

A stylized calligraphic graphic in the background, featuring a central face-like shape with flowing lines above and below it, rendered in shades of red and grey.

Prudential plc

2019 Half Year Results

14 August 2019

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, operating environment, 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, including without limitation those referring to the demerger and the expected timing of the demerger, 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 continuance of 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 actual or anticipated political, legal and economic ramifications of the UK's withdrawal from the European Union; the impact of continuing application of Global Systemically Important Insurer or 'G-SII' policy measures on Prudential; 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' section in Prudential's most recent Full Year Results Regulatory News Release and the 'Risk Factors' section in its most recent Annual Report and the 'Risk Factors' section of Prudential's most recent annual report on Form 20-F filed with the U.S. Securities and Exchange Commission, as well as under the 'Risk Factors' section 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.

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Mike Wells

Group Chief Executive

Group Agenda

Group	Group strategy and demerger update	Mike Wells	Group CEO
Asia	Asia highlights	Nic Nicandrou	Asia CEO
US	Jackson highlights	Michael Falcon	Jackson CEO
Group	Group financial highlights	Mark FitzPatrick	Group CFO & COO
Group	Closing remarks	Mike Wells	Group CEO
Q&A session			

Group

Key messages

- ✦ Strong financial performance in supportive, but volatile markets
- ✦ Significant opportunities for each business to grow
- ✦ Demerger of M&G Prudential expected during 4Q2019
- ✦ Management focused on strategic & operational delivery

Group

Financial highlights

Continuing operations

Asia growth

+10%

HY2019 APE vs HY2018 CER¹

Asia value

+10%

HY2019 NBP vs HY2018 CER¹

Earnings

+14%

Growth on prior year IFRS segmental operating profit¹ to £2.4bn

Cash

£1.5bn

HY2019 Operating free surplus generation²

Group

Dividend

+5%

Growth on prior year to 16.45 pence per share

Embedded value

£53bn

HY2019 Embedded value +7% vs FY2018 AER

¹ On a constant exchange rate basis
² Based on insurance and asset management businesses

Group

Strategic and operational delivery continues



Operational delivery unaffected by demerger



Drive for digitalisation and future fit organisation



Significant value driven investment continues

Key HY2019 developments



Expansion of footprint in China



Building on multi-channel capabilities



Access to non-traditional partners



Ameritrade



Expansion of distribution platforms



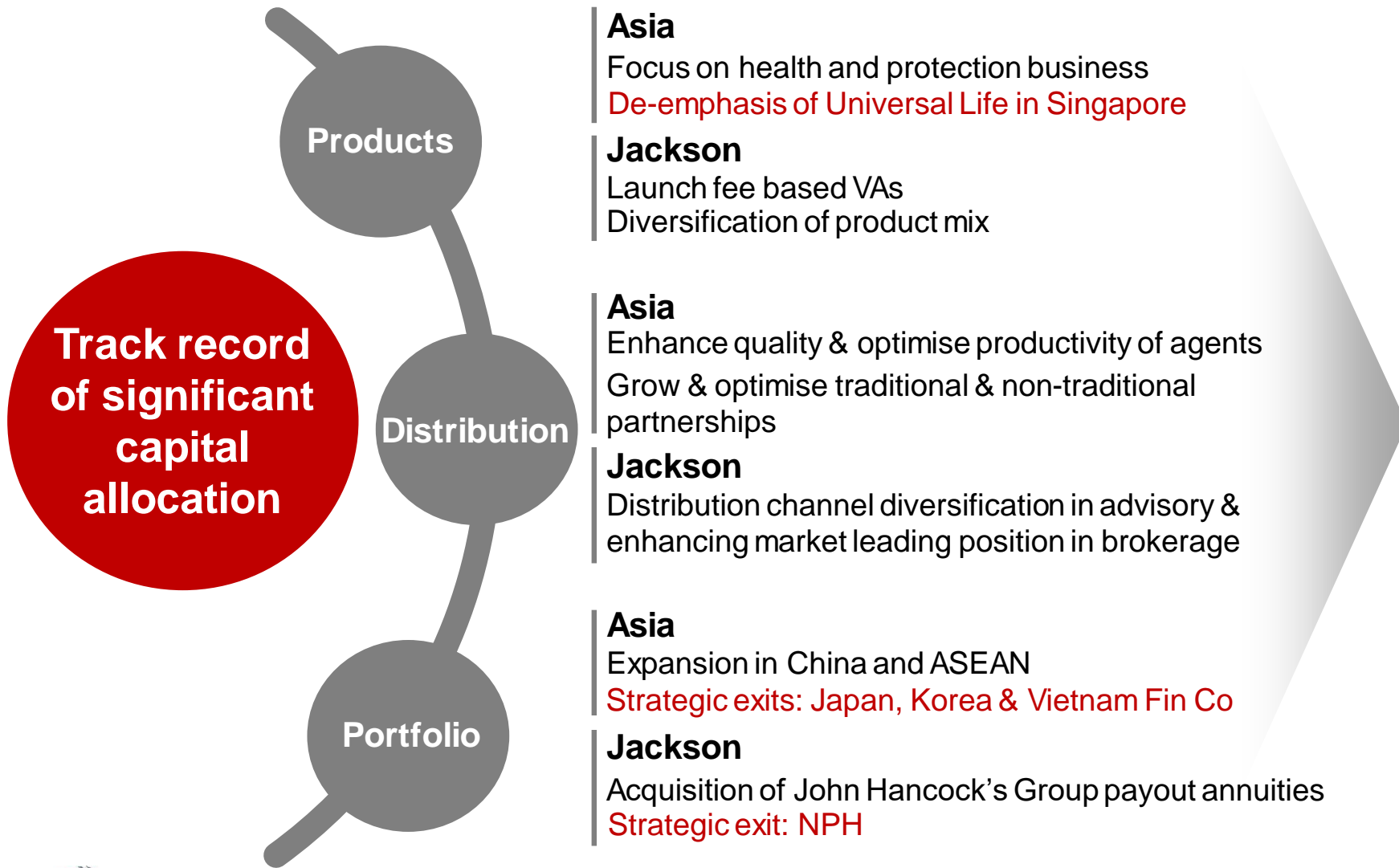
HæalthTech



Leveraging health ecosystem partnerships

Group

Proven track record of disciplined capital allocation



Capital allocation to Asia

Investment in new business
(cumulative HY09-HY19)¹

£**3.6**bn

Asia IFRS insurance income

(cumulative HY09-HY19)¹

£**8.4**bn

Strong returns in Asia

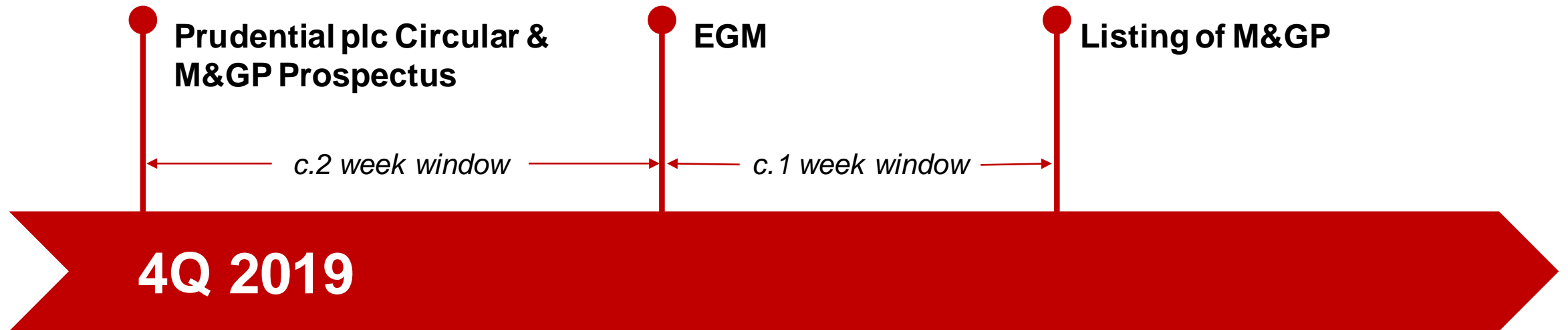
Average 10 year IFRS RoE²

29%

¹ On an actual exchange rate basis and as reported
² The average 10 year IFRS RoE for Asia is calculated as IFRS operating profit after tax as a percentage of opening IFRS shareholders' funds

Group

Expected demerger timetable



Nic Nicandrou

Chief Executive Officer: Prudential Corporation Asia

Strategic priorities

Enhance the core

Create best-in-class health capability














Accelerate Eastspring

Expand presence in China

Asia

Delivering on strategic priorities

Enhance the core

New Market	Segments	Products	Distribution	Automation	Ecosystem	Brand
 <p>Provisional licence in Myanmar (100% own)</p>	<p>Employee Benefit APE²: +15%</p> <p>HNW OPUS BY PRUDENTIAL APE² +35%</p>	<p>~50% NBP growth from new initiatives¹</p> <p> QDAP 合資格延期年金保單 Qualifying Deferred Annuity Policy APE £57m</p>	<p> MDRT >8,000 qualifiers</p> <p>No.1 MDRT members in Hong Kong⁵</p> <p>Refresh Partners  UOB  TMRW APE² +27% UOB digital bank</p>	<p></p> <p>81% (new business) E-submissions</p> <p>62% (medical apps) Auto-underwritten</p> <p>49% eClaims registrations</p>	<p>10 new ecosystem partnerships</p> <p>  OVO mydoc</p> <p> HæalthTech</p> <p> TICTRAC</p> <p>  doc halodoc</p>	<p>725m TV & online views</p> <p></p>

Create best-in-class health capability

£37bn Sum assured

 **VHIS Certified Plan**

Health pulse by Prudential


Officially launched in **Malaysia**
>20,000 registrations⁷

SME pruworks

Launched in **Indonesia** after **Singapore**

Accelerate Eastspring


Strong progress in Thailand

 **TIMBAM**

£0.7bn, **24%** of ESI 3rd party net inflows⁸

China IM WFOE Completed IPO of first onshore private fund

New CEO **Wai Kwong Seck**



Expanded investment offering



- ✓ China A
- ✓ Multi-factor
- ✓ Green Bond

Digital enablers

- ✓ Digital agent platform launched in Malaysia

Expand presence in China

Expanded footprint

 **Hunan**  **Shaanxi**

+2 provinces³
+12 new cities³
+32 new SSOs^{3,4}

Outperformed industry – GWP growth^{2,6}

Market: 15% | CPL: 55%

APE² **+45%** to **£270m**

No of customers³ **+14%** to **1.4m**

1 New initiatives include NBP generated from PRUworks, OPUS, new product launches in Hong Kong and Indonesia.
2 Year on year comparison on a constant exchange rate basis.
3 Increase from 1H18 to 1H19.
4 SSO = Sales services office
5 As of July 2019.

6 Source: CBIRC and company data. GWP = Gross written premium (unweighted).
7 As of 12 August 2019.
8 Excludes money market funds (MMF)

APE

+10%

to £1,978m¹;
(+14% at AER²)

IFRS Op Profit

+14%

to £1,198m¹;
(+18% at AER²)

AUM

£169bn

30 June 2019 AUM
(+23% vs HY2018 AER^{2,3})

NBP

+10%

to £1,295m¹;
(+15% at AER²)

Operating FSG

+13%

to £685m¹;
(+16% at AER²)

Embedded value

£28bn

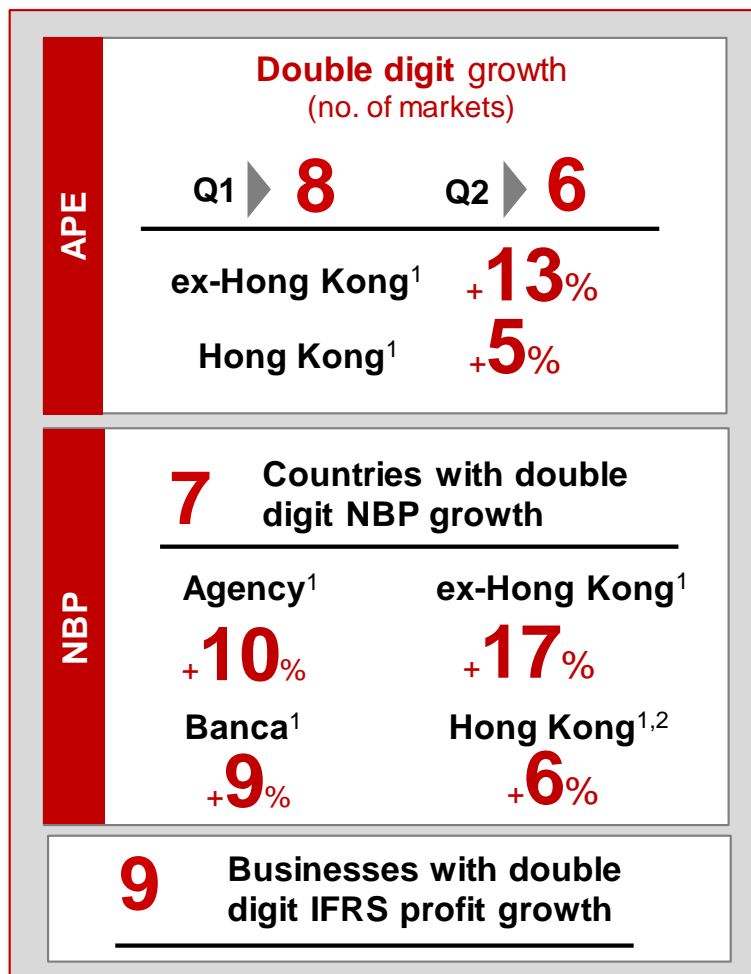
Annualised RoEV: +18%
(+23% vs HY2018 AER^{2,4})

1 On a constant exchange rate basis.
2 On an actual exchange rate basis.
3 +12% compared to 31 December 2018, on an actual exchange rate basis.
4 +11% compared to 31 December 2018, on an actual exchange rate basis.

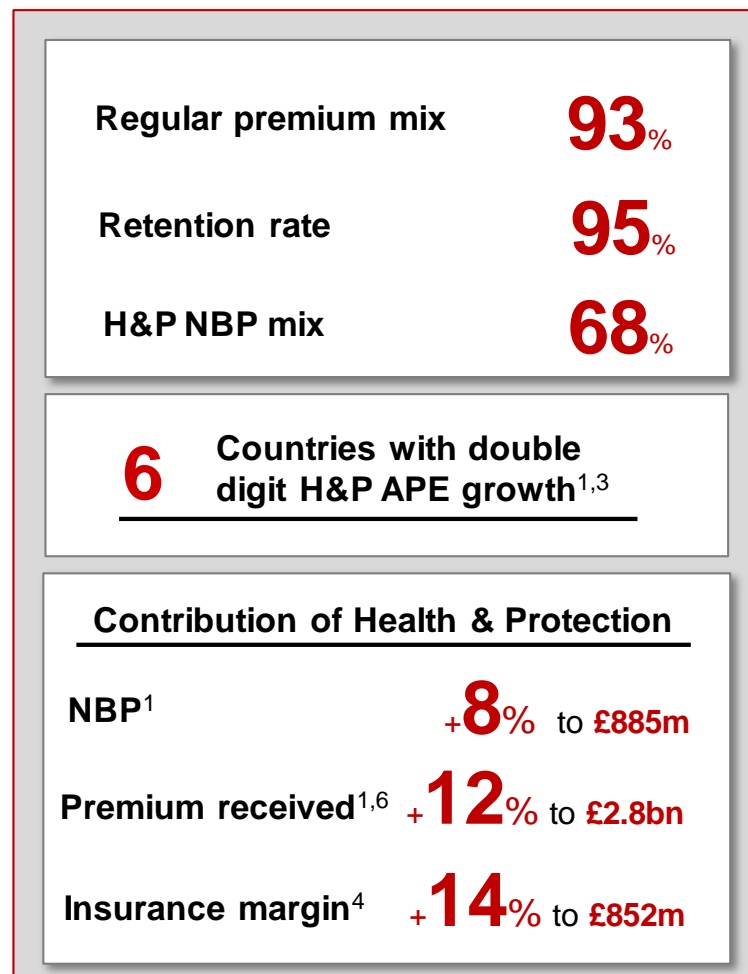
Asia

Delivering high quality, diversified and consistent growth

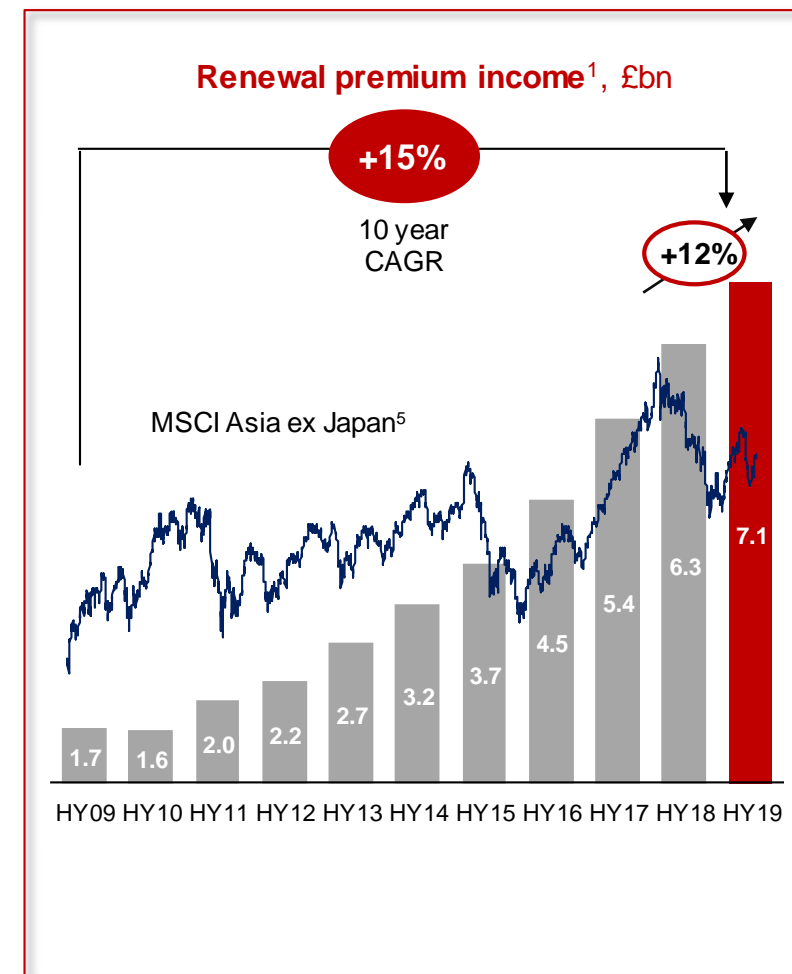
Diversity



Quality



Momentum



As of HY19 unless stated otherwise.
 1 On a constant exchange rate basis
 2 Hong Kong NBP growth excluding impact of economic assumptions was +10%.
 3 Malaysia is based on underlying new sales excluding impact of medical repricing
 4 Insurance margin contribution to IFRS operating profit
 5 Source: Bloomberg

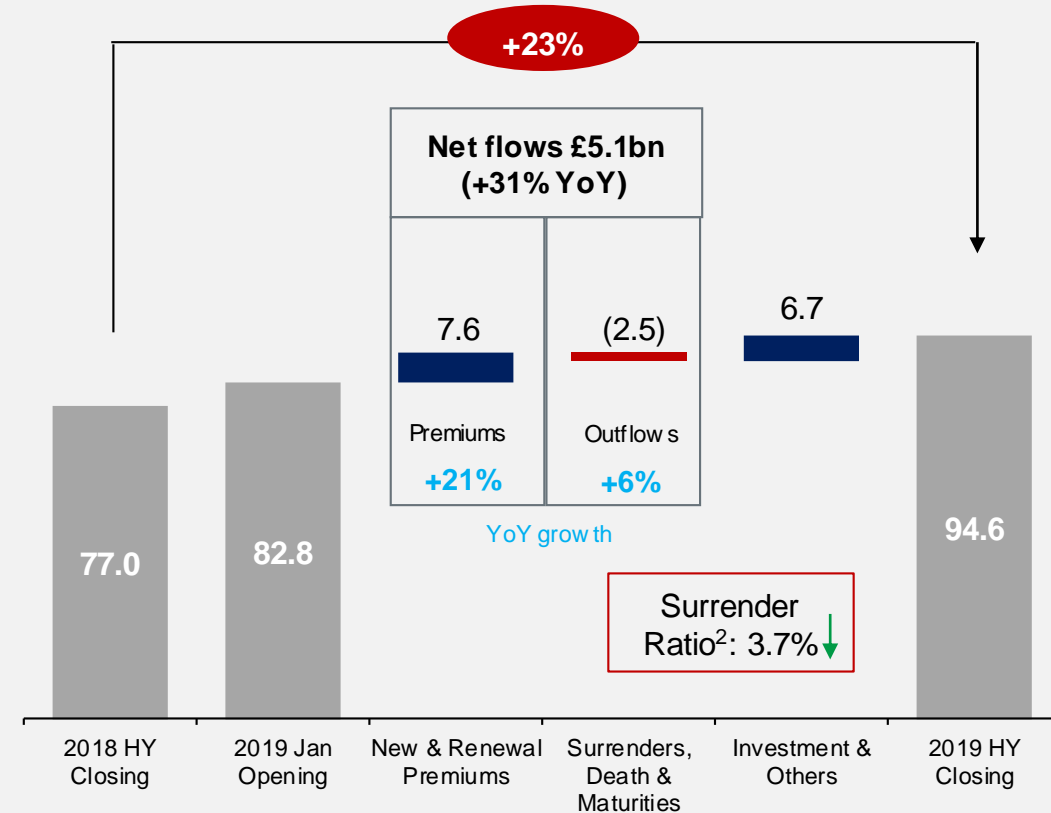
6 Represents gross written premium (unweighted)

Asia

Delivering high quality and profitable growth - Life

Growth

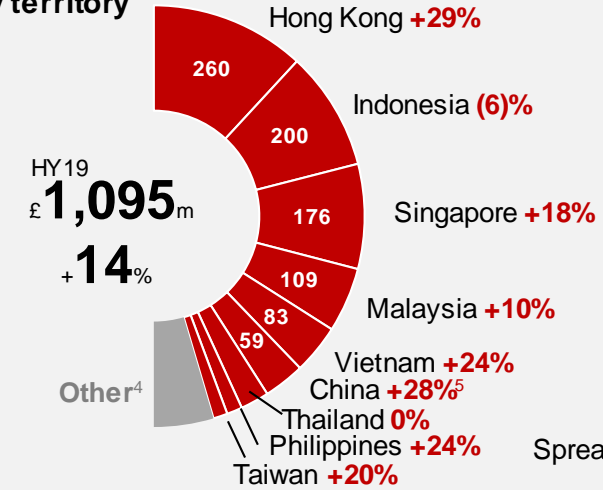
Total policyholder liabilities³, £bn



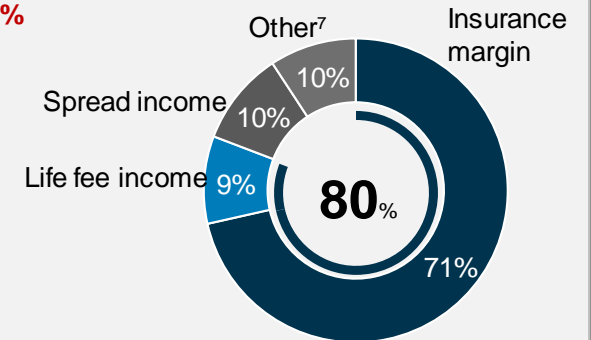
Profitability

Life IFRS operating profit¹

By territory



By sources of IFRS operating income – Life business⁶



8 Life markets with double digit growth⁸

+14% Insurance margin

1 On a constant exchange rate basis (CER)

2 Annualised rate. Ratio improved from 4.2% in HY18 to 3.7% in HY19. Surrender ratio is calculated as the sum of full surrenders and partial withdrawals, as a proportion of opening liabilities.

3 On a reported exchange rate basis

4 Other includes India, Cambodia and Laos.

5 On a post tax basis (£69m is on a pre-tax basis, up 13%).

6 Source of income excludes Eastspring.

7 Other comprises with-profits and the expected return on shareholders' net assets.

8 Including Cambodia.

Asia

Market highlights

Hong Kong

Product upgrades & innovation

- ✓ **PRURetirement deferred annuity** plan & two certified **VHIS** plans
- ✓ **PRUHealth Cancer ReCover** – a market first for cancer survivors

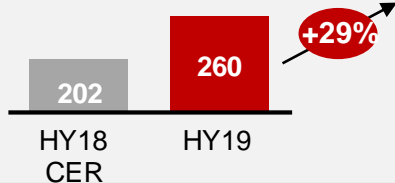
Unrivalled agency capabilities

- ✓ **35%** agency market share²
- ✓ **>23,000** in agency headcount
- ✓ **>4,100** MDRT, up **+12%**

Top quality business

- ✓ **99%** Retention rate
- ✓ **“Insurance Company of the Year”** for fifth consecutive year

IFRS operating profit¹, £m



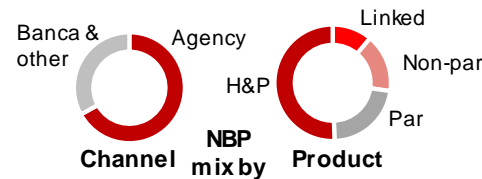
China (JV)

Well-established branches provide solid base to increase penetration

Year	Penetration ³	Branches, Cities
2000	0.0%	1, 1
2005	0.3%	5, 10
2010	0.4%	12, 32
2015	0.4%	15, 64
HY18	0.5%	18, 77
HY19	0.6%	20, 89

Well-balanced distribution platform

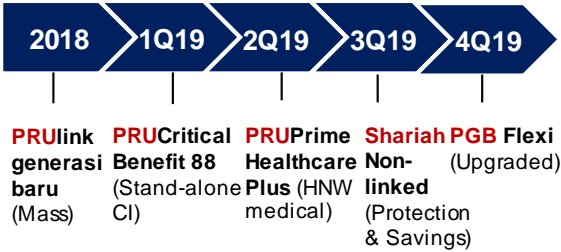
- ✓ **Double digit** NBP growth across all product segments & distribution channels



APE¹ **+45%** NBP¹ **+29%** IFRS operating profit (post tax)¹ **+28%**

Indonesia

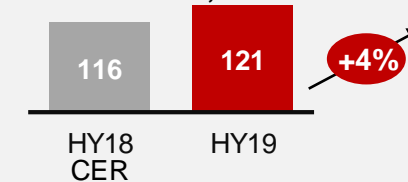
Broadening product range



Enhancing distribution capabilities

- ✓ **Segmentation** of agents and leaders
- ✓ Strategic partnership: **OVO**
- ✓ **PRUworks** launched

APE¹, £m



Double digit APE growth in 2Q19

Singapore

Strong distribution platform

- ✓ **>20%** market share in Agency & Banca²
- ✓ Largest agency force in the market **+10%** in agency headcount
- ✓ Strong banca sales (APE¹): **+19%**

Penetrating new segments

- ✓ **PRUworks** APE¹ **+31%**
- ✓ **OPUS** APE¹ **+35%**
 - **63** active private wealth consultants
 - **GOLD** award in “Best Loyalty Programme” designed for HNW

Regular premium APE¹ **+13%**

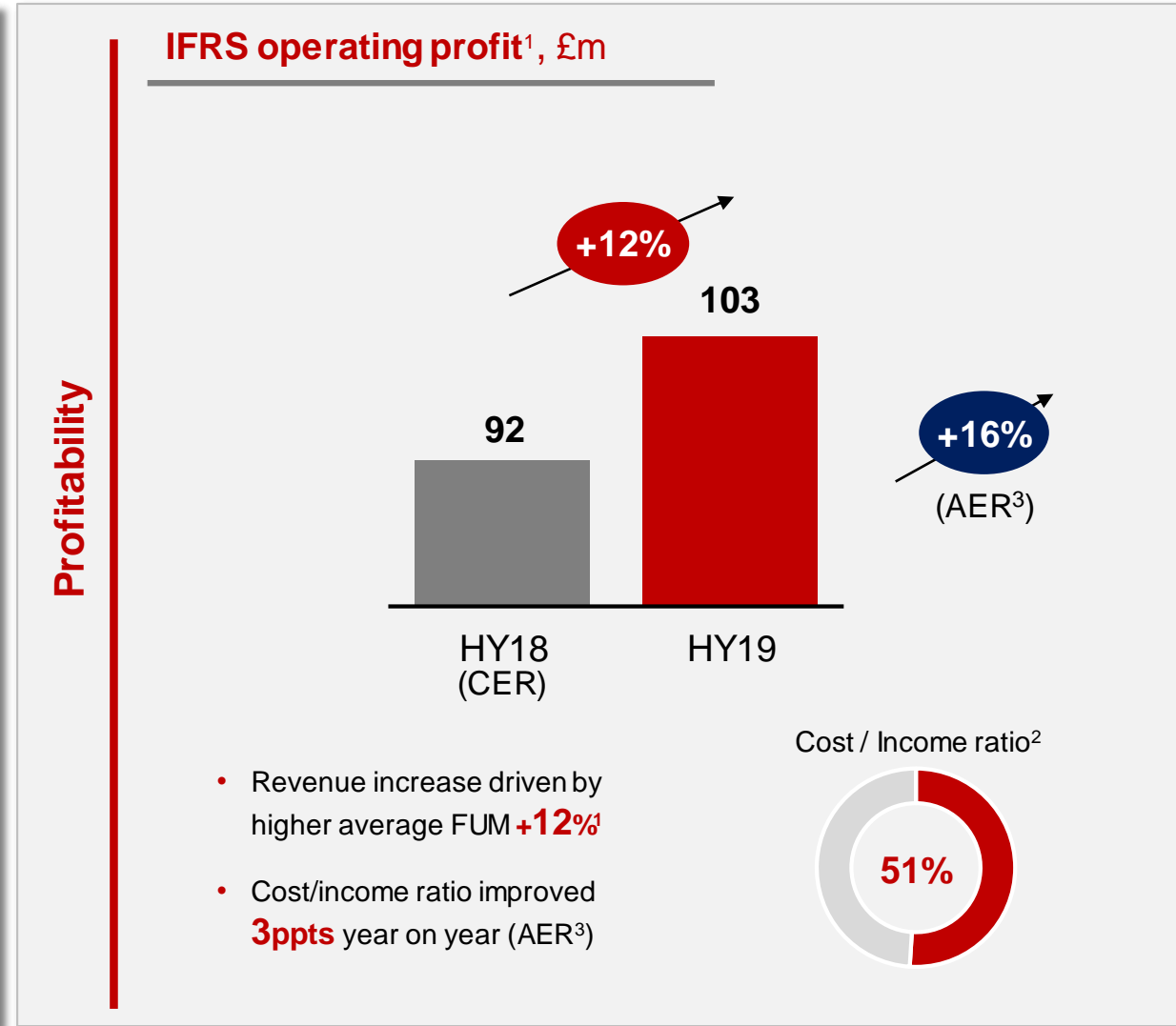
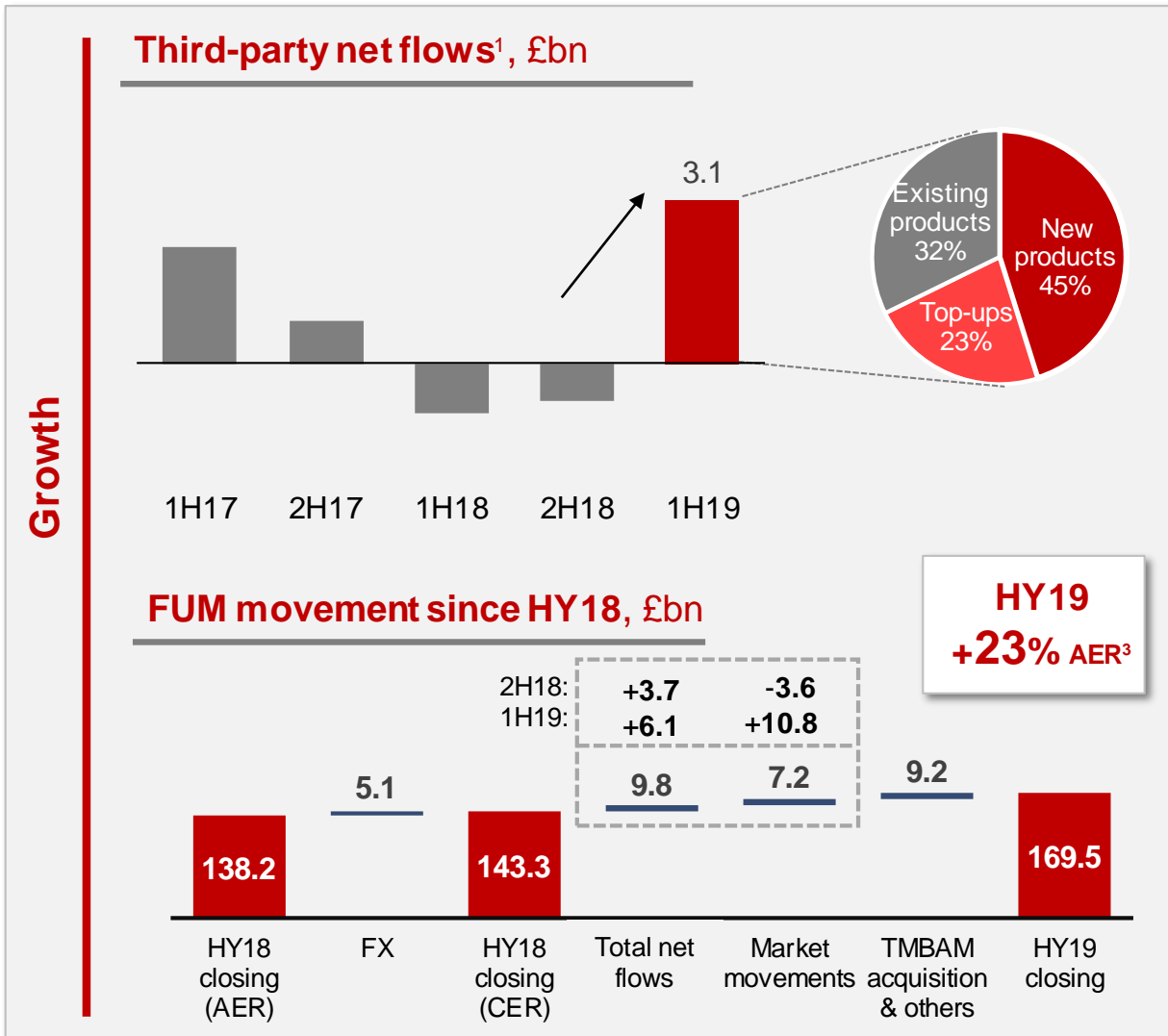
NBP¹ **+13%**

IFRS operating profit¹ **+18%**

As of HY19 unless stated otherwise.
 1 On a constant exchange rate basis (CER)
 2 As of 1Q19.
 3 Penetration is measured as percentage of gross written premium in China.

Asia

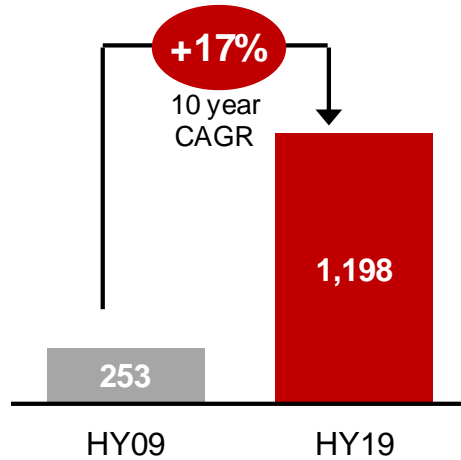
Delivering high quality and profitable growth - Eastspring



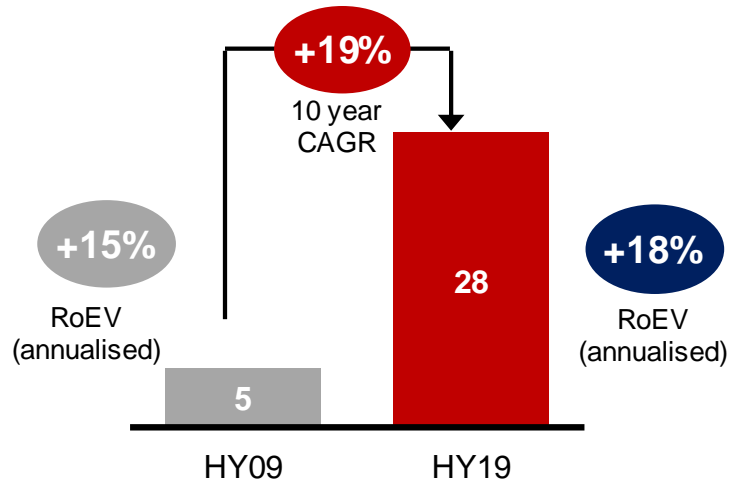
1 On a constant exchange rate basis (CER).
 2 Cost / income ratio represents cost as a percentage of operating income before performance related fees
 3 On an actual exchange rate basis (AER).

Asia Summary

IFRS operating profit^{1,2}, £m



EEV^{1,3}, £bn



- Strong performance on all metrics with positive new business and net flow momentum
- Executing on a clear set of strategic priorities and building out digital capabilities
- Unlocking new customer segments through broader proposition set and new channels
- Unwavering emphasis on quality growth and profitability
- Well positioned to benefit from long-term structural opportunities

1 On a constant exchange rate basis. 2 The comparator has been adjusted for new and amended accounting standards and excludes Korea Life, Japan and Taiwan agency. 3 RoEV in HY09 is on a pre-tax basis and HY19 is on a post-tax basis.

Michael Falcon

Chief Executive Officer: Jackson

- ✚ Strategic assessment
 - Strength of the business
 - Market outlook
 - Future direction

- ✚ HY19 financial performance
 - Sales
 - Income measures

- ✚ Roadmap

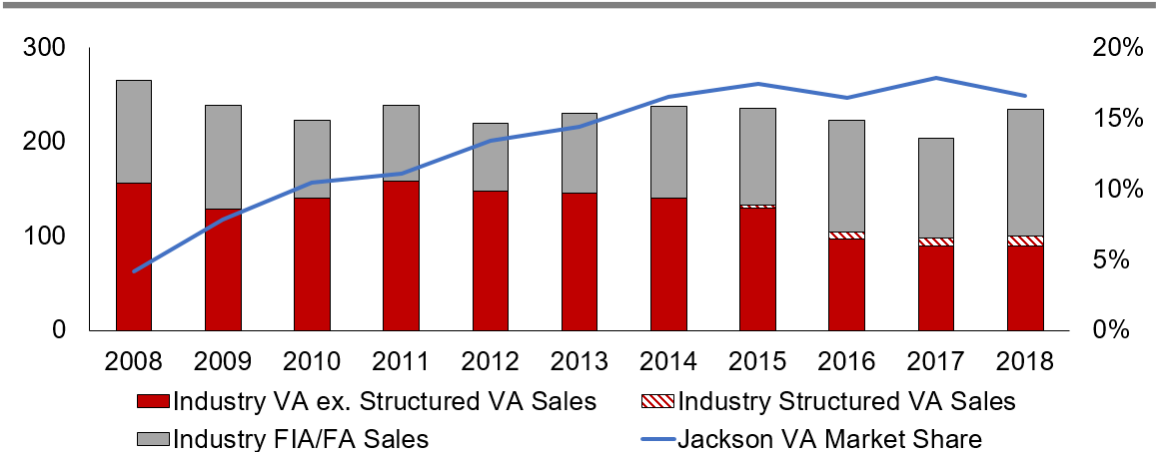
Jackson

Strategic assessment

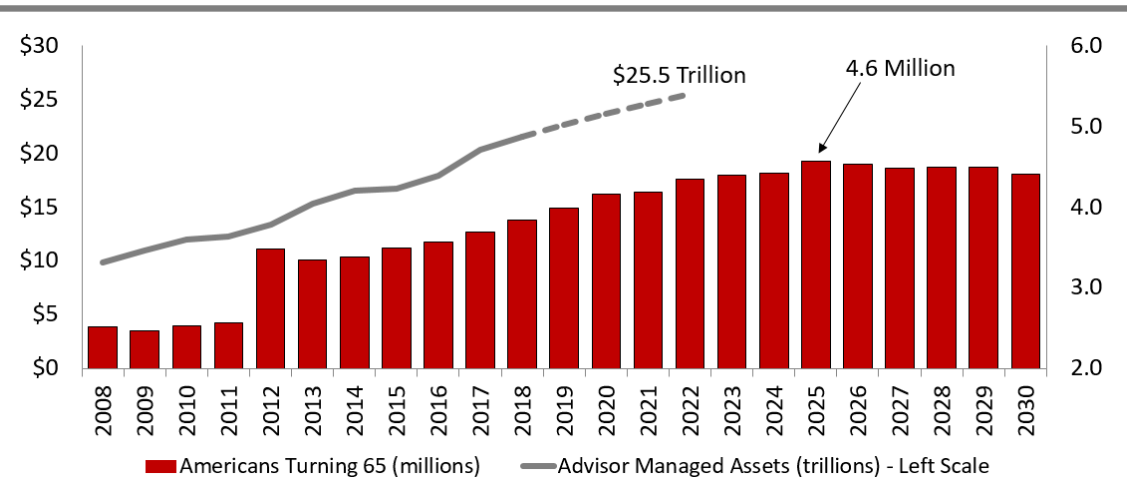
1 Strength of business

- Proven commercial capability
- Formidable record of gathering assets in a disrupted segment
- Broad capabilities across all annuity segments
- Market leading customer outcomes & service model
- Efficient operations & technology stack (single platform)
- Proven finance and risk management in maintaining capital levels
- US retirement market largest and most dynamic globally – customer need is large and growing

Industry annuity sales & Jackson VA market share (LIMRA)¹, \$bn



Retirement wave & asset pool²



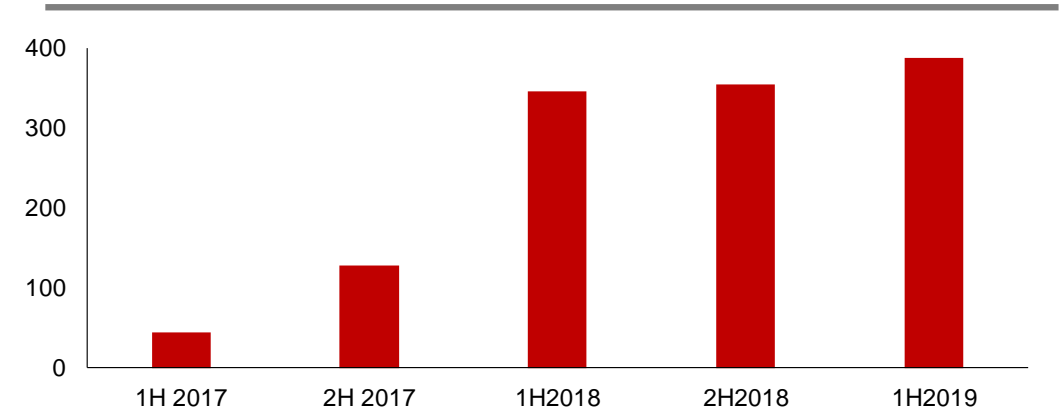
¹ 2019 Morningstar, Inc., LIMRA/Secure Retirement Institute and Jackson analysis
² U.S. Census Bureau, Population Division. 2014 estimate of population. Cerulli Associates, U.S. Intermediary Lodestar.

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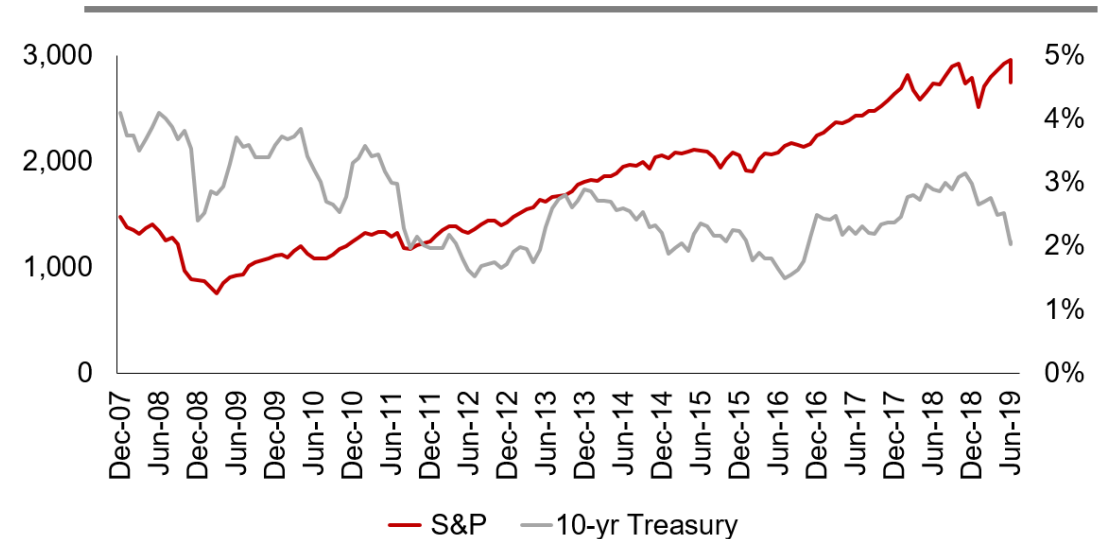
Market outlook

- Improving:
 - ✓ Regulatory trajectory
 - ✓ Media coverage
 - ✓ Distribution expansion
 - Technology driven capabilities
 - Advice driven model evolution
 - Pension market opportunities in due course
- Some challenges remain:
 - Lower for longer rate environment
 - Complicated product and sales process

Jackson fee based annuity sales, \$m



Economic indicators



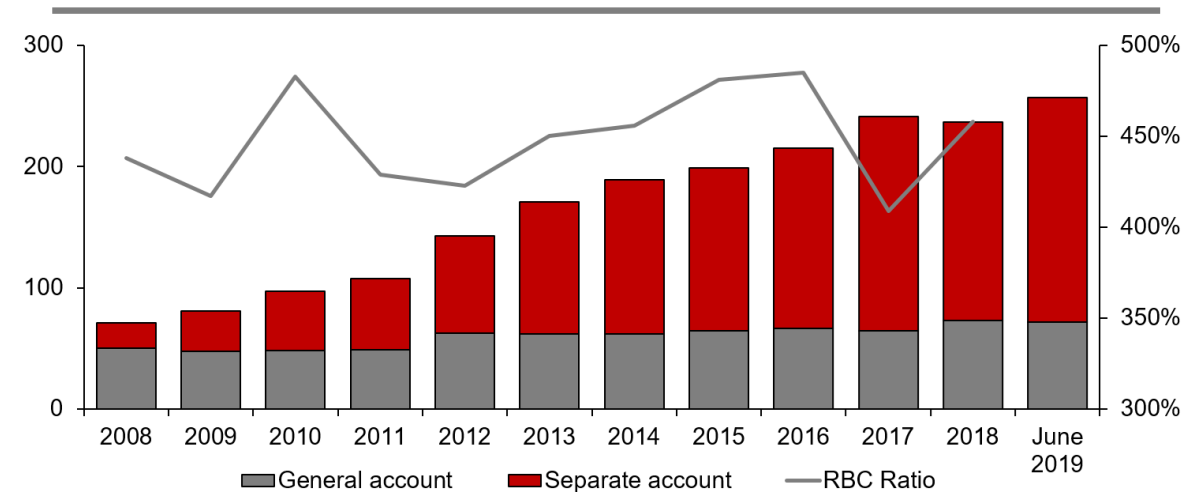
3 Develop a more diversified book

- Deploy capital to grow non VA book
- Diversification reduces statutory capital volatility
- Allows for more efficient hedging
- Release additional shareholder value & enhance cash generation

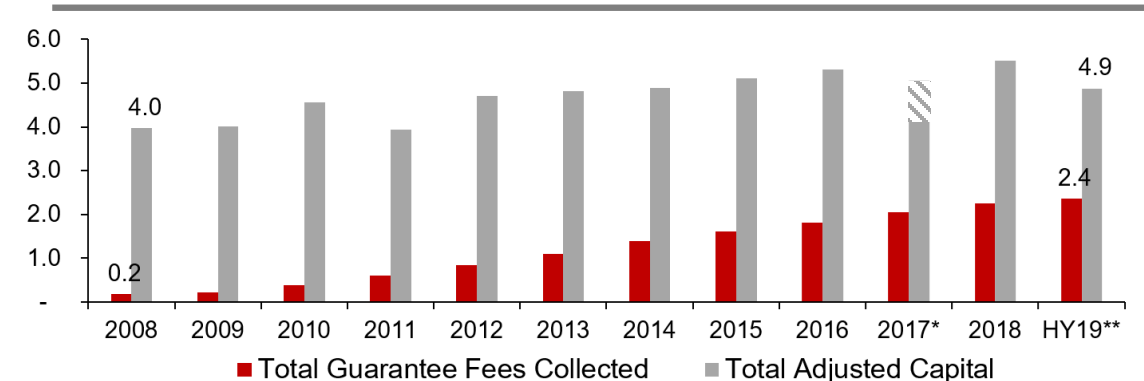
Why we like GMWB risk profile:

- Best solution for many investors – transfers retirement risks to insurer
- Immediate liquidity supported by NAV
- Future claims are deferred and cannot be immediately monetised
- Fee accumulation

RBC ratio and statutory admitted assets, \$bn



VA guarantee fees and statutory capital, \$bn



*2017 TAC adjusted for tax reform impacts (shaded area)

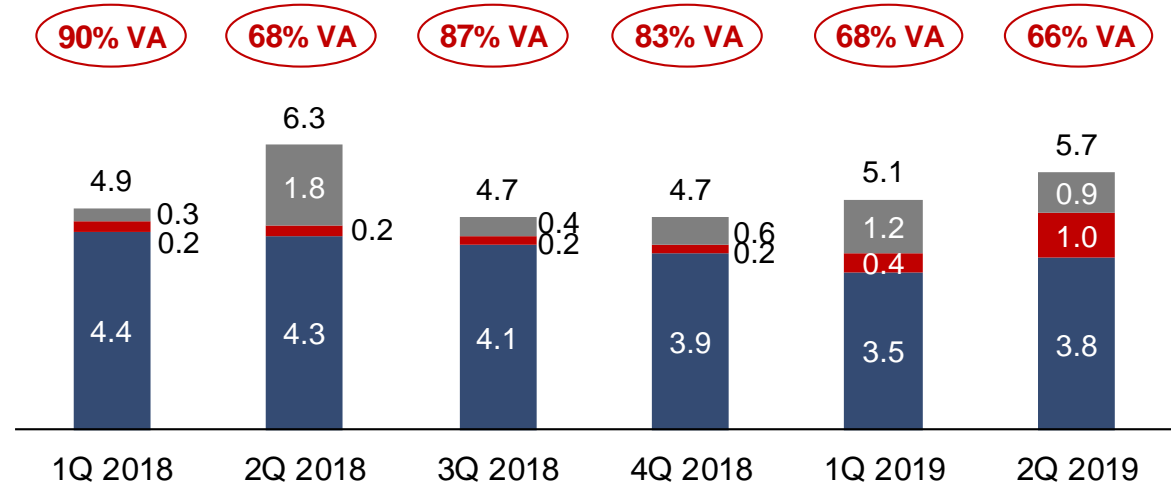
**HY19 guarantee fees are annualized

Jackson

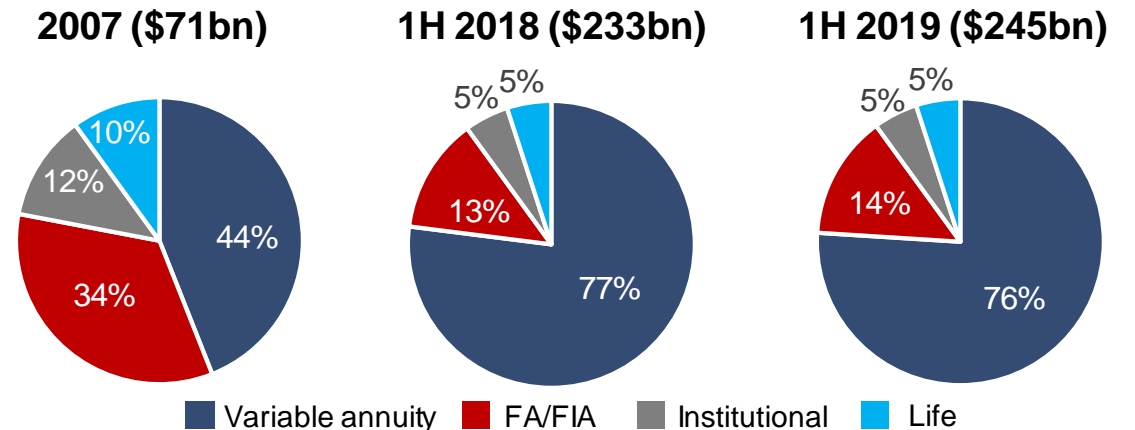
HY19 financial performance: sales shift in 1H 2019

- FA/FIA sales up to \$1.4bn in 1H 2019 (\$0.4bn in 1H 2018)
- Overall sales of \$10.8bn in 1H 2019 (\$11.2bn in 1H 2018)
- Launched competitive FIA product in early 2019
- Product expertise and distribution relationships were already in place to move mix
- Value proposition centered on product flexibility, service quality, and distribution reach
- History of pricing discipline

Sales and deposits, \$bn

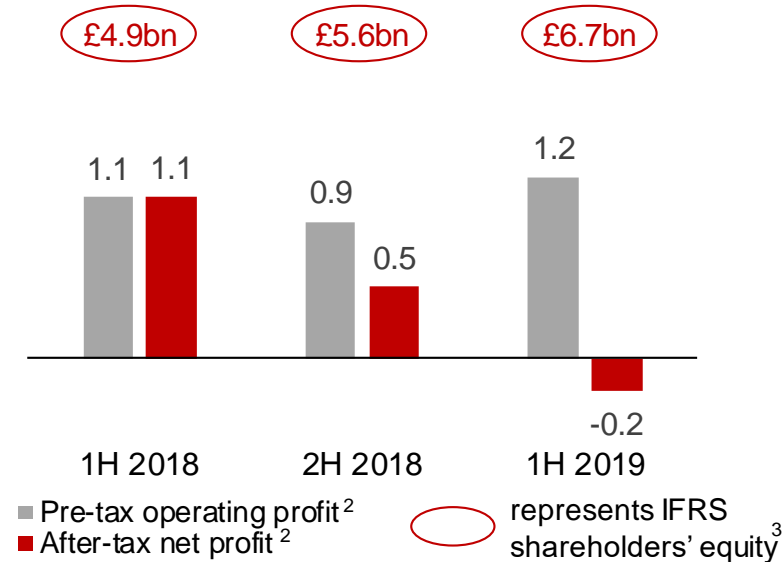


Statutory reserves by product type, %



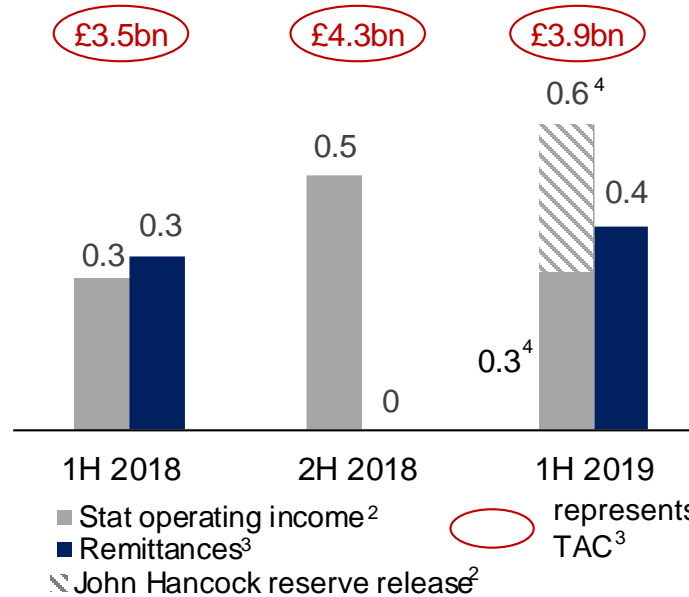
HY19 financial performance: income measures

IFRS pre-tax operating profit and after-tax net profit¹, £bn



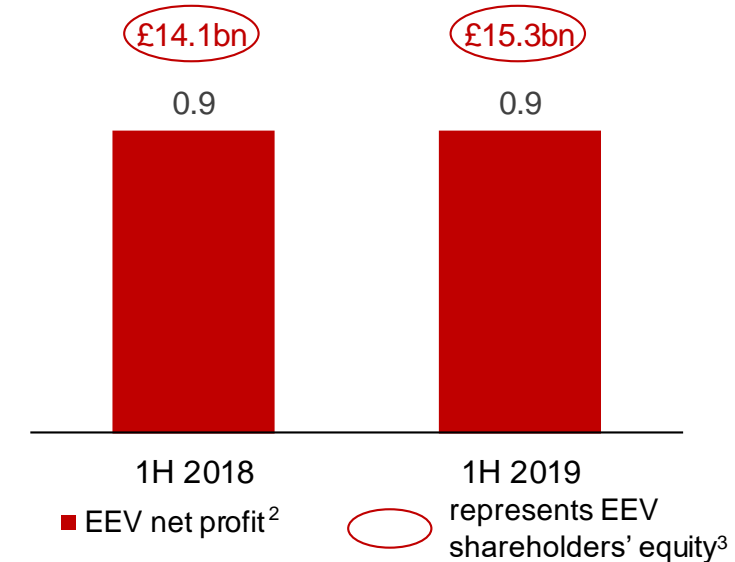
- Operating profit reflects equity markets (fee base & DAC) and yields
- Net profit reflects hedge results

Statutory operating income and remittances¹, £bn



- Statutory capital drives dividend capacity
- 1H 2019 benefited from John Hancock reserve release

EEV post-tax net profit and shareholder funds¹, £bn



- EEV net profit also captures PV of all future fees
- Shareholder funds captures growth in value of business over time

¹ Based on US life business
² Based on a constant exchange rate basis
³ Based on an actual exchange rate basis
⁴ Statutory operating income of £0.6bn (\$0.8bn) includes £0.3bn (c.\$350m) of John Hancock reserve releases

- Good commercial performance in 1H 2019
 - Increased sales of FIA/FA
 - Broadened product range and distribution
 - Maintained operating efficiency
- Well positioned with improving growth prospects over time
- Appropriately capitalised with effective financial and risk management
 - Paid FY 2019 remittance
- Seek to enhance cash generation by:
 - Accelerating diversification, thereby
 - Utilising natural hedge offsets whilst maintaining risk appetite
- Options to support this strategy include:
 - Reinsurance and third party financing

Mark FitzPatrick

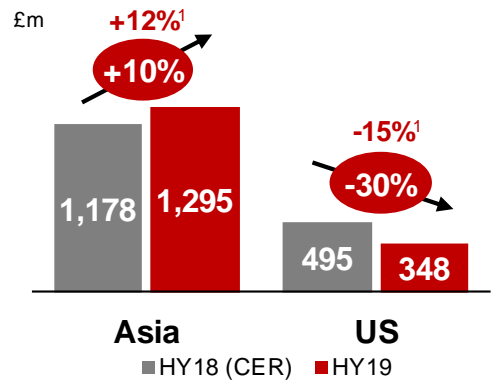
Chief Financial Officer and Chief Operating Officer

Group

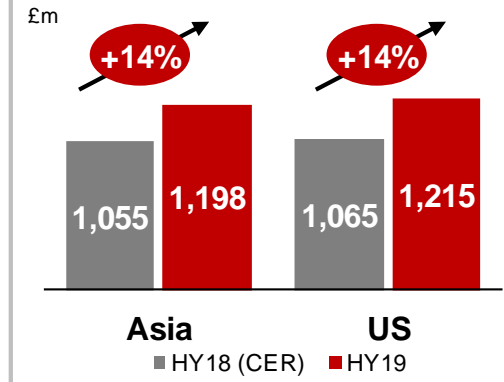
HY19 financial highlights

Asia & US

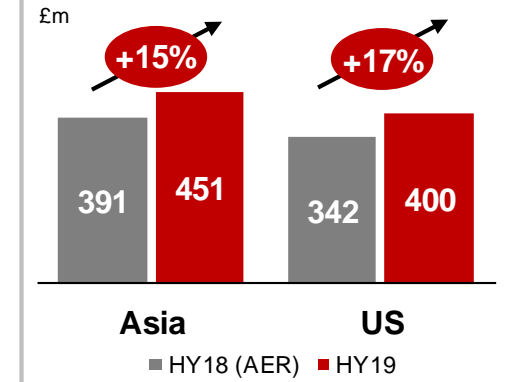
New business profit



IFRS Op. Profit

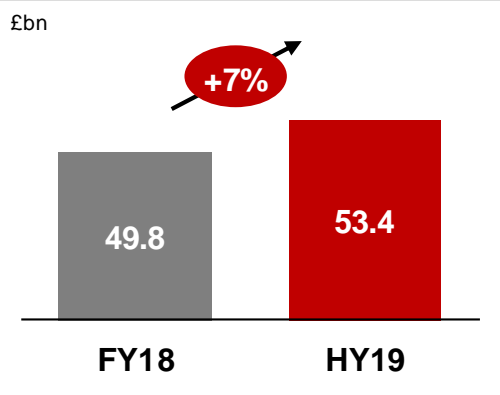


Cash remittances

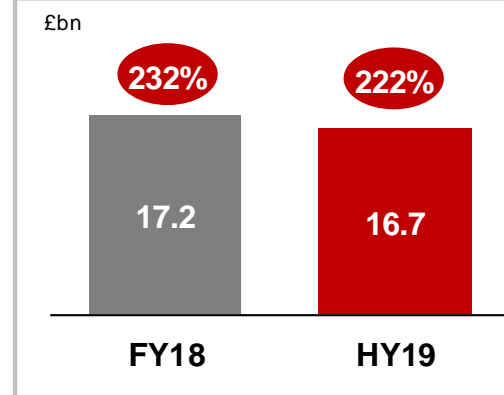


Group (Continuing & discontinued operations)

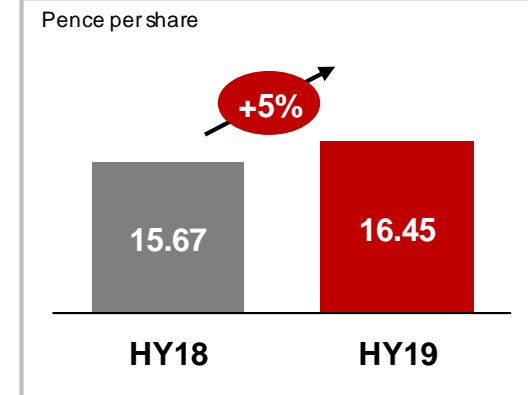
EEV SHF



Solvency II surplus²



Dividend



1. Excluding the effect of lower interest rates and other economic factors.

2. The Group shareholder Solvency II capital position excludes the contribution to own funds and the SCR from ring-fenced with-profits funds and staff pension schemes in surplus. The estimated solvency positions include management's calculation of UK transitional measures reflecting operating and market conditions at each valuation date.

Group IFRS result

Segment IFRS operating profit up 14%, M&GPrudential to discontinued operations

Group IFRS result

£m	HY18 (CER)	HY19	Change %
Asia	1,055	1,198	14
US	1,065	1,215	14
Total segment profit continuing operations	2,120	2,413	14
Other income & expenditure, restructuring costs	(351)	(389)	(11)
<i>of which:</i>			
<i>Interest payable on core structural borrowings</i>	(189)	(226)	(20)
<i>Corporate expenditure</i>	(175)	(164)	6
<i>Restructuring costs</i>	(20)	(23)	(15)
Adjusted IFRS operating result: continuing operations	1,769	2,024	14
ST fluctuations on shareholder-backed business, & other	(75)	(1,128)	n/a
Profit from continuing operations before tax	1,694	896	(47)
Profit for the period from continuing operations after tax	1,351	895	(34)
Profit for the period from discontinued operations after tax ¹	83	645	n/a
Profit for the period after tax	1,434	1,540	7

Asia and US segment profit up 14%

Interest payable relates to pre-demerger group structure

US market-driven equity hedge losses were only partly offset by lower related liabilities given lower long-term rates & accounting mismatch effects

M&GPrudential operating profit (pre tax): **£687m** (HY18: £736m)

- Core life & asset mgt. op. profit² **£584m** (HY18: £527m)
- Non-core life operating profit **£151m** (HY18: £232m)
- Other³ **£(48)m** (HY18: £(23)m)

1. The HY18 profit for the period from discontinued operations after tax includes a loss on disposal of £(513)m related to the transaction with Rothesay announced in March 2018.

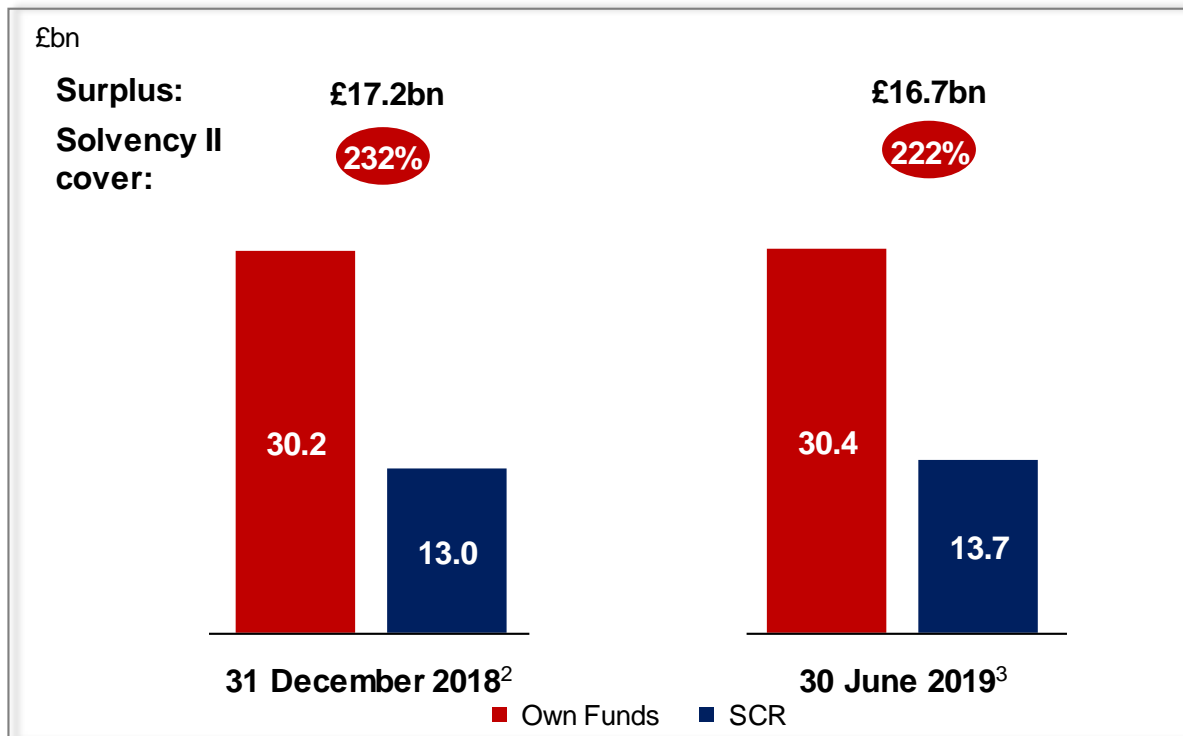
2. Using Prudential plc segmentation, where core refers to the underlying profit of the M&GPrudential insurance business, excluding the effect of, for example, management actions to improve solvency and material assumption changes.

3. Other includes general insurance commissions, head office costs and restructuring costs.

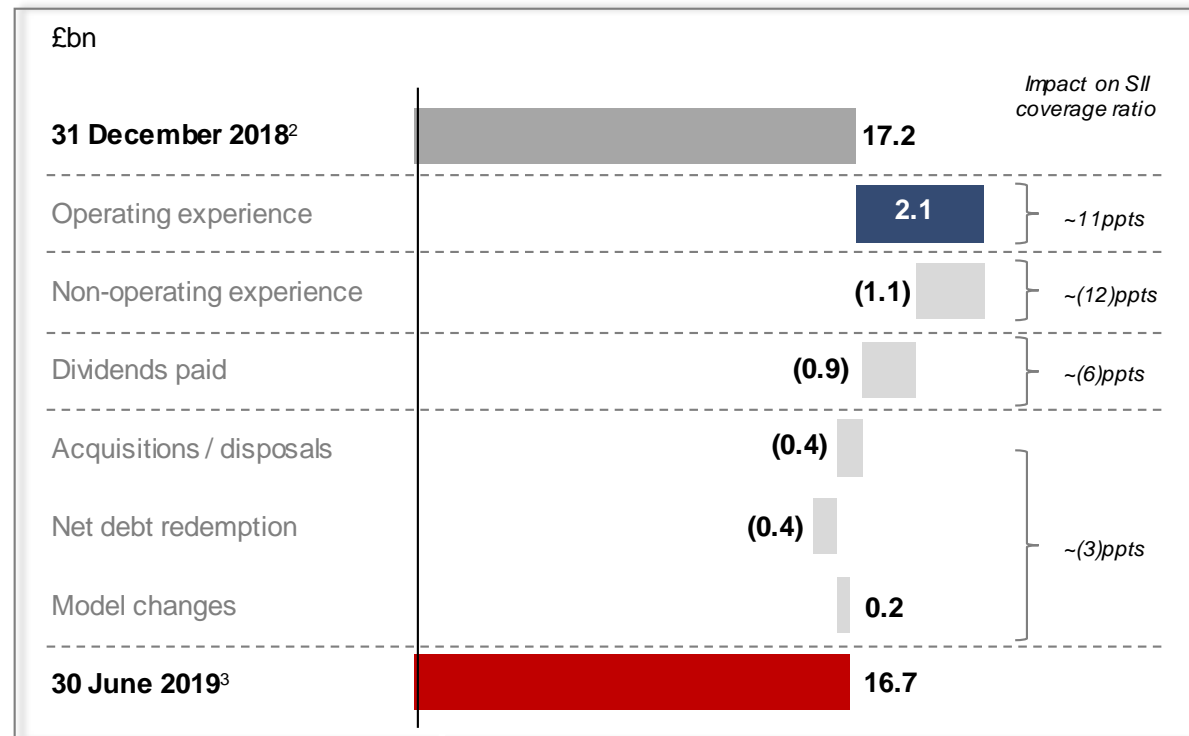
Capital development

Robust Group solvency position & strong capital generation

Group shareholder Solvency II capital position¹,
(includes M&GPrudential)



HY19 movement in Group shareholder Solvency II surplus¹,
(includes M&GPrudential)



1. 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 estimated solvency positions include management's calculation of UK transitional measures reflecting operating and market conditions at each valuation date, which at 31 December 2018 reflected the approved regulatory position.

2. Before allowing for the 2018 second interim dividend.

3. Before allowing for the 2019 first interim dividend.

Hong Kong regulatory framework

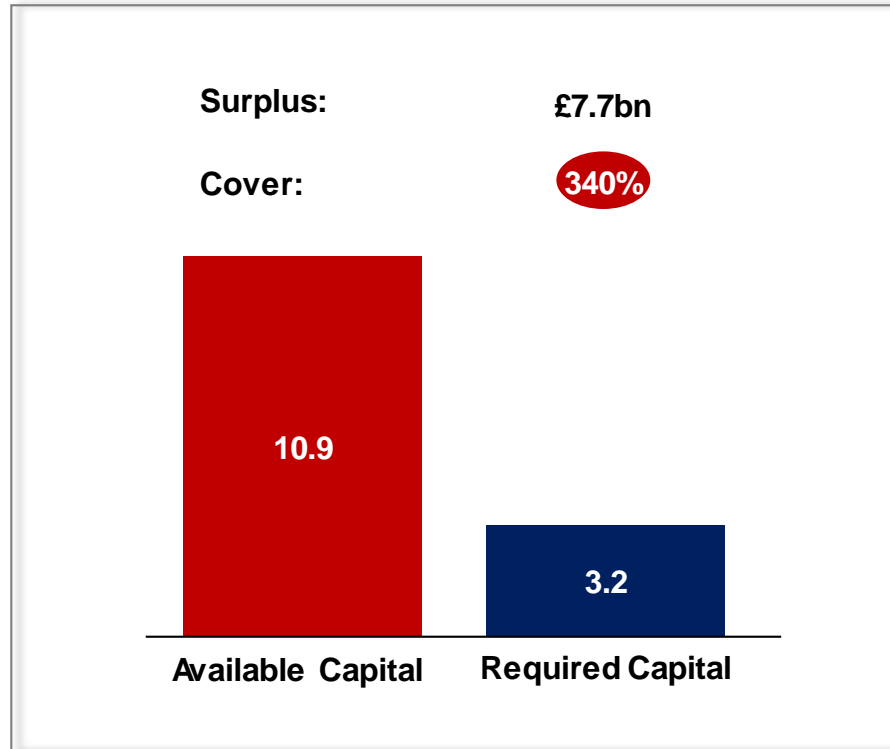
Replaces Solvency II post demerger

- HKIA will assume the role of the Group-wide supervisor, post demerger
- Regulatory Pillar 1 basis will be the 'Local Capital Summation Method' (LCSM), as agreed with HKIA
 - Asia minimum required capital is sum of local Minimum Capital Requirements (MCRs)
 - US minimum required capital is 100% of US Company Action Level (CAL)
 - No diversification recognised between entities
 - Subordinated debt retained in Prudential plc included in LCSM
- Internal economic capital retained as Pillar 2 within the regulatory framework
- Regulatory framework expected to transition to the Group Wide Supervision (GWS) framework

LCSM overview

Strong group and local capital positions

Estimated Group shareholder LCSM pro-forma capital position,
30 June 2019¹, £bn



- Group LCSM result reflects strong local capital positions:
 - Asia shareholder cover ratio ~260%
 - Jackson RBC ratio >400%
- Aligns Group capital measure with local solvency
- Broadly aligns with our established free surplus generation framework
- Results in closer alignment between capital and cash management than under Solvency II

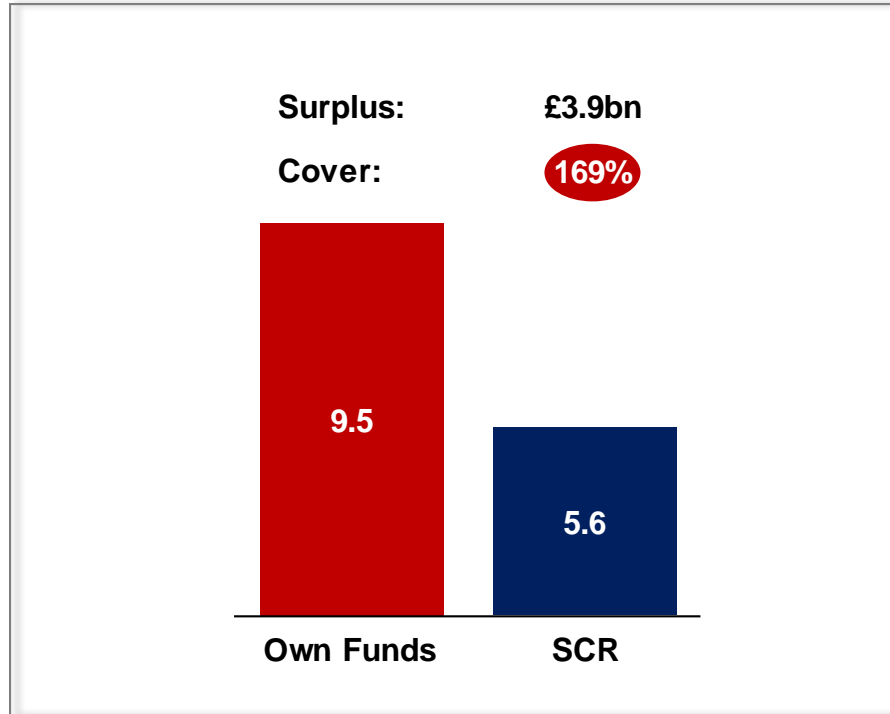
1. Excludes M&GPrudential and includes surplus of £0.3 billion representing the estimated impact on the retained Prudential Group shareholder LCSM capital position of the proposed demerger. The pro-forma adjustments to the 30 June 2019 estimate are based on current indicative estimates and are subject to change. These are:

- A reduction of £2.9 billion for the expected impact of the transfer of subordinated debt to M&GPrudential by substituting M&GPrudential in the place of Prudential as issuer of such debt. The £2.9 billion represents debt capable of being substituted that was held at 30 June 2019. A further £0.3 billion was raised in July bringing the total of subordinated debt expected to be transferred to £3.2 billion;
- An increase of the expected proceeds of £3.0 billion from a pre-demerger dividend to be paid by M&GPrudential to Prudential plc shortly before demerger, together with planned dividends of £0.3 billion expected to be paid earlier. All dividends are subject to the customary legal and governance considerations required before approval by the M&GPrudential Board; and
- A reduction of £0.1 billion for expected directly attributable transaction costs associated with the proposed demerger that have yet to be incurred at 30 June 2019.
- No account has been taken of any trading and other changes in financial position of the Prudential Group after 30 June 2019, thus the pro-forma shareholder LCSM capital position does not reflect the actual shareholder LCSM capital position of the retained Prudential Group following the completion of the proposed demerger.

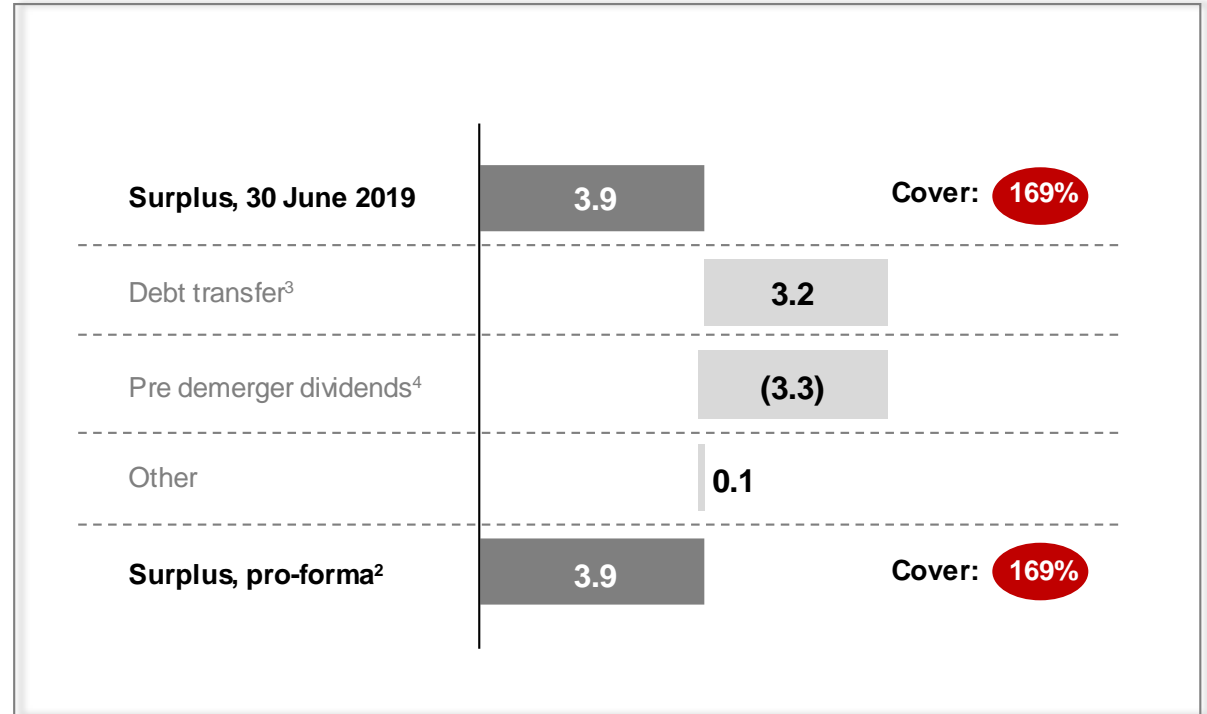
M&G Prudential Solvency II update

Strong capital position

Estimated M&G Prudential Group shareholder Solvency II capital position, 30 June 2019¹, £bn



Estimated M&G Prudential Group shareholder Solvency II position movement from 30 June 2019 to pro-forma position^{1,2}, £bn



1. Based on outputs from the M&G Prudential Group internal model which has not yet been approved by the PRA. The estimated shareholder Solvency II capital position excludes the contribution to own funds and the SCR from ring-fenced with-profits funds and staff pension schemes in surplus. The estimated solvency positions include management's calculation of UK transitional measures reflecting both operating and market conditions.
2. No account has been taken of any trading and other changes in the financial position of the M&G Prudential Group after 30 June 2019, thus the pro forma shareholder Solvency II capital position does not reflect the actual shareholder Solvency II capital position of the M&G Prudential Group following the completion of the proposed demerger.
3. Based on the operating environment and economic conditions as at 30 June 2019, the total debt expected to be transferred valued at original proceeds less unamortised transaction costs is £3.2 billion, of which £2.9 billion was held by Prudential at 30 June 2019 (IFRS value of £3.1 billion), with a further £0.3 billion (coupon of 3.875 per cent) raised in July 2019.
4. All dividends are subject to the customary legal and governance considerations required before approval by the M&G Prudential Board.

Group

Good progress towards demerger

Completed to date:

- Hong Kong legal transfer
- £3.2bn debt with substitution clauses established through consent and issuance process
- M&GPrudential Board fully in place
- M&GPrudential head office functions are on-track to standalone
- HKIA agreement for all subordinated debt to be included as capital within LCSM framework at point of demerger
- Preparations are complete for the Hong Kong Insurance Authority to be the Group-wide supervisor of the Prudential plc Group

Outstanding:

- Publication of shareholder circular (Prudential plc) & prospectus (M&GPrudential)
- Shareholder approval at EGM
- Execution of debt substitution process & payment of pre-demerger dividend¹
- Final execution stage

1. The expected proceeds of £3.0 billion from a pre-demerger dividend to be paid by M&GPrudential to Prudential plc shortly before demerger, together with planned dividends of £0.3 billion expected to be paid earlier. All dividends are subject to the customary legal and governance considerations required before approval by the M&GPrudential Board.

Mike Wells

Group Chief Executive

Group

Opportunity set is substantial – strong operating franchises well positioned

Asia



- Growth drivers enduring and resilient
- Protection & savings gap substantial
- Demographics compelling
- Multi-distribution strategy is a strength

US



- Operating in world's largest retirement market
- Superior customer proposition
- Broad product credentials
- Diversification is key to growing value

UK & Europe



- Opportunity set compelling
- Investment skills key differentiator
- Strong brands
- Operational change upside

Group

Key takeaways

- ✦ Strong financial performance in supportive, but volatile markets
- ✦ Significant opportunities for each business to grow
- ✦ Demerger of M&G Prudential expected during 4Q2019
- ✦ Management focused on strategic & operational delivery

Group

Asia-led in structural growth markets



¹ CAGR from 2017 to 2022 for life insurance and health medical reimbursement markets in Hong Kong, China, Singapore, Indonesia, Malaysia and India. Based on NBP projections. Source: Proprietary research/Bain analysis (2018)

Appendix

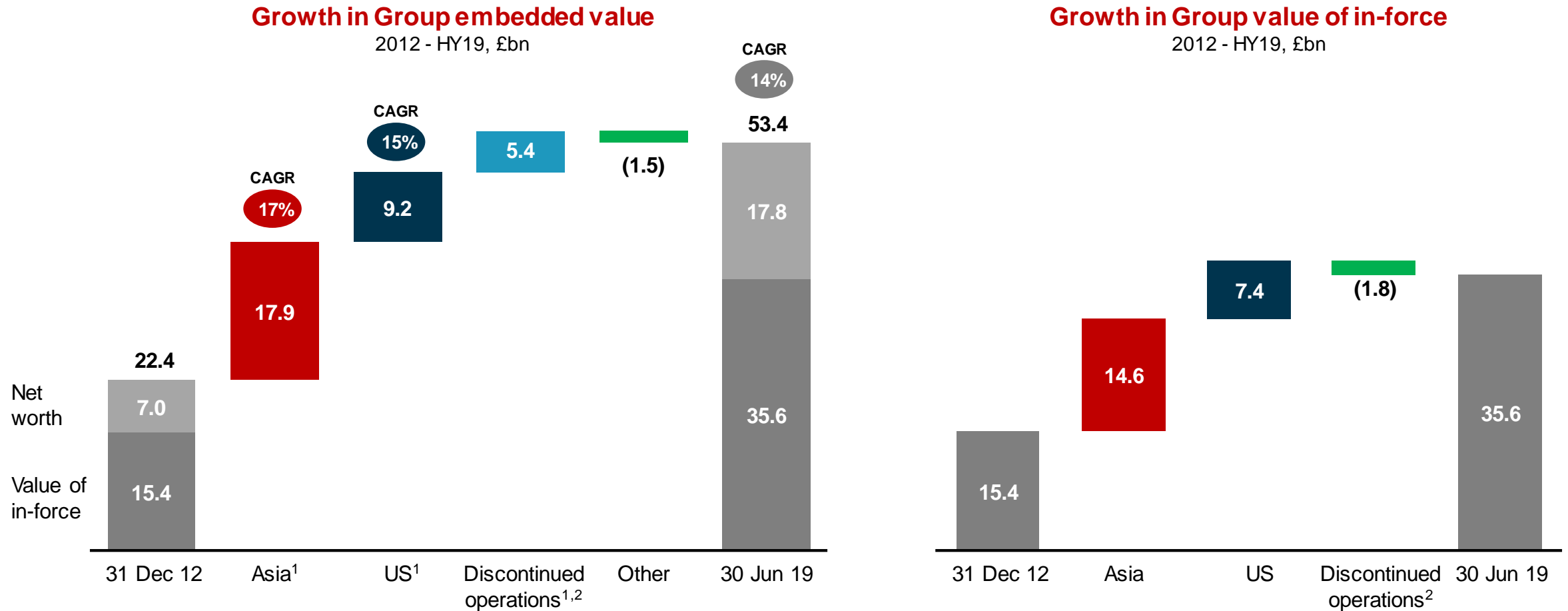
2019 Half Year Results

Contents:

▶ Group	40
▶ Asia	42
▶ US	48
▶ Africa	57
▶ M&G Prudential	58
▶ Cash & capital	59
▶ Invested asset exposures	62

Group embedded value

Consistent growth, led by Asia in-force

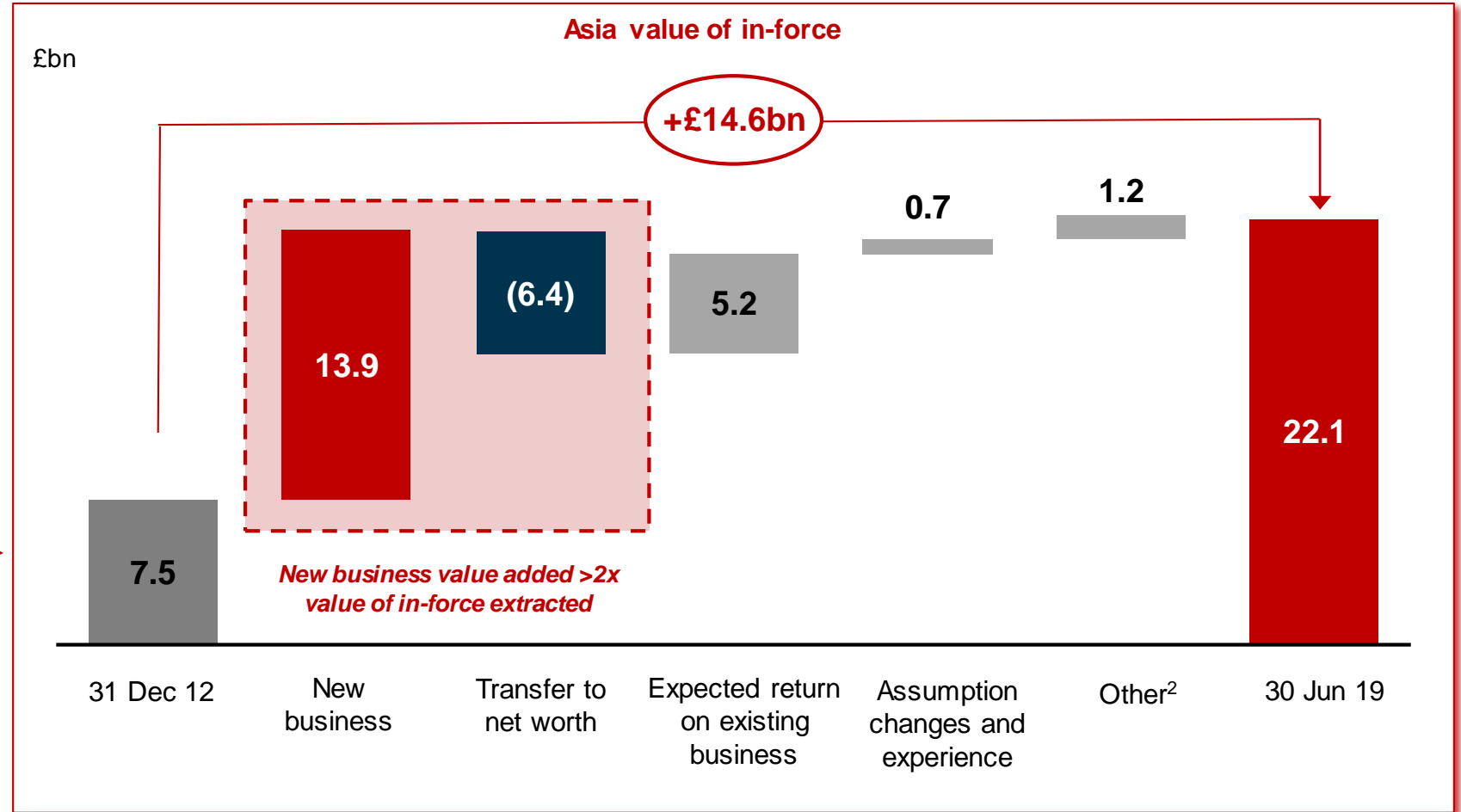
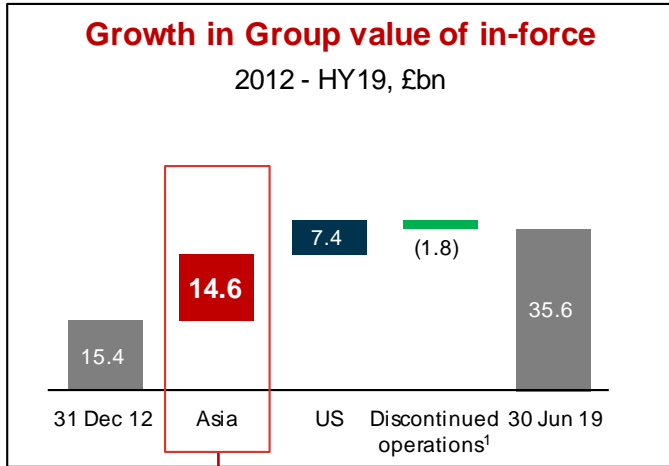


¹ Includes life and asset management operations.

² The Group is planning to demerge its UK and Europe operations, M&GPrudential, from the Prudential plc group in the second half of 2019. Following an assessment at 30 June 2019, in accordance with IFRS 5, 'Non-current assets held for sale and discontinued operations', the results of M&GPrudential have been classified as held for distribution and as discontinued operations at 30 June 2019 in the condensed consolidated financial statements.

Group embedded value

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



¹ The Group is planning to demerge its UK and Europe operations, M&GPrudential, from the Prudential plc group in the second half of 2019. Following an assessment at 30 June 2019, in accordance with IFRS 5, 'Non-current assets held for sale and discontinued operations', the results of M&GPrudential have been classified as held for distribution and as discontinued operations at 30 June 2019 in the condensed consolidated financial statements.

² Includes impact of sale of Japan Life and Korea Life, currency movements and other non-operating items.

Asia

Key features



Accelerating the trajectory in Asia's structural growth markets

Best in class franchises

- ✓ Leading pan-regional franchise
- ✓ Top 3 position in 8 of 12 life markets¹
- ✓ #1 Retail Asian asset manager²
- ✓ Leading multi-channel distribution network
- ✓ Access to population of 3.6bn³

Asia financial performance, £m

	HY19	HY18 CER	%	FY18 CER
APE	1,978	1,806	10%	3,836
NBP	1,295	1,178	10%	2,675
IFRS operating profit	1,198	1,055	14%	2,220

Note: As per the FY18 disclosures, unless stated otherwise.

¹ Top 3 in 8 of 12 countries. Source: Based on formal (Competitors' results release, local regulators and insurance associations) and informal (industry exchange) market share data. Ranking based on new business (APE or weighted FYP depending on the availability of data).

² 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.

³ United Nations, Department of Economic and Social Affairs, Population Division, World Population Prospects 2017 Revision.

Asia

Leading pan-regional franchise

> 600k
Agents

> 300
Life & asset management
distribution partnerships

1.4m
New Pru life customers⁹

Top 3
Position in 8 of 12
markets^{1,2}

Market leading pan
regional Asian Retail Fund
Manager⁸

Access to:
3.6bn
Population³



Note: Data as per the FY18 disclosures, unless stated otherwise.

1 Markets determined by regulatory and business requirements.

2 Top 3 in 8 of 12 countries. Source: Based on formal (Competitors' results release, local regulators and insurance associations) and informal (industry exchange) market share data. Ranking based on new business (APE or weighted FYP depending on the availability of data).

3 United Nations, Department of Economic and Social Affairs, Population Division, World Population Prospects 2017 Revision.

4 Ranking amongst private players, share among all players on a fiscal year basis excluding Group business.

5 Includes Takaful, excludes Group and MRTA.

6 Singapore includes onshore only, excluding Eldersfield and DPS.

7 First year gross premiums.

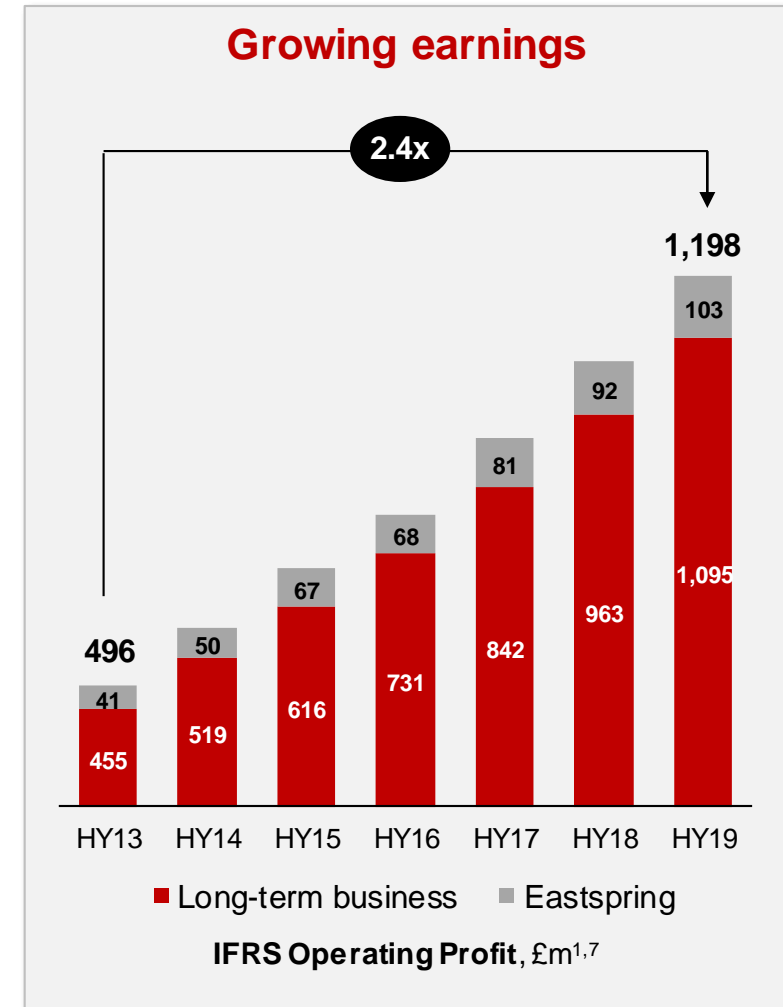
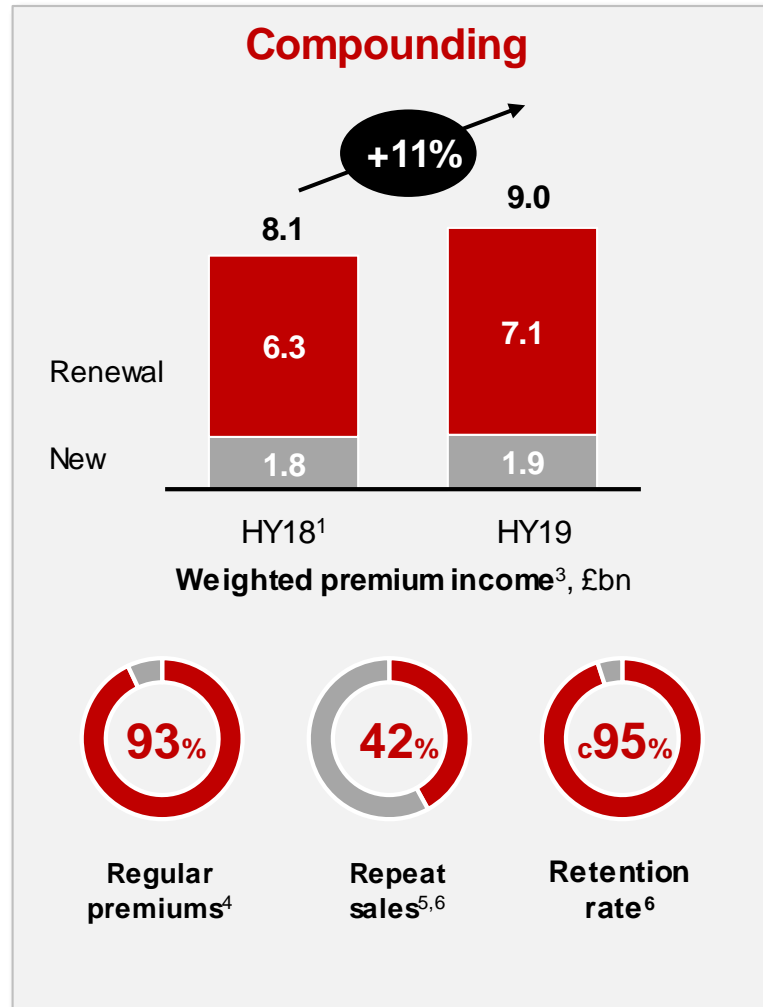
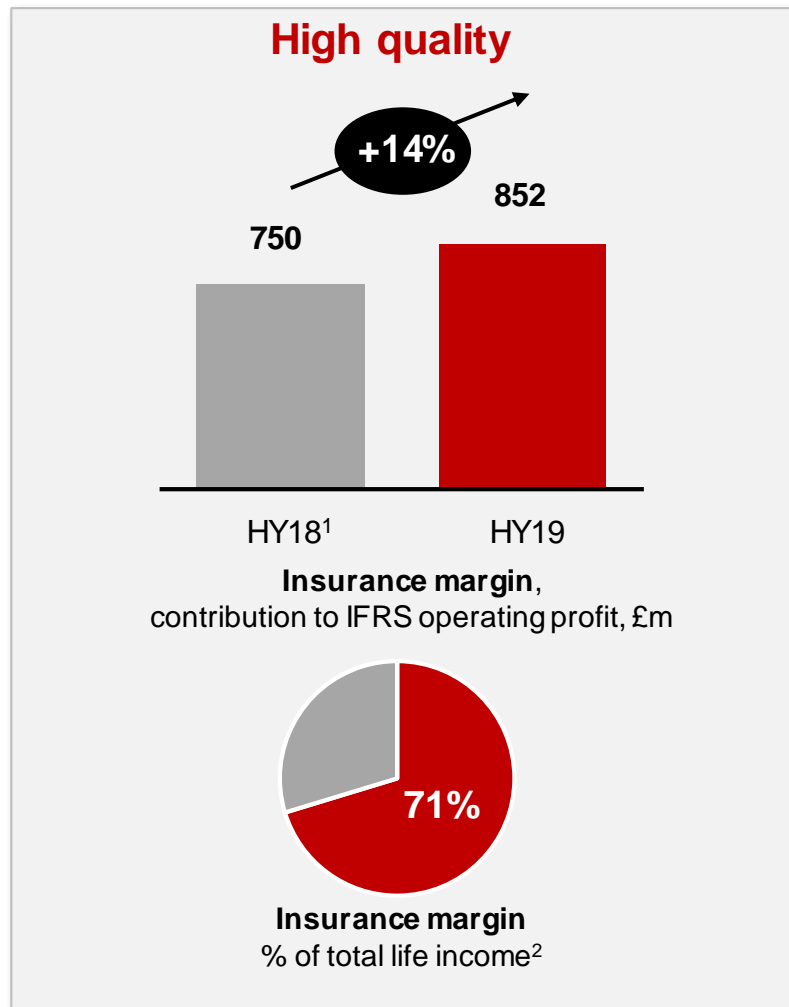
8 Source: Asia Asset Management – Fund Manager Surveys. Based on assets sourced in Asia ex- Japan, Australia and New Zealand. Ranked according to participating firms only.

9 In FY18. Excludes India.

10 Based on Annual Statement, NB Weighted Premium basis.

Asia

High quality portfolio



1 On a constant exchange rate basis (CER).

2 Total life income includes insurance income, spread income, fee income, with-profits income and expected return on shareholder assets and excludes margin on revenue.

3 Weighted premium income comprises gross earned premiums at 100% of renewal premium, 100% of first year premiums and 10% of single premiums.

4 Represented by regular premiums as a percentage of APE.

5 Repeat sales as a percentage of APE.

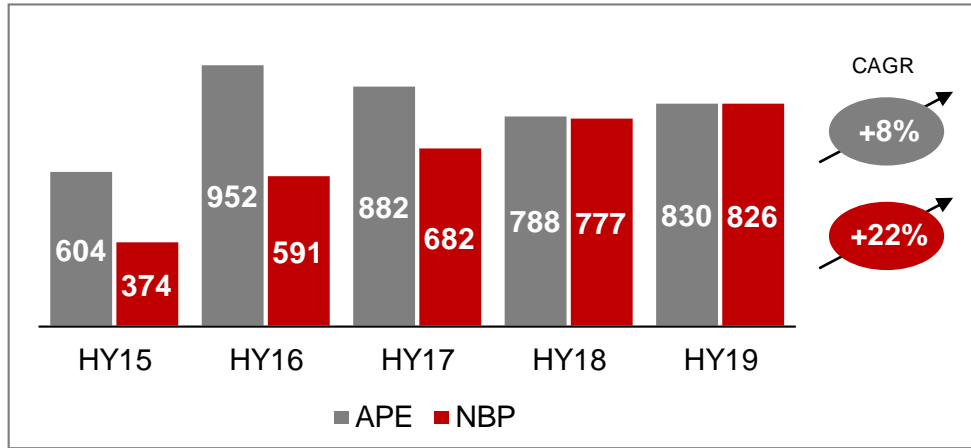
6 Excludes India.

7 Excludes Korea Life and Japan Life

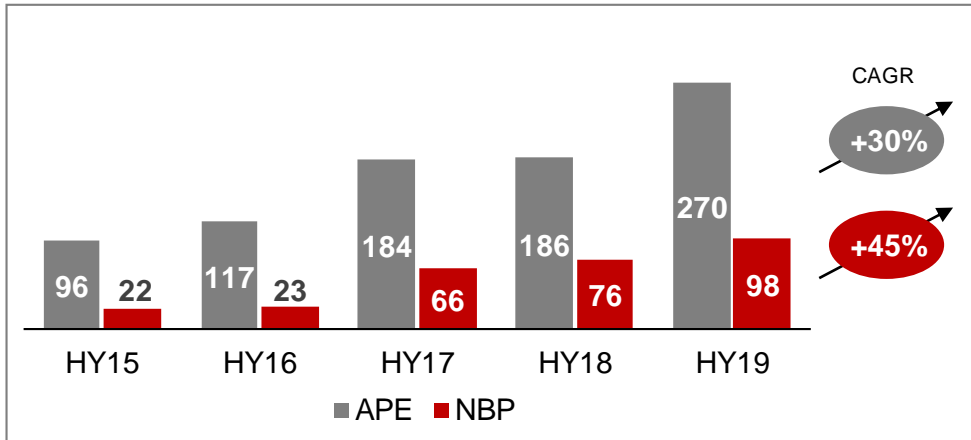
Asia

Value creation

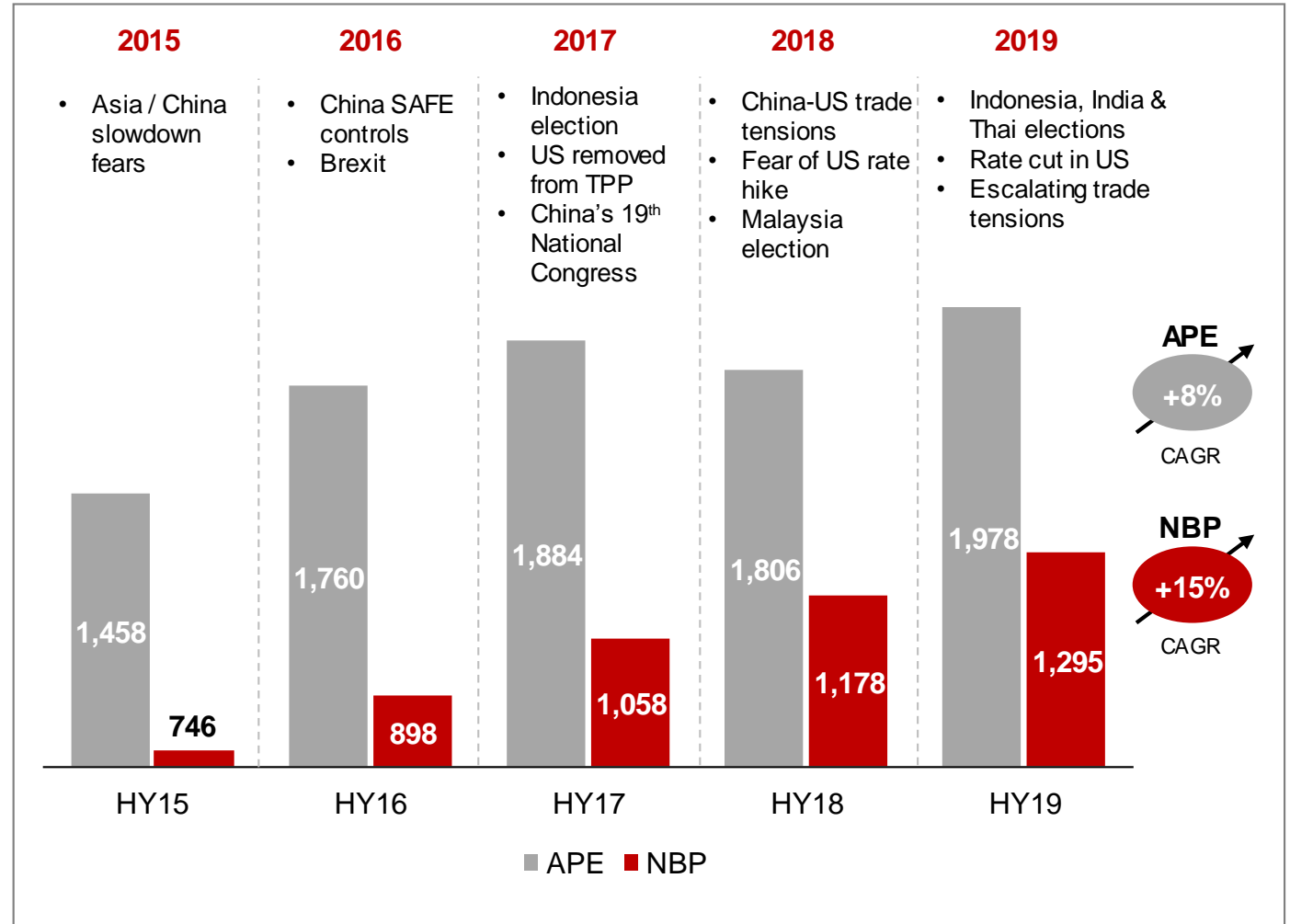
Hong Kong – APE and NBP trend¹, £m



China (JV) – APE and NBP trend^{1,2}, £m



Total Asia – APE and NBP trend¹, £m



1 On a constant exchange rate basis (CER).
2 Based on Prudential's share of the JV

Asia

Business highlights - other countries



Malaysia

Health ecosystem

- ✓ Launched **pulse**
by Prudential
- ✓ **Value added services** – symptom checker, health assessment, online consultation, dengue alert

Enhancing the core

- ✓ Strong take-up of MAR-compliant products (PWY, PWP)³
- ✓ Agent active rate rose for both conventional and Takaful

Profitability focus

- ✓ **94%** Regular premiums
- ✓ **44%** H&P mix (APE), **+2ppts**

Banca APE ²	Conventional H&P NBP ²	IFRS operating profit ²
+33%	+16%	+10% to £109m



India

Improving business mix

- ✓ **13%** H&P mix (APE), **+3ppts**
- ✓ NBP margin **+3ppts** to **19%**

Enhancing agency capabilities

- ✓ Active agents **+7%**
- ✓ Case size **+5%**

Progressing well on digitalisation

- ✓ **76%** transactions self serviced
- ✓ **75%** coverage by Service Bots
- ✓ **>60%** renewal premium through electronic modes

Protection APE ²	Underlying NBP ^{1,2}	AUM ²
+37%	+26%	+15%



Vietnam

Enhancing distribution

- ✓ Optimising partnerships
-  **VIETBANK**
NGÂN HÀNG VIỆT NAM THƯƠNG TÍN
- ✓ Improving agent activity rate **+7ppts**

Leveraging technology

- ✓ Launched **PRUApp**
- ✓ Launched **PRUbot**

High quality

- ✓ **99%** Regular premiums
- ✓ **95%** Customer retention rate

Banca APE ²	Linked APE mix	IFRS operating profit ²
+164%	+11ppts to 55%	+24% to £83m



Philippines

Enhancing agency capabilities

- ✓ Strong agent recruitment with agents **+48%**
- ✓ No. of agents **>31,000**

Focus on quality

- ✓ **98%** Regular premiums
- ✓ **94%** Customer retention ratio

Profitable expansion

- ✓ H&P APE growth² **+66%**
- ✓ NBP margin **+3ppts** to **23%**

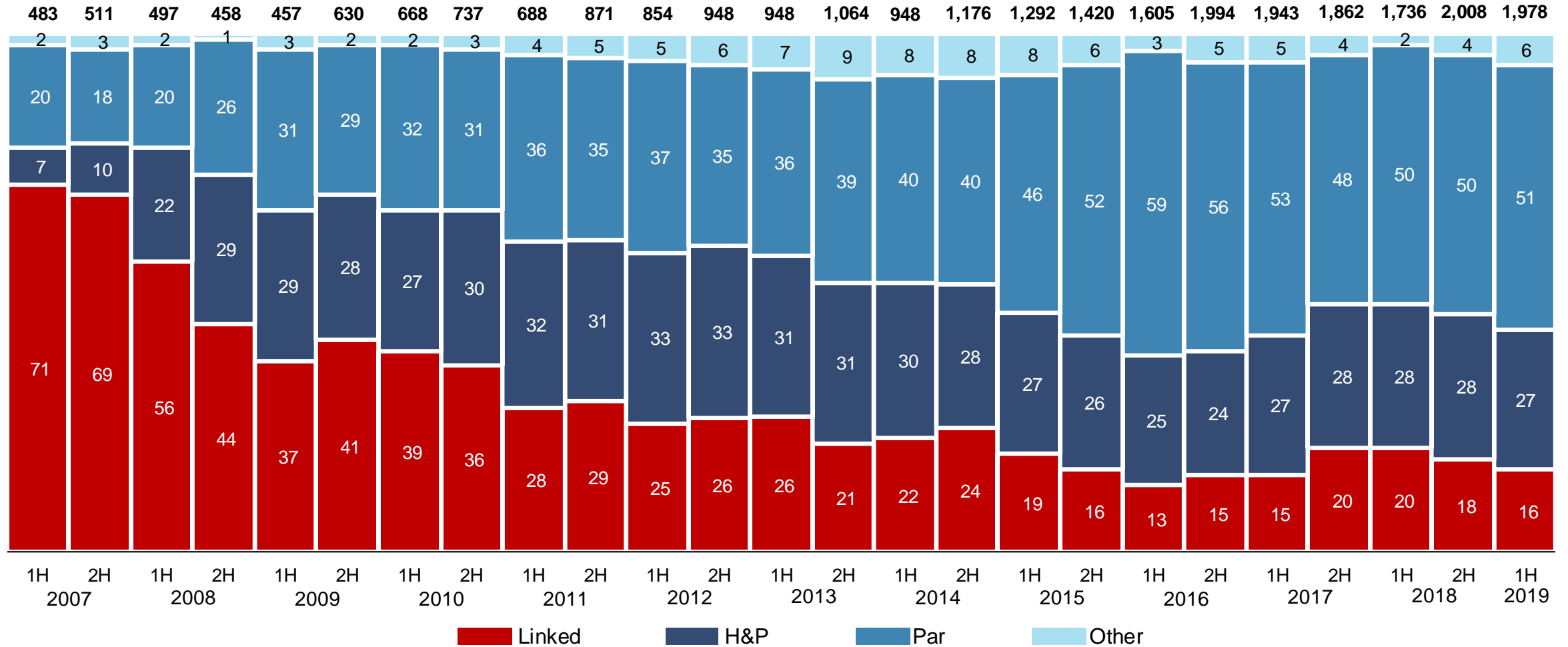
APE ²	NBP ²	IFRS operating profit ²
+34%	+58%	+24% to £26m



Asia

Product mix

Asia Life APE sales by product^{1,2}, %, £m



1 All comparatives restated to exclude Korea Life and Japan Life.
2 On an actual exchange rate basis (AER).



- **Opportunity for diversification**
- **Record of cash generation**

Best in class franchises

- ✓ Leading position in the annuity industry¹
- ✓ Best in class cost base & industry leading platform
- ✓ Successful track record of risk management
- ✓ Continued focus on diversifying distribution
- ✓ Proven capability in product innovation

US financial performance, £m

	HY19	HY18 CER	%	FY18 CER
APE	831	868	(4)%	1,592
NBP	348	495	(30)%	951
IFRS operating profit	1,215	1,065	14%	1,981

¹ Morningstar Annuity Research Center, 1Q19, Top Companies for Total Annuity Sales Then and Now Market Share.

6 months ended 1H 2019

	Jackson total adjusted capital US\$bn
31 Dec 2018	5.5
Operating profit	0.8*
Reserves net of hedging	(1.0)**
Dividend	(0.5)
Other	0.1
30 Jun 2019	4.9

Proforma 9 months ended 1H 2019

	Jackson total adjusted capital US\$bn
30 Sep 2018 (ex-Permitted Practice¹)	4.6
Operating profit	1.2*
Reserves net of hedging	(0.1)**
Dividend	(0.5)
Other	0.2
30 Jun 2019 (ex-Permitted Practice¹)	5.4

*Operating profit includes c.\$350m of benefit from John Hancock reserve release

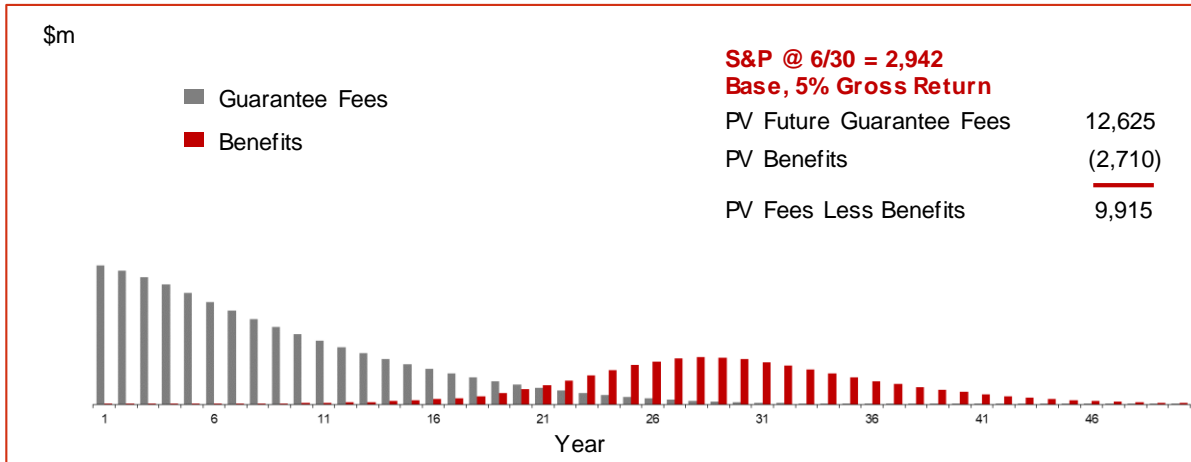
**This differs from IFRS hedge results, due in part to this figure including all guarantee fees collected rather than just the attributed portion

- Positive capital generation with moderate VA reserve/hedging losses over the past 9 months
- This was accomplished despite volatile equity markets, lower interest rates, and a dividend of \$525 million

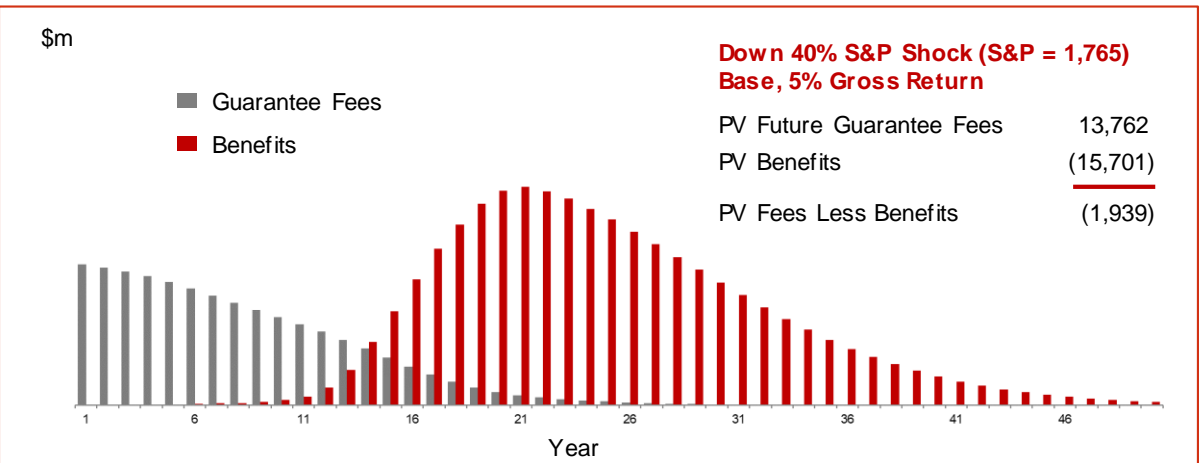
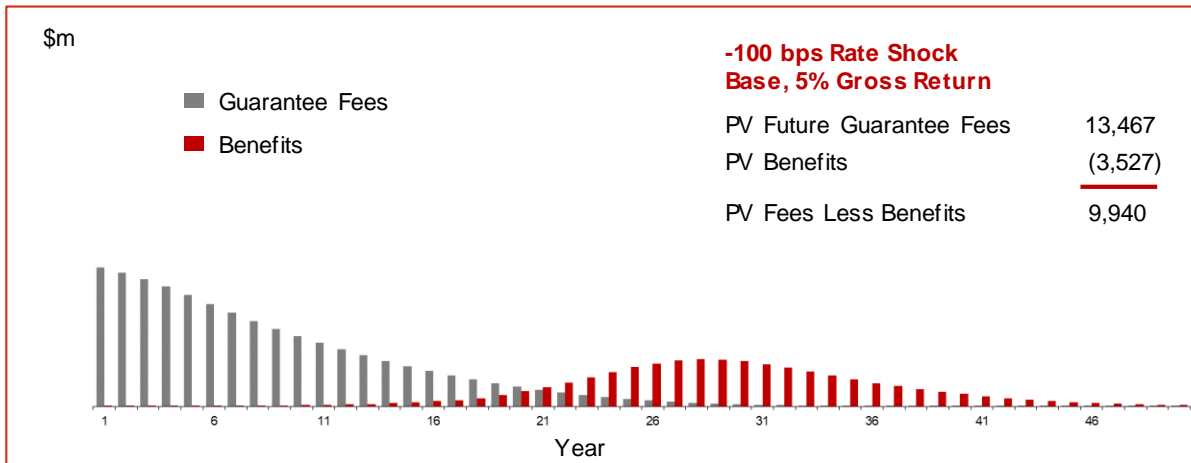
¹ Permitted practice is a regulatory capital treatment that allows Jackson to carry swaps at book value rather than marked to market as would have been required by statutory accounting. This treatment mitigates against a one-sided mark to market in cases where statutory reserves may not respond to interest rates in the same way as the hedges (i.e. floored out reserves)

Unhedged economic profile of GMWB guarantees

Jackson unhedged GMWB cash flow exposure, 30 June 2019



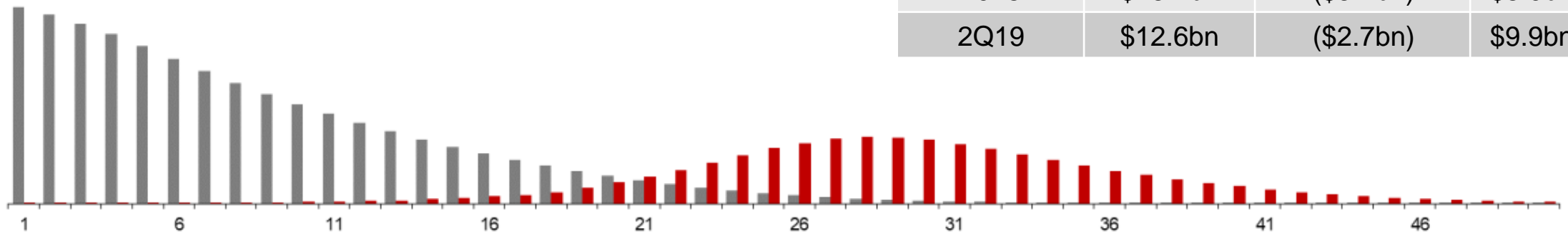
- Includes guarantee fees only
- Uses prudent best estimate assumptions (AG43, C3P2)
- 5% gross return is well below historical average market return
- Ignores guarantee fees collected to date as well as reserves
- PV of future GMWB fees exceeds PV of benefits over a wide range of market shocks
- Negative cash flow is far into future even in bad scenarios
- No material strain on liquidity in any given year
- Down 40% S&P shock scenario ignores total VA equity hedge payoff of ~\$20bn



Economic value of VA book has improved over time

Time Period	PV of Fees	PV of Benefits	Net PV
2011	\$3.0bn	(\$0.5bn)	\$2.5bn
2012	\$4.3bn	(\$0.4bn)	\$3.9bn
2013	\$5.8bn	(\$0.4bn)	\$5.4bn
2014	\$7.3bn	(\$0.7bn)	\$6.6bn
2015	\$9.8bn	(\$2.3bn)	\$7.5bn
2016	\$10.3bn	(\$2.4bn)	\$7.9bn
2017	\$11.5bn	(\$1.9bn)	\$9.5bn
2018	\$13.2bn	(\$5.2bn)	\$8.0bn
2Q19	\$12.6bn	(\$2.7bn)	\$9.9bn

Guarantee Fees (excludes base contract fees)
 Benefits



IFRS - variable annuity DAC mean reversion

Drivers of VA DAC acceleration/deceleration

Current period market return

Market growth < MR	Market growth > MR
leads to ↓ in current period AGP and future EGP buffered by an ↑ in MR, subject to 15% cap net effect of ↓ current period AGP and future EGP	leads to ↑ in current period AGP and future EGP buffered by a ↓ in MR, subject to 0% floor net effect of ↑ in current period of AGP and future EGP
which leads to ↓ PV of total AGP/EGP	which leads to ↑ PV of total AGP/EGP
which leads to ↑ K-factor	which leads to ↓ K-factor
which leads to ↑ in amortisation (acceleration/catch-up)	which leads to ↓ in amortisation (acceleration/catch-up)

Rule of thumb: Acceleration/deceleration is \$15.5m per 1% SA growth under/over MR

Return from 3 Years ago dropping out of MR window

Market growth < MR	Market growth > MR
leads to ↓ in MR rate, subject to 0% floor which leads to ↓ in future EGP's which leads to ↓ in PV of total AGP/EGP's	leads to ↑ in MR rate, subject to 15% cap which leads to ↑ in future EGP's which leads to ↑ in PV of total AGP/EGP's
which leads to ↑ in K-factor	which leads to ↓ in K-factor
which leads to ↑ in amortisation (acceleration/catch up)	which leads to ↓ in amortisation of deceleration/catch-up

Separate Account Returns¹ – 3 year actuals plus 5 year mean reversion rate required to attain long-term gross return of 7.4%

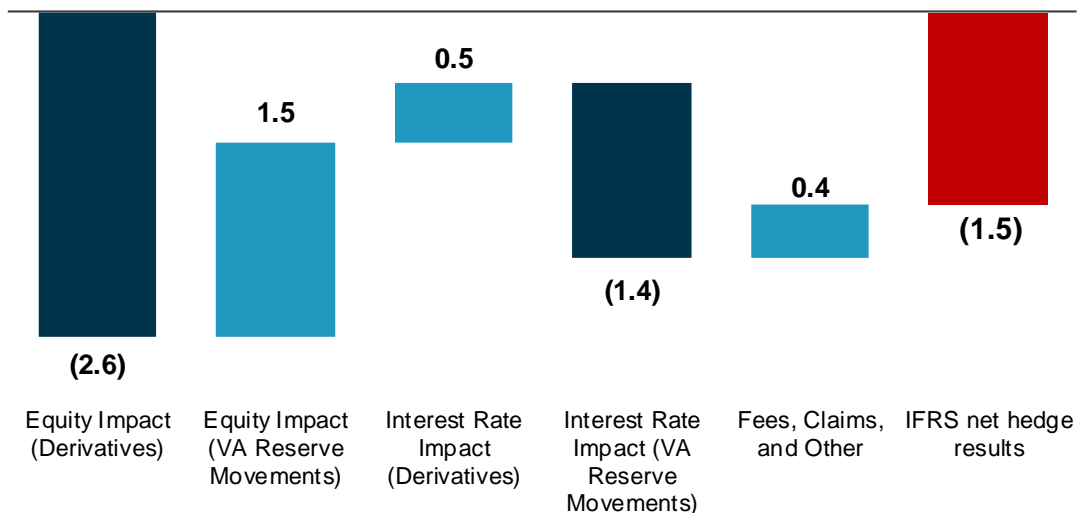
2016A	2017A	2018A	2019	2020	2021	2022	2023
9.3%	17.8%	(4.6)%	7.6%	7.6%	7.6%	7.6%	7.6%

AGP= Actual (historical) gross profits
EGP= Expected (projected future) gross profits
MR= Mean reversion rate
K-factor= Ratio of deferred acquisition costs to PV gross profits, calculated as of issue date

¹ Analysis date as at 31.12.2018.

IFRS - HY19 hedge results

IFRS impact 'below-the-line' (£bn, pre-tax, post-DAC)¹



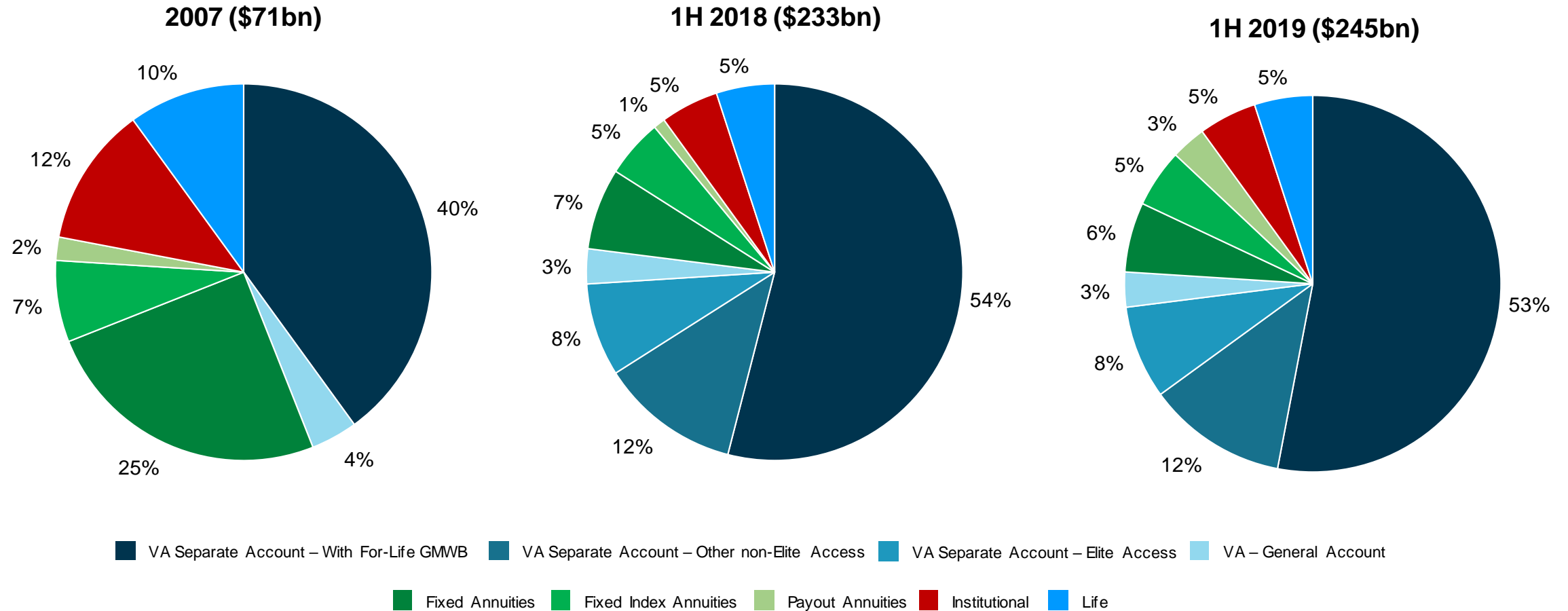
- 1H 2019 IFRS hedge results (net of DAC) of £(1.5)bn
- Risk management effectiveness maintained in period & continues in H2
- Equity markets up 17% & interest rates down meaningfully (68bps²)

Note: Values above are post-DAC, which were calculated simply by applying the overall DAC amortisation rate.

¹ Totals may not cast as a result of rounding and FX translations.

² Based on the 10-year Treasury.

Statutory reserves by product type, %



Key features of VA product (GMWB)

Key features

➤ Customer benefits

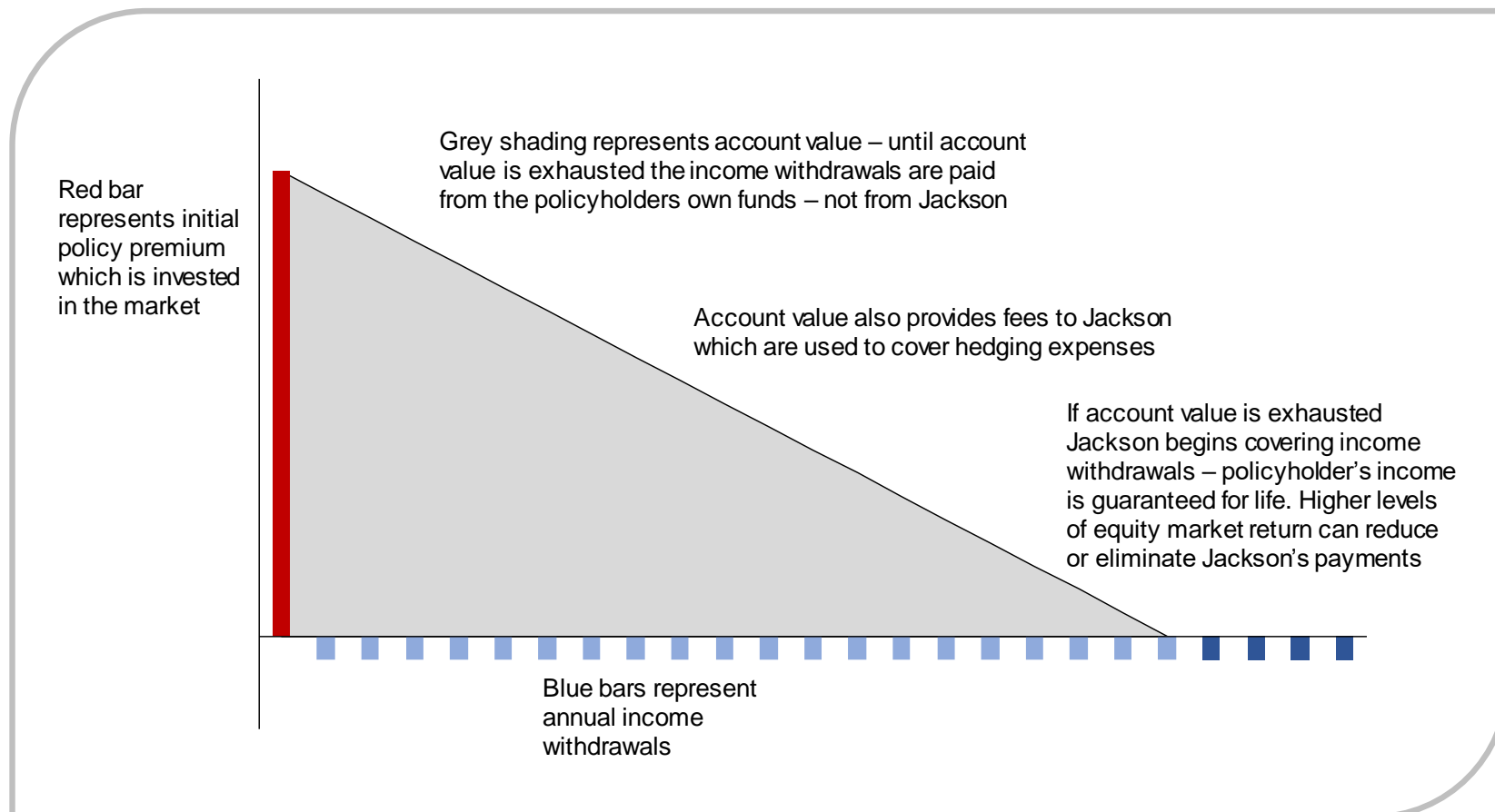
- Customers remain owners of underlying investments
- Retain equity market upside
- Protection of guaranteed lifetime income in the event their account balance is exhausted

➤ Jackson risk profile

- Cash payment far in the future
- Risk mitigation
 - Account depleted before cash call
 - Fee accumulation
 - Equity mean reversion
 - Mortality

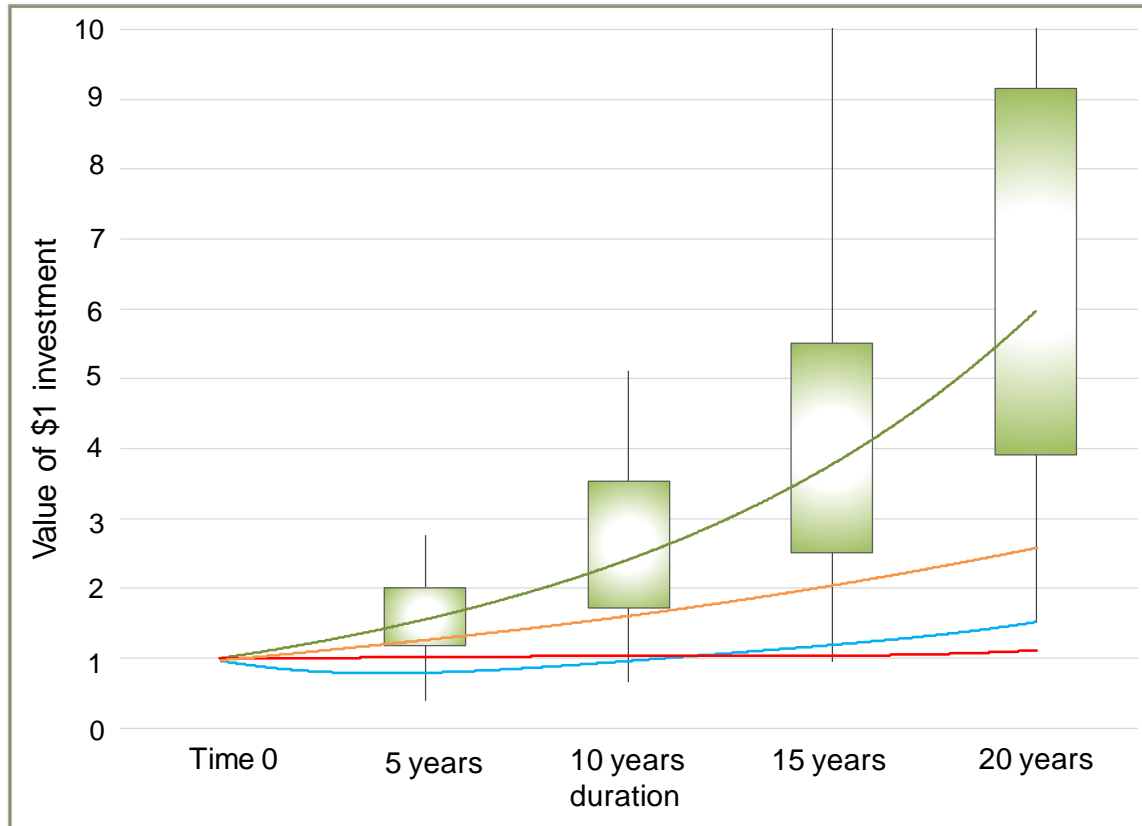
Simplified illustration of benefit mechanics

(Assumes immediate utilisation and 0% market return)



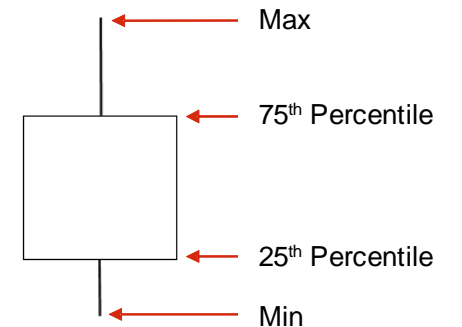
Conservative return assumptions in VA reserves

IFRS mean return vs S&P historical



- All accounting bases assume 20-year equity market returns well below the mean returns posted by the S&P 500
- IFRS return assumptions are especially punitive. There has never been a 20-year period for the S&P with as weak a return profile as what is used in the mean IFRS scenario.

- S&P (mean)
- EEV (mean)
- Statutory (CTE 90)
- IFRS

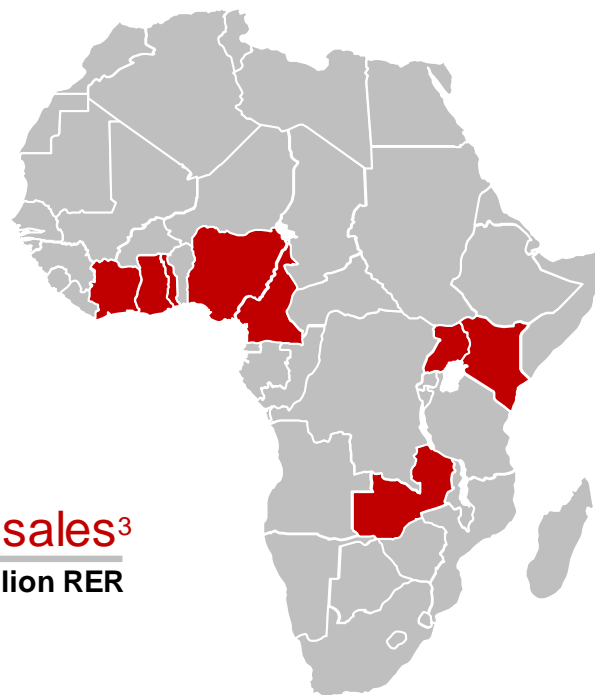


Africa

Regional footprint

Population of Africa¹

1.3 bn → **2.3 bn**
2019 2045



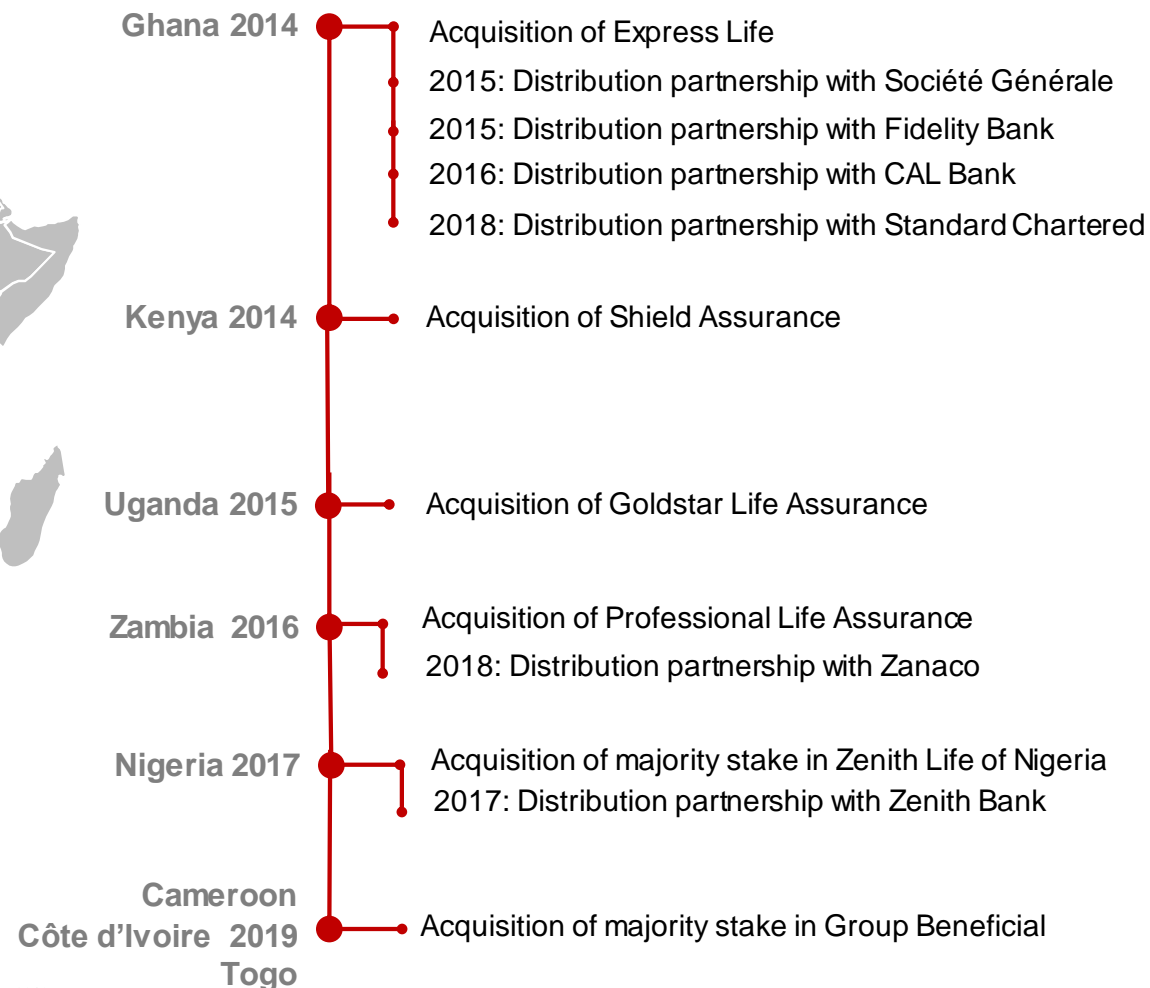
800,000+ customers²

£30 million of APE sales³
HY18: £18 million RER

c. 6,000 agents

Access to **>600** branches

2 mobile telecommunications partners



Note: Data as at 30 June 2019, unless stated otherwise. All facts exclude the impact from the acquisition of Group Beneficial which completed on 9 July 2019.

¹ United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects: The 2019 revision.

² Excludes micro insurance customers.

³ Given relative immaturity of the African business, it is excluded from our new business sales and new business profit metrics.

Key performance highlights

- M&GP FUM up 6% from YE 2018 to £341bn
- PruFund net flows remain positive despite lower DB transfer activity across the market
- Merger & Transformation programme remains on track

Net flows £bn	HY19	HY18	%
PruFund ¹	3.5	4.4	(20)%
Asset management			
Wholesale / direct	(4.3)	2.2	(295)%
Institutional	(0.3)	1.4	(121)%
APE sales ¹ £m	HY19	HY18	%
Bonds	180	165	9%
Corporate pensions	65	75	(13)%
Individual pensions	235	316	(26)%
Income drawdown	125	123	2%
Other	100	91	10%
Total APE	705	770	(8)%

IFRS Operating Profit £m	HY19	HY18	%
Core profit from long-term business	345	255	35%
<i>o/w With-profits transfer</i>	161	157	3%
<i>- o/w PruFund</i>	30	25	20%
<i>o/w Annuity & other</i>	184	98	88%
Shareholder backed annuity new business	8	3	167%
Other management actions to improve solvency	16	63	(75)%
Changes in longevity assumption basis	127	-	n/a
Insurance recoveries ²	-	166	(100)%
Operating profit from long-term business	496	487	2%
General insurance commission	2	19	(89)%
Asset management	239	272	(12)%
Total IFRS operating profit³	687	736	(7)%
Average funds under management	£263.8bn	£285.3bn	(8)%
Cost/income ratio ⁴	57%	54%	3ppts

¹ PruFund gross sales are included in both life net flows and life APE sales.

² Insurance recoveries in respect of the review of past annuity sales.

³ Adjusted IFRS operating profit based on longer-term investment returns, including Head office costs HY19: £(21) million (HY18: nil) and Restructuring costs HY19: £(29) million (HY18: £(42) million).

⁴ Cost/income ratio represents operating expense as a percentage of operating income before performance related fees.

Holding company cash

Movement in the period

Holding company cash flow

£m	HY19	HY18
1 January	3,236	2,264
Net remittances to Group (continuing operations)	856	770
Asia	451	391
US	400	342
Other UK (including Prudential Capital)	5	37
Central outflows	(222)	(219)
Dividends paid	(870)	(840)
Subordinated debt redemption	(400)	-
Other movements	(591)	(106)
Net remittances from M&G Prudential	356	341
Period End 30 June	2,365	2,210

- Higher net remittances from Asia and the US, after funding new business investment
- Other movements includes contribution to 1st payment of the UOB bancassurance alliance renewal ¹, demerger costs² and related effects
- Post demerger, reflecting reduced size of the group, a lower level of cash will be held centrally

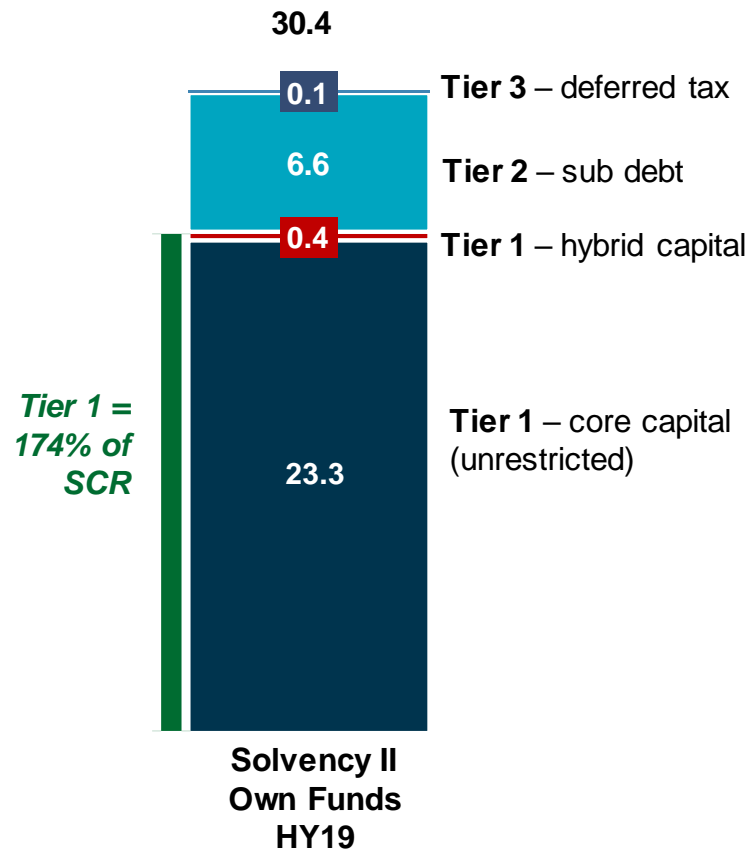
¹ Prudential has agreed to pay UOB an initial fee of £662 million for distribution rights which is not dependent on future sales volumes. The first installment of £230m was paid in February 2019, with the remaining installments of £331m and £101m to be paid in January 2020 and January 2021 respectively, as per the Group's original press release.

² £166 million cash costs paid in respect of the demerger.

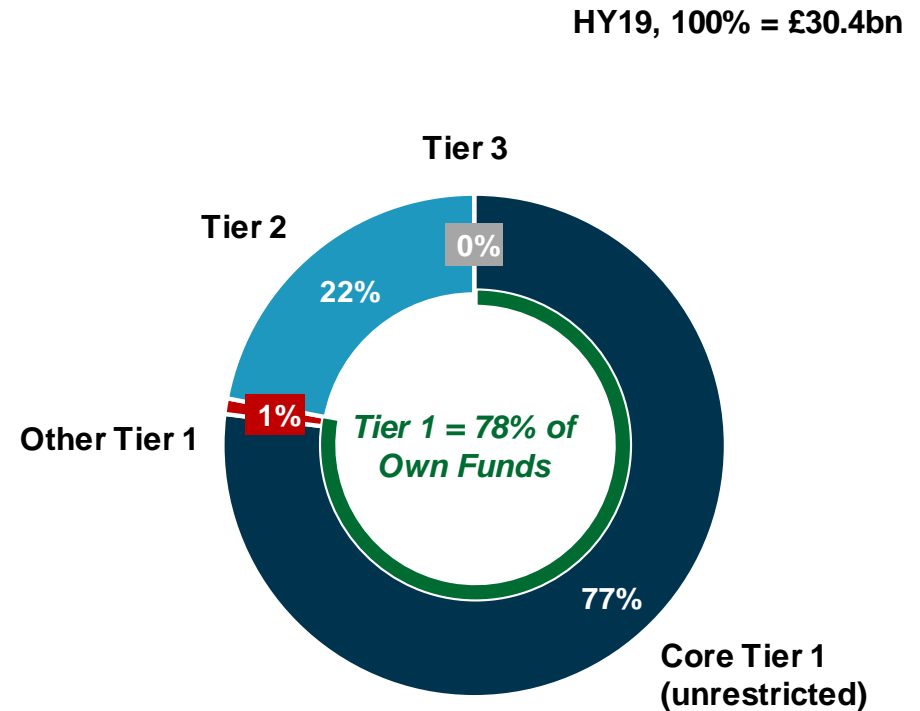
Group shareholder Solvency II position

Capital quality

Solvency II Own Funds by capital tier, £bn^{1,2,3}



Share of Solvency II Own Funds by capital tier^{1,2,3}



¹ 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.

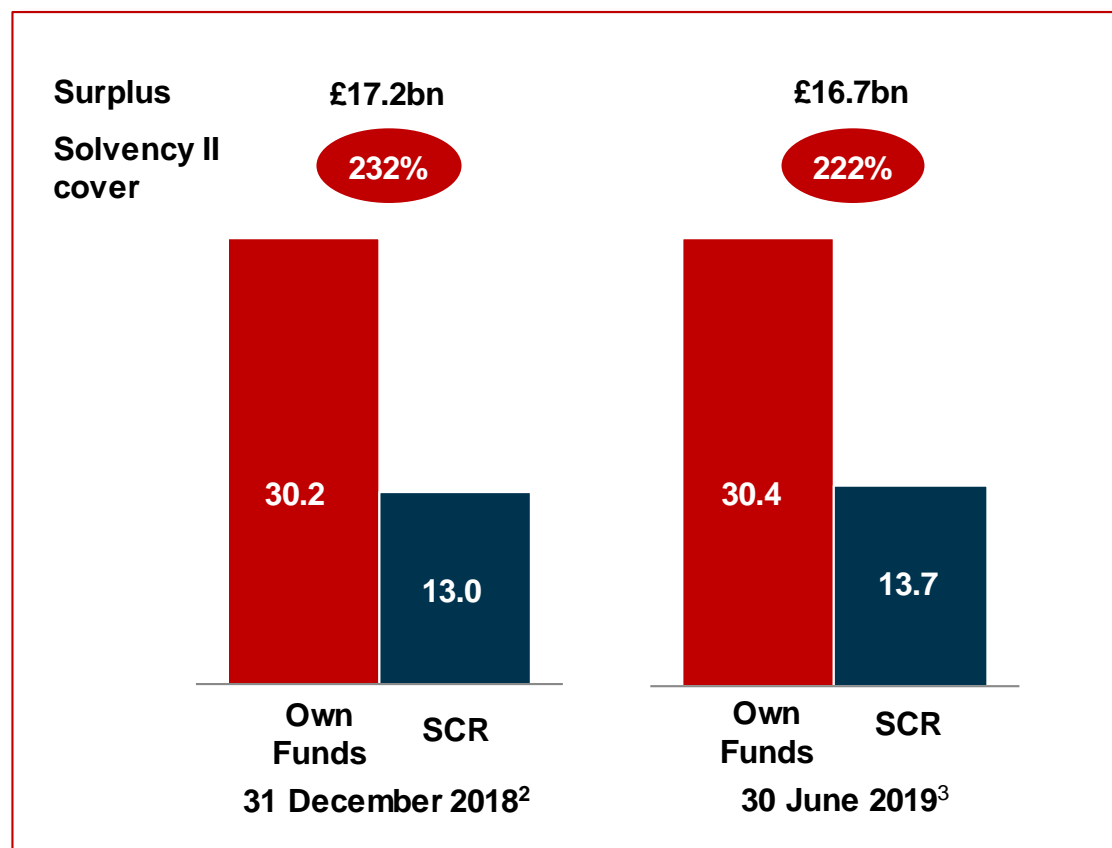
² The Group shareholder position includes management's estimate of transitional measures reflecting operating and market conditions at the valuation date.

³ Before allowing for the 2019 first interim dividend.

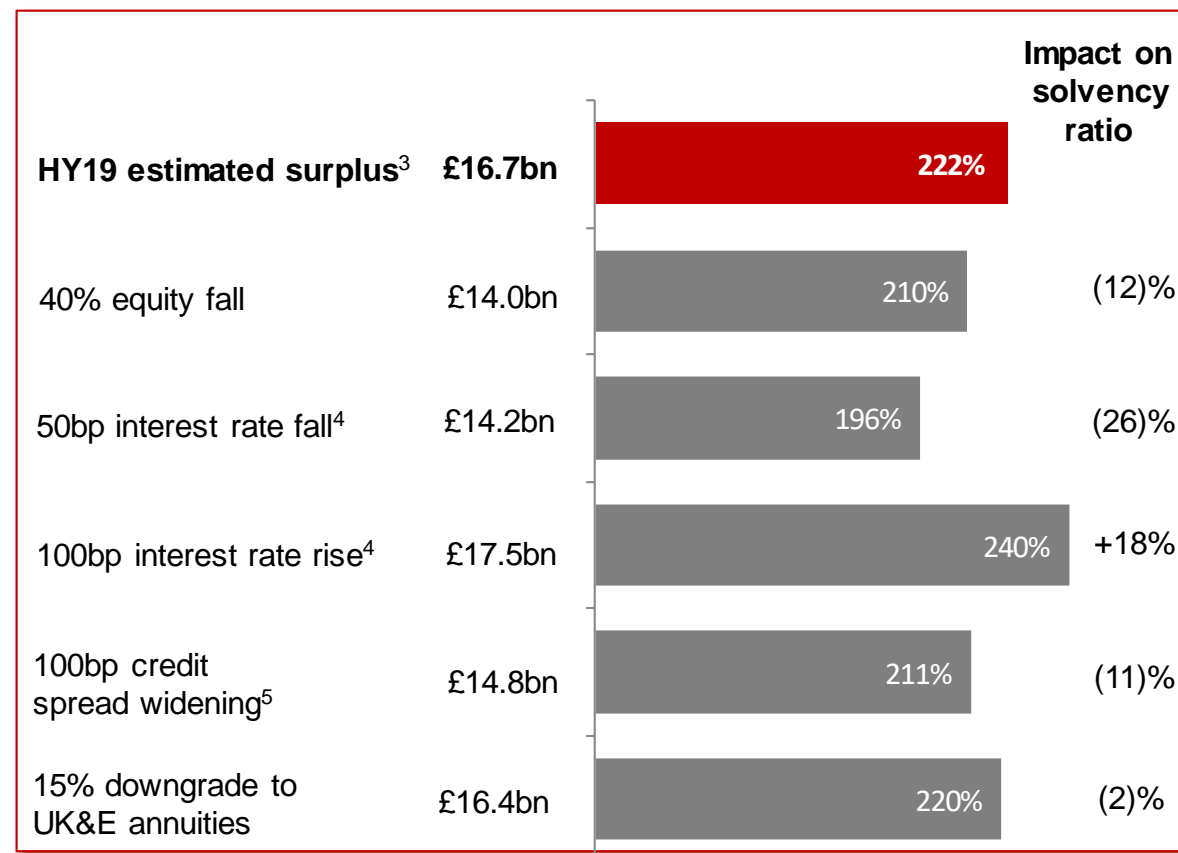
Group shareholder Solvency II position

Solvency II estimated sensitivities

Group shareholder Solvency II capital position¹, £bn



Solvency II shareholder surplus estimated sensitivities¹, £bn



¹ 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 estimated solvency positions include management's calculation of UK transitional measures reflecting operating and market conditions at each valuation date, which at 31 December 2018 reflected the approved regulatory position.

² Before allowing for the 2018 second interim ordinary dividend.

³ Before allowing for the 2019 first interim ordinary dividend.

⁴ Allowing for further transitional recalculation after the interest rate stress.

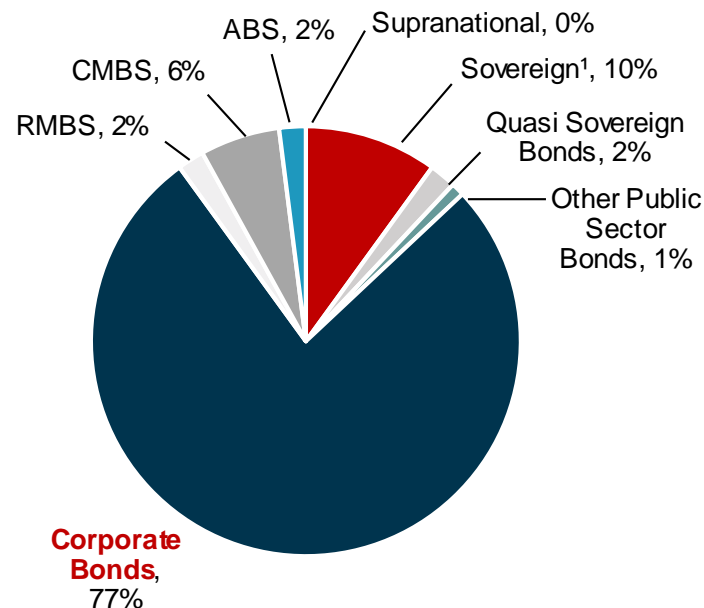
⁵ For Jackson, includes credit defaults of 10 times the expected level.

Group invested assets, continuing operations

Shareholder-backed total debt securities

By asset type^{1,2}, 30 June 2019

US



Total £45bn

Corporate debt portfolio

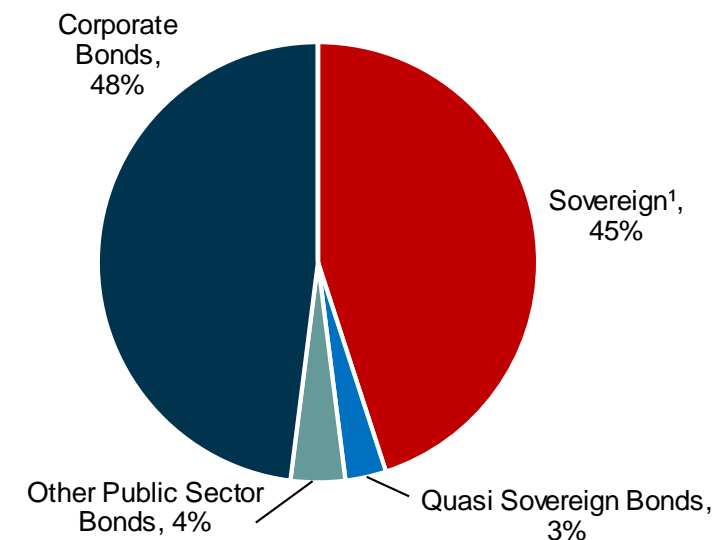
Investment grade

- Significant weighting towards investment grade
 - Investment grade is 96% of corporate bond portfolio
 - Corporate debt investment grade is c. 60% of total US investment portfolio³ (2007:52%)
- BBB exposure weighted to upper bands
 - BBB+ and BBB account for 85% of BBB exposure
 - BBB- only 5% of total US investment portfolio³
 - BBB- average holding of \$31m across 111 issuers (total investment grade corporate bond portfolio average: \$52m)

High yield

- High yield corporate debt equivalent to <3% of total US investment portfolio³
 - Significant reduction in exposure (2007: >5%)
 - Average holding of \$4m

Asia



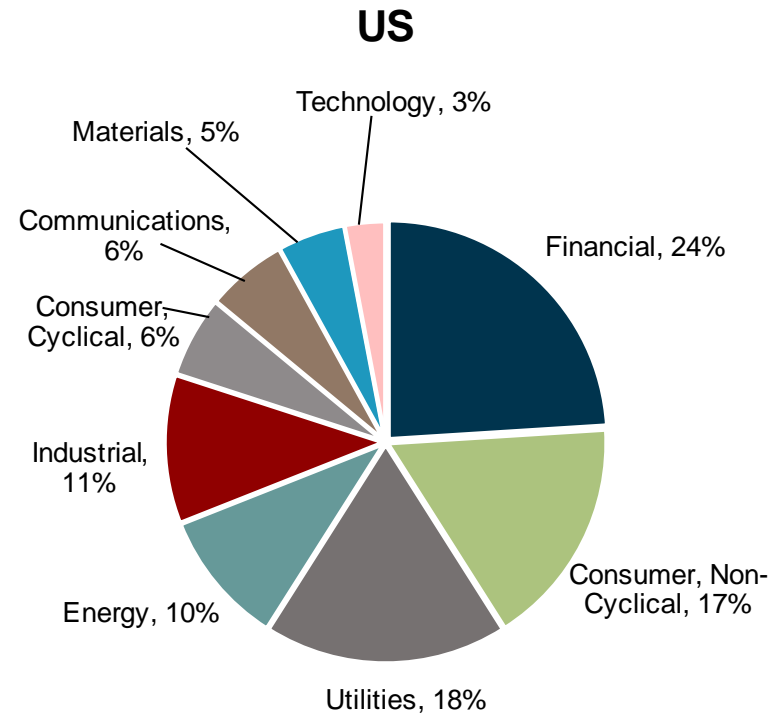
Total £17bn

¹ Sovereign includes OEICS. Pie charts exclude £2 billion of debt securities within other operations.
² Totals may not cast as a result of rounding.
³ Total investment portfolio as at 30 June 2019 was £58.6 billion.

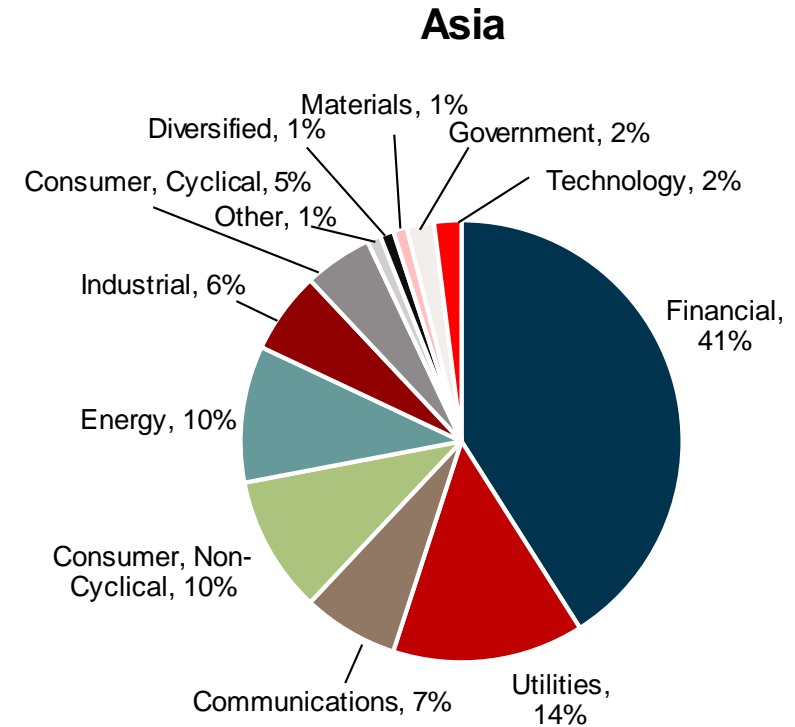
Group invested assets, continuing operations

Shareholder-backed corporate debt exposures

By sector¹, 30 June 2019



Total £35bn



Total £8bn

Note: Source of segmentation Bloomberg Sector, Bloomberg Group and Merrill Lynch. Anything that cannot be identified from the three sources noted is classified as other.
Pie charts exclude debt securities from other operations.
¹ Totals may not cast as a result of rounding.

Group invested assets, continuing operations

Shareholder-backed total debt securities

By credit rating^{1,2,3}, 30 June 2019



¹ Pie charts exclude other operations totalling £2bn, of which 27% AAA, 62% AA, 7% A, 1% BBB and 3% BB or below.

² Debt securities are analysed according to external credit ratings issued, with equivalent ratings issued by different ratings agencies grouped together. Standard & Poor's ratings have been used where available, if this isn't the case Moody's and then Fitch have been used as alternatives.

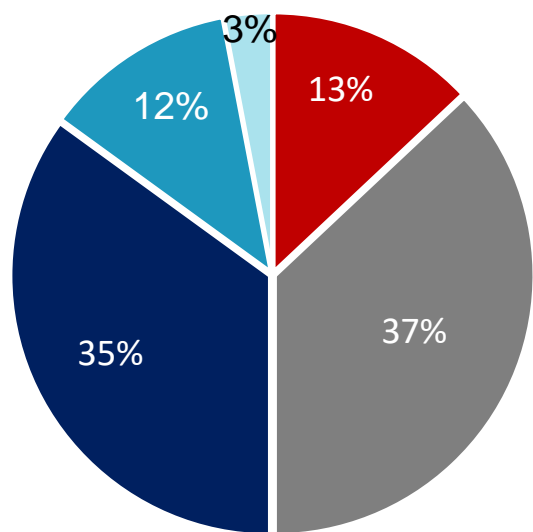
For the US, NAIC ratings have also been used where relevant (shown in 'Other' in the financial statements) - the Securities Valuation Office of the NAIC classifies debt securities into six quality categories ranging from Class 1 (the highest) to Class 6 (the lowest). Performing securities are designated as Classes 1 to 5 and securities in or near default are designated Class 6.

³ Totals may not cast as a result of rounding.

M&G Prudential invested assets

Shareholder-backed total debt securities

By credit rating^{1,2,3}, 30 June 2019

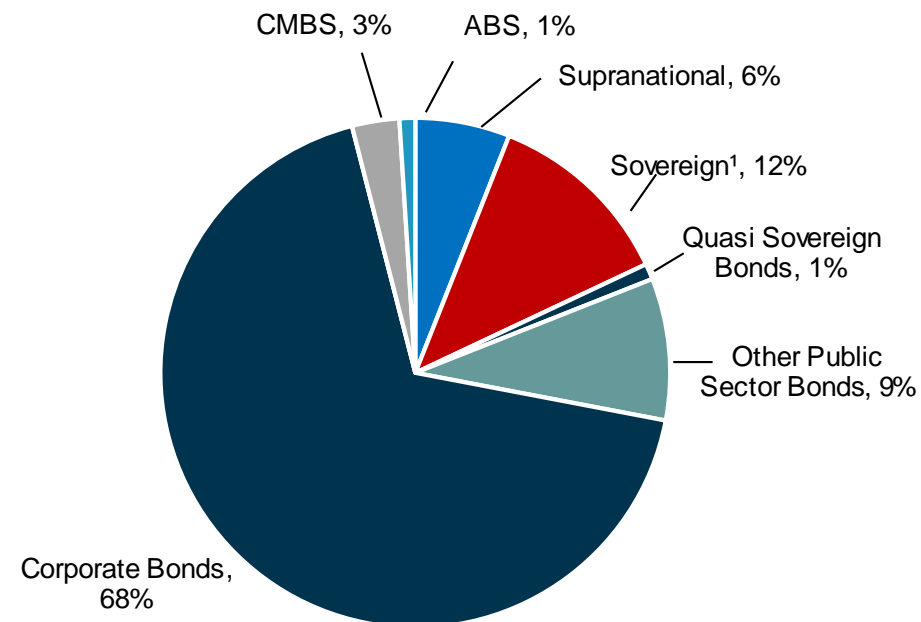


Rating:



Total £22bn

By asset type^{1,3,4}, 30 June 2019



Total £22bn

¹ Pie charts exclude other operations totalling £2bn, of which 27% AAA, 62% AA, 7% A, 1% BBB and 3% BB or below.

² Debt securities are analysed according to external credit ratings issued, with equivalent ratings issued by different ratings agencies grouped together. Standard & Poor's ratings have been used where available, if this isn't the case Moody's and then Fitch have been used as alternatives.

³ Totals may not cast as a result of rounding.

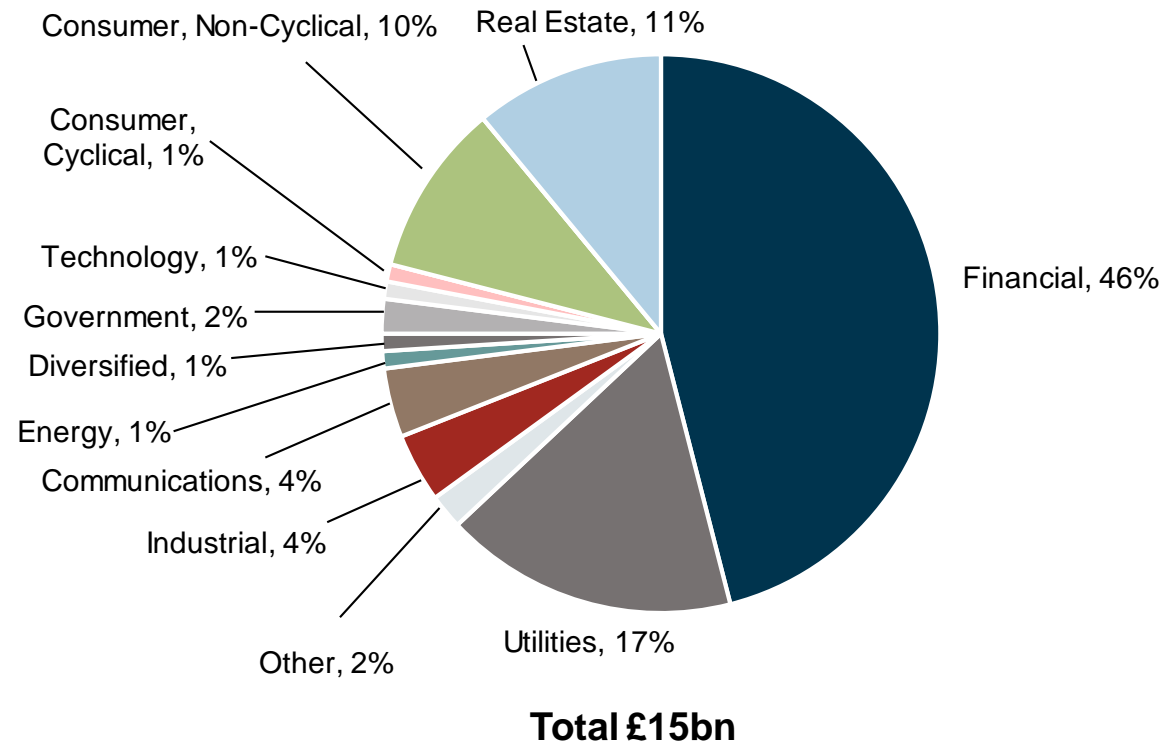
⁴ Sovereign includes OEICS. Pie charts exclude £2bn of debt securities within other operations.

M&G Prudential invested assets

Shareholder-backed corporate debt exposures

By sector¹, 30 June 2019

UK



Note: Source of segmentation Bloomberg Sector, Bloomberg Group and Merrill Lynch. Anything that cannot be identified from the three sources noted is classified as other. Pie charts exclude debt securities from other operations.

¹ Totals may not cast as a result of rounding.

Subordinated debt split

Pro forma rebalancing

Subordinated debt with no option to substitute to M&GPrudential

Issue Date	Amount	Coupon	Maturity Date	1st Call Date	SII Classification
10-Jul-03	EUR 20m	20 yr CMS rate	10-Jul-23	None	Tier 2
19-Dec-01	GBP 435m	6.125%	19-Dec-31	None	Tier 2
30-Jul-04	USD 250m	6.75%	Perp	23-Sep-09	Tier 1
12-Jul-05	USD 300m	6.50%	Perp	23-Sep-10	Tier 1
15-Jan-13	USD 700m	5.25%	Perp	23-Mar-18	Tier 2
07-Jun-16	USD 1,000m	5.25%	Perp	20-Jul-21	Tier 2
13-Sep-16	USD 725m	4.375%	Perp	20-Oct-21	Tier 2
24-Oct-17	USD 750m	4.875%	Perp	20-Jan-23	Tier 2

Subordinated debt capable of being substituted to M&GPrudential

Issue Date	Amount	Coupon	Maturity Date	1st Call Date	SII Classification
16-Dec-13 ¹	GBP 700m	6.34%	19-Dec-63	19-Dec-43	Tier 2
09-Jun-15 ¹	GBP 600m	5.56%	20-Jul-55	20-Jul-35	Tier 2
03-Oct-18	GBP 750m	5.625%	20-Oct-51	20-Dec-31	Tier 2
03-Oct-18	GBP 500m	6.25%	20-Oct-68	20-Oct-48	Tier 2
03-Oct-18	USD 500m	6.50%	20-Oct-48	20-Oct-43	Tier 2
10-July-19	GBP 300m	3.875%	20-Jul-49	20-July-24	Tier 2

Note: The tables show the group's subordinated debt, and do not include either the group's senior debt or bank debt.

¹ In the first half of 2019, the Group agreed with the holders of these two subordinated debt instruments that, in return for an increase in the coupon of the two instruments and upfront fees totaling £141 million for both instruments, they would agree to modify the terms and conditions of the instruments to enable the substitution of M&GPrudential as the issuer of the instruments and, in the case of the GBP 700m notes, to ensure the debt meets the requirements of Solvency II. The revised coupons are shown.