



Prudential plc BOAML CEO Conference

“Shaping a business fit for the post-crisis era”

1st October 2015

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Group

Strong first half performance

		HY15 vs HY14			
£m		HY15	HY14	CER ²	AER ²
Growth	IFRS operating profit	1,881	1,521	17%	24%
	New business profit¹	1,190	1,009	12%	18%
	EEV operating profit	2,278	1,943	11%	17%
Cash	Free surplus generation	1,418	1,219	12%	16%
	Remittances³	1,068	974	n/a	10%
	Dividend per share (pence)	12.31	11.19	n/a	10%
Capital	IGD (£bn)	5.2	4.1	n/a	27%
	EEV per share (pence)	1,170	1,009	n/a	16%

¹ HY14 results have been restated to exclude contributions from Prudential's 25% equity stake in PruHealth / PruProtect, which was sold in November 2014.

² AER: Actual exchange rates. CER: Constant exchange rates.

³ HY15 includes £42 million of proceeds from the sale of Japan

Group

Clear, unchanged strategy



Significant protection gap and investment needs of the Asian middle class



Transition of US 'baby-boomers' into retirement



UK 'savings gap' and ageing population in need of returns / income

Group Priorities



Asia

- Build agency scale and quality
- Leverage bancassurance relationships
- Invest in asset management



US

- Focus on profitable growth
- Bolt-ons to leverage platform
- Disciplined management of in-force



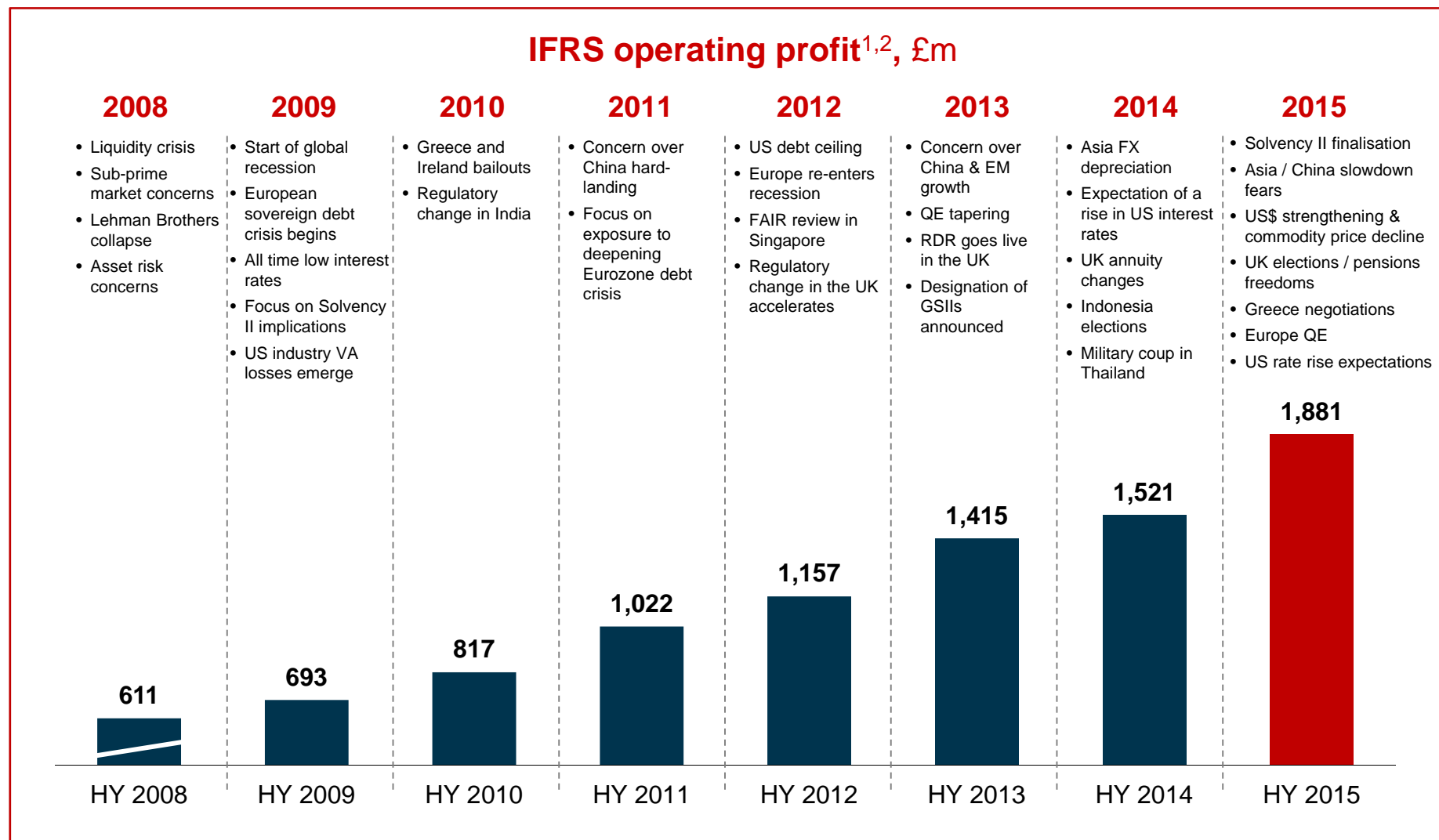
UK / M&G

- Continue to evolve product propositions to align with market reforms
- Ongoing build-out of digital capabilities
- **M&G:** Maintain long-term focus and build on institutional / multi-asset strength



Group

Effective response to challenges



¹ Adjusted for new and amended accounting standards and excludes Japan Life
² Comparatives have been stated on an actual exchange rate basis



Asia

Well positioned to deliver profitable growth

Market leading franchise

■ Platform

- In Asia since 1923
- Top 3 position in 9 out of 12 life markets
- Top decile brand awareness

■ Distribution

- Over 560,000 agents
- Selling through over 12,000 bank branches

■ Product

- All season product solutions
- 25% APE from new products¹
- Pioneering service proposition

■ Asset Management

- Asia's largest retail fund manager²
- Over £85 billion funds under management

Structural fundamentals intact

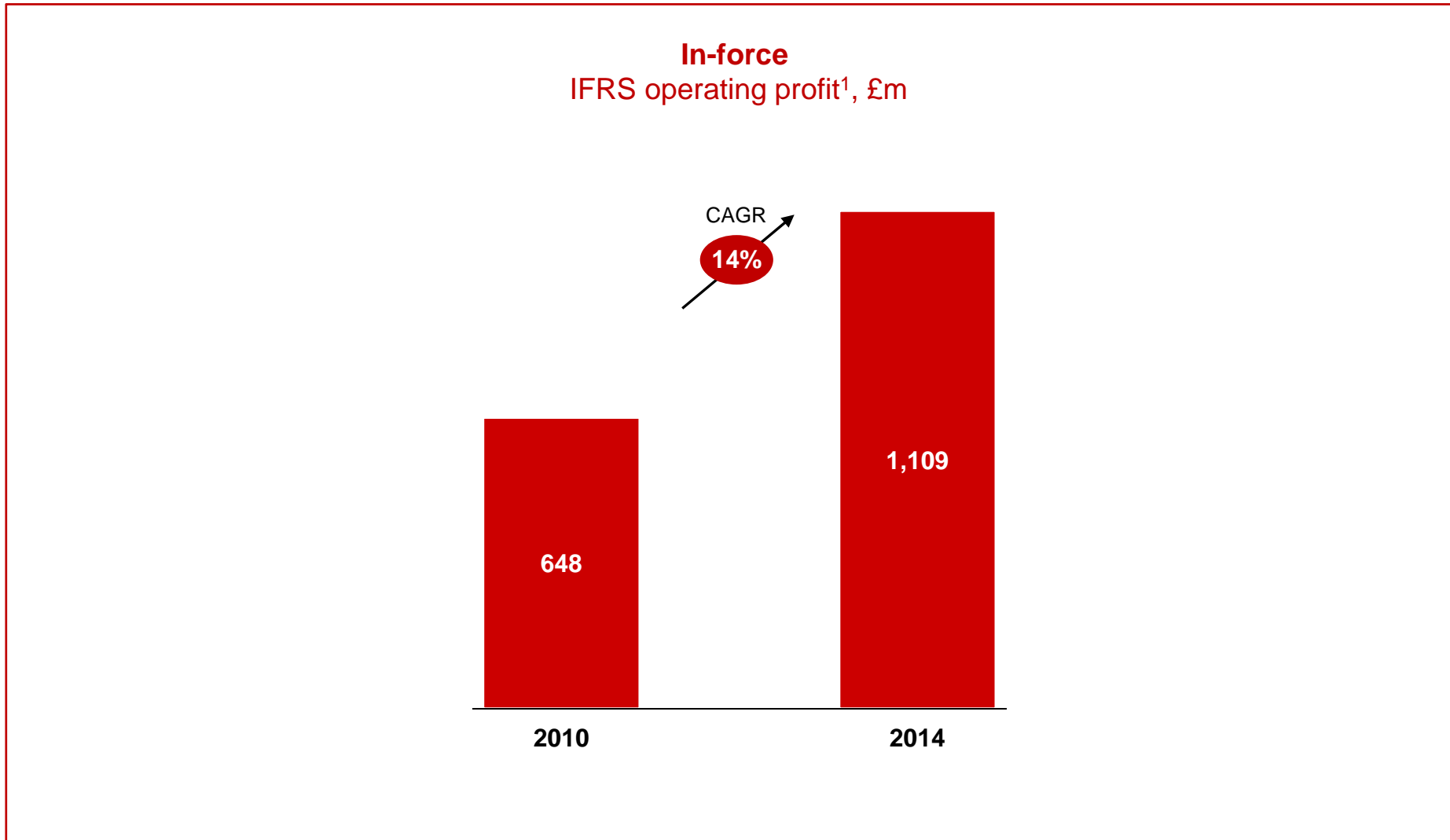
- Low insurance penetration
- High household savings rate
- Growing, wealthy middle class population
- Minimal welfare state

¹ Products launched over the past 24 months – as at December 2014

² Based on assets sourced from the region. Excluding Japan, Australia and New Zealand as at Jun 2014. Source Asia Asset Management September 2014 (Ranked according to participating regional players only)

Asia

Growing, recurring earnings

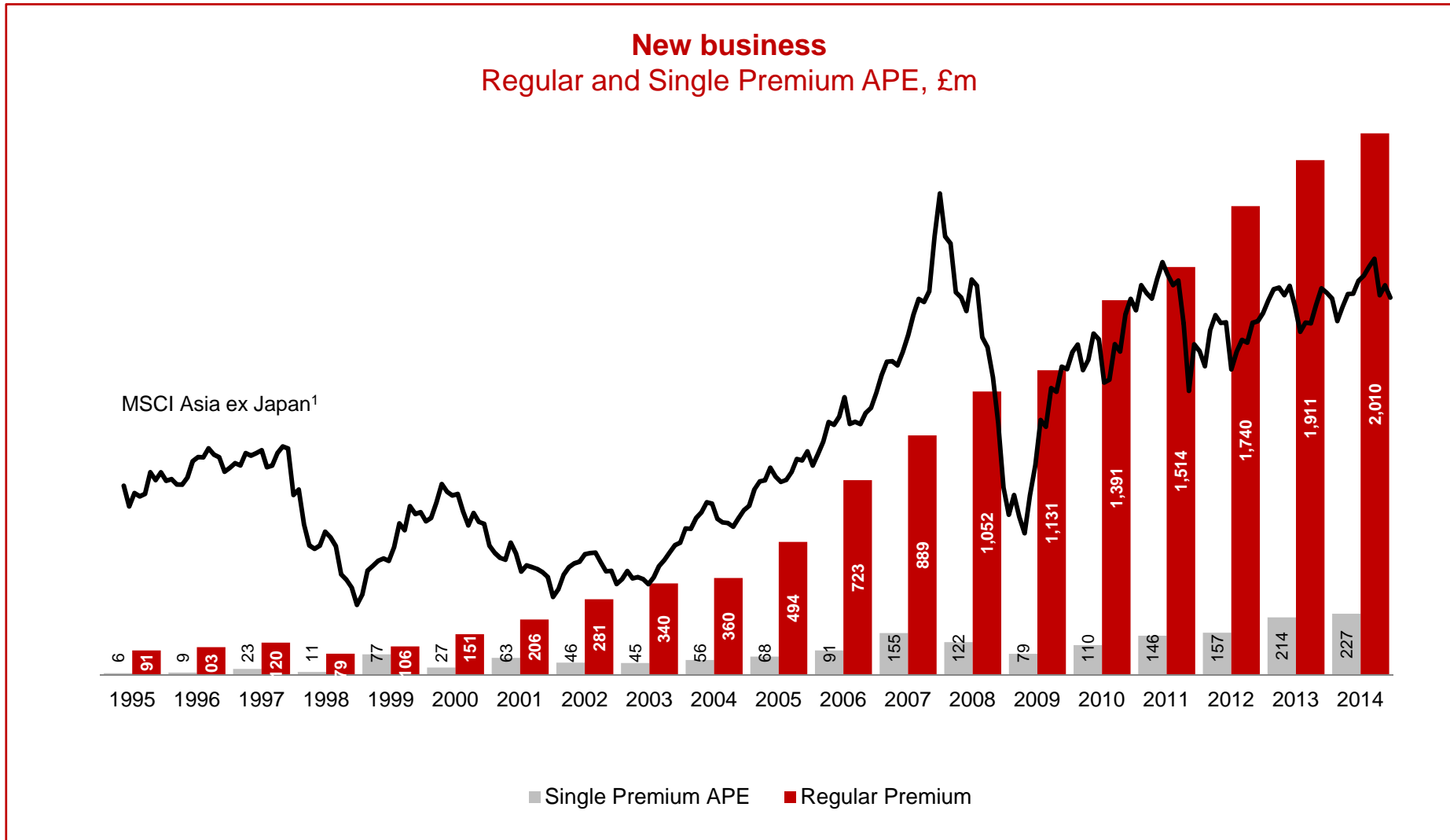


¹ Operating profit comprises the following: Asia life as disclosed in note 1(b) of the 'additional financial information', after deducting development expenses. Asset management operating profit for Eastspring



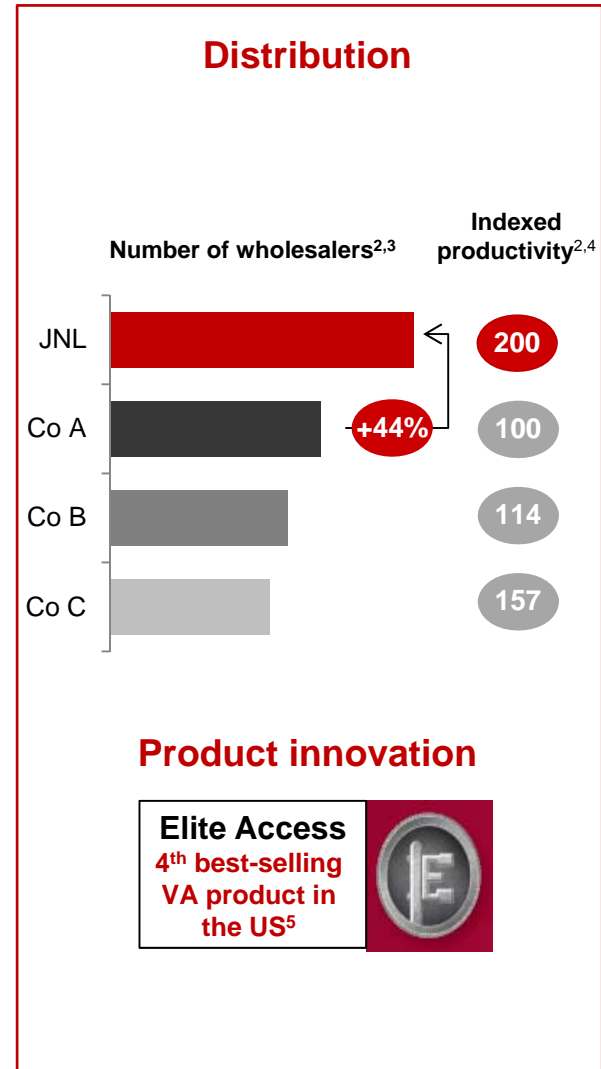
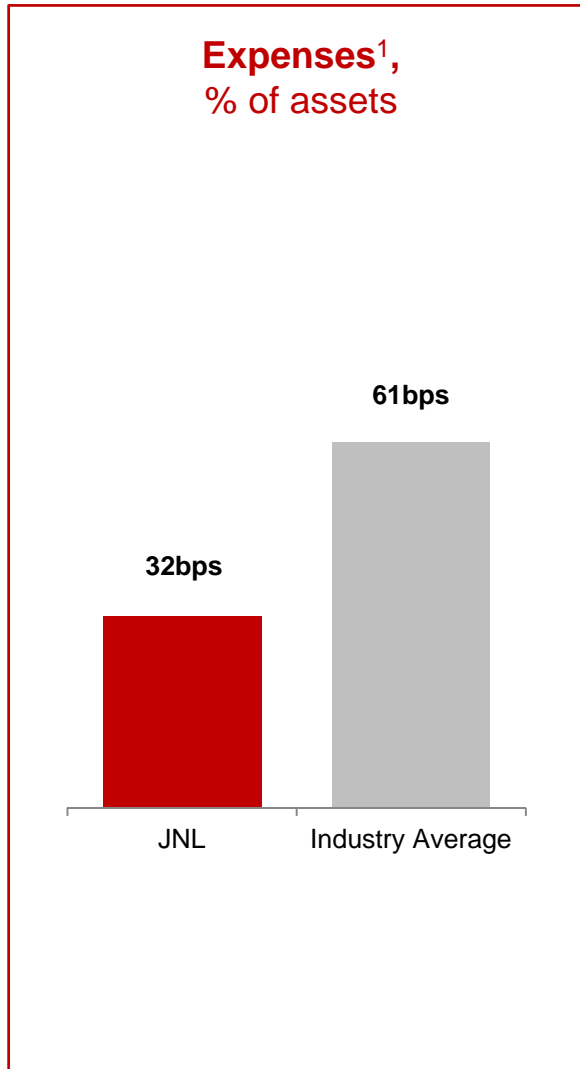
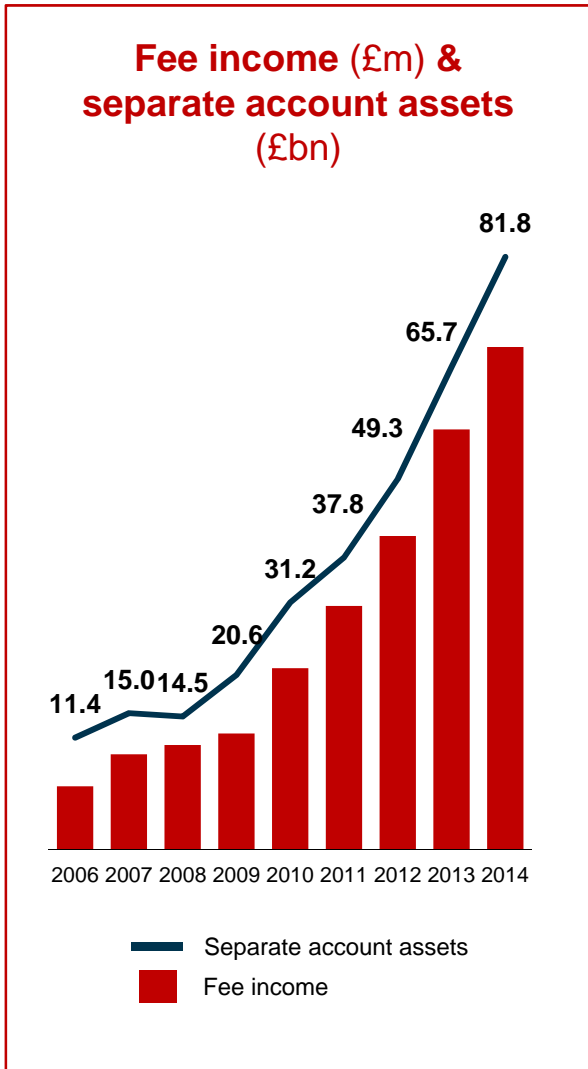
Asia

Resilient growth



¹ Source: Datastream

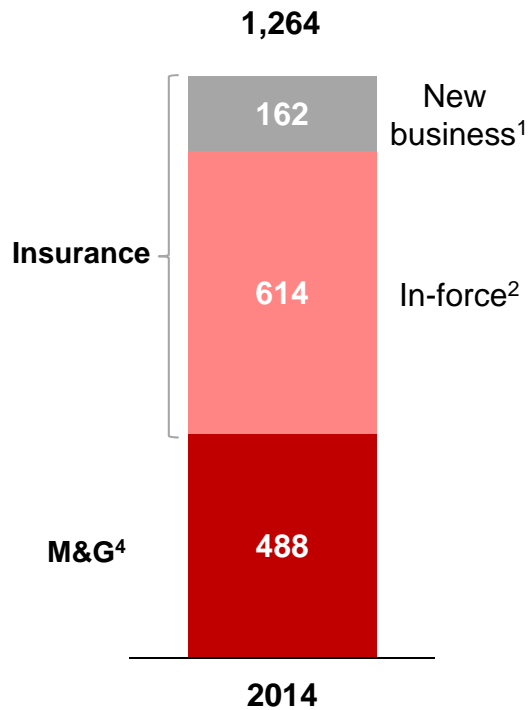
US High quality platform



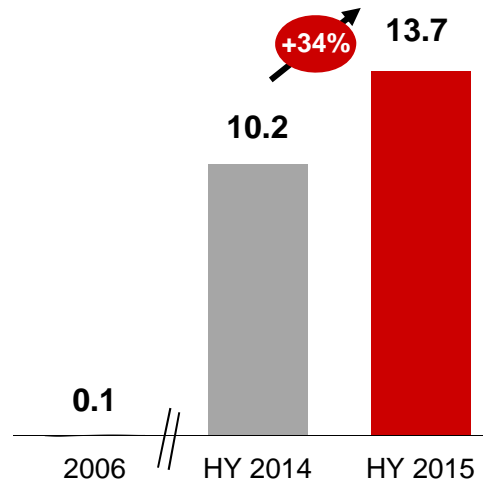
1 Expenses / Asset (Statutory). Source: SNL Financial LC. As at Q1 2015
 2 Source: Market Metrics (A Factset company)
 3 Field and Internal wholesalers Q1 2015
 4 Field sales force productivity based on Gross VA sales per VA field wholesaler (\$MM). Productivity calculation relative to peers, rebased to 100
 5 Source: Morningstar Annuity Research Center (MARC). As at Q1 2015

UK Solid base

IFRS operating profit, FY14 £m



PruFund FUM (£bn) & performance

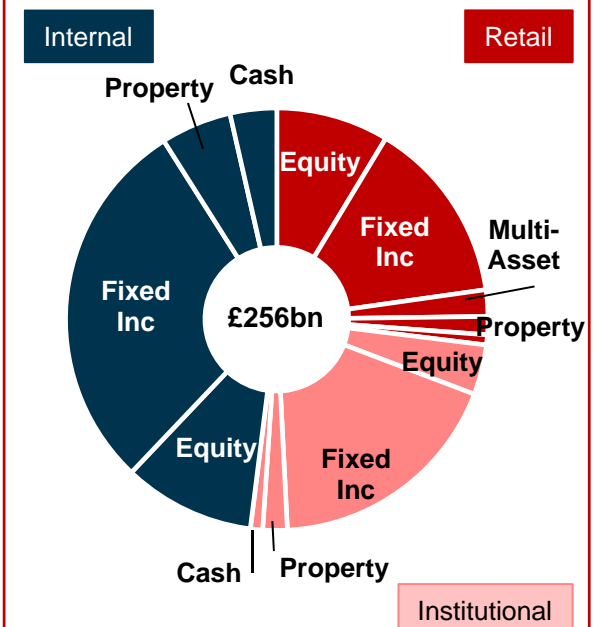


Out performance vs index³ (from 2006)

1.9x

2.1x

M&G FUM by client and asset class, HY15 %



¹ New business includes; Retail annuities of £57m and bulk annuities of £105m..

² In-force Includes; Annuities and other of £335m (PruHealth & PruProtect business sold in November 2014, IFRS profit was £23m for 2014); With-profit of £255m and GI of £24m

³ Index based on fund comparator: ABI Mixed Investment 20%-60% Shares TR

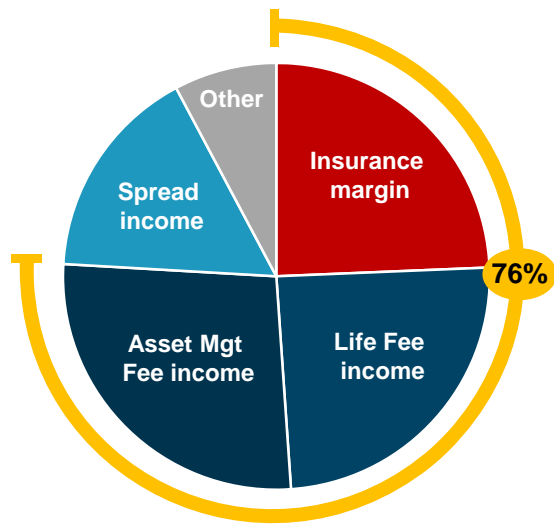
⁴ M&G includes PruCap



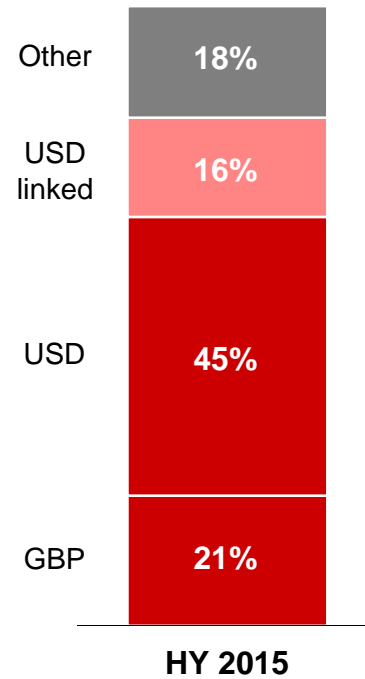
Group

Well positioned to deliver across cycles

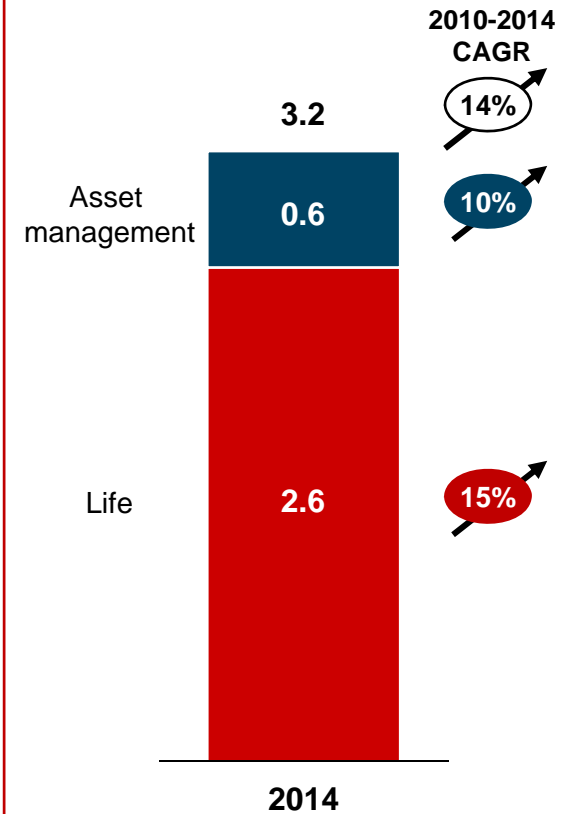
IFRS income by revenue source, HY15 %



IFRS operating profit split by currency^{1,2,3}, %



In-force IFRS operating profit⁴, £bn



¹ USD linked includes Hong Kong and Vietnam where currencies are pegged to the USD, and Malaysia and Singapore where currencies are managed against a basket of currencies including the USD

² Includes long-term, asset management business and other businesses

³ For operating profit UK sterling includes amounts in respect of central operations as well as UK insurance operations and M&G.

⁴ Operating profit comprises the following: Asia life as disclosed in note 1(b) of the 'additional financial information', after deducting development expenses. Jackson IFRS operating profit after adding back acquisition costs expensed (and not deferred) in the period of £209m. UK operating profit excluding both the new business profit of £162m arising on bulk and individual annuities sales in 2014 and £23m from PruHealth & PruProtect business sold in 2014. Asset management operating profit for M&G, PruCap, Eastspring and US broker-dealer and asset management



Group

Solvency II – Well capitalised and highly cash generative

- Internal model submitted in June
- PRA decision expected in December
- Strong 1H15 Solvency II capital generation

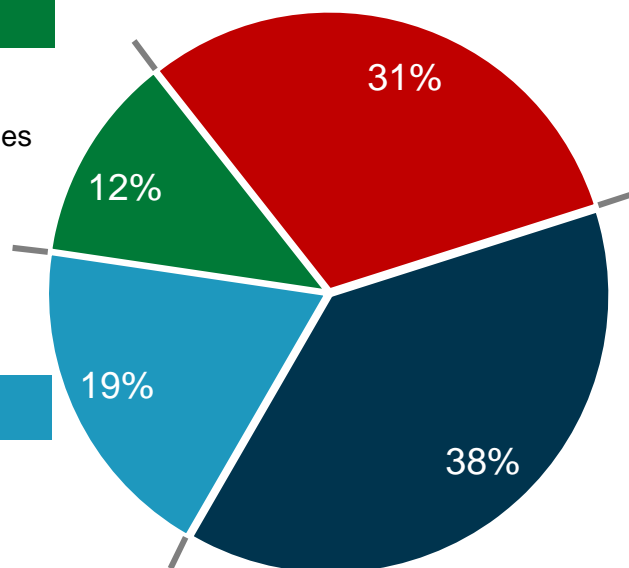
UK Asset Management & GI

- Unaffected by Solvency II
- Continue to adopt existing sectoral rules
- Cash / capital driven by earnings

UK Life

- Risk margin and transitional broadly offset
- PRA confirmed transitional 'good' capital for UK remittances
- Capital generation underpinned by resilient with-profit transfer
- Selective approach to bulks, with reinsurance

In-force free surplus generation, % HY15



Asia

- Health and Protection business Solvency II 'friendly'
- 'Prudent' local statutory basis remains 'biting' constraint
 - £1.4bn of free surplus 'stock'
- Key question is how much of the £10bn VIF can be included additionally
 - Based on Solvency II methodology
 - After 1-200 event
- Cash / capital movement will continue to be driven by free surplus generation

US

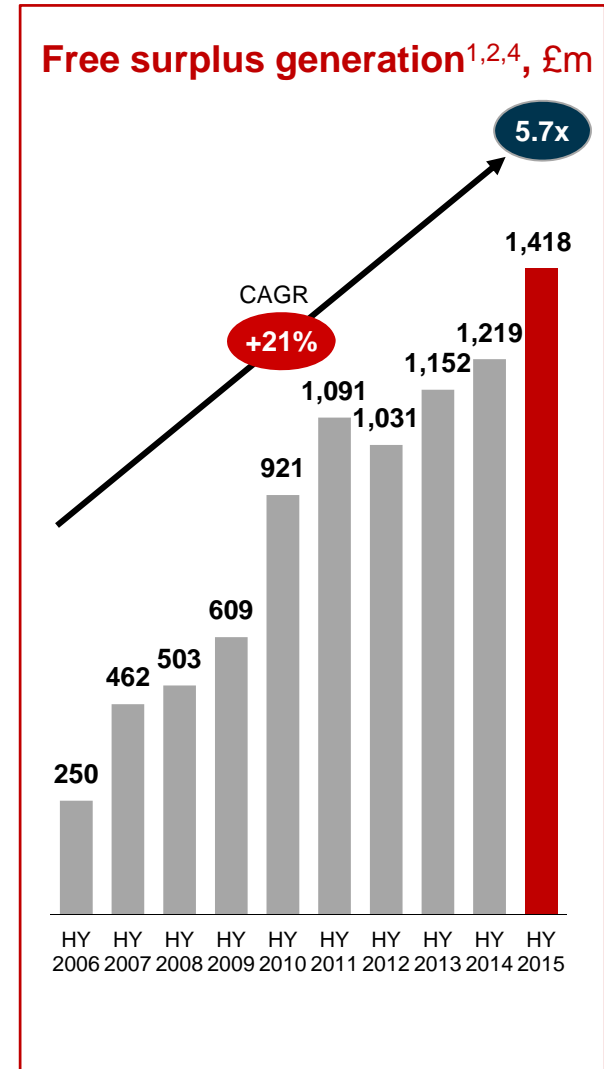
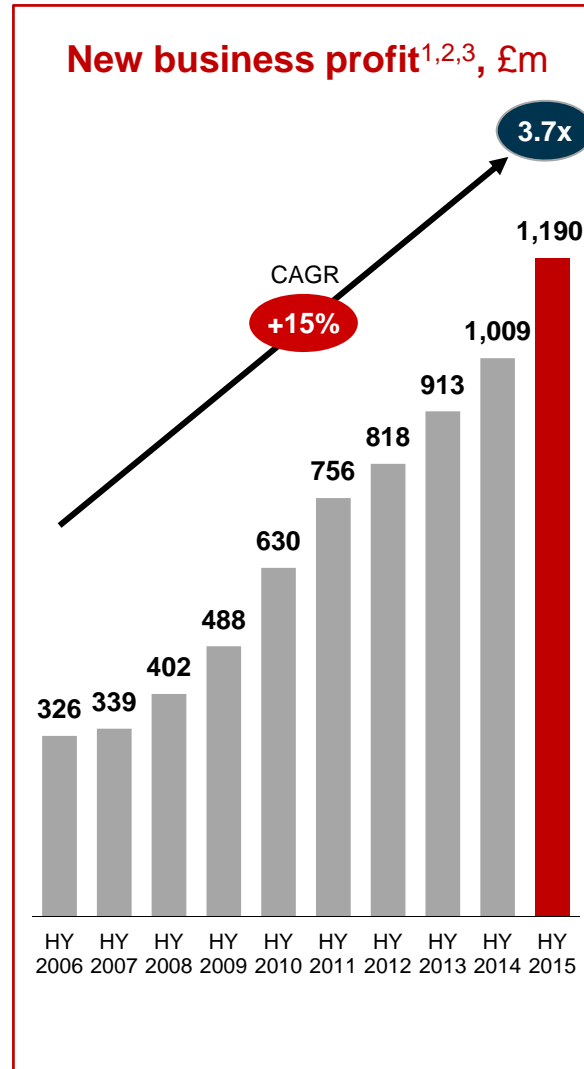
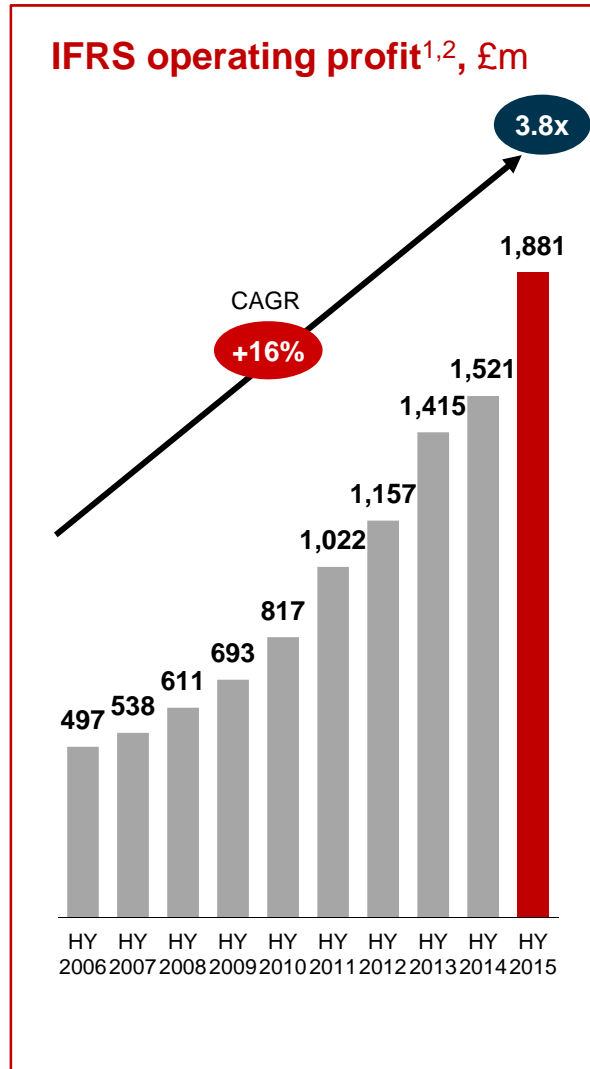
- US statutory (RBC) treated as equivalent
- Deduction and Aggregation gives no credit for diversification benefit between Jackson and Group
- Cash / capital management unaffected

Group Summary

- Clear, unchanged strategy focused on three secular growth opportunities
- Leading franchise, 'best in class' capabilities
- Experienced, proven management team
- Strongly capitalised and cash generative businesses
- Well positioned to deliver long term profitable growth

Group

Long term value creation



¹ Comparatives have been stated on an actual exchange rate basis

² Comparatives are adjusted for new and amended accounting standards and excludes Japan and Taiwan agency

³ HY14 results have been restated to exclude contributions from Prudential's 25% equity stake in PruHealth / PruProtect, which was sold in November 2014

⁴ 2012 includes £51m gain from sale in China Life of Taiwan



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