



**Merrill Lynch Banking & Insurance CEO Conference**  
**Delivering Growth in a Riskier World**

Mark Tucker, Prudential plc, Group Chief Executive


October 2007

## Agenda

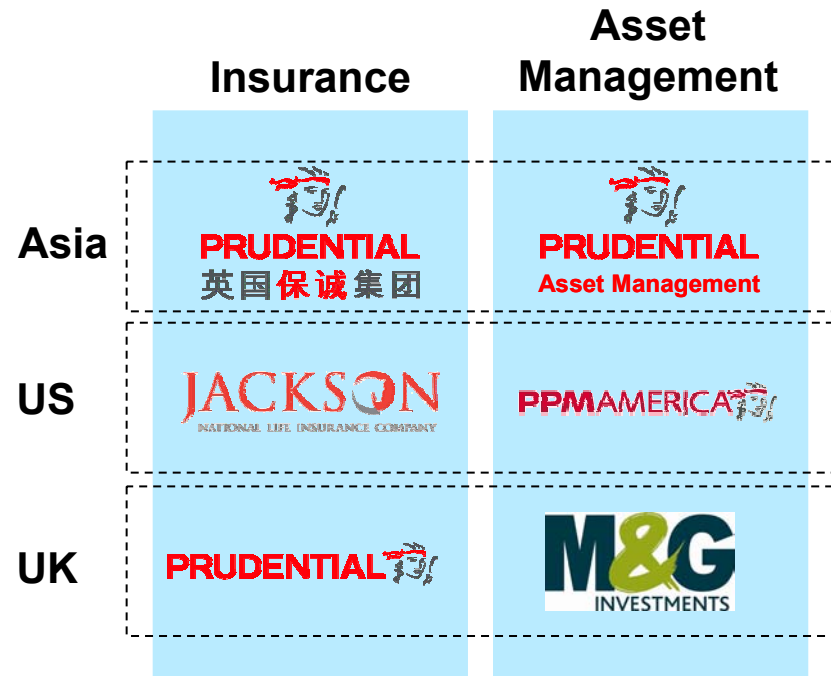
- Overview of the Group
- The retirement opportunity
- Positioning ourselves for success
- Conclusions

# Overview of the Group

## Where we have come from

- 
- Strong heritage from leadership in UK life insurance
  - Building our global presence and Group capabilities
  - Driving performance across an international Group

## The Group today



## Overview of the Group

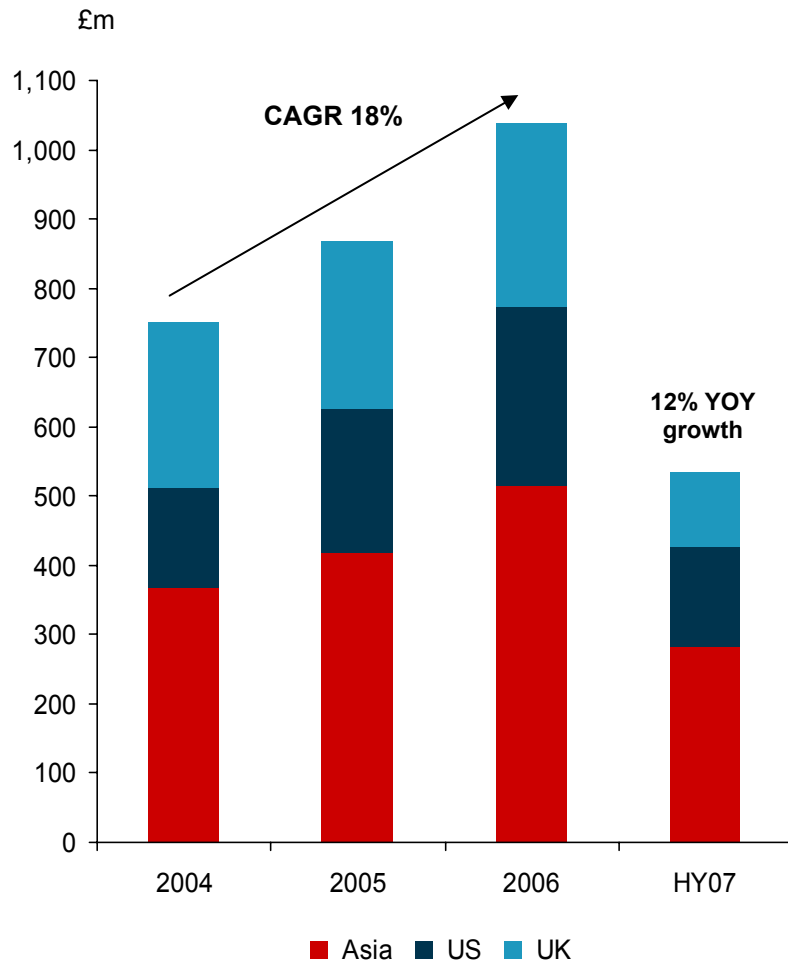
Continued delivery and momentum

	<b>2005</b>	<b>2006</b>	<b>HY07</b>
EEV operating profit growth <sup>1</sup>	+36%	+28%	+39%
IFRS operating profit growth <sup>1</sup>	+42%	+15%	+27%
Holding Company operating cash flow inflow/(outflow)	£(298)m	£(104)m	£34m <sup>2</sup>

## Overview of the Group

Driven by strong margins and returns in life businesses

### Value added by new business



### Internal rate of return:

	2004	2005	2006	HY 2007
Asia	>20%	>20%	>20%	>20%
US	12%	15%	18%	18%
UK	12%	14%	15%	15%

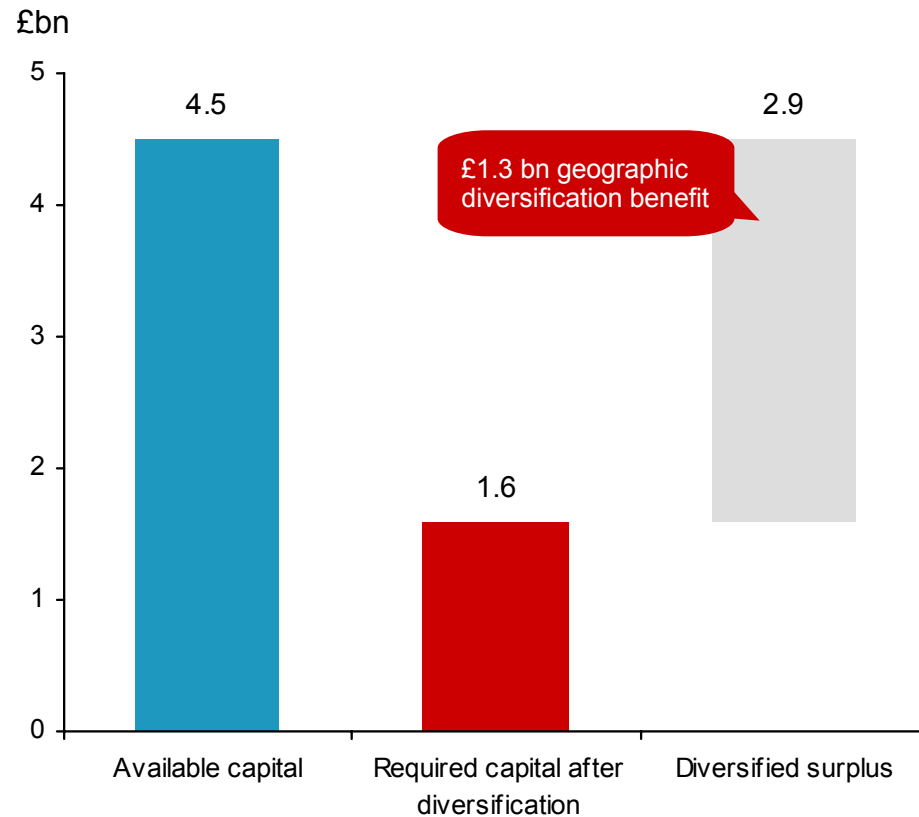
### Margin:

	2004	2005	2006	HY 2007
Group average	40%	41%	42%	40%

## Overview of the Group

Supported by real economic and operating benefits of the Group

### Systematic risk and capital management



### Other benefits

- Demand-side collaboration
- Exploiting the benefits of scale
- World-class standards & practices

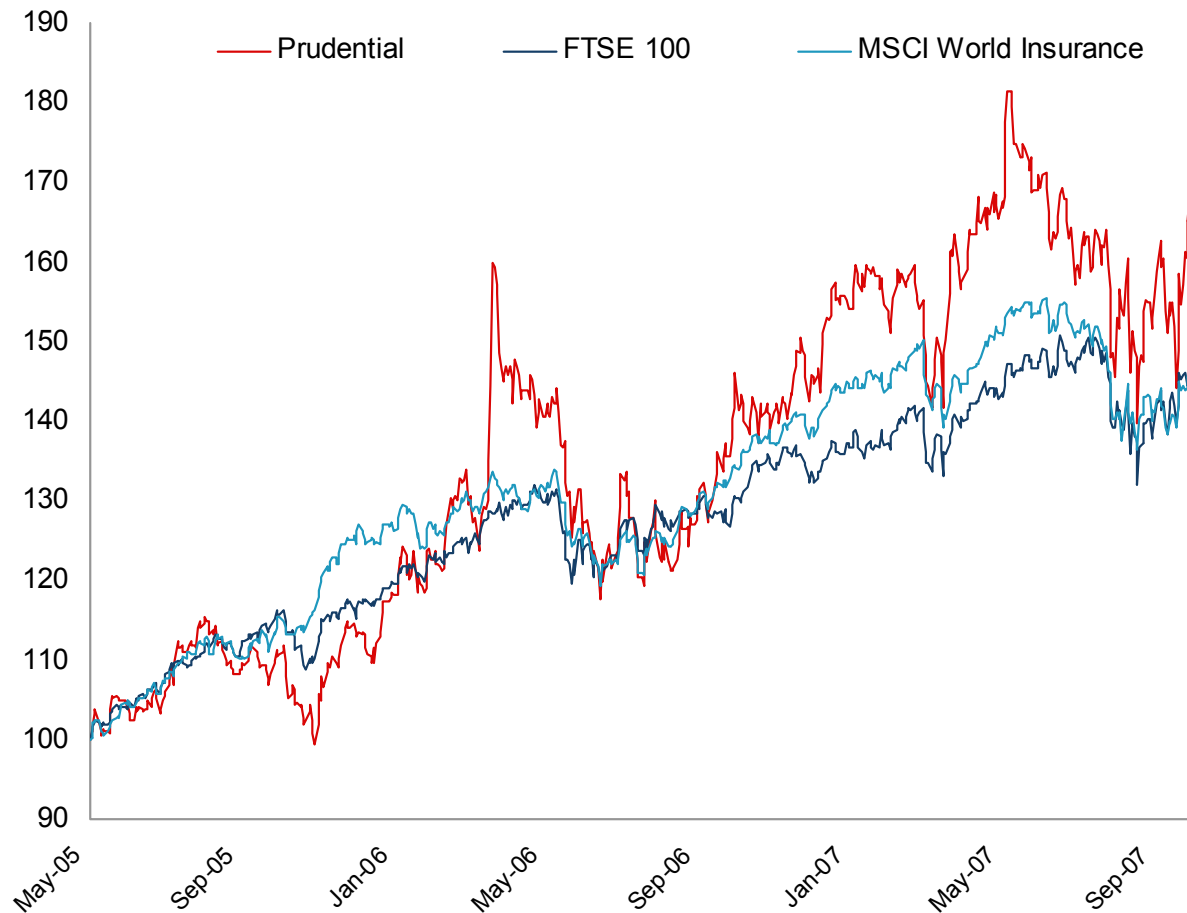
# Overview of the Group

Delivering superior shareholder value

## Cash and dividends

- Group is now cashflow positive, one year ahead of schedule
- Focus on delivering a growing dividend; growth 5% in 2006 and at interim 2007
- Two-times cover in medium-term

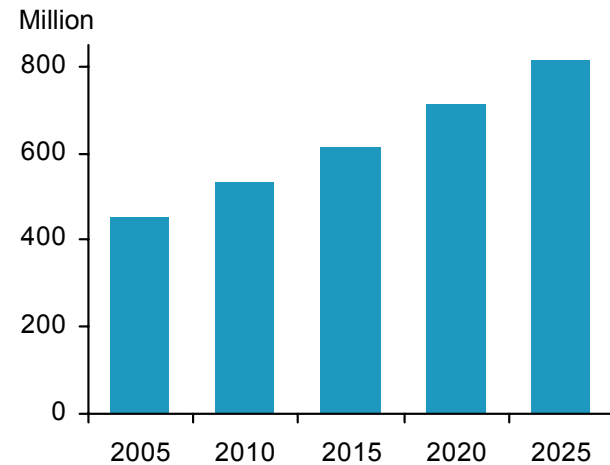
## Total shareholder returns since May 2005



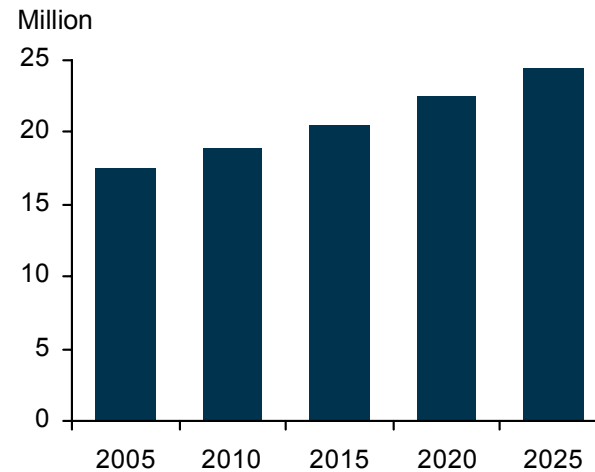
# The global retirement opportunity

## The largest wave of money-in-motion in history

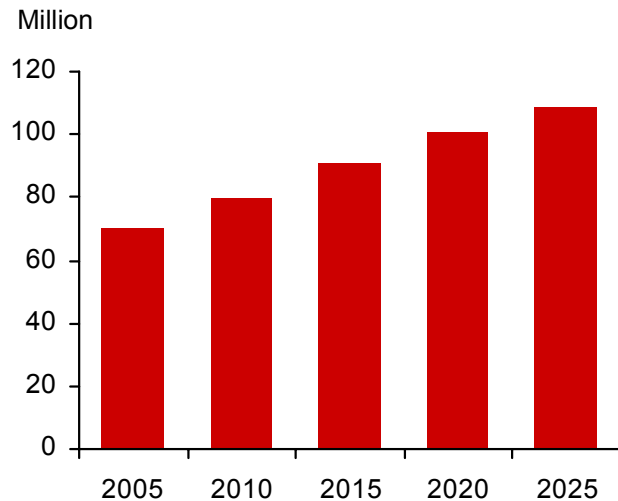
### Asia – projection of population aged 55+



### UK – Projection of population aged 55+



### US – Projection of population aged 55+



- Estimated £7 trillion of assets in the UK and US moving in to the retirement market over the next five years
- Significant retirement opportunity in Asia



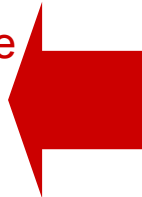
# The global retirement opportunity

Meeting the needs of the 'retirement' consumer

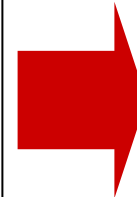
## Changing dynamics

1. Increased longevity
2. More active retirement
3. Drag in realignment of retirement date expectations
4. Underestimating the savings required for retirement – demise of defined benefit
5. Increased cost of long-term care
6. Reduction and withdrawal of state pension benefits
7. Protection of purchasing power

Need for more  
long term  
savings



Need for income  
and protection  
in retirement



## The global retirement opportunity

Prudential is well-positioned to capture the opportunity

### What it will take      Prudential's advantaged positioning

#### Brand

- Trusted and well-established as a leader in retirement
- Strong retail presence in both UK and Asia
- Superior business reputation in US broker channel

#### Skills

- Risk management – longevity, mortality, investment
- Asset allocation capability – strong returns with low volatility
- Customer Management

#### Product

- Track record of delivering innovative solutions across the financial life cycle – accumulation, transition and decumulation

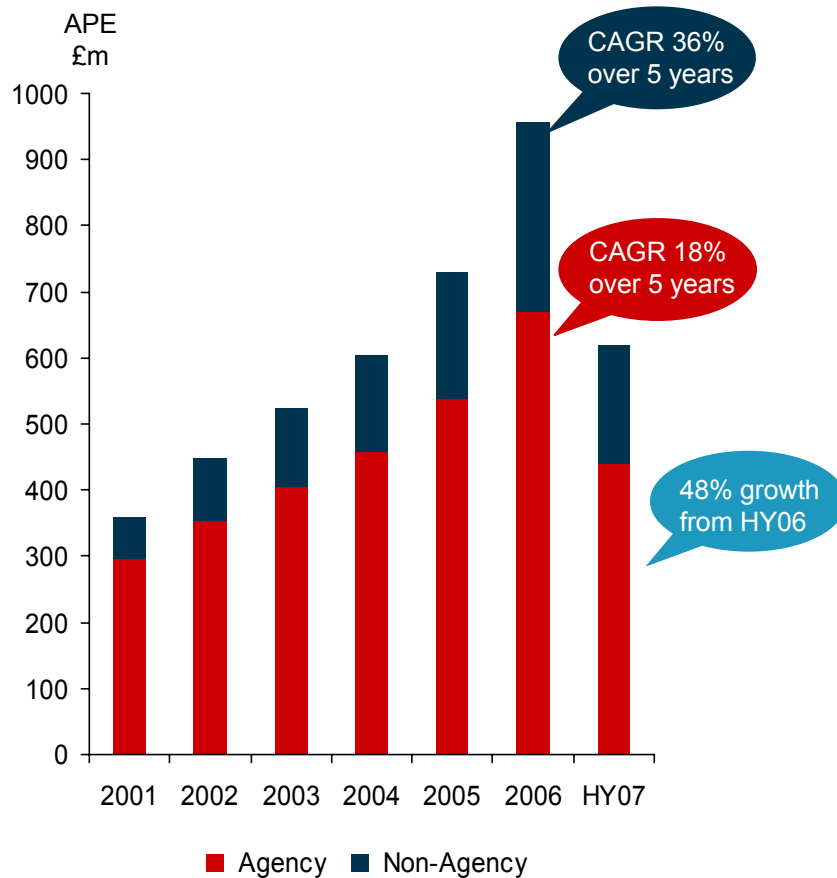
#### Access

- A network of 350,000 agents in Asia; established and fast growing non-agency distribution
- Powerful advice-based distribution in the US
- Diversified distribution in the UK; segmentation of IFAs

## Positioning ourselves for success

Asia Insurance: A unique platform for doubling 2005 NBP by 2009

### Asia new business by channel

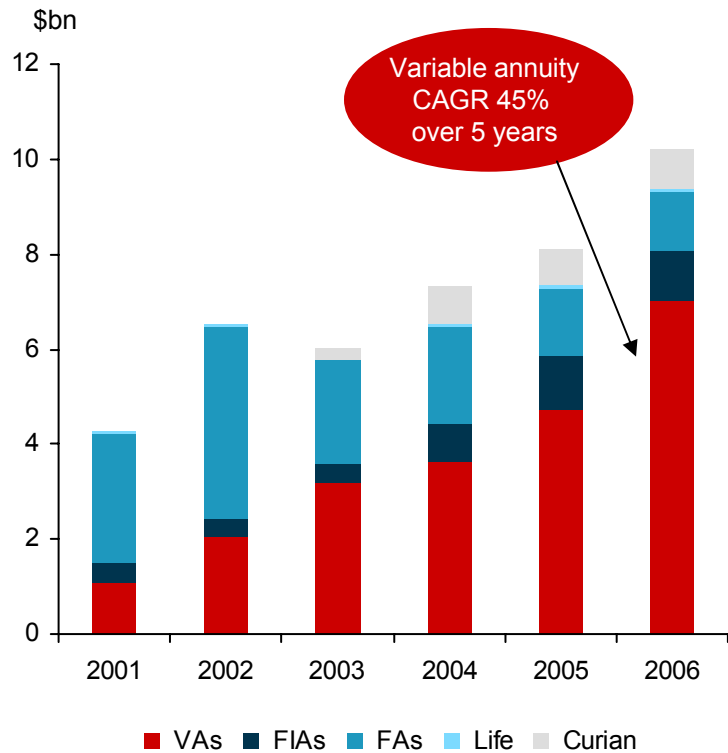


	Position Market Share	APE Growth H12007
India <sup>1</sup>	1	54%
Singapore	1	27%
Indonesia	1	57%
Vietnam	1	6%
China <sup>2</sup>	2	57%
Malaysia	2	10%
Hong Kong	3	45%
Philippines	5	34%
Taiwan	9	103%
Thailand	10	78%
Korea	13	18%
Japan	35	433%

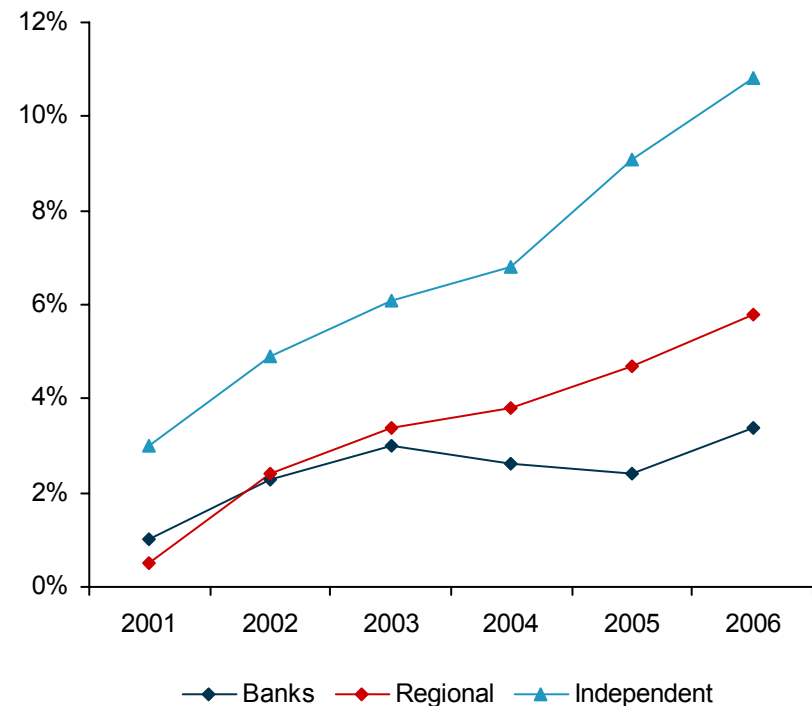
## Positioning ourselves for success

US Insurance: Premier position to capture growth in the pre and post retirement market

### Rapid growth in retail sales



### Variable annuity market share by channel

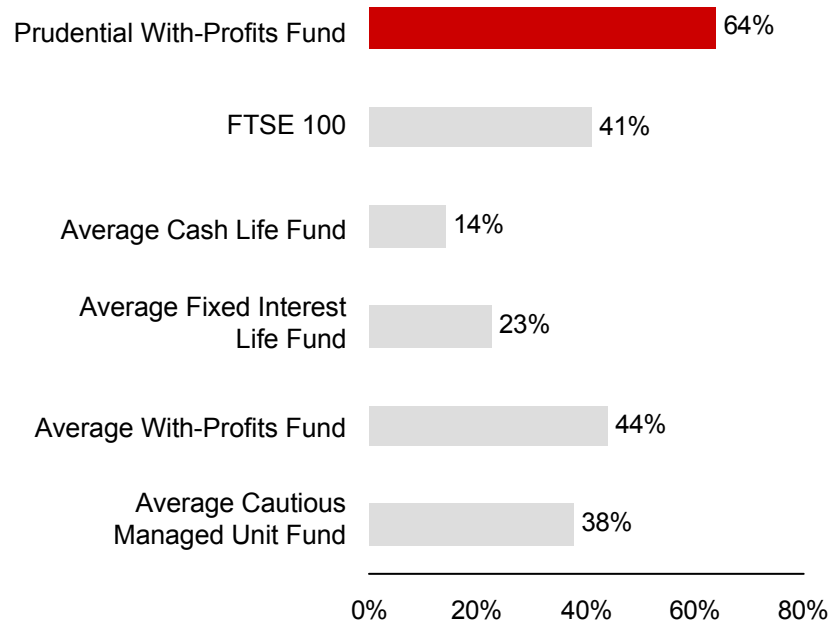


JNL is a top-10 fixed indexed and fixed annuity provider

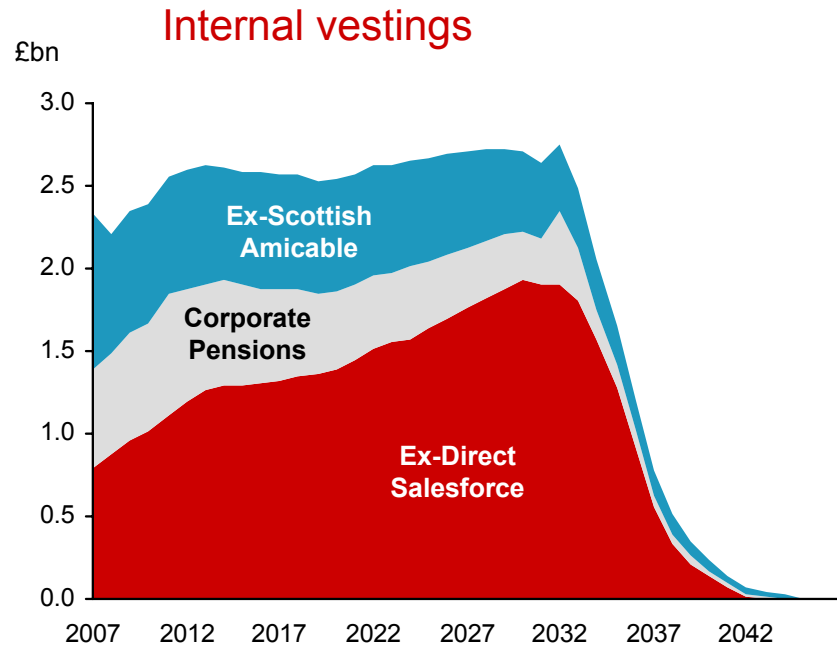
# Positioning ourselves for success

## UK Insurance: Delivering value by focusing on our strengths

### Retirement savings<sup>1</sup>



### Retirement income



- Narrow our focus
- Utilise our multi-asset capability
- Exit areas where returns are structurally low
- Improve return in Corporate Pensions

- Build on proven strengths
- Longevity expertise
- Brand

13 1) Lipper Hindsight – ABI Life Funds: Money Sector Average, total return, net income reinvested; Fixed Interest Sector Average, total return, net income reinvested, Standard & Poor’s – Cautious Managed Sector, bid to bid, total return.

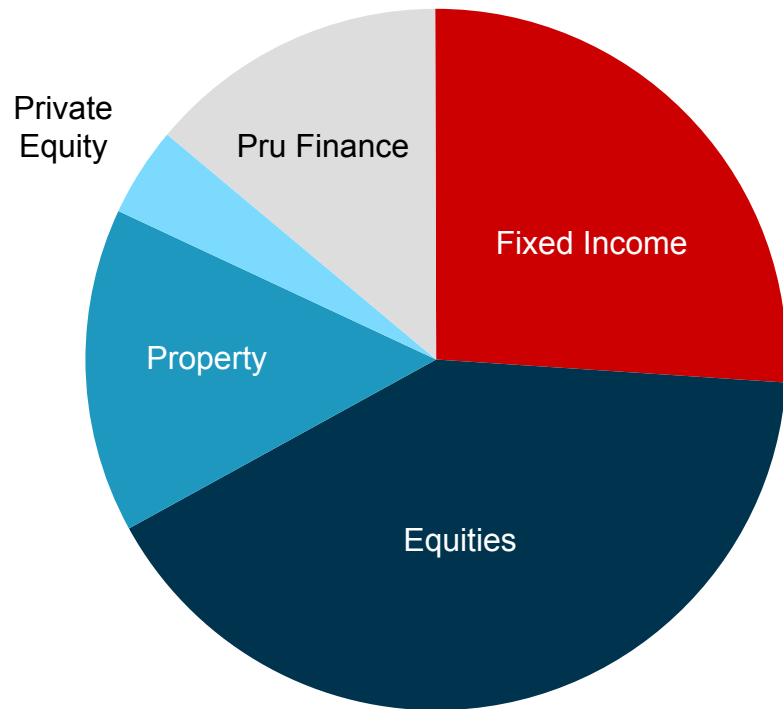


## Positioning ourselves for success

Asset Management: Significant potential based on superior investment performance

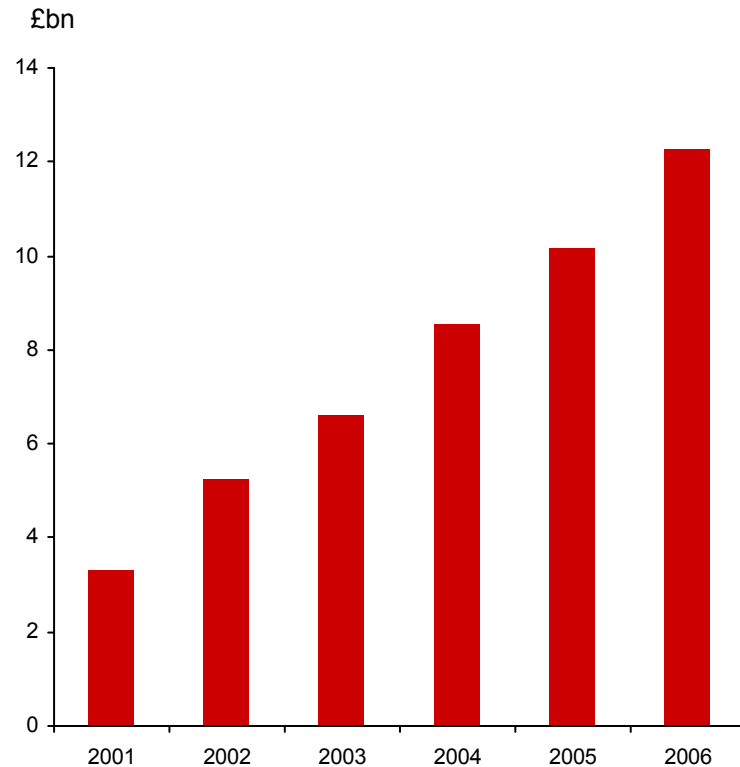
### M&G revenues

2006: £471 million



Record net inflows in 2006 £6.1bn, + 58%

### Asia rapid growth in external FUM



Record net inflows in 2006 £2.5bn, + 91%

## Conclusion

Strong operating performance...

in individual Business Units and at the Group level...

are delivering superior shareholder value

Advantaged regional platforms and global capabilities...

place the Group in a unique position...

to capture a disproportionate share of the retirement opportunity