



INVESTOR CONFERENCE 2018

Mike Wells

Group

This document may contain 'forward-looking statements' with respect to certain of Prudential's plans and its goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements that are not historical facts, including statements about Prudential's beliefs and expectations and including, without limitation, 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 Prudential's 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, the timing, costs and successful implementation of the demerger of the M&G Prudential business; the future trading value of the shares of Prudential plc and the trading value and liquidity of the shares of the to-be-listed M&G Prudential business following such demerger; future market conditions, including fluctuations in interest rates and exchange rates the potential for a sustained low-interest rate environment, and the performance of financial markets generally; the policies and actions of regulatory authorities, including, for example, new government initiatives; the political, legal and economic effects of the UK's decision to leave the European Union; the impact of continuing designation as a Global Systemically Important Insurer or 'G-SII'; the impact of competition, economic uncertainty, inflation and deflation; 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 projects and other strategic actions failing to meet their objectives; disruption to the availability, confidentiality or integrity of Prudential's IT systems (or those of its suppliers); 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 the impact of legal and regulatory actions, investigations and disputes. 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 Prudential's actual future financial condition or performance or other indicated results to differ, possibly materially, from those anticipated in Prudential's forward-looking statements can be found under the 'Risk Factors' heading in Prudential's most recent Annual Report and the 'Risk Factors' heading of Prudential's most recent Annual Report furnished to the U.S. Securities and Exchange Commission on Form 20-F, as well as under the 'Risk Factors' heading of any subsequent Prudential Half Year Financial Report. Prudential's most recent Annual Report, Form 20-F and any subsequent Half Year Financial Report are available on its website at www.prudential.co.uk.

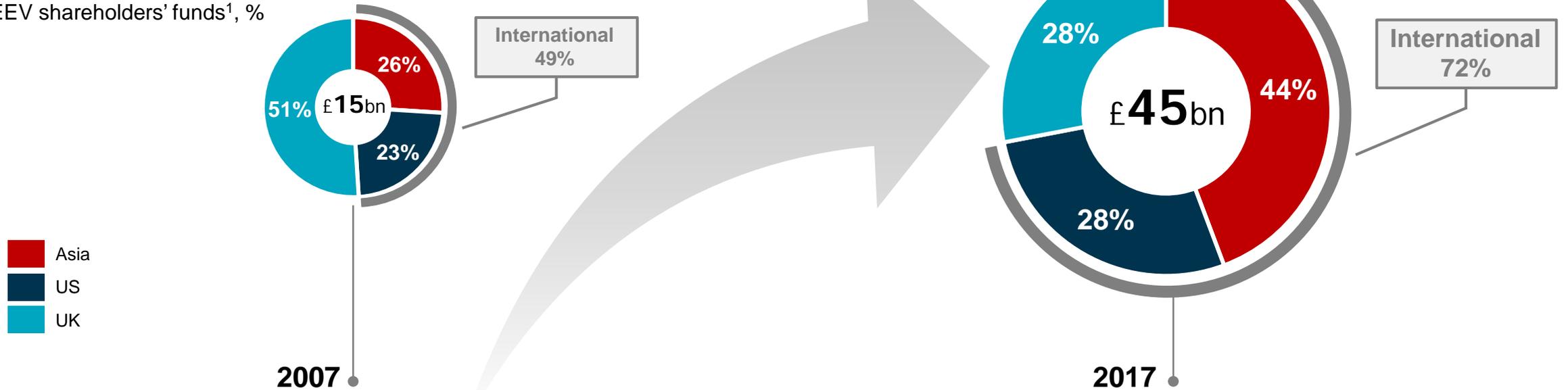
Any forward-looking statements contained in this document speak only as of the date on which they are made. Prudential expressly disclaims any obligation to update any of the forward-looking statements contained in this document or any other forward-looking statements it may make, whether as a result of future events, new information or otherwise except as required pursuant to the UK Prospectus Rules, the UK Listing Rules, the UK Disclosure and Transparency Rules, the Hong Kong Listing Rules, the SGX-ST listing rules or other applicable laws and regulations.

Prudential plc

Context of demerger

Evolution of mix

EEV shareholders' funds¹, %



UK centric

- Emerging Asia business reliant on Group funding
- US business yet to define a strategic focus
- Pru UK wrote 1 in 4 of the country's individual annuities

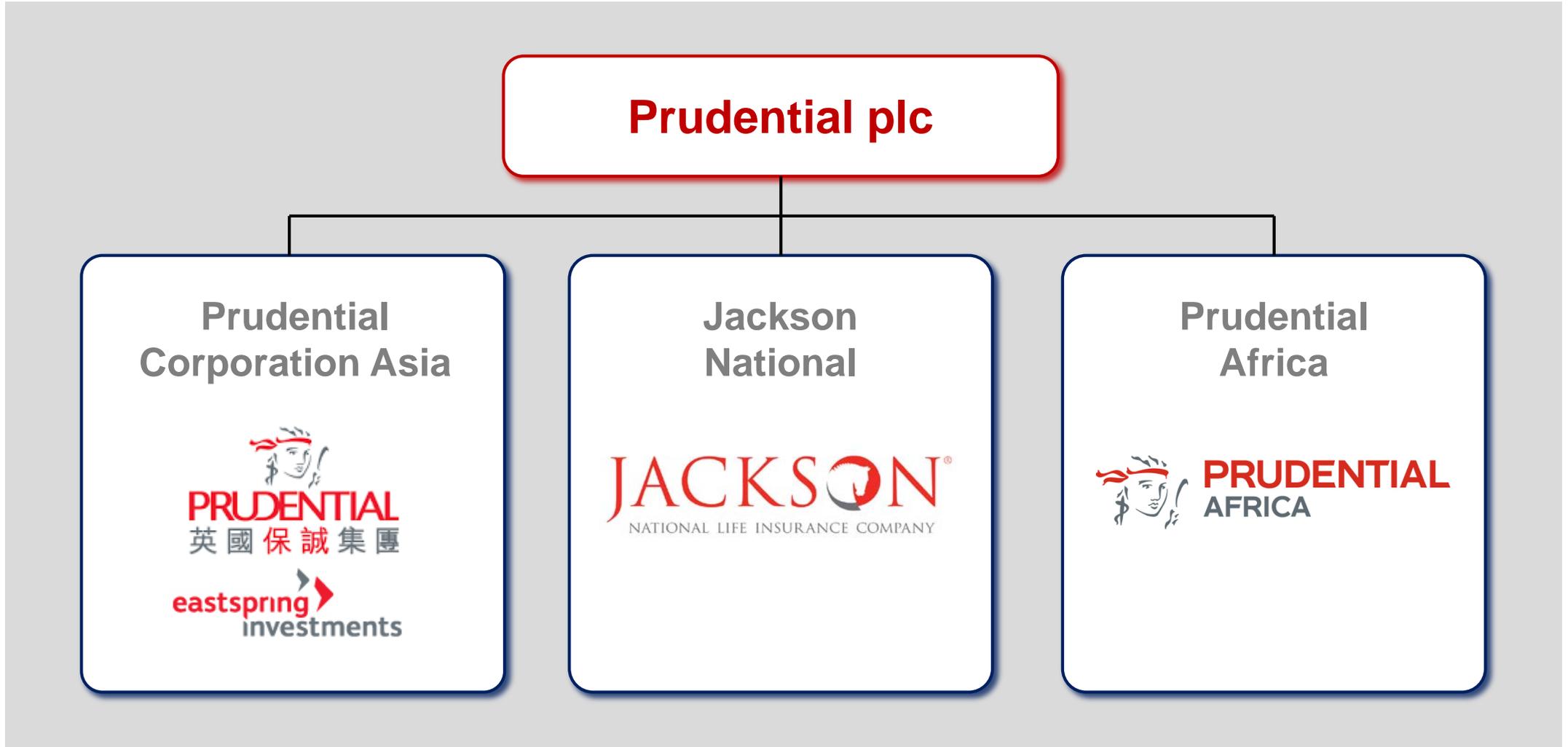
International focus

- Leading Pan-regional Asia business delivering expansive growth with 15m Life customers
- Leading US retirement business
- Integrated UK savings platform generating significant cash flows

¹ Mix percentages excludes central operations and are based on reported numbers.

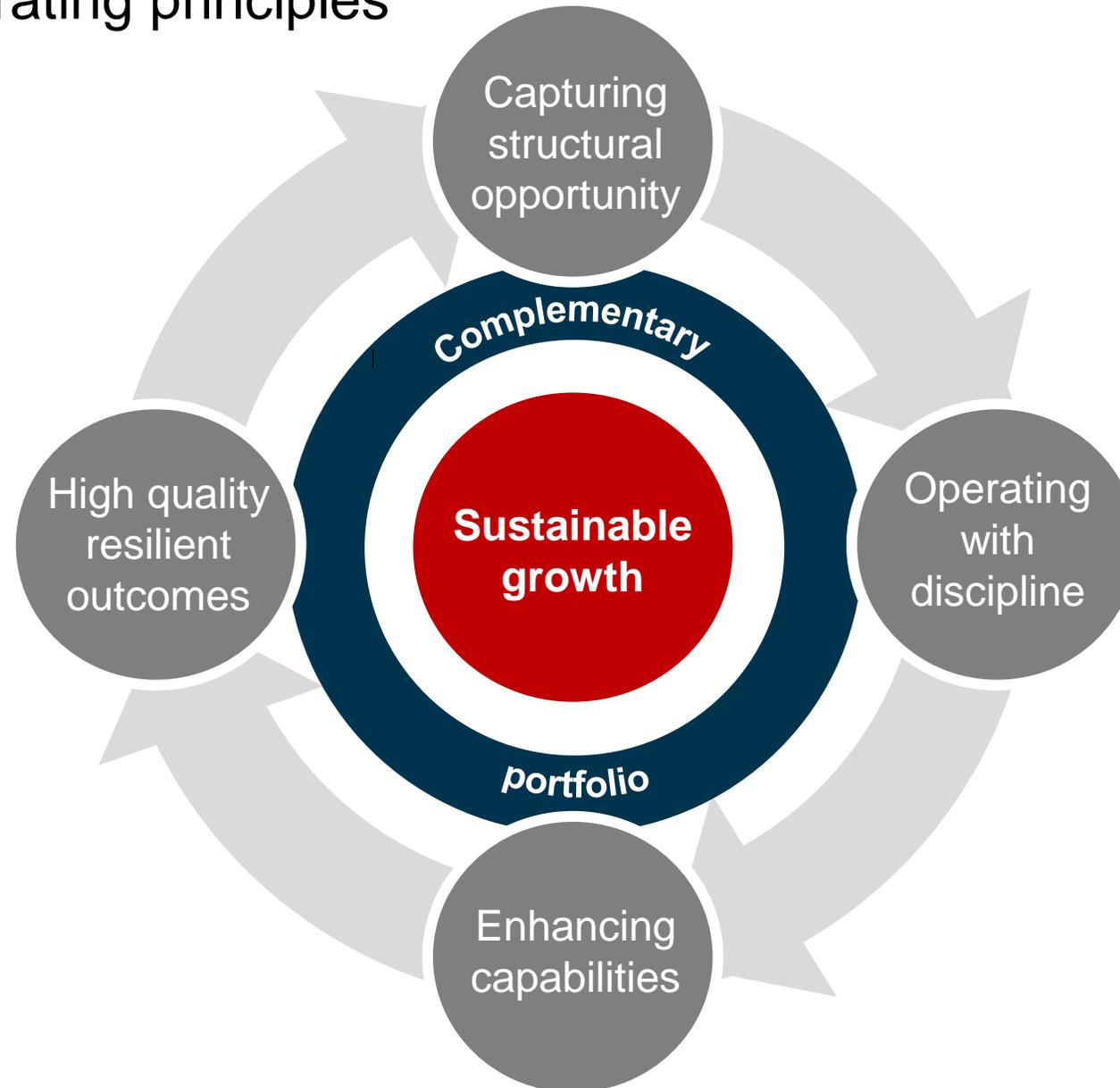
Prudential plc post demerger

Group



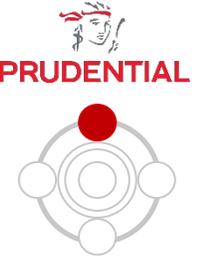
Prudential plc post demerger

Ambition and operating principles



Capturing structural opportunity

Unrivalled access to world's largest and fastest growing markets



JACKSON
NATIONAL LIFE INSURANCE COMPANY

PRUDENTIAL
英國保誠集團

Asian growth

+ 1 million

People entering the working population every month^{2,3}

Leading Pan Asian business

PRUDENTIAL AFRICA

+ 1 billion

Population of Africa²

Building presence in one of the world's most under penetrated markets

US wealth

More than

\$ 15 trillion

Total advisor distributed assets¹

Leading provider of retirement products

Total FUM⁴ £ 320 bn

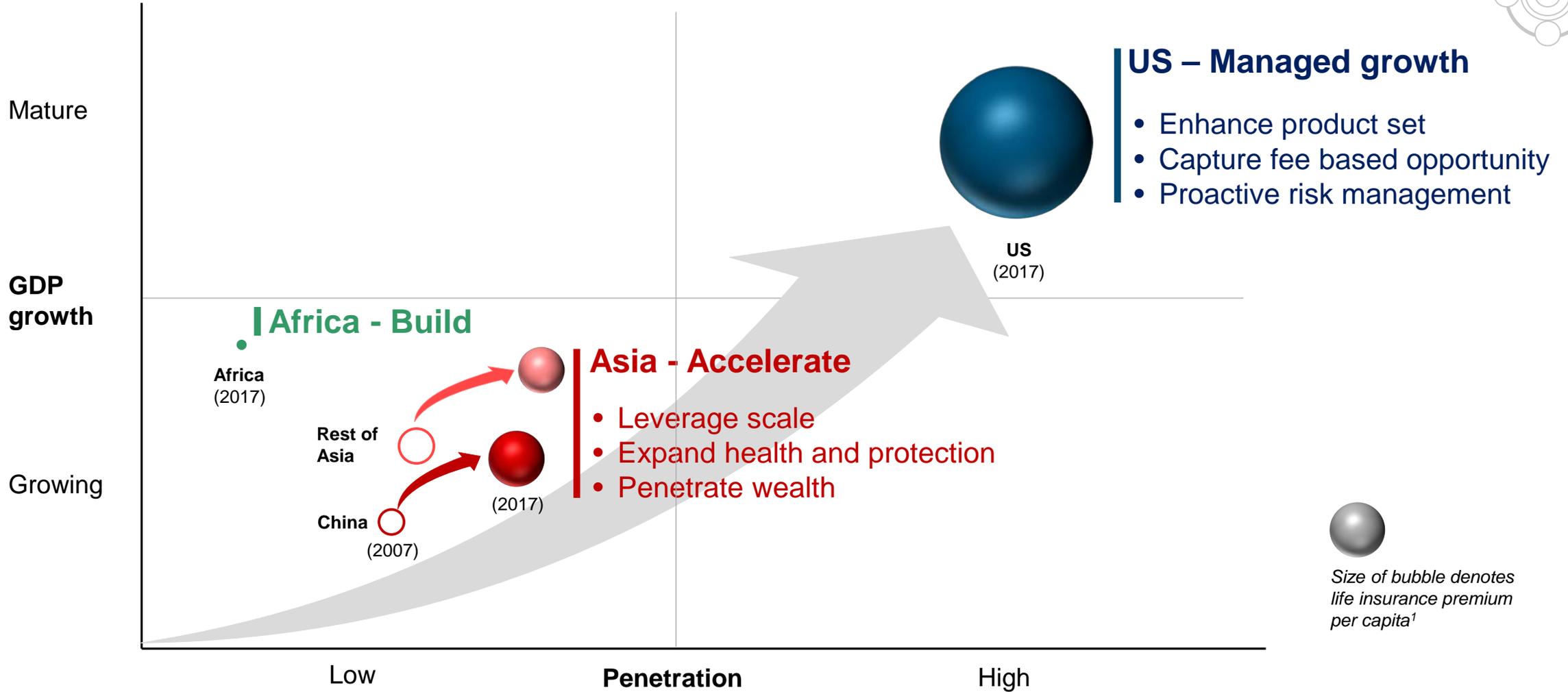
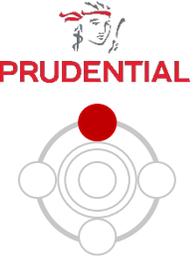
Proportion of global GDP⁵ 48%

Access to population² 4.2 bn

Life insurance customers 19 m

Capturing structural opportunity

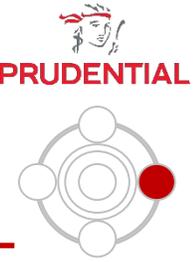
Superior growth markets with further upside



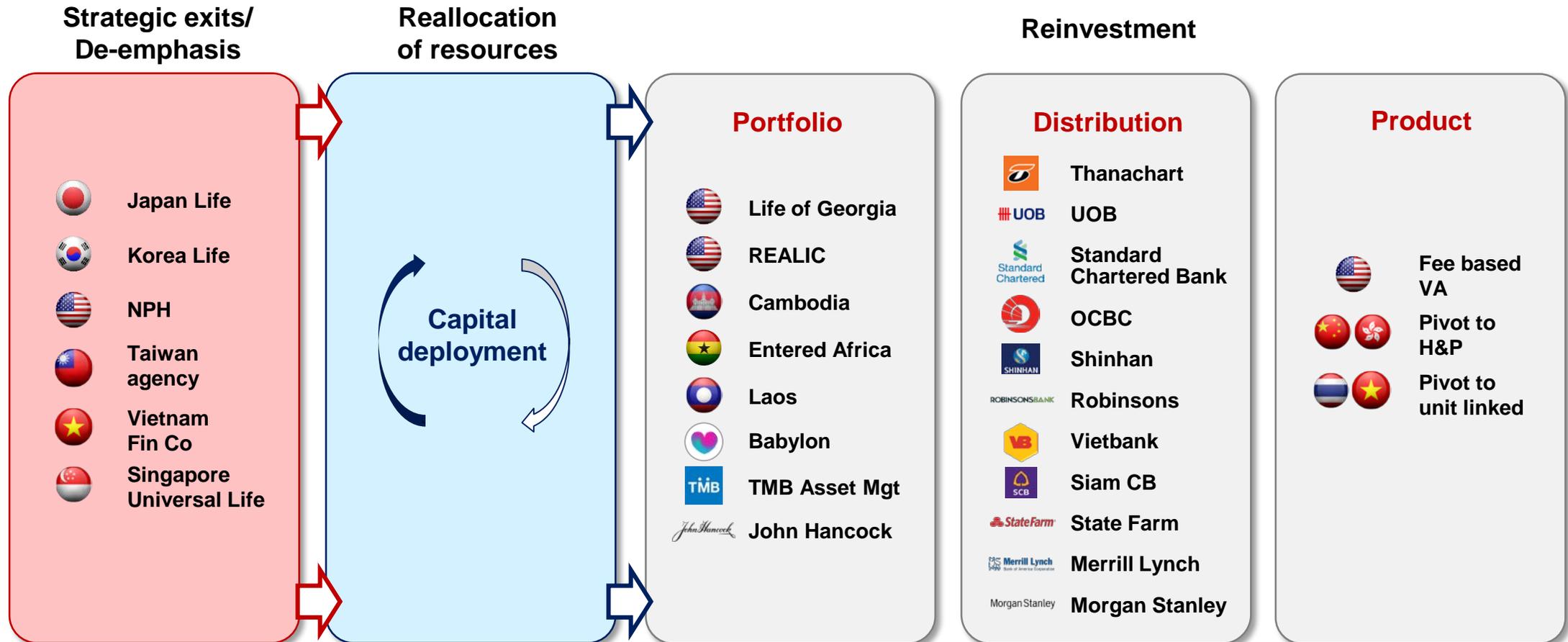
¹ Source: Swiss Re, 2017: Sigma no 3/2018. 2007: Sigma no 3/2008.

Operating with discipline

Focused and disciplined capital allocation

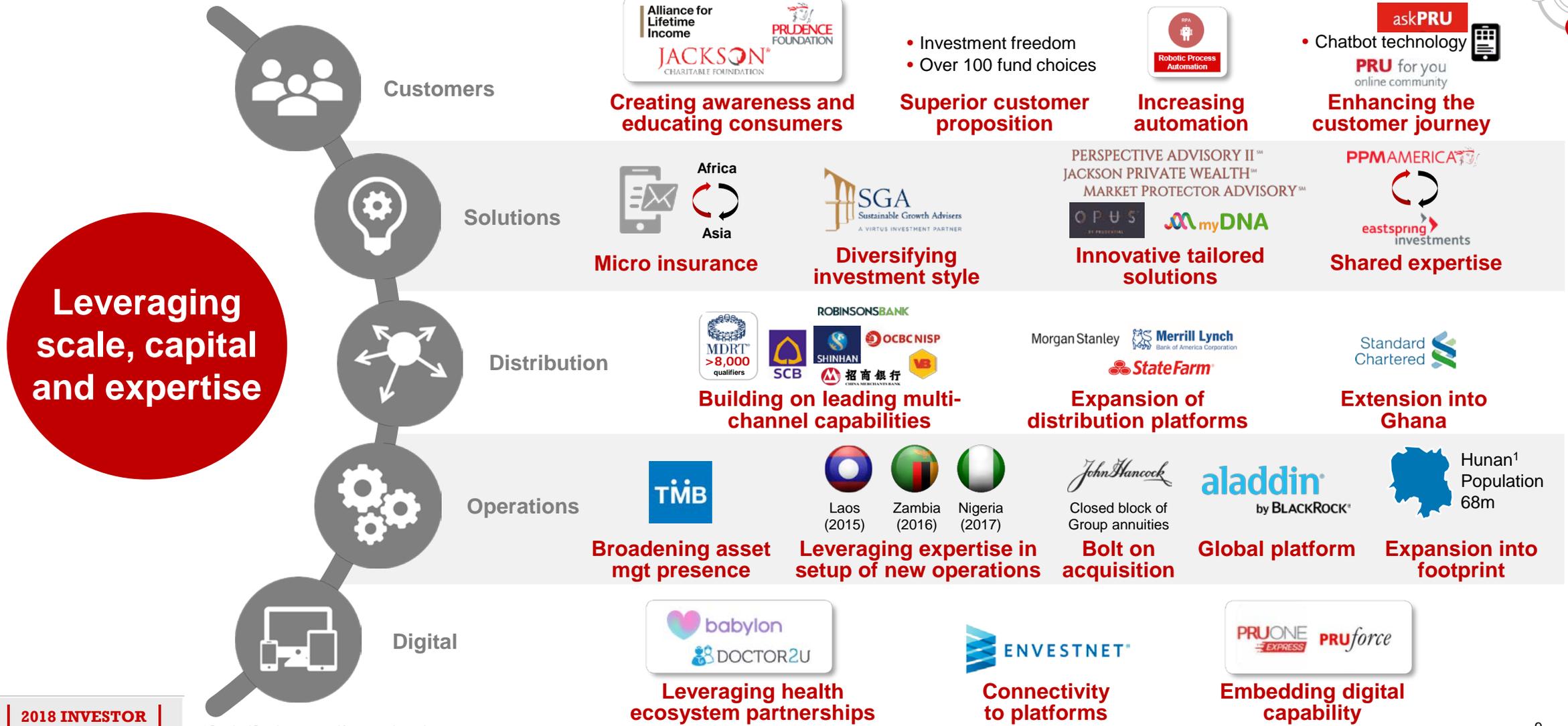
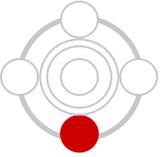


History of capital allocation optionality and strategic flexibility



Enhancing capabilities

Leveraging strengths



¹ Received Regulatory approval for preparation work.

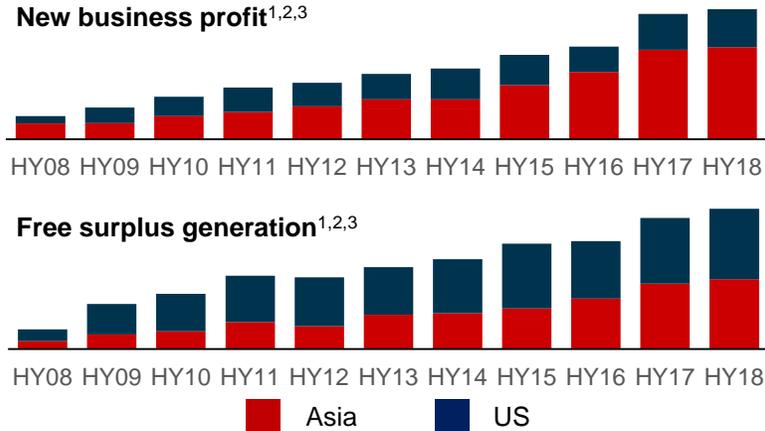
Complementary portfolio

Balance by geography, sales, risk and stages of maturity

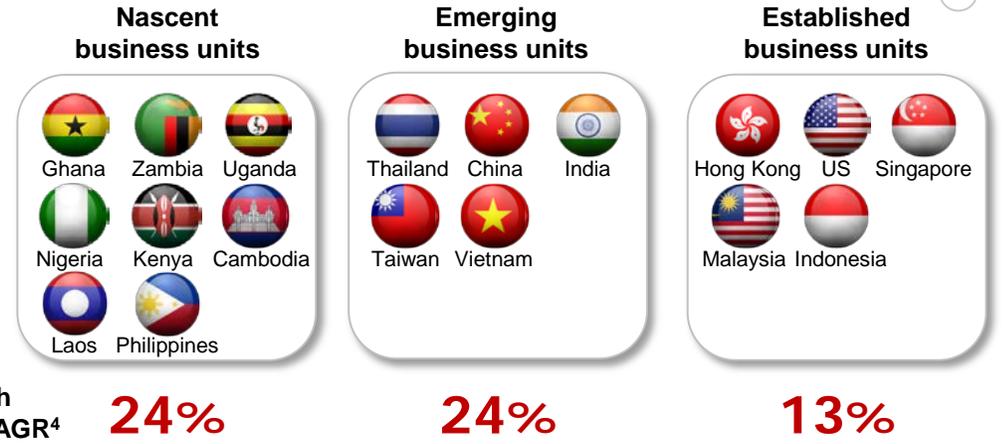


Geographical balance

Balanced and complementary growth profile

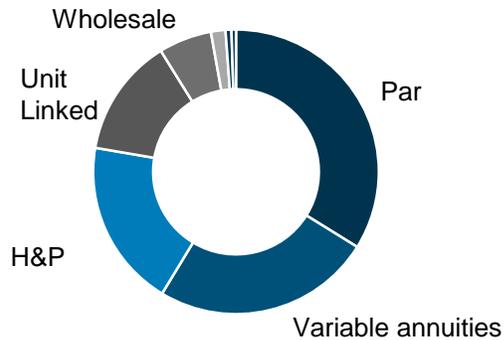


Business units at different stages of maturity

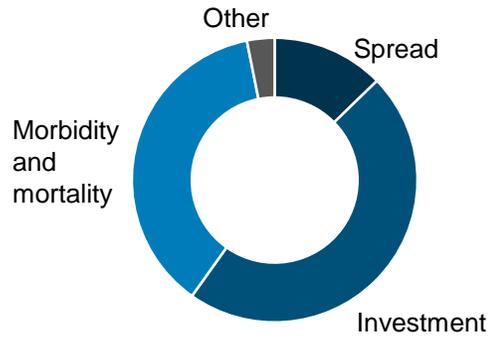


Product balance

Balanced sales mix HY18 APE, £m



Balanced risk profile HY18 Sources of earnings, £m



Opportunities to cross-fertilise capabilities

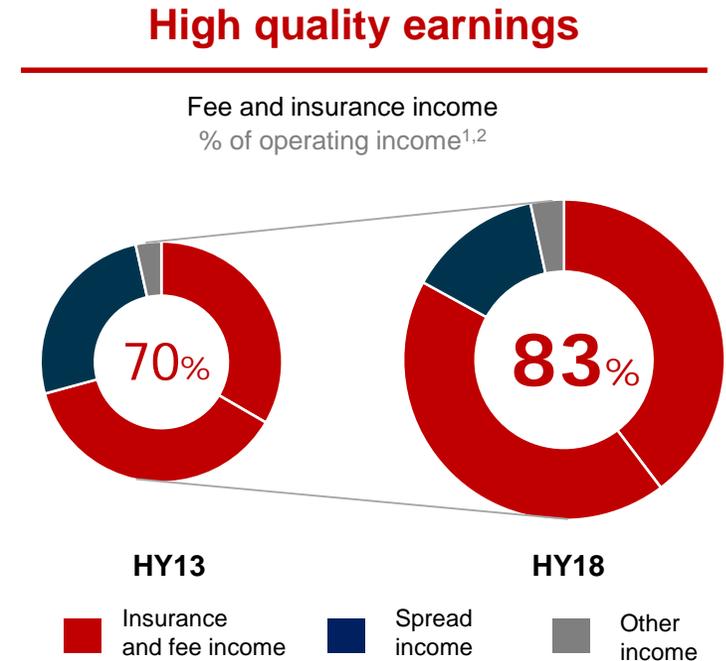
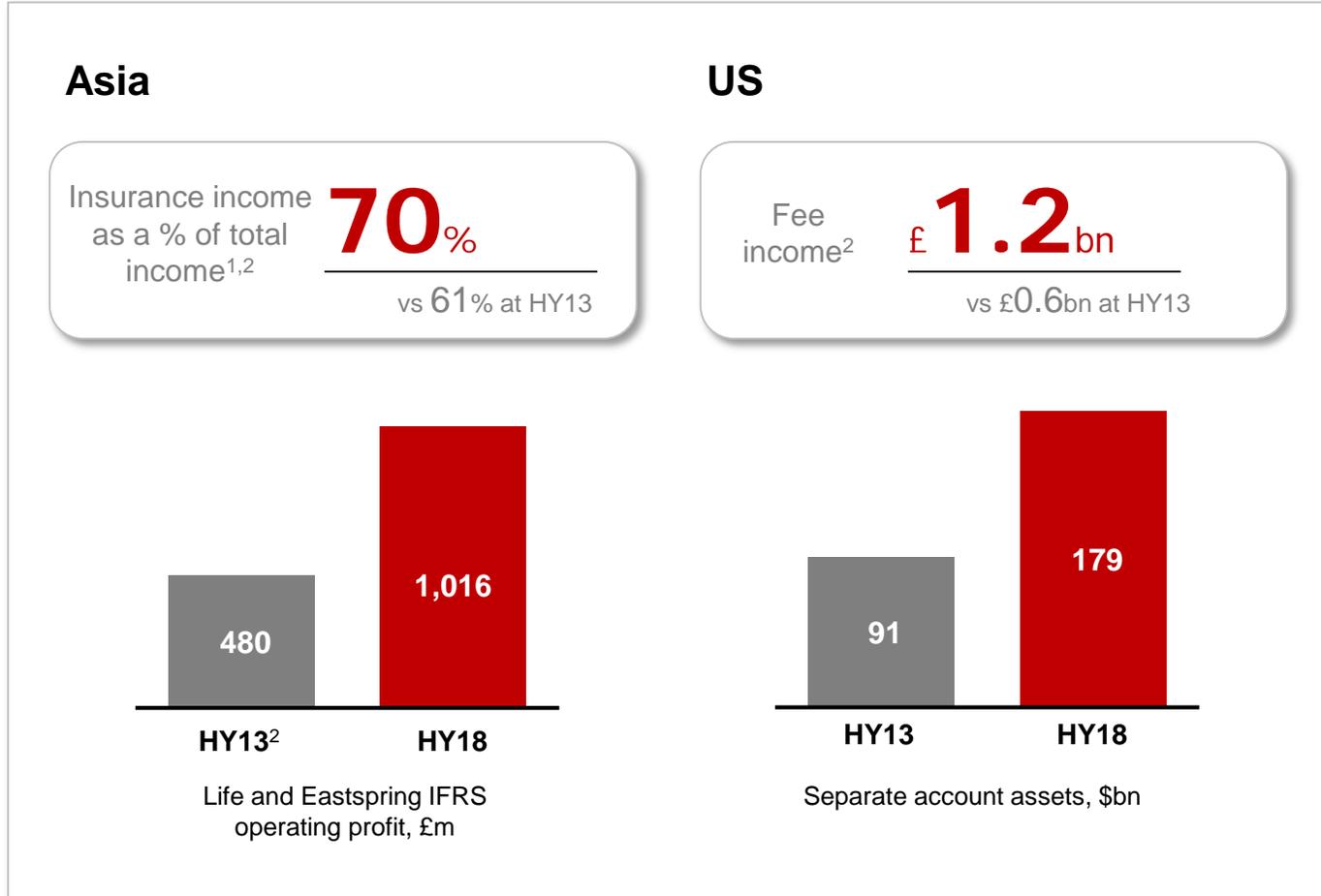
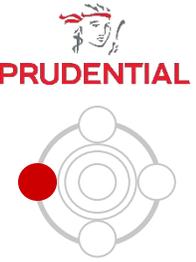


- Convergence in customer needs across markets
- Potential to leverage across geographies

1 Comparatives have been stated on an actual exchange rate basis.
 2 Excludes Korea Life, Japan and Taiwan agency.
 3 On a post tax basis.
 4 Growth in IFRS operating profit on a constant exchange rate basis.

High quality resilient outcomes

Continued focus on insurance and fee income

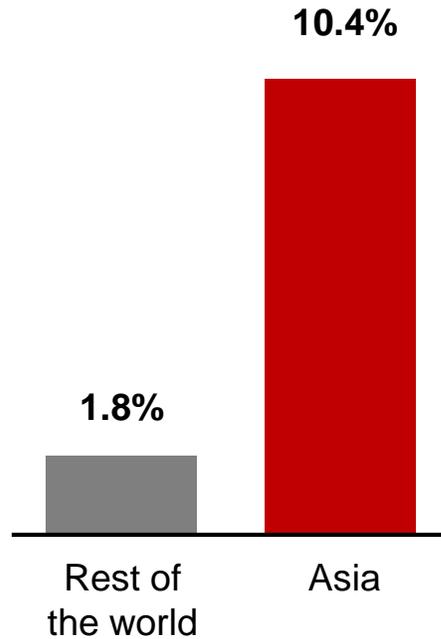


Asia - Accelerate

Driving global growth

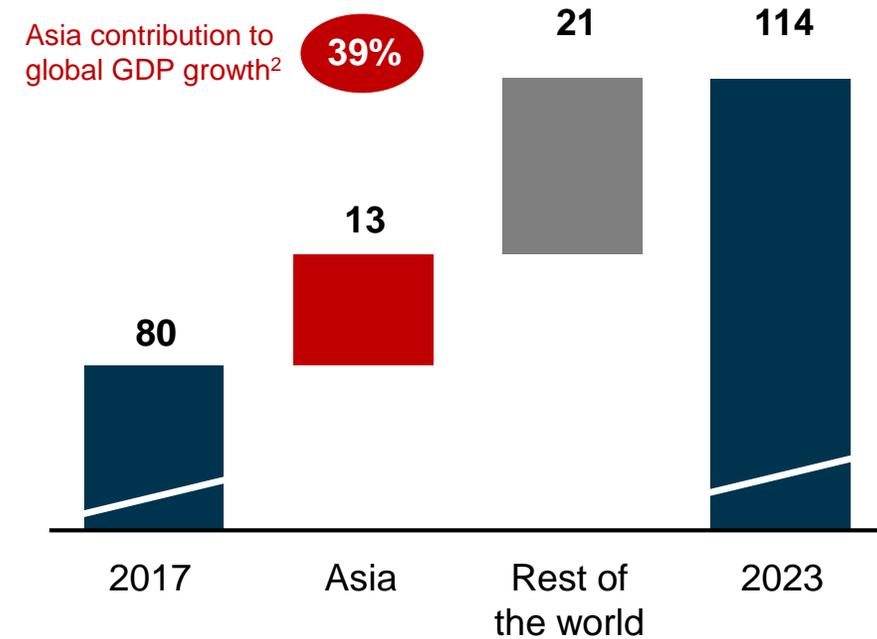
Fastest growing

GDP growth¹
10 year CAGR 2007-2017



Major contributor to global growth

GDP current prices¹
US\$tn



¹ Source: IMF. 2017 GDP at September 2018 current prices. Asia represents PCA's life footprint.
² Between 2017 and 2023.

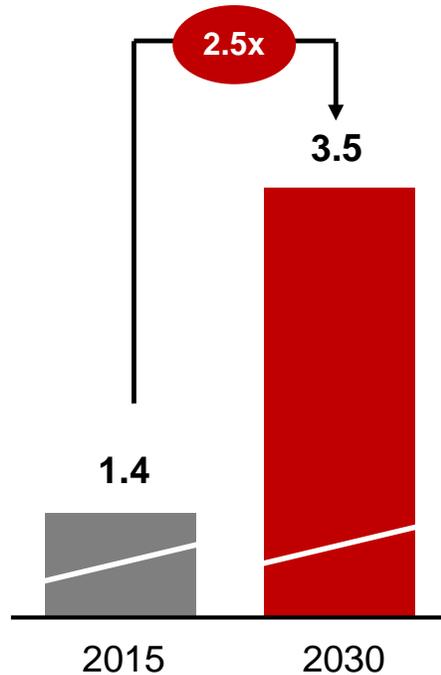
Asia - Accelerate

Large and growing population with low levels of penetration



Middle class

Population¹, bn



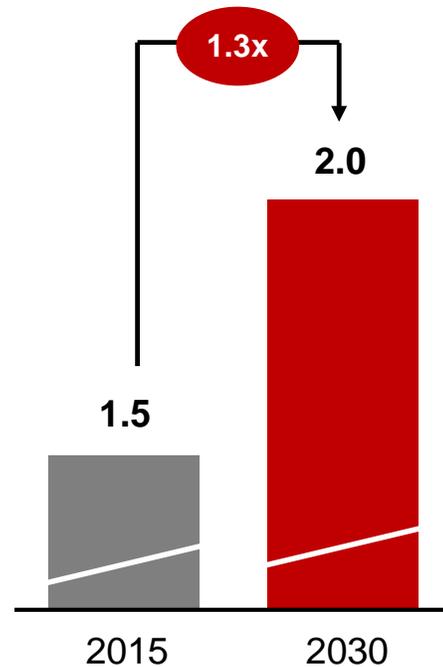
Asia as % of world

46%

65%

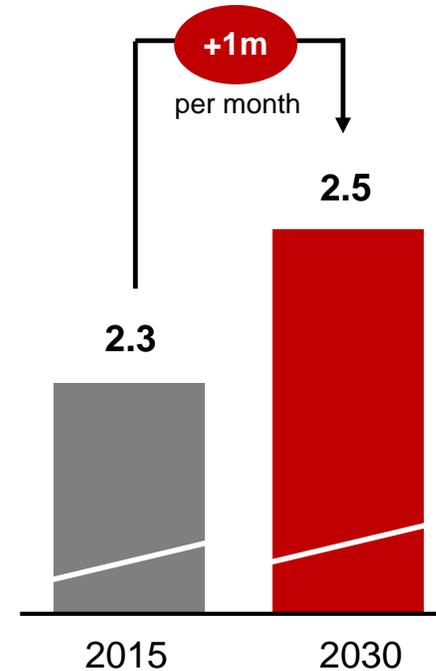
Urban population

Population², bn



Working age

Population², bn



Penetration

Insurance penetration³ **2.7%**
(UK=7.5%)

Mutual fund penetration⁴ **12%**
(US=96%)

Penetration of PCA's banca customer base⁵ **6%**

¹ Brookings Institution. Represents Asia Pacific.

² United Nations, Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 revision. Asia represents PCA's life footprint.

³ Insurance penetration source Swiss Re Sigma 2015. Insurance penetration calculated as premiums in % of GDP. Asia penetration calculated on a weighted population basis.

⁴ Investment Company Institute, industry associations and Lipper.

⁵ Percentage represents the number of PCA customers as a proportion to the number of customers we have access to.

Asia - Accelerate

Large health and protection gap

Protection gap

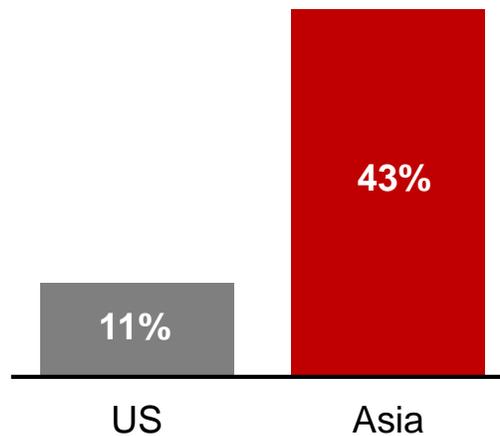
Mortality protection gap¹ US\$ **45**tn

Asia health & protection gap² US\$ **1.8**tn

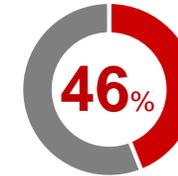
Ratio of protection gap vs protection needed¹, %

 India	92%	 Indonesia	73%
 Vietnam	91%	 Malaysia	73%
 China	88%	 Hong Kong	70%
 Philippines	80%	 Singapore	56%
 Thailand	78%		

Out of pocket expenditure⁴

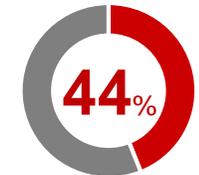


Chronic diseases



Proportion of protection gap due to chronic diseases³

Asia % of world's deaths caused by chronic diseases⁵



Focus on quality

No. of PCA's health customers **+1.3m**
2012-2017

H&P as % of total NBP **66%** (2012) **70%** (2017)

¹ Swiss Re Mortality Protection Gap Asia Pacific 2015. Represents PCA's life footprint excluding Cambodia and Laos.

² Swiss Re Asia's health protection gap: insights for building greater resilience. October 2018. Represents China, India, Japan, Korea, Indonesia, Malaysia, Taiwan, Vietnam, the Philippines, Singapore, Hong Kong and Thailand.

³ Swiss Re Asia's health protection gap: insights for building greater resilience. October 2018. Asia represents PCA's footprint.

⁴ The World Bank. Out of pocket as % of total health expenditure, Asia represents average of PCA's life territories.

⁵ WHO. Represents PCA life footprint.

Asia - Accelerate

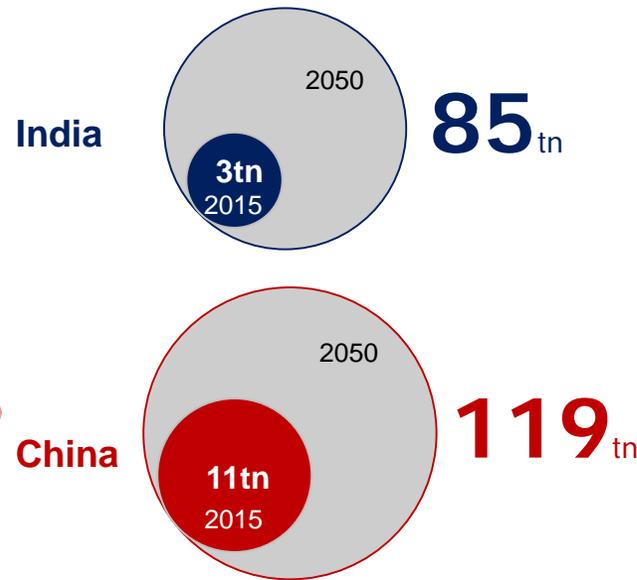
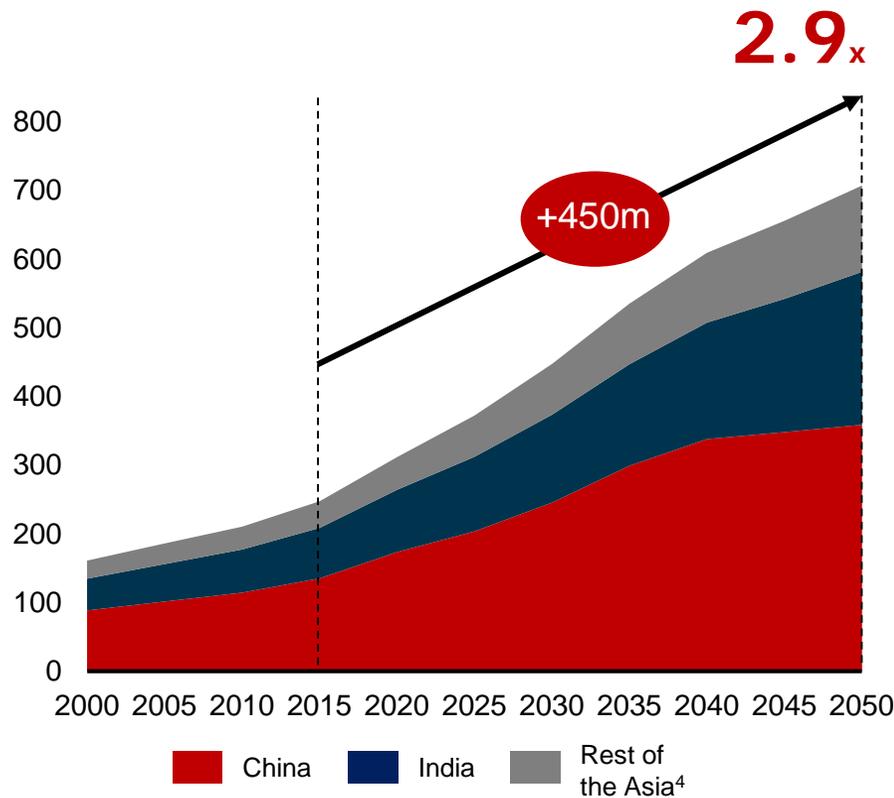
New opportunities

Retirement opportunity

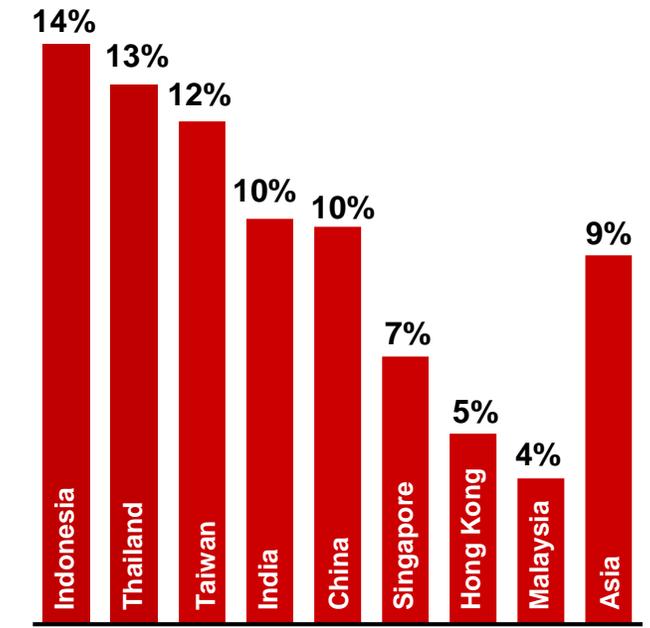
High net worth opportunity

Population over 65¹, m

Retirement savings gap², US\$



Total Asia HNW financial wealth³ US\$ **10**tn

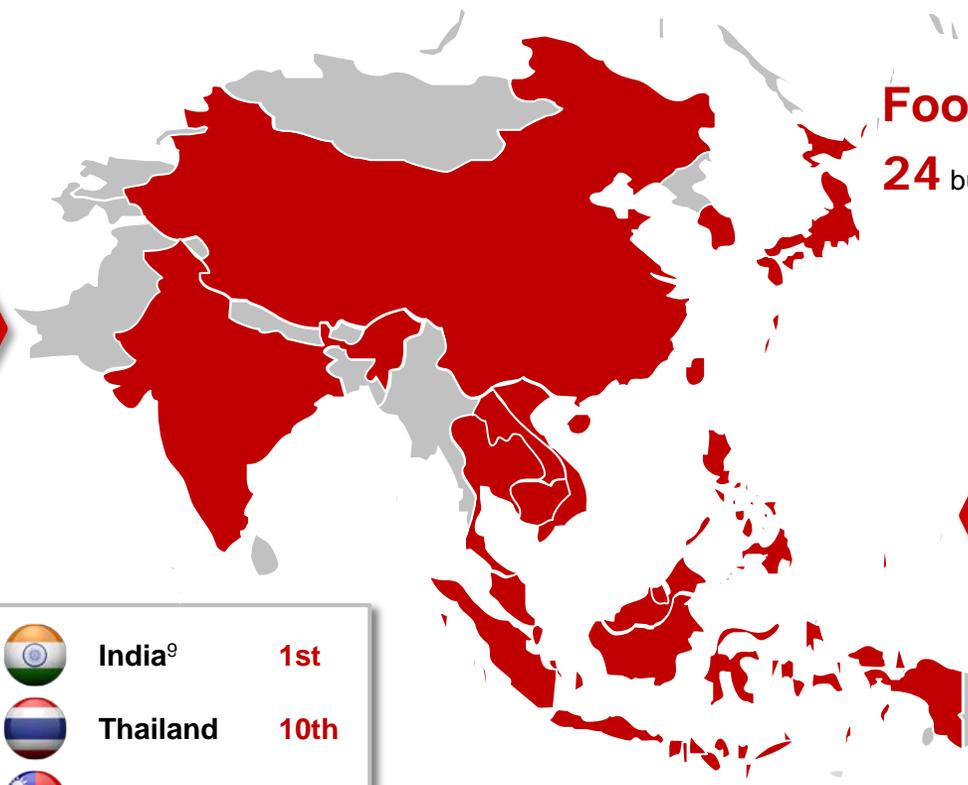


HNW financial wealth growth rates 2016³

1 United Nations, Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 revision.
 2 World Economic Forum.
 3 Capgemini Financial Services Analysis 2017.
 4 Represents Hong Kong, Taiwan, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Asia - Accelerate

Market leading positioning and capabilities



Positioning

Top **3** in 9 of 12 life markets¹
In Asia since **1923**

	Hong Kong	2nd		India⁹	1st
	China⁶	4th		Thailand	10th
	Singapore⁷	2nd		Taiwan	12th
	Malaysia⁸	1st		Philippines	3rd
	Indonesia	1st		Cambodia¹⁰	1st
	Vietnam	2nd		Laos	3rd

Footprint

24 businesses across **14** countries

Eastspring

Market leading
pan regional Asian
Retail Fund Manager³

£ **149**bn FUM⁴

Scale

15m Pru life customers
Access to **3.6**bn of population²
25m policies

Distribution⁵

>600k agents
with **>8k** MDRT's
>100 partners
access to **>10,000**
bank branches



Asia - Accelerate

Compounding growth underpins resilience to market volatility



Retention rate¹

> **90%**

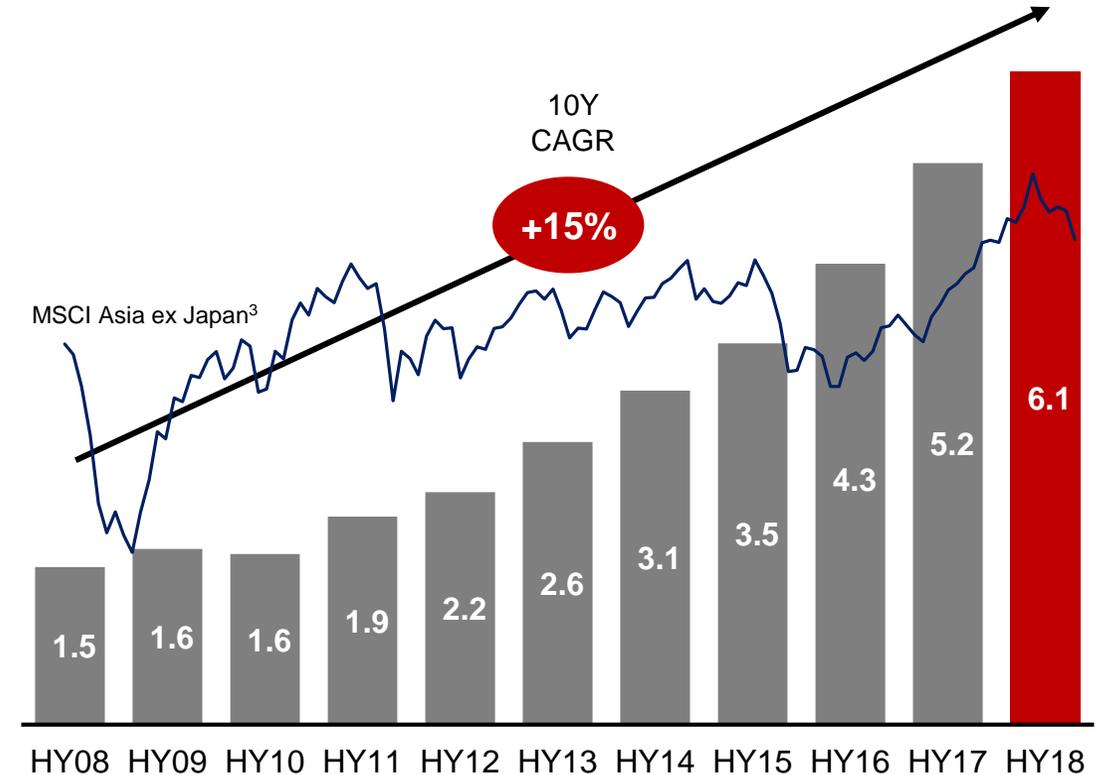
Regular premiums¹

94%

Number of customers²

7m to 15m

Renewal premium income⁴
£bn



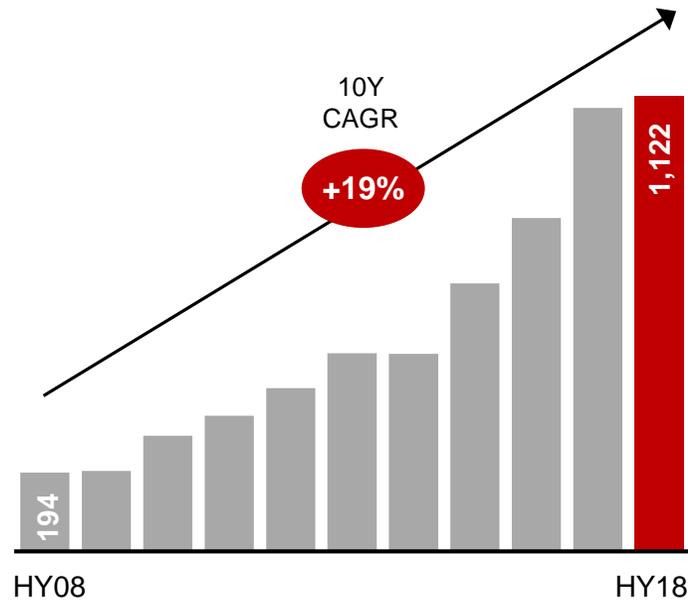
Asia - Accelerate

Growth across all metrics



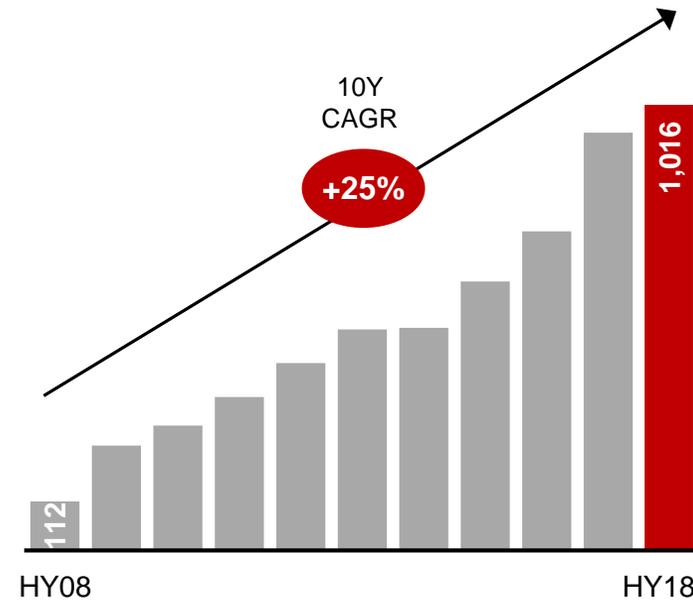
New business profit^{1,2,3}

£m



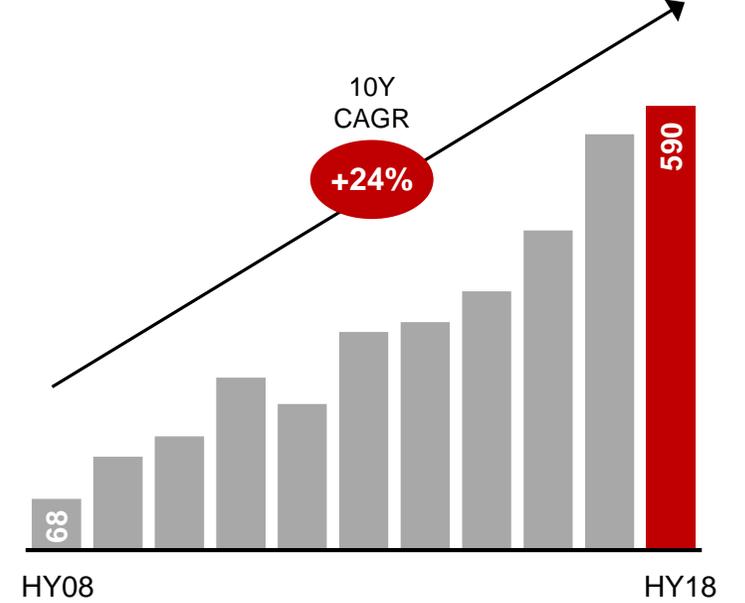
IFRS operating profit^{1,2,4}

£m



Free surplus generation^{1,2,3}

£m



1 Comparatives have been stated on an actual exchange rate basis.
2 Comparatives are adjusted for new and amended accounting standards and excludes Korea Life, Japan and Taiwan agency.
3 On a post-tax basis.
4 Represents Asia Life and Eastspring's segmental IFRS operating profit.

US – Managed growth

Grow in advisory market and enhance market leading position in brokerage



Jackson positioning

Enhance

Our market-leading VA position in the **brokerage** market

Brokerage

Industry

18% VA market share

Jackson

627 selling agreements

>30% market share in VA¹

Grow

In the **advisory** retirement solutions market

Advisory

Industry

3% VA market share

Jackson

158 selling agreements

>50% market share in VA¹

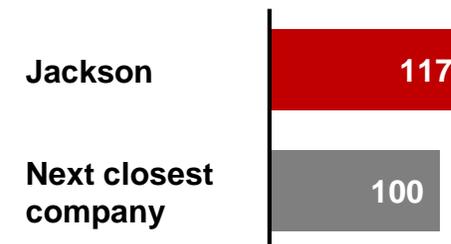
\$15.2_{tn} of US advisor distributed assets³

Largest and most productive variable annuity wholesaling force²

VA wholesalers at 30 June 2018
(Closest peer rebased to 100)



HY18 VA sales per wholesaler
(Closest peer rebased to 100)



US – Managed growth

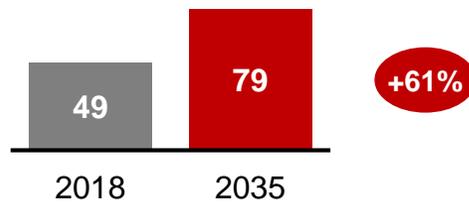
Long-term retirement opportunity

Structural opportunity

Demographic shifts

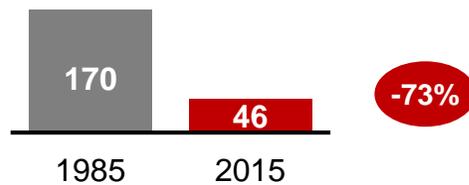
Ageing population¹

Population over 65 millions

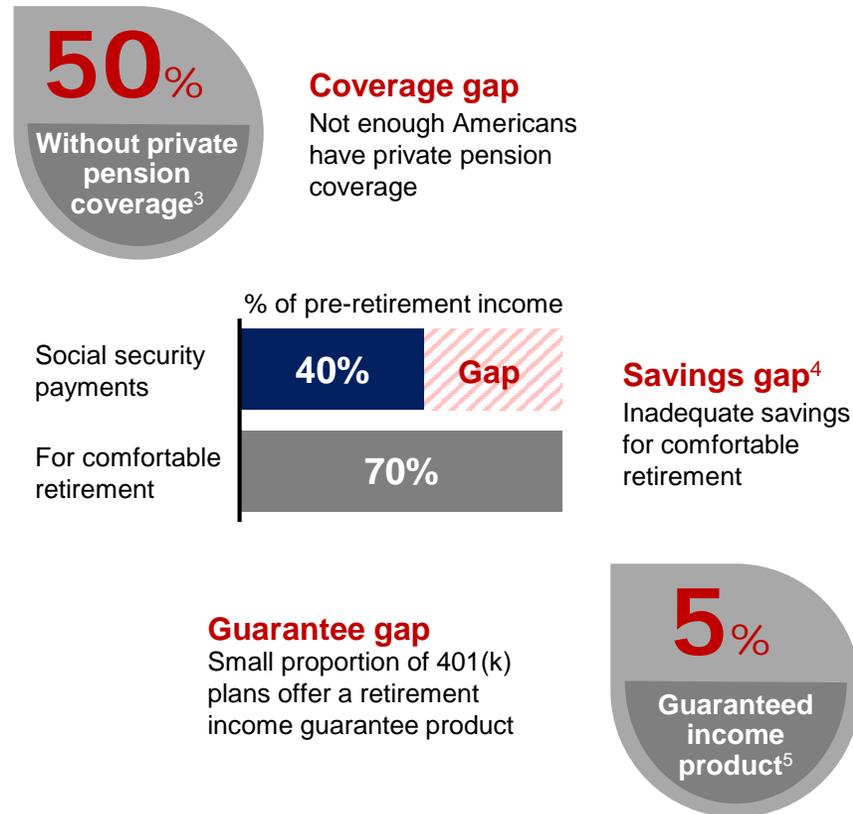


Declining pensions²

of defined benefit plans thousands



Significant and growing gap



Consumer needs

Survey outcomes⁶



¹ Social Security Administration

² U.S. department of Labor, "Private Pension Plan Bulletin Historical Tables and Graphs 1975 – 2015". February 2018.

³ Social Security Administration. Workers in private industry.

⁴ Social Security Administration. Based on average earnings.

⁵ PSCA. Plan Sponsor Council of America.

⁶ The Language of Retirement 2017 – study conducted on behalf of the Insured Retirement Institute and Jackson.

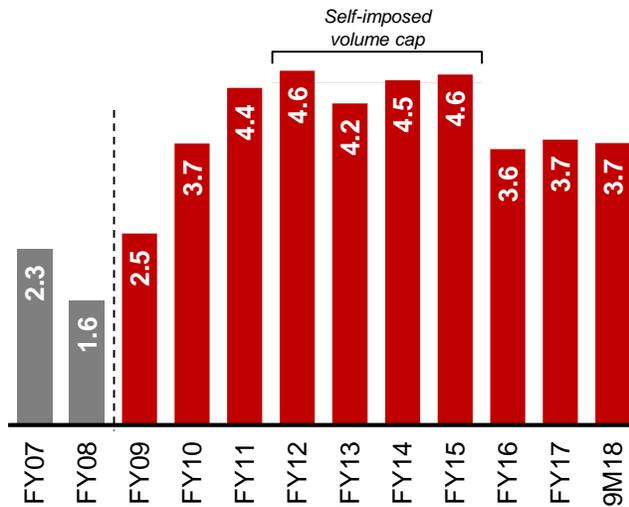
US – Managed growth

Operating with discipline

Operational discipline

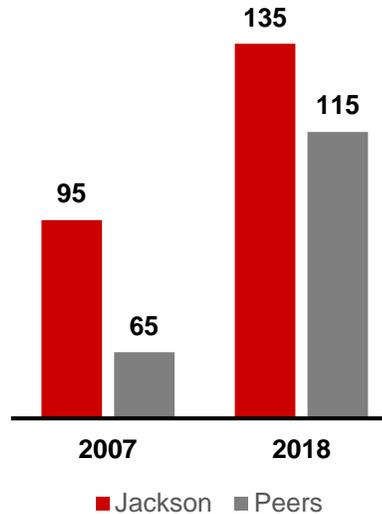
New business management

Variable annuity excl Elite Access,
\$bn average per quarter



Consistently conservative pricing

Living benefit fee, bp



Managed risks

Approach to market risk

- Benefits individually priced
- Conservative hedging approach
- Tail risk protection of economics

Credit risk

- 97% investment grade¹
- Underweight risk sectors
- Diversified across 650 issuers
- Average holding of \$53m

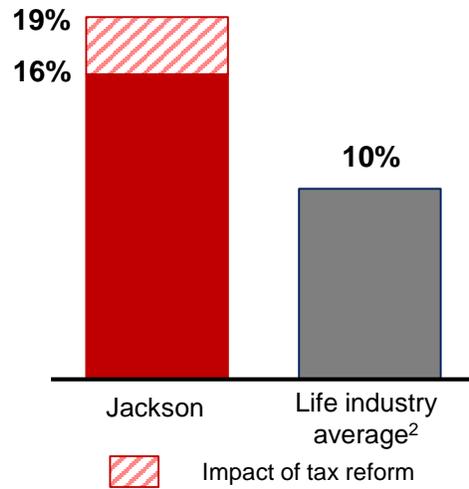
US – Managed growth

High quality, risk-managed capital generation



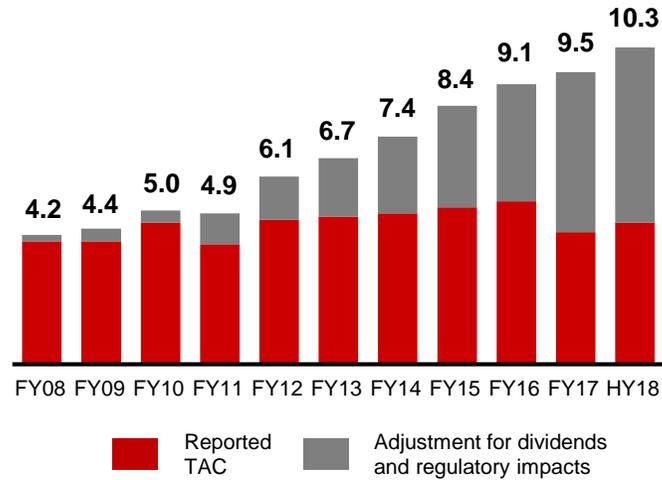
Attractive returns

Statutory capital generation ratio¹, %



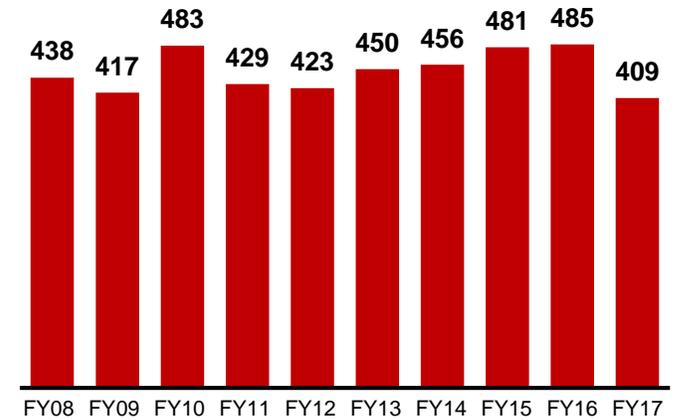
Sustained capital generation

Total adjusted capital before dividends and regulatory impacts, \$bn



Well-capitalised, resilient solvency position

RBC ratio, %



Africa - Build

Building a presence in one of the world's most underserved life markets



1.3 billion people

Population of Africa¹

2.3 billion people

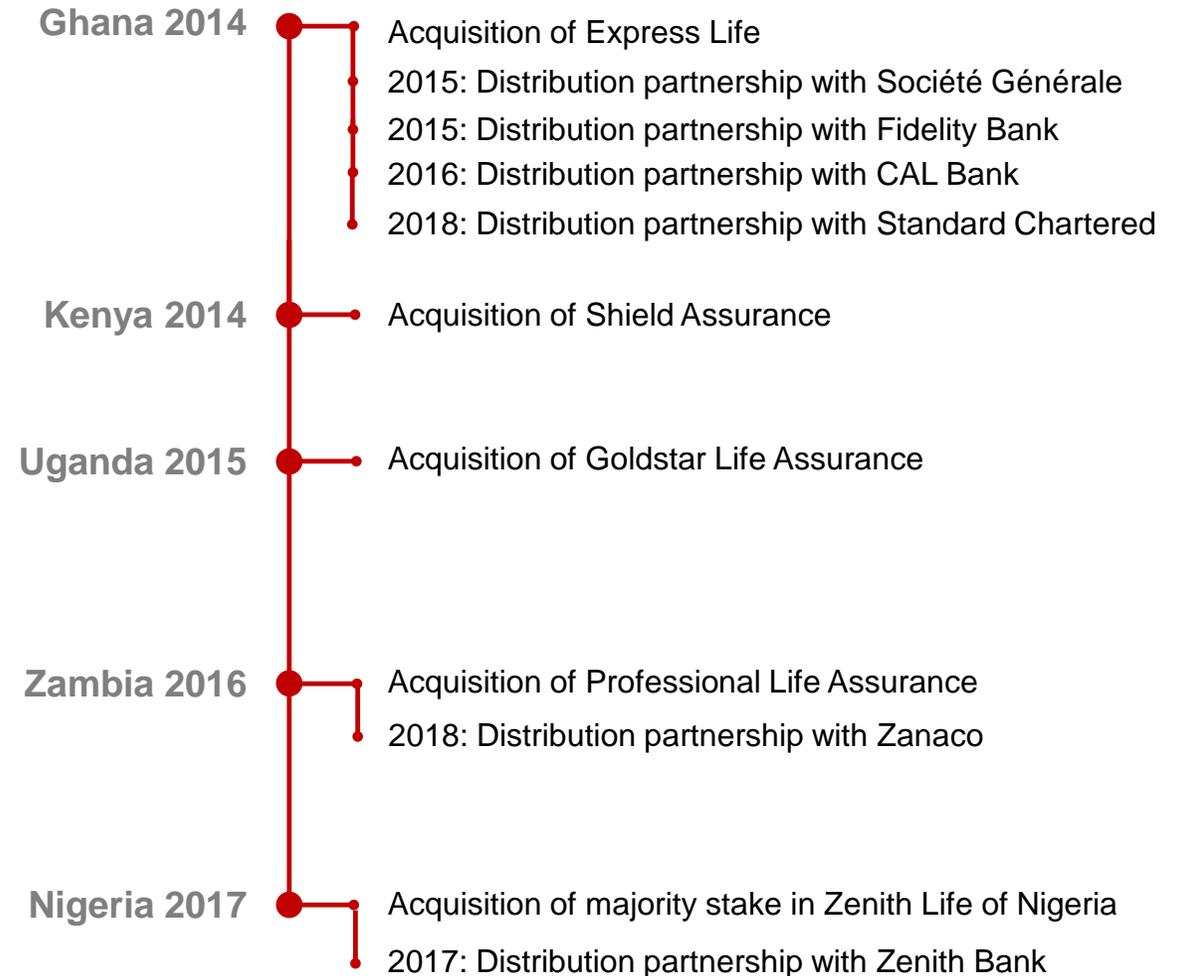
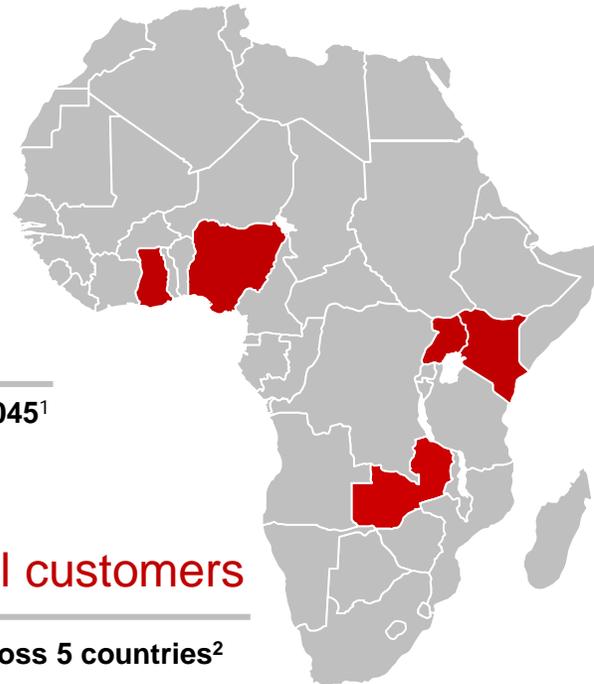
Population forecast by 2045¹

~460 thousand Prudential customers

Across 5 countries²

£28 million of APE sales

9M18

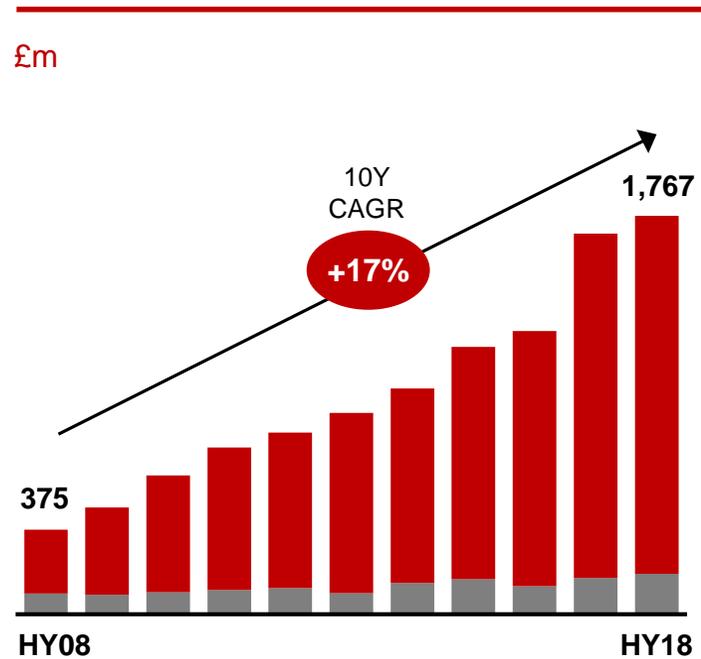


Delivering sustainable growth

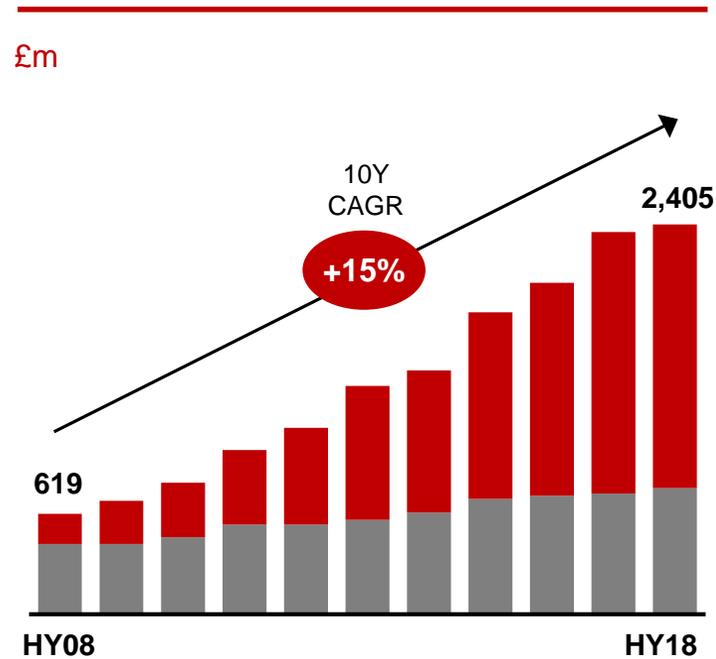
Long-term track record



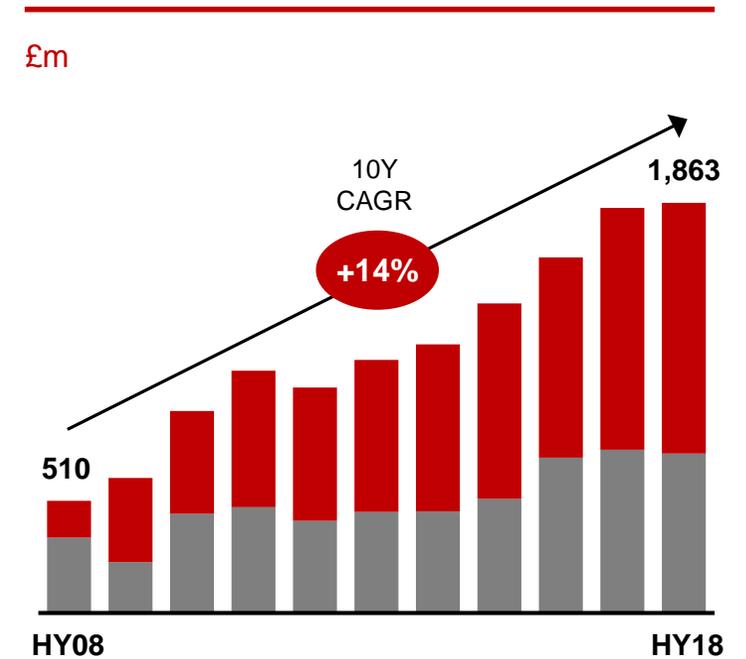
New business profit^{1,2,3}



IFRS operating profit^{1,2}



Free surplus generation^{1,2,3,4}



M&G Prudential segmental profit⁵
 Asia and US⁶

1 Comparatives have been stated on an actual exchange rate basis.
 2 Comparatives are adjusted for new and amended accounting standards and excludes Korea Life, Japan and Taiwan agency. HY2014 comparatives have also been restated to exclude the contribution from the sold PruHealth and PruProtect businesses. HY2008 to HY2013 comparatives include the results of PruHealth and PruProtect.
 3 On a post tax basis.
 4 Note HY2012 – HY2017 excludes contribution from Prudential Capital. HY2011 and prior includes contribution from Prudential Capital.
 5 Excludes allocation of other income and expenditure.

6 IFRS segmental operating profit for Asia and US, and includes other income and expenditure..

Group

Conference agenda – Day 1: Wednesday 14 November

08.30 – 09.00	Group	Strategic overview	Mike Wells	Grand Ballroom L3
09.00 – 09.30	Group	Financial update	Mark FitzPatrick	Grand Ballroom L3
09.30 – 10.15	Asia	Strategic overview	Nic Nicandrou	Grand Ballroom L3
10.15 – 10.45	Break			Foyer L3
10.45 – 11.30	Asia	Insurance	Lilian Ng	Grand Ballroom L3
11.30 – 12.15	Asia	Eastspring	Guy Strapp	Grand Ballroom L3
12.15 – 13.15	Lunch			Grand Salon L2
13.15 – 14.15	Asia	Innovation / Partnership overview Health showcase - Babylon	Nic Nicandrou Andrew Wong & Dr Ali Parsa	Grand Ballroom L3

14.15 – 16.15	Asia	Innovation showcases		
		Showcase 1 – Customer segmentation	Wilf Blackburn & Raghu Hariharan	Salon 6 L2
		Showcase 2 – Direct to customer	Guy Strapp & Robin Spencer	Salon 5 L2
		Showcase 3 – Customer fulfilment	Lilian Ng & Jens Reisch	Drawing Room L2
		Showcase 4 – Distribution efficiency	Derek Yung & Nic Nicandrou	Salon 2 L2
16.15 – 16.45		Break		Foyer L3
16.45 – 17.30	Asia	Financial update	Raghu Hariharan	Grand Ballroom L3
17.30 – 18.15	Asia	Q&A	Nic Nicandrou & team	Grand Ballroom L3
18.15 – 19.00		Transfer from Grand Hyatt to Capitol Theatre for Drinks and Dinner		
19.00 – 21.30		Drinks and Dinner		Capitol Theatre

Group

Conference agenda – Day 2: Thursday 15 November



07.00 – 08.00		Breakfast		Grand Salon L2
08.00 – 09.10	US	Introduction, Risk management framework, Pricing and ALM	Barry Stowe, Brad Harris & Steve Binioris	Grand Ballroom L3
09.10 – 09.25		Break		Grand Salon L2
09.25 – 11.15	US	Economics and capital, Strategic outlook + Q&A	Barry Stowe, Chad Myers & team	Grand Ballroom L3
11.15 – 11.30		Break		Grand Salon L2
11.30 – 12.45	M&GP	M&G Prudential + Q&A	John Foley & Clare Bousfield	Grand Ballroom L3
12.45 – 13.30	Group	Final Q&A & Wrap up	Mike Wells & management team	Grand Ballroom L3
13.30 – 14.30		Lunch		Grand Salon L2
14.30 – 17.30	Group	Visit to Prudential Singapore offices		Marina One Offices



Group Financial Update

Mark FitzPatrick

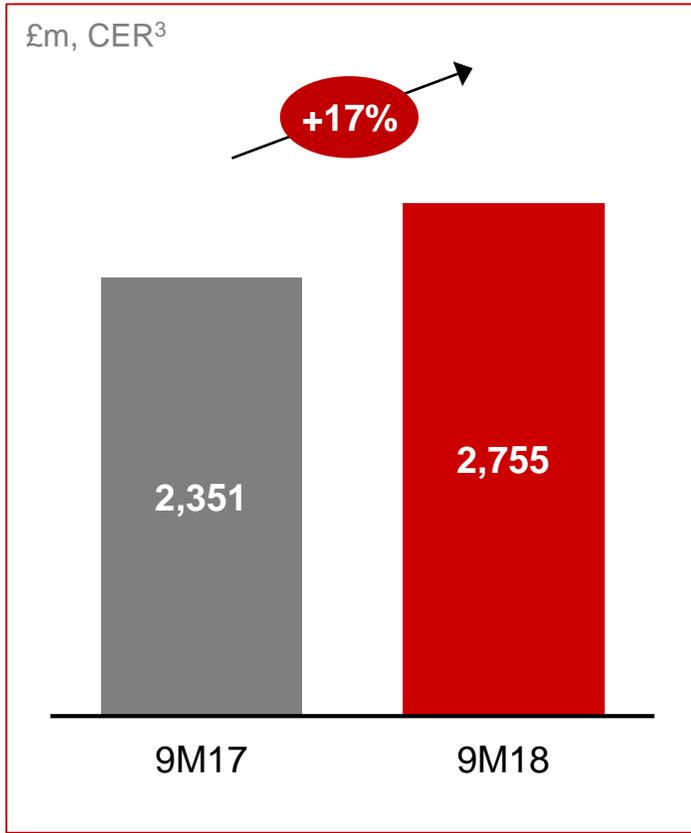
Chief Financial Officer

Prudential

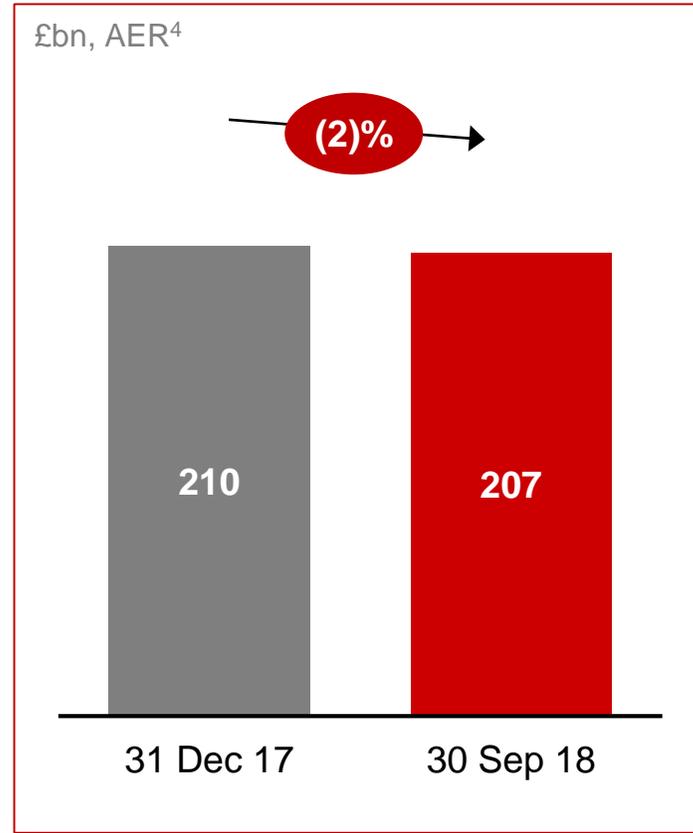
Group 3Q 2018 update

Resilient performance

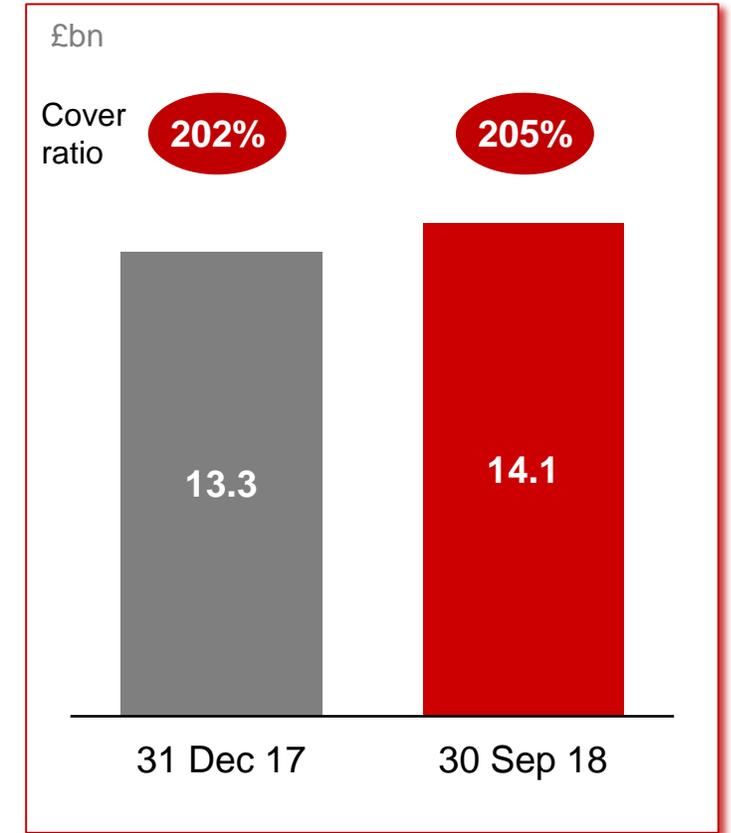
Life new business profit



Group external FUM



Solvency II surplus^{1,2}



¹ After allowing for payment of the 2018 first interim dividend. Excludes the beneficial impact of the £1.6 billion sterling equivalent subordinated debt raised in October 2018.

² The Group shareholder position excludes the contribution to the Group Own Funds and the Solvency Capital Requirement of ring-fenced with-profit funds and staff pension schemes in surplus. The solvency positions include management's estimates of UK transitional measures reflecting operating and market conditions at each valuation date. An application to recalculate the transitional measures as at 31 December 2017 was approved by the Prudential Regulation Authority.

³ CER: constant exchange rates

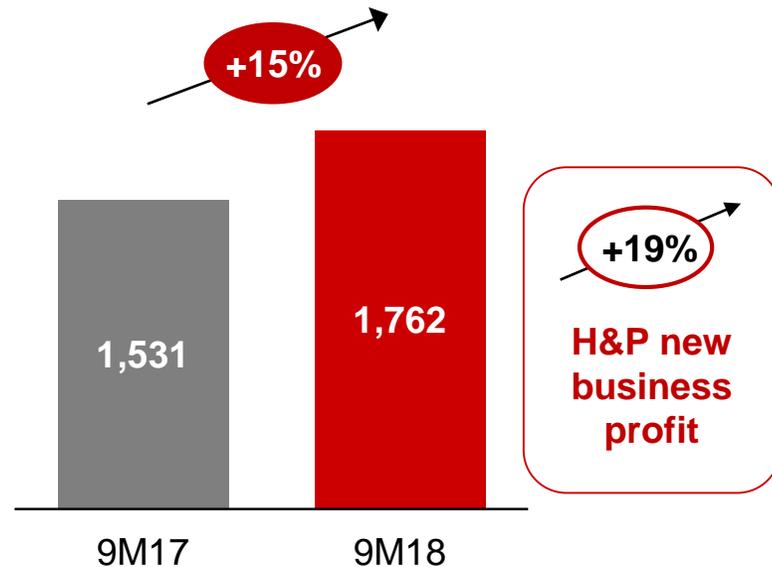
⁴ AER: actual exchange rates

Asia 3Q 2018 update

Continued focus on quality

New business profit

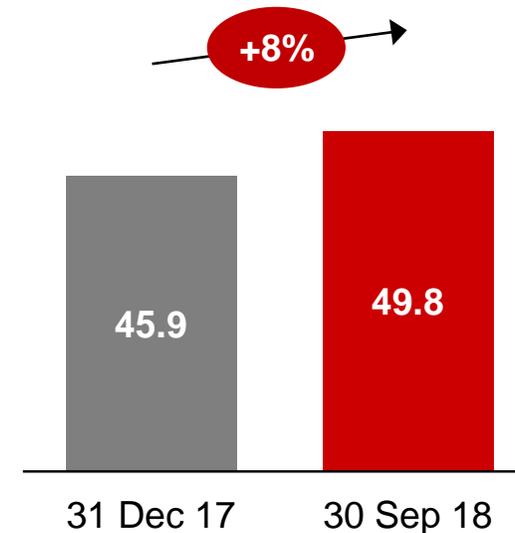
£m, CER



- Growth broadening with 7 markets reporting double-digit NBP growth¹
- NBP benefiting from strategic focus on H&P, and sales growth in 2Q and 3Q

Eastspring external funds under management

£bn, CER



- YTD net outflows of £2.0bn
 - Institutional fund redemptions
 - Market volatility impact on retail inflows
- Includes £8.7bn FUM from acquisition of TMB

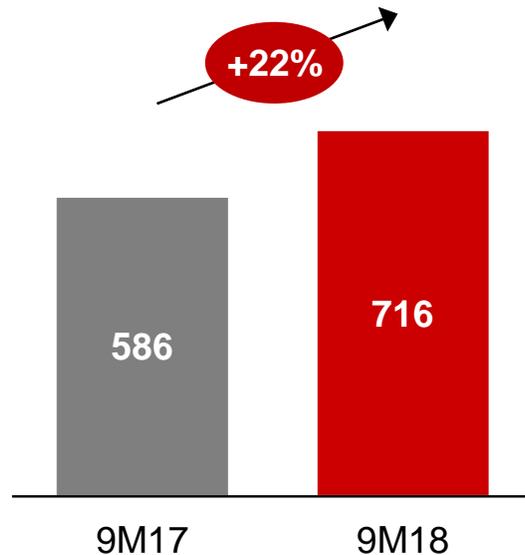
¹ Excludes Laos, where amounts are immaterial.

US 3Q 2018 update

Stable performance

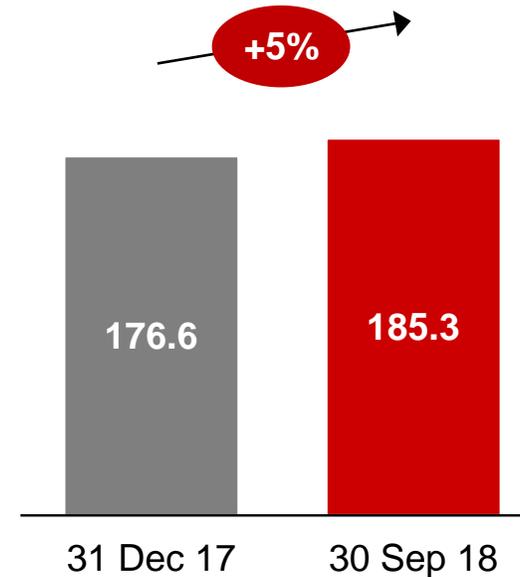


New business profit
£m, CER



- NBP increase reflects benefit of lower tax rate and higher interest rates
- YTD and 3Q VA sales ex-Elite Access consistent with 2016/2017 run-rate

Separate account assets
\$bn



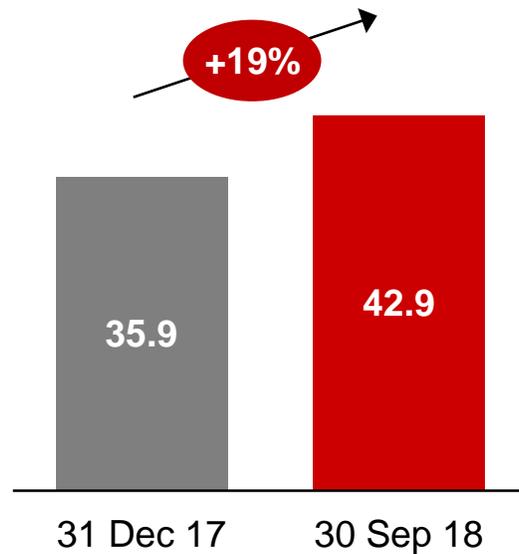
Increase mainly driven by positive investment performance

M&G Prudential 3Q 2018 update

PruFund underpins positive momentum

PruFund funds under management

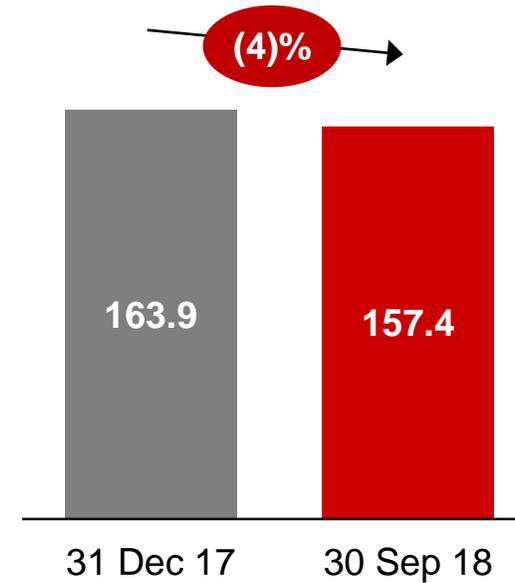
£bn



- PruFund net inflows of £6.6bn
- Total NBP +18%, APE sales +6%

M&G external funds under management

£bn



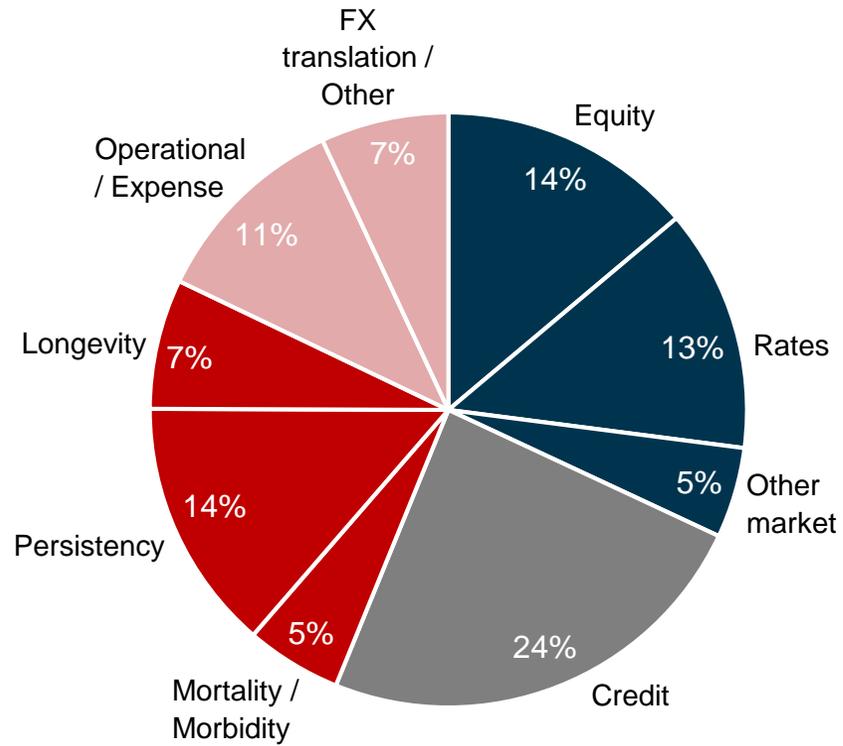
Net outflows of £5.6bn, including a single large, low margin institutional mandate totalling £6.1bn

Group risk exposure

Balanced profile

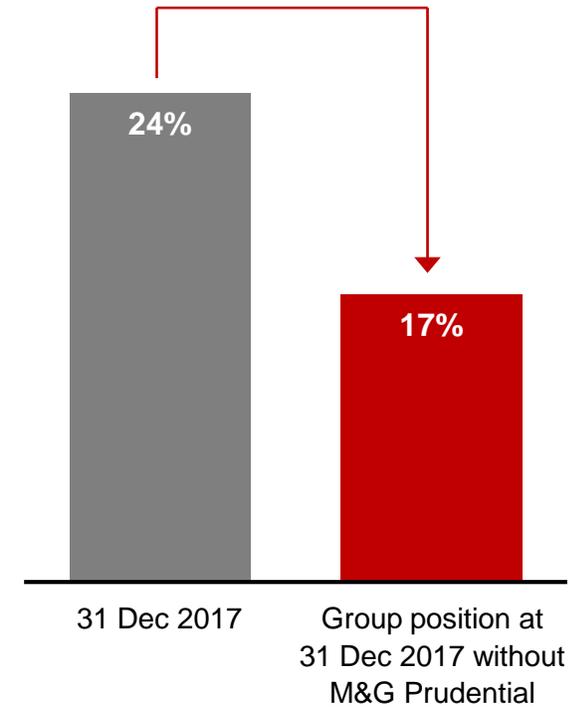
Solvency II SCR by risk type¹

31 Dec 17, undiversified



Solvency II SCR credit exposure¹

Undiversified, % of total risk

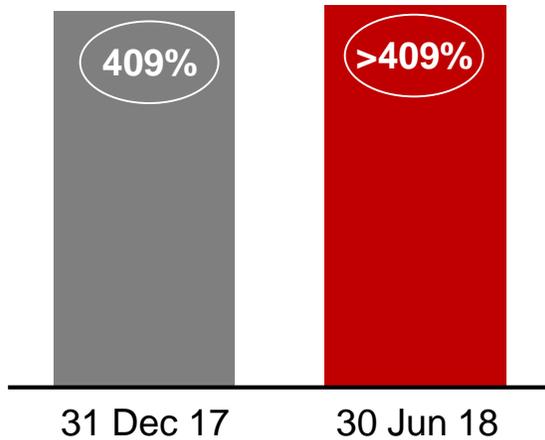


¹ Jackson risk splits are included by risk line on an RBC basis, per Prudential plc 2017 Solvency and Financial Condition Report (page 41)

Group risk exposure

Managed risks - Jackson

Jackson Statutory RBC ratio



FY17 / HY18:

- Absorbed **110ppts** of tax reform impact¹
- Paid dividends of **\$1,050m**

Equity market impact on Statutory reserves

	Equities up	Equities down
Reserves	No change (as already floored out at cash surrender value)	No change until AG43 reserves exceed cash surrender value
Hedge portfolio	Negative mark to market impact	Positive mark to market impact

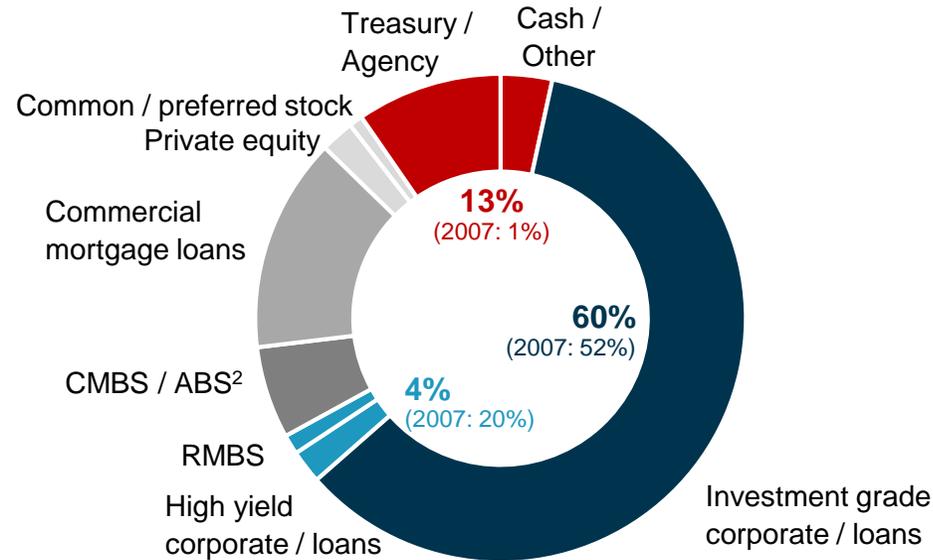
¹ Includes 75ppt impact on Total Adjusted Capital in FY17 and 35ppt impact on Company Action Level required capital in HY18.

Group credit exposure

De-risked investment profile – US and Asia

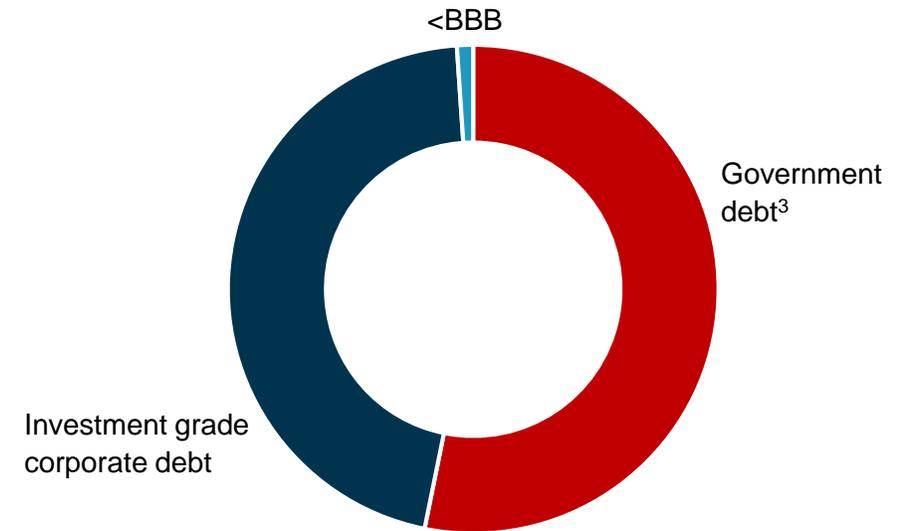
Jackson shareholder asset portfolio

30 Jun 18, 100% = \$59bn¹



Asia shareholder debt portfolio

30 Jun 18, 100% = £14bn



¹ Based on Statutory statement value.

² Includes CMBS of 4% (2007 7%) and investment grade ABS/CDO of 2% (2007 4%).

³ Includes non-central government bonds and sovereign debt held by consolidated OEICs.

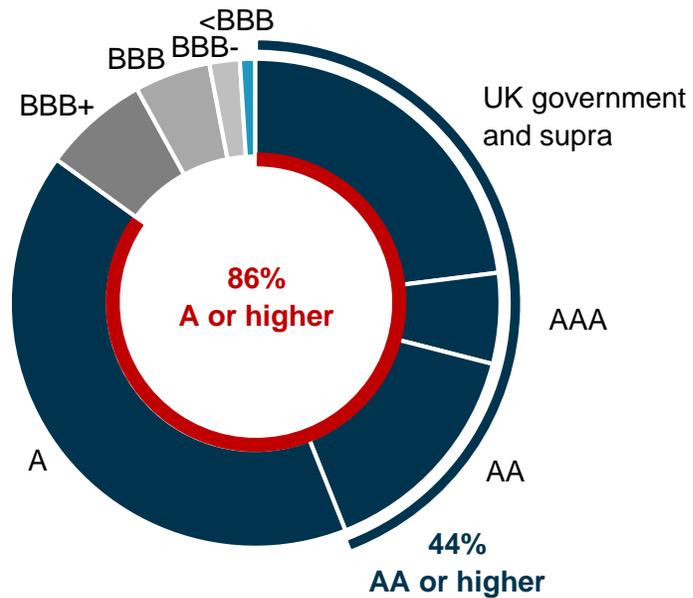
Group credit exposure

De-risked investment profile – M&G Prudential



M&G Prudential shareholder annuity portfolio¹

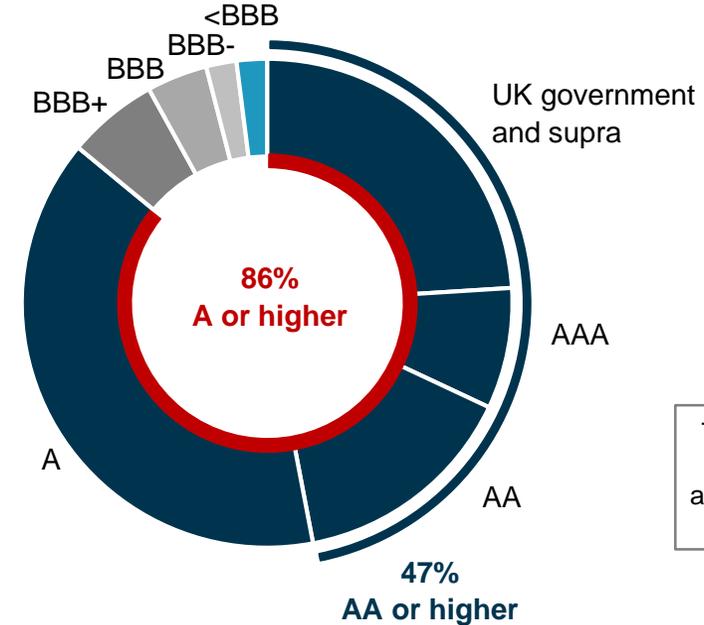
30 Jun 17, 100% = £38bn



M&G Prudential shareholder annuity portfolio¹

Following reinsurance of annuity liabilities sold²

30 Jun 18, 100% = £24bn



79% of the portfolio is invested in secured assets, UK government & supranational debt

¹ Assets of around £1 billion that are not rated, comprising cash, derivatives and junior notes including direct property holdings, have been excluded. M&G internal ratings have been used where external ratings (on a second best basis) are unavailable.
² In March 2018, M&G Prudential announced the sale of £12.0 billion (as at 31 December 2017) of its shareholder annuity portfolio liabilities to Rothesay Life, with the liabilities reinsured to Rothesay Life on 14 March 2018.

M&G Prudential demerger

Process steps on track



Achieved to date

Corporate structure

- ✓ M&G Prudential HoldCo established
- ✓ Multiple change in control approvals received
- ✓ Mike Evans appointed Chair of M&G Prudential
- ✓ Appointment of HKIA as the prospective Group-wide supervisor of Prudential's international business post-demerger

Operating structure

- ✓ Detailed design and delivery plans to establish operational capabilities required for both businesses

UK annuity Part VII transfer

- ✓ Liabilities reinsured to Rothesay Life

Debt management

- ✓ Senior bond T&Cs amended with bondholder consent
- ✓ Issued 3 tranches of substitutable subordinated debt, equivalent to £1.6bn

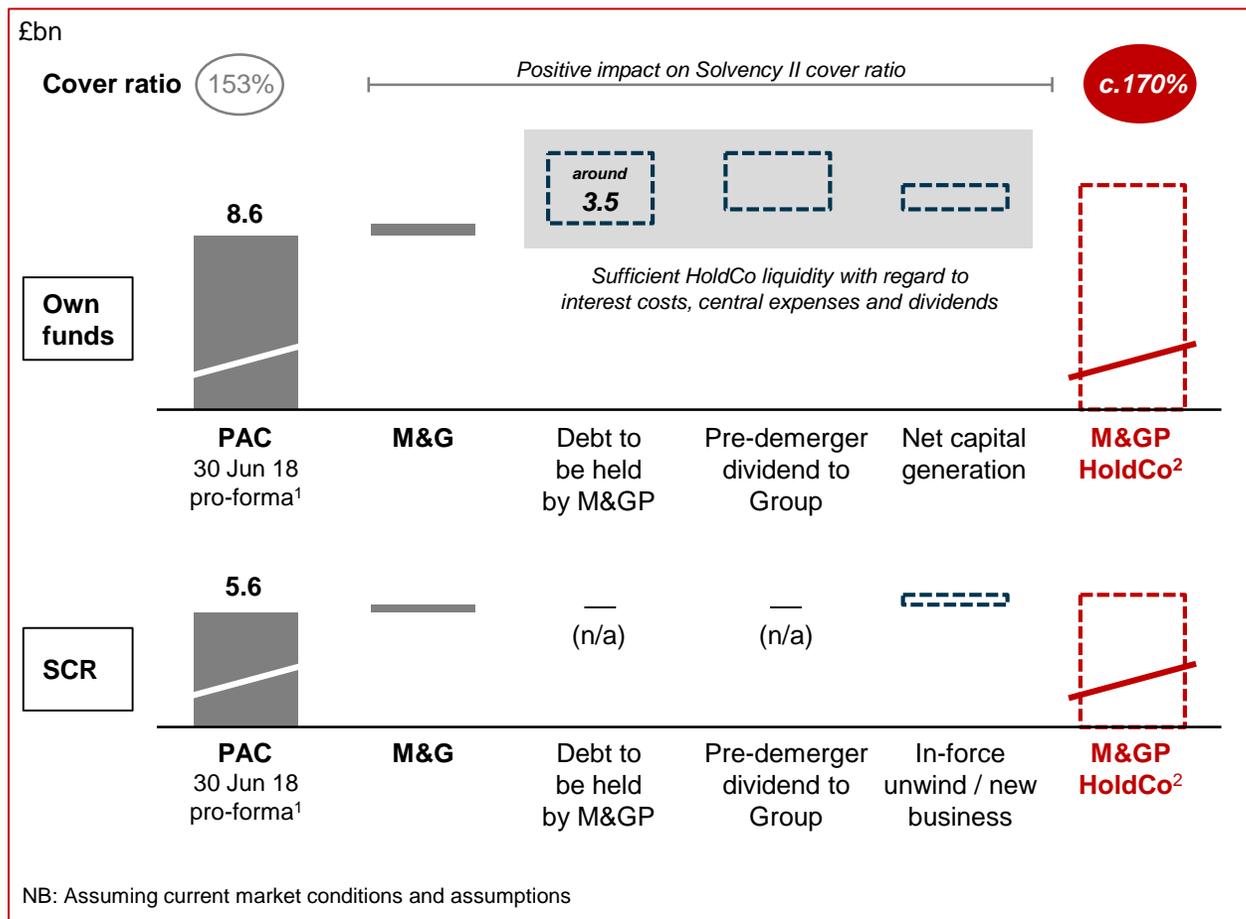
Additional process steps

- Change in control processes to be completed for insertion of M&G Prudential HoldCo and transfer of Hong Kong
- M&G and PAC to be transferred under M&G Prudential HoldCo
- M&G Prudential NEDs to be appointed
- HKIA capital framework to be established
- Separation of shared activities, including:
 - Creation of standalone IT environments
 - Creation of group reporting function for M&G Prudential
 - Transfer of Solvency II group model to M&G Prudential
 - Build out of treasury function in Prudential plc
- Ongoing preparations for court hearings and policyholder communications
- Debt rebalancing pre-demerger

M&G Prudential demerger

Capital update

M&G Prudential Solvency II capital position, pro-forma at demerger



- M&G Prudential expected to hold c£3.5bn of sub-debt
- M&G Prudential SII cover expected to be c170% at demerger
- M&G Prudential Group ratings all on Stable outlook

M&G Prudential Group ratings

Very strong insurance financial strength rating			
	Moody's	S&P	Fitch
PAC	Aa3	A+	AA-
Comments on capitalisation	"excellent capitalisation" ³	"very well capitalized" ⁴	"very strong capitalisation" ⁵
Strongly rated credit			
	Moody's	S&P	Fitch
M&G Prudential ⁶	A2	A-	N/A ⁷

¹ The pro-forma estimate assumes that the partial sale of the UK annuity portfolio and the transfer of Prudential plc's Hong Kong subsidiaries to Asia had both been completed as at 30 June 2018.

² At the time of the demerger, Prudential expects the shareholder Solvency II ratio of M&G Prudential to be around 170 per cent, with M&G Prudential holding around £3.5 billion of subordinated debt. This expectation is subject to the M&G Prudential capital risk appetite being approved by the Board of the ultimate holding company of M&G Prudential, once fully constituted to include independent non-executive directors, and reflects the current operating environment and economic conditions, material changes in which may lead to a different outcome

³ Moody's Credit Opinion Prudential Assurance Company 20 March 2018.

⁴ S&P report on Prudential Assurance Company 25 September 2018.

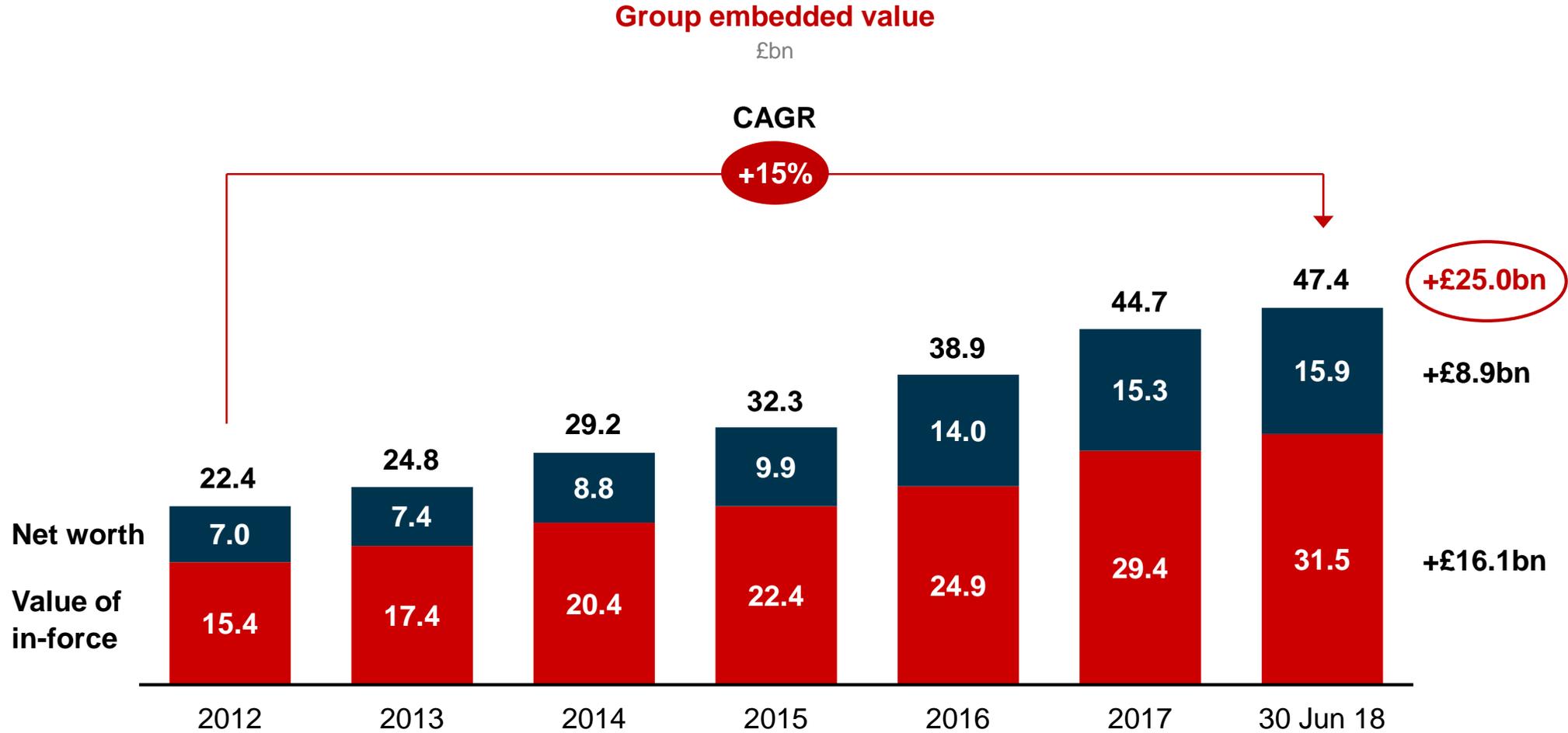
⁵ Fitch Prudential Assurance Company Ratings Affirmation 5 November 2018.

⁶ Indicative long-term senior credit rating of M&G Prudential holding company disclosed in S&P and Moody's published rating actions in respect of Prudential plc's 3 substitutable hybrid debt instruments issued in September 2018.

⁷ Fitch rated Prudential plc substitutable hybrids applying standard notching methodology for such instruments to Prudential plc credit, although Fitch note these substitutable hybrids "would be upgraded if the new M&G Prudential holding company becomes the sole obligor in respect of these substitutable notes" Prudential plc ratings update 8 November 2018.

Group embedded value

Consistent growth

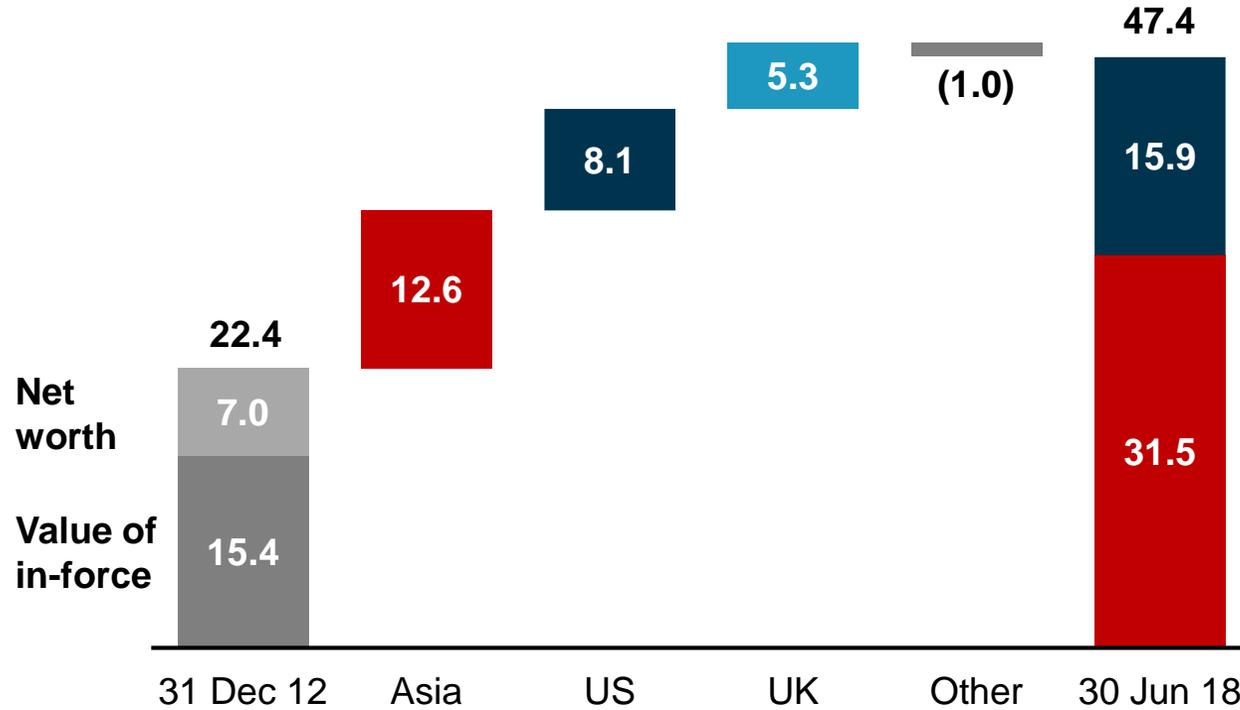


Group embedded value

Consistent growth, led by Asia in-force

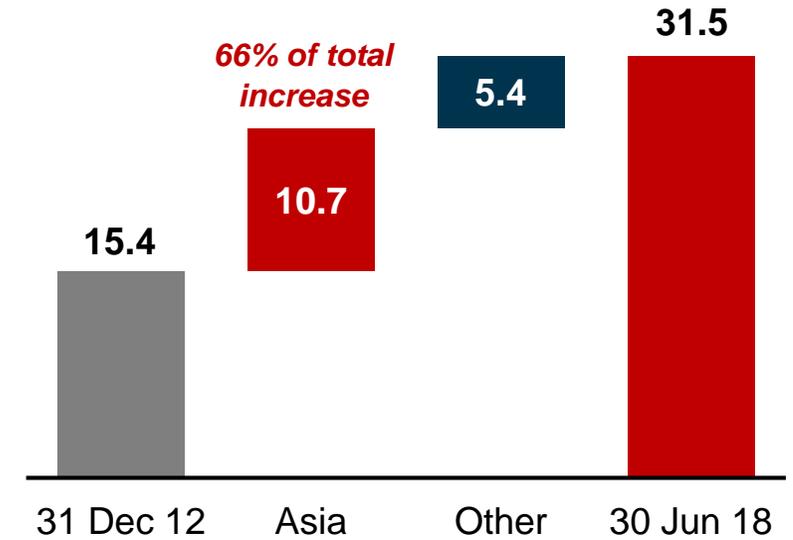
Group embedded value

£bn



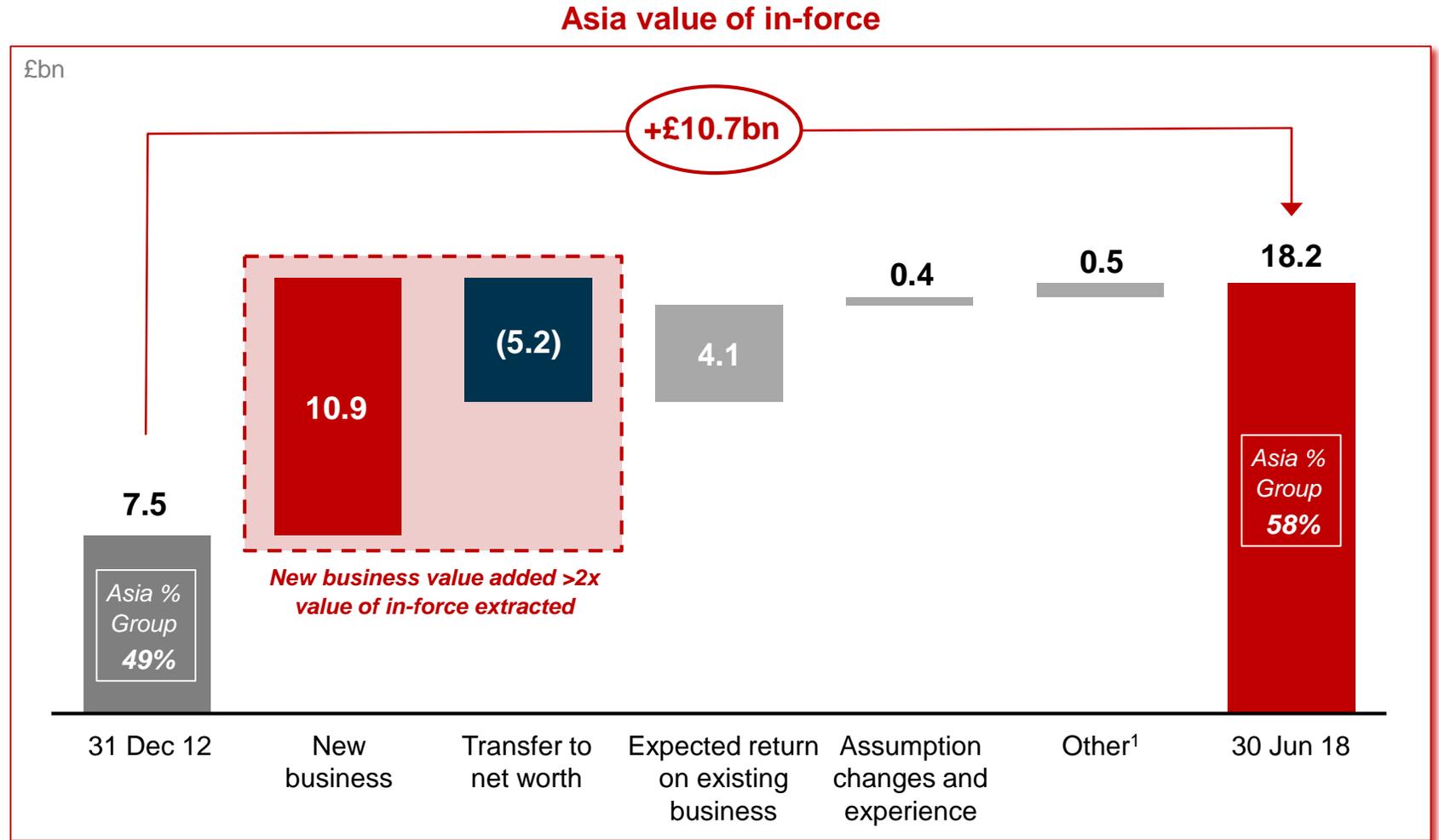
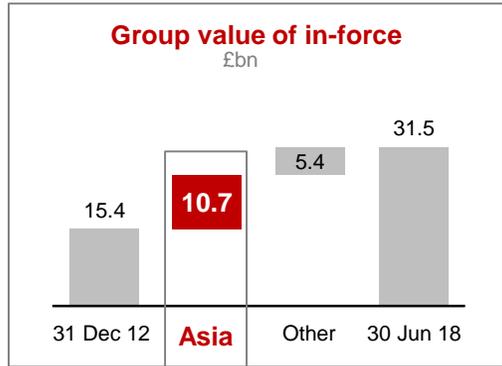
Group value of in-force

£bn



Group embedded value

Consistent growth, led by Asia in-force, driven by new business contribution



¹ Includes impact of sale of Japan and Korea, currency movements and other non-operating items.

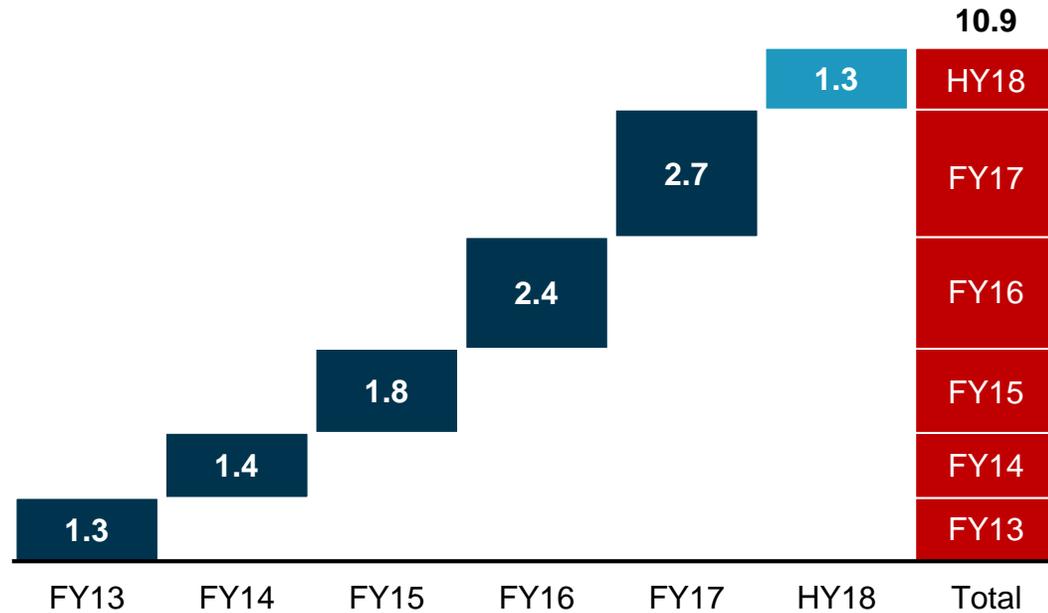
Asia embedded value

Compounding high quality new business



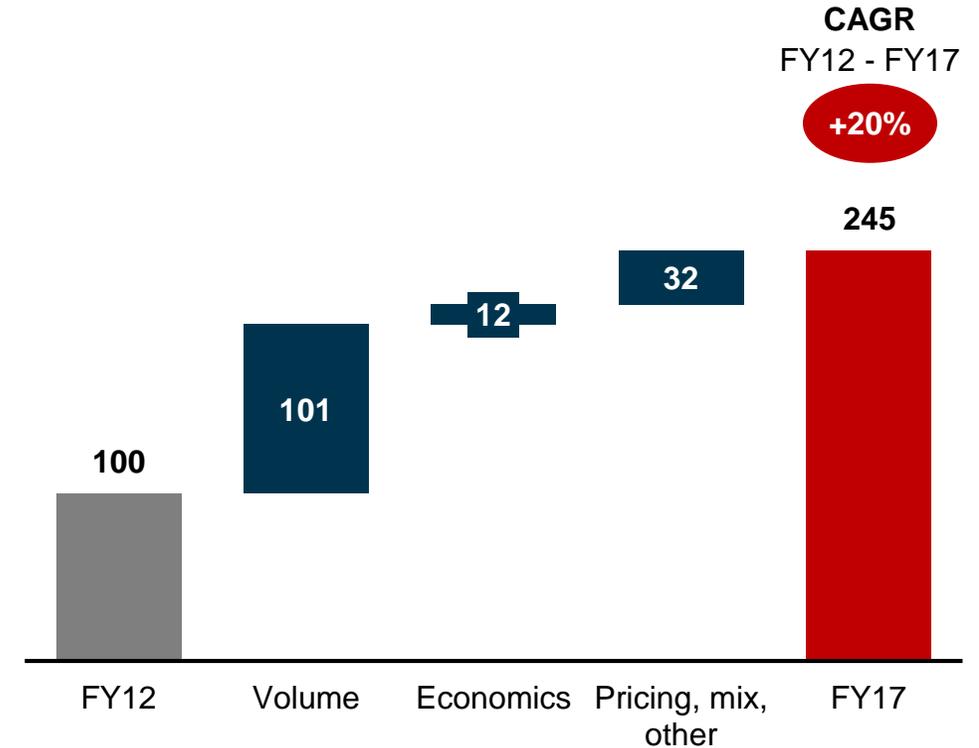
New business contribution to value of in-force

£bn



Drivers of increase in new business profit

2012 indexed to 100, CER



Asia embedded value

Compounding high quality new business



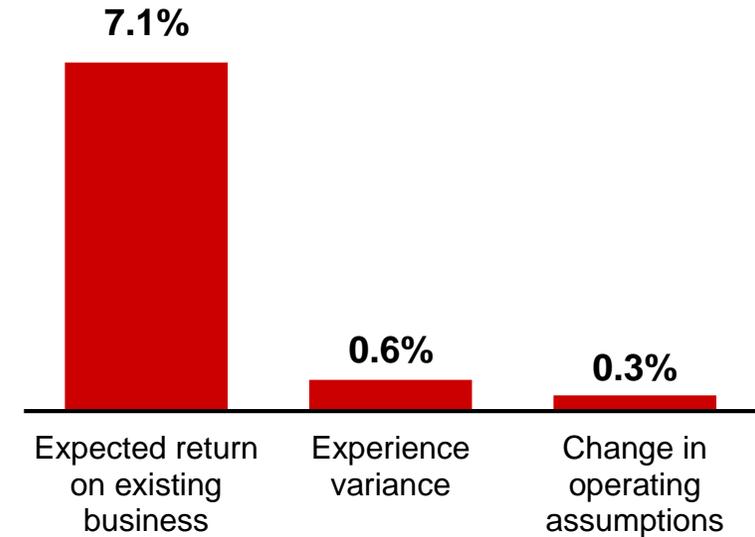
EEV methodology

Value of future capital generation, discounted for timing of distributable earnings, considers all capital constraints on the business and operating environment

- Bond yields** Active approach, based on current market yields for 10-year government bonds, held constant throughout the projection
- TVOG** Explicit quantification of time value of options and guarantees
- Cost of capital** Separate allowance for economic cost of capital
- Market risk** CAPM approach to quantify market risk in RDR at product level
- Non-market risk** Specific approach to allow for differences by country and product

Assumption changes and experience variances¹

Average annual contribution % opening VIF
2013 to 2017



¹ As reported in EEV operating profit, with 2013, 2014, 2015 adjusted to exclude Korea.

Asia embedded value

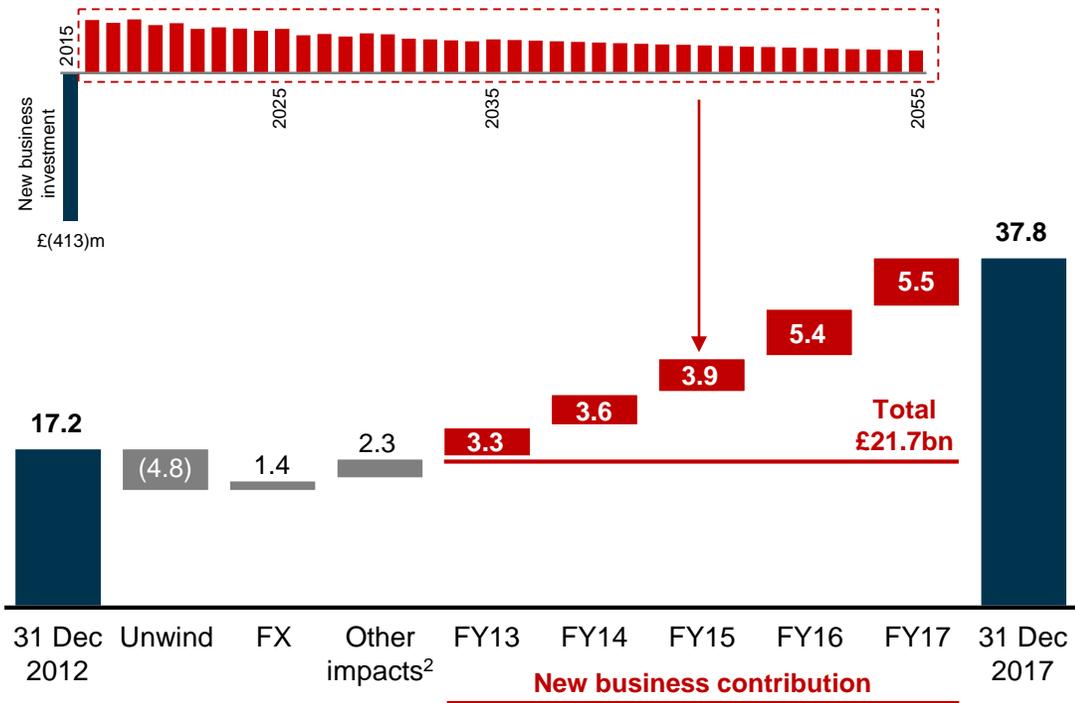
New business drives attractive cash generation profile



New business contribution to stock of expected future cash generation¹

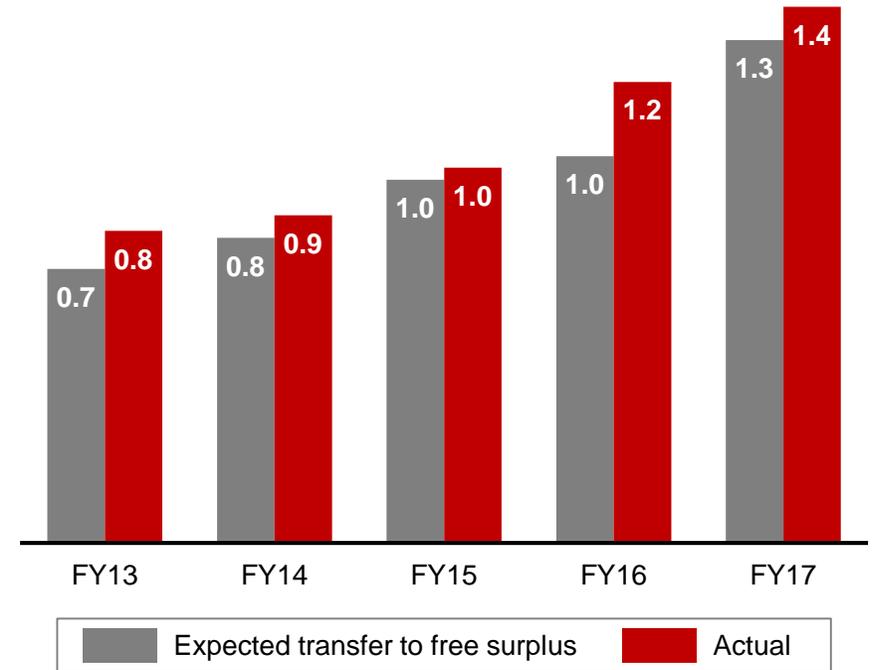
Life business, undiscounted, £bn

New business contribution, FY15



Emergence of expected future cash generation

Life business, £bn



¹ 140 year projection of cash flows expected to emerge into free surplus from the life value of in-force and associated required capital, undiscounted.

² Includes net experience variances, operating assumption changes and expected free surplus generation in the years 2053 to 2057 which are not included in the initial 40 year projections made at the end of each year from 2012 to 2016.

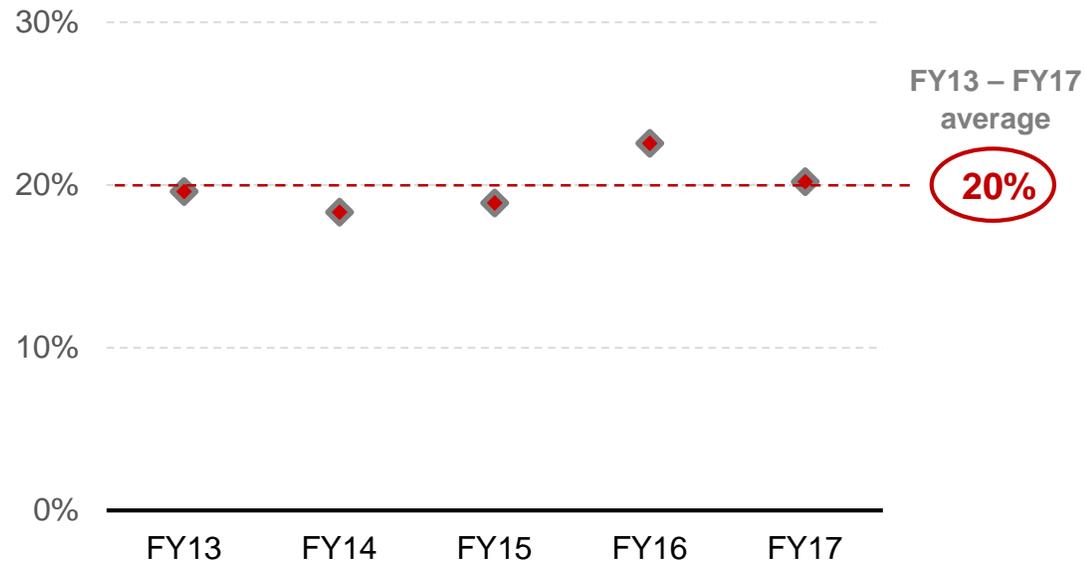
Group embedded value

Consistent, attractive returns



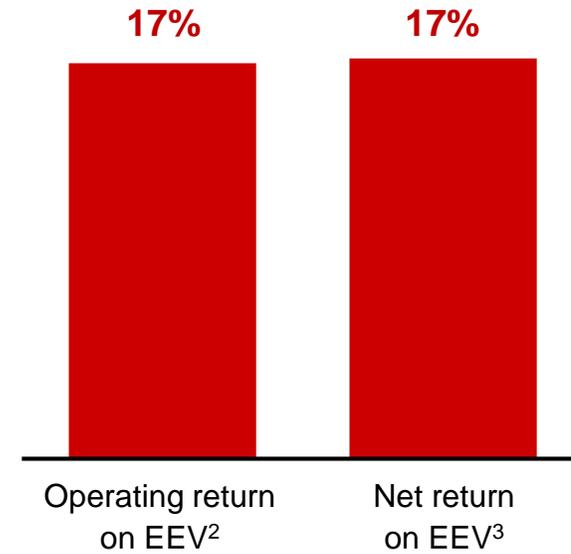
Asia operating return on EEV¹

FY13 - FY17



Group EEV returns

Average, FY13 - FY17



¹ EEV operating profit expressed as a percentage of opening EEV shareholders' funds.

² Average of EEV operating profit expressed as a percentage of opening EEV shareholders' funds, for the years 2013 to 2017.

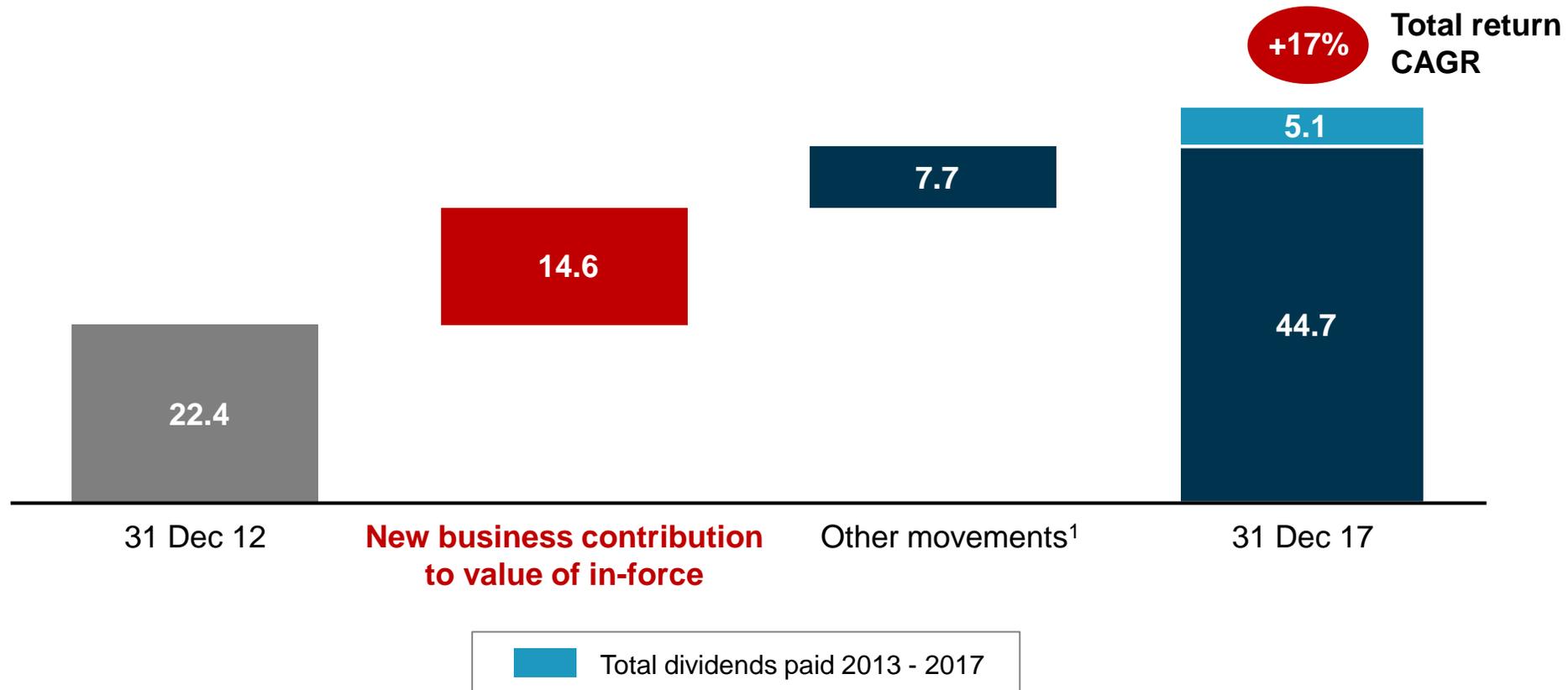
³ Average of EEV profit for the year expressed as a percentage of opening EEV shareholders' funds, for the years 2013 to 2017.

Group embedded value

Growth in value and cash, driven by new business

Group growth in EEV shareholders funds

31 Dec 12 – 31 Dec 17, £bn



¹ Includes expected return on existing business, investment in new business, changes in operating assumptions and experience variances, restructuring costs, currency effects and other non-operating items after dividend payments..

- ✓ Resilient new business performance, underpinned by strong capital surplus
- ✓ Well-managed risk profile, with de-risked credit position
- ✓ Demerger of M&G Prudential is progressing in line with our expectations
- ✓ Growing stock of embedded value, driven by high quality new business