



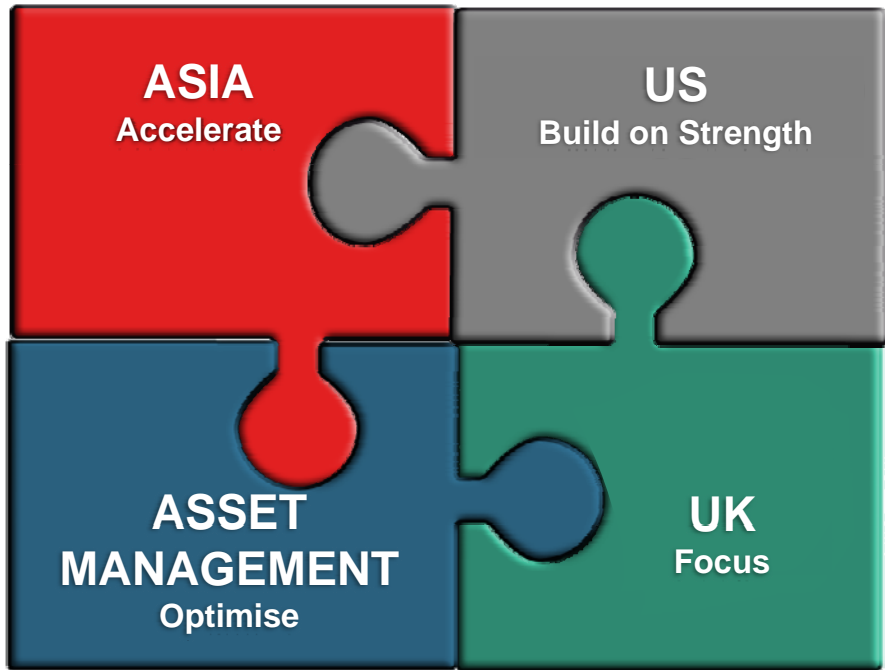
Prudential

Investor Day 2010: Growth and Cash

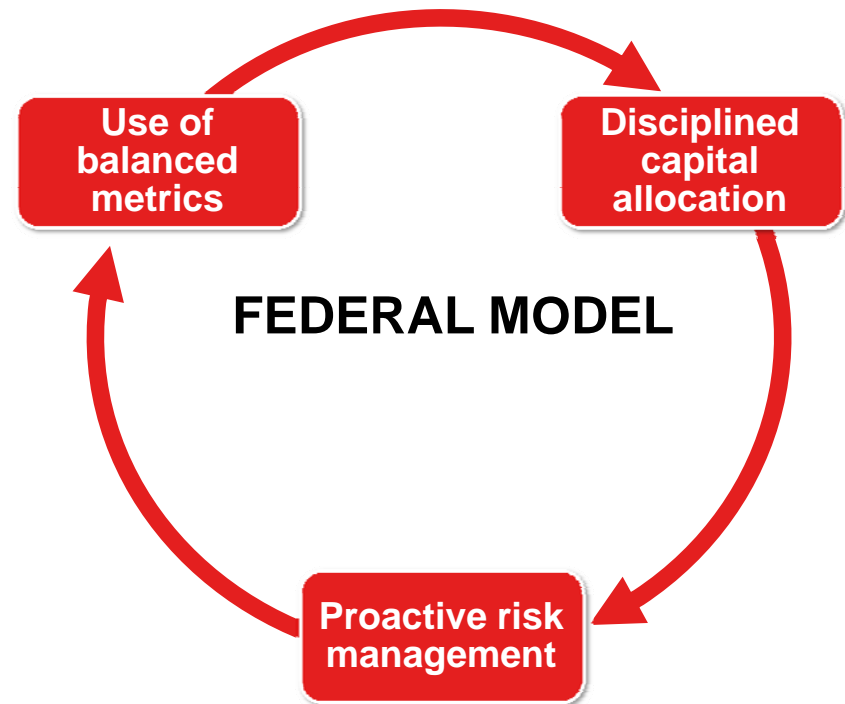
Tidjane Thiam
Group Chief Executive

We have a clear strategy underpinned by strong operating principles

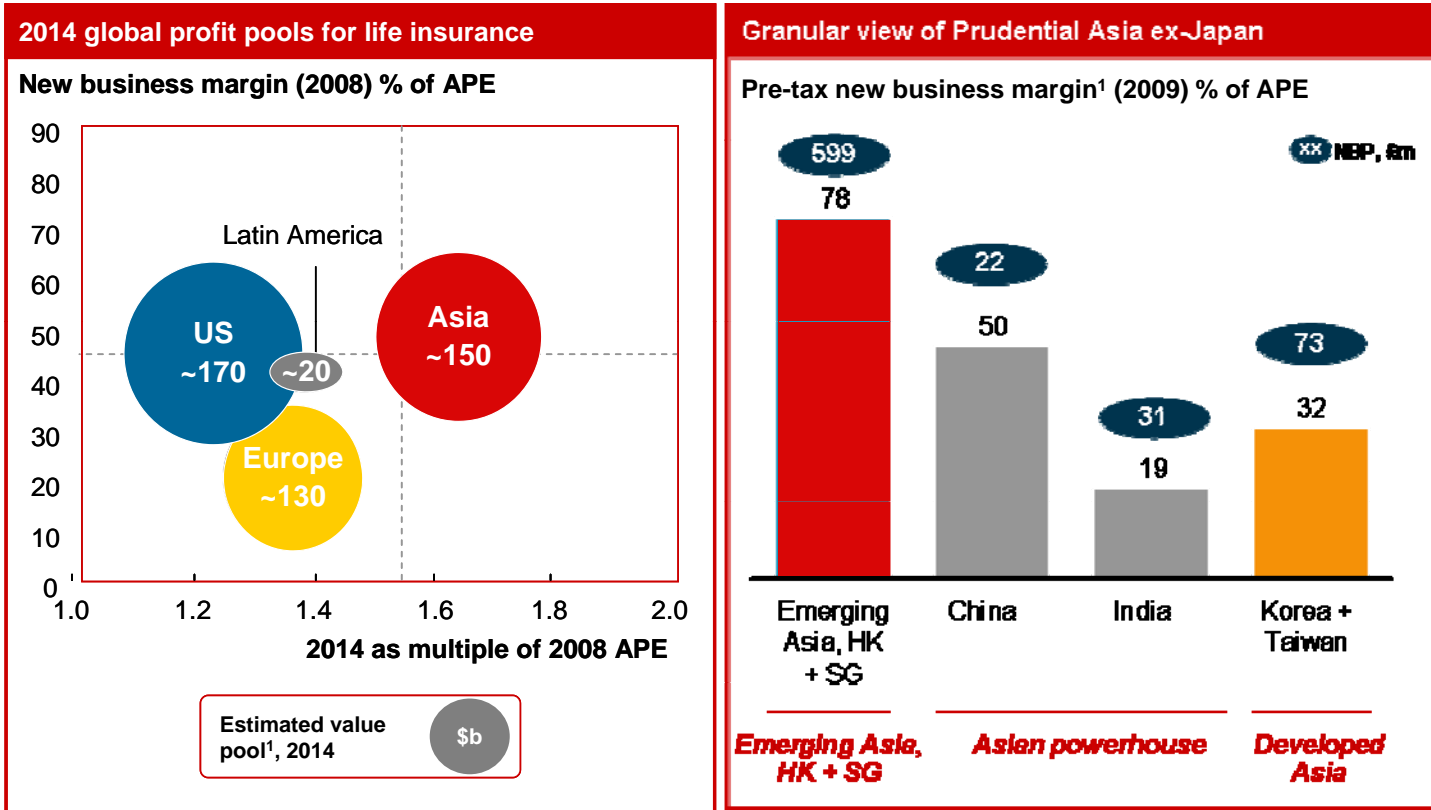
Strategy



Operating Principles



Asia: The greatest value opportunity in global life insurance



Structural drivers of profitability

Supply-driven markets

Proprietary distribution

Richer product mix

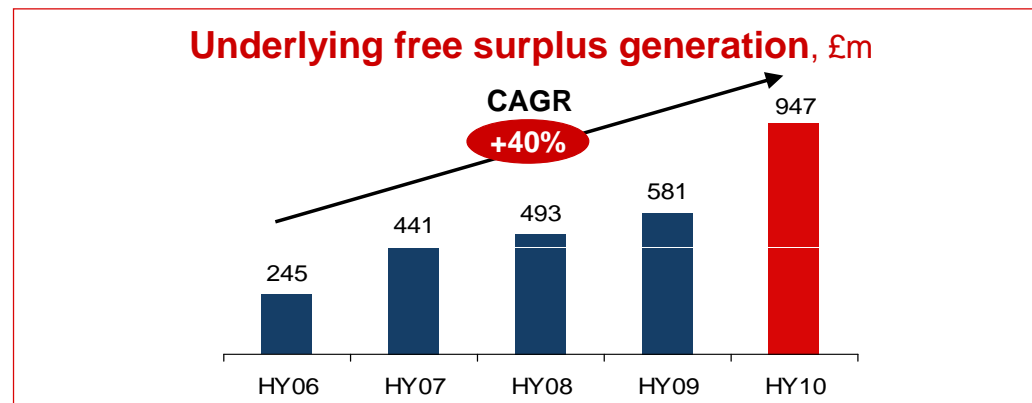
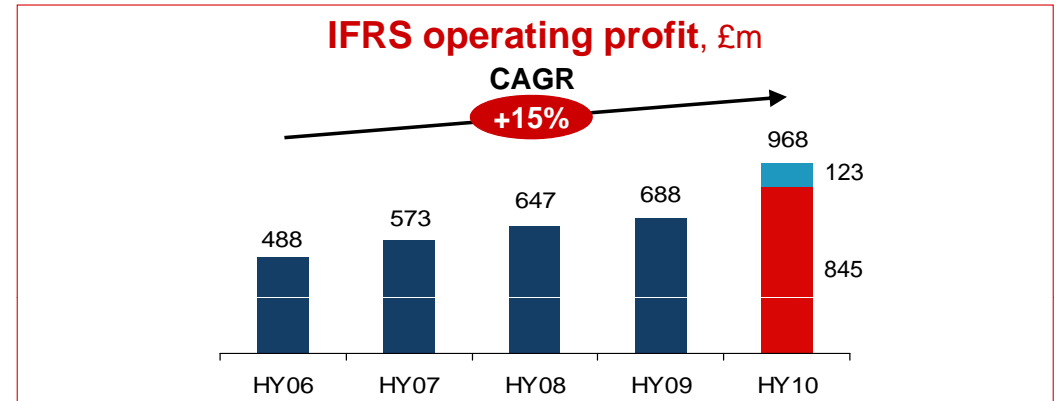
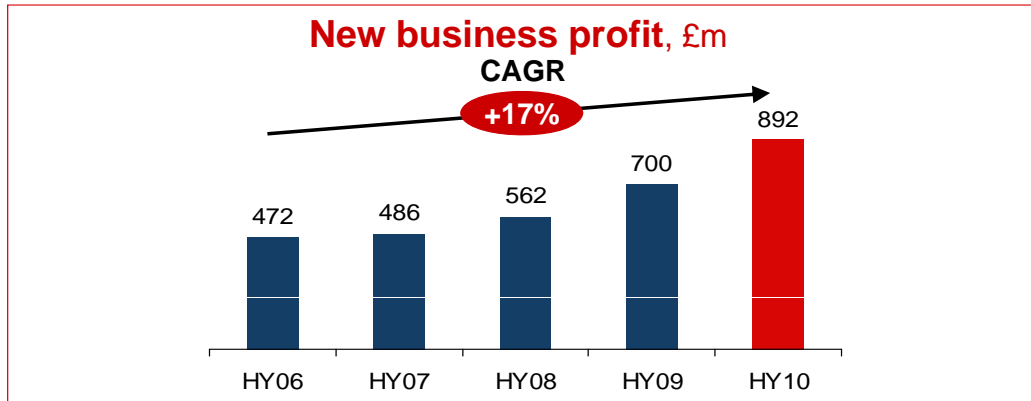
Balanced and effective regulation

SOURCE: Prudential; McKinsey

¹ Calculated as a weighted average by APE

Where are we today?

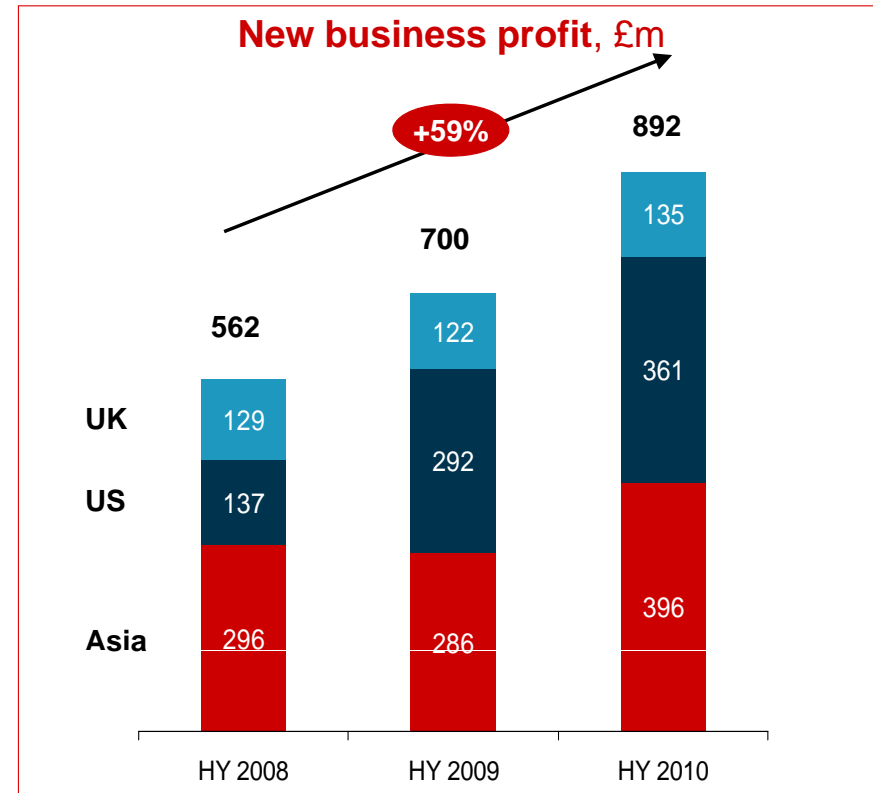
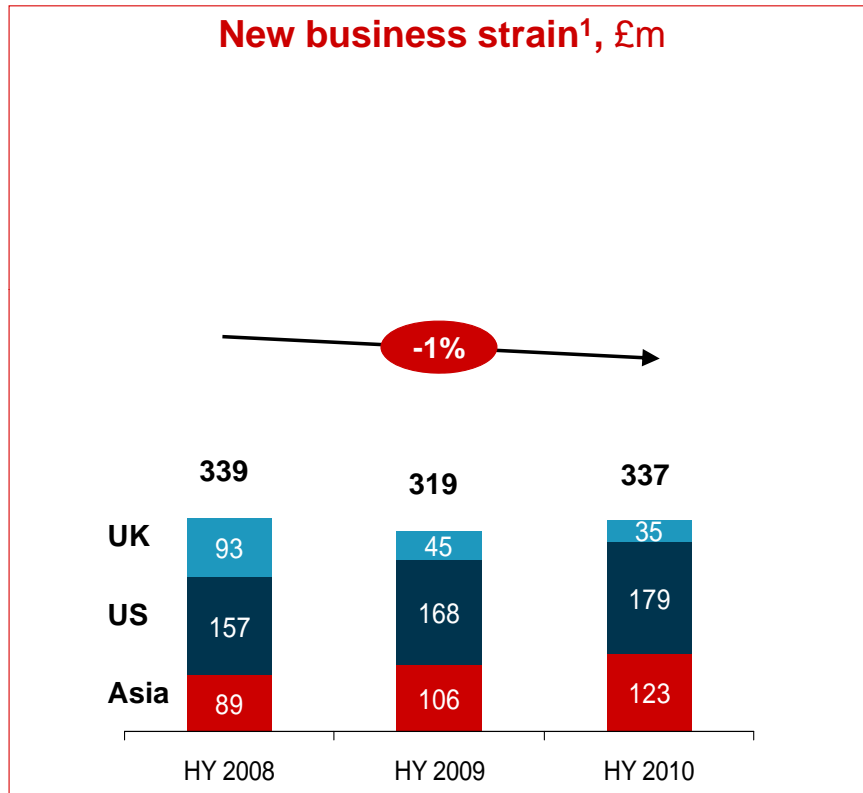
Strong performance across all our key metrics



Note: £123m represents a net equity hedge gain being the difference between fair value movements in derivative assets and the movement in accounting values of guarantees

Where are we today?

Delivering higher returns on capital invested for shareholders



1. Free surplus invested in new business

Note: Excludes Japan

Where are we going to?

Accelerating Asia: New Financial Objectives

In 2013 PCA will aim to:

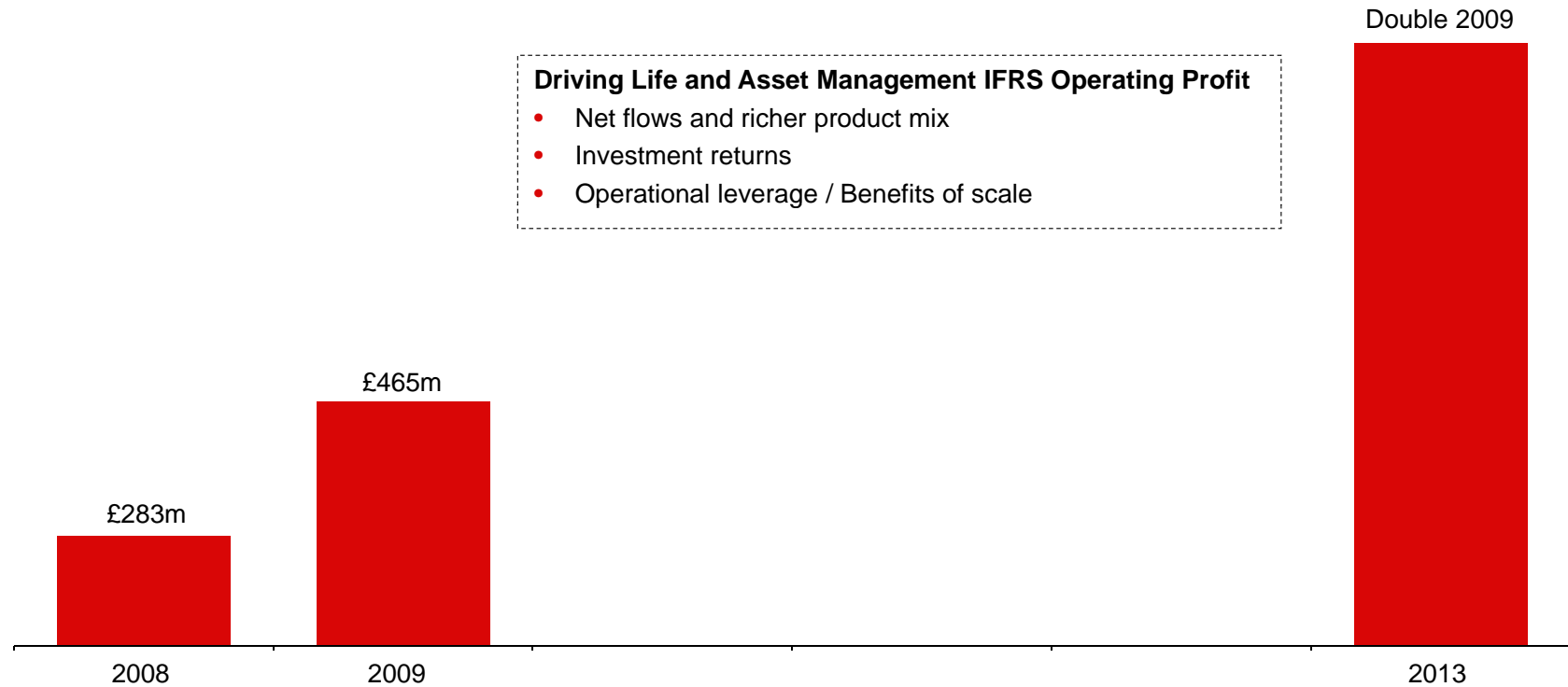
- Double 2009 Life and Asset Management IFRS Operating Profit
- Double 2009 Value of New Business
- Deliver £300m of Net Cash Remittances to the Group

Note: The objectives assume a normalised economic environment consistent with the economic assumptions made by Prudential in calculating the EEV basis supplementary information for the half year ended 30 June 2010, is based on the current solvency regime and does not pre judge the outcome of Solvency II, which remains uncertain.

Where are we going to?

Accelerating Asia: New Financial Objectives

Doubling Life and Asset Management IFRS Operating Profit



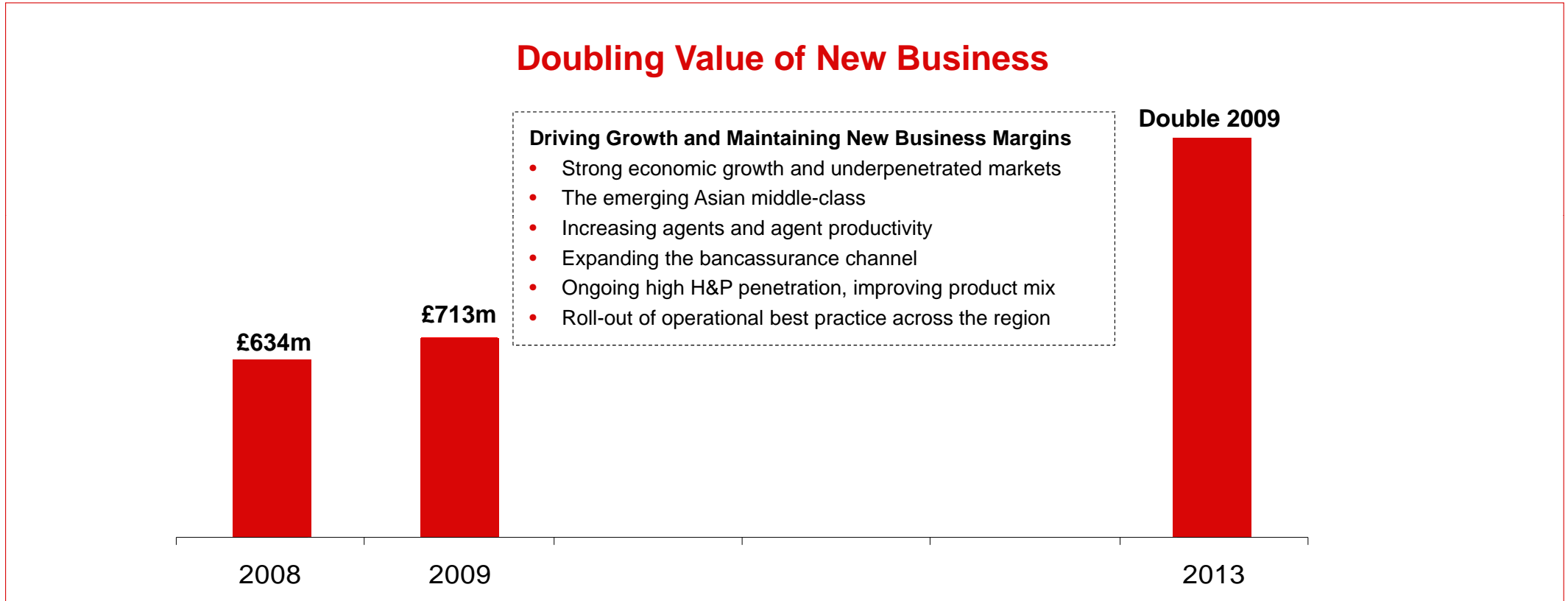
Driving Life and Asset Management IFRS Operating Profit

- Net flows and richer product mix
- Investment returns
- Operational leverage / Benefits of scale

Note: The objectives assume a normalised economic environment consistent with the economic assumptions made by Prudential in calculating the EEV basis supplementary information for the half year ended 30 June 2010, is based on the current solvency regime and does not pre judge the outcome of Solvency II, which remains uncertain.

Where are we going to?

Accelerating Asia: New Financial Objectives



Note: The objectives assume a normalised economic environment consistent with the economic assumptions made by Prudential in calculating the EEV basis supplementary information for the half year ended 30 June 2010, is based on the current solvency regime and does not pre judge the outcome of Solvency II, which remains uncertain.

Where are we going to?

Group Cashflow: New Financial Objectives

We are introducing new objectives for net remittances:

- Asia to deliver £300m in 2013
- Jackson to deliver £200m in 2013
- UK to deliver £350m in 2013
- Cumulative net remittances to Group of at least £3.8bn over 2010-13

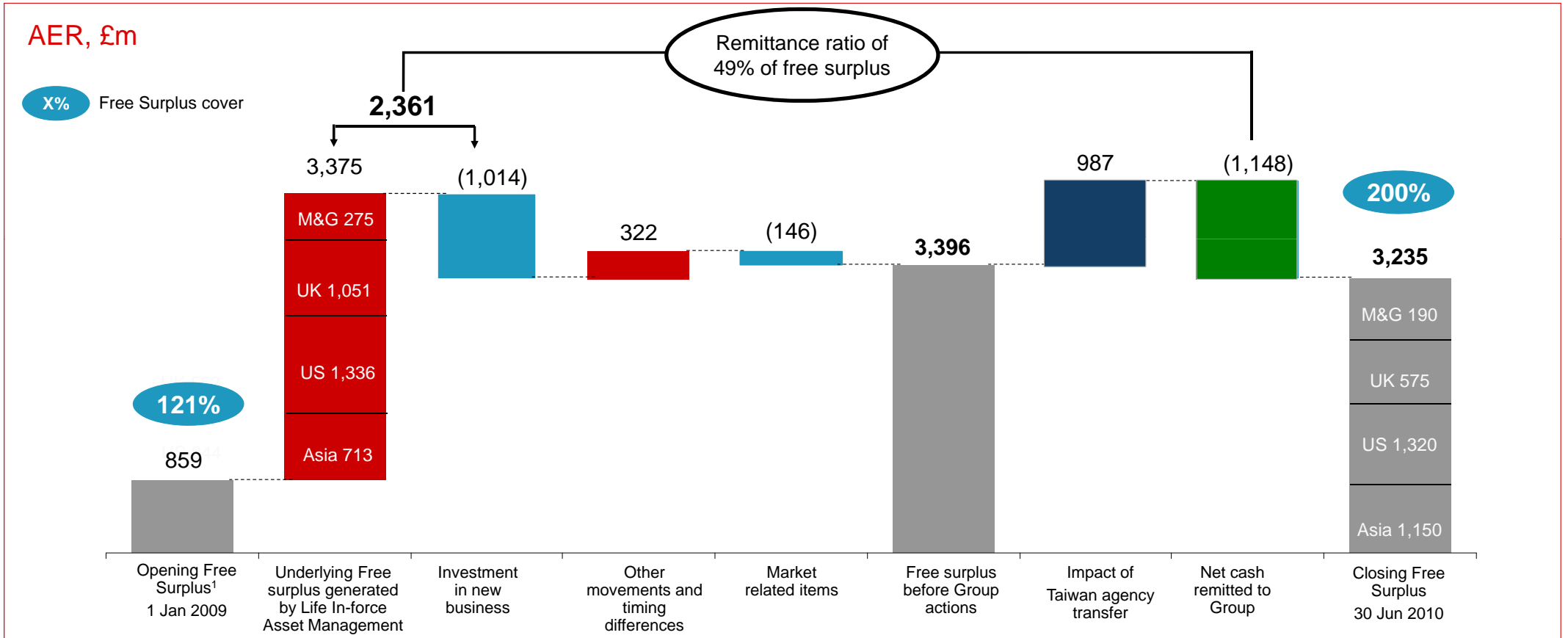
Note: The objectives assume a normalised economic environment consistent with the economic assumptions made by Prudential in calculating the EEV basis supplementary information for the half year ended 30 June 2010

Free Surplus and Cash

Nic Nicandrou
Chief Financial Officer

Free Surplus and Cash

Free Surplus Progression - 1 January 2009 to 30 June 2010

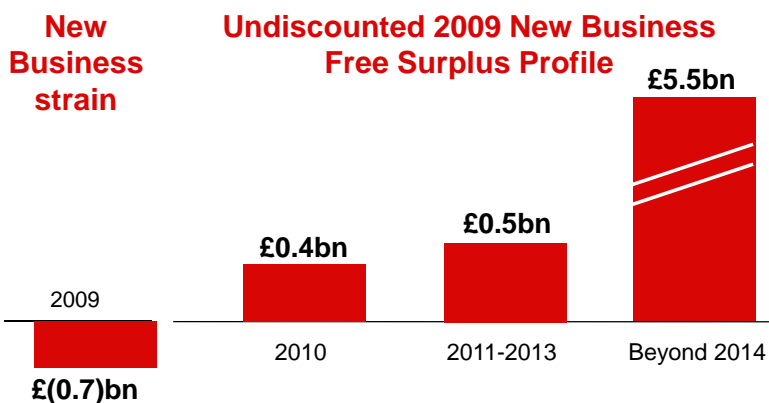
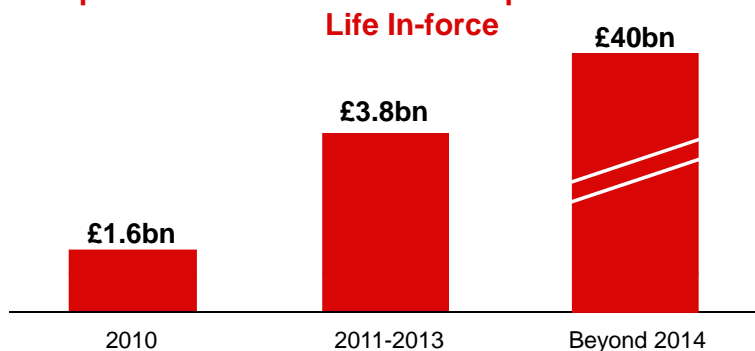


¹ After a £1.7bn charge in FY2008 representing the effects of market falls, additional UK credit default provisions and US impairments

Cash and Capital

Free Surplus Emergence

Expected undiscounted free surplus from end 2009



2009 Life in-force undiscounted free surplus

- £1.6bn in 2010
- £3.8bn over next three years
- History of positive variances (2007 to mid 2010: £0.4bn)

New Business contributes to free surplus

- Low strain, high return, short payback discipline
- TRR >20% and payback periods of <4 years

Asset management and other non-insurance

- £0.9bn generated from start 2007 to mid 2010

Free surplus to come through

2010: £1.5bn

2011-2013: £5bn

Note: The objectives assume a normalised economic environment consistent with the economic assumptions made by Prudential in calculating the EEV basis supplementary information for the half year ended 30 June 2010

Cash and Capital Fungibility

	2007 £m	2008 £m	2009 £m	2010 £m	2011-2013 £m
UK with-profit	261	279	284	✓	✓
UK shareholder backed	(143)	(80)	150	✓	✓
Asia	37	5	40	✓	✓
US	122	144	39	✓	✓
M&G ¹	139	167	175	✓	✓
Net remittances to Group	416	515	688	800	3,000
Net Underlying Free Surplus ²	844	752	1,414	1,500	5,000
“Remittance” Ratio	49%	68%	49%	> 50%	> 60%

¹ Including PruCap

² Underlying free surplus from Life and Asset Management after investment in new business

Managing balance between

- Net remittances to Group
- Retaining surplus in business
 - Finance new business growth
 - Improved resilience to market shocks

Good regulatory relationships

- No dividend blockages
- Strong local solvency ratios
- Remitted through financial crisis

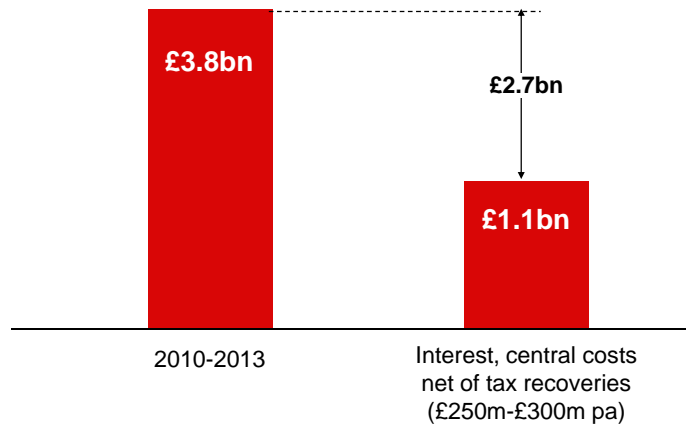
Expectation for 2010-2013

- Increase “remittance” ratio
- Material remittance from all businesses

Cash and Capital

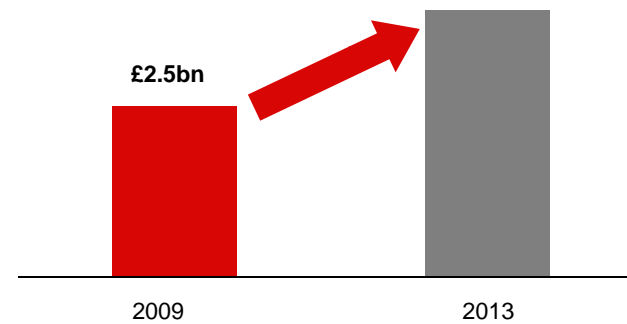
Holding Company Cashflows

Expected net remittances and central outgoings (2010-2013)



INCREASED FLEXIBILITY

Free Surplus "Stock"



INCREASED CAPITAL STRENGTH

Developments in our Financial Reporting

IFRS

- Sources of earnings
 - Revenue by source and margin on liabilities (YE 2010)
 - Gross acquisition and operating costs (YE 2010)

Free Surplus

- Undiscounted VIF free surplus profile by year (YE 2010)
- Undiscounted new business free surplus profile by year (YE 2010)
- Reconciliation of movement in undiscounted VIF between start and end-year position (2011)

EEV

- No adoption of MCEV
- Asia EEV “earned assumptions” will be based on current long-term yields (YE 2010)



Prudential

Investor Day 2010: Growth and Cash

Tidjane Thiam
Group Chief Executive

Where are we headed?

In conclusion...

Growth *and* Cash

- Commitment to deliver significant Asian growth on all metrics
- Commitment from all business units to deliver strong net cash remittances

An Increasingly Asian Play

- IFRS profits growth will address the Asian 'IFRS valuation conundrum'

Management fully committed and incentivised to maximise value for shareholders

Improving Financial Flexibility

Agenda for Today

8:00am – 8:30am	Introduction, New Financial Objectives, Growth and Cash Tidjane Thiam, Nic Nicandrou
8:30am – 12:15pm	Delivery in Asia Barry Stowe, Adrian O'Connor, Graham Mason, Tony Wilkey, Lilian Ng
12:15pm – 1:00pm	Lunch
1:00pm – 3:45pm	Jackson's Strategy & Performance Clark Manning, Mike Wells, Chad Myers
3:45pm – 4:00pm	Break
4:00pm – 4:45pm	M&G Overview & Performance Michael McLintock, Will Nott, Simon Pilcher, Grant Speirs
4:45pm – 5:30pm	UK Sustainability, Resilient Cash Regeneration Rob Devey
5:30pm – 6:30pm	Final Q&A and Close with Tidjane Thiam Nic Nicandrou, Barry Stowe, Mike Wells, Clark Manning, Rob Devey, Michael McLintock