Capitalising on the growth opportunities in Asia, particularly in the 4 key markets
- Distributing our offshore fund product range across Asia and potentially Europe
- Expanding the breadth and depth of our distribution in country and regionally
- Expanding our capabilities e.g. Real Estate, GEM



Key messages

- **The Asian market for fund management is attractive and growing rapidly; there is significant head room for further growth in Asia**
- **Prudential has successfully built a material fund management business in Asia**
- **We have a clear strategy and have managed the profit drivers effectively to create material value**
- **Four key markets for us are Japan, Korea, China and India and we are very well placed in each of them**
- **We have put in place a distinctive and advantaged platform in Asia and believe this puts us in an ideal position to capitalise on the opportunities ahead**





**Prudential:
Leading in Asia**

Closing Comments

**Barry Stowe
Prudential Corporation Asia
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