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Agenda



- UK&E business and market context
- Proposition update
- Distribution focus
- Performance
- Summary

UK&E business and capabilities



Customers

- 6m customers

Brand

- A leading retirement and savings brand

Financial Performance

- Sustainable cash generation and unique asset in WP fund

Retail Growth

- Retirement solutions and investments

Distribution

- Strong, diversified distribution model

Investment Management

- Excellent performance track record

Leading UK
retirement
and savings
business

Our model

Focussed participation in two distinct segments



Retail Growth

Grow differentiated proposition & distribution

Segment features

- Mutual value creation for customers and shareholders
- Diversification of product and distribution using core capabilities
- Long term savings and retirement focus

Pru competitive capabilities

- Investment record; asset side scale
- Complementary intermediary and owned distribution; retail brand

Aims

“UK’s leading provider of investment solutions”

**Capital-lite,
profitable growth**

Cash and In-Force Optimisation

Improve, re-shape, optimise

- Significant ongoing value to be managed
- Opportunity to improve customer service and retention
- Optimise costs

- Strength of customer base; direct capability
- Long track record of managing longevity

“Well managed back book underpinning future profit delivery”

**Good customer outcome delivery
Long-term cash generation**

Retirement market set for sustained growth

Structural factors underpinning long-term growth in chosen segment



“Pensions Freedoms” era – growing demand for risk-managed investments to fund retirement

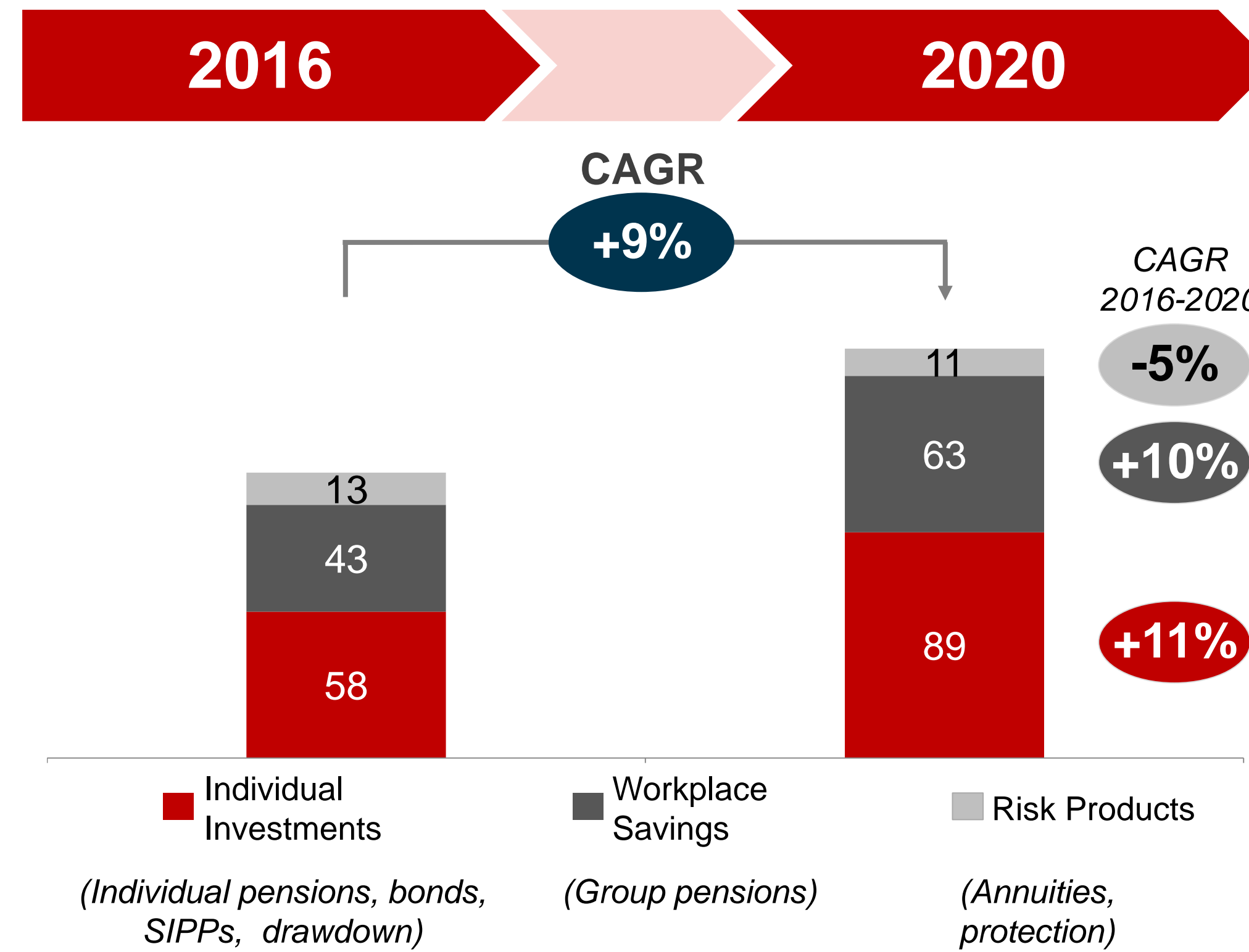
Structural growth underpinned by:

risk transfer from corporates and state to individuals

demographics – larger cohorts and increased life expectancy means more saving

Retirement Market Growth

Flows into Retail Investment Products (£bn, annual)



2016 - 2030

1.3% pa growth in population aged 50+

>70% of liquid assets held by those aged 50+

2/3rds fall in DB scheme membership

Source: Prudential analysis, ONS 2014-based National Population Projections

PruFund range

A unique proposition in the investment solutions market



A Unique Customer Proposition

Range of 6 funds with risk-rating



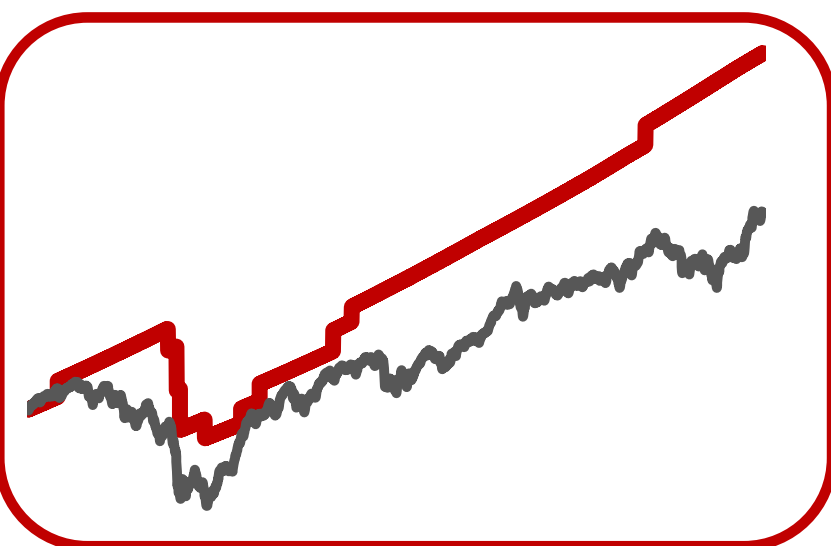
Global diversification: over 25 asset classes in one investment



Award winning **asset allocation**



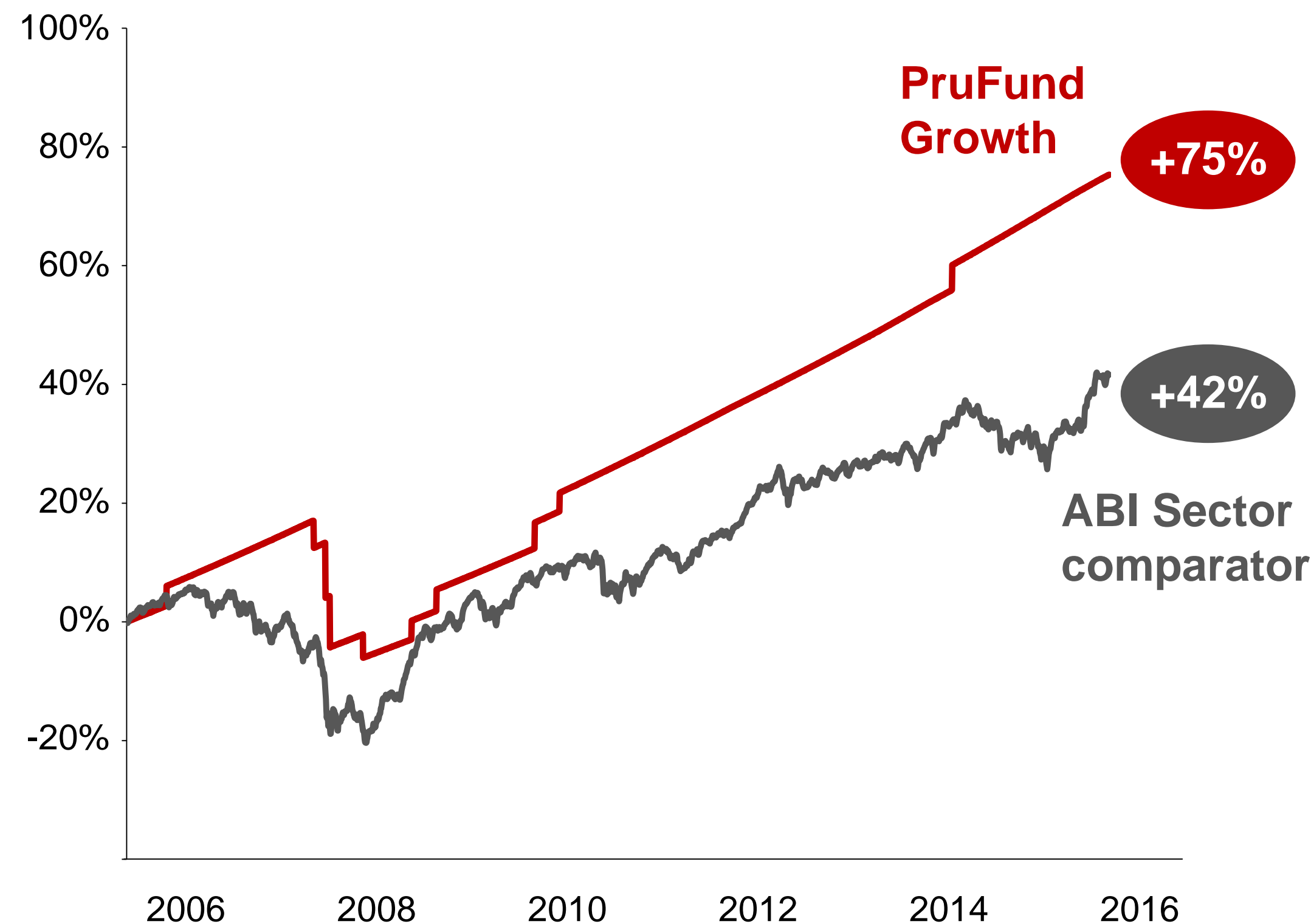
Smoothing of investment returns



PruFund Growth	PruFund Cautious
PruFund 0%-30%	PruFund 10%-40%
PruFund 20%-55%	PruFund 40%-80%



PruFund Investment Performance¹



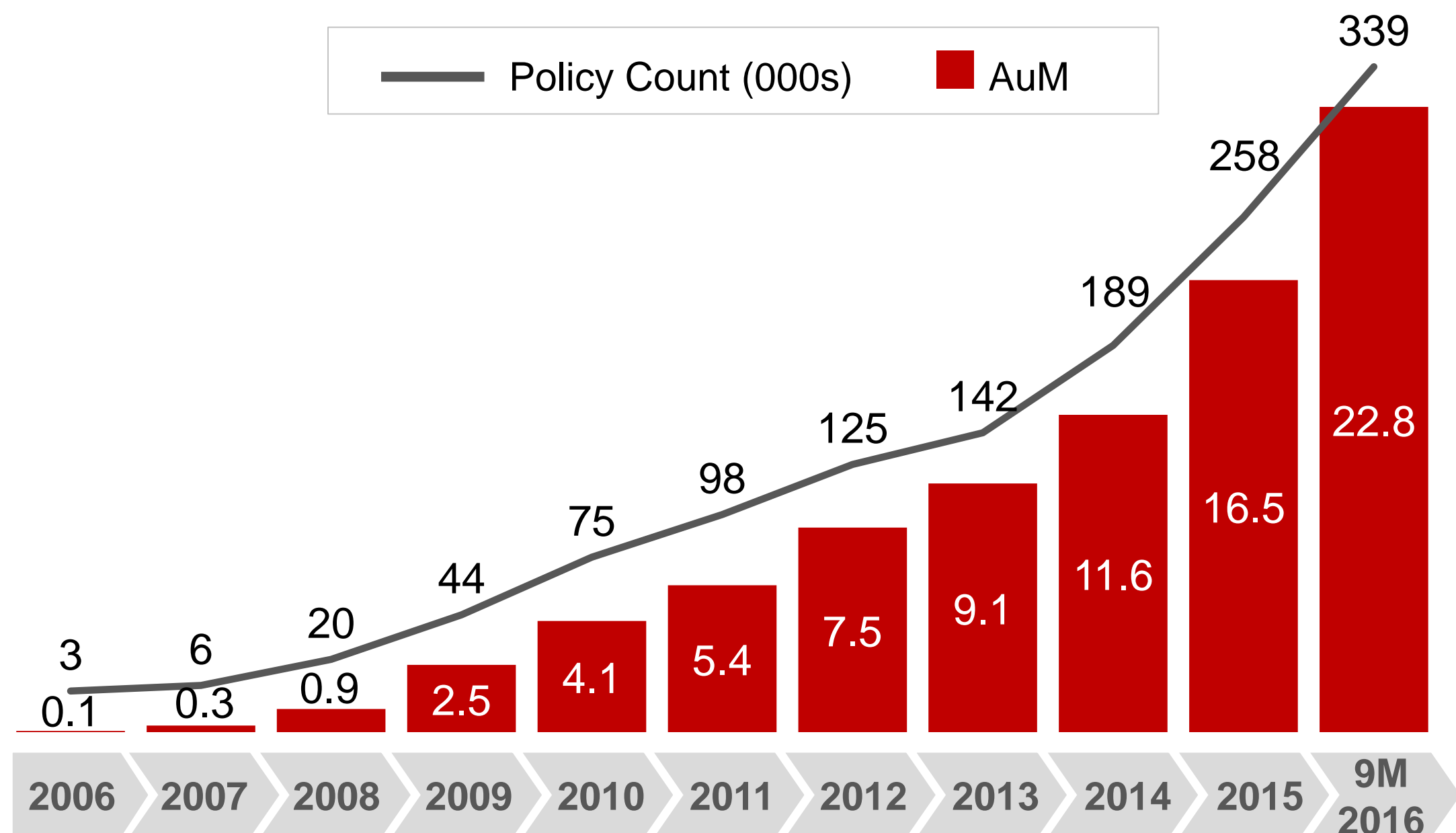
1. ABI Mixed Investment 20%-60% Shares TR; performance from 29 September 2006 to 30 September 2016

PruFund range

12 years of growth and product innovation

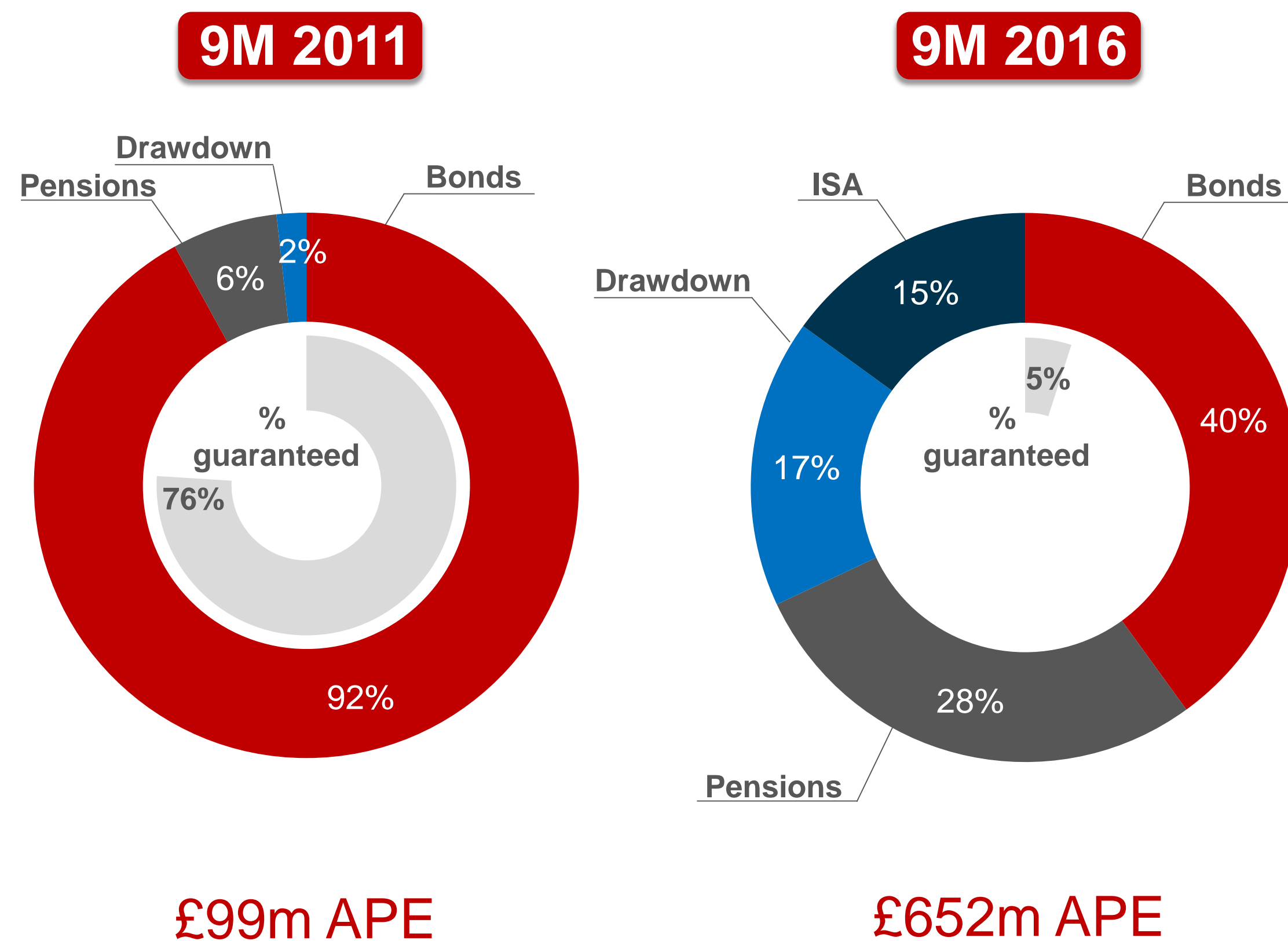


Growth in AuM (£bn), Policy Count and Proposition Development



- ★ PruFund Growth via Prudential Investment Plan (2004)
- ★ PruFund Growth for pensions and bonds
- ★ PruFund Cautious across all wrappers
- ★ Risk Managed PruFunds launched for onshore bonds and pensions
- ★ PruFund ISA
- ★ Online PruFund ISA Retirement Account on Sonata

PruFund Inflows: Diversification and Fall in Proportion Guaranteed



Distribution

Market leading model in key channels, underpinning Retail Growth



Multi-Channel Distribution Capability

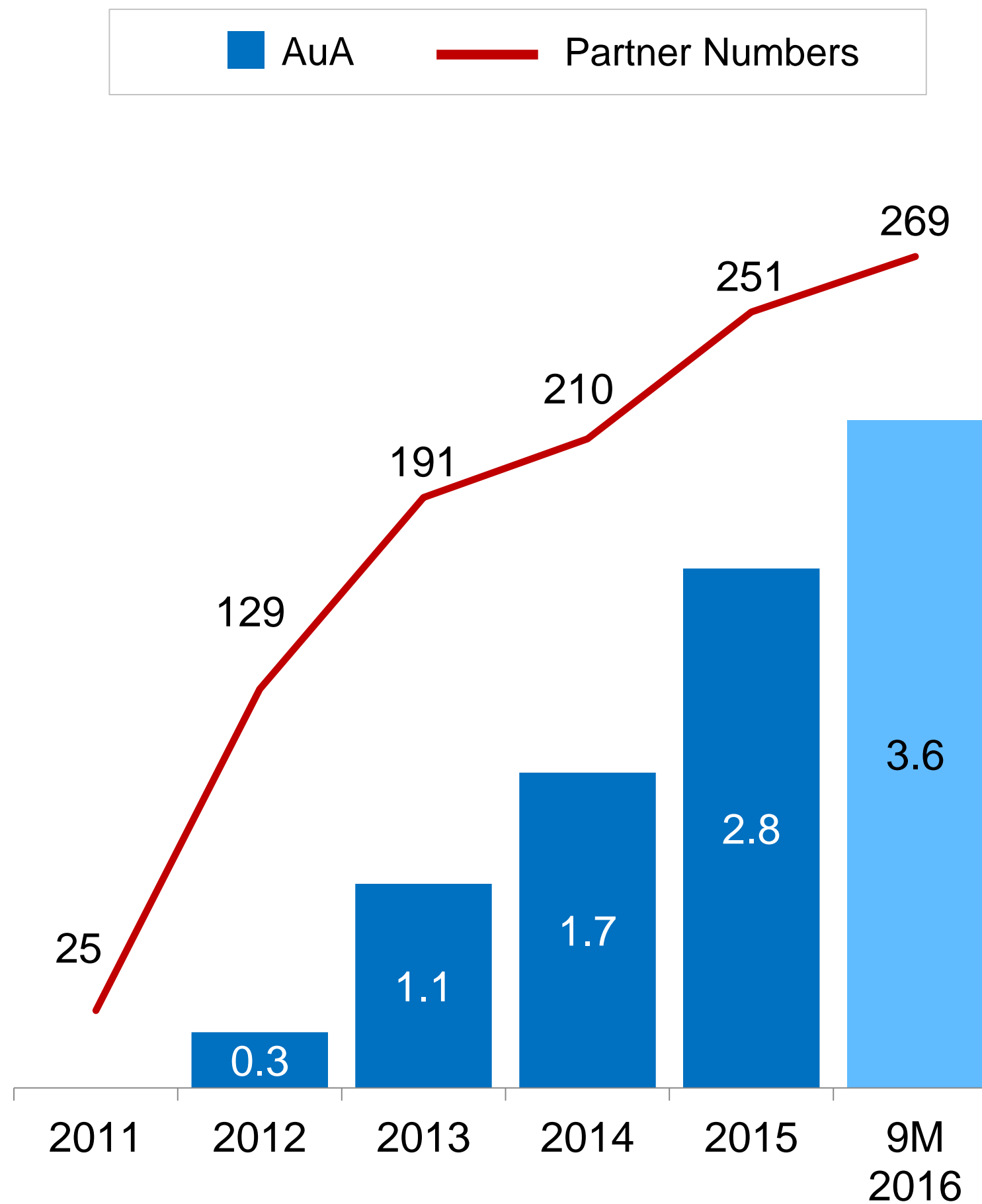
Advisers

PFP

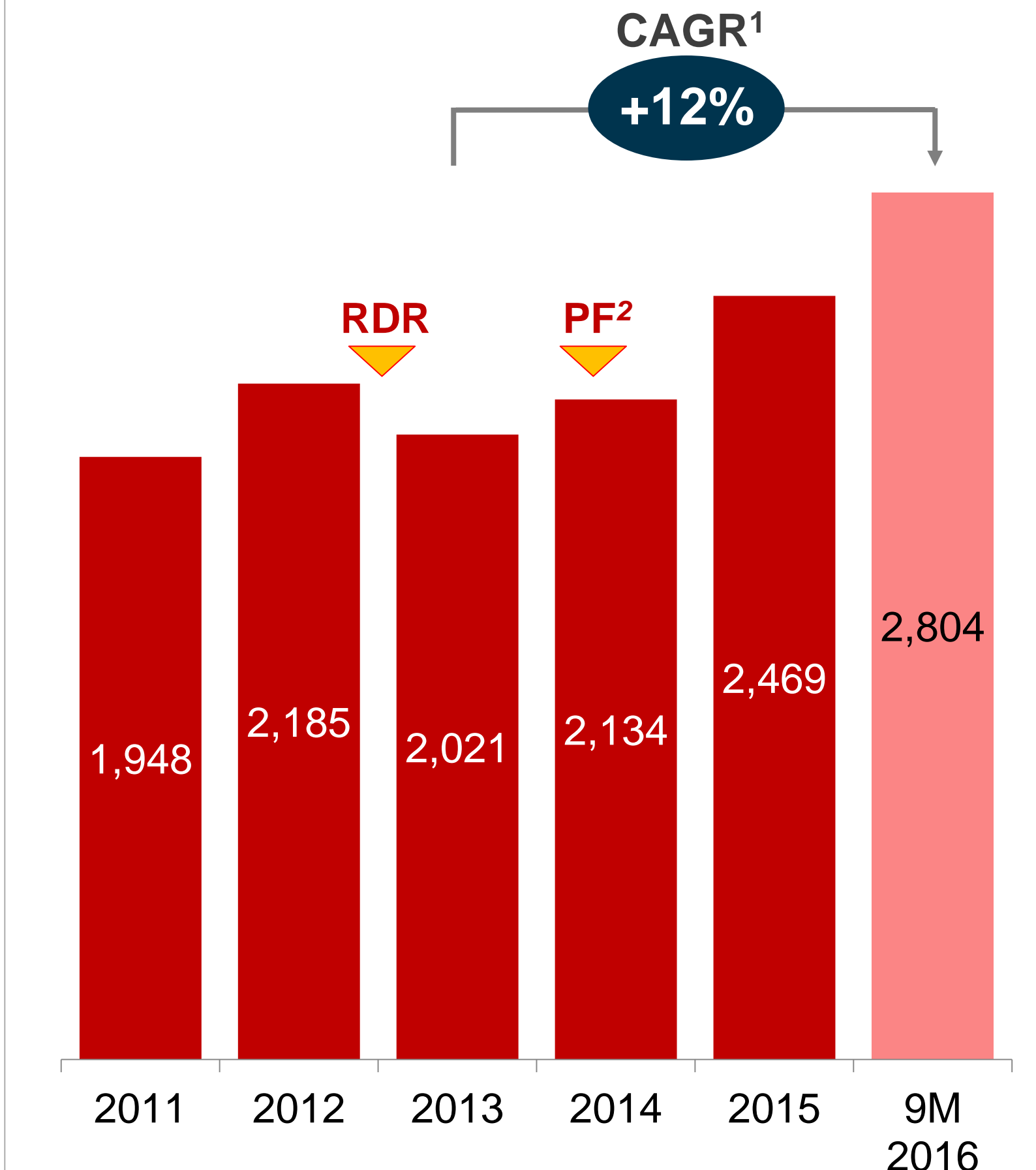
Voice

Corp Pens

Prudential Financial Planning AuA (£bn), and Partner Numbers



Number of Adviser Firms Dealing with Prudential (Monthly Averages)

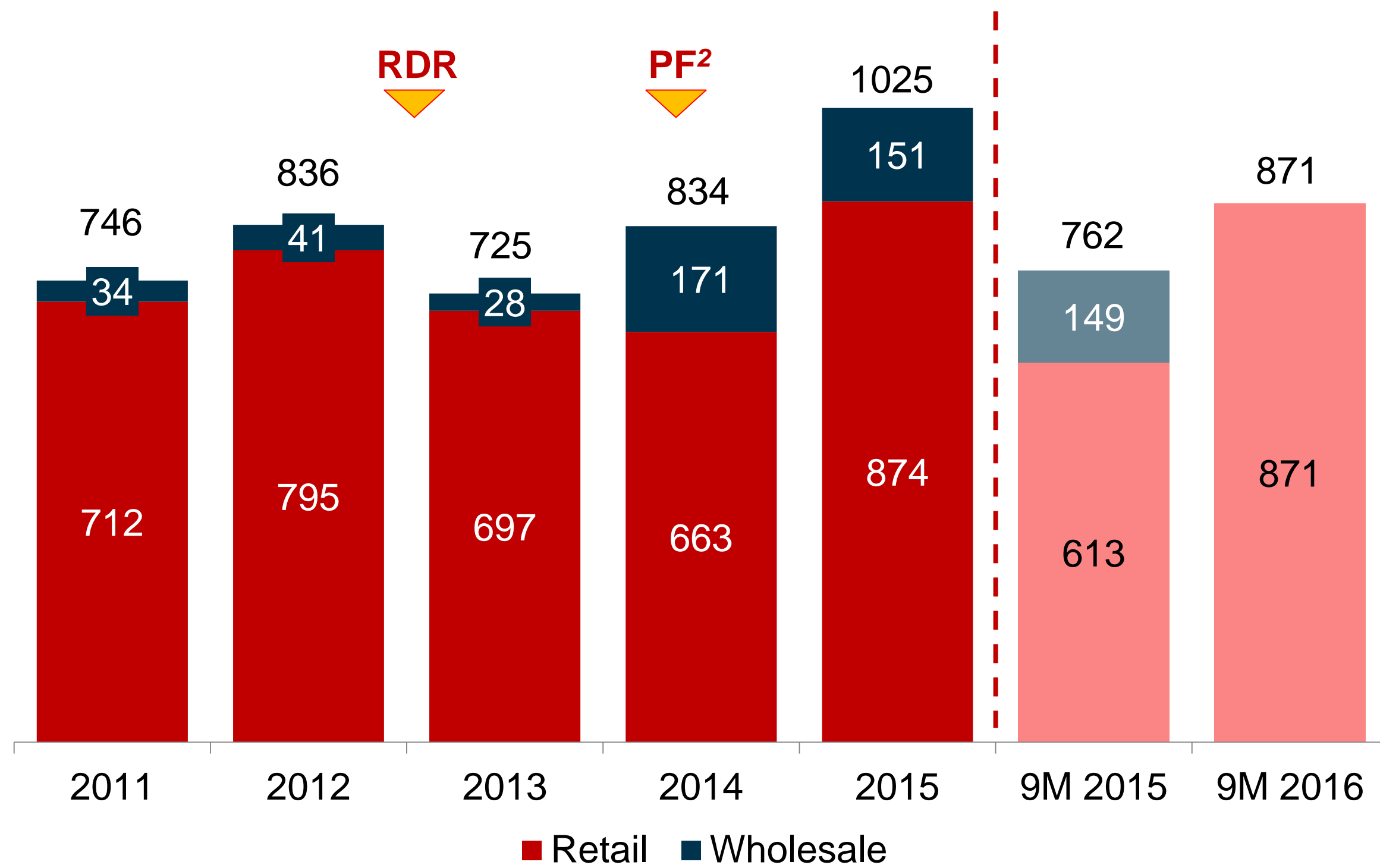


Sales

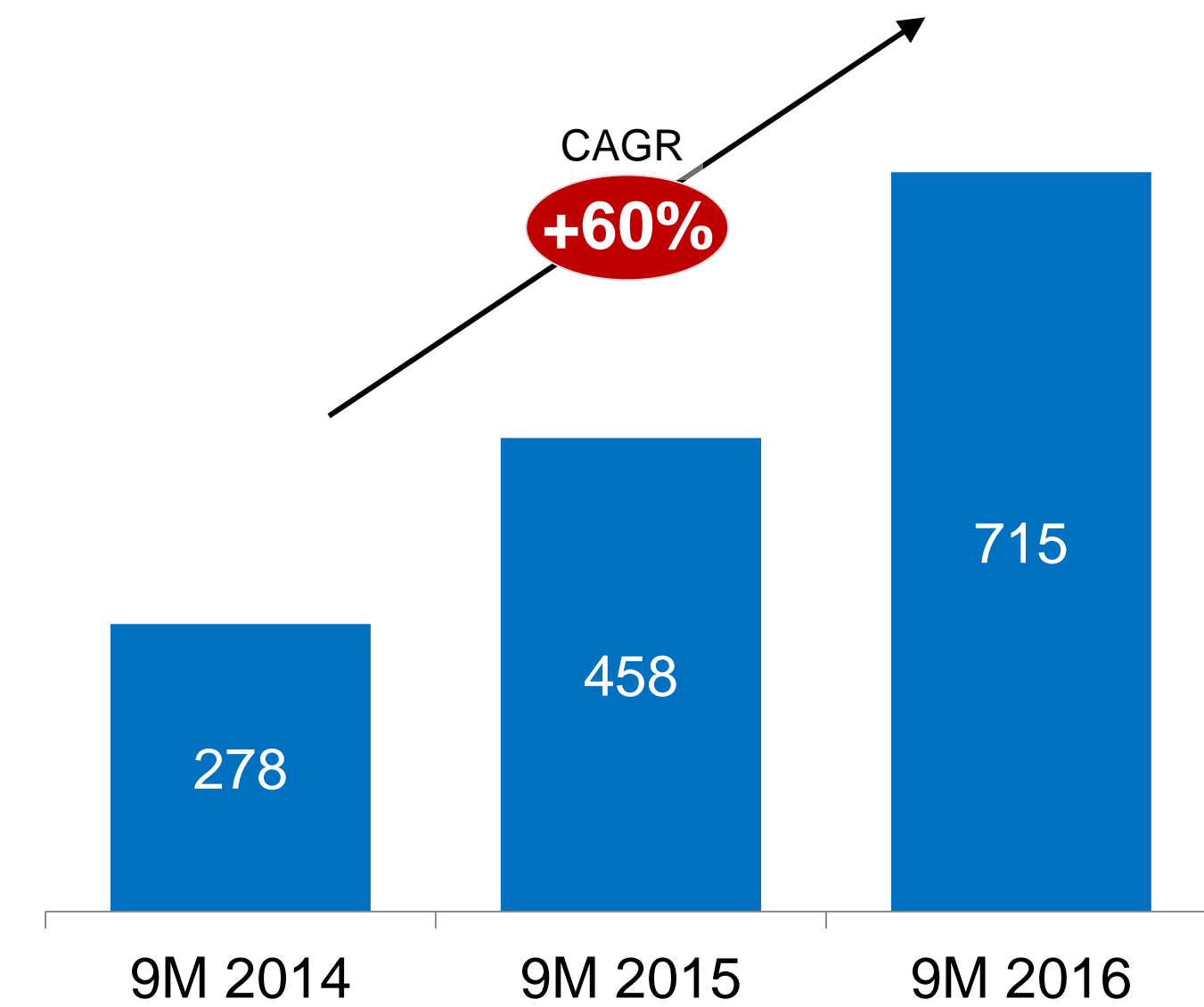
Continued strong performance in “Pensions Freedoms” environment



Total Sales (APE; £m)¹



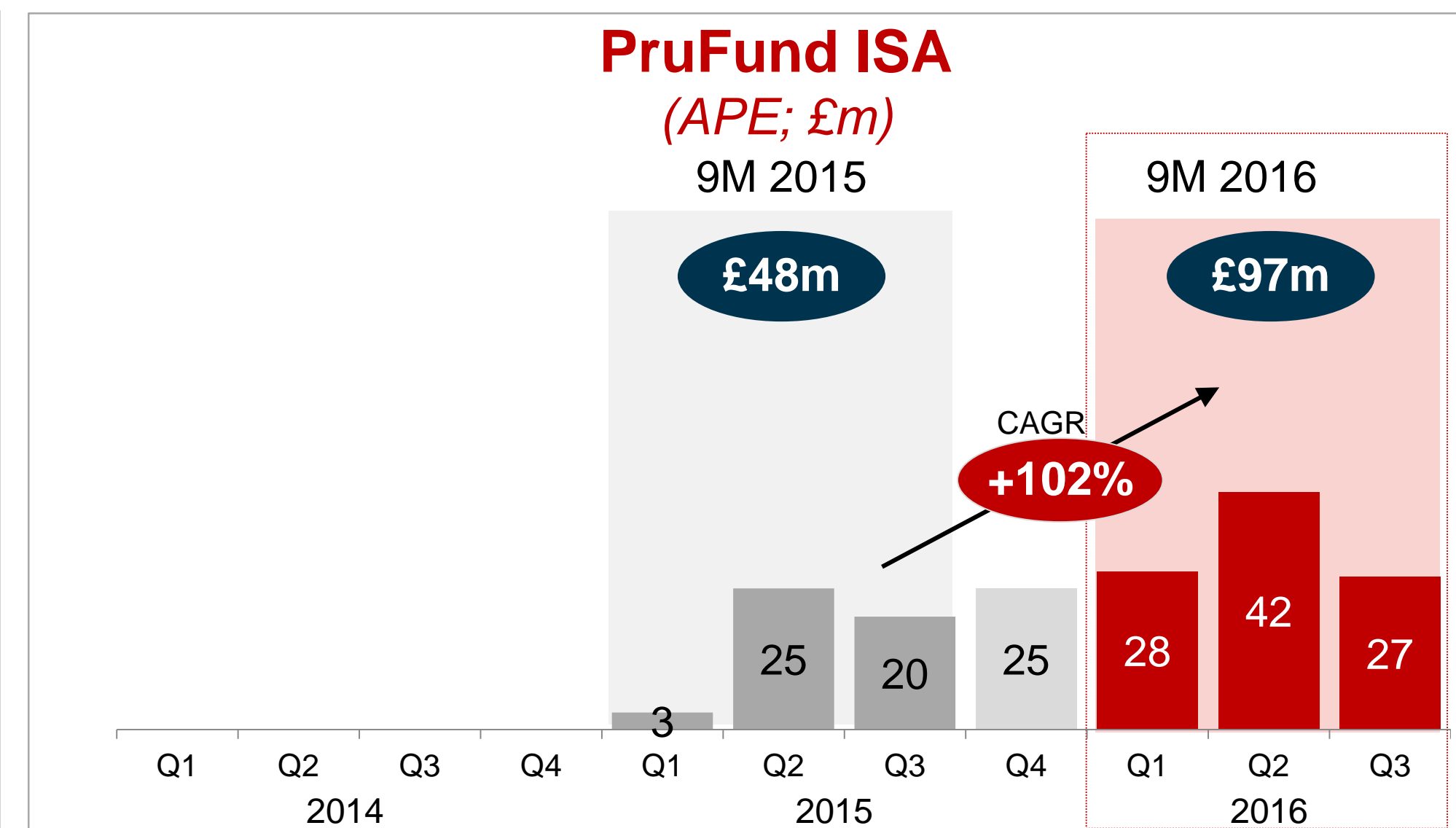
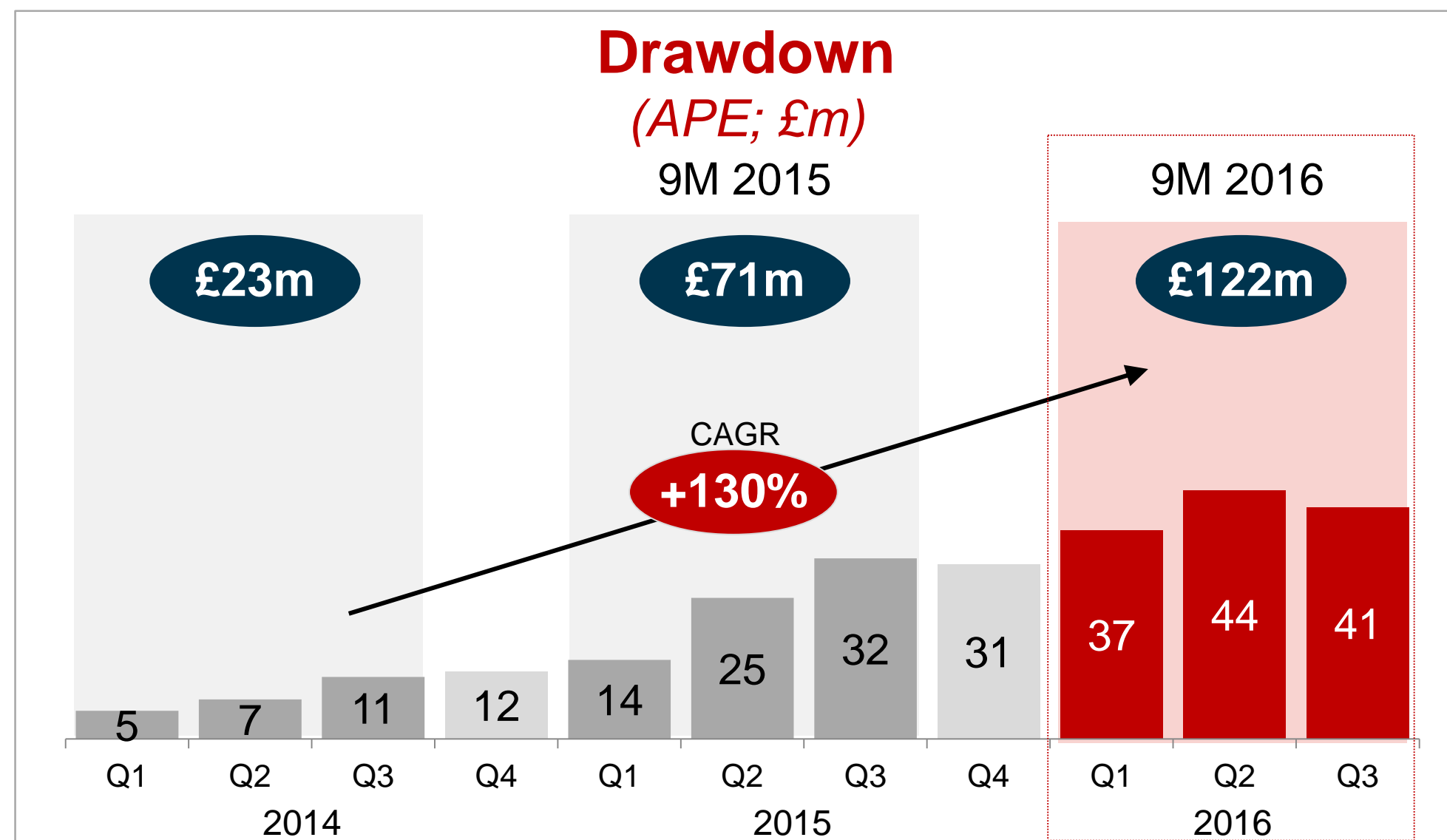
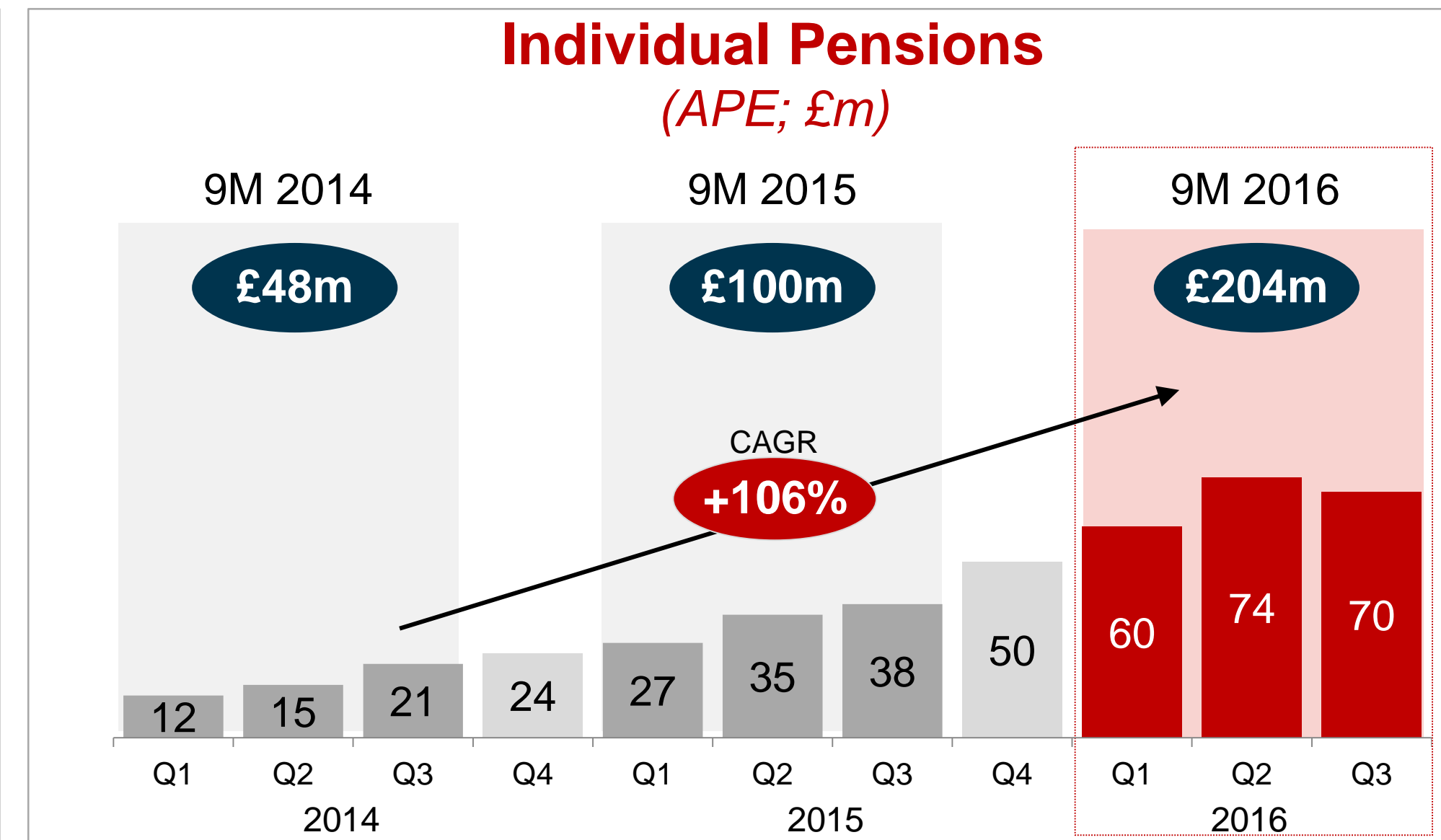
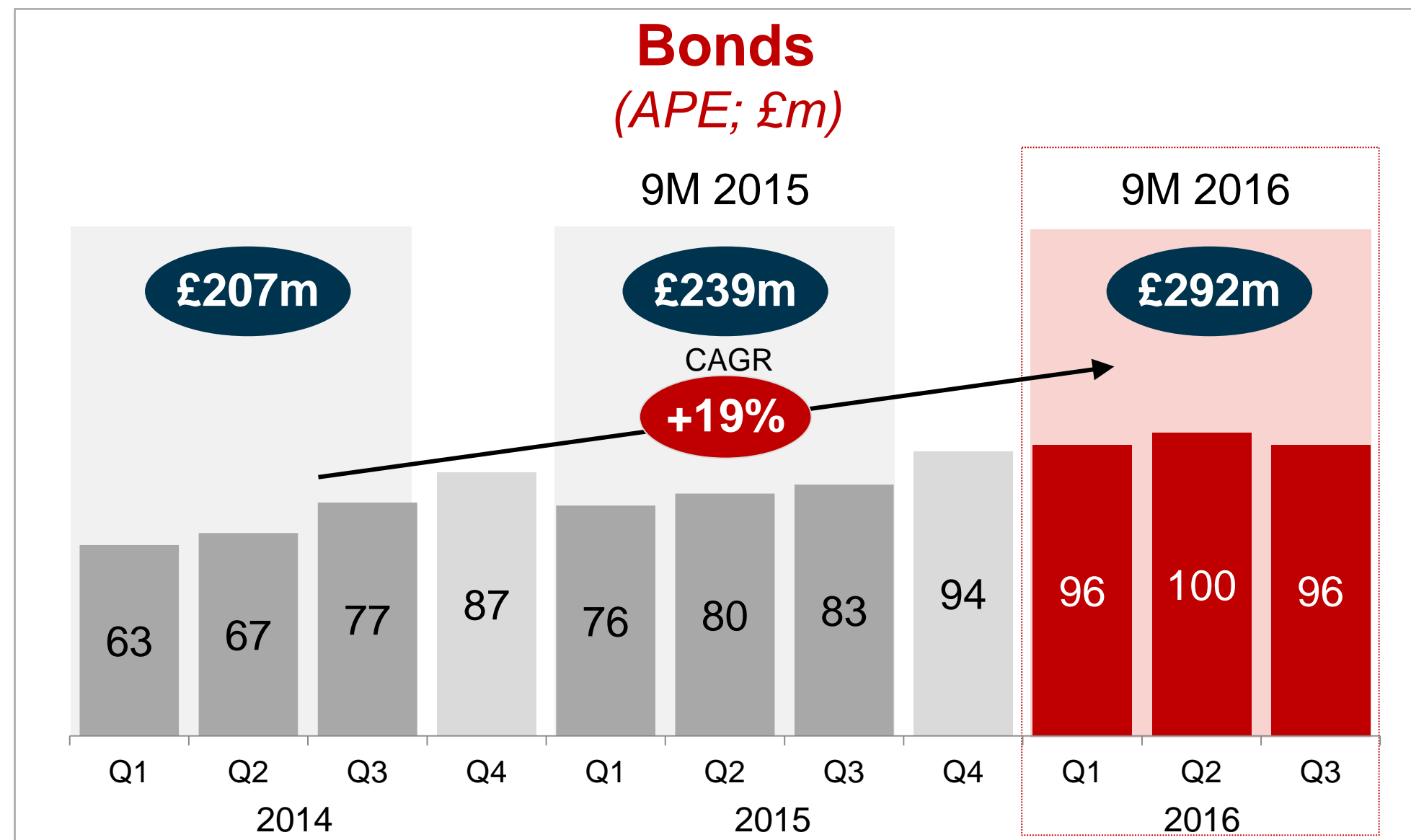
Retail Growth (APE; £m)



1. Excluding £23m APE for PruHealth and PruProtect in 2014
2. PF – 2014 Budget Announcement of Pensions Freedoms

Retail Growth sales

Sustained growth across wrappers and new propositions



Growing share of the retail investment market

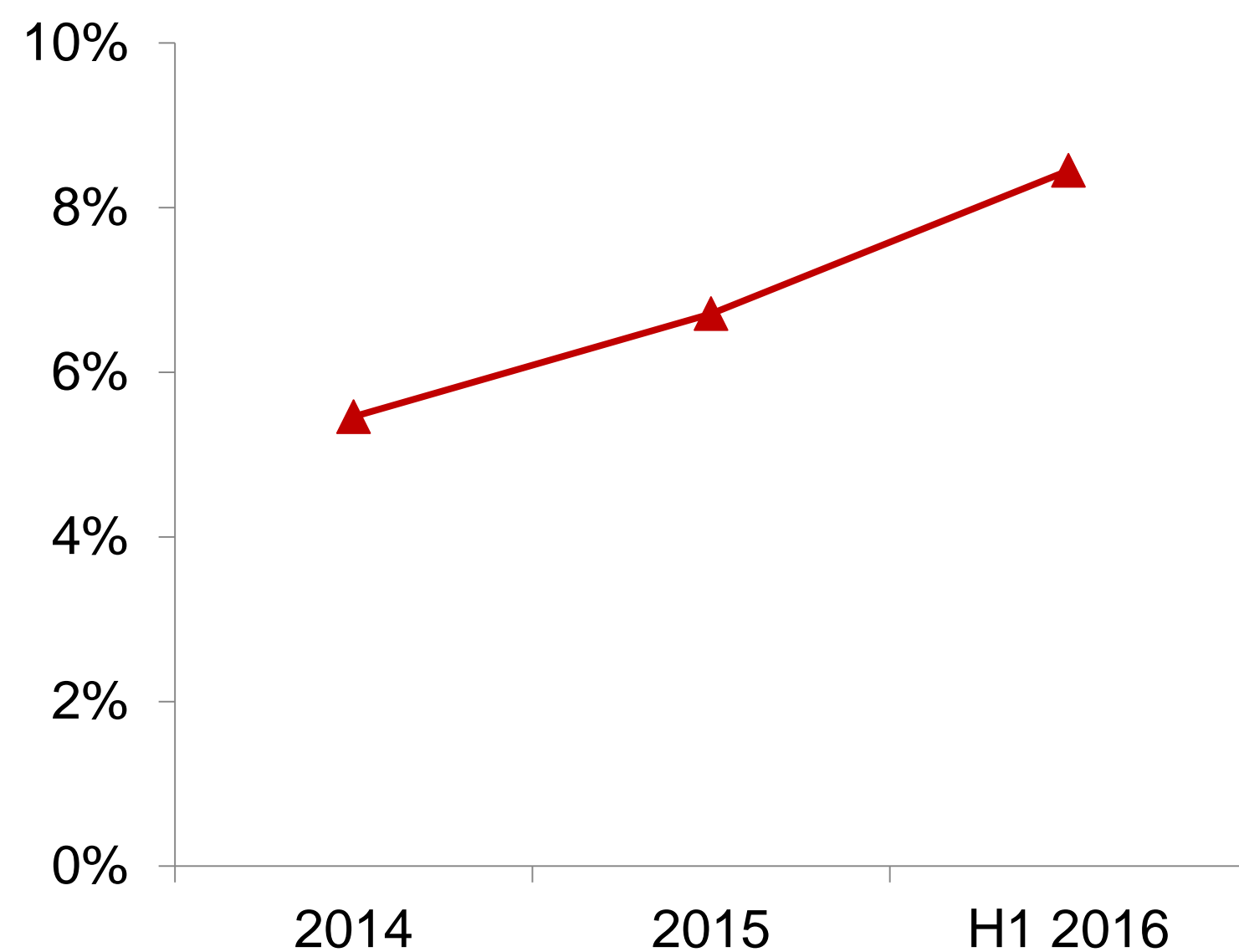
Strong performance in key retirement growth segments



Retail Life and Pensions Investments

(Prudential as % of rest of market)¹

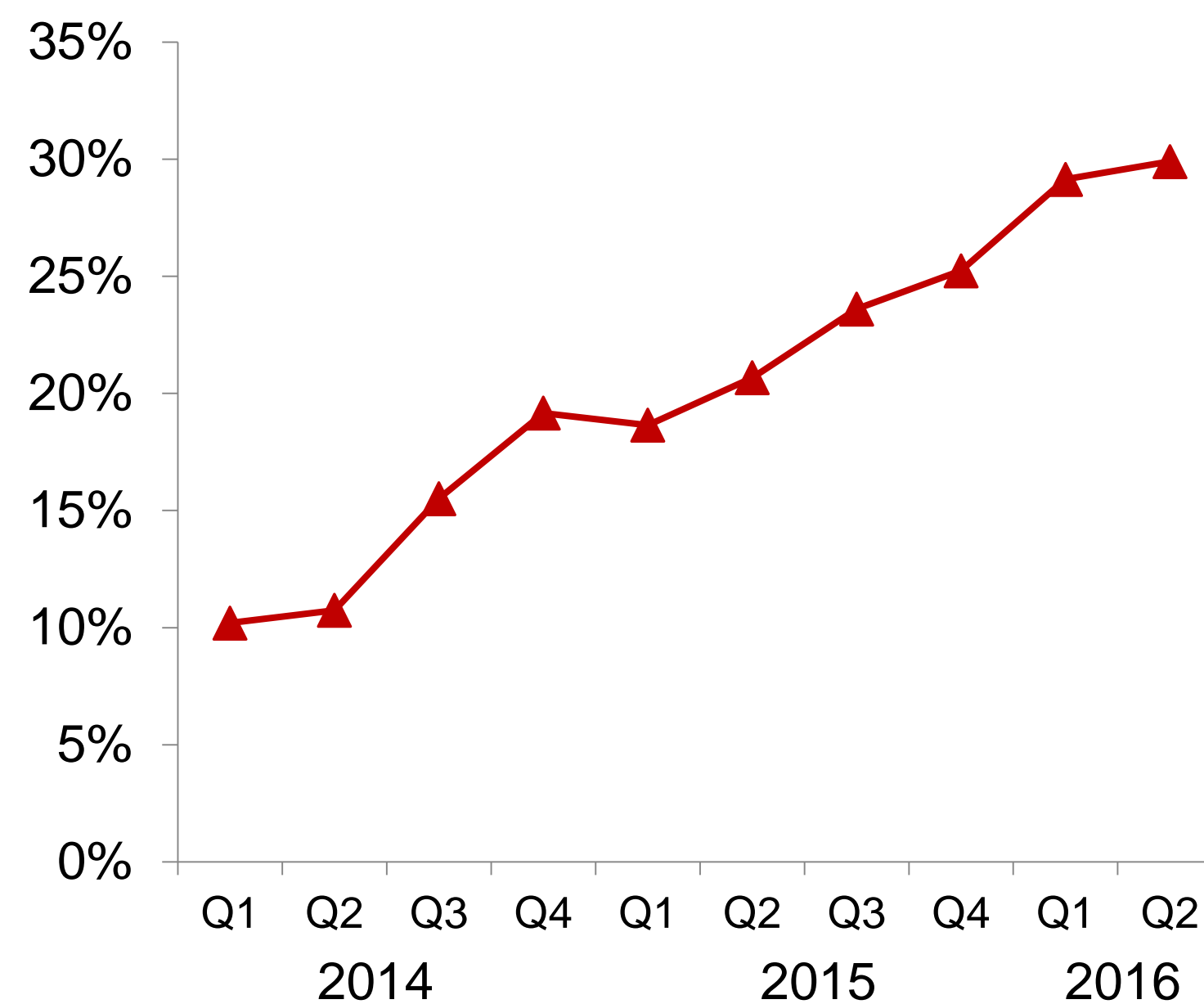
2014 **5%** H1 2016 **8%**



1. ABI, Prudential analysis, excludes protection

Income Drawdown (Advised Sales)²

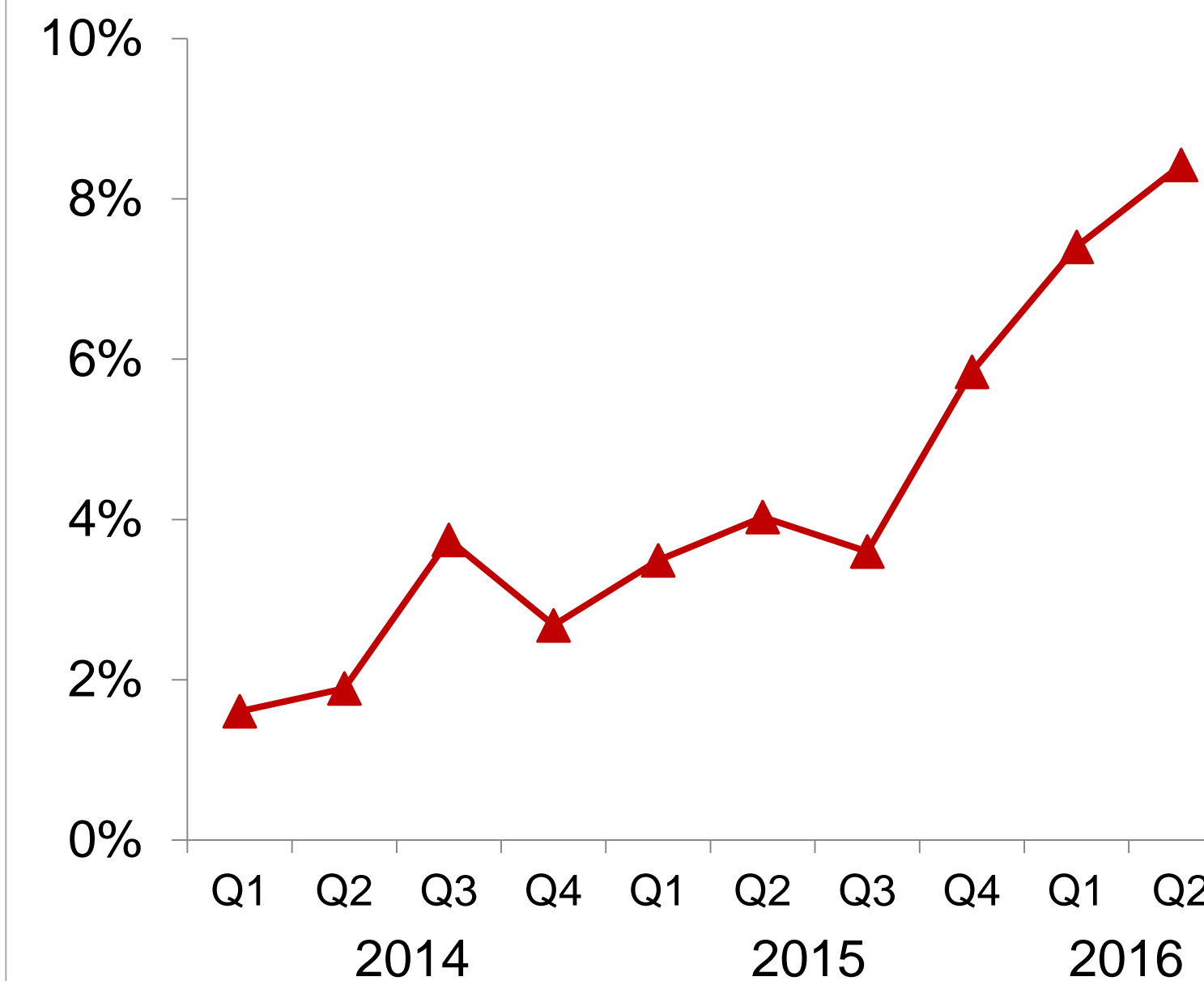
2014 **10%** HY 2016 **30%**



2. ABI, Prudential analysis

Individual Pensions (Advised Sales, including SIPPs)³

2014 **<2%** HY 2016 **8%**



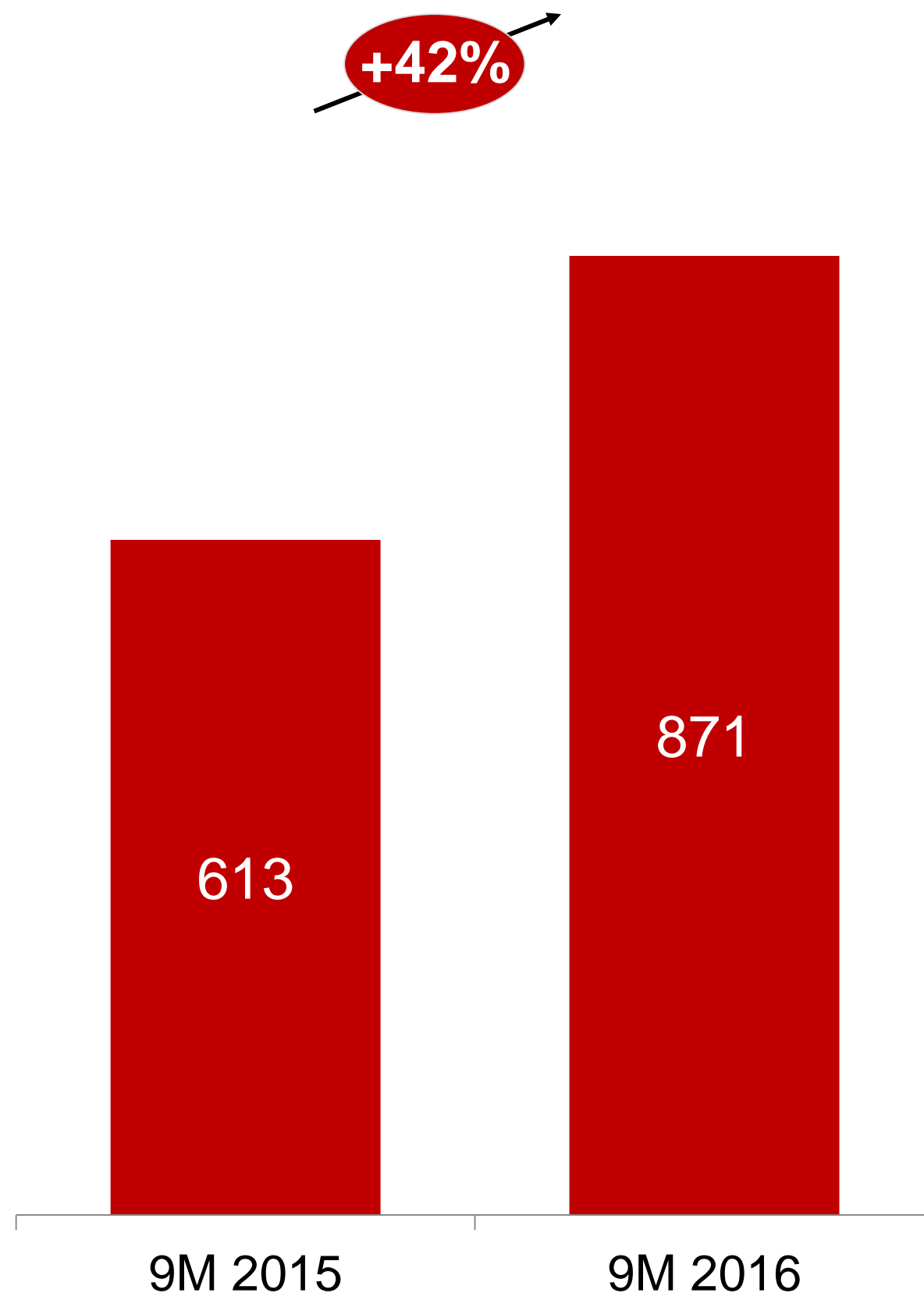
3. ABI, Prudential analysis

Financials

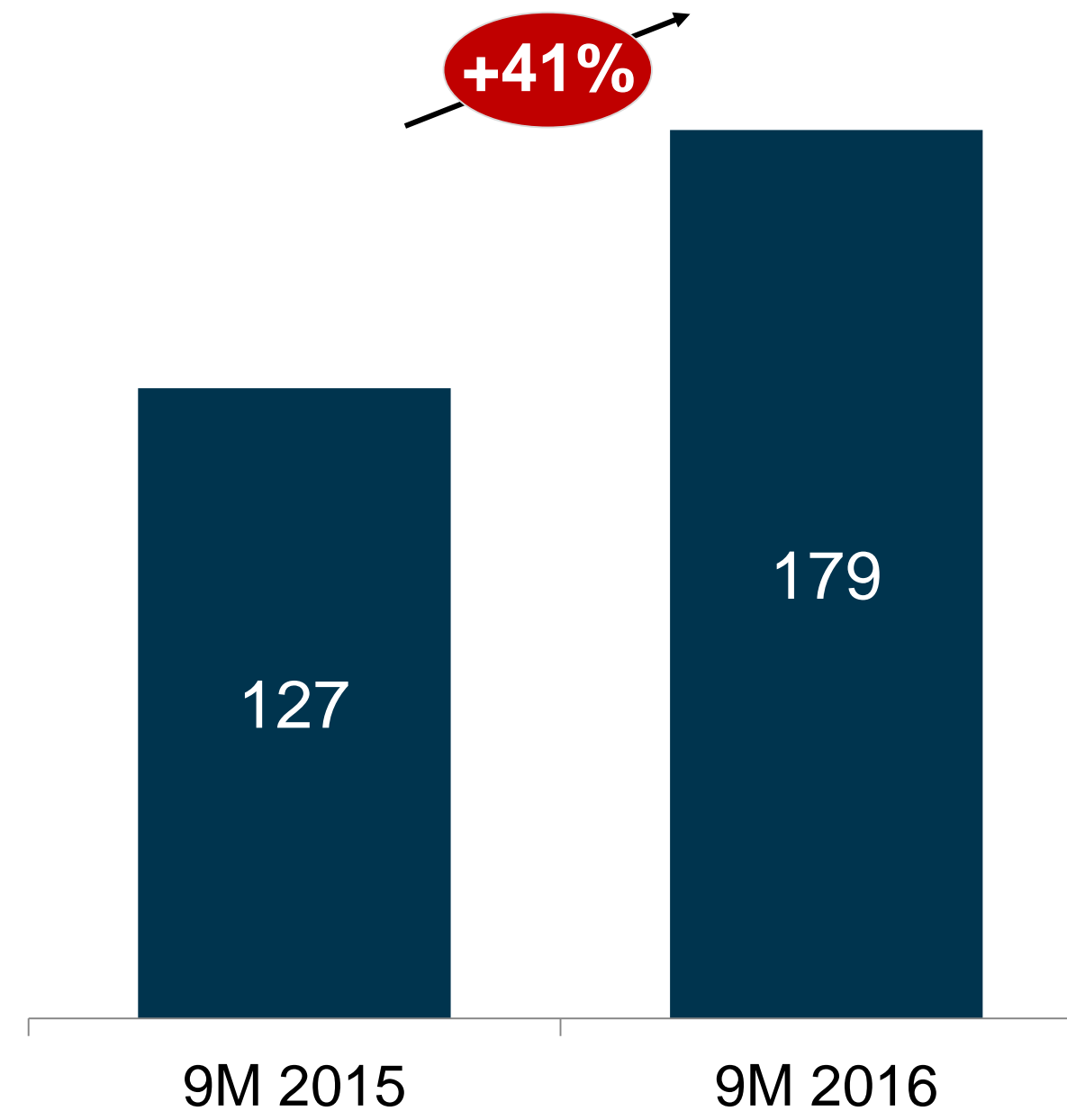
Robust retail sales and growth in profitability



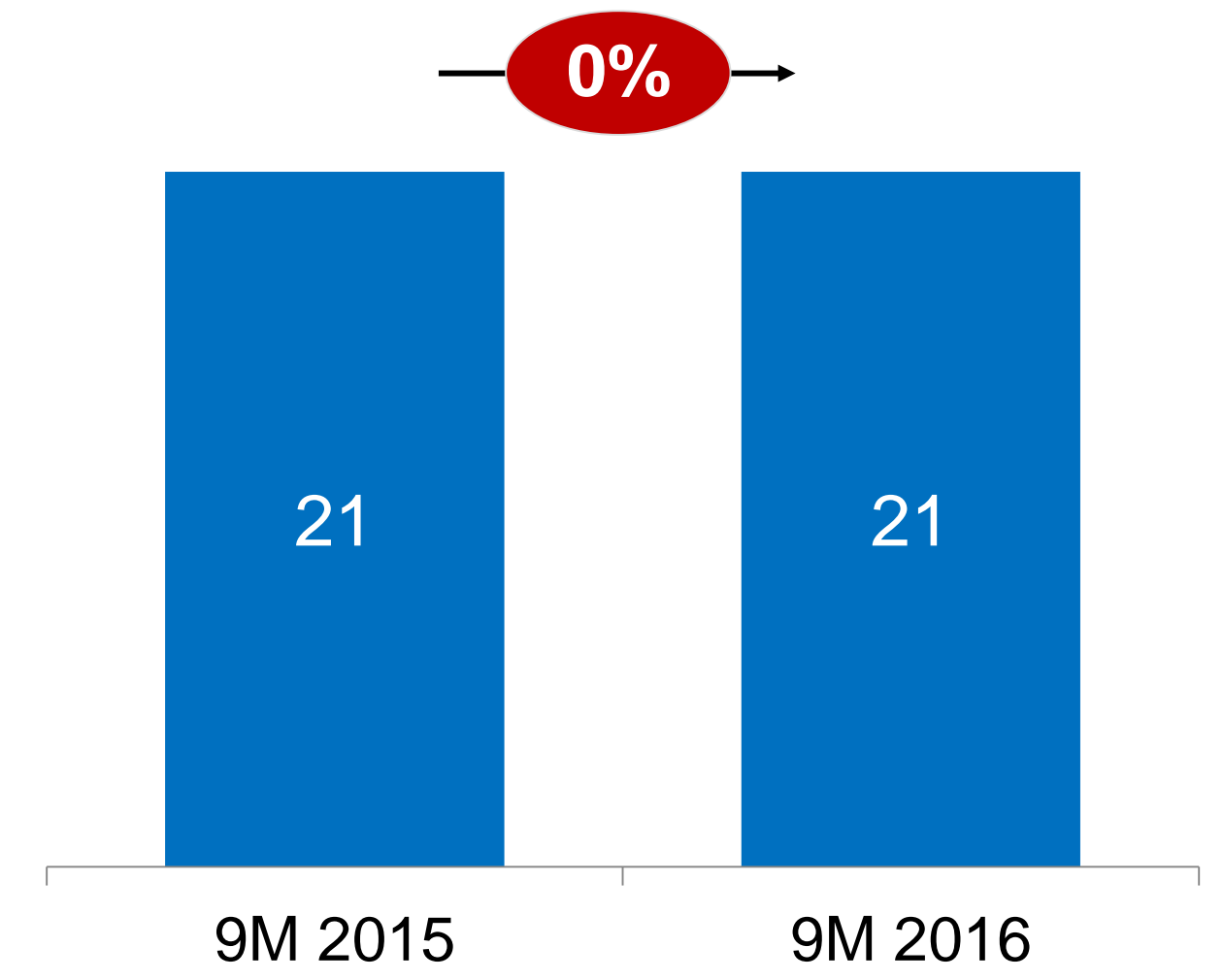
Total Retail Sales
(APE; £m)



Retail New Business EEV Profit
(Net) (£m)



Retail New Business Margin
(APE, %)

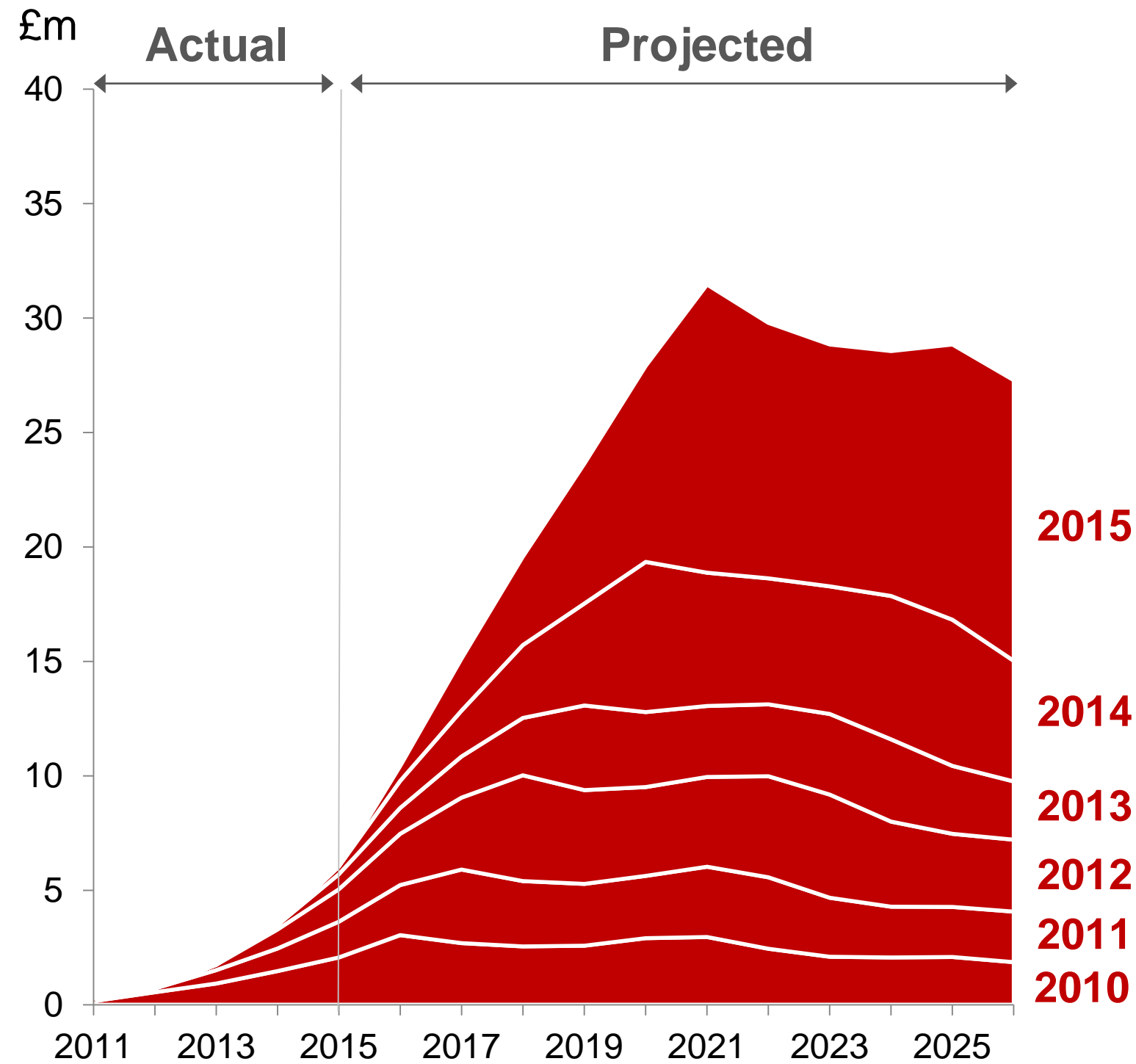


With-profits and PruFund range

Underpinning sustainable contribution to total cash remittance

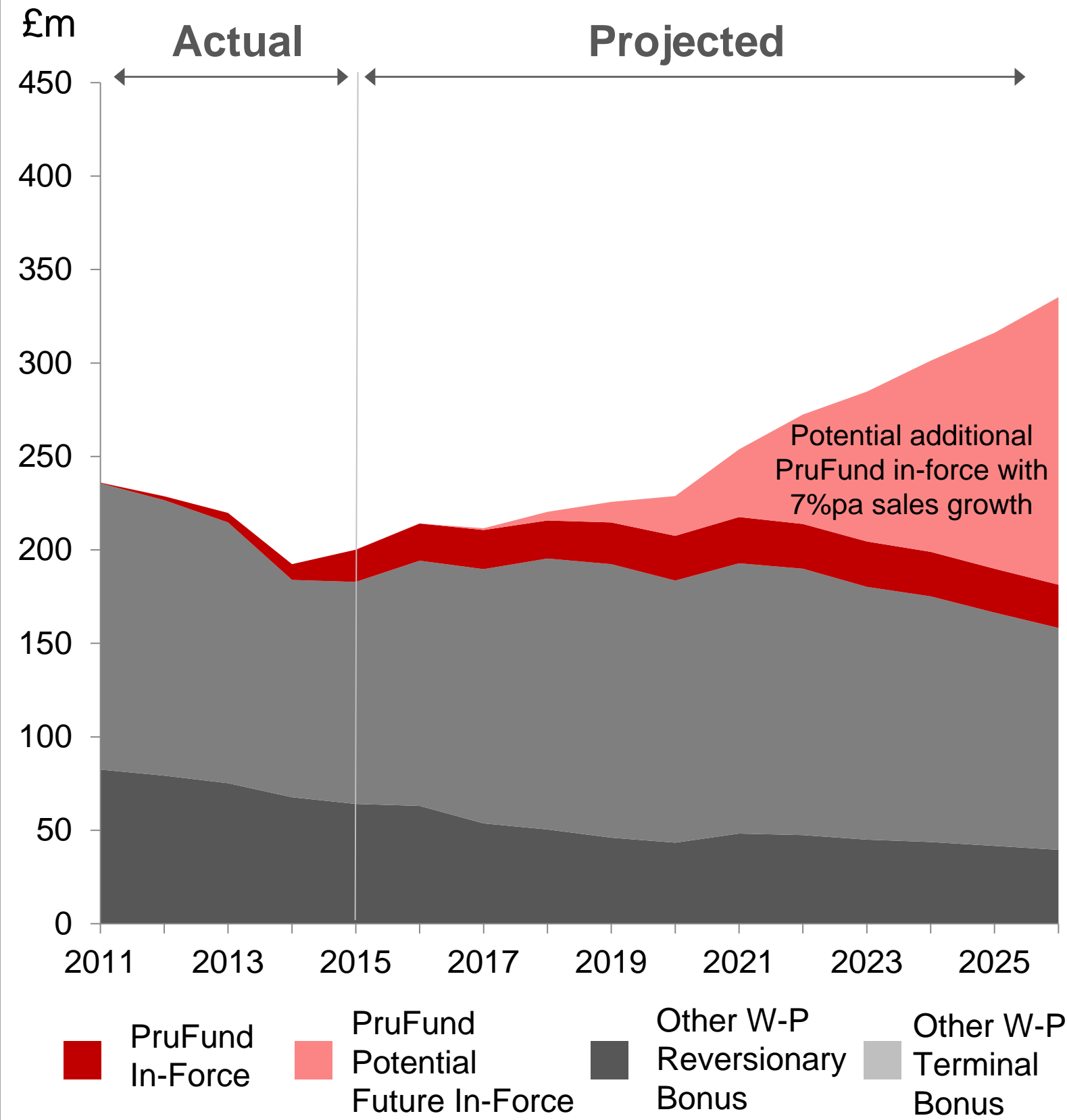


PruFund Total Shareholder Transfer from In-Force¹



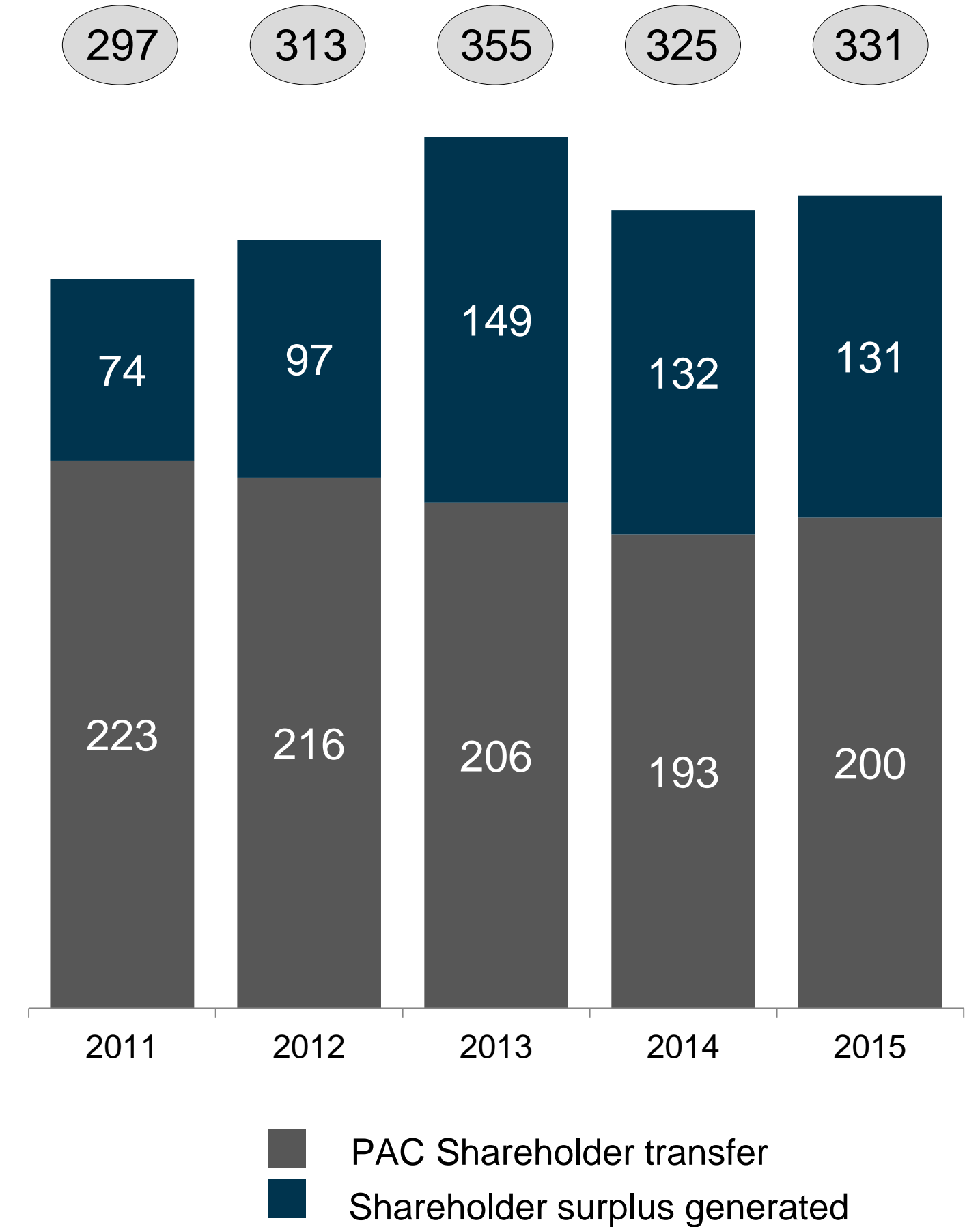
1. EEV projections showing the potential shareholder transfer (i.e. after tax) in the year paid (transfers are paid annually in arrears). Internal analysis, not externally audited.

Total Shareholder Transfer from all In-Force With-Profits²



2. EEV projections showing the potential shareholder transfer (i.e. after tax) in the year paid (transfers are paid annually in arrears). Future sales based on 7% per annum growth in PruFund new business from the start of 2017 onwards. Internal analysis, not externally audited.

Total Cash Remittances to Group (£m)



Re-engineering our operating model

Creating a Prudential for the future



- New management team in place to accelerate progress
- 6M customers holding 7M policies on 18 systems
- Successful launch of digital platform initially for new Retirement Account customers



Summary

Long-term capital-efficient growth built on award winning customer propositions



Unique proposition in a growth market



Best in class distribution capability in key channels



Re-engineering operating model to modernise customer offering and improve agility



Resilient cash remittance

