



# Prudential plc 2023 Half Year Results

30 August 2023

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### Forward-looking statements

This presentation contains 'forward-looking statements' with respect to certain of Prudential's (and its wholly and jointly owned businesses') plans and its goals and expectations relating to future financial condition, performance, results, strategy and objectives. Statements that are not historical facts, including statements about Prudential's (and its wholly and jointly owned businesses') beliefs and expectations and including, without limitation, commitments, ambitions and targets, including those related to ESG matters, and statements containing the words 'may', 'will', 'should', 'continue', 'aims', 'estimates', 'projects', 'believes', 'intends', 'expects', 'plans', 'seeks' and 'anticipates', and words of similar meaning, are forward-looking statements. These statements are based on plans, estimates and projections as at the time they are made, and therefore undue reliance should not be placed on them. By their nature, all forward-looking statements involve risk and uncertainty.

A number of important factors could cause actual future financial condition or performance or other indicated results to differ materially from those indicated in any forward-looking statement. Such factors include, but are not limited to:

- current and future market conditions, including fluctuations in interest rates and exchange rates, inflation (including resulting interest rate rises), sustained high or low interest rate environments, the performance of financial and credit markets generally and the impact of economic uncertainty, slowdown or contraction (including as a result of the Russia-Ukraine conflict and related or other geopolitical tensions and conflicts), which may also impact policyholder behaviour and reduce product affordability;
- asset valuation impacts from the transition to a lower carbon economy;
- derivative instruments not effectively mitigating any exposures;
- global political uncertainties, including the potential for increased friction in cross-border trade and the exercise of laws, regulations and executive powers to restrict trade, financial transactions, capital movements and/or investment;
- the longer-term impacts of Covid-19, including macro-economic impacts on financial market volatility and global economic activity and impacts on sales, claims (including related to treatments deferred during the pandemic), assumptions and increased product lapses;
- the policies and actions of regulatory authorities, including, in particular, the policies and actions of the Hong Kong Insurance Authority, as Prudential's Group-wide supervisor, as well as the degree and pace of regulatory changes and new government initiatives generally;
- the impact on Prudential of systemic risk and other group supervision policy standards adopted by the International Association of Insurance Supervisors, given Prudential's designation as an Internationally Active Insurance Group;
- the physical, social, morbidity/health and financial impacts of climate change and global health crises, which may impact Prudential's business, investments, operations and its duties owed to customers;
- legal, policy and regulatory developments in response to climate change and broader sustainability-related issues, including the development of regulations and standards and interpretations such as those relating to ESG reporting, disclosures and product labelling and their interpretations (which may conflict and create misrepresentation risks);
- the collective ability of governments, policymakers, the Group, industry and other stakeholders to implement and adhere to commitments on mitigation of climate change and broader sustainability-related issues effectively (including not appropriately considering the interests of all Prudential's stakeholders or failing to maintain high standards of corporate governance and responsible business practices);
- the impact of competition and fast-paced technological change;
- the effect on Prudential's business and results from, in particular, mortality and morbidity trends, lapse rates and policy renewal rates;
- the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries;
- the impact of internal transformation projects and other strategic actions failing to meet their objectives or adversely impacting the Group's employees;
- the availability and effectiveness of reinsurance for Prudential's businesses;
- the risk that Prudential's operational resilience (or that of its suppliers and partners) may prove to be inadequate, including in relation to operational disruption due to external events;
- disruption to the availability, confidentiality or integrity of Prudential's information technology, digital systems and data (or those of its suppliers and partners) including the Pulse platform;
- the increased non-financial and financial risks and uncertainties associated with operating joint ventures with independent partners, particularly where joint ventures are not controlled by Prudential;
- the impact of changes in capital, solvency standards, accounting standards or relevant regulatory frameworks, and tax and other legislation and regulations in the jurisdictions in which Prudential and its affiliates operate; and
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These factors are not exhaustive. Prudential operates in a continually changing business environment with new risks emerging from time to time that it may be unable to predict or that it currently does not expect to have a material adverse effect on its business. In addition, these and other important factors may, for example, result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. Further discussion of these and other important factors that could cause actual future financial condition or performance to differ, possibly materially, from those anticipated in Prudential's forward-looking statements can be found under the 'Risk Factors' heading of Prudential's News Release containing its Half Year 2023 Results, as well as under the 'Risk Factors' heading of Prudential's 2022 Annual Report. Prudential's 2022 Annual Report is available on its website at [www.prudentialplc.com](http://www.prudentialplc.com).

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**Anil Wadhvani**

Chief Executive Officer



# Accelerating Value Creation through Operational & Financial Discipline

**Building a sustainable growth platform**

**Enhancing customer experiences**

**Technology-powered distribution**

**Unlocking the Health opportunity**

**More consistent execution**

**Prioritising value creation**

## Value creation for all stakeholders

### Customers:

Top-quartile net promoter score

### Employees:

Top-quartile engagement<sup>1</sup>

### Shareholders:

15-20% NBP CAGR 2022-27<sup>2</sup>

Double-digit gross OFSG CAGR 2022-27<sup>2,3</sup>

### Communities:

Net Zero by 2050

55% reduction in Weighted Average Carbon Intensity<sup>4</sup>

1. As measured by annual group-wide employee survey relative to same question answered by other companies.

2. Assumes average exchange rates of 2022 and economic assumptions made by Prudential in calculating the EEV basis supplementary information for the year ended 31 December 2022, and are based on regulatory and solvency regimes applicable across the Group at the time the objectives were set. Assume that the existing EEV and Free Surplus methodology at December 2022 will be applicable over the period.

3. Gross OFSG is the operating free surplus generated from in-force insurance business which represents amounts emerging from the in-force business during the year before deducting amounts reinvested in writing new business and excludes non-operating items. For asset management businesses, it equates to post-tax operating profit for the year.

4. By 2030

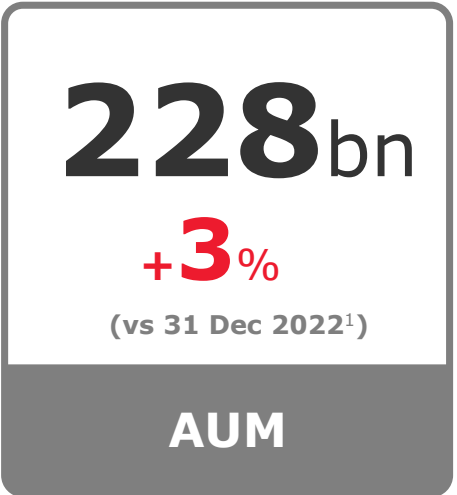
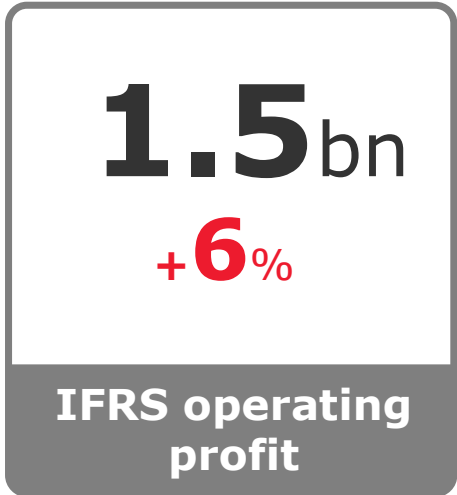
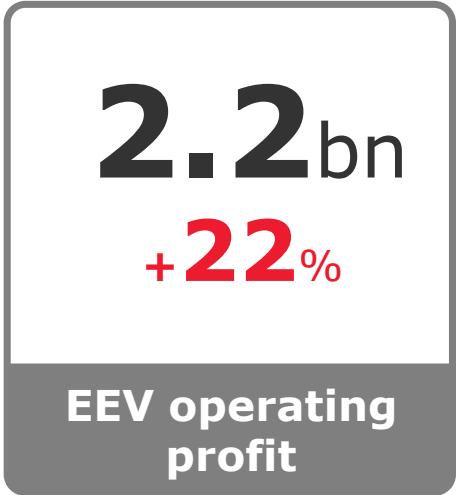
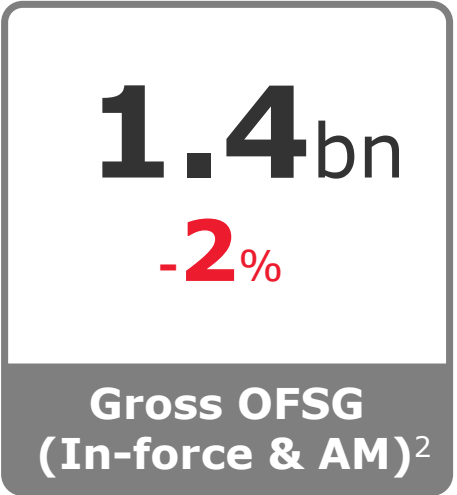
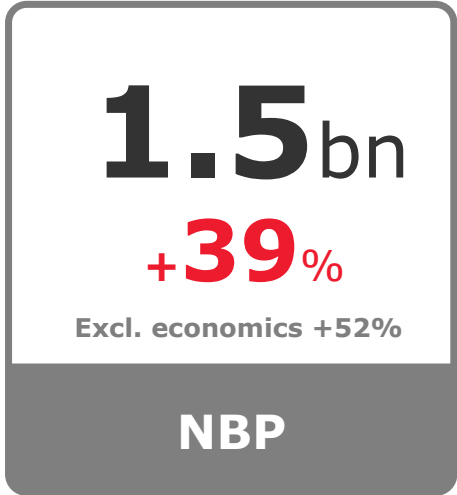


# HY23 Strong New Business Performance

1,588¢  
EEV/share, 30 June 2023

1,324¢  
Adjusted IFRS shareholders' equity/share

6.26¢  
1<sup>st</sup> Interim DPS (+9% AER<sup>1</sup>)



Note: Growth rates are on a constant exchange rate basis unless otherwise stated. Numbers are in US dollars unless otherwise stated.

1. AER: Actual exchange rate basis.

2. Operating free surplus generated from in-force insurance business represents amounts emerging from the in-force business during the year before deducting amounts reinvested in writing new business and excludes non-operating items. For asset management businesses, it equates to post-tax operating profit for the year.

3. Proforma for \$0.4bn debt redemption in January 2023. This reduced the cover ratio by 5ppt from 307% at 31 December 2022 to 302%.



# Hong Kong: Leadership in Agency and MCV segment

## Strong growth in both segments...

**MCV: Significant growth in new sales up >100x**

**#1** Market position<sup>1</sup>

**27%** Market share<sup>1</sup>

**Strong Domestic momentum  
APE up 68% YoY**

**#5** Market position<sup>1</sup>

**7%** Market share<sup>1</sup>  
(+2ppt YoY)

## ...driven by high performing distribution & innovative new products

**Agency: #1<sup>1</sup> by market share**

On track to hire **4k** agents

**+75%** YoY growth in active agents

**Complemented by strong growth in Banca**

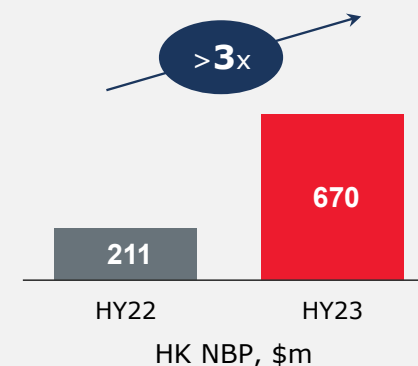
**>45%** Strong YoY growth in banca APE & NBP

**Delivering customer-led savings & health solutions**



Multi-currency savings & comprehensive multiple critical illness product

**Translating to strong growth in NBP**

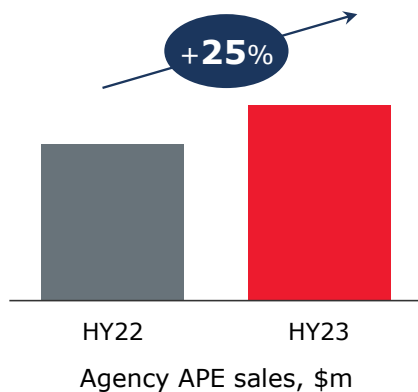


HY23 NBP margin of 65%



# Chinese Mainland: Driving Business Mix for Sustainable Long-term Value Creation

## Rebound in Agency sales

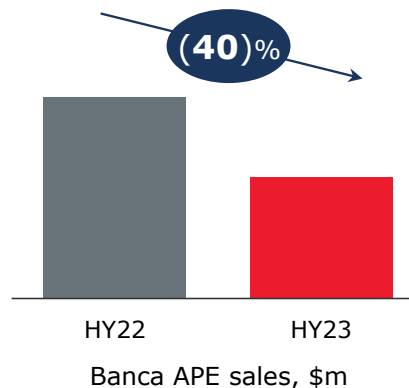


+53% improvement in productivity; 50% activation rate



+17% YoY to >800 MDRT<sup>1</sup> qualifiers

## Proactive shift in Banca product mix

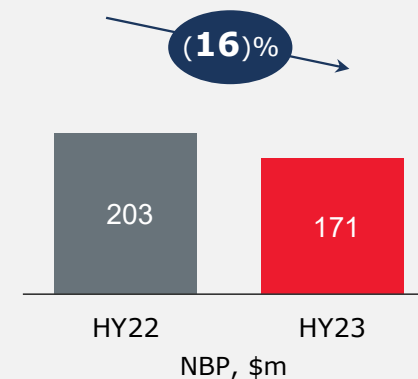


Shift to higher quality longer term pay products



Added 6 new bank partners<sup>2</sup>  
Access to >6.6k branches (+8% YoY)

## NBP only 3% lower ex. economics



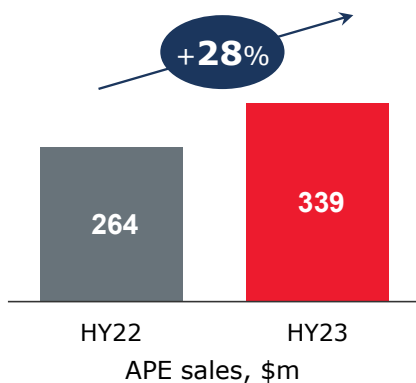
**+7 pts** improvement in NBP margin (excl. economics)

Note: Data as at HY22 and growth rates are on a constant exchange rate basis unless otherwise stated.  
1. Million Dollar Round Table (MDRT).  
2. Over the past 12 months.



# Taiwan: Outperforming the Market Supported by Successful New Product Launches

## Strong growth in banca and broker channels



- ✓ Outperformed market (Industry: -1% YoY decline)
- ✓ Banca APE up +27% YoY
- ✓ Good performance in both existing & new banca partners

## Delivering customer-led solutions

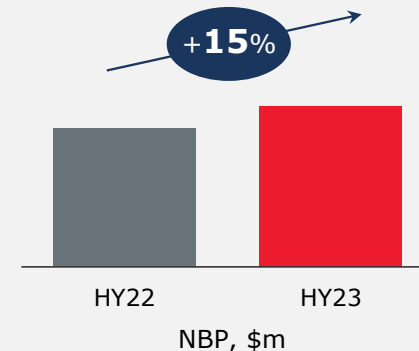


Innovative comprehensive par product launched, to meet diversified needs of customers



Launched suite of customer-centric products, incl. new VAS<sup>1</sup> meeting needs of elderly customers

Strong retention ratio **97%**



#1 foreign life insurer; leadership in Par business

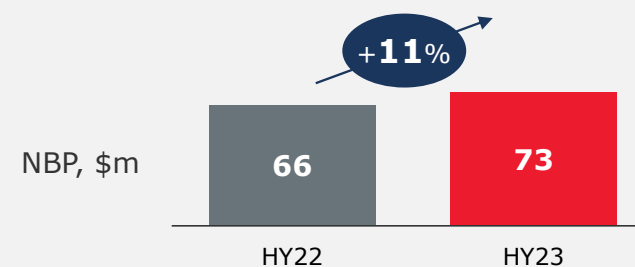




# ASEAN: Malaysia and Indonesia – Strong Momentum

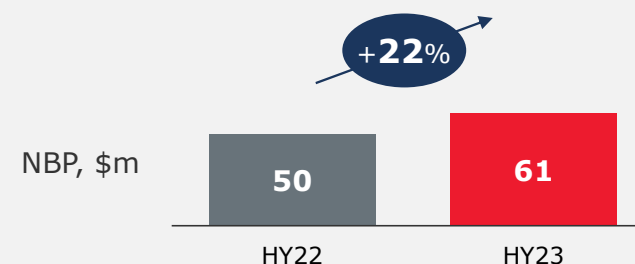
## Malaysia: Continued focus on value over volume

- APE +12%. Strong growth in banca channel (+36% YoY). Pick up in sales momentum 2Q23 vs 1Q23
- Double digit NBP growth in agency, reflecting focus on H&P. H&P contributed to 71% of total NBP
- Leading NPS in both Conventional & Takaful businesses; customer retention ratio 90%



## Indonesia - Strong momentum continues

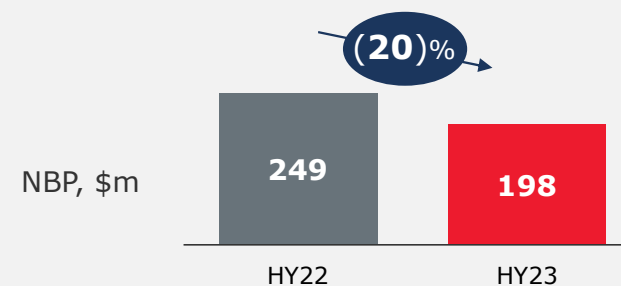
- APE +42%. Strong growth in agency channel (+51% YoY). Pick up in sales momentum 2Q23 vs 1Q23
- Ongoing transformation programme delivered improvements in agency productivity
- New and revamped customer-led solutions supported +44% growth in H&P sales



# ASEAN: Resilient Performance – Singapore retained Top 3 position; Vietnam Outperformed Market rising to #1 in 1Q

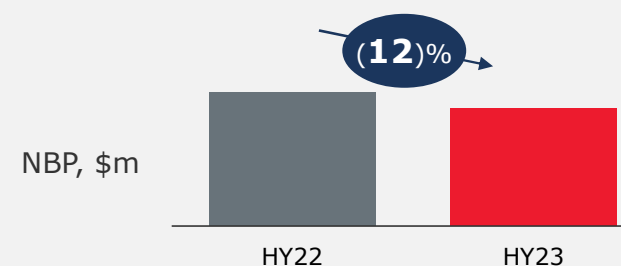
## Singapore: Multi-channel platform provides diversification

- Overall APE -3% but agency sales momentum increasing +7% 2Q23 v 1Q23
- Banca adjusting for single premium conditions (-10% YoY APE growth)
- NBP margin impacted by product mix and adverse economics



## Vietnam: Challenging environment in the industry

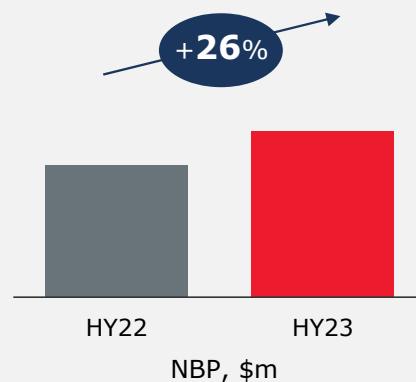
- APE -18%. Decline in banca sales partially offset by strong growth in agency channel
- Improvement in agents productivity. MDRT qualifiers doubled in 1H23
- Extended exclusive banca partnership with VIB<sup>1</sup> until 2036



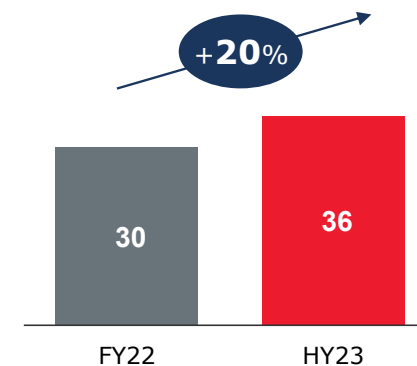
# India: Optimistic on the Growth Runway Ahead

## Life: High quality growth

- ✓ +15% APE growth & margin expansion
- ✓ Leading NBP margins in the industry<sup>1</sup>
- ✓ Broad-based growth across all channels, agency APE +29%
- ✓ Enhancing our distribution capabilities
  - ✓ Recruited >17k new agents
  - ✓ Entered 101 new partnerships



## Asset management: Scale player



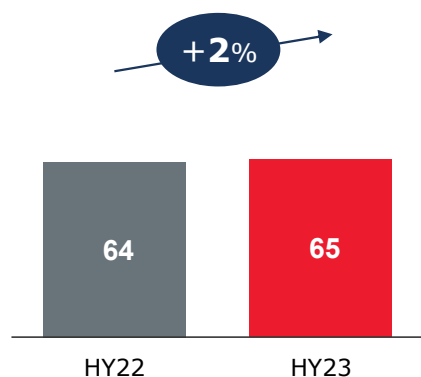
- ✓ Top 3 asset manager in India with 12% market share

Note: Data as at HY22 and FY22 and growth rates are on a constant exchange rate basis unless otherwise stated.  
1. Based on new business profit reported by ICICI Prudential Life for the year ended 31 March 2023.  
2. ICICI Prudential Asset Management Company (IPAMC).



# Enhancing our agency force: Focus on Activation & Productivity

## Active agents at scale



No. of active agents per month, thousands

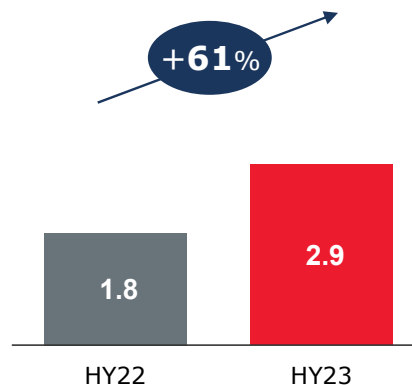


Top 3 agency franchise in 8 markets



Quality of agents reflected by large team of 7k MDRT<sup>1</sup> qualifiers

## Greater productivity



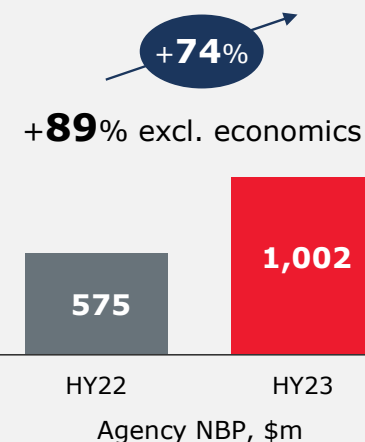
Monthly NBP per active agent, \$,000



+12% growth in Monthly NBP per active agent outside of HK



30% increase in productivity using PRULeads<sup>2</sup>



+89% excl. economics



Margin -3ppts (excl. economics) reflecting shift in HK product mix



+38% YoY growth in H&P APE

Note: Data as of HY22 and growth rates are on a constant exchange rate basis unless otherwise stated

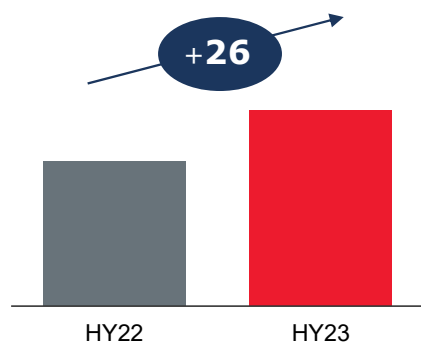
1. Million Dollar Round Table (MDRT).

2. Based on actual experience in 2022. Productivity measured by APE sales per active agent.



# Banca providing Diversification, Scale and Reach

## Increasing reach



New partners added in last 12 months

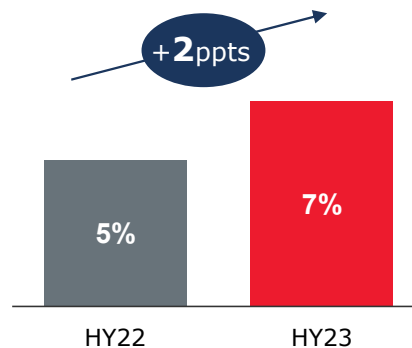


#1 independent banca franchise in Asia



>200 bank partners & access to c.27k bank branches

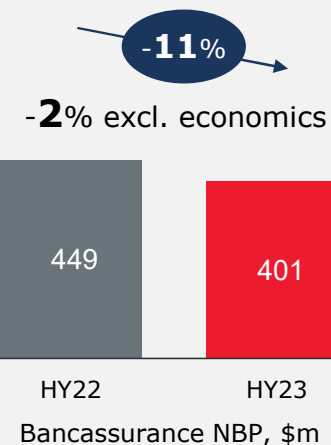
## Improving quality



H&P contribution as % of banca APE



H&P NBP +23% YoY



Bancassurance NBP, \$m



Delivering scale  
APE of \$1.1bn (-2% YoY)



Margin stable (ex-economics)



# Multi-market Growth Engines

## Greater China

Sustaining quality growth

- Long-term structural demand drivers remain intact & are attractive
- China focused on driving quality growth. 2<sup>nd</sup> largest economy and grew >5% in H1
- Diversified platform in China by footprint, channel & product
- Remain highly optimistic of the medium to long-term growth potential

## ASEAN

Leveraging leading platform

- **Malaysia:** Well-positioned with diversified multi-channel capabilities and a leading position in both conventional and Takaful segments
- **Indonesia:** Well-positioned to capture the structural growth opportunities given its leading position & benefits of our ongoing transformation initiatives
- **Singapore:** Well-positioned to capture the opportunities given our leading position, particularly in H&P and agency, and this would be further enhanced by our new FA channel
- **Vietnam:** Confident in the longer term prospects given low insurance penetration, a rapidly growing middle class, as well as our strong position across agency and banca

## India

Growing our franchises

- Continue to see huge opportunities underpinned by significant structural drivers
- Strong track record of delivering quality growth

## Africa

Matching footprint to value opportunity

- Growth supported by our multi-channel distribution platform as well as our diverse product proposition



## Key takeaways

1 | Strong performance delivering high quality growth

2 | Momentum has continued into 3Q 2023

3 | Unmatched opportunity to accelerate value creation





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**Ben Bulmer**

Chief Financial Officer





# Key messages

## Strategic Update: Accelerating value creation

- Growing profitable new business and capital generation
- Objectives to grow NBP at 15-20% and Gross OFSG<sup>1</sup> at double-digit CAGR, 2022-27<sup>2</sup>
- Disciplined capital allocation, prioritising organic growth, building free surplus to enhance strategic flexibility
- Expect ~\$1 billion additional investment in capabilities weighted to 2023-25

## Half year 2023 results: Strong performance despite challenging environment

- Broad-based NBP growth, up 39% YoY, drives EEV operating profit
- 8%<sup>3</sup> annualised CSM growth, group IFRS operating result up 6%
- Robust solvency position underpinned by high quality, predictable in-force capital generation

## Outlook

- Confidence in NBP & OFSG objectives, and opportunity set ahead

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2. Assumes average exchange rates of 2022 and economic assumptions made by Prudential in calculating the EEV basis supplementary information for the year ended 31 December 2022, and are based on regulatory and solvency regimes applicable across the Group at the time the objectives were set. Assume that the existing EEV and Free Surplus methodology at December 2022 will be applicable over the period.

3. Actual exchange rate basis.





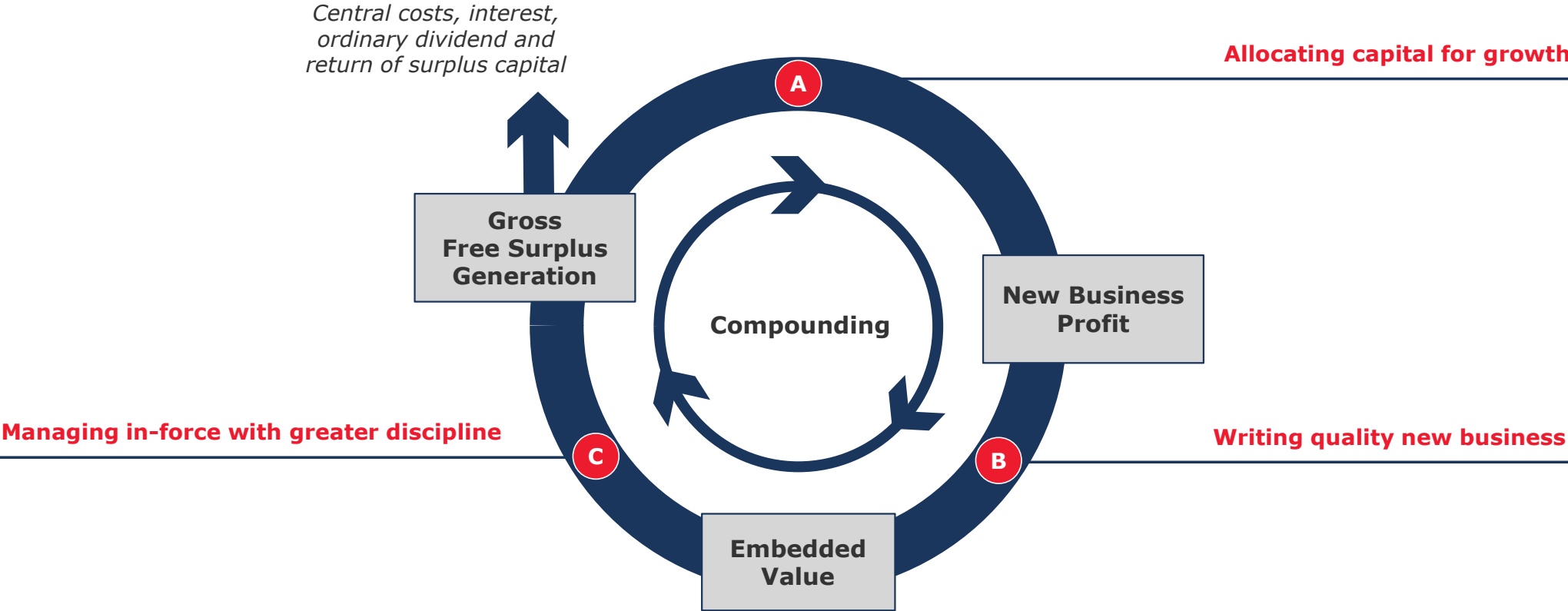
# 1 | **Strategic Update: Accelerating value creation**

2 | Half year 2023 results:  
Strong performance despite  
challenging environment

3 | Key messages



# Accelerating value creation



**Double-digit gross OFSG CAGR 2022-27<sup>1,2</sup>**

**15-20% NBP CAGR 2022-27<sup>2</sup>**

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# Strategic update August 2023: Financial objectives

**NBP**

**15-20% NBP CAGR 2022-27<sup>1</sup>**



**2027:**

**\$4.4-5.4bn**

2022: \$2.2bn

**Gross OFSG**

**Double-digit life & AM OFSG CAGR 2022-27<sup>1,2</sup>**



**>\$4.4bn**

2022: \$2.8bn

1. Assumes average exchange rates of 2022 and economic assumptions made by Prudential in calculating the EEV basis supplementary information for the year ended 31 December 2022, and are based on regulatory and solvency regimes applicable across the Group at the time the objectives were set. Assume that the existing EEV and Free Surplus methodology at December 2022 will be applicable over the period.

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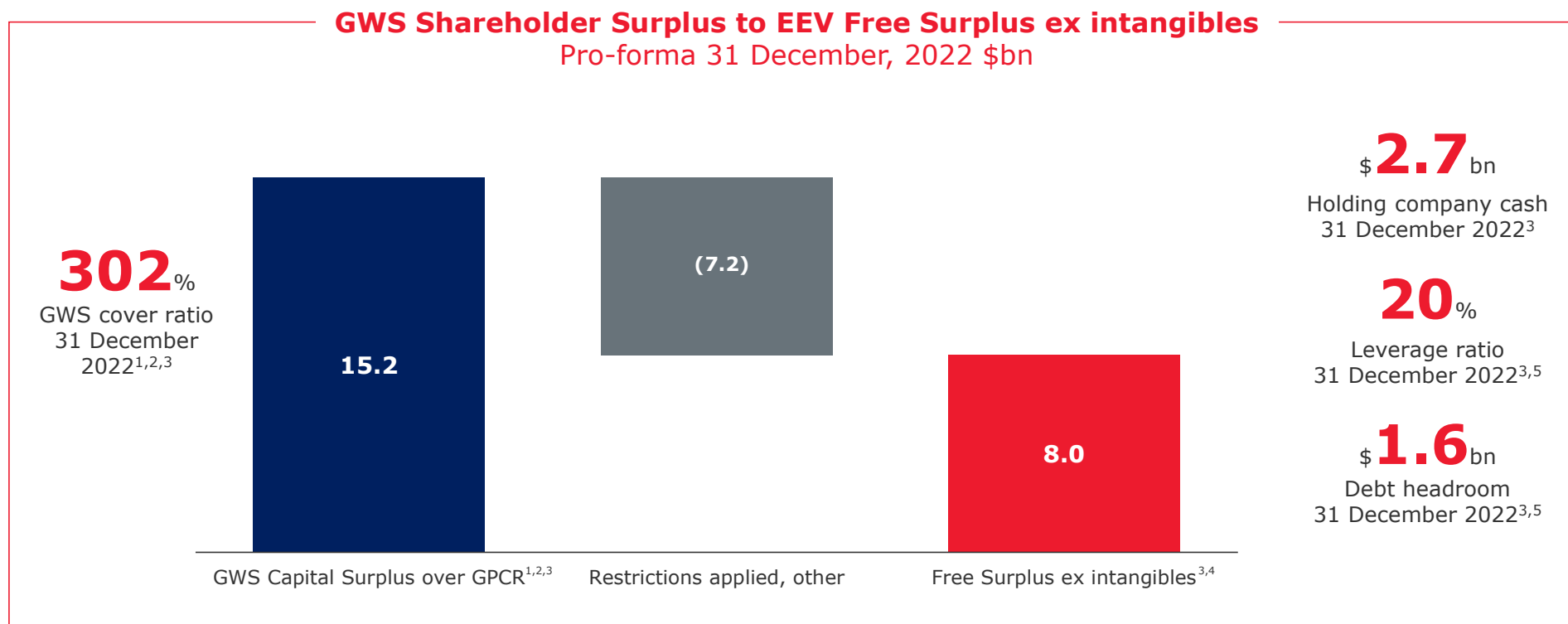
# Reinvesting capital to drive compounding growth: Priorities



1. Estimated Moody's total leverage ratio. Prudential is targeting a Moody's total leverage ratio of around 20 to 25 per cent over the medium term. Prudential may operate outside this range temporarily to take advantage of growth opportunities with attractive risk-adjusted returns as they arise, while still preserving its strong credit ratings.



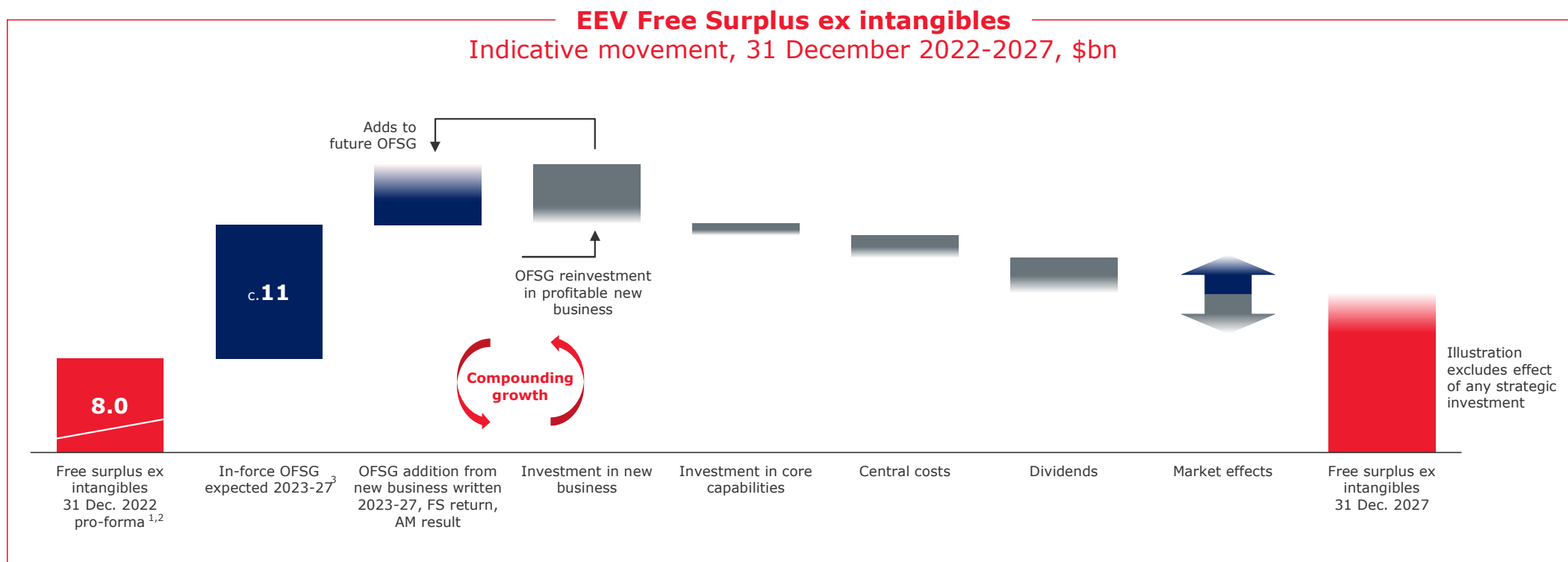
# Strong regulatory capital position with substantial free surplus flexibility



1. Estimated GWS capital resources in excess of the GPCR attributable to the shareholder business, Prescribed capital requirements are set at the level at which the local regulator of a given entity can impose penalties, sanctions or intervention measures.  
 2. Before allowing for the 2022 second cash interim dividend.  
 3. Proforma for \$0.4bn debt redemption in January 2023.  
 4. Excluding distribution rights and other intangibles.  
 5. Estimated Moody's total leverage ratio. Prudential is targeting a Moody's total leverage ratio of around 20 to 25 per cent over the medium term. Prudential may operate outside this range temporarily to take advantage of growth opportunities with attractive risk-adjusted returns as they arise, while still preserving its strong credit ratings.



# Substantial & compounding capacity to fund investments in growth



1. Excluding distribution rights and other intangibles.

2. Proforma for \$0.4bn debt redemption in January 2023.

3. Assumes average exchange rates of 2022 and economic assumptions made by Prudential in calculating the EEV basis supplementary information for the year ended 31 December 2022, and are based on regulatory and solvency regimes applicable across the Group at the time the objectives were set. Assume that the existing EEV and Free Surplus methodology at December 2022 will be applicable over the period.

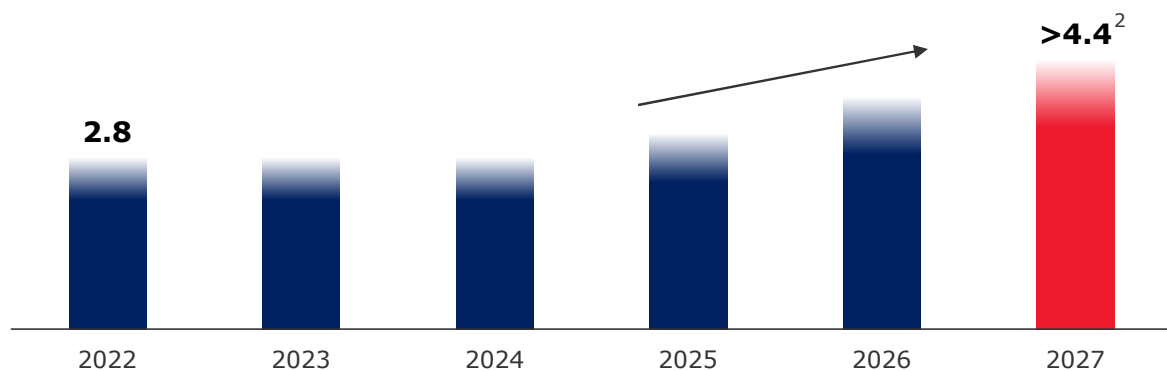


# Investment in capabilities to accelerate value creation

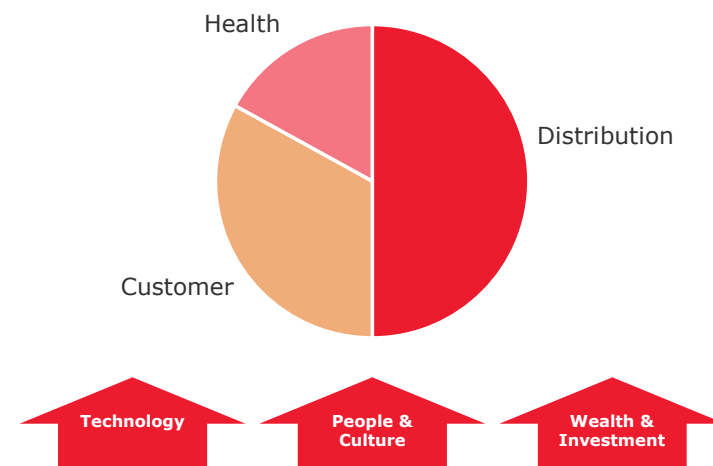
~\$1bn investment in core capabilities

- Expensed at business unit level as operating variance
- No impact on central expenses
- Weighted to 2023-2025

Indicative Gross OFSG development<sup>1</sup>  
2022-2027 (\$bn)



Indicative investment by core capability



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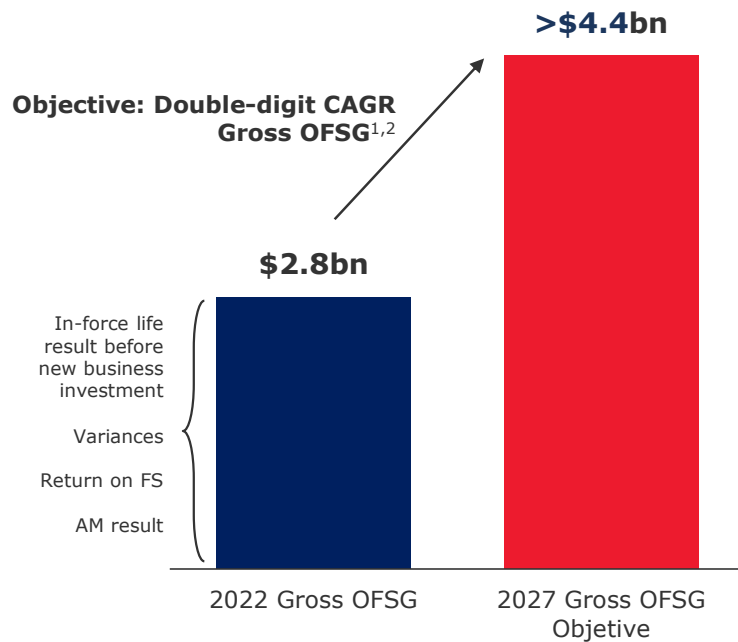
2. 2027 objective: >\$4.4bn. Assumes average exchange rates of 2022 and economic assumptions made by Prudential in calculating the EEV basis supplementary information for the year ended 31 December 2022, and are based on regulatory and solvency regimes applicable across the Group at the time the objectives were set. Assume that the existing EEV and Free Surplus methodology at December 2022 will be applicable over the period.





# Achieving our 2027 Gross OFSG objective<sup>1,2</sup>

## Illustrative 2022 versus 2027 Gross OFSG \$bn



### Drivers:

- 2027 in-force contribution expected from 2022 in-force: \$2.1bn<sup>2</sup>
- Addition to gross 2027 OFSG from profitable new business written 2023-2027
- Manage operating variances
- Growth in asset management earnings, return on free surplus

1. Gross OFSG is the operating free surplus generated from in-force insurance business which represents amounts emerging from the in-force business during the year before deducting amounts reinvested in writing new business and excludes non-operating items. For asset management businesses, it equates to post-tax operating profit for the year.

2. Assumes average exchange rates of 2022 and economic assumptions made by Prudential in calculating the EEV basis supplementary information for the year ended 31 December 2022, and are based on regulatory and solvency regimes applicable across the Group at the time the objectives were set. Assume that the existing EEV and Free Surplus methodology at December 2022 will be applicable over the period.





1 | Strategic Update:  
Accelerating value creation

2 | **Half year 2023 results:  
Strong performance despite  
challenging environment**

3 | Key messages

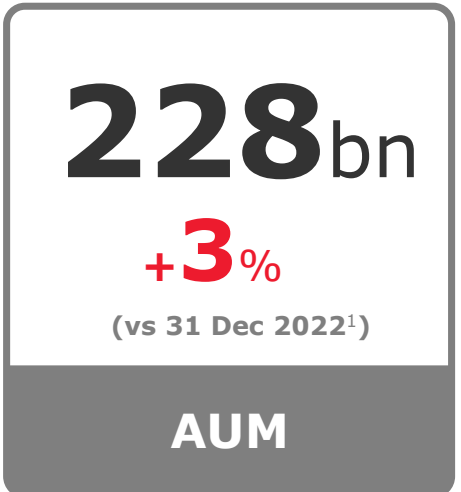
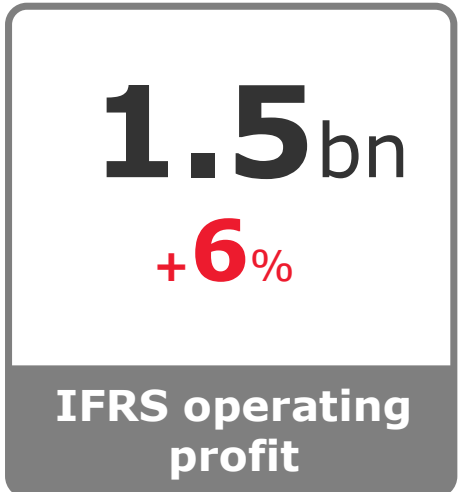
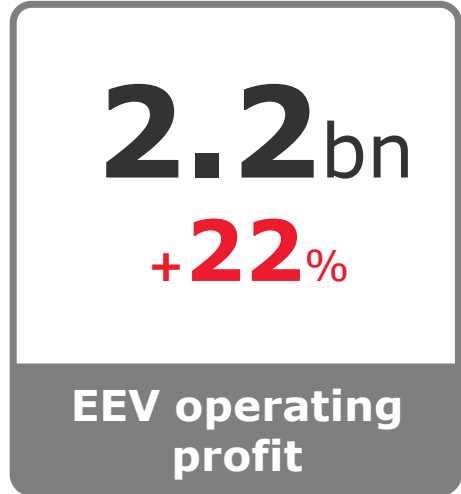
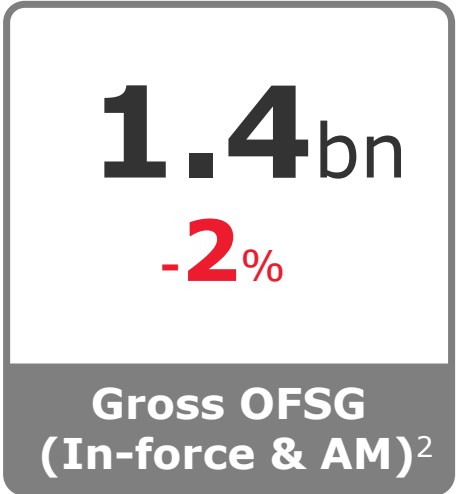
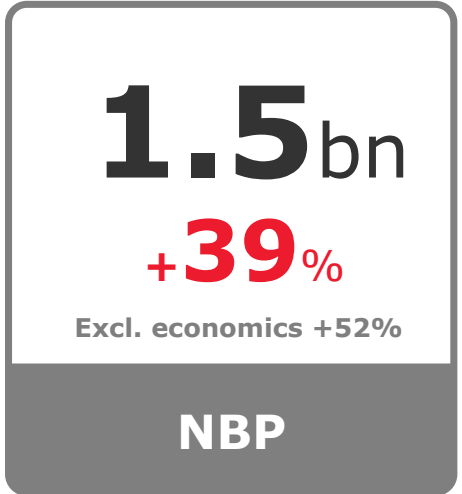


# HY23 Strong New Business Performance

1,588¢  
EEV/share, 30 June 2023

1,324¢  
Adjusted IFRS shareholders' equity/share

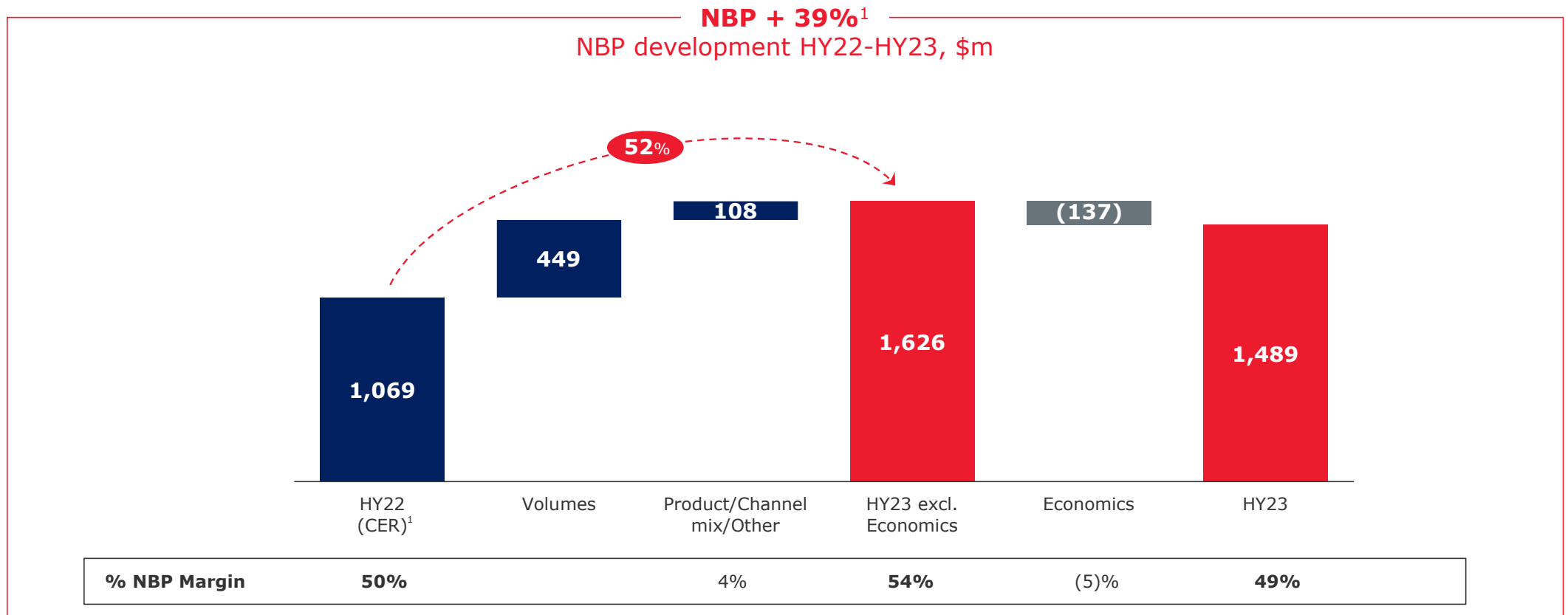
6.26¢  
1<sup>st</sup> Interim DPS (+9% AER<sup>1</sup>)



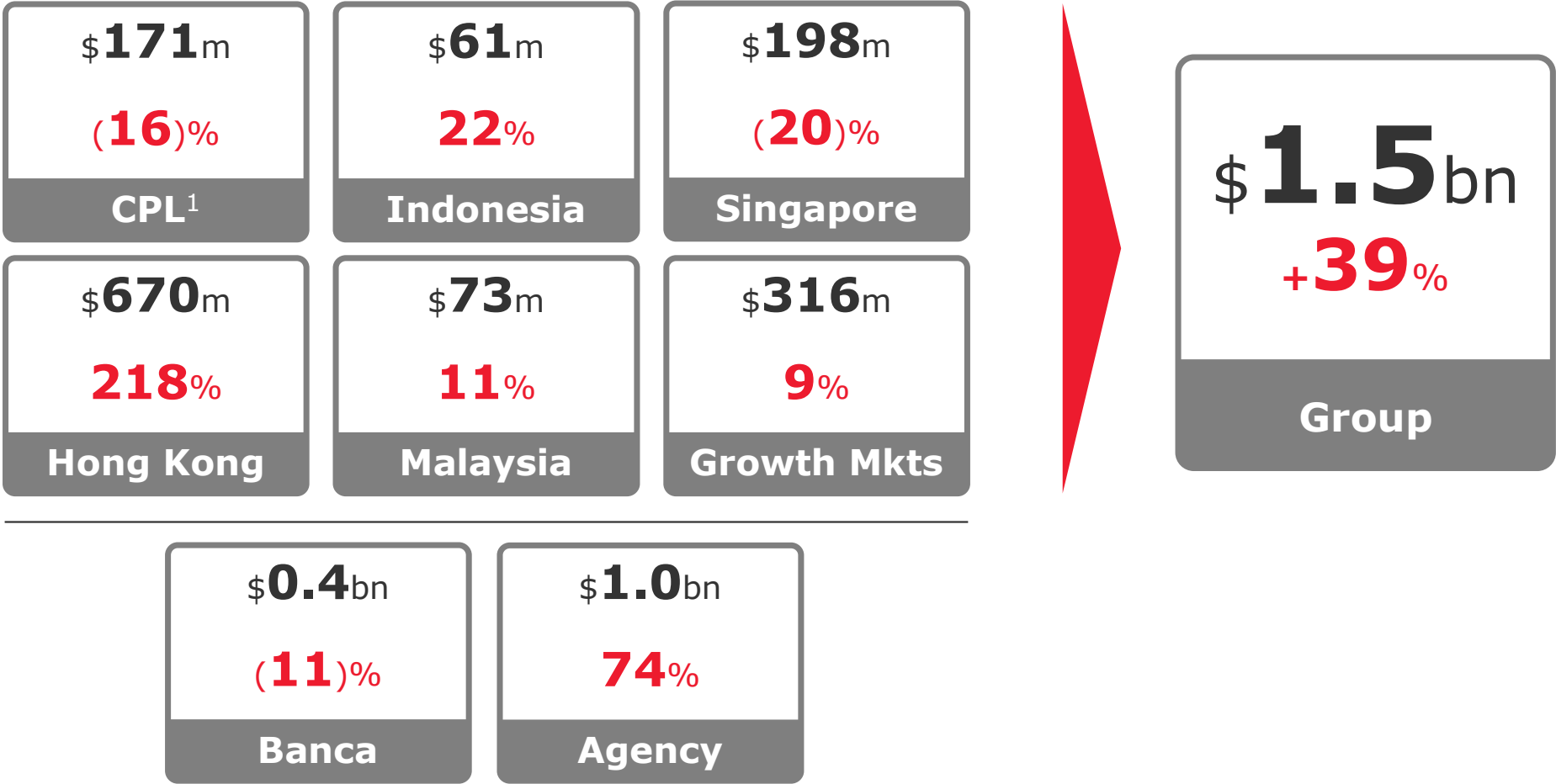
Note: Growth rates are on a constant exchange rate basis unless otherwise stated. Numbers are in US dollars unless otherwise stated.  
 1. AER: Actual exchange rate basis.  
 2. Operating free surplus generated from in-force insurance business represents amounts emerging from the in-force business during the year before deducting amounts reinvested in writing new business and excludes non-operating items. For asset management businesses, it equates to post-tax operating profit for the year.  
 3. Proforma for \$0.4bn debt redemption in January 2023. This reduced the cover ratio by 5ppt from 307% at 31 December 2022 to 302%.



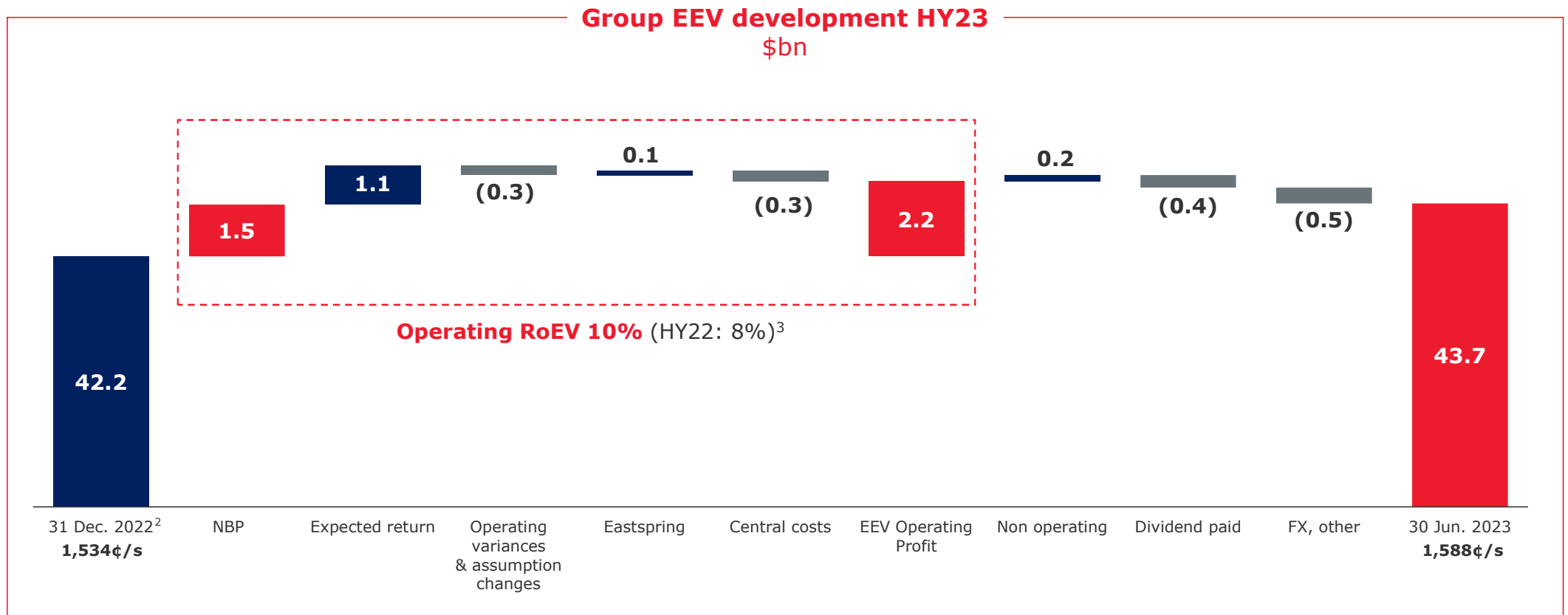
# NBP up over 50%<sup>1</sup> ex-economics



# HY23: Multi-market growth engines drive NBP



# Building value: EEV operating profit +22%<sup>1</sup>



Note: Totals do not cast as a result of rounding.

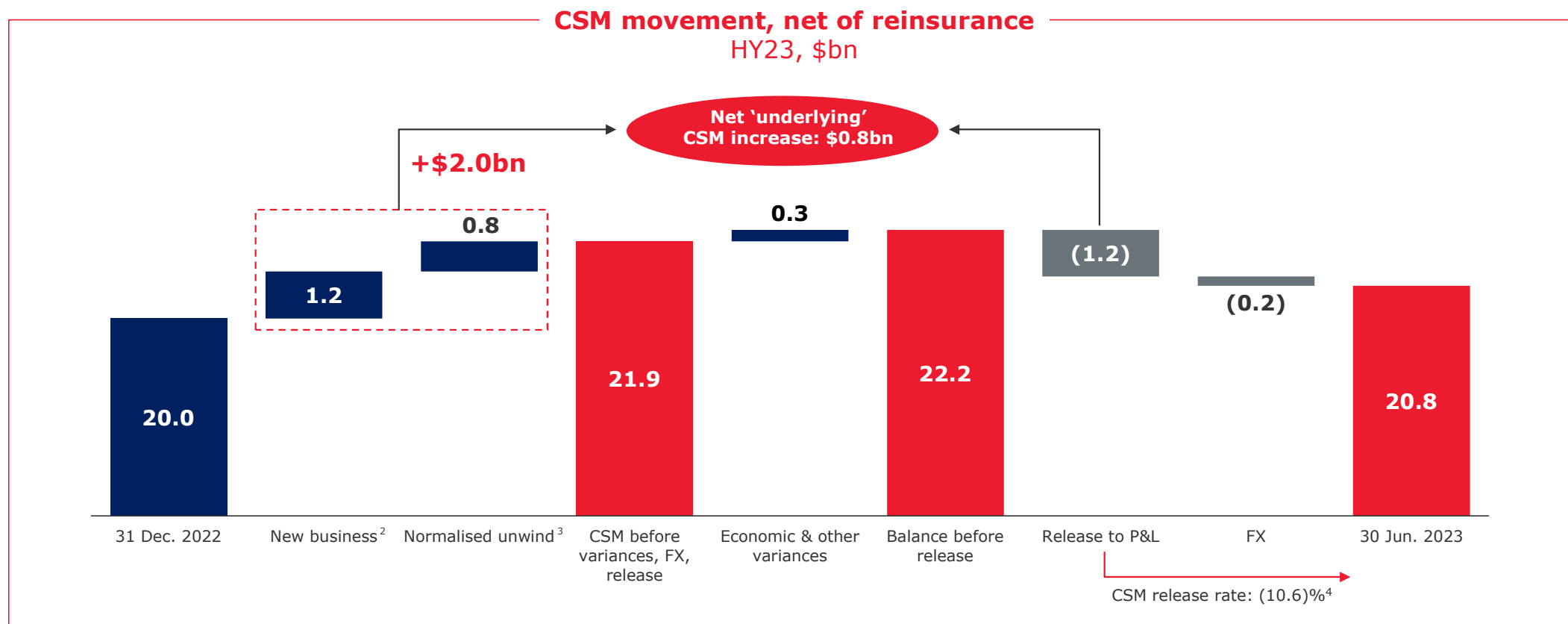
1. Constant exchange rate basis.

2. Actual exchange rate basis.

3. Operating return on embedded value is calculated as the EEV operating profit as a percentage of average EEV basis shareholders' equity, annualized.



# CSM: Annualised growth 8%<sup>1</sup>



Note: Totals do not cast as a result of rounding.

1. Actual exchange rate basis.

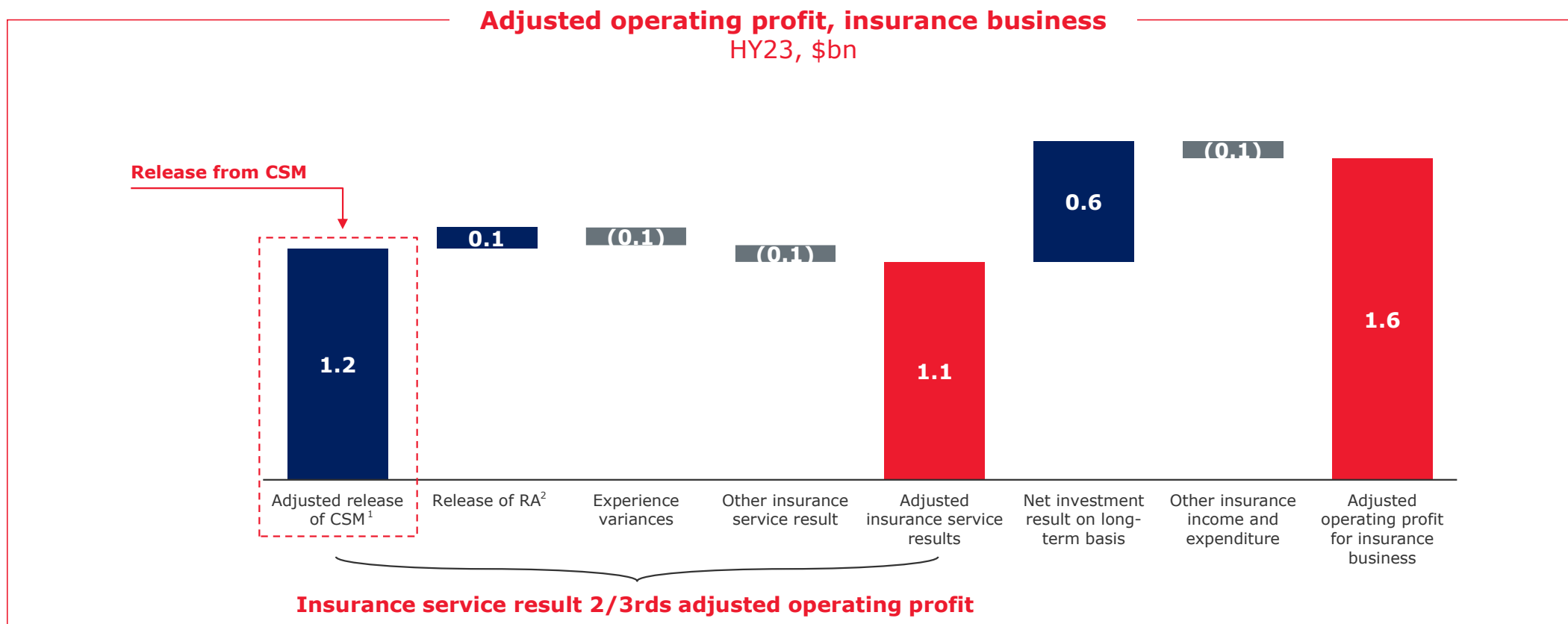
2. New business excludes \$0.1bn of new protection riders added to in-force contracts in the period.

3. The unwind of CSM presented reflects the accretion of interest on general measurement model contracts, together with the unwind of variable fee approach contracts on a long-term normalized basis.

4. Calculated as CSM release / (CSM closing balance - CSM release) x annualisation factor.



# Insurance service result drives operating profit



1. Adjusted release of CSM reflects an adjustment to the release of CSM figure for the treatment adopted for adjusted operating purposes of combining losses on onerous contracts and gains on profitable contracts that can be shared across more than one annual cohort.  
2. Risk adjustment (RA).

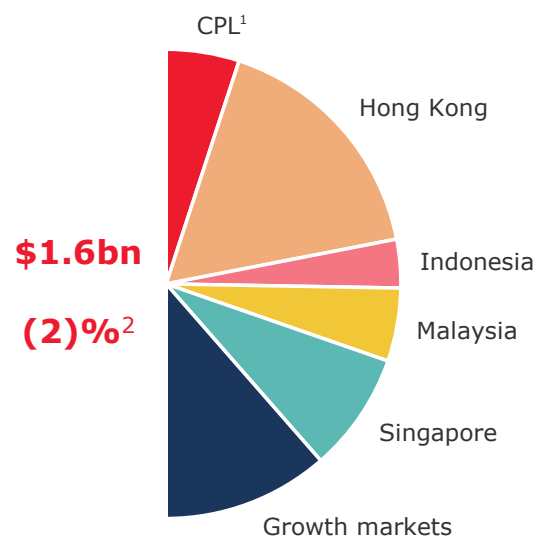




# Broad-based delivery; reduced central overhead

## Well diversified insurance profit

IFRS insurance adjusted operating profit, HY23 % YoY



## Operating profit +6%<sup>2</sup>

Group P&L

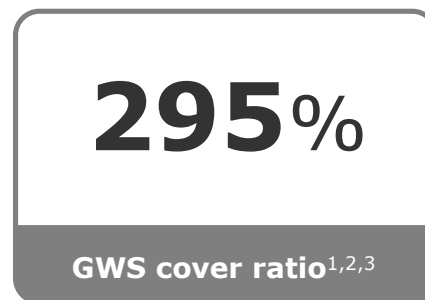
\$m	HY23	HY23 % YoY <sup>2</sup>
Insurance	1,636	(2)
Eastspring	146	14
<b>Total segment profit</b>	<b>1,782</b>	<b>0</b>
Corporate expenditure, interest	(200)	21
Restructuring, IFRS17 costs, other	(120)	23
<b>Adjusted operating profit</b>	<b>1,462</b>	<b>6</b>
Short-term fluctuations	(287)	90
<b>Profit before tax</b>	<b>1,175</b>	<b>186</b>
Tax	(228)	(55)
<b>Profit for the period</b>	<b>947</b>	<b>163</b>

**Growth in insurance profit will reflect CSM growth over time**

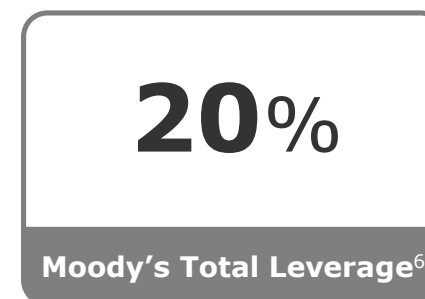
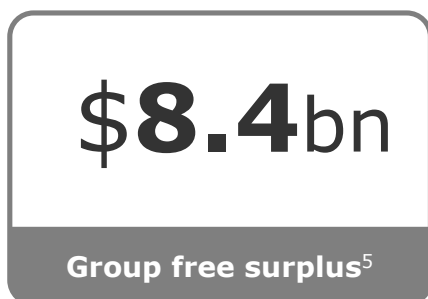


# Strong regulatory capital position with considerable financial flexibility

## Strong regulatory capital position



## Considerable financial flexibility



Note: At 30 June 2023.

1. Prudential applies the Insurance (Group Capital) Rules set out in the GWS Framework to determine group regulatory capital requirements (both minimum and prescribed levels).

2. Before allowing for the 2023 first cash interim dividend.

3. GWS capital position of capital resources over the prescribed capital requirement attributable to shareholder business.

4. The Group has a AA- Financial Strength Rating from Standard & Poor's and from Fitch.

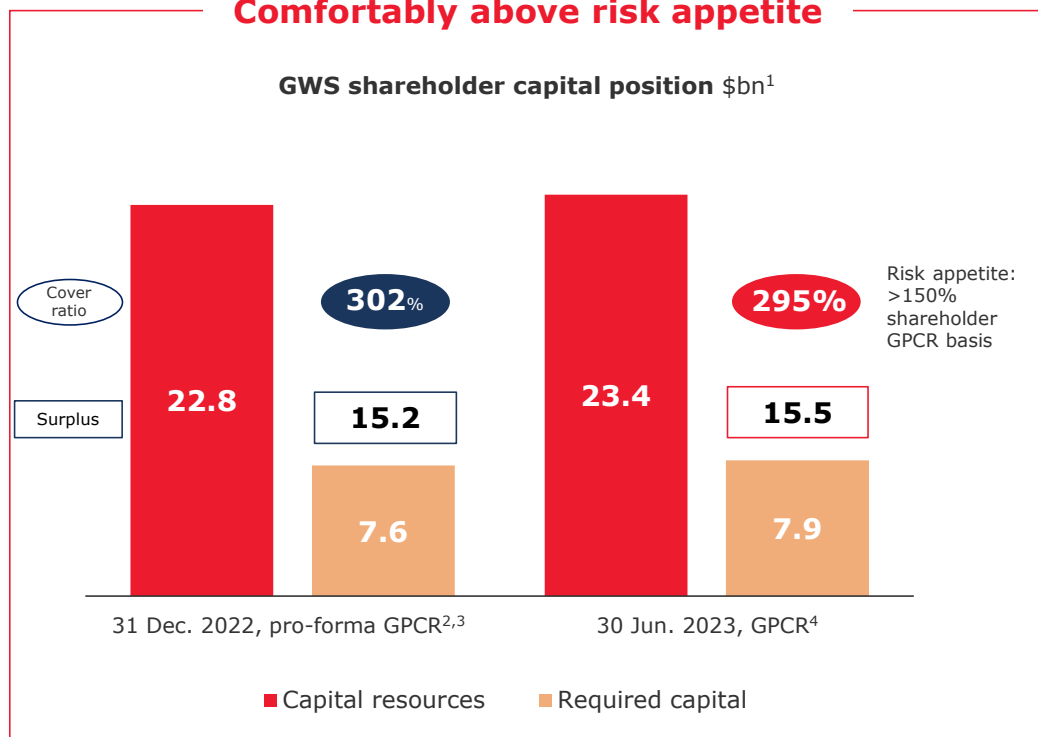
5. Excluding distribution rights and other intangibles.

6. Estimated Moody's total leverage ratio. Prudential is targeting a Moody's total leverage ratio of around 20 to 25 per cent over the medium term. Prudential may operate outside this range temporarily to take advantage of growth opportunities with attractive risk-adjusted returns as they arise, while still preserving its strong credit ratings.

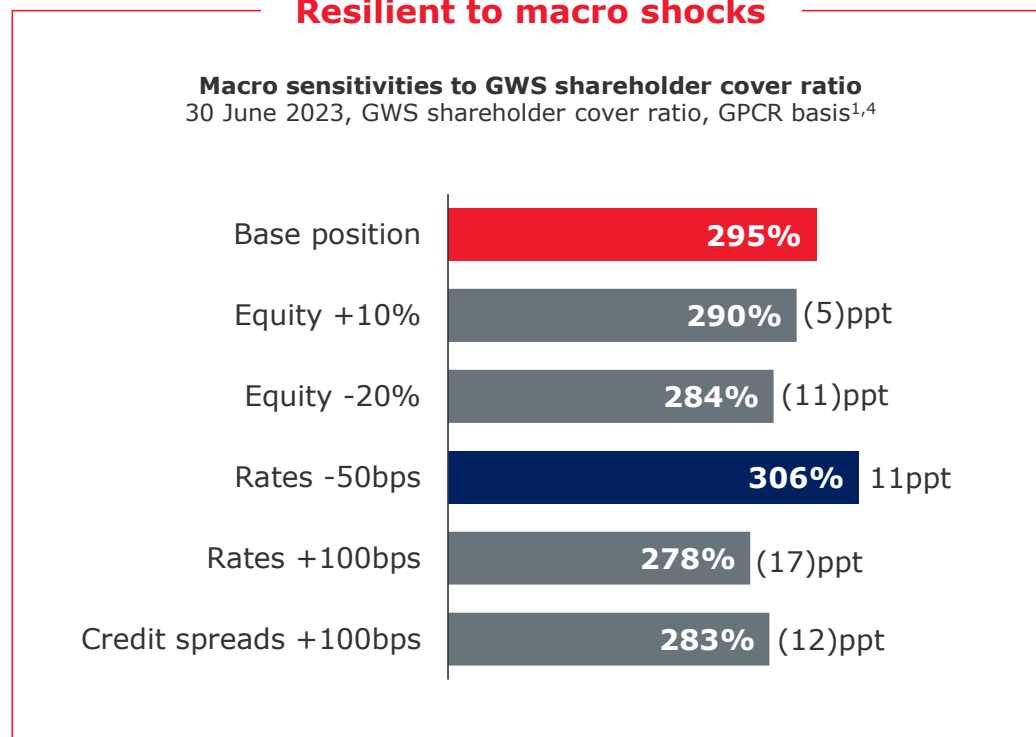


# Resilient regulatory capital position

## Comfortably above risk appetite



## Resilient to macro shocks



1. Prudential applies the Insurance (Group Capital) Rules set out in the GWS Framework to determine group regulatory capital requirements (both minimum and prescribed levels).  
 2. Before allowing for the second 2022 interim dividend.  
 3. Proforma for \$0.4bn debt redemption in January 2023.  
 4. Before allowing for the first 2023 interim dividend.





1 | Strategic Update:  
Accelerating value creation

2 | Half year 2023 results:  
Strong performance despite  
challenging environment

3 | **Key messages**



# Key messages

## Strategic Update: Accelerating value creation

- Growing profitable new business and capital generation
- Objectives to grow NBP at 15-20% and Gross OFSG<sup>1</sup> at double-digit CAGR, 2022-27<sup>2</sup>
- Disciplined capital allocation, prioritising organic growth, building free surplus to enhance strategic flexibility
- Expect ~\$1 billion additional investment in capabilities weighted to 2023-25

## Half year 2023 results: Strong performance despite challenging environment

- Broad-based NBP growth, up 39% YoY, drives EEV operating profit
- 8%<sup>3</sup> annualised CSM growth, group IFRS operating result up 6%
- Robust solvency position underpinned by high quality, predictable in-force capital generation

## Outlook

- Confidence in NBP & OFSG objectives, and opportunity set ahead

Note: Growth rates are on a constant exchange rate basis unless indicated.

1. Gross OFSG is the operating free surplus generated from in-force insurance business which represents amounts emerging from the in-force business during the year before deducting amounts reinvested in writing new business and excludes non-operating items. For asset management businesses, it equates to post-tax operating profit for the year.

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3. Actual exchange rate basis.





# CEO Appendix

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PRU.L



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**Anil Wadhvani**

Chief Executive Officer



# Strategic update August 2023: Non-financial KPIs

		Success metrics	
Strategic actions	Customer advocacy driving acquisition & retention	<b>Top-quartile</b> Customer NPS (2022: mostly mid-quartile)	<b>90-95%</b> Retention ratio (2022: 89%)
	Quality agency growth	<b>80-90k</b> Active agents per month (2022: ~65k)	<b>2.5-3x</b> Agency NBP (2022: \$1.2bn)
	Deepen penetration of bank partner customer base	<b>~9-11%</b> Penetration base <sup>1</sup> (2022: ~8%)	<b>1.5-2x</b> Banca NBP (2022: \$0.9bn)
	Connected health model: transform to trusted partner	<b>Top-quartile</b> Health Customer NPS <sup>2</sup> (2022: n/a)	<b>&gt;2x</b> 2027 Health NBP (2022: ~\$300m)
Enablers	Engaged people and performance culture	<b>Top-quartile</b> Employee engagement	
	Wealth & Investment capabilities	<b>vs Benchmark</b> Investment performance	<b>Net zero by 2050 &amp; 55% reduction in WACI<sup>3</sup> by 2030</b>

1. Among strategic partners (excluding JV partners).  
2. Data to be collected from 2024.  
3. Weighted Average Carbon Intensity (WACI)





# ESG

## Success Metrics

Net Zero Asset Owner by 2050  
55% WACI Reduction by 2030

All people managers to have  
ESG linked KPI by 2026

## Purpose

For Every Life, For Every future

## Ambition

Re-define ESG for Real World Impact

## Pillars & Priorities



### Accessible Health & Financial Protection

As an **INSURER**, we are in a unique position to increase access to health and financial protection for every life across our markets

- Drive positive health outcomes through partnerships and digital innovation
- Develop sustainable and inclusive offerings to increase access to protection for underserved communities
- Support the communities in which we operate, building resilience through the work of our business units and Prudence Foundation



### Responsible Investment

As an **ASSET OWNER**, we can deploy our investments and stewardship power to enable a just and inclusive transition to Net Zero for every future

- Committed to decarbonize our portfolio and become Net Zero asset owner by 2050, targeting a 55% WACI reduction by 2030
- Financing a just and inclusive transition with emerging markets considerations at the forefront
- Leverage our influences as asset owner to mainstream responsible investments in emerging markets



### Sustainable Business

As a **RESPONSIBLE BUSINESS**, we want to embed ESG into our business and value chain to amplify the pace and scale of our impact

- Empower our talent pool by upgrading their ESG capabilities and advancing our D,E,I & belonging strategy
- Embed sustainability in our day-to-day operations as a business, including with our suppliers and partners, and setting ESG linked KPIs for all people managers by 2026
- Leverage our advocacy power to shape a sustainability agenda that places emerging markets considerations at the forefront











## Foundation

### Good governance and responsible business practices

Corporate governance, conduct and ethics, risk management, external reporting and benchmarking



# Diversified franchise<sup>9</sup> with leading presence in markets with favourable macro trends

		HY23 IFRS17 adjusted op. profit	Life position <sup>1</sup>	Eastspring position <sup>5</sup>	Insurance penetration <sup>6</sup>	Total health protection gap <sup>7</sup>	2022-28 GDP growth forecast <sup>8</sup>	2022-33 GWP growth forecast <sup>10</sup>
	<b>Chinese Mainland</b>	\$164m	✓ <sup>2</sup>	✓	2.0%	\$805bn	4.1%	7%
	<b>Hong Kong</b>	\$554m	Top 3	Top 3	16.7%	\$23bn	3.0%	5%
	<b>Indonesia</b>	\$109m	Top 3	Top 3	0.9%	\$82bn	5.0%	9%
	<b>Malaysia</b>	\$165m	Top 3 <sup>3</sup>	Top 10	3.7%	\$47bn	4.3%	6%
	<b>Singapore</b>	\$270m	Top 3	Top 10	7.4%	\$23bn	2.3%	5%
	<b>Philippines</b>	\$59m	Top 3	--	1.3%	\$32bn	6.1%	11%
	<b>Taiwan</b>	\$54m	✓	✓	8.2%	\$41bn	2.4%	4%
	<b>Thailand</b>	\$52m	✓	Top 10	3.4%	\$6bn	3.2%	7%
	<b>Vietnam</b>	\$192m	Top 3	✓	1.6%	\$36bn	6.6%	14%
	<b>India</b>	n/a	✓ <sup>4</sup>	Top 3	3.0%	\$369bn	6.1%	13%

Selected Growth markets

1. As per the latest available industry statistics. Sources include formal (e.g. competitors results release, local regulators and insurance association) and informal (industry exchange) market share data. Ranking based on new business (APE sales, weighted full year premium or full year premium depending on availability of data) or total weighted revenue premiums.  
 2. Ranking among foreign JV players.  
 3. Includes Takaful, excludes Group business.  
 4. Private players only.  
 5. Source: Asia Asset Management – Fund Manager Surveys. Based on assets sourced in Asia ex-Japan, Australia and New Zealand. Ranked according to participating firms only.

6. Swiss Re Institute; sigma No 3/2023 – insurance penetration (premiums as a percentage of GDP).  
 7. Swiss Re Institute. The health protection gap in Asia, October 2018. Estimated total national health protection gap, as defined by Swiss Re Institute (financial stress caused by health spending and incidence of people not seeking treatment due to affordability).  
 8. Represents a CAGR of real GDP between 2022 and 2028 and is based on IMF World Economic Outlook Database, April 2023.  
 9. Our footprint in Africa represents multiple markets. Note: BCG estimates insurance penetration of 1.1% for all of Africa excluding South Africa.  
 10. Source: Allianz Global Insurance Report 2023. CAGR between 2022 and 2033.





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## Lilian Ng

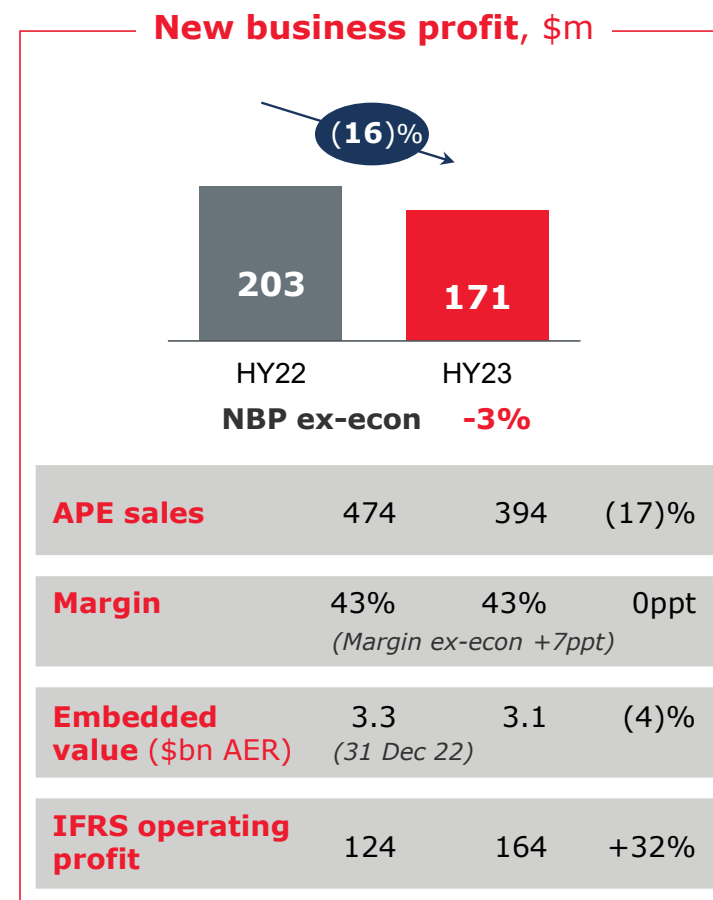
SBG Managing Director including Customer and Distribution



# Chinese Mainland: Quality for long-term value creation



<b>Structural demand drivers</b>	<b>\$805</b> bn Large health protection gap <sup>1</sup>	<b>&gt;\$550</b> bn Individual Pension AUM by 2030 <sup>2</sup>	
<b>Operational highlights</b>	<b>+25%</b> YoY Agency APE	<b>+34%</b> YoY Active Agents Income	<b>47%</b> Banca APE Mix 5pay and longer
<b>Product innovation</b>	<b>+100%</b> YoY whole life protection APE	<b>40%</b> Retirement proposition (Annuity) APE contribution	Partnering with <b>22</b> institutions for Retirement service
<b>Quality</b>	<b>#1</b> Registered Top of Table Agents (Life Insurers)	<b>92%</b> Year 1 Persistency	<b>Top 3</b> SARMRA with score of 84.2 (Life Insurers)



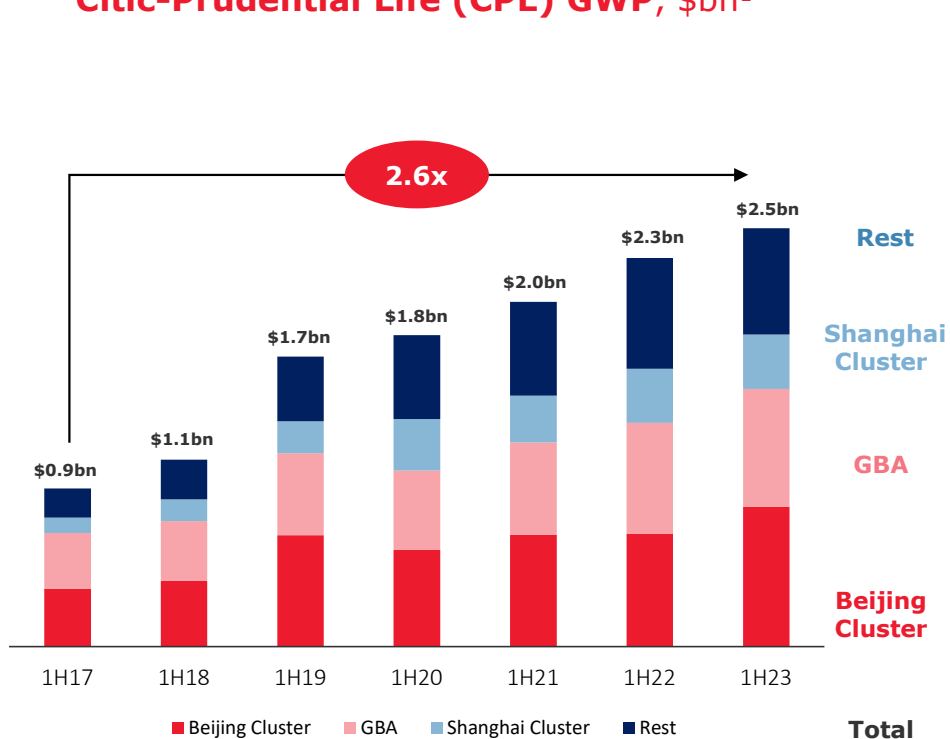
Note: Growth rates disclosed are on a constant exchange rate basis unless stated otherwise. AER: Actual exchange rate basis. Numbers are \$m unless stated otherwise.

- Swiss Re Institute. The health protection gap in Asia, October 2018. Estimated total national health protection gap as defined by Swiss Re Institute (financial stress caused by health spending and incidence of people not seeking treatment due to affordability)
- KPMG. China Pensions Reform.



# Chinese Mainland: Our "City Cluster" Model

Citic-Prudential Life (CPL) GWP, \$bn<sup>1</sup>



**Beijing Cluster** = Beijing + Tianjin + Hebei  
**GBA** = Guangdong (include Shenzhen branch), exclude Hong Kong & Macau  
**Shanghai Cluster** = Jiangsu + Zhejiang + Shanghai + Anhui  
**Rest** = Rest of China (not including Beijing Cluster, GBA and Shanghai Cluster)

	GWP CAGR (1H17-1H23)	GWP Mix % <sup>2</sup>		CPL GWP Market Share %		CPL Agency Channel <sup>3</sup>		CPL Banca Channel <sup>3</sup>	
		CPL	China Market	1H17	1H23	# of Agents (,000)	# of Partners <sup>6</sup>	# of Outlets (,000)	
Rest	24%	25%	52%	0.12% <sup>4</sup>	0.36% <sup>4</sup>	4.9	10	3.1	
Shanghai Cluster	23%	13%	24%	0.15% <sup>4</sup>	0.40% <sup>4</sup>	1.1	32	1.1	
GBA	13%	28%	12%	1.11% <sup>4</sup>	1.67% <sup>4</sup>	5.7	36	1.4	
Beijing Cluster	16%	34%	12%	1.12% <sup>4</sup>	2.01% <sup>4</sup>	3.3	25	1.0	
<b>Total</b>	<b>18%</b>	<b>100%</b>	<b>100%</b>	<b>0.36%<sup>5</sup></b>	<b>0.73%<sup>5</sup></b>	<b>15.0</b>	<b>61</b>	<b>6.6</b>	

1. 100% CPL GWP under constant 1H23 exchange rate basis.  
 2. Based on 1H23 data for CPL and CBIRC China Market GWP data.  
 3. As at 30 June 2023.

4. GWP market share represents market share of the cluster.  
 5. GWP market share is on a total industry basis.  
 6. Number of Banca Partners does not cast as some bank partners are partners in several clusters.



# Hong Kong: Resilient platform to serve customers



## Structural demand drivers

**Regain MCV** leadership<sup>1</sup>; 2Q APE >2019 levels

Launched **Macau** in June; Access to **11 cities** in GBA

**\$23bn** Health protection gap<sup>2</sup> in HK

## Operational highlights

**+318%** Fastest YoY APE growth<sup>1,3</sup>

**#1** In **MCV & Agency**<sup>1</sup>

**+68%** YoY Domestic APE

## Product innovation

CI protection by **life stages** with **new** and **unique** to market benefits

**>16k**

New Customers from the Family segment

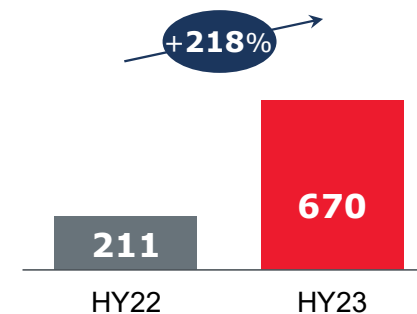
## Quality

**2.8x** Agency APE Productivity

**56%** H&P case count mix

**99%** Strong customer retention ratio

## New business profit, \$m



<b>APE sales</b>	227	1,027	+352%
<b>Margin</b>	93%	65%	(28)ppt (Margin ex-econ -18ppt)
<b>Embedded value (\$bn AER)</b>	16.6	17.5	+6% (31 Dec 22)
<b>IFRS operating profit</b>	597	554	(7)%

Note: Growth rates disclosed are on a constant exchange rate basis unless stated otherwise. AER: Actual exchange rate basis. Numbers are \$m unless stated otherwise.

1. Based on latest market share results from HKIA; Q1'23.

2. Swiss Re Institute. The health protection gap in Asia, October 2018. Estimated total national health protection gap as defined by Swiss Re Institute (financial stress caused by health spending and incidence of people not seeking treatment due to affordability).

3. Excluding Blue.



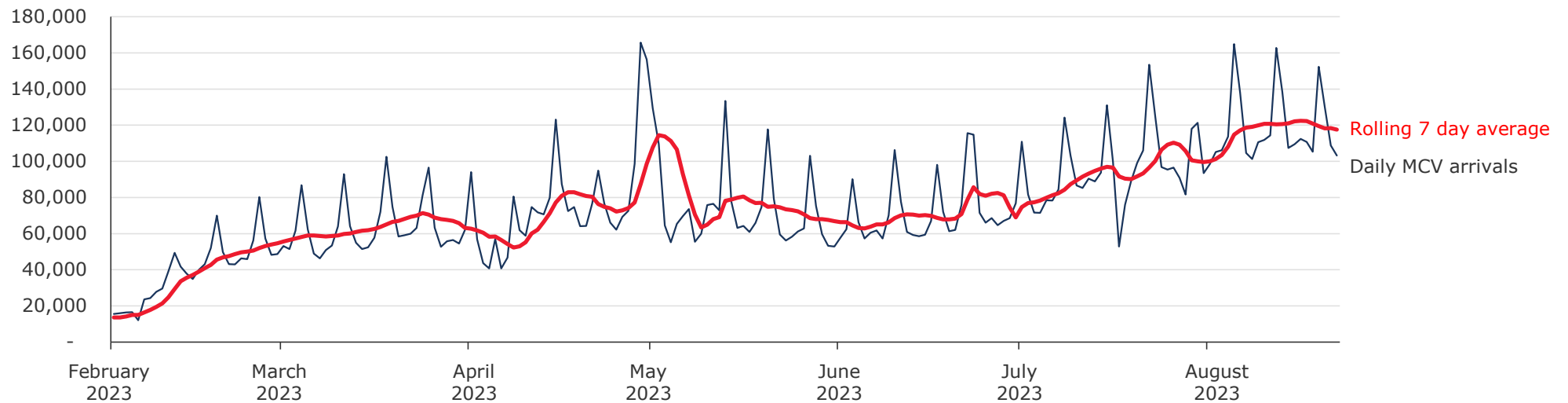
# Hong Kong: MCV traffic levels

## YTD average number of Mainland Chinese Visitors

% difference between  
2018 v 2023




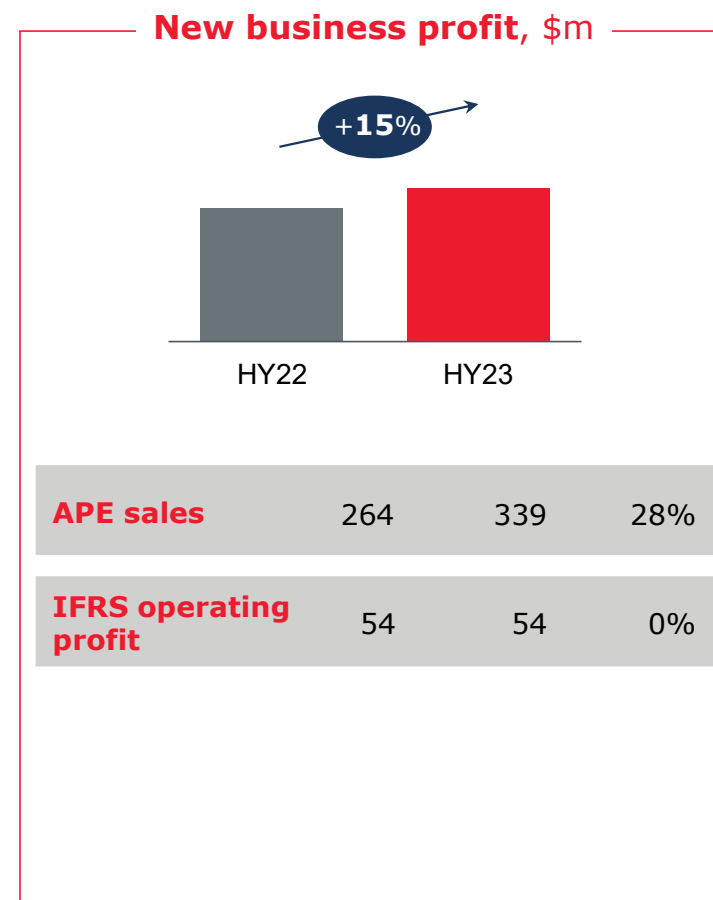
## Daily number of Mainland Chinese Visitors since the border re-opened



# Taiwan: Continued diversification success



<b>Structural demand drivers</b>	# <b>1</b> Par Business	<b>56%</b> Population are Family segment
<b>Operational highlights</b>	# <b>1</b> Foreign Insurer for 22 months	<b>+46%</b> YoY Broker APE Growth
<b>Product innovation</b>	<b>+51%</b> YoY case count growth for CI savings combo	<b>+23%</b> New customers in the Family segment
<b>Quality</b>	> <b>20</b> Bank Partners  Diversified Partners	<b>97%</b> Strong customer retention ratio







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## **Solmaz Altin**

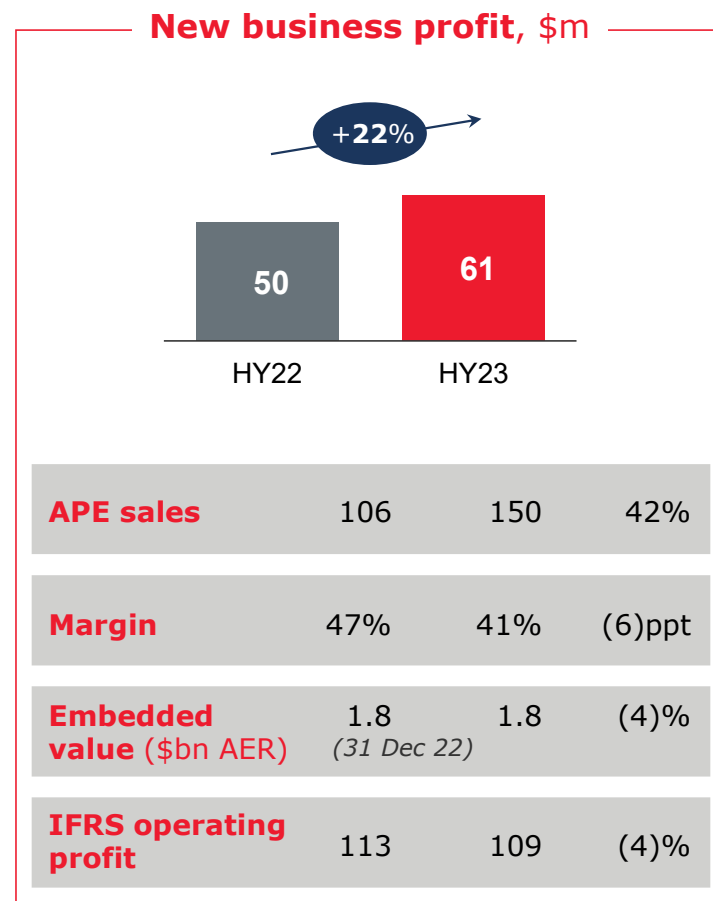
SBG Managing Director including Health & Technology



# Indonesia: Good growth across channels and products



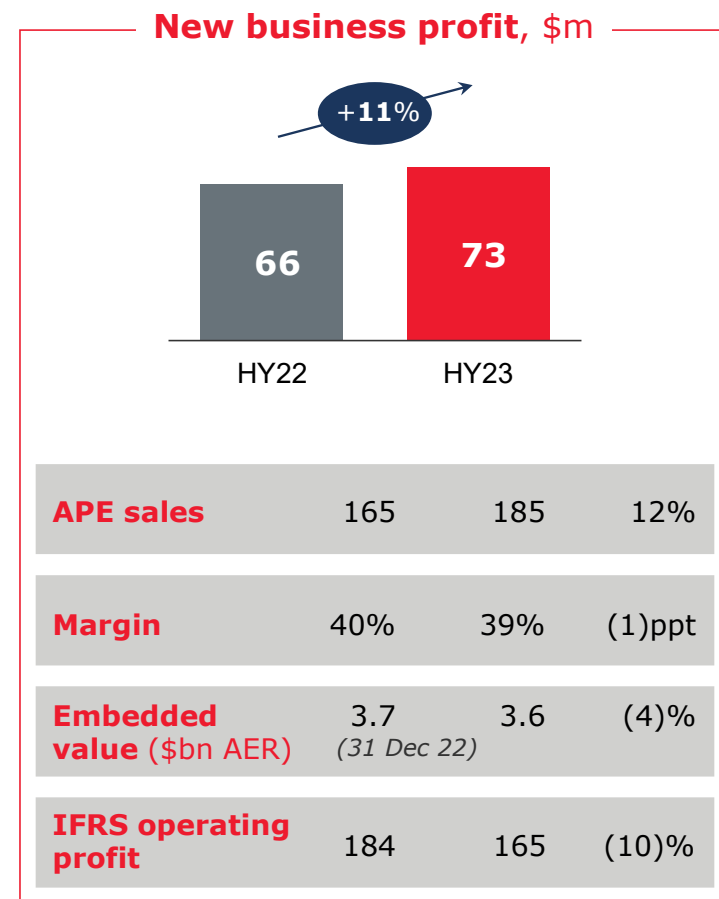
<b>Structural demand drivers</b>	\$82bn of health protection gap <sup>1</sup>	1/3 of ASEAN's expected economic growth in 2021-2026
<b>Operational highlights</b>	51% YoY Agency APE growth	15% YoY Banca APE growth
<b>Product innovation</b>	Revamped <b>unit linked</b> propositions with enhanced benefits 37% growth in Linked APE	Upgraded <b>flagship medical riders</b> with increased benefits 44% growth in H&P APE
<b>Quality</b>	+77% YoY increase in NBP per active agent	84% High H&P mix in NBP, +6ppt YoY



# Malaysia: Returning to double-digit growth



<b>Structural demand drivers</b>	\$ <b>47</b> bn of health protection gap <sup>1</sup>	> <b>60%</b> of Malaysian population is Muslim <sup>2</sup>
<b>Operational highlights</b>	<b>36%</b> YoY Banca APE growth	<b>12%</b> YoY Agency NBP growth
<b>Product innovation</b>	<b>PruMY Child Plus</b> pre-natal care plan protecting both mother and infant <b>+39%</b> YoY growth in NOP <sup>3</sup> following enhancement	<b>PruBSN Damai 1<sup>st</sup> in market</b> medical plan with mental care & preventive care treatments
<b>Quality</b>	<b>Conventional: 18%</b> YoY increase in NBP per active agent	<b>71%</b> High H&P mix in NBP, +3ppt YoY



Note: Growth rates disclosed are on a constant exchange rate basis unless stated otherwise. AER: Actual exchange rate basis. Numbers are \$m unless stated otherwise.

1. Swiss Re Institute. The health protection gap in Asia, October 2018. Estimated total national health protection gap as defined by Swiss Re Institute (financial stress caused by health spending and incidence of people not seeking treatment due to affordability).

2. Source: World Population Review – Country Rankings – Muslim population by country.

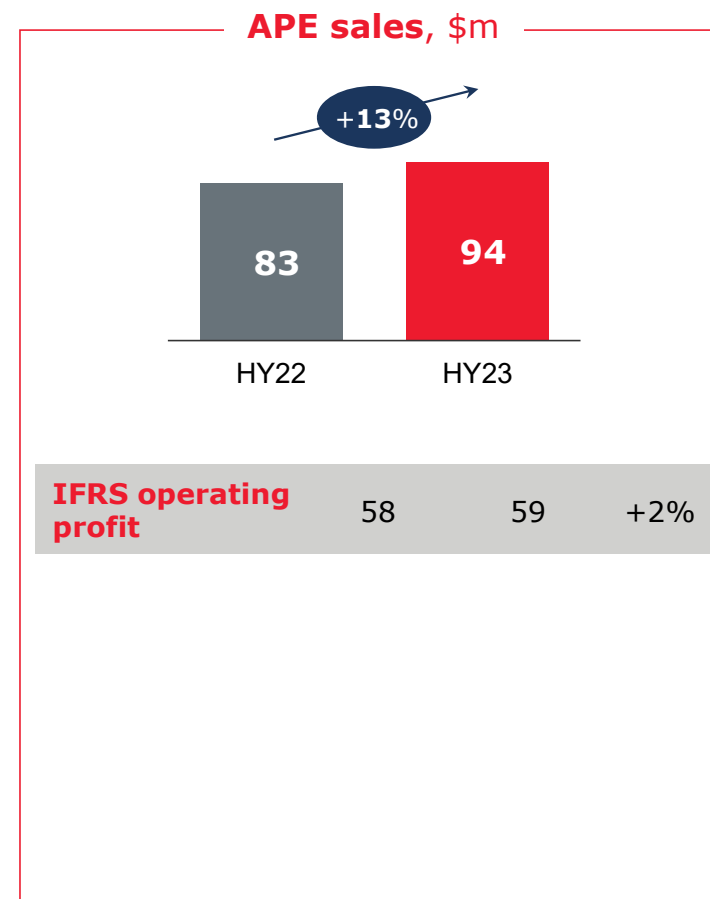
3. Number of policies (NOP).



# Philippines: Quality growth achieved by strong agency channel



<b>Structural demand drivers</b>	<b>\$32bn</b> of health protection gap <sup>1</sup>	<b>1.3%</b> Life insurance penetration <sup>2</sup>
<b>Operational highlights</b>	<b>#1</b> Market share overall & in agency <sup>3</sup>	<b>+32%</b> New agency recruits
<b>Product innovation</b>	<b>PRUBabies</b> offers free infectious disease coverage for newborns to support community	
<b>Quality</b>	<b>+18%</b> Growth in agency H&P APE sales	<b>93%</b> Strong customer retention ratio



Note: Growth rates disclosed are on a constant exchange rate basis unless stated otherwise. AER: Actual exchange rate basis. Numbers are \$m unless stated otherwise.

1. Swiss Re Institute. The health protection gap in Asia, October 2018. Estimated total national health protection gap as defined by Swiss Re Institute (financial stress caused by health spending and incidence of people not seeking treatment due to affordability).

2. Swiss Re Institute; sigma No 3/2023 – insurance penetration (premiums as a percentage of GDP).

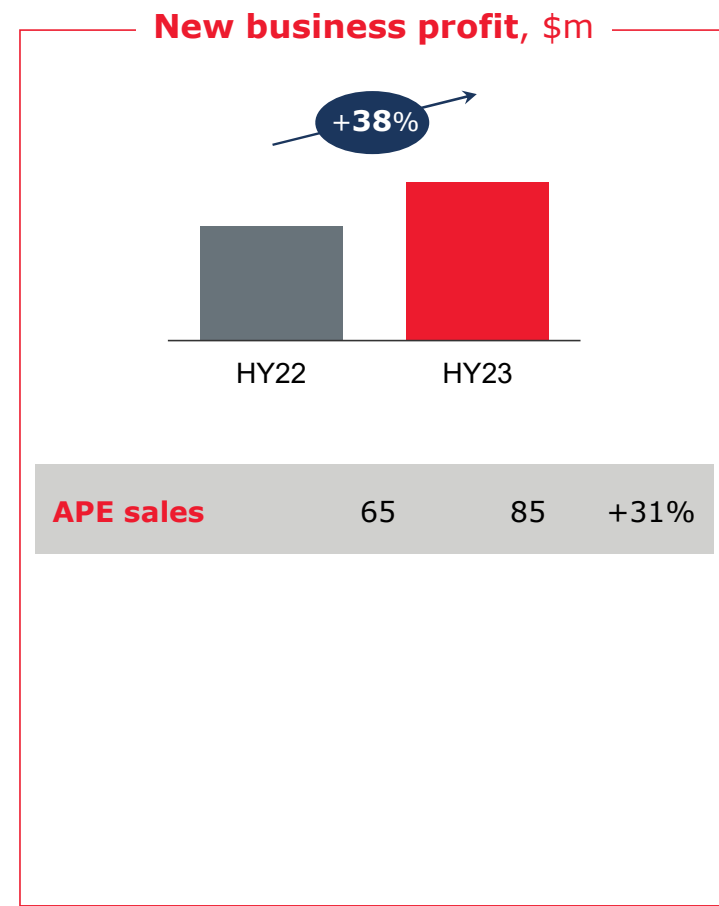
3. Market share based on weighted new business premiums as at 1Q2023.



# Africa: Strong resilient businesses with significant potential



<b>Structural demand drivers</b>	<b>1.1%</b> Low insurance penetration <sup>1</sup>	<b>30%</b> Out of pocket healthcare expenditure <sup>2</sup>
<b>Operational highlights</b>	<b>Top 5</b> in 5 markets. #1 in Uganda & Zambia <sup>3</sup>	<b>In 6</b> markets, partnered with top 3 banks
<b>Innovation</b>	Prudential Uganda received " <b>people choice reward</b> " after two consecutive years of most innovative insurer	<b>PPMZ</b> Reached 100 retail investors for the first time
<b>Quality</b>	<b>+31%</b> Growth in H&P APE sales	<b>Partnerships</b> with Airtel, Google, MTN, Safaricom



Note: Growth rates disclosed are on a constant exchange rate basis unless stated otherwise. AER: Actual exchange rate basis. Numbers are \$m unless stated otherwise.

1. Source: BCG strategy papers for Africa excluding South Africa. As at 2020.

2. Source: World Health Organisation - sub-Saharan Africa.

3. Sources: Various regulators.





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## **Dennis Tan**

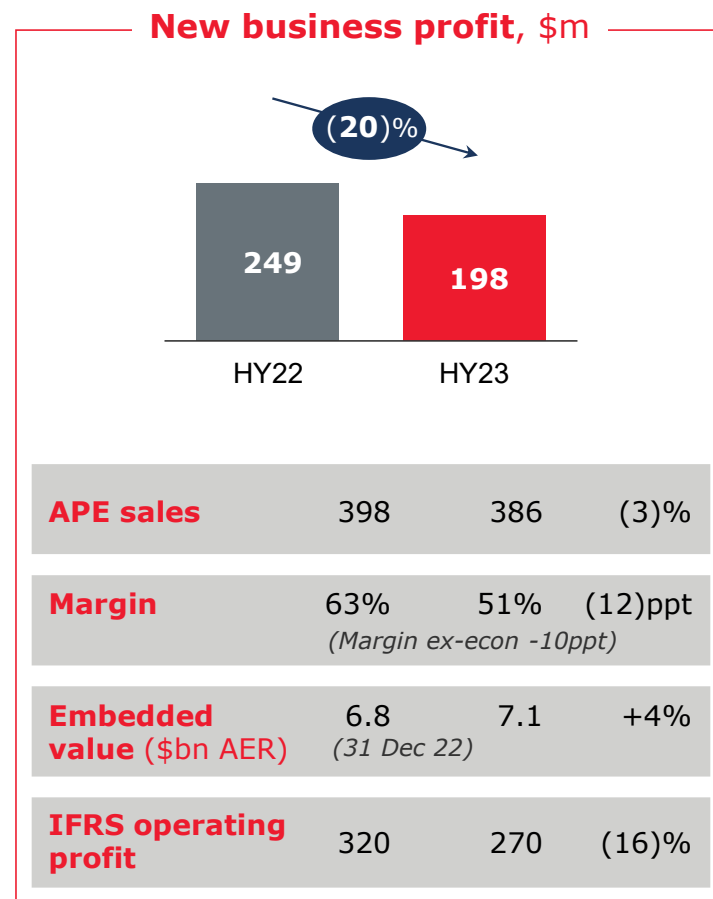
SBG Managing Director including Wealth



# Singapore: Premier franchise positioned to capture growing affluence



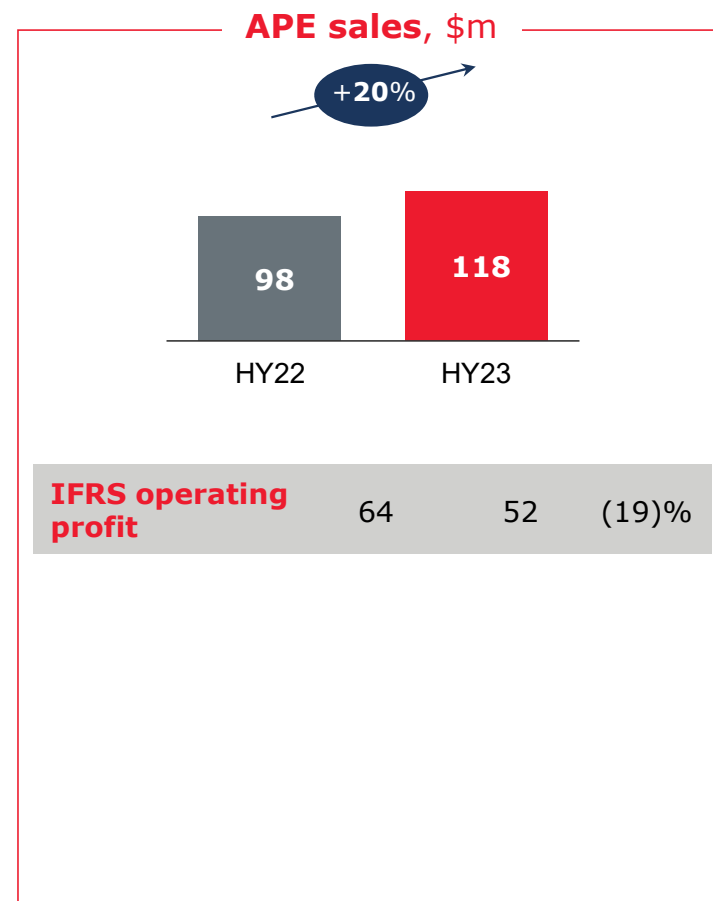
<b>Structural demand drivers</b>	<b>#1</b> GDP per capita in Asia <sup>1</sup>	<b>+8%</b> Growing wealth per adult (CAGR 2016-21)
<b>Operational highlights</b>	<b>11%</b> YoY H&P APE growth	<b>14%</b> YoY Agency RP APE growth
<b>Innovation</b>	Launched <b>Wealth Accumulation ILP</b> products in all Banca Partners	Entered the fast-growing <b>Financial Adviser (FA)</b> channel
<b>Quality</b>	<b>86%</b> Regular premium mix, +30ppt YoY	<b>98%</b> High customer retention ratio



# Thailand: Strong progress



<b>Structural demand drivers</b>	<b>2<sup>nd</sup></b> Largest economy in ASEAN	<b>3<sup>x</sup></b> HNW & affluent individuals from 2020-2030
<b>Operational highlights</b>	<b>14%</b> YoY Banca APE growth	<b>13%</b> YoY H&P APE growth
<b>Innovation</b>	 Launched innovative Health & Investment Product	<b>Recognised for excellence in digital transformation, CX and health initiatives<sup>2</sup></b>
<b>Quality</b>	<b>3<sup>rd</sup></b> Ranked in banca channel by APE <sup>1</sup>	<b>#1</b> Rank for NPS and Customer Satisfaction <sup>3</sup>



Note: Growth rates disclosed are on a constant exchange rate basis unless stated otherwise. AER: Actual exchange rate basis. Numbers are \$m unless stated otherwise.

1. Market share as of 30 June 2023.

2. Including Life Insurer of the Year and Digital Transformation from Insurance Asia Awards; Outstanding Digital CX Transformation in Insurance from Digital Banker CX Awards.

3. Based on Qualtrics Financial Services Survey.

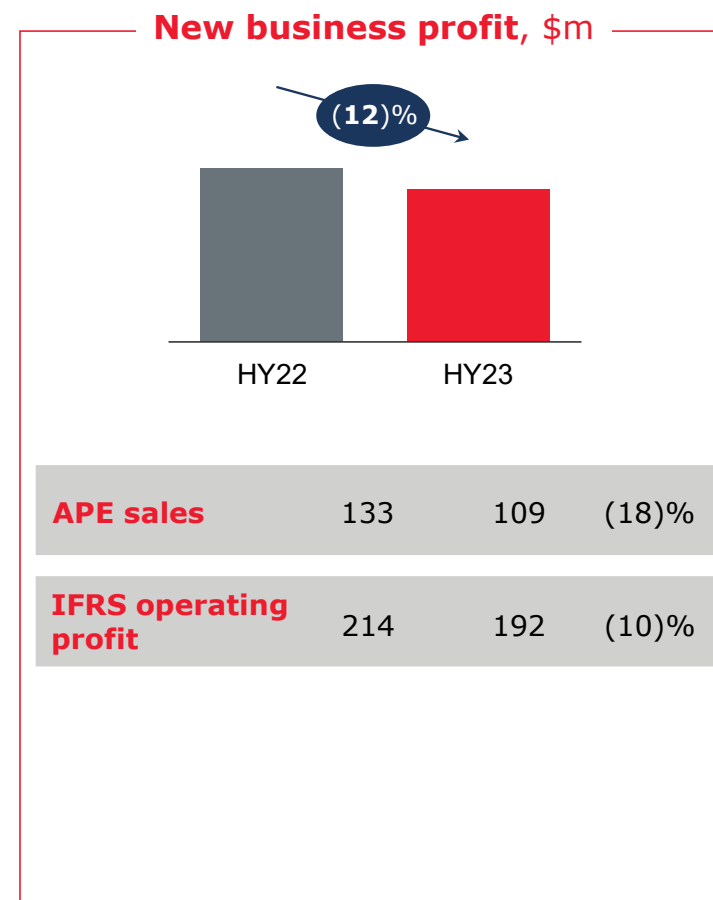




# Vietnam: Market outperformance in a challenging environment



<b>Structural demand drivers</b>	<b>1.6%</b> Low insurance penetration <sup>1</sup>	<b>~2x</b> Growth in middle class (2020-30E)
<b>Operational highlights</b>	<b>34%</b> YoY Agency APE growth	<b>+2ppt</b> YoY increase in APE market share <sup>2</sup>
<b>Innovation</b>	<b>First life insurer to introduce new, simplified policy kit</b>	<b>83%</b> New policies processed by smart underwriting engines
<b>Quality</b>	<b>43%</b> YoY increase in APE per active agent	<b>Exclusive partnership with VIB extended to 2036</b>



Note: Growth rates disclosed are on a constant exchange rate basis unless stated otherwise. AER: Actual exchange rate basis. Numbers are \$m unless stated otherwise.  
 1. Swiss Re Institute; sigma No 3/2023 – insurance penetration (premiums as a percentage of GDP).  
 2. Market share as at 30 June 2023.





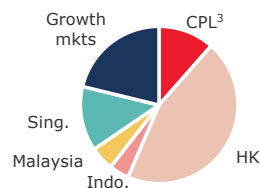
# CFO Appendix

2378.HK  
PRU.L

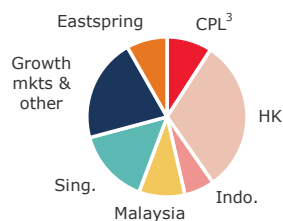
# HY23: Financial performance by segment

## Financial performance by segment

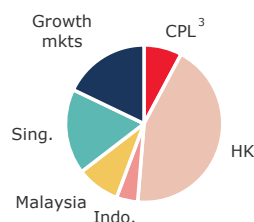
### New Business Profit, HY23



### Adjusted IFRS Operating Profit, HY23



### EEV SHF LT Business, 30 June 2023<sup>1</sup>



\$m	New Business Profit		Adjusted IFRS Operating Profit		EEV SHF Long-term business <sup>1</sup>
	HY23	%YoY <sup>2</sup>	HY23	%YoY <sup>2</sup>	30-Jun-23
<b>CPL<sup>3</sup></b>	171	(16)	164	32	3,131
<b>Hong Kong</b>	670	218	554	(7)	17,496
<b>Indonesia</b>	61	22	109	(4)	1,763
<b>Malaysia</b>	73	11	165	(10)	3,557
<b>Singapore</b>	198	(20)	270	(16)	7,060
<b>Growth markets &amp; other</b>	316	9	374	16	7,172
<b>Eastspring</b>	n/a	n/a	146	14	n/a
<b>Total</b>	<b>1,489</b>	<b>39</b>	<b>1,782</b>	<b>(0)</b>	<b>40,179</b>

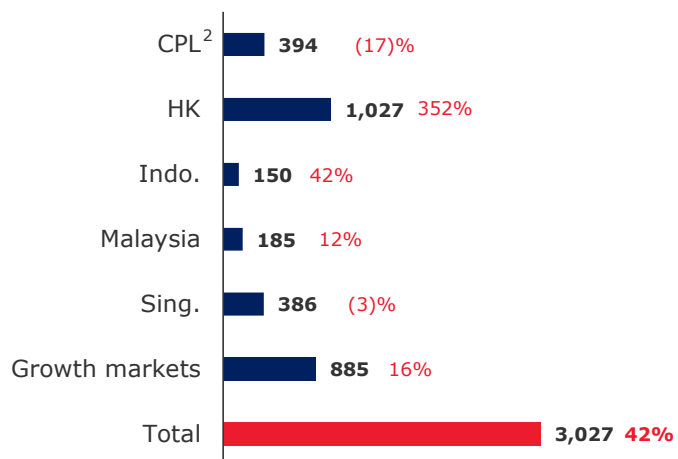
1. Excluding goodwill.  
 2. Constant exchange rate basis.  
 3. CITIC Prudential Life (CPL). CPL is included at Prudential's 50 per cent interest in the joint venture.



# Diversified NBP performance

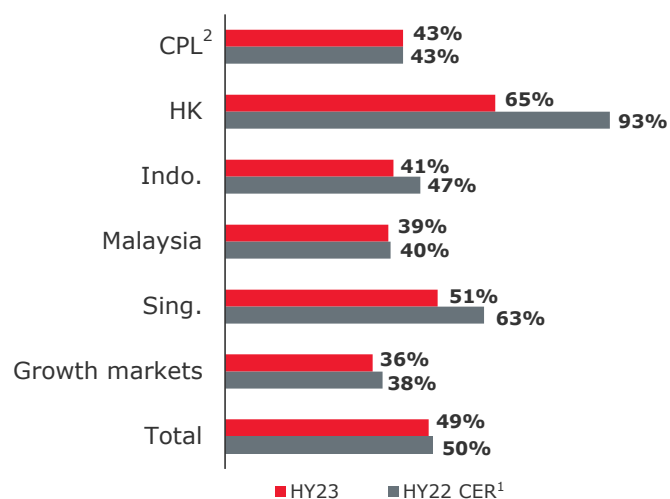
## Diversified

APE, HY23 \$m, % Growth YoY (CER<sup>1</sup>)



## Group NBP margin stable

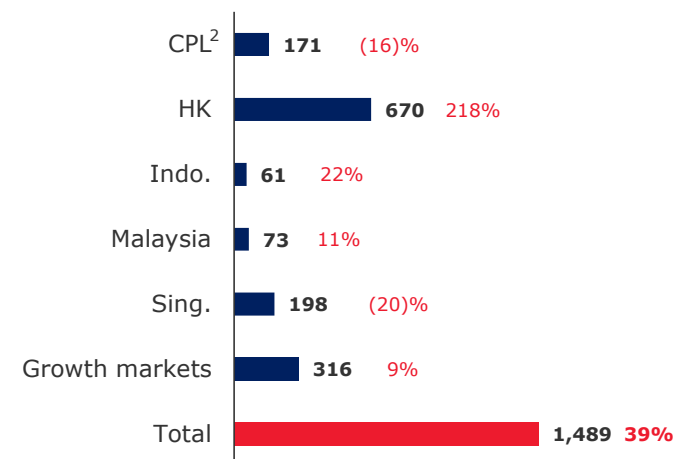
NBP margin (NBP/APE) HY23 vs HY22<sup>1</sup>



**NBP: \$1.5bn**  
(HY22: \$1.1bn<sup>1</sup>)

## NBP +39%

NBP, HY23 \$m, % Growth YoY (CER<sup>1</sup>)

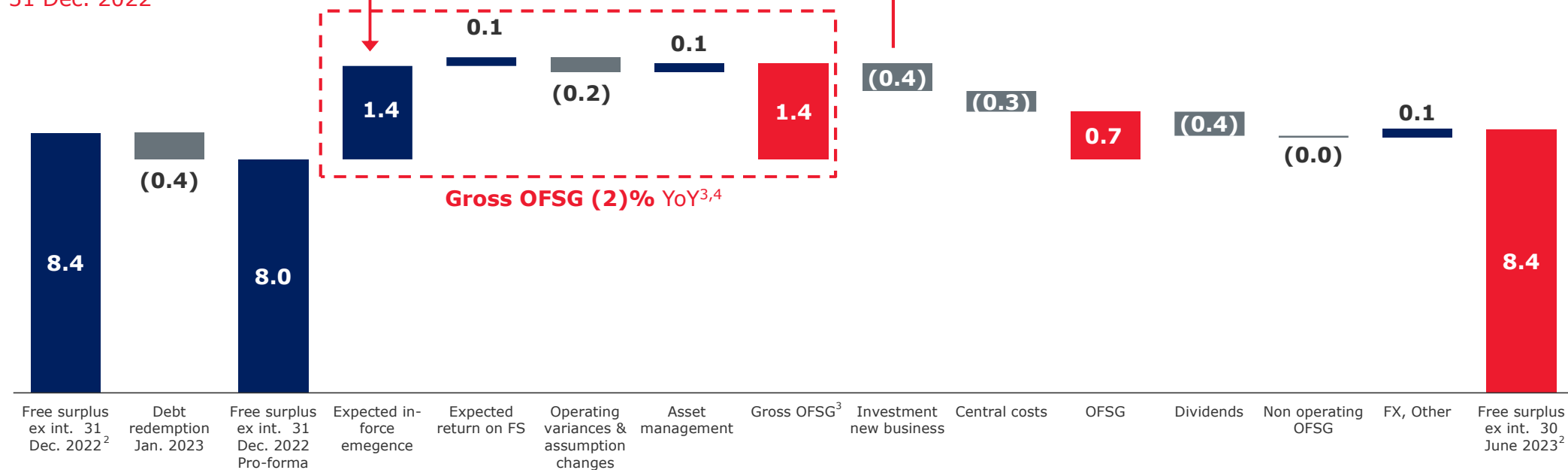


# Predictable capital generation

## Group free surplus development HY23, \$bn

**Expected in-force emergence**  
FY23: \$2.7bn  
31 Dec. 2022<sup>1</sup>

**NBP \$1.5bn: c4x value multiplier**



1. Assumes average exchange rates of 2022 and economic assumptions made by Prudential in calculating the EEV basis supplementary information for the year ended 31 December 2022.

2. Excluding distribution rights and other intangibles.

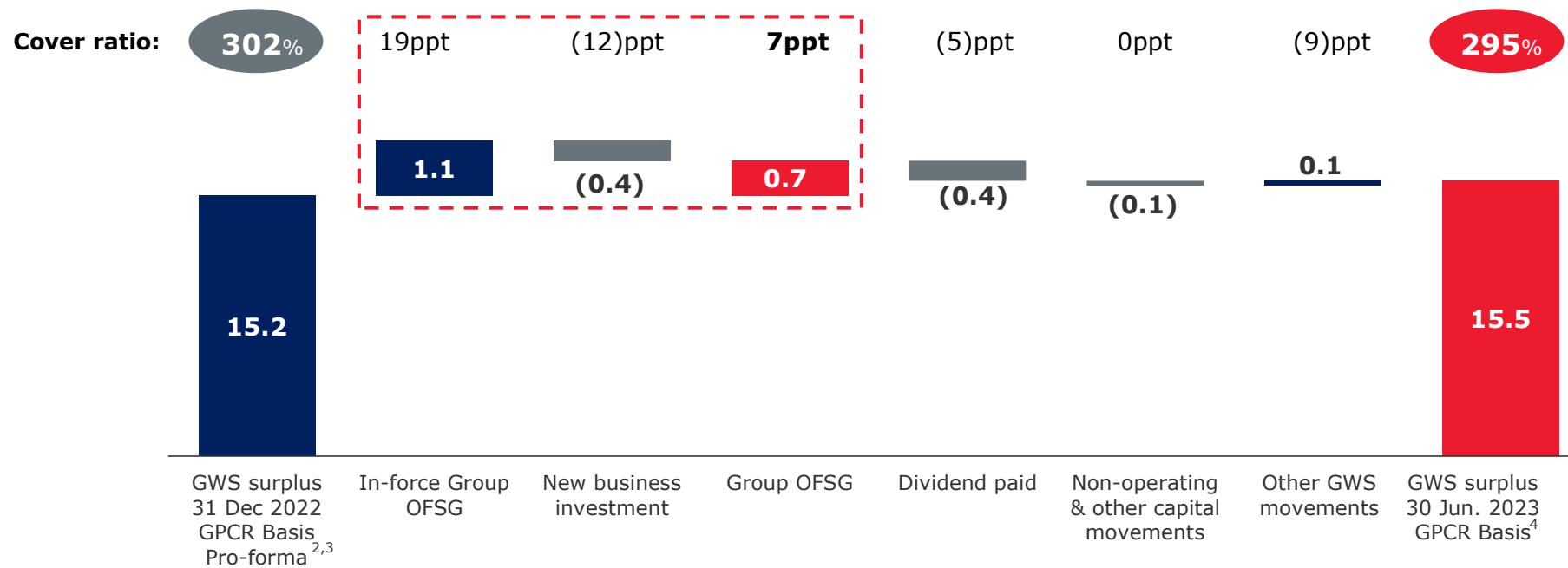
3. Operating free surplus generated from in-force insurance business represents amounts emerging from the in-force business during the year before deducting amounts reinvested in writing new business and excludes non-operating items. For asset management businesses, it equates to post-tax operating profit for the year.

4. Constant exchange rate basis.



# HY23 Regulatory GWS<sup>1</sup> capital generation

GWS shareholder surplus development, GPCR basis<sup>1</sup>  
HY23, \$bn

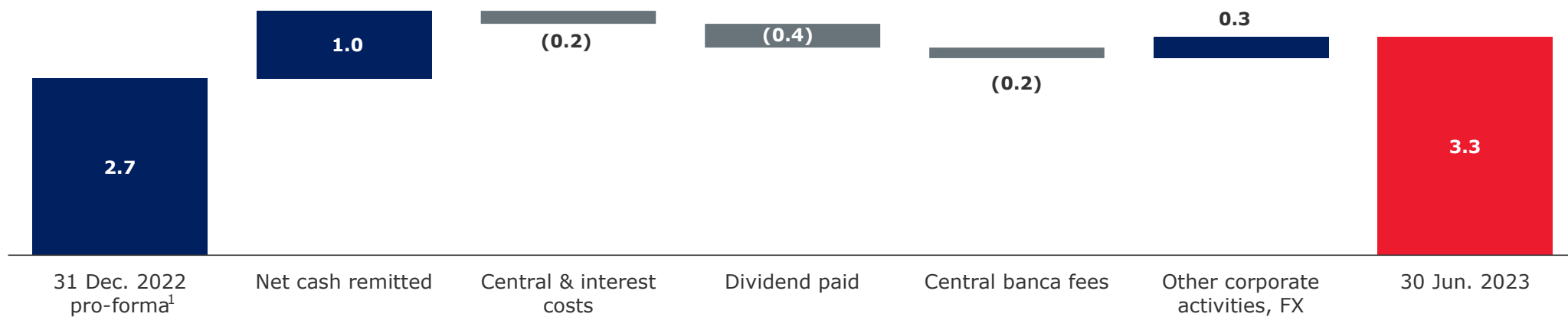


1. Prudential applies the Insurance (Group Capital) Rules set out in the GWS Framework to determine group regulatory capital requirements (both minimum and prescribed levels).  
 2. Before allowing for the second 2022 interim dividend.  
 3. Proforma for \$0.4bn debt redemption in January 2023.  
 4. Before allowing for the first 2023 interim dividend.



# Substantial flexibility to support growth

## Holding company cash development HY23, \$bn



- Completed disposal remaining shares in Jackson Financial Inc, with proceeds received in HY23

Note: Totals do not cast as a result of rounding.

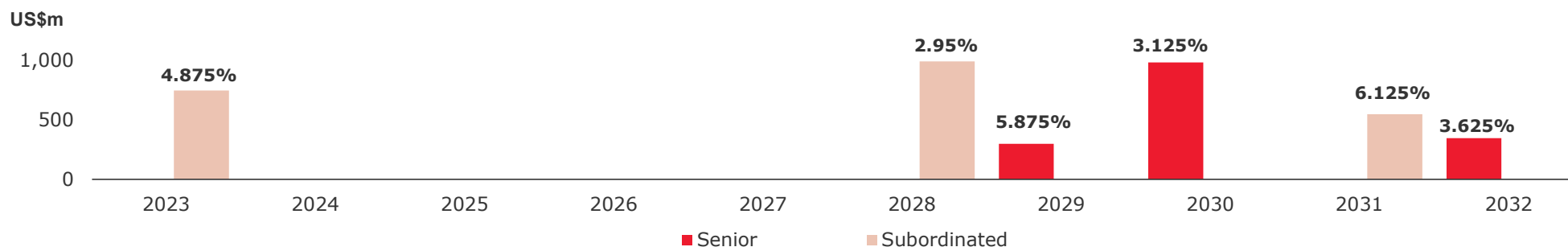
1. Proforma for \$0.4bn debt redemption in January 2023.



# Balanced call date/maturity profile supports financial flexibility

## Prudential plc: Core structural borrowings<sup>1</sup> 30 June 2023, pro-forma<sup>2</sup>

### Next call/maturity schedule



Maturity	Next call	Currency	Coupon	Issue size (m)	IFRS value (\$m)	Type
Perpetual	20/10/2023 <sup>3</sup>	USD	4.875%	750	750	Subordinated
03/11/2033	03/11/2028 <sup>4</sup>	USD	2.95%	1,000	995	Subordinated
11/05/2029	n/a	GBP	5.875%	250	299	Senior
14/04/2030	n/a	USD	3.125%	1,000	987	Senior
19/12/2031	n/a	GBP	6.125%	435	550	Subordinated
24/3/2032	n/a	USD	3.625%	350	346	Senior
<b>Total Senior Bonds</b>					<b>1,632</b>	
<b>Total Subordinated Bonds</b>					<b>2,295</b>	
<b>Total</b>					<b>3,927</b>	

1. All senior and subordinated bonds included as GWS capital other than \$350m senior bond that matures on 24 March 2032.

2. Pro-forma for redemption of €20m note 10 July 2023.

3. Subject to regulatory approval, grandfathering condition. The company has the right to call the security on a quarterly basis.

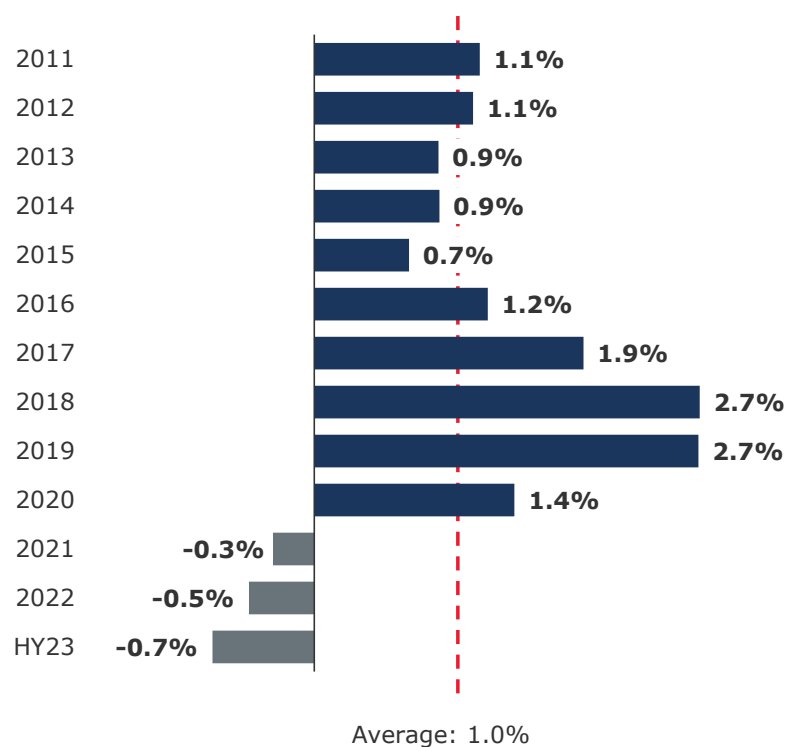
4. Subject to regulatory consent, the company has the right to call this security for a repayment at par between 3 August 2028 and 3 November 2028.



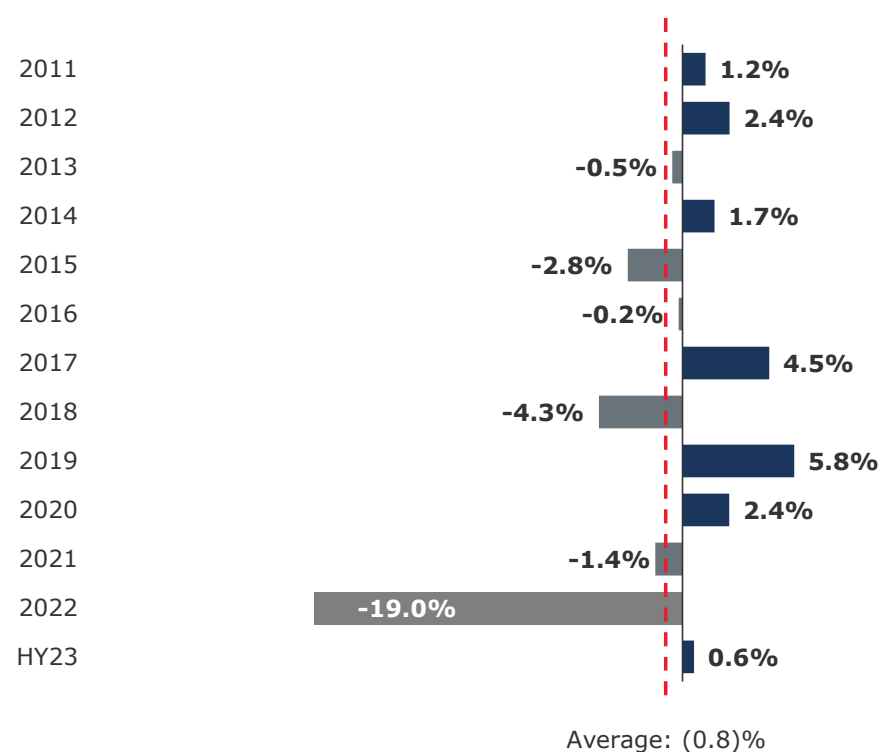


# History of materially positive operating and economic variances

## Operating experience & assumption changes<sup>1</sup> as % of opening EV



## Economic experience<sup>2</sup> as % of opening EV

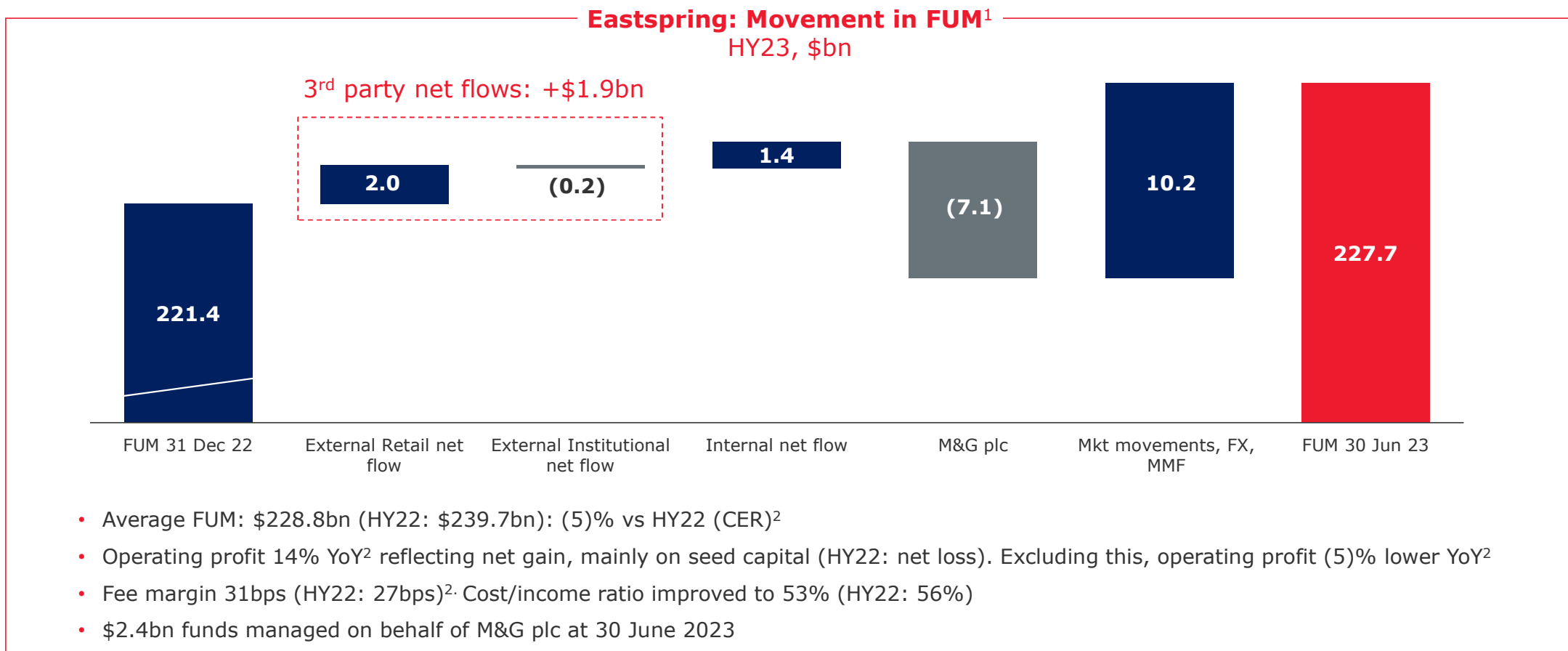


1. Calculated on opening EV for long-term business for continuing operations (excluding goodwill).

2. Includes short-term fluctuations in investment returns and the effect of changes in economic assumptions. Calculated on opening EV for long-term business for continuing operations (excluding goodwill).



# Eastspring: Positive 3<sup>rd</sup> party net inflows in challenging environment



Note: Totals do not cast as a result of rounding.  
1. Total funds under management and advice.  
2. Constant exchange rate basis.



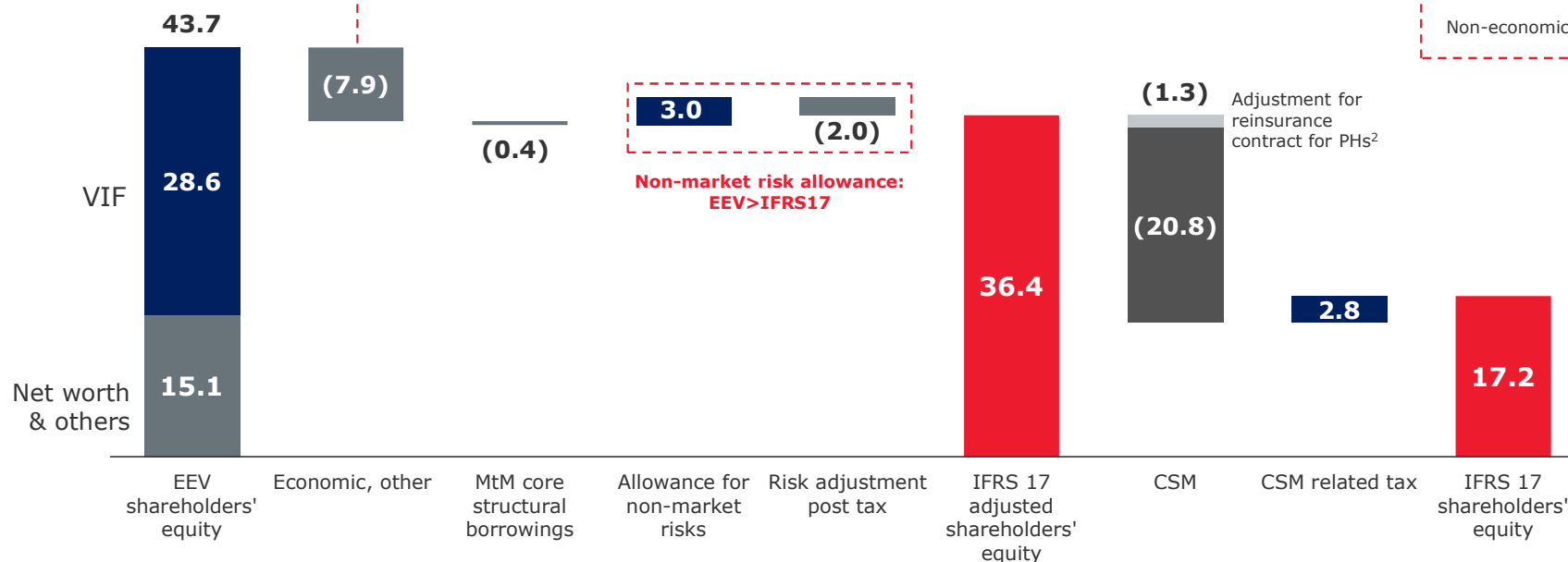
# EEV vs IFRS17: Key difference economic assumptions

## EEV vs IFRS17 Adjusted Equity

30 June 2023, \$bn

'Real-world' economic assumptions based on the expected returns on the actual assets held with an allowance for risk in the risk discount rate. Updated at every reporting period.

Assumptions	IFRS17	EEV
Economic	Risk neutral <sup>1</sup>	Real world <sup>1</sup>
Non-economic	Aligned	



**EV is linked to regulatory capital and future capital generation: more representative of shareholder value**

Note: Totals do not cast as a result of rounding.

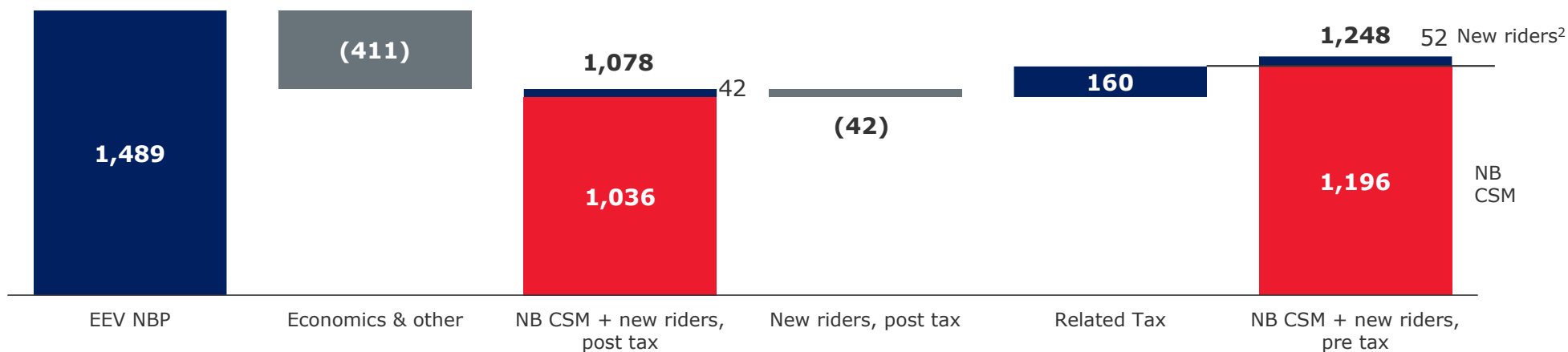
1. IFRS17 risk neutral: risk-free plus liquidity premium, EEV 'real world' is risk free plus risk premia (e.g. on corporate bonds, equities).  
 2. CSM attaching to reinsurance contracts that are wholly attributable to policyholders.



# EEV NBP vs New business CSM: Key difference economic assumptions

EEV NBP vs IFRS17 New business CSM  
HY23, \$m

Assumptions	IFRS17	EEV
Economic	Risk neutral <sup>1</sup>	Real world <sup>1</sup>
Non-economic	Aligned <sup>3</sup>	

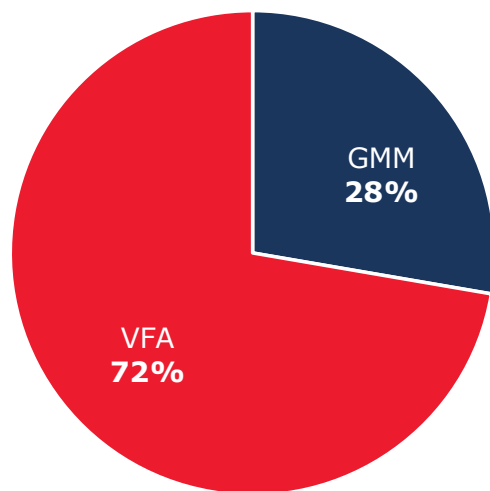


1. IFRS17 risk neutral: risk-free plus liquidity premium, EEV 'real world' is risk free plus risk premia (e.g. on corporate bonds, equities).  
 2. EEV New business includes \$42m of new protection riders added to in-force contracts in the period after tax, \$52m before tax.  
 3. Difference between point of sale and closing assumptions is immaterial for FY22.



# CSM measurement models reflect our business mix

**CSM Balance<sup>1,2</sup>**  
At transition, 1 Jan. 2022

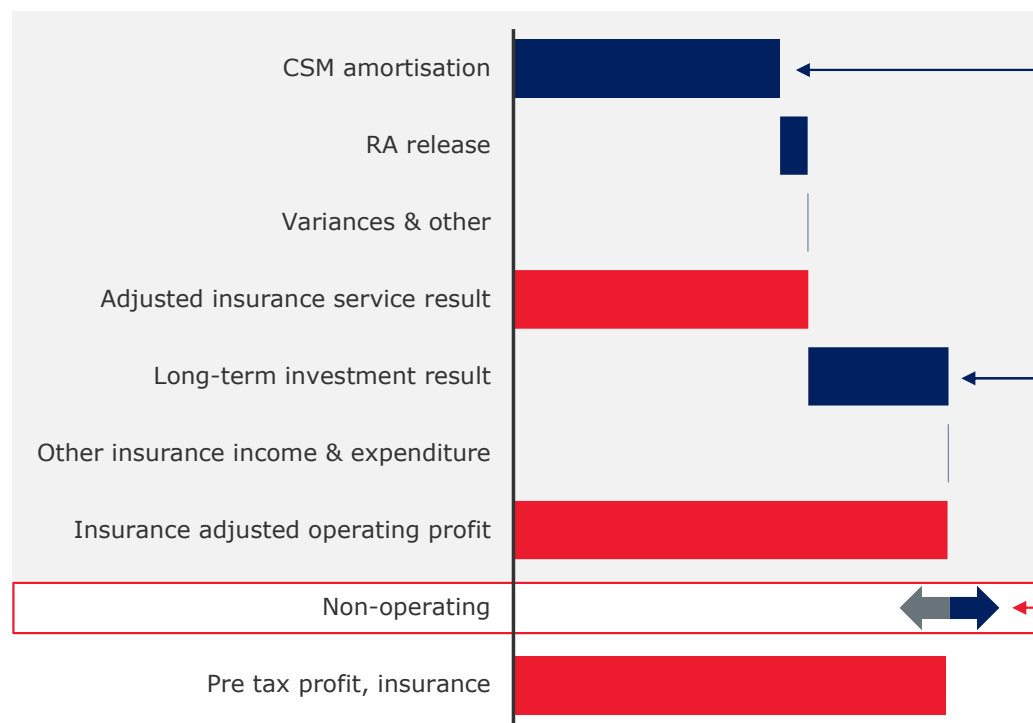


Model	Variable Fee Approach (VFA)	General Measurement Model (GMM)
<b>Business</b>	<ul style="list-style-type: none"> <li>• With-profits</li> <li>• Unit-linked with low proportion of protection riders</li> <li>• HK, whole-of-life critical illness</li> </ul>	<ul style="list-style-type: none"> <li>• Standalone protection</li> <li>• Unit-linked with high proportion of protection riders</li> <li>• Non participating savings</li> </ul>
<b>Mechanics</b>	<ul style="list-style-type: none"> <li>• Calculated using current economic assumptions</li> <li>• CSM absorbs econ. variances &amp; assumption changes</li> </ul>	<ul style="list-style-type: none"> <li>• Calculated &amp; rolled forward using locked-in economic assumptions</li> <li>• Stable &amp; predictable CSM</li> </ul>
<b>Accounting for market movements</b>	<ul style="list-style-type: none"> <li>• Direct impact to CSM; smoothed via CSM release to adjusted operating profit</li> </ul>	<ul style="list-style-type: none"> <li>• Adjusted operating profit reflects long-term expected spread</li> <li>• Difference between actual and expected investment returns recognised in the non-operating result</li> </ul>



# Operating and non-operating profit under IFRS17

## Insurance segmental income statement (Illustrative: not to scale)



## Economic experience

### VFA business

Market movements smoothed over time via CSM release

### GMM business

o/w Expected long-term spread<sup>1</sup>

o/w Delta actual and expected spread in financial period

o/w Asymmetry from locked-in CSM discount rate

### Other shareholders' assets

o/w Expected long-term return

o/w Delta actual and expected return in financial period



# HY23: Effects of market movements under IFRS17

Equities: ↓↑

Rates: ↓

Spreads: ↓

CSM

Operating profit

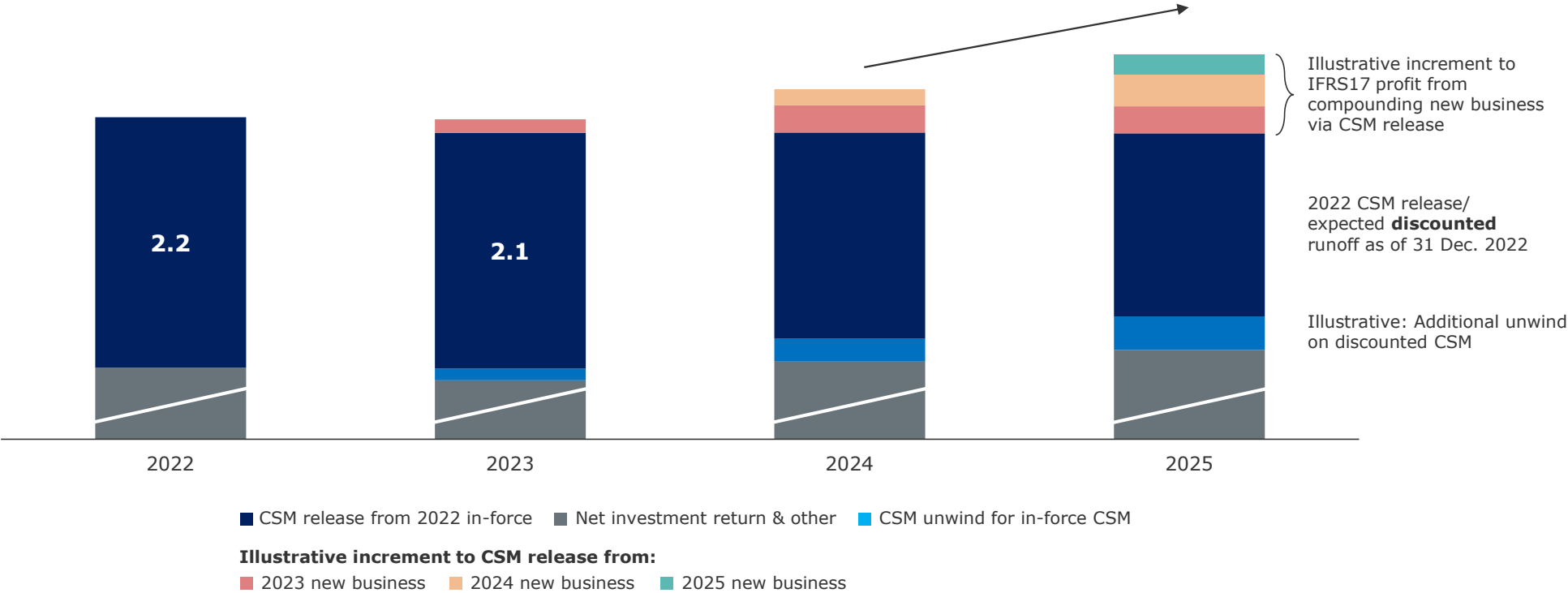
Non-operating

Business type	VFA (c70% CSM <sup>1</sup> )	CSM	Operating profit		Non-operating
			Current	Future	
Business type	VFA (c70% CSM <sup>1</sup> )	↑ Impact of HY23 market movements	Smoothed over time via lower CSM release		n/a
	GMM (c30% CSM <sup>1</sup> )	n/a	Based on long-term assumed spreads		↓ Difference long-term & actual return
Other shareholder assets		n/a	Based on long-term asset returns	Lower opening asset values	↓ Difference long-term & actual return



# Compounding effect of new business added to CSM<sup>1</sup> supports growth in insurance profit over time

**Compounding new business supports growth in insurance profit**  
Illustrative, \$bn





# Diversified invested assets

## Breakdown of invested assets<sup>1</sup> at 30 June 2023 \$bn

	Funds with policyholder participation <sup>2</sup>	Unit linked	Shareholder-backed <sup>3</sup>	Total
<b>Debt</b>	<b>62.7</b>	<b>4.6</b>	<b>13.1</b>	<b>80.4</b>
Direct equities	17.4	11.6	0.3	29.3
Collective investment schemes <sup>4</sup>	22.7	7.1	1.5	31.3
Mortgage	0.1	0.0	0.0	0.1
Other loans	0.4	0.0	0.0	0.4
Other <sup>5</sup>	2.4	0.4	1.6	4.4
<b>Total</b>	<b>105.7</b>	<b>23.7</b>	<b>16.5</b>	<b>145.9</b>

## Shareholder debt portfolio at 30 June 2023

	Holding by issuer				
	Portfolio \$bn	No. Issuers <sup>6</sup>	Av. \$m	Max \$m	<BBB <sup>-7</sup>
<b>Sovereign debt</b>	6.7	43	155.8	1,754.1	3.7% <sup>8</sup>
<b>Other debt</b>	6.4	1,078	6.0	121.7	3.0% <sup>8</sup>
	<b>13.1</b>				<b>6.7%<sup>8</sup></b>
<b>Investment grade</b>	6.0	899	6.7	121.7	
<b>High Yield</b>	0.4	221	1.8	33.0	
	<b>6.4</b>				

Excludes invested assets of Joint Ventures and Associates, net equity of which is \$2.1bn in Prudential plc's 30 June 2023 balance sheet

1. Totals may not cast as a result of rounding.

2. Represents investments held to support insurance products where policyholders participate in the returns of a specified pool of investments (excluding unit-linked policies) that are measured using the variable fee approach.

3. Includes shareholder exposure in the Group's asset management businesses.

4. Underlying assets of collective investment schemes comprise a mix of bond, equity, liquidity, property and other funds.

5. Other financial investments comprise deposits, derivative assets and other investments.

6. Presented on issuer group basis.

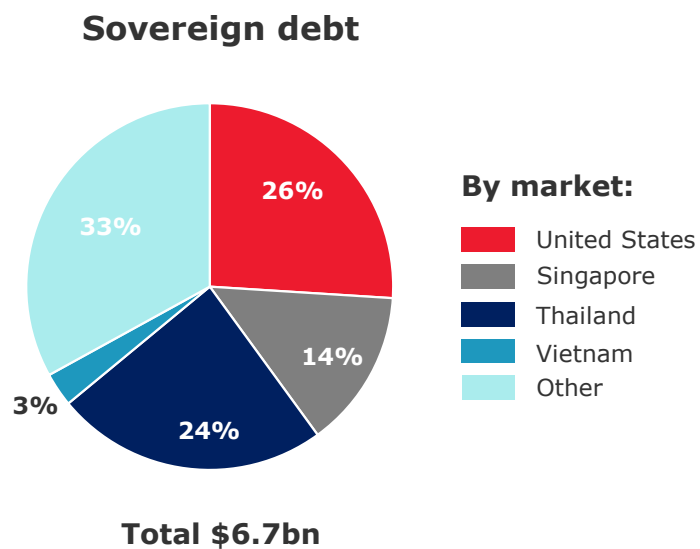
7. Based on middle rating from Standard and Poor's, Moody's and Fitch. If unavailable, local external rating agencies ratings and then internal ratings have been used.

8. Calculated as <BBB- rated debt as % of the total shareholder-backed debt instruments of \$13.1bn.



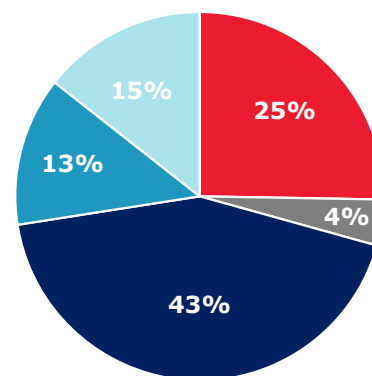
# Diversified shareholder-backed debt portfolio

**By geography**  
at 30 June 2023

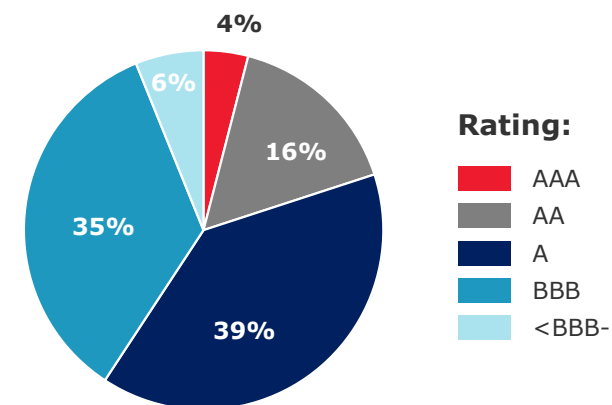


**By credit rating<sup>1,2</sup>**  
at 30 June 2023

**Other government bonds**



**Corporate bonds**



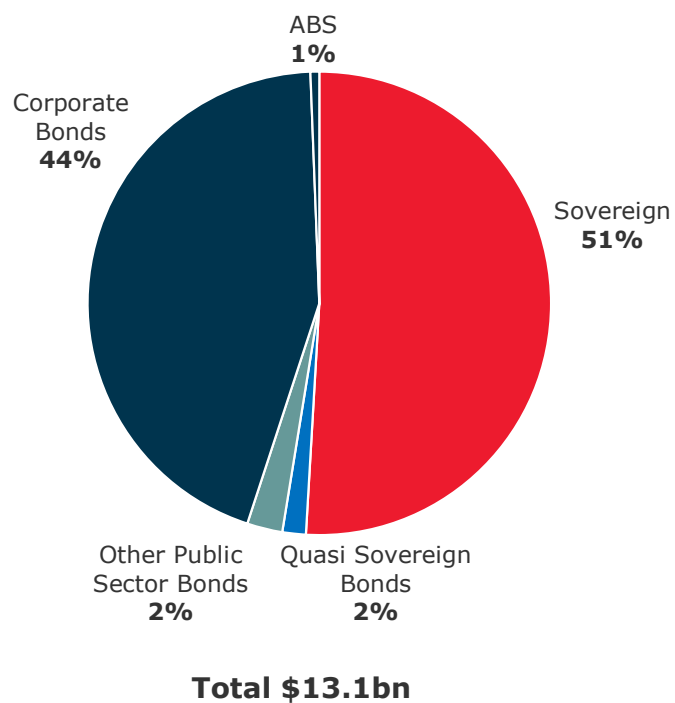
Excludes debt instruments held by Joint Ventures and Associates, net equity of which is \$2.1bn in Prudential plc's 30 June 2023 balance sheet

1. Figures shown are rounded to sum to \$6.4bn.  
2. Based on middle rating from Standard and Poor's, Moody's and Fitch. If unavailable, local external rating agencies ratings and then internal ratings have been used.

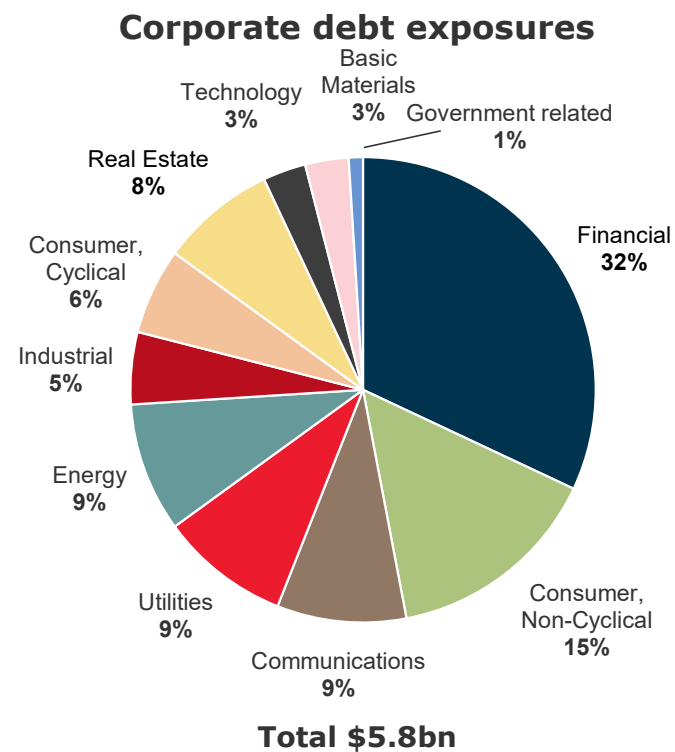


# Diversified shareholder-backed debt portfolio

**By asset type<sup>1</sup>**  
at 30 June 2023



**By sector<sup>1,2</sup>**  
at 30 June 2023



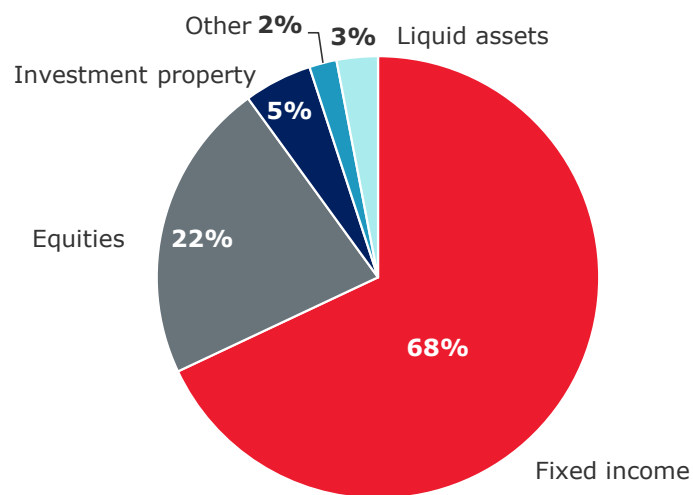
Excludes debt instruments held by Joint Ventures and Associates, net equity of which is \$2.1bn in Prudential plc's 30 June 2023 balance sheet



# Extract from CITIC Prudential Life (CPL) financial statements: General account portfolio

## CPL general account invested assets

Presented on a 50% basis. At 30 June 2023, \$bn



**Total \$11bn**

## General account invested assets in focus

Presented on a 50% basis

**30 June 2023, \$bn**

**Investments  
@50%**

Real estate bonds & equity<sup>1</sup>

c.1.2

<1% of total of Prudential plc & CPL  
invested assets<sup>2</sup>

Local government financing  
vehicles

c.1.1

- Well diversified geographically
- No material concentrations

- 50% of CPL's IFRS net equity included in Prudential plc's balance sheet
- CPL's general account combines policyholder and shareholder assets
- Well-diversified, no single name >0.2% of total of Prudential plc & CPL invested assets<sup>2</sup>
- Significant majority of the fixed income portfolio relates to government and state-backed entities

1. Excluding LGFVs (Local Government Financial Vehicles).

2. 30 June 2023: Prudential plc total financial investments of \$146bn excluding unit-linked is \$122bn. CPL general account invested assets at Prudential's 50% share are \$11bn. Total, \$133bn.



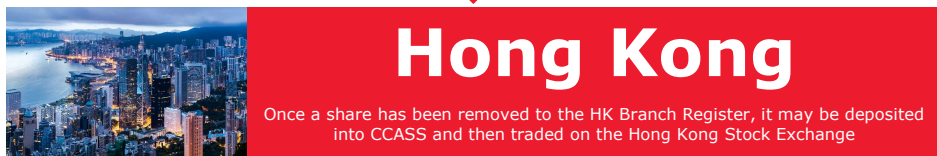
# Transfer of Prudential shares between UK and HK share registers

- Prudential has a UK and HK share register. Shareholders can transfer Prudential shares from one register to the other, 'shunting'
- This can be processed in 4 business days, 2 in the UK plus 2 in HK, subject to fees



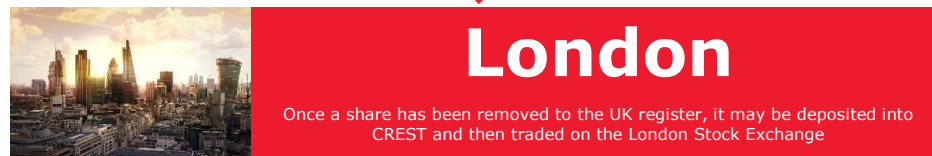
Held in CREST: submit Form of Request for removal of UK shares to Equiniti by email.

Lodge a Stock Withdrawal Instruction through CREST. Equiniti's fees in relation to shares held in CREST should be paid electronically with proof of payment provided with the removal form.



Submit a Form of Request for removal of HK shares to Computershare and cheque for Registrar's fees and, if relevant, the corresponding share certificates.

HK shareholders who hold their HK shares in a CCASS account have to arrange for their HK shares to be withdrawn from CCASS in accordance with CCASS and re-register the HK shares into their own name before the removal of the HK shares can be executed.



See: <https://www.prudentialplc.com/en/investors/shareholder-information/transferring-prudential-shares> for more information.





**PRUDENTIAL**

For Every *Life*, For Every *Future*