

Chairman's statement



Group

'We are well positioned to continue to achieve growth in profitable market share, even in these very challenging market conditions.'

Harvey McGrath
Chairman

I am very pleased to welcome you to Prudential's 2008 Annual Report, my first as Chairman, and to report a very strong financial performance in challenging economic conditions.

Despite the unprecedented turmoil in the global financial markets, 2008 was another successful year for Prudential, sustaining our consistently strong financial performance over the past four years. Throughout that time, our business has been differentiated from its competitors by our diversified but selective geographic reach, in particular our involvement in Asia; our focus on the retirement opportunity; our outstanding product expertise; and the strength of the leadership team built under our Group Chief Executive, Mark Tucker. I also want to acknowledge the outstanding contribution made to the Group by my predecessor, Sir David Clementi, over the past six years.

We are well positioned to continue to achieve growth in profitable market share, even in these very challenging market conditions. Our prudent but proactive risk-based approach to capital management has ensured that our position remains robust and resilient.

Given this performance, the Board has been able to recommend a full-year dividend of 18.90 pence per share, an increase of five per cent on 2007.

Looking forward, we fully expect global economic conditions to remain highly challenging for some time. However, we remain very well positioned to outperform over the market cycle and our confidence is strengthened by the continued momentum across our businesses, which confirms that our strategy, operating model and execution are right. Everywhere you look in our Group, there are success stories characterised by growth generated in local markets in the face of tough conditions.

These successes not only benefit our individual businesses, but our Group as a whole.

During the year we continued to bring new blood into our senior management team. In March 2008 we announced the appointment of Tidjane Thiam as our new Chief Financial Officer. Tidjane brought with him a richly-deserved reputation for driving performance and value, and we knew his talents and experience were well-suited to help lead Prudential in the next stage of its development.

Tidjane's capabilities have been further underlined in 2009, with his appointment to succeed Mark Tucker as Group Chief Executive from 1 October 2009.

Mark has decided to leave Prudential after 25 years with the Company and I would like to thank him for his immense contribution to the Group. As Chief Executive of Prudential Corporation Asia from 1994 to 2003 he established Prudential as the leading international life company in the region. Under his leadership as Group Chief Executive since 2005 the business has taken maximum advantage of the opportunities for profitable growth arising from its diversified geographic spread. Tidjane's appointment has the full support of the whole Board, and the availability of such an outstanding internal candidate reflects both the strength in depth of our management team and the effectiveness of our succession planning.

Our strong performance in 2008 was not just about financial returns. Our founding principles of integrity, security and prudence continue to drive our commitment to supporting the financial health of our customers and the well-being of the communities in which we operate. During the year, over 2,200 of our colleagues gave time to projects to improve their local environment through the Chairman's Award scheme. At the end of the year, when employees voted for the project they felt had enjoyed the greatest impact, the winner was the Foundation for Older Persons' Development in Thailand.

Promoting financial capability remained at the heart of our international Corporate Responsibility programme. Highlights included our collaboration with Citizens Advice Bureau in the UK, the 'Investing in our Future' seminars in Asia, and our new online retirement planning tools in the US.

When my appointment as Chairman was announced in August 2008, I said I was excited at the prospect. Since then, my sense of anticipation and enthusiasm has grown even stronger. I am energised by the prospects for Prudential, and am confident that we have the right positioning, skills and capabilities to continue to create sustainable value over the economic and financial cycle. I would like to thank all our people around the world for playing their full part in this continuing success.



Harvey McGrath
Chairman

Full year dividend per share



2008	18.90p
2007	18.00p

more: momentum



All our businesses are well positioned to take advantage of the biggest demographic wave in history as people move out of the workforce and into retirement. To harness the power of this wave we have a clear and consistent retirement-led strategy with the right focus on the main growth regions, importantly Asia, and a relentless focus on the most profitable product lines.

This focus, combined with our distribution capability, trusted brands and flexibility to commit capital to the right products and markets will ensure we will continue to deliver profitable growth in the short and long-term.

