

The Asia Investment Expert the World Trusts

Graham Mason

Chief Executive, Fund Management

Prudential Corporation Asia

16 November 2011

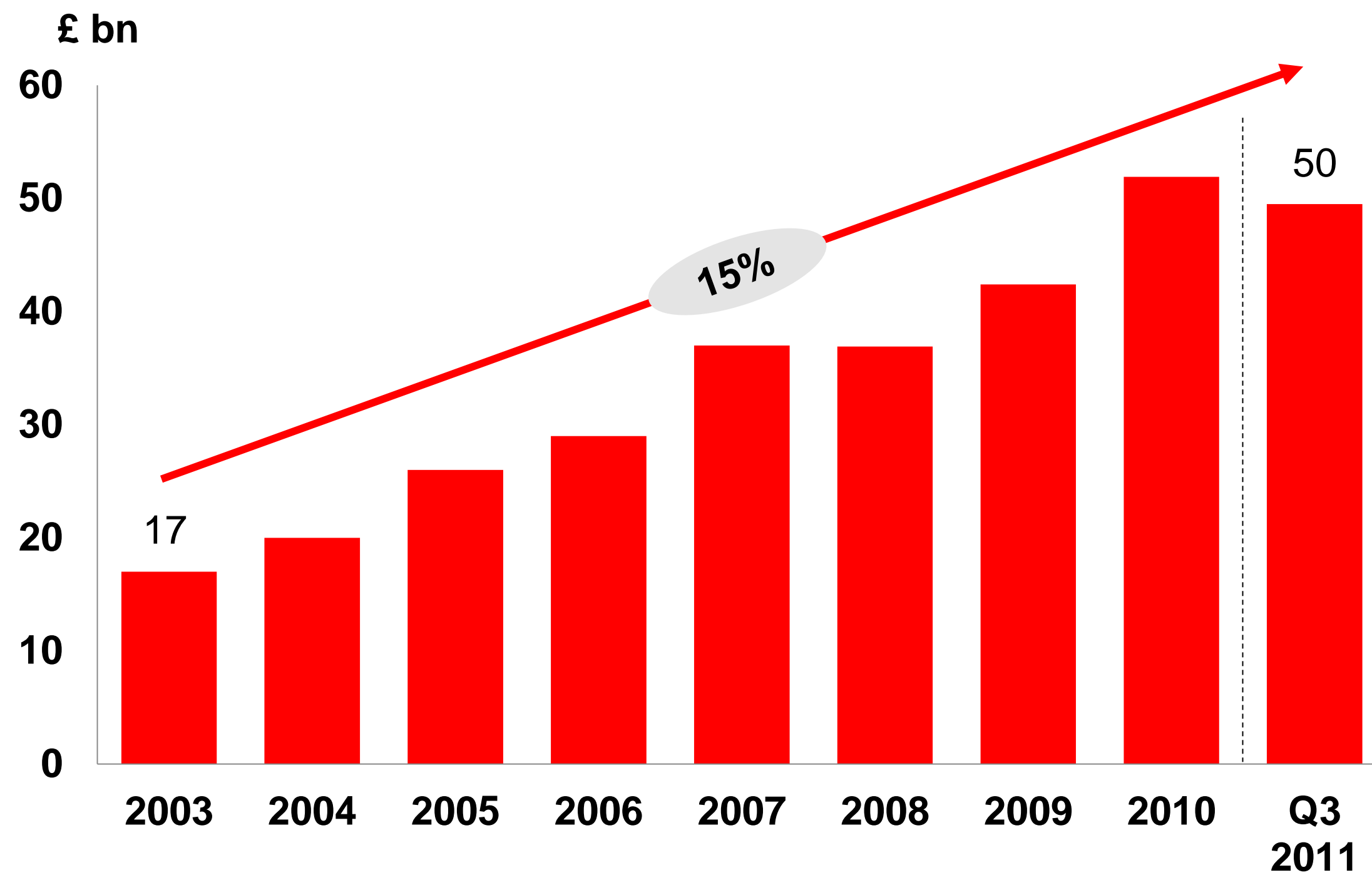
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- Business Update
- The Asian Asset Manager
- Strategic Priorities

Business Overview

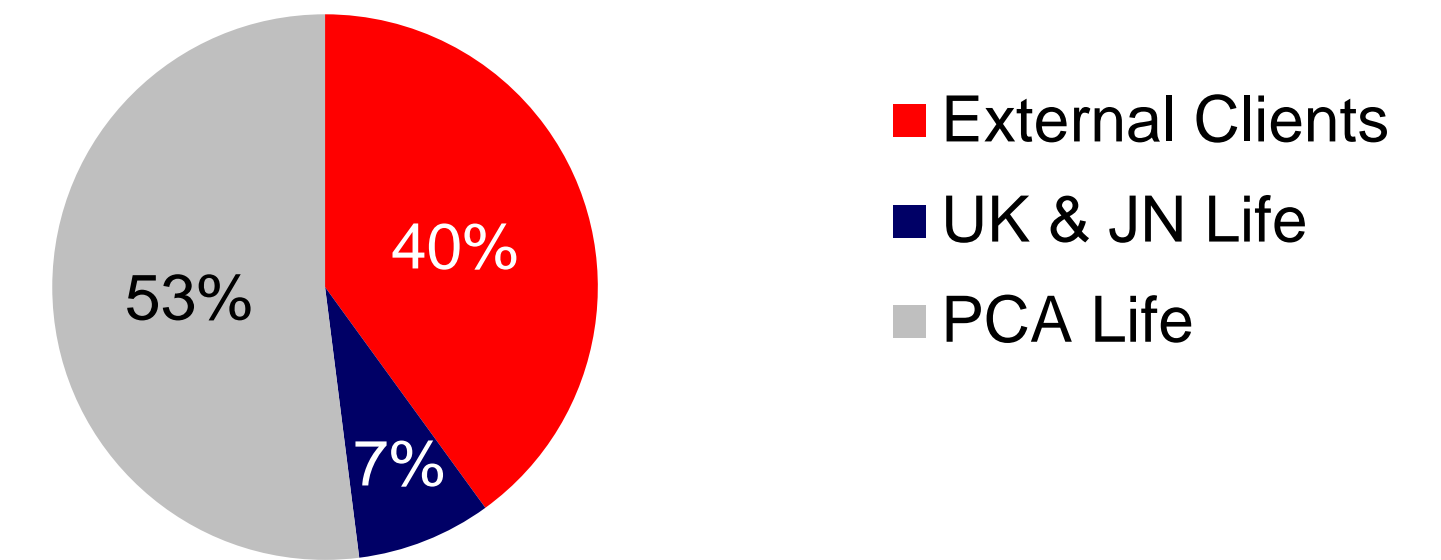
A material business driven by internally and externally sourced funds

Total AUM

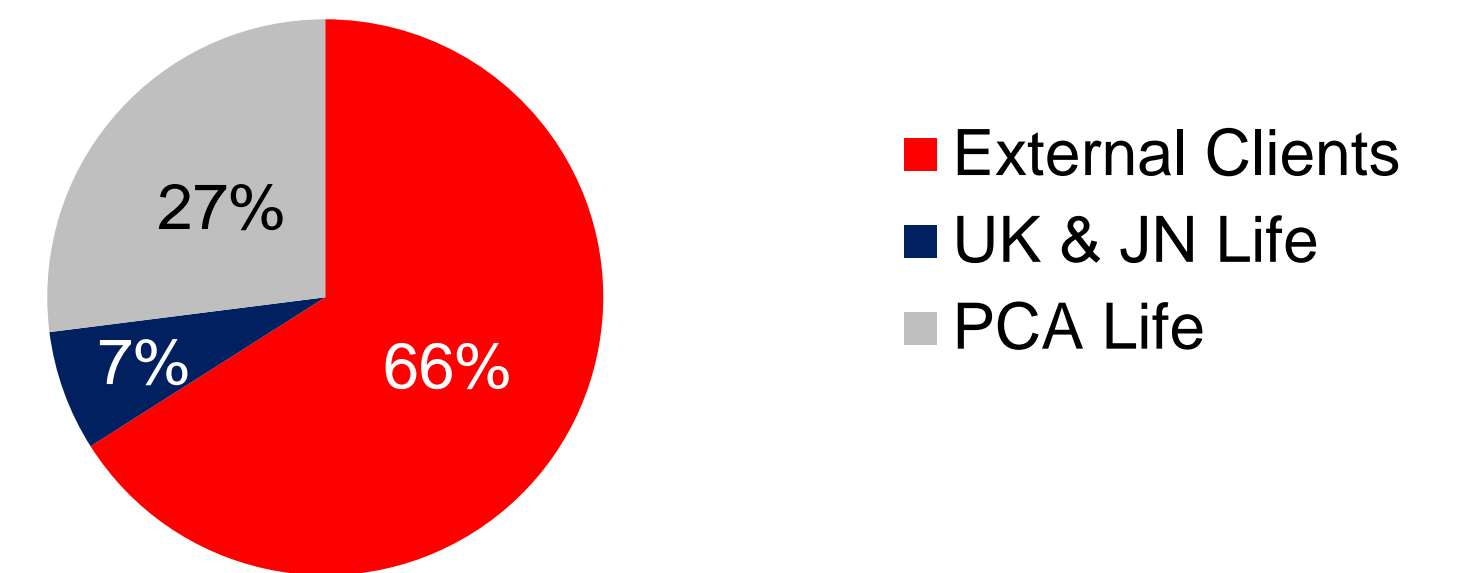


Note: AUM for JV businesses accounted for based on PCA Funds shareholdings

AUM Mix (Q3 2011)



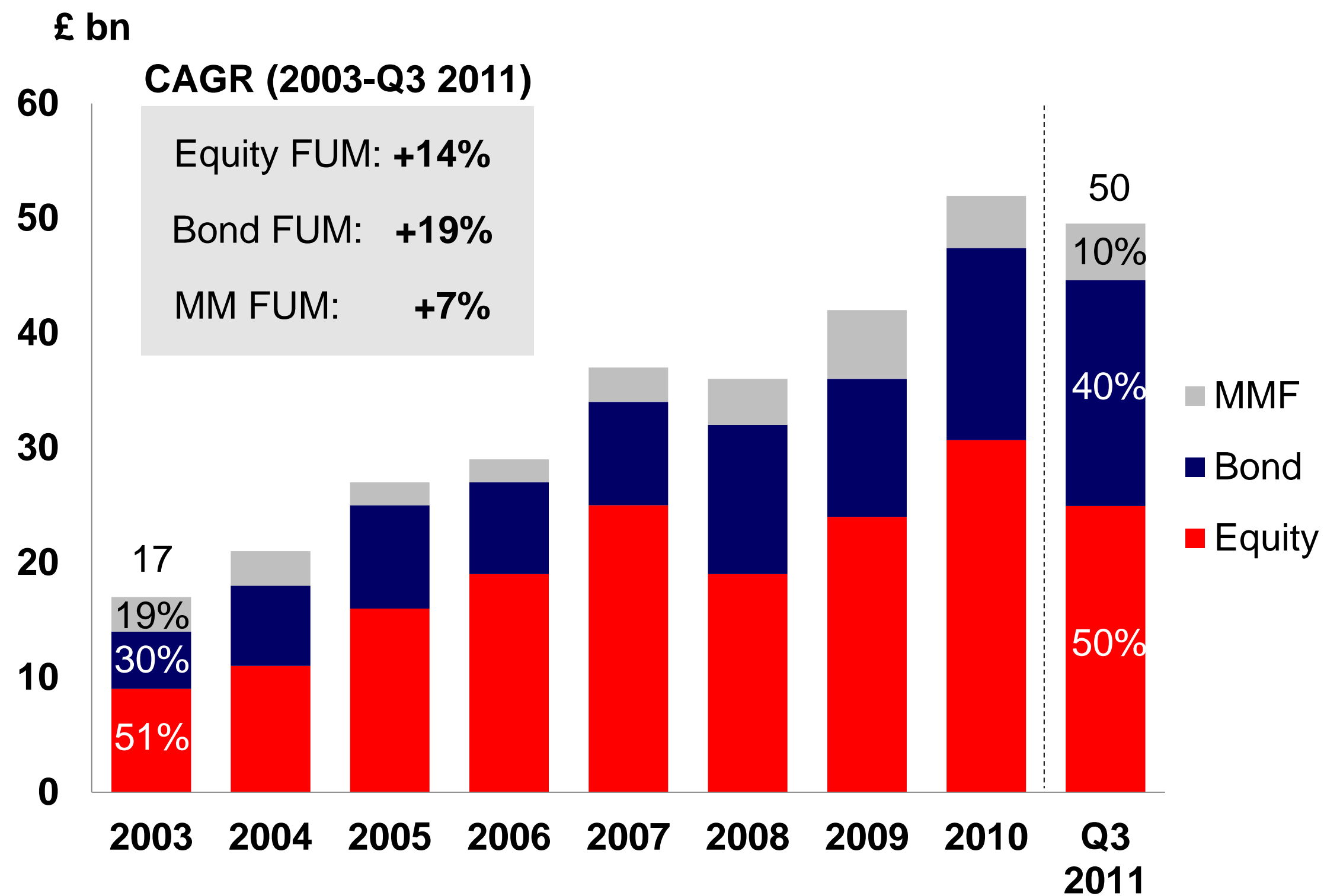
Net Revenue Mix (Q3 2011)



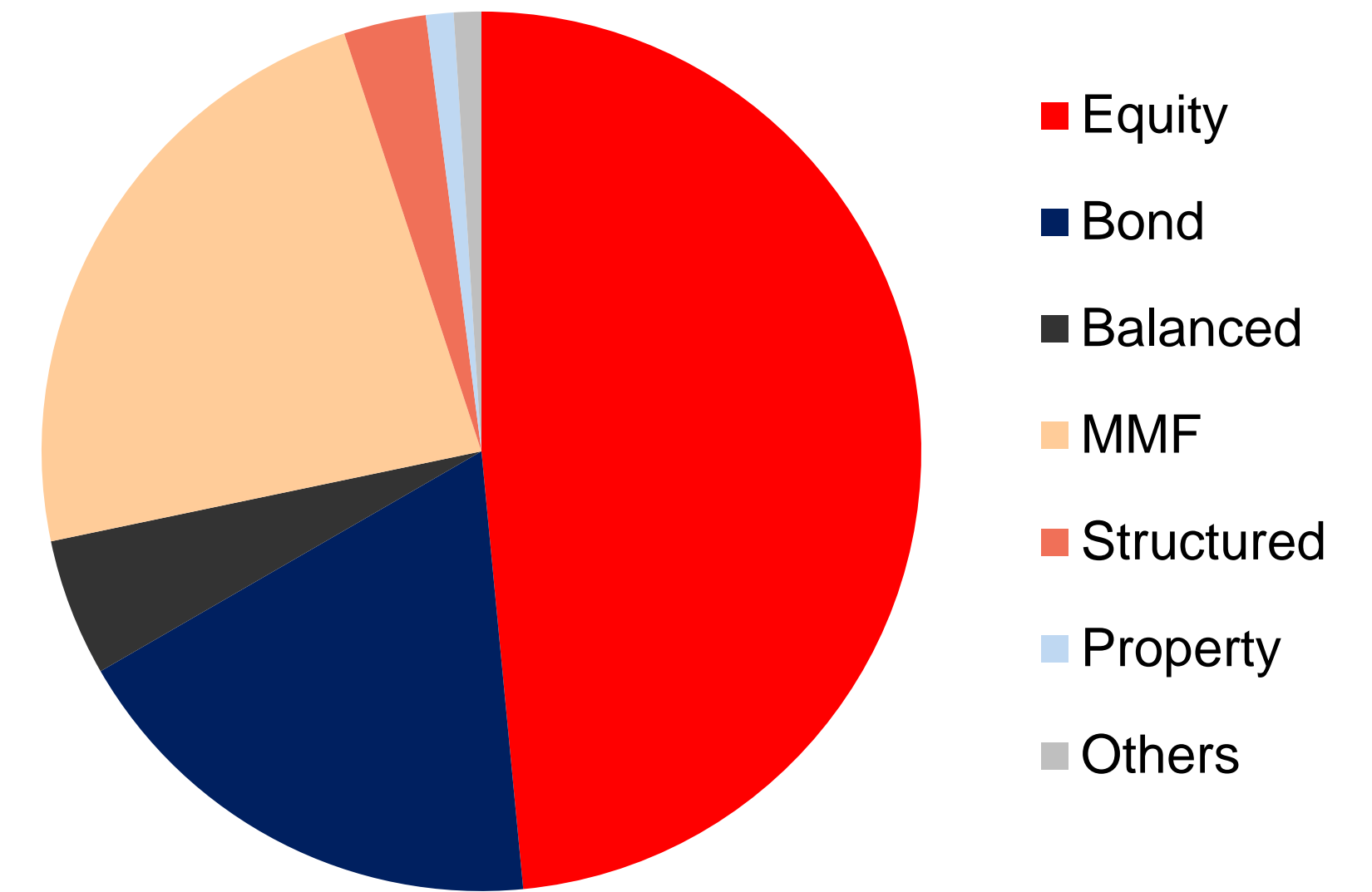
FUM Mix by Asset Class

Portfolio remains well diversified

Total AUM by Asset Class



3rd Party AUM by Asset Class (Q3 2011)

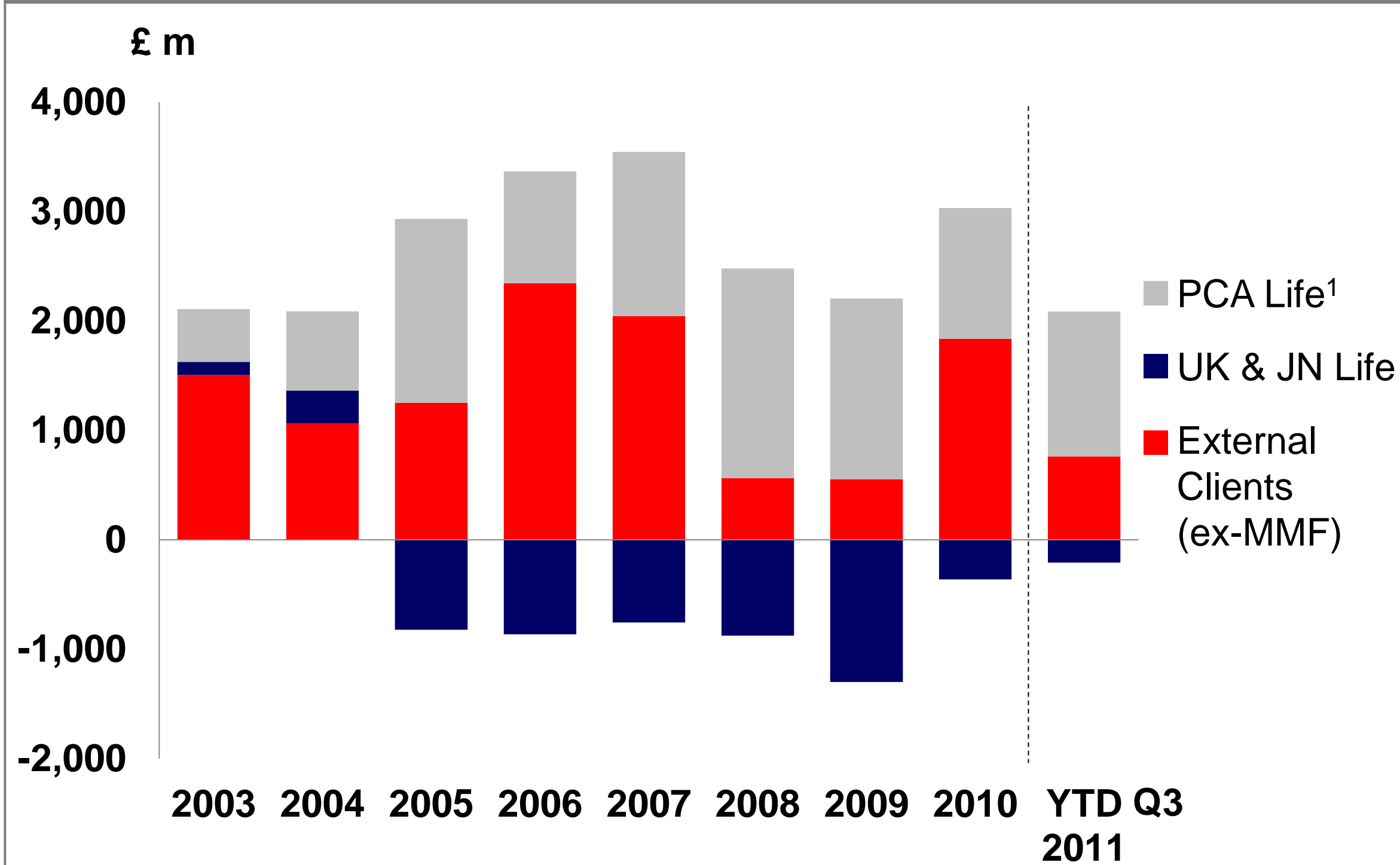


Note: All numbers at actual exchange rates. AUM for JV businesses accounted for based on PCA Funds shareholdings

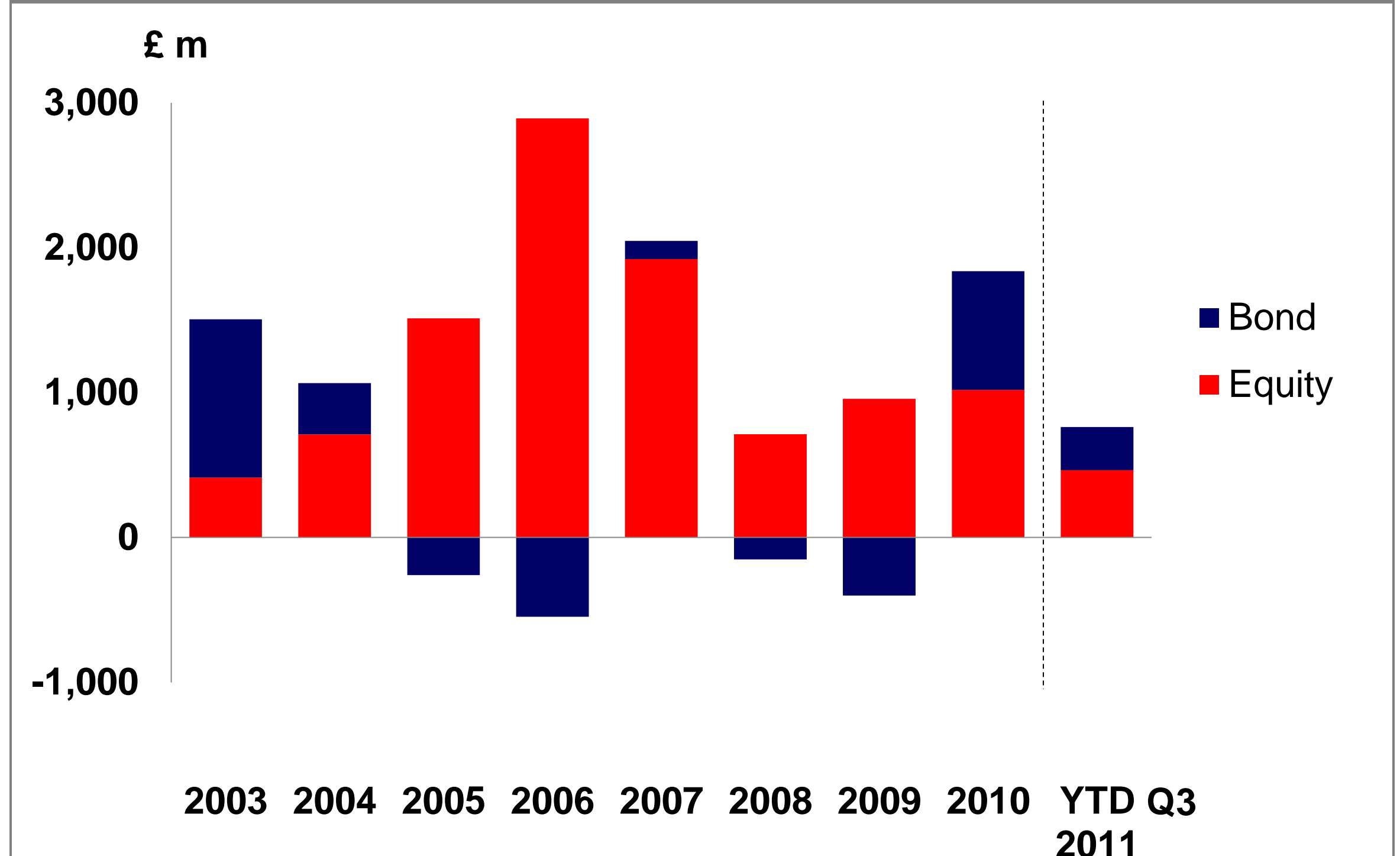
Net Flows Performance

Positive flows in challenging markets, supported by diversified mix

Net Flows by Client Type



External Clients Net Flows by Asset Class (ex-MMF)



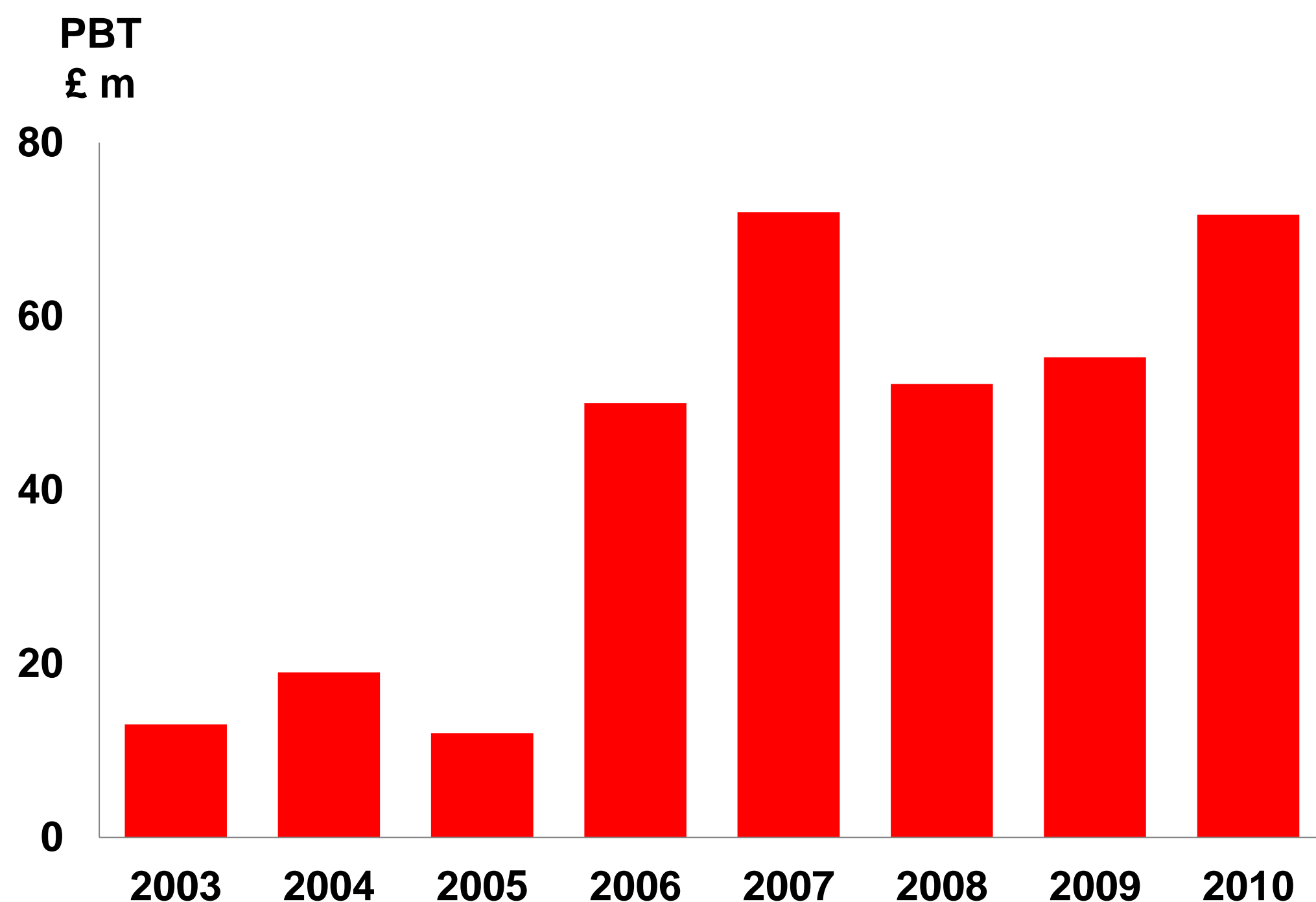
Note: All numbers at actual exchange rates. Net flows for JV businesses accounted for based on PCA Funds shareholdings

1. PCA Life net flows exclude exceptional flows in the following years: 2008 (excluded inflow of £1,558m), 2010 (excluded inflow of £1,130m), YTD Q3 2011 (excluded outflow of £528m)

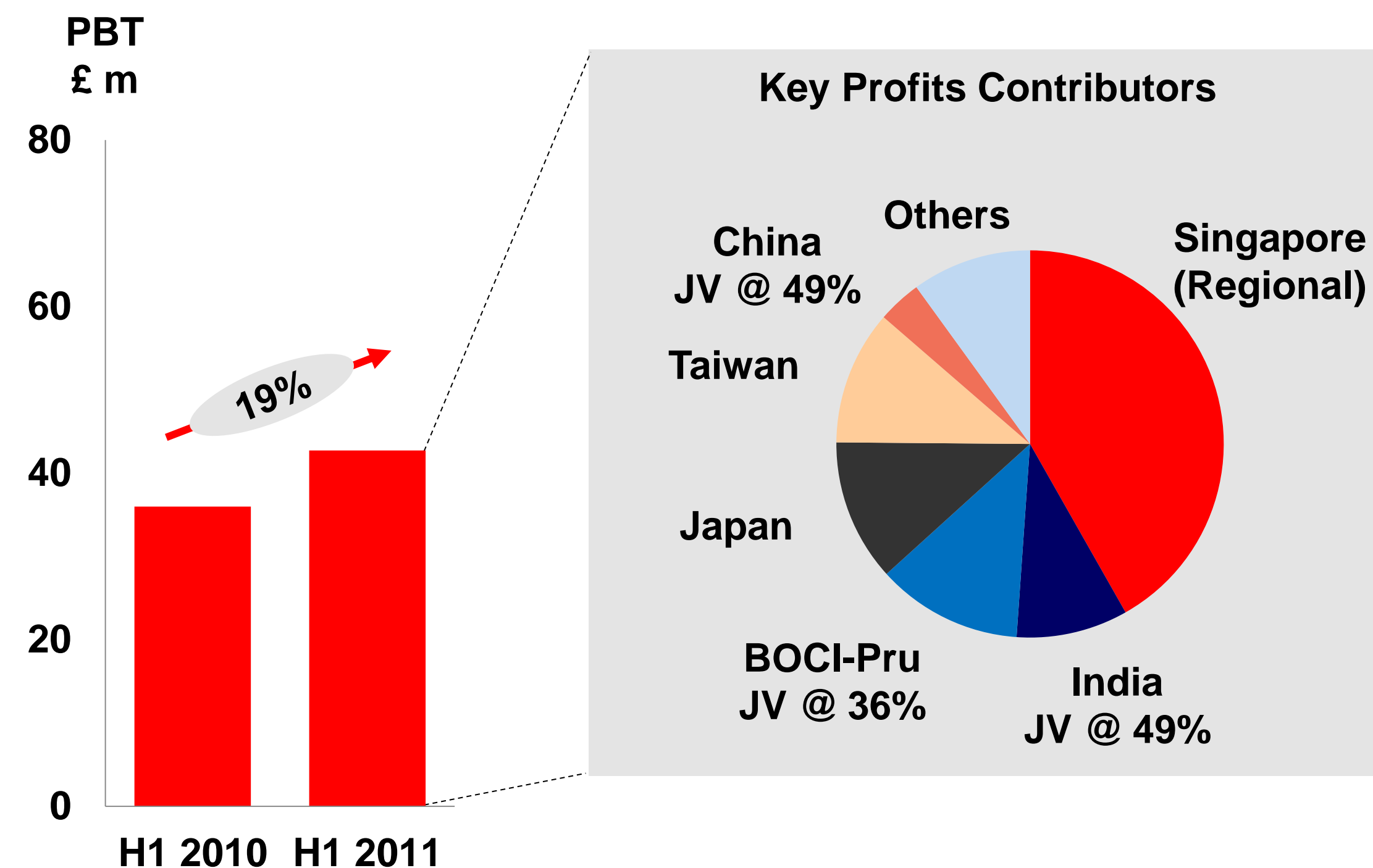
IFRS Performance

Continued momentum in IFRS profit generation, with diverse geographic contribution

IFRS Profits (2003-10)



IFRS Profits (H1 2011 vs H1 2010)



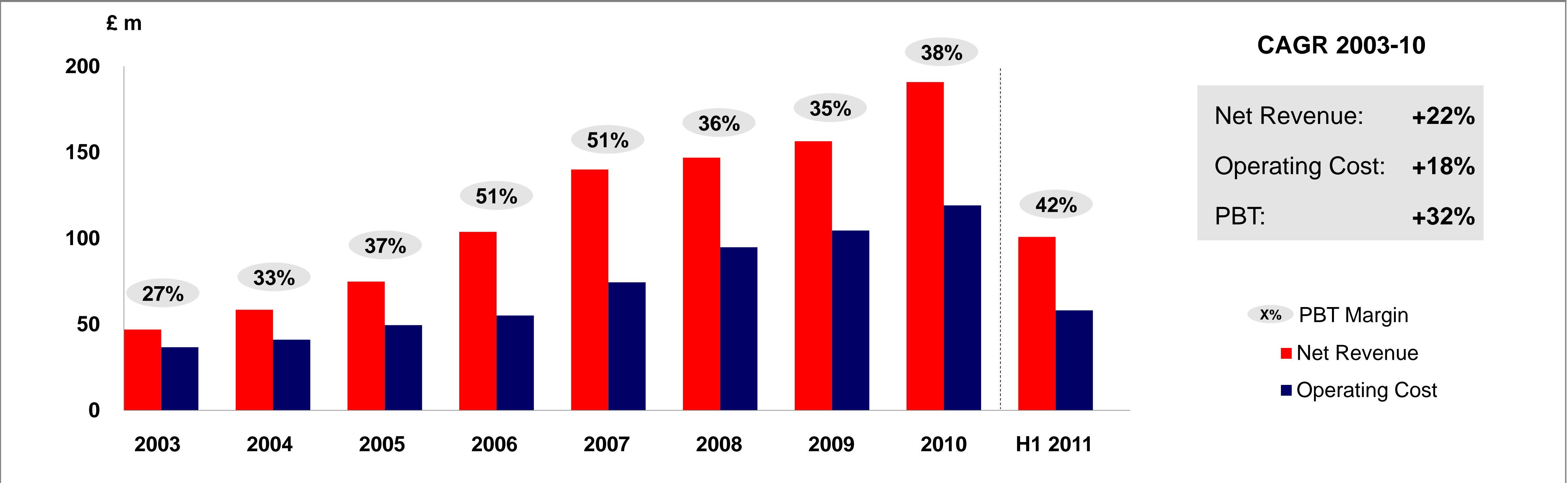
Note: All numbers at actual exchange rates. Financials for JV businesses accounted for based on PCA Funds shareholdings

Cost Discipline



Focus on costs increasingly important in difficult market conditions

Revenue, Cost and Net Margin



Note: All numbers at actual exchange rates. Financials for JV businesses accounted for based on PCA Funds shareholdings
 2005 and 2006 PBT before incorporating Taiwan Bond Fund losses of £16m and £3m respectively

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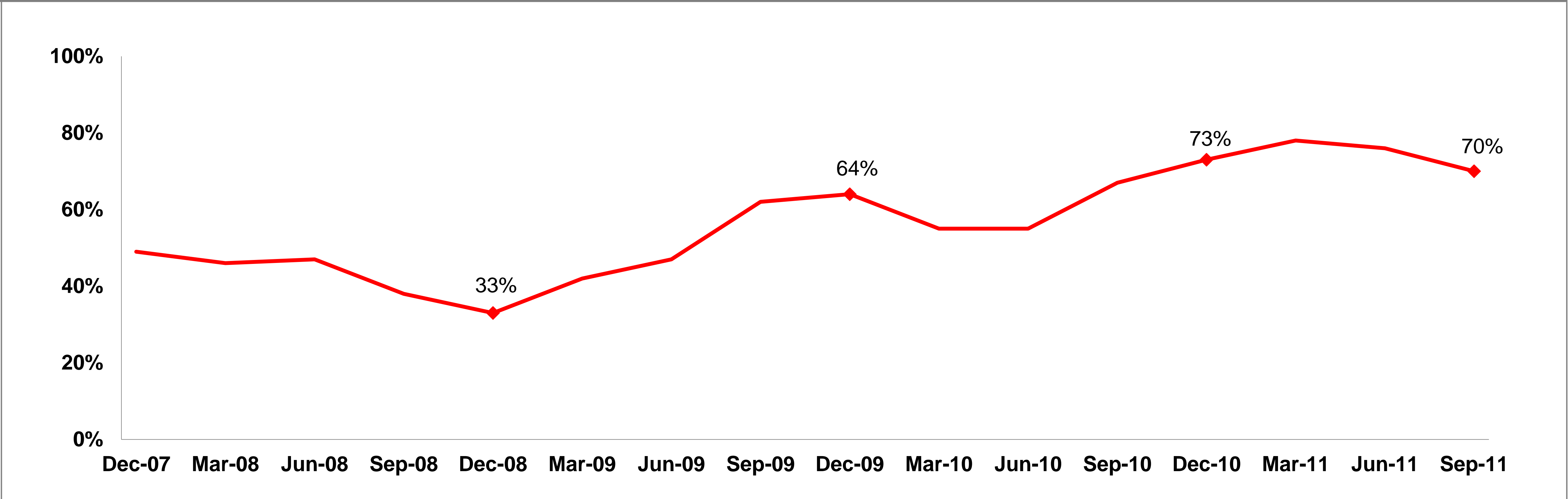
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Market Positioning Underpinned by Superior Investment Performance



Successfully driven and maintained leading investment performance

3 Year Score for PAM – Managed Funds (Dec 2007 to Sep 2011)



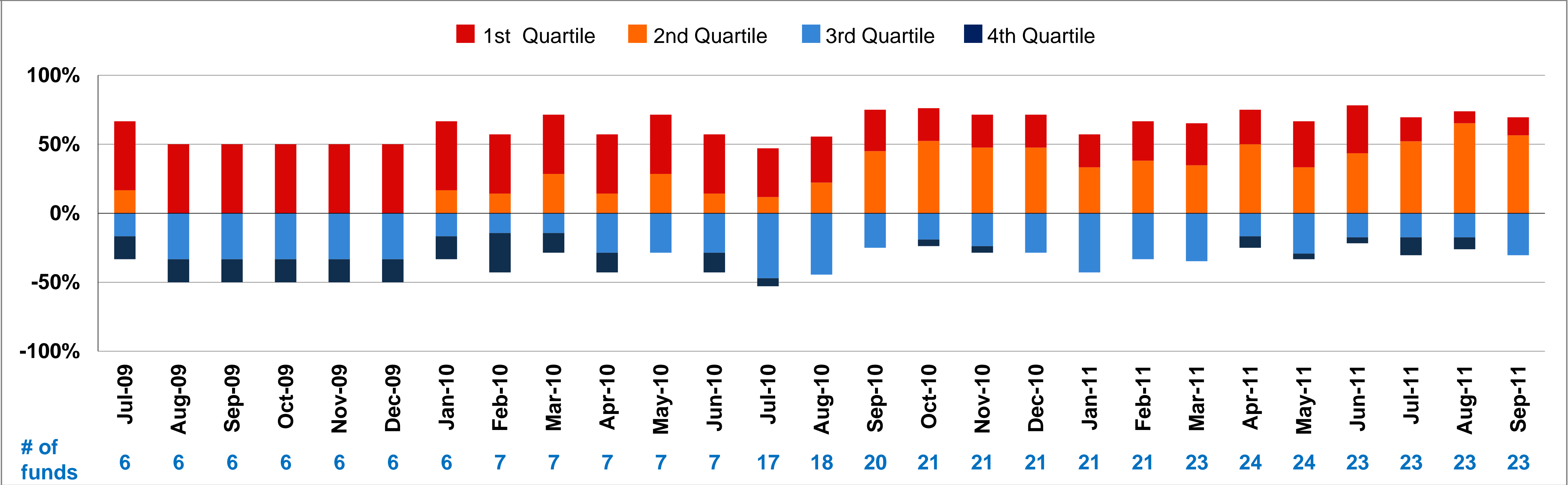
Note: 3 year blended score: 50% No + 50% FUM of funds outperforming benchmark or in top 2 quartiles over 3 year rolling period. Funds with no benchmark and no peer ranking are excluded from aggregate score

Market Positioning Underpinned by Superior Investment Performance



Two-thirds of retail funds ranked in top-2 quartiles against peers

Regional SICAV Funds – Quartile Analysis (based on 3 year performance) (Jul 2009 to Sep 2011)



Source: Lipper Asia Regional (including offshore funds) universe
 Funds are equally weighted, based on the number of IOF funds managed in Asia (i.e. excluding US and Europe funds)

Broad-based Industry Recognition

Industry accolades received for many of our flagship funds



- **Japan:** PCA Indonesia Equity Open fund named by Morningstar as 'Fund of the Year 2010' among domestic open-ended funds



- **India:** PCA's India business ICICI-Pru was recognised for the third year running as 'Best India Debt Fund House' in Morningstar 2011 Fund Awards



- **India:** The following products were recognised as 'Best Fund' within their respective categories in Lipper Awards 2011
 - Dynamic Plan (3 and 5 year)
 - Technology Fund (5 and 10 year)
 - Gilt Fund Investment Plan – PF option (3 and 5 year)



- **Taiwan:** The following products won the 2011 TFF-Bloomberg Best Fund Award in their respective categories
 - PCA Balanced Fund (10 year)
 - IOF Dragon Peacock Fund (5 year)

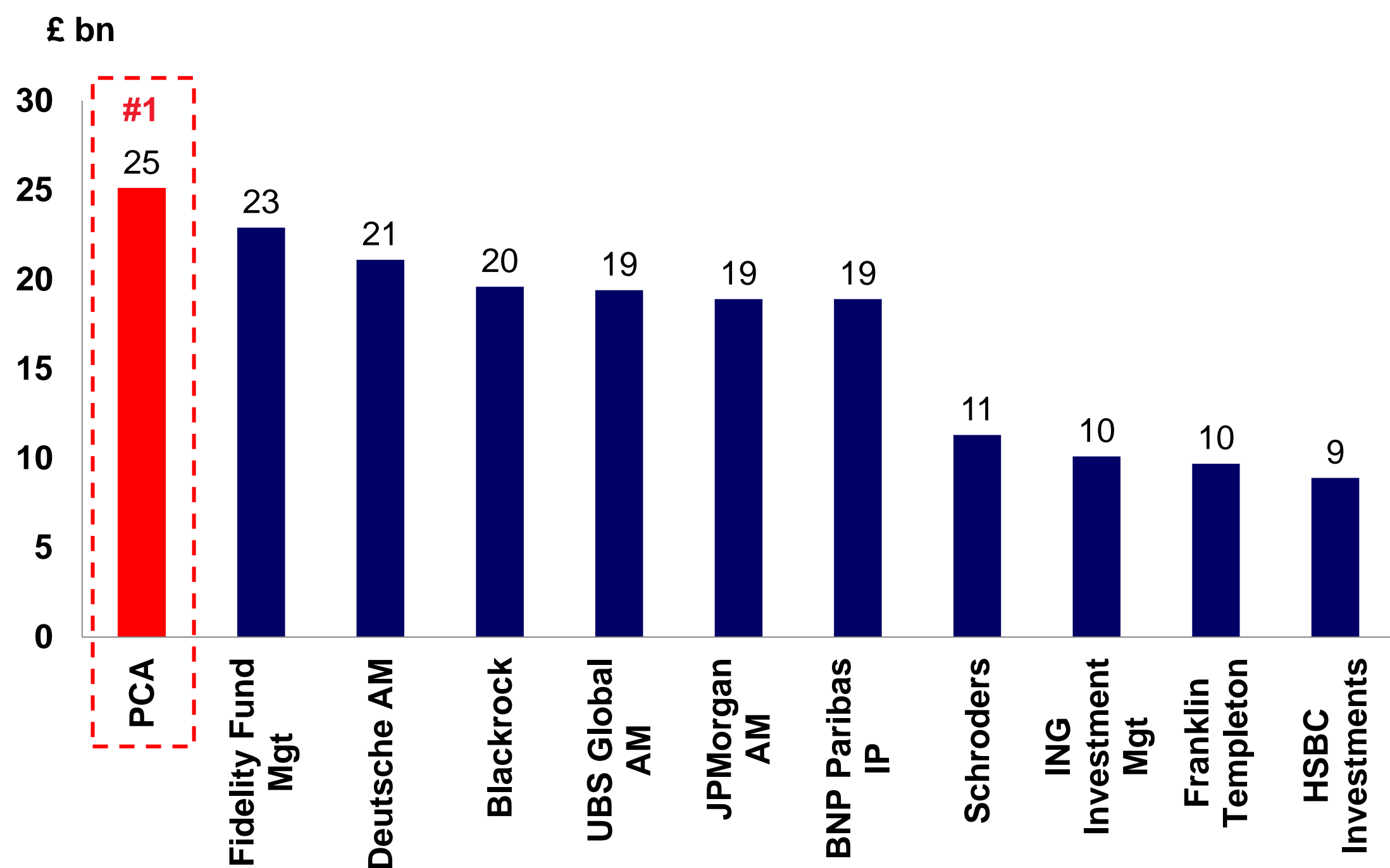


- **Malaysia:** Pru Asia Pacific Shariah Equity won the 'Best Performing Fund – EQ Asia-Pac ex Japan, 3 year' award in the Edge-Lipper Awards 2011

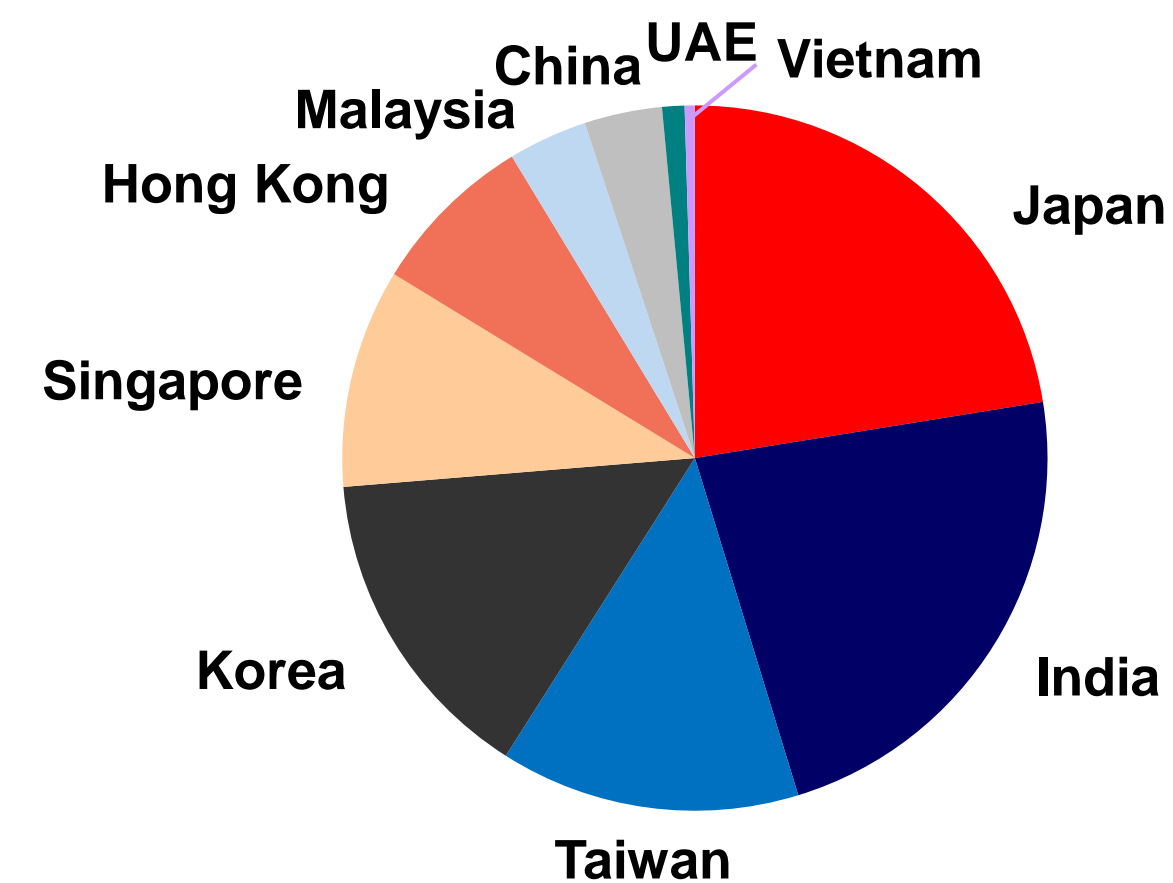
The Market Leader in Onshore Asian-sourced Assets

A leading player across Asia with one of the largest on-the-ground investment teams

Onshore MF FUM in Asia
Top Multi-national Competitors (Jun 2011)¹



3rd Party AUM by Source of Funds (Q3 2011)²



- Market leader in onshore Asian-sourced Assets
- One of the largest teams with local investment professionals on-the-ground in nine markets
- >90% of AUM invested back in Asia

1. Source: Competitors include the largest multi-national players in 7 Asian markets. Korea (AMAK), India (AMFI), Singapore/Malaysia (Lipper), Japan (ITA), Taiwan (SITCA), China (Wind). 100% FUM accounted for all players, regardless of equity ownership

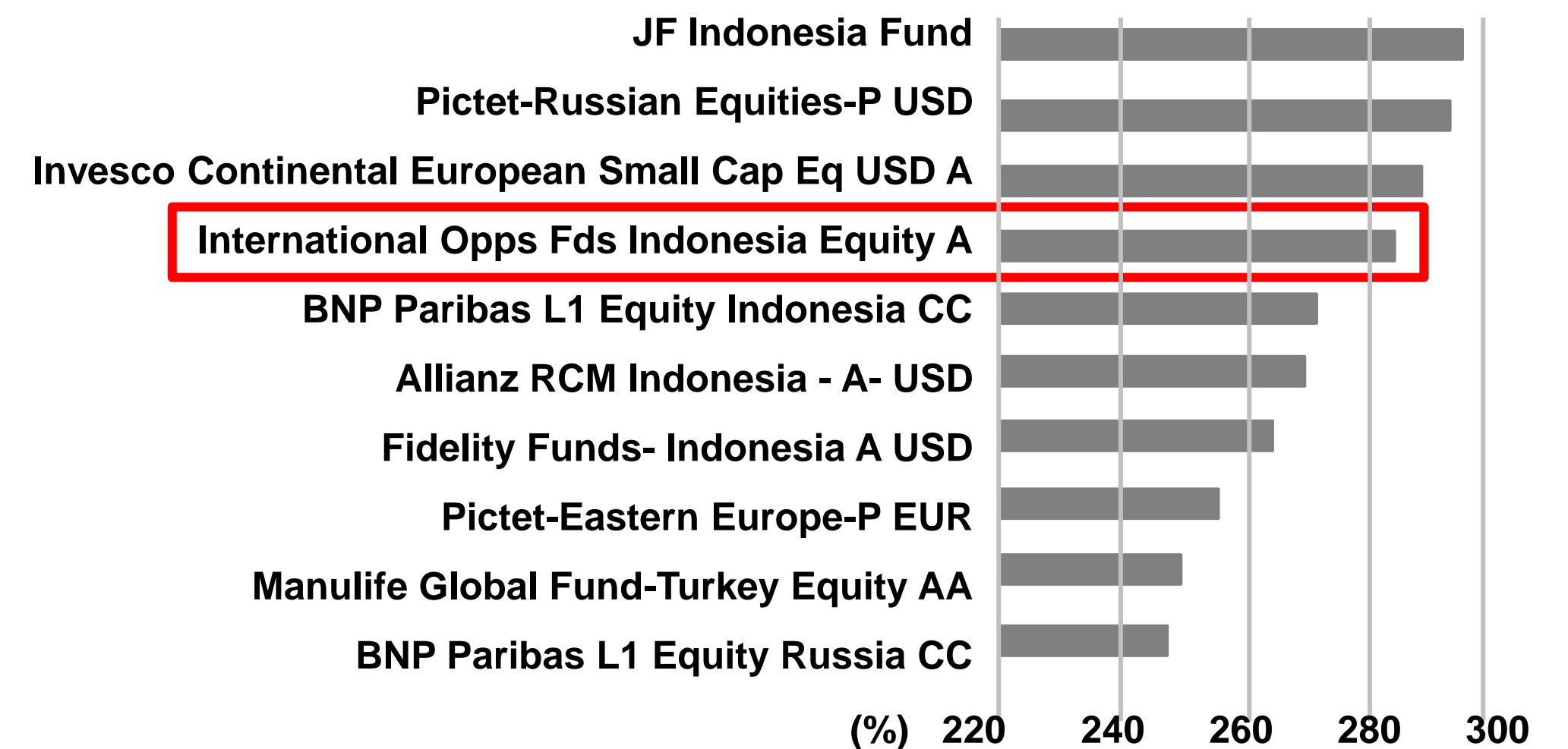
2. AUM for JV businesses accounted for based on PCA Funds shareholdings

Importance of Single Asset Management Brand

1. Prudential is a very strong and trusted brand, however
 - Use of Prudential name restricted by PFI agreement
 - Clear benefits to having an independent asset management brand, particularly in the more developed Asian markets
2. Regional brand identity capitalises on local market successes and allows consistent brand for pan-regional funds in Asia
3. Independent brand allows us to extend our distribution into North America and Europe



Percentage growth in total returns of top 10 global equity funds registered for sale in Hong Kong, from 9 March 2009 (beginning of the current bull market)



Source: Thomson Reuters Lipper

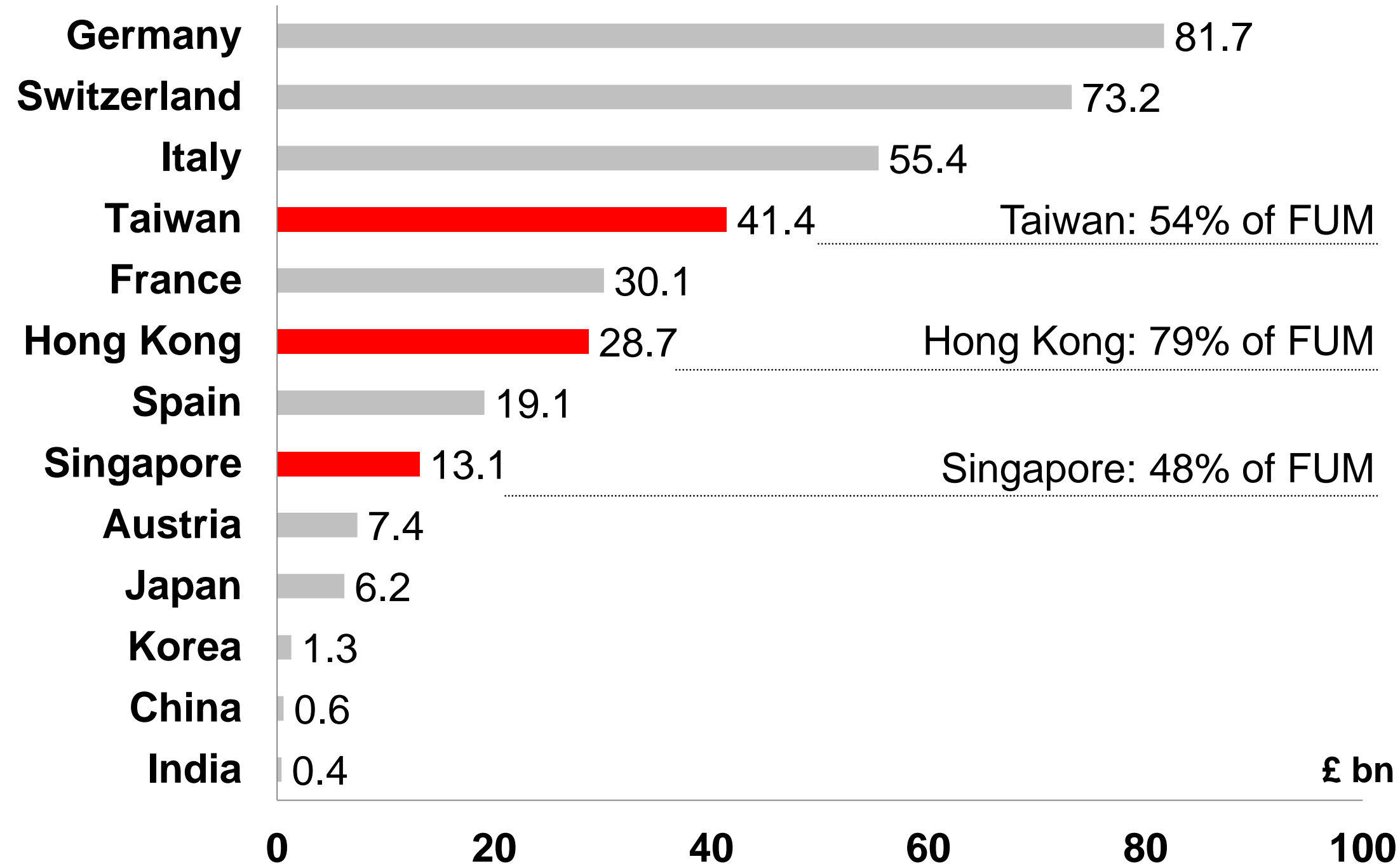
Source: Extracted from South China Morning Post Publication, 27 Feb 2011

Significant Cross-border Potential



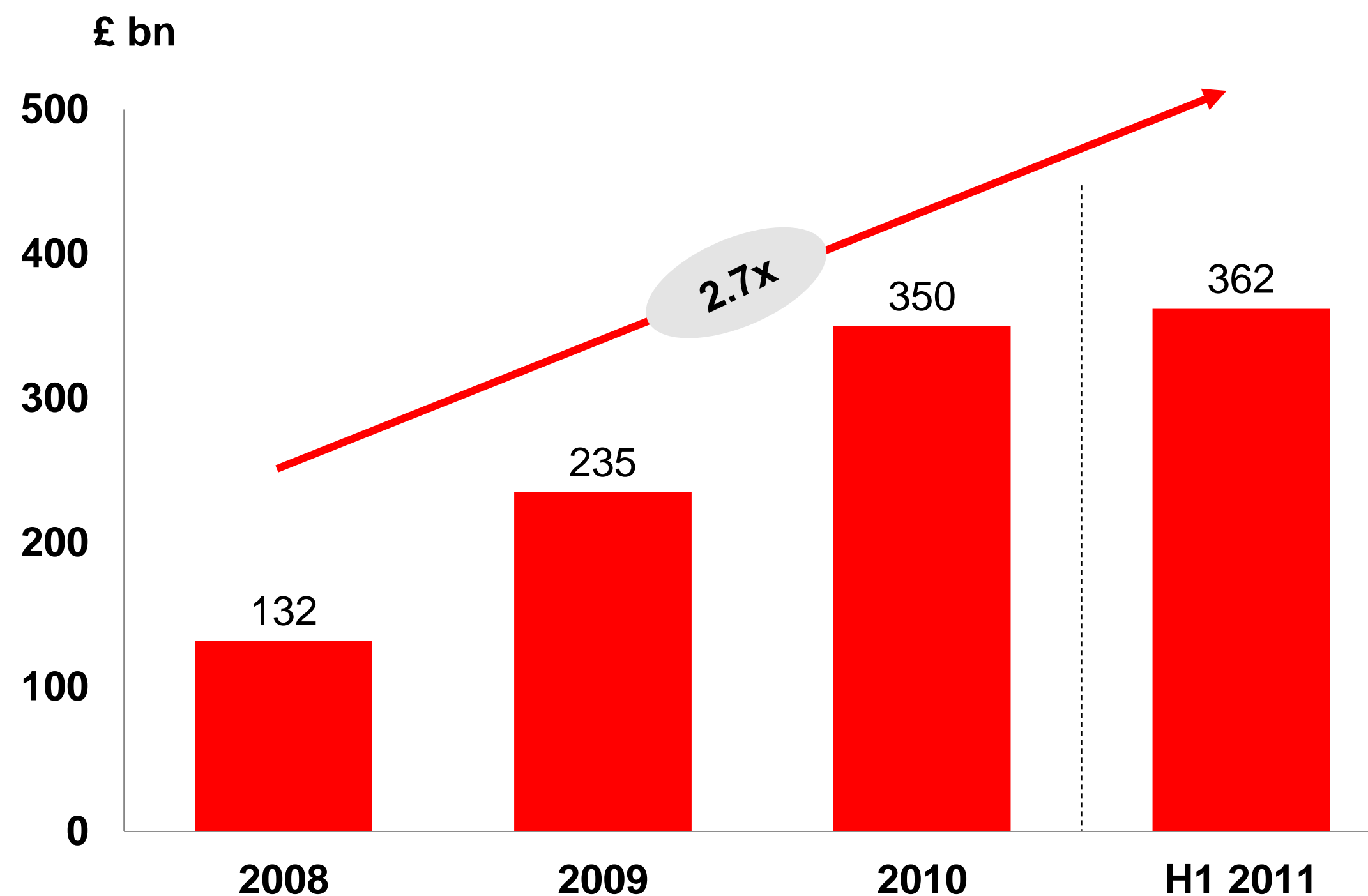
Material headroom in offshore Asia

Asia Offshore MF Markets 2009¹



Significant opportunity in global offshore

Global Offshore Asia and EM FUM growth²



1. Source: Lipper sales watch. Percentages denote offshore as % of total market FUM

2. Source: Lipper Global. Extracted only emerging market funds ('EM') where PCA has investment capabilities

Eastspring Investments



A member of Prudential plc (UK) 

- A single asset management brand worldwide
- Reflects our **Asia expertise, geographic presence and heritage**
- Retains **close association with Prudential**
 - Trusted, well-known insurer
 - Supportive and well-capitalised parent company
- New company and product name roll-out to be completed in early 2012 across our 8 wholly-owned fund businesses in Asia

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Strategic Priorities

Clear and consistent focus in Asia; Selective expansion beyond Asia



eastspring
investments

A member of Prudential plc (UK) 

Outside Asia

- Leveraging Asian positioning with selective expansion into North America and Europe
 - Retail distribution into UK and Europe
 - Institutional distribution into UK, Europe and North America

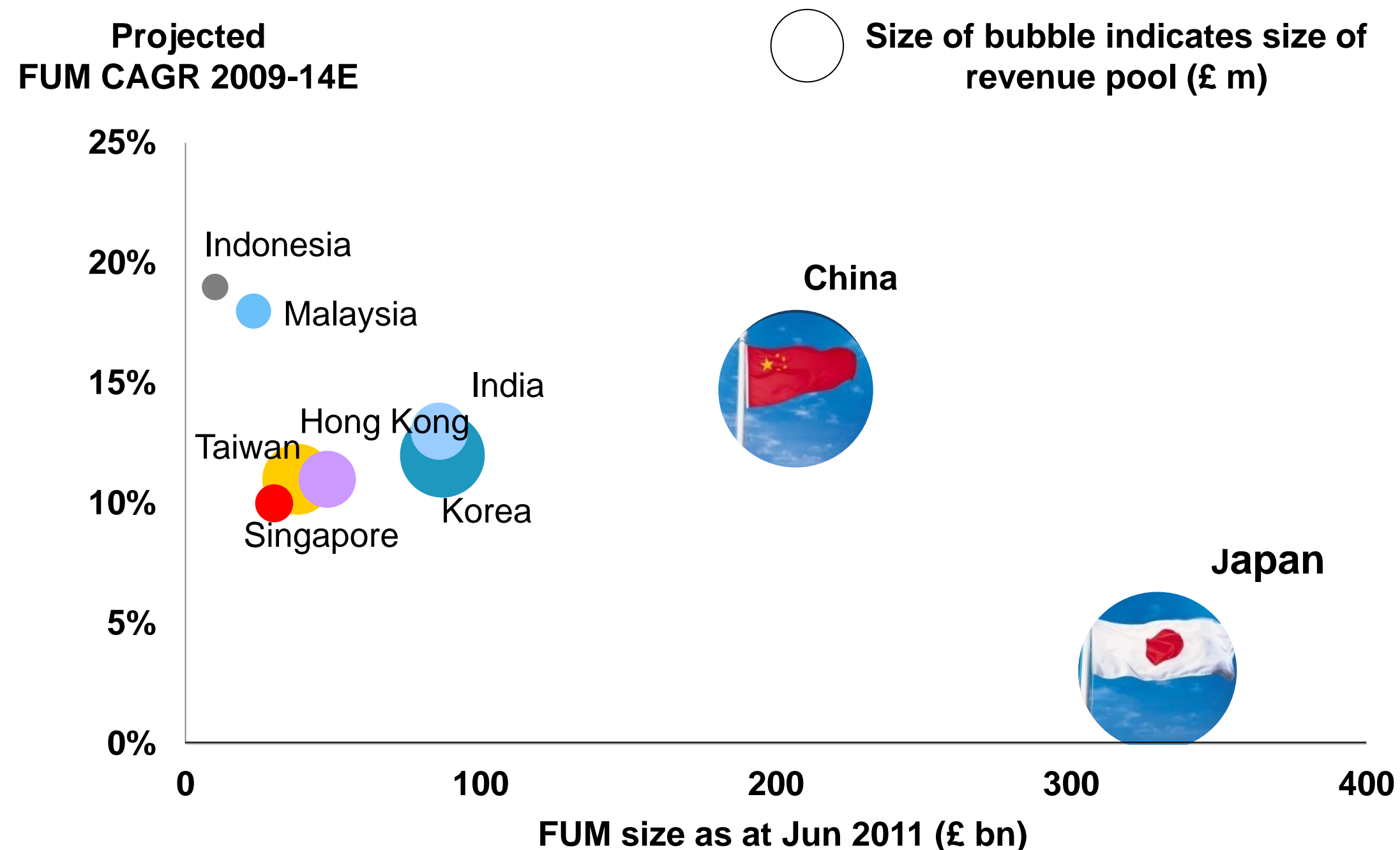
Inside Asia

- Consistent strategic focus on
 - Japan and China
 - Institutional and Offshore Asia

Strategic Priorities in Asia

China & Japan – the two largest markets

Asian MF Market: Revenue Pool & Projected CAGR



- Launched **3 new funds** YTD (2 equity funds and 1 MMF) raising £358m
- Launch discretionary asset management business (subject to regulatory approval)
- Offer innovative and competitive new funds
- FUM CAGR (2008-Q3 2011): +16%

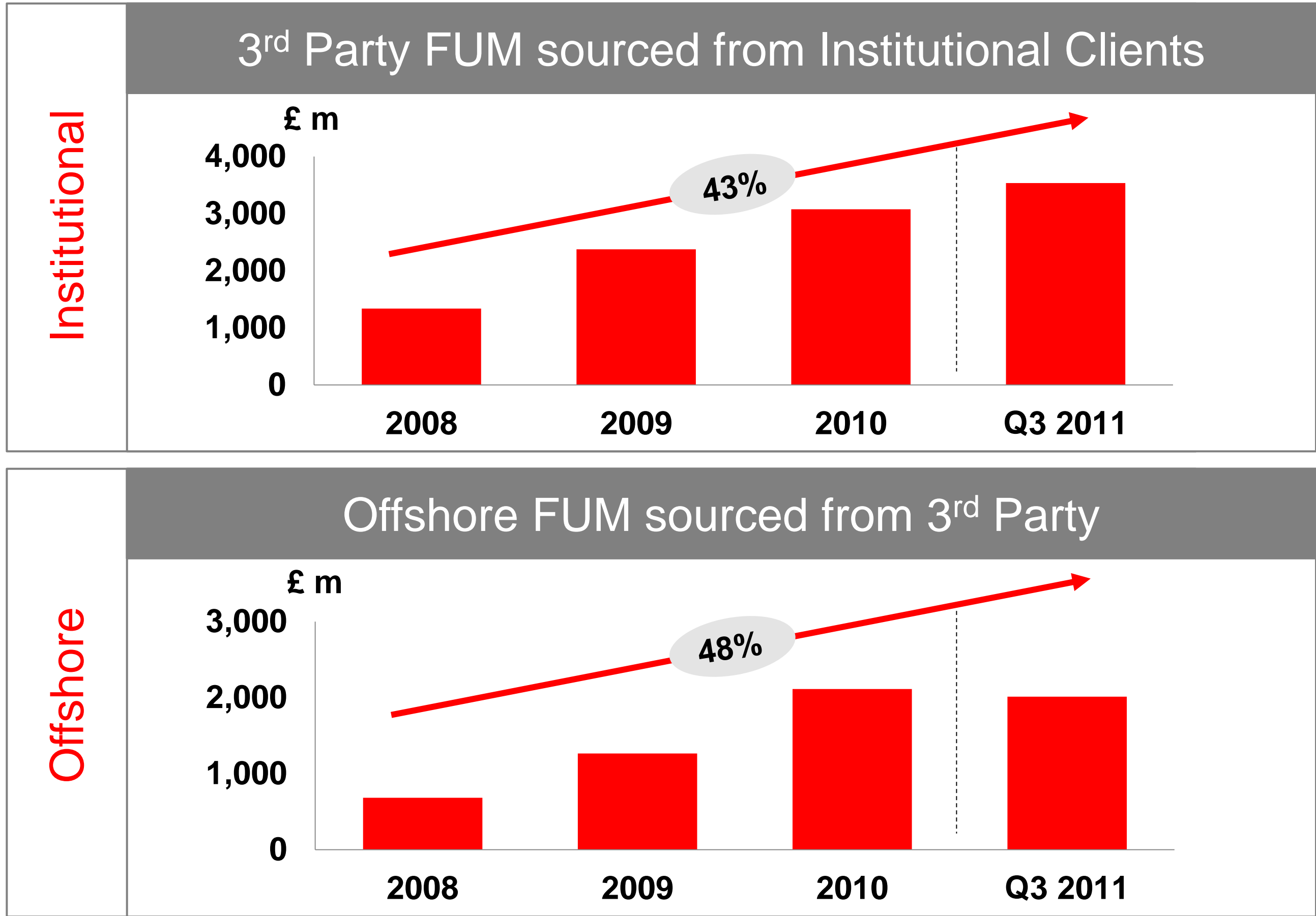


- Market leader in Japan for **India Equities**
- Flagship **Indonesia Equity Fund** named 'Best Fund of the Year 2010' by Morningstar
- FUM CAGR (2008-Q3 2011): +12%
- White-label FUM CAGR (2008-Q3 2011): +78%**

Revenue & FUM growth source: Cerulli Asian Distribution Dynamics 2010 and Retail Asset Management SE Asia 2010
 Nomura Research Institute Feb 2010 report for Japan revenue pool (as at 2009) and industry growth data
 Jun 2011 market FUM source: FTfm 2Q11 Industry Review

Strategic Priorities in Asia

Distribution of regionally-managed products within Asia



- **New mandates** from SWFs, central banks and 3rd party life companies of **£922m** YTD Sep 2011
- Existing clients include the following

	# of Institutional Clients	Mandate Types
✓ Korea	10	<ul style="list-style-type: none"> ▪ Equities ▪ Bonds ▪ Structured funds ▪ Islamic funds
✓ Greater China	4	
✓ Malaysia	2	
✓ Singapore	2	
✓ Others	2	
✓ Europe	1	

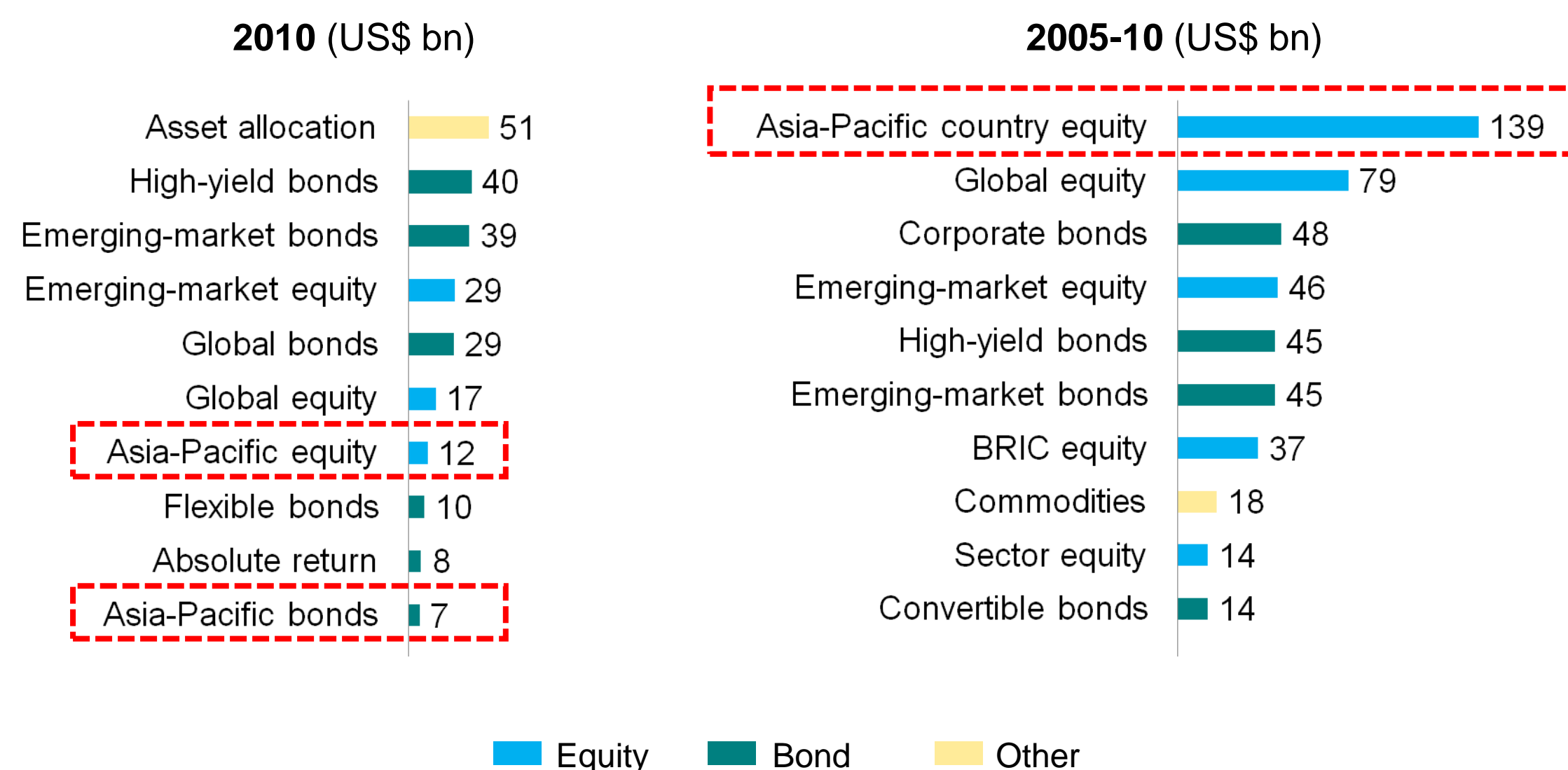
- **Taiwan Offshore:** Business more than doubled FUM and market share
- **Singapore Offshore:** Sharp improvement in Singapore offshore funds net sales, ranked top 5 YTD

Strategic Priorities outside Asia

Next Steps: Build on our positioning as an Asian specialist to selectively distribute outside Asia

Asia is a growing destination for global investments

Net Sales of MF by Strategy in Europe (2005-10)



Eastspring to distribute selectively outside Asia:
Retail (UK, Europe); Institutional (UK, Europe, North America)

Selection of our SICAV Funds

Asian Equity Funds

- ✓ IOF Asian Infrastructure Equity
- ✓ IOF Asian Equity Income Fund
- ✓ Global Market Navigator
- ✓ Asian Dynamic
- ✓ IOF Dragon Peacock

Morningstar Rating

★★★★★
★★★★★
★★★★★
★★★★
Sector not rated

Lipper Quartile Ranking (3-yr)

1
2
1
1
1

Asian Bond Funds

- ✓ IOF Asian Bond
- ✓ IOF Asian Local Bond

★★★★★
★★★

2
2

Single Country Funds

- ✓ IOF Japan Dynamic
- ✓ IOF Japan Small Co.
- ✓ IOF China Equity
- ✓ IOF India Equity
- ✓ IOF Indonesia Equity
- ✓ IOF Philippines Equity

★★★★★
★★★★★
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★★★

1
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1

Source: BCG Global Asset Management 2011 Report. Note: IOF = International Opportunities Fund

Conclusion

Enhance shareholder value by building on our leading position in Asia

- Material, well diversified asset management business
- Track record of delivering superior financial results
- Underpinned by robust and consistent investment performance
- The market leader in onshore Asia
- Clearly identified priorities both in Asia and offshore which leverage our strengths
- New, unified brand positions us to capitalise on these significant opportunities