



Prudential plc

Bank of America Merrill Lynch Conference

October 1st 2009

Tidjane Thiam, Group Chief Executive

Prudential plc

Right strategy, powerful franchise, financial discipline

Right strategy

- Adding value to customers in meeting their retirement needs
- Retirement market offers significant profitable growth opportunities

Powerful franchise

- Advantaged position in high growth regions: Asia and US
- Strong UK business in tough market
- High performance asset management business
- Diversification by geography, type of earnings, products and distribution

Financial discipline

- Balance new business with cash and capital generation
- Maintain robust and resilient balance sheet and capital position

Agenda

- Right strategy
- Powerful franchise
- Financial discipline

Asia life

Significant growth opportunities with high returns

- Asia increasingly important in the global economy
 - Better shape going into crisis
 - Lower leverage
 - GDP growth recovering
 - Equities outperforming
 - Growth in intra-Asia trade
- Fundamentals driving increased demand for life insurance
 - Increasing wealth
 - Low penetration
 - Limited welfare provision

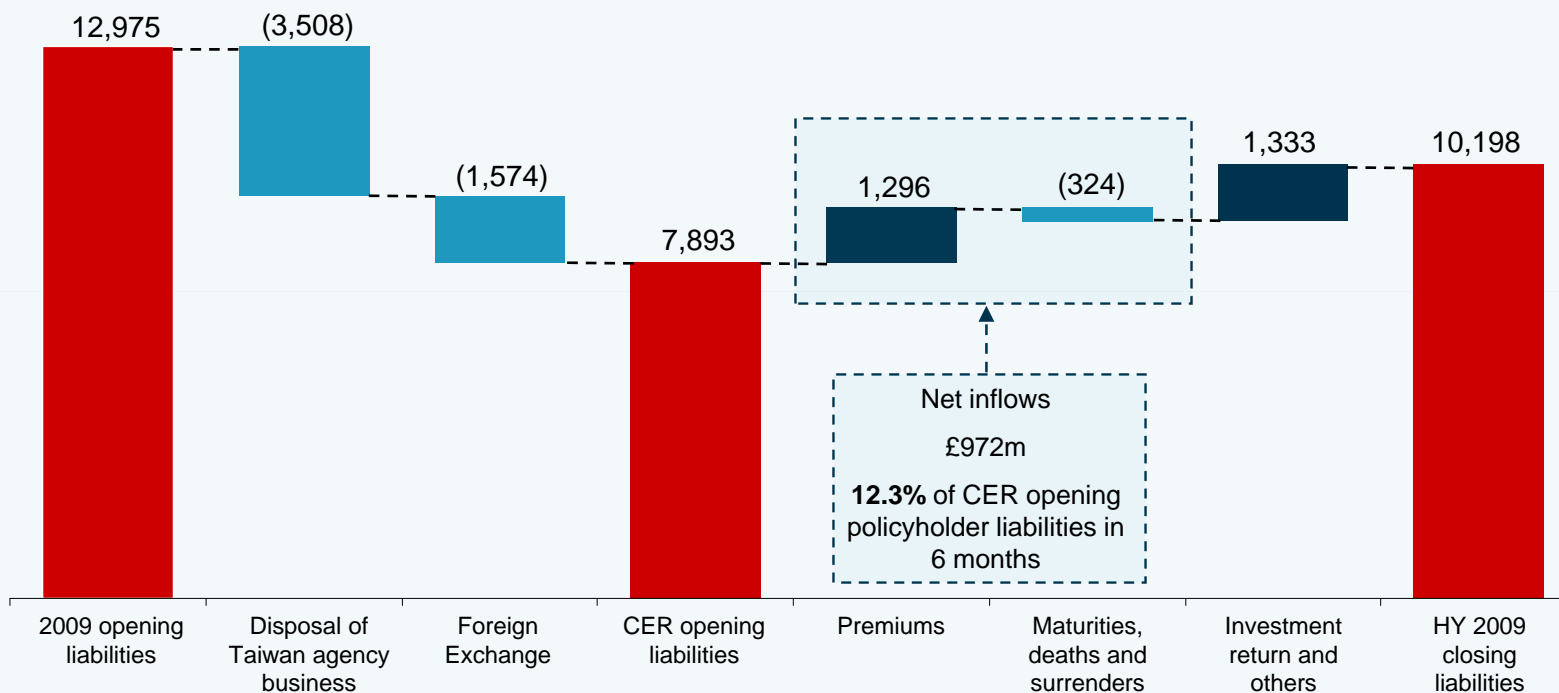
Prudential market positions Life New Business*

Country	Rank
Indonesia	1 st
Singapore	1 st
Vietnam	1 st
Malaysia	1 st /2 nd
India (private players only)	1 st
China (foreign players only)	3 rd
Hong Kong	3 rd
Philippines	3 rd
Thailand	11 th
Taiwan	13 th
Korea	15 th

Asia life

Powerful underlying growth

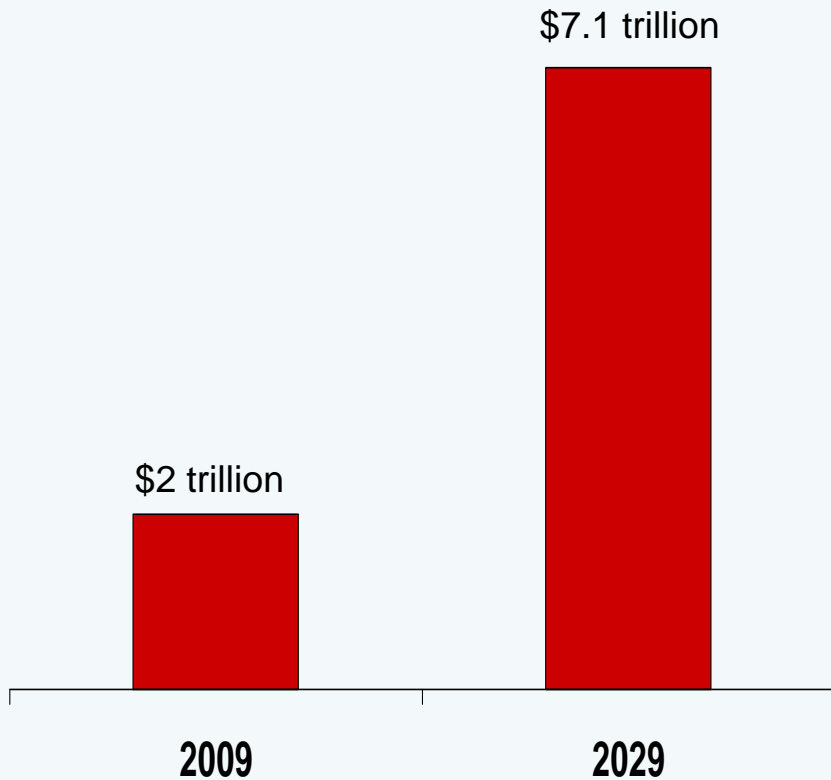
Policyholder liabilities* roll-forward – at AER, £m



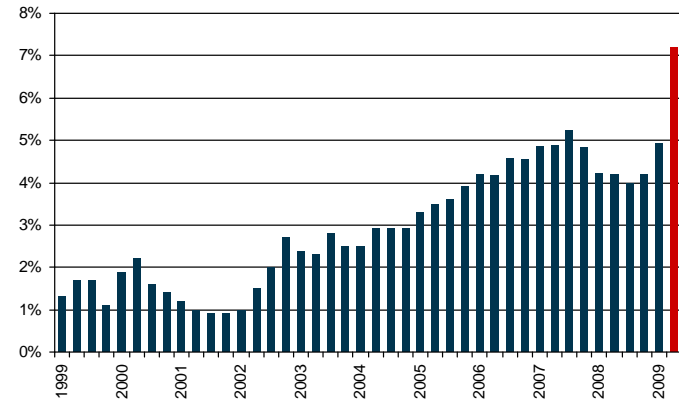
US life

Jackson emerging as a clear winner in the world's largest retirement market

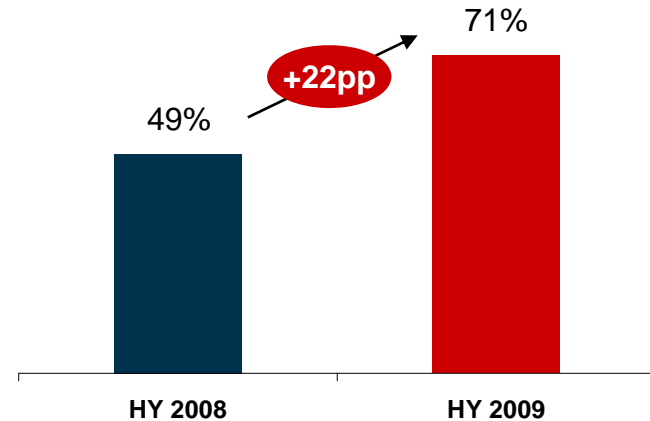
US assets generating retirement income



Jackson VA market share – in %



Jackson VA APE margin – in %



Strong business in a tough market

Successfully refocused

- Focused product range with leading position in annuities and with-profits
- Highly disciplined approach to growth based on payback and returns

Improving efficiency

- On track for overall £195m p.a. savings by end 2010 (£115m achieved by end 2008)
- Outsourcing agreement with Capita caps unit costs

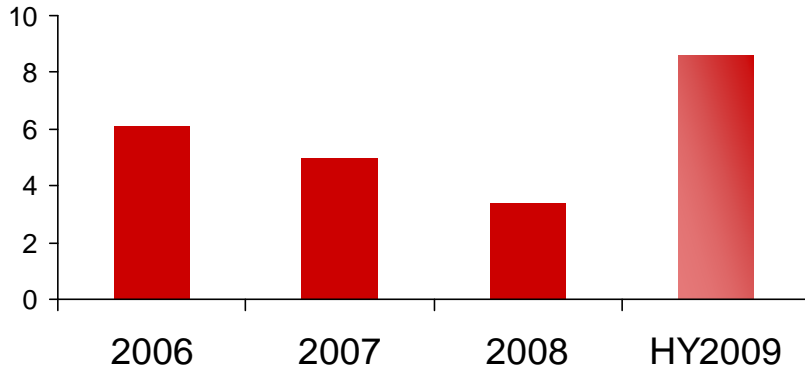
Significant cash and capital generation

- Strength of with-profits fund and shareholder transfer
- Shareholder backed business on track for cash breakeven 2010

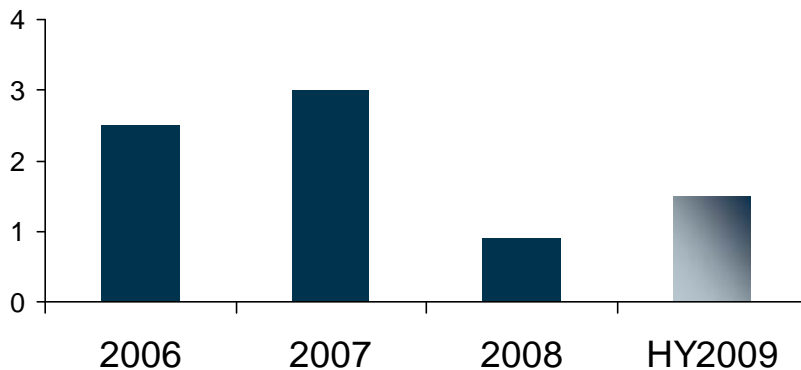
Asset Management

High performance business is a real differentiator

M&G 3rd party net inflows - £bn



Asia 3rd party net inflows - £bn

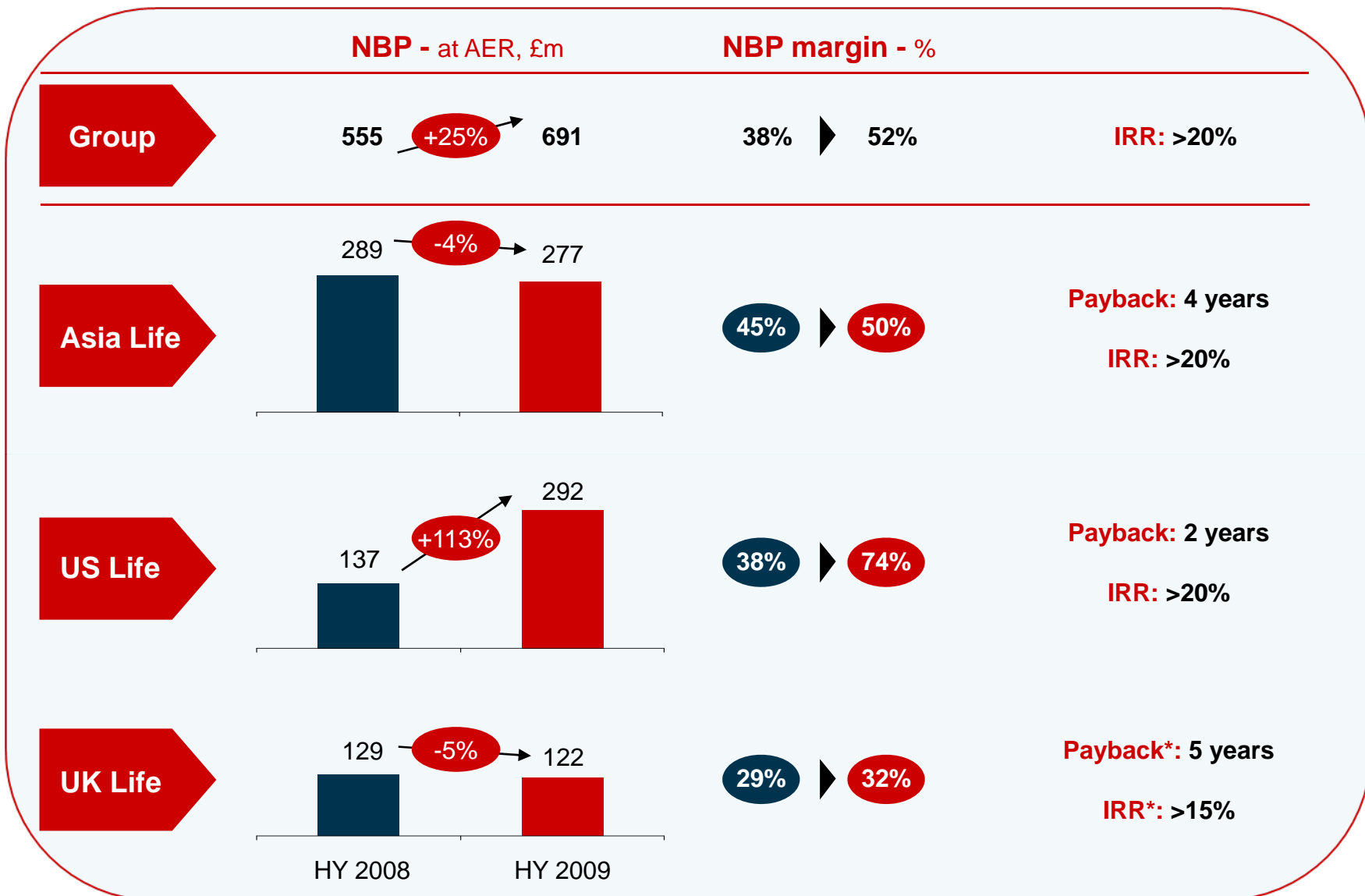


- **Superior investment performance**
 - Central to life business
 - Attracting external FUM
- **Significant results**
 - Over £30 billion of net inflows since 2006
 - Over £1 billion of pre-tax operating earnings since 2006
- **Very low capital requirements**

Agenda

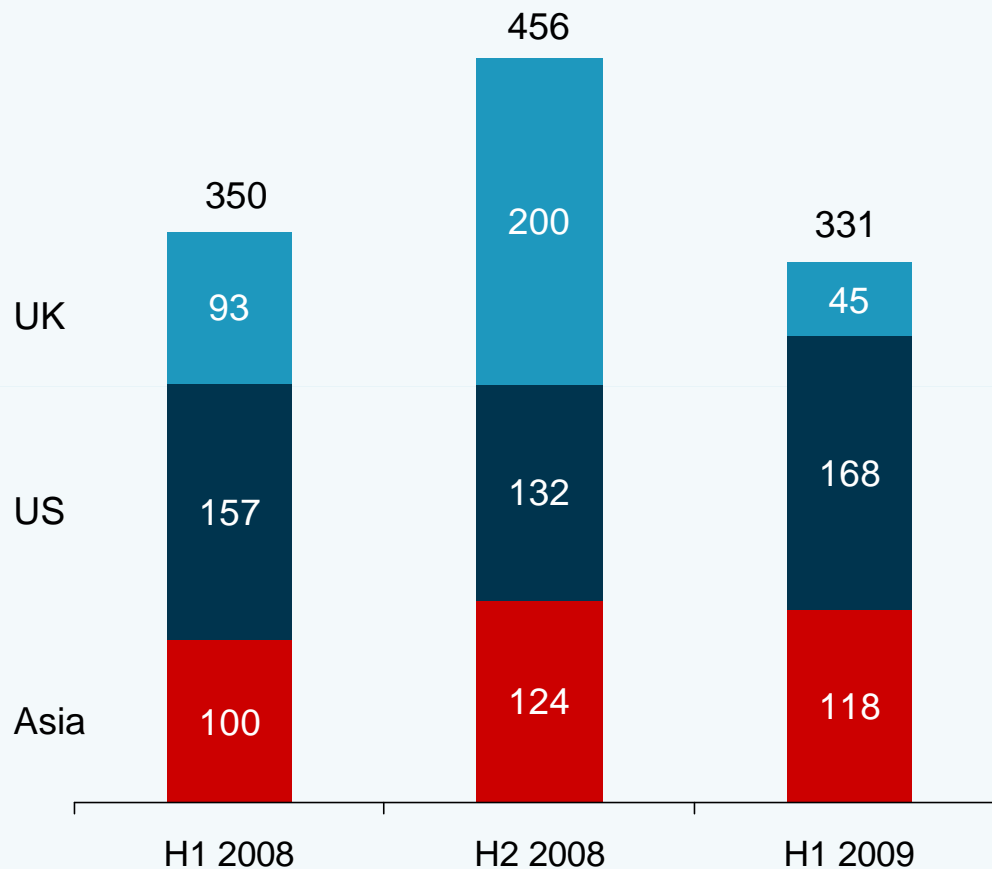
- Right strategy
- Powerful franchise
- Financial discipline

Delivering high return and short payback on new business



Controlling investment in new business

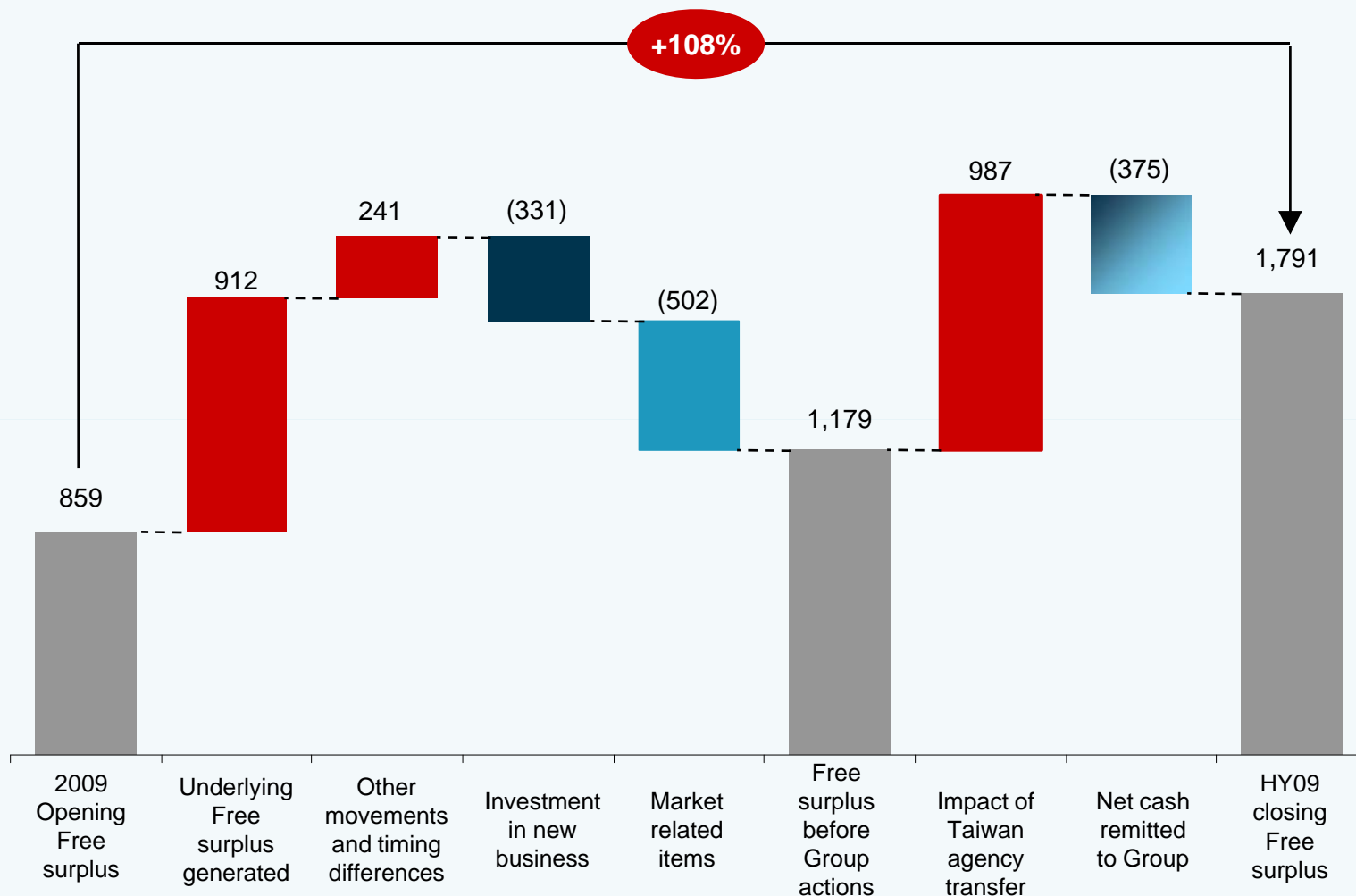
EEV New business investment* – at AER, £m



Life & Asset Management

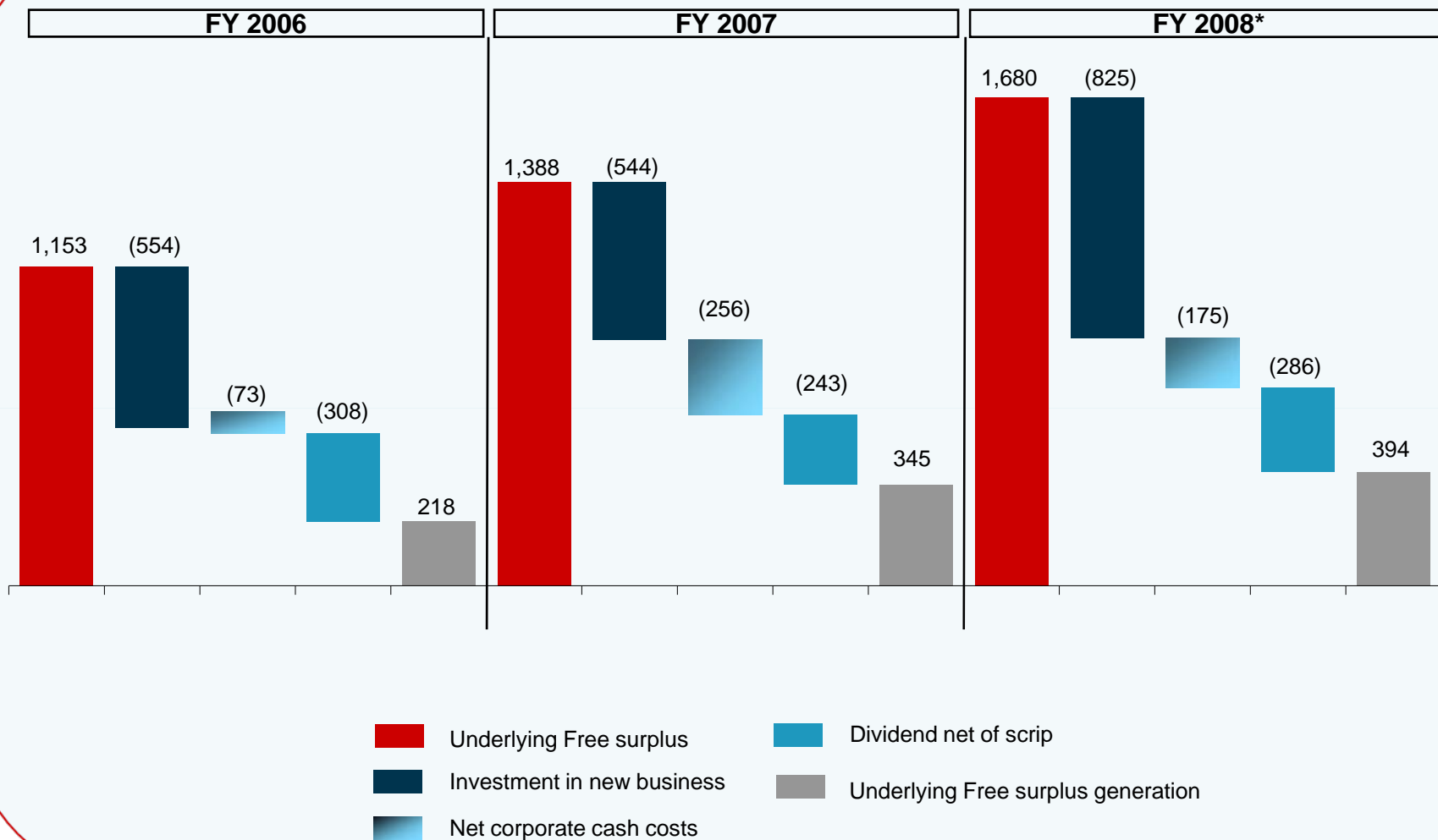
Significant underlying free surplus generation

Evolution of Free surplus – at AER, £m



Underlying cash generation covers dividend

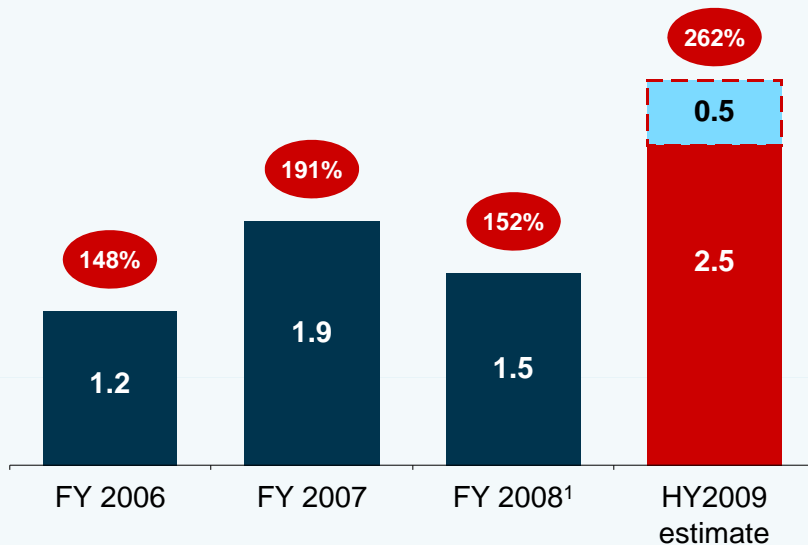
Underlying Free surplus generation – at AER, £m





Prudent, pro-active and effective management of capital and risk

IGD surplus £3bn; sensitivities very manageable

Evolution of IGD – £ bn



 Solvency Ratio
 Hybrid issue July 2009

IGD sensitivities*

40% fall in equity markets	£(200)m
150bps fall in interest rates	£(300)m
10x expected defaults	£(650)m

* All sensitivities measured as at June 30th, 2009. The 40% fall in equity markets assumes a 20% immediate fall followed by a 20% fall over the next 20-trading days

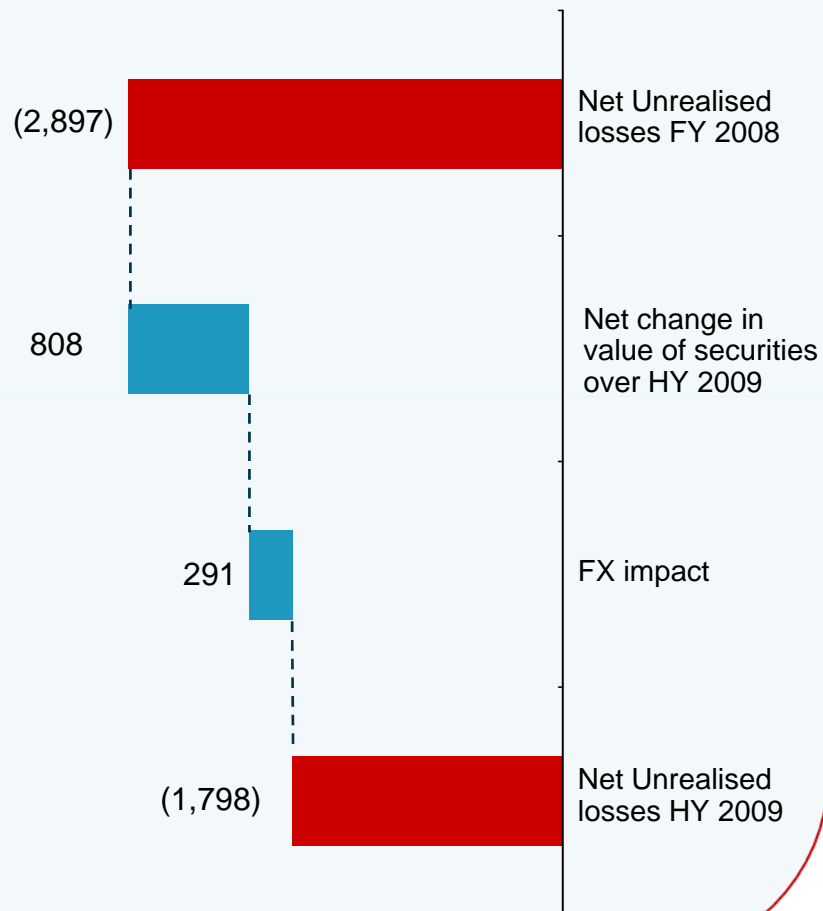
Credit charges and unrealised losses

Unrealised losses decreased by over £1bn in HY09

Breakdown of IFRS losses –
HY2009, at AER, £m

	Asia	US	UK	Total
Defaults	0	0	11	11
Realised losses	0	42	0	42
Impairments	0	324	0	324
Total	0	366	11	377

US net unrealised losses –
at AER, £m



Summary

- Business environment expected to remain difficult
- Consistent and compelling strategy
- Powerful franchises - very well positioned to benefit from any market upturn
- Concentrating on the most profitable opportunities and with flexibility on capital allocation
- Strong underlying capital position and capital generation
- Focused management team