Prudential plc

2019 Full Year Results

11 March 2020

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, future market conditions, including fluctuations in interest rates and exchange rates, the continuance of a sustained low-interest rate environment, and the impact of economic uncertainty, asset valuation impacts from the transition to a lower carbon economy, inflation and deflation and the performance of financial markets generally; global political uncertainties; the policies and actions of regulatory authorities, including, in particular, the policies and actions of the Hong Kong Insurance Authority, as Prudential’s new Group-wide supervisor, as well as new government initiatives generally; the impact of continuing application of Global Systemically Important Insurer or ‘G-SII’ policy measures on Prudential; the impact on Prudential of systemic risk policy measures adopted by the International Association of Insurance Supervisors; the impact of competition and fast-paced technological change; the effect on Prudential’s business and results from, in particular, mortality and morbidity trends, lapse rates and policy renewal rates; the physical impacts of climate change and global health crises on Prudential’s business and operations; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; the impact of internal transformation projects and other strategic actions failing to meet their objectives; the risk that Prudential’s operational resilience (or that of its suppliers and partners) may prove to be inadequate, including in relation to operational disruption due to external events; disruption to the availability, confidentiality or integrity of Prudential’s IT, digital systems and data (or those of its suppliers and partners); any ongoing impact on Prudential of the demerger of M&G plc; 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; the impact of legal and regulatory actions, investigations and disputes; and the impact of not adequately responding to environmental, social and governance issues. 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’ in Prudential’s Full Year 2019 Results Regulatory News Release. Prudential's Full Year 2019 Results Regulatory News Release is available on its website at www.prudentialplc.com.

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.

Mike Wells

Group CEO

Group
Agenda

Strategic overview	**Mike Wells**	Group CEO
Financial update	**Mark FitzPatrick**	Group CFO & COO
Closing remarks	**Mike Wells**	Group CEO
	Q&A	

Group

Financial highlights: consistent compounding value in volatile markets

Asia APE sales

+4% Asia total

+17% Asia ex HK

FY2019 APE vs FY2018 CER[1]

Earnings

+20%

Growth on prior year IFRS operating profit[1] to $5.3bn

LCSM surplus[2,3]

$9.5bn

Coverage ratio: 309%

Asia NBP

+2% Asia total

+29% Asia ex HK

FY2019 NBP vs FY2018 CER[1]

RoE

24%

FY2019 Operating return on equity[4]

Asia investment

c.$7bn

New business, banca distribution, M&A 2013 to 2020 YTD[5]

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[1] On a constant exchange rate basis

[2] Shareholder basis. Based on Group Minimum Capital Requirement. Until Hong Kong's Group Wide Supervision (GWS) framework comes into force, Prudential will apply the local capital summation method (LCSM) that has been agreed with the Hong Kong IA to determine group regulatory capital requirements

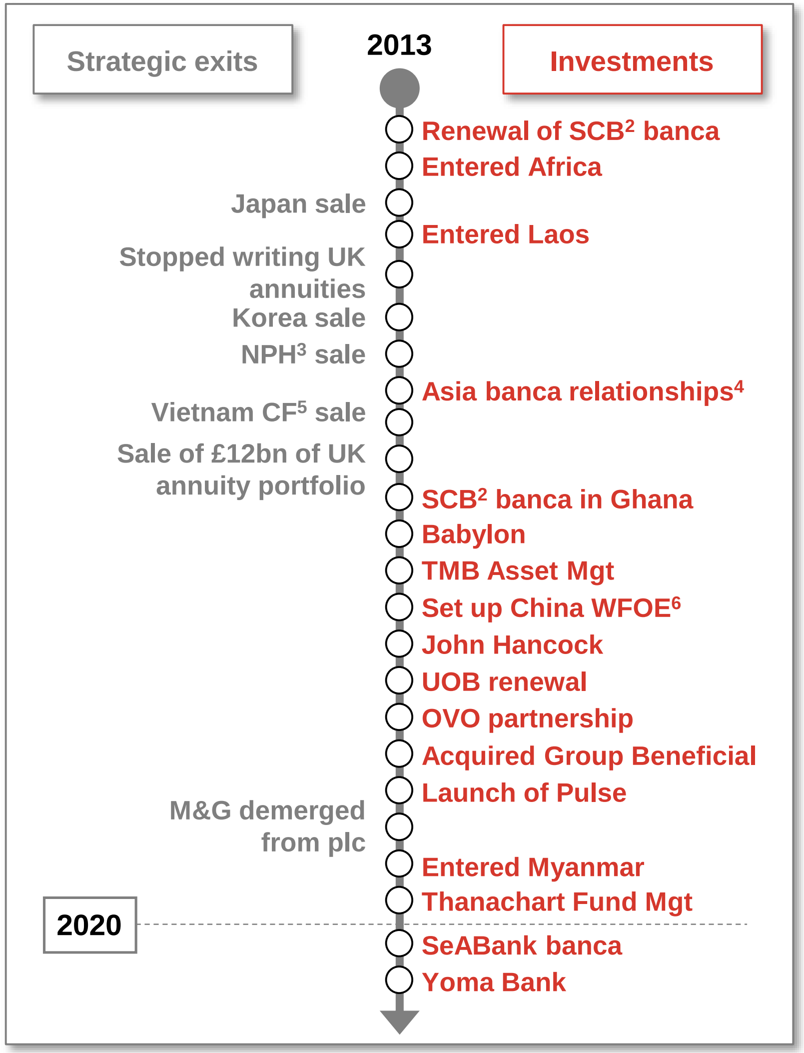
[3] Before allowing for the payment of the 2019 second interim ordinary dividend

[4] Calculated as operating profit net of tax and MI divided by closing shareholders' equity. Excluding demerger-related items comprising interest on the subordinated debt that was substituted to M&G plc prior to the demerger ($179m pre-tax) and one-off costs of the demerger ($407m pre-tax)

[5] Includes investment in new business, upfront committed fee on bancassurance distribution deals and acquisitions

Group

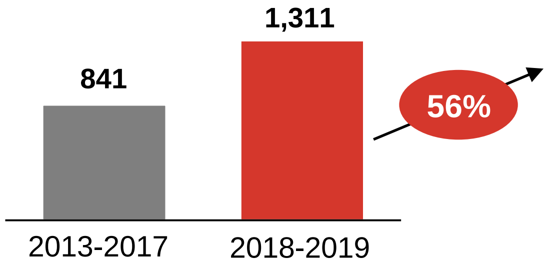
Active portfolio manager – c.$7bn invested in Asia since 2013[1]



Strategic exits	Investments
2013	
	Renewal of SCB[2] banca
	Entered Africa
Japan sale	
	Entered Laos
Stopped writing UK annuities	
Korea sale	
NPH[3] sale	
	Asia banca relationships[4]
Vietnam CF[5] sale	
Sale of £12bn of UK annuity portfolio	
	SCB[2] banca in Ghana
	Babylon
	TMB Asset Mgt
	Set up China WFOE[6]
	John Hancock
	UOB renewal
	OVO partnership
	Acquired Group Beneficial
	Launch of Pulse
M&G demerged from plc	
	Entered Myanmar
	Thanachart Fund Mgt
2020	
	SeABank banca
	Yoma Bank

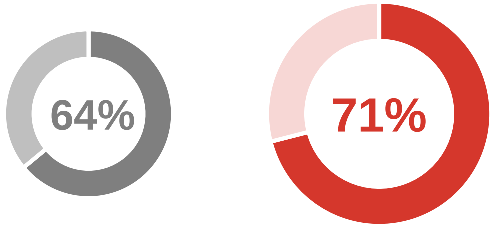
Capital allocated to highest value opportunities

Acceleration in investment

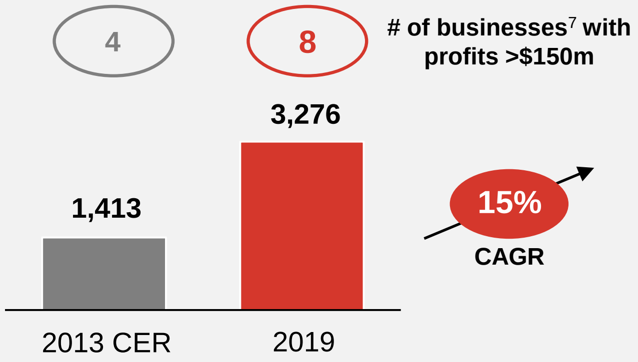


Average annual investment in Asia[1], $m

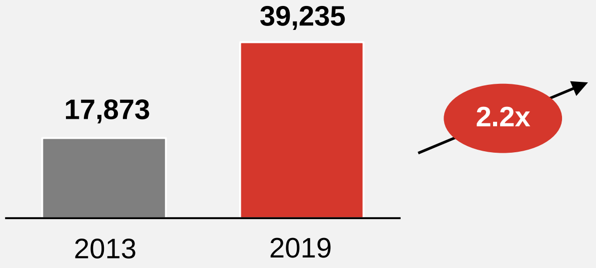
Focus on quality sources of earnings



Insurance income as % of Asia's total income



Asia IFRS operating profit, $m



Asia Embedded value, $m

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1 Includes investment in new business, upfront committed fee on bancassurance distribution deals and acquisitions
2 Standard Chartered Bank
3 National Planning Holdings
4 Including Shinhan, Robinsons and Vietbank bancassurance distribution agreements
5 Vietnam Consumer Finance
6 WFOE: Wholly Foreign Owned Enterprise
7 Includes Eastspring

Asia

Overview

Growth

Diversification

Resilience

Asia

Strategy

Growth Diversification Resilience

Strategic priorities

Enhance the core

- Reboot of Indonesian distribution and product set
- Leader in banca[1] – enhanced with UOB (APE +24%)[2] & SeABank (20Y exclusive)[3]
- Broadening product offering: developed **>160** products, contributing **c.16%** of NBP
- **#1** agency force in HK; **35%** increase in MDRT qualifiers ex-HK

Create best-in-class health capability

- ***Pulse by Prudential*** is live in **8** markets
- **18** digital partnerships secured; **c.1.3m** Pulse installs[4]
- H&P NBP ex-Hong Kong grew **23%**
- Group sales up **13%**; **PRUworks** launched in Singapore & Indonesia

Accelerate Eastspring

- Net inflows of **$18bn** supported **25%** growth in AUM to **$241bn**
- Continued innovation with **55%** of external flows from new initiatives[5]
- Expanded TMBAM Eastspring AUM[5] by **35%** to **$15bn**
- Completed TFund acquisition; now **4th** largest AM in Thailand (12% m/s[6] & AUM[5,6] of $22bn)

Expand presence in China

- Presence expanded to **20** branches (+1); **94** cities (+7) and **229** SSOs (+14)[7]
- GWP[8] growth of **39%**; outgrowing China's life market **3x**
- Established WFOE[9], sourced **>RMB1bn** funds in its first year of operation[10]

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1 By access to bank branches
2 Renewal of UOB bancassurance alliance to 2034, expanding scope to include Vietnam and UOB's digital bank TMRW
3 Entered into 20 year exclusive bancassurance partnership with SeABank in January 2020,. SeABank has 1.2m retail customers and almost 170 branches in Vietnam
4 As of 5 March 2020
5 Excludes Money Market Funds
6 Mutual fund market shares through combined holdings in Thanachart Fund Eastspring and TMBAM Eastspring; Mutual fund assets under management as at 31 December 2019.
7 Increase compared to 2018. SSO = Sales and Servicing Offices
8 GWP = Gross written premium. Source: CBIRC.
9 WFOE – Wholly Foreign Owned Enterprise
10 Total inbound and outbound funds raised or sub-advised since launched of WFOE

Asia

Key success factors driving growth

Growth | **Diversification** | **Resilience**

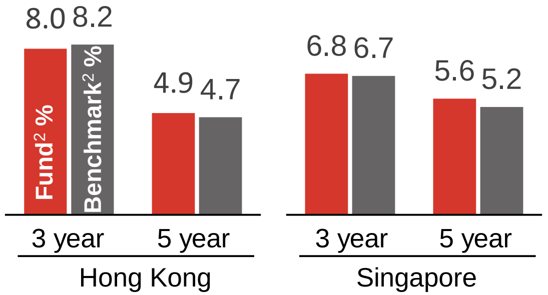
Capabilities/Competitive advantages

Structural demand drivers

- Low insurance & mutual fund penetration
- Rapid growth of underinsured middle-class population
- Ageing population & growing need for retirement income
- Protection gap with limited social welfare provision
- Large proportion of wealth held in deposits

Par Fund[1]

Large UK-style with profits funds



AUM **US$69bn**

Eastspring[3]

$241bn of AUM

Top 10 in 7 out of 11 territories

Well diversified platform

Reliable & stable flows from life business

China

Access to:
c.80%
GWP, GDP & Population[4]

Established in **2000**

1st 2 branches contributing **c.50%** of APE

Leadership Positions

Top 3 in 9 out of 13 markets[5,6]

Leading Asian Retail fund manager[7]

Unrivalled Platform

600,000+ Agents

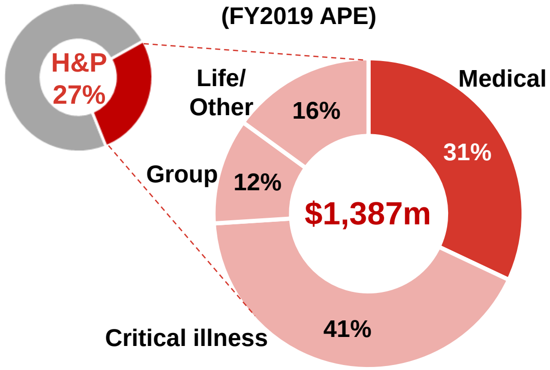
300+ Life & AM distribution partnerships

>15m customers

Health & Protection

Growing individual medical reimbursement

(FY2019 APE)



Note: Data as per the FY19 disclosures, unless stated otherwise

[1] Total par funds from Hong Kong and Singapore as at 31 Dec 2019

[2] Investment performance (%)

[3] Sources: Singapore, Malaysia, Thailand and Hong Kong (Morningstar), Korea (Korea Financial Investment Association), India (Association of Mutual Funds in India), Japan (Investment Trusts Association, Japan), Taiwan (Securities Investment Trust & Consulting Association of R.O.C.), China (Z-Ben), Indonesia (Otoritas Jasa Keuangan), Vietnam (State Securities Commission of Vietnam), as at Dec 2019

[4] Source: National Bureau of Statistics China. CBIRC. As of FY18

[5] Markets determined by regulatory and business requirements

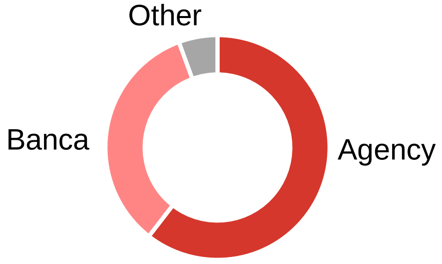
[6] Top 3 in 9 of 13 markets. Source: Based on formal (Competitors' results release, local regulators and insurance associations) and informal (industry exchange) market share data. Ranking based on new business (APE or weighted FYP depending on the availability of data). Data as of FY19 except for Hong Kong (FY18).

[7] 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. Data as of FY18.

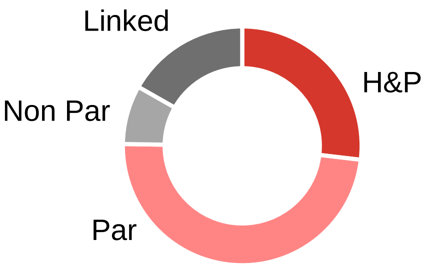
Asia

Diversified high quality portfolio

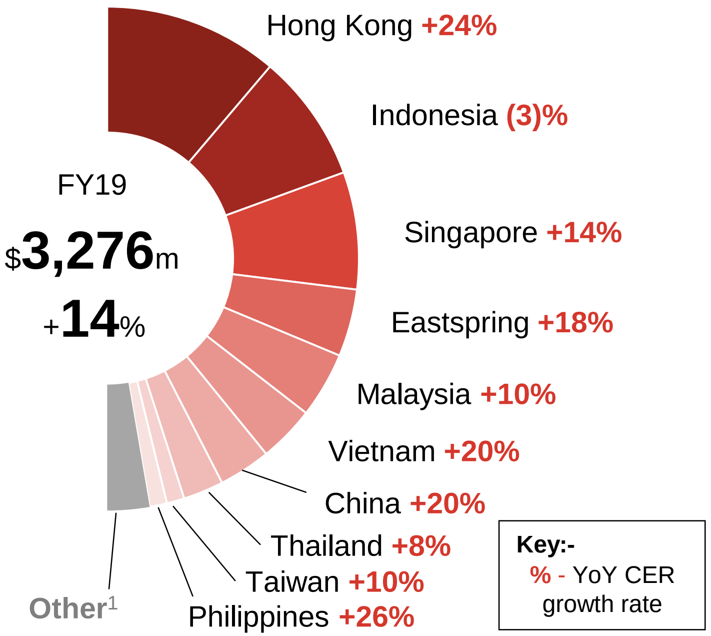
Diversified



Channel (% APE)

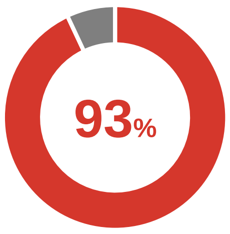


Product (% APE)

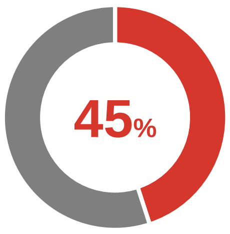


IFRS operating profit, $m

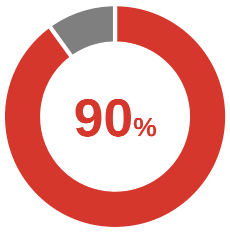
High quality



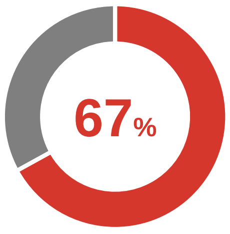
Regular premium as % of APE



Repeat sales



Customer retention ratio



H&P mix in NBP

- ✓ 8 life markets with double digit growth in NBP & earnings
- ✓ Asia ex-HK: APE +17% & NBP +29% (Agency: +30%, Banca: +19%, H&P: +23%)

- ✓ Focus on recurring premium H&P – lower correlation to markets

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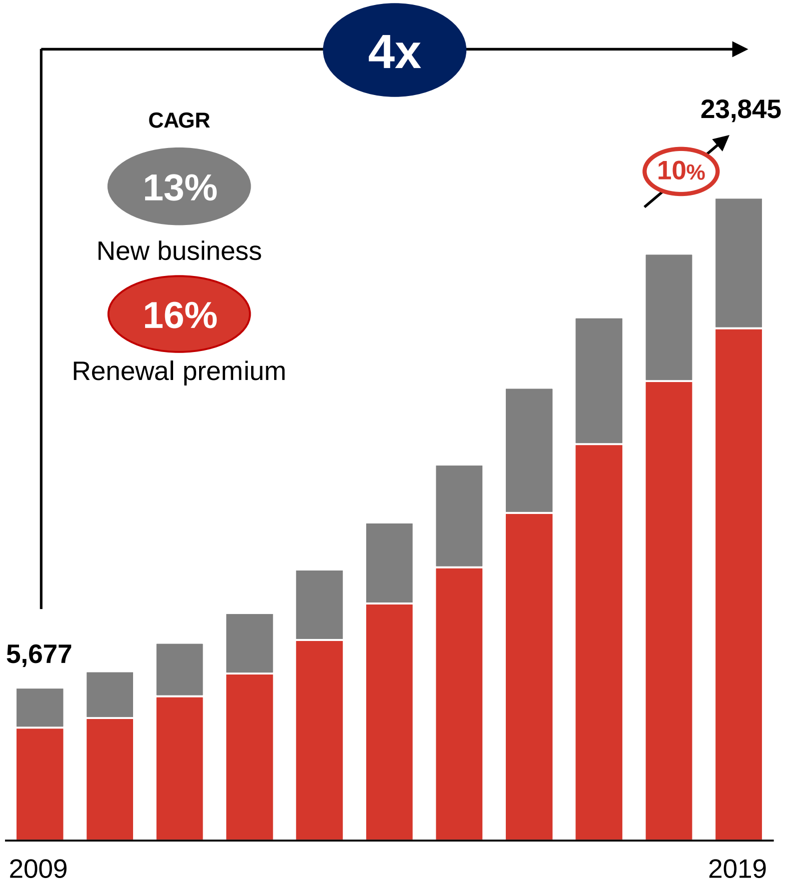
[1] Includes Cambodia (FY19 CER growth in IFRS operating profit >20%)

Asia

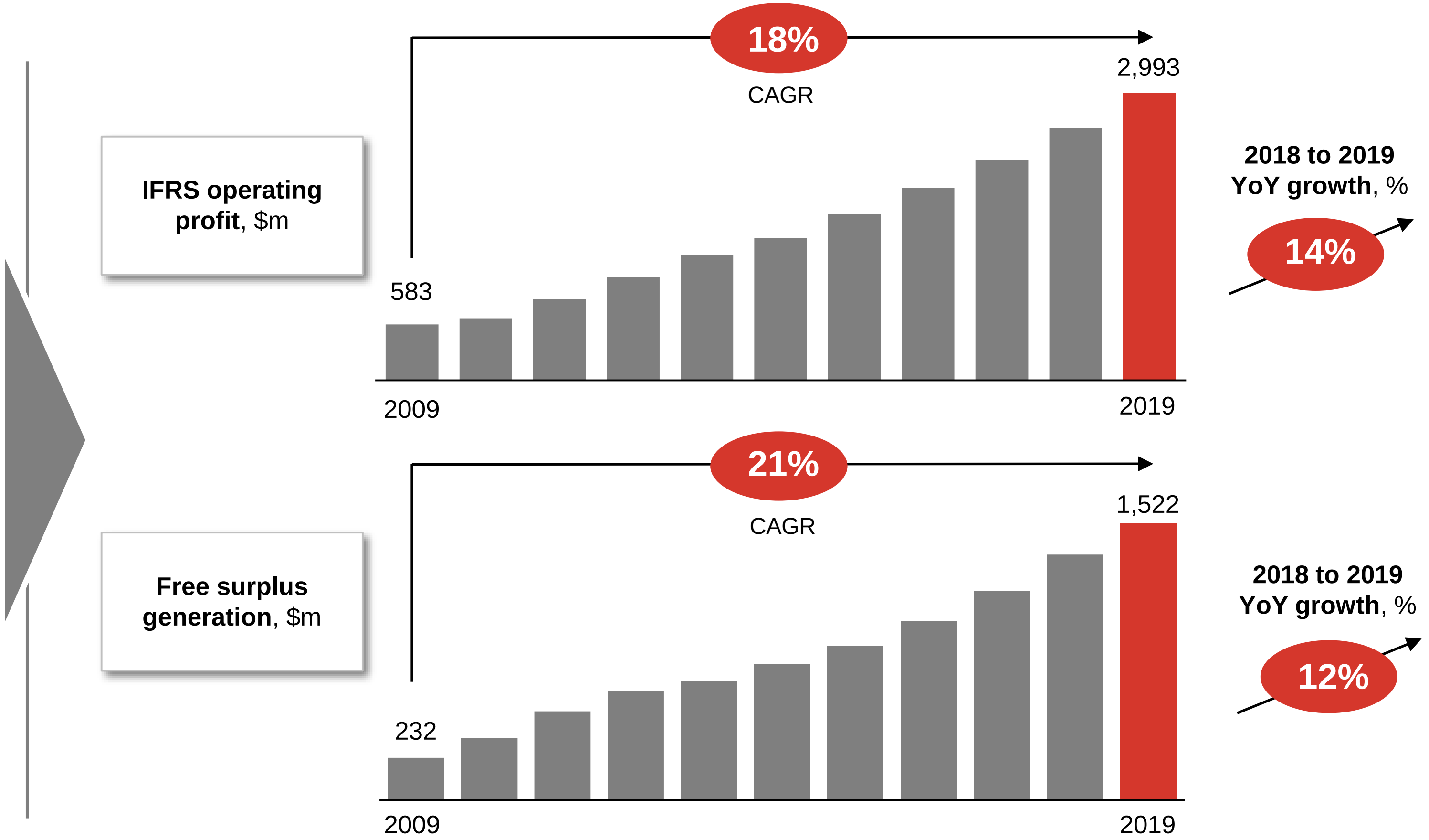
Resilient and compounding business

Compounding[1,2,3]



Life weighted premium income, $m

Resilient growth in earnings & cash[1,2,3]



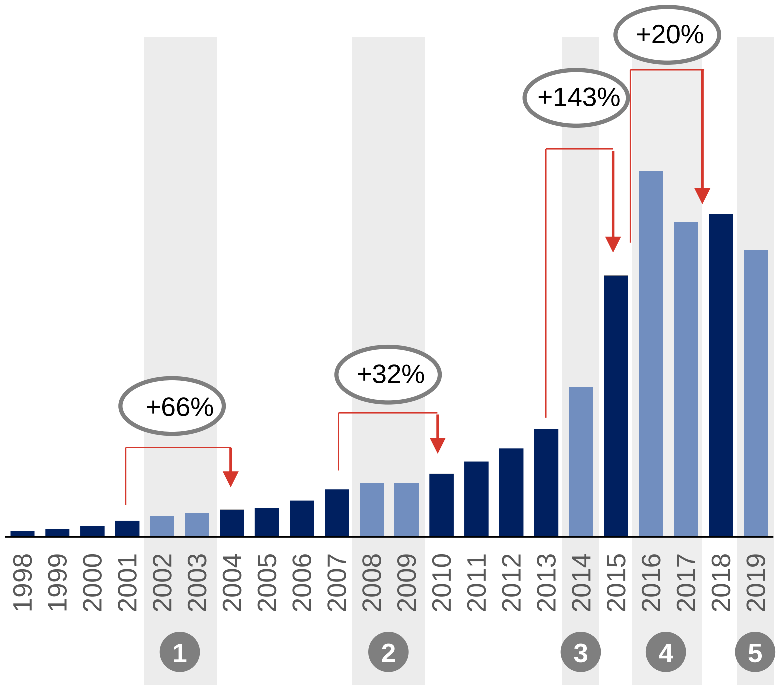
[1] On a constant exchange rate basis
[2] For long-term business
[3] Excludes Japan and Korea businesses and after development costs

Asia – market highlights

Hong Kong: Resilient earnings

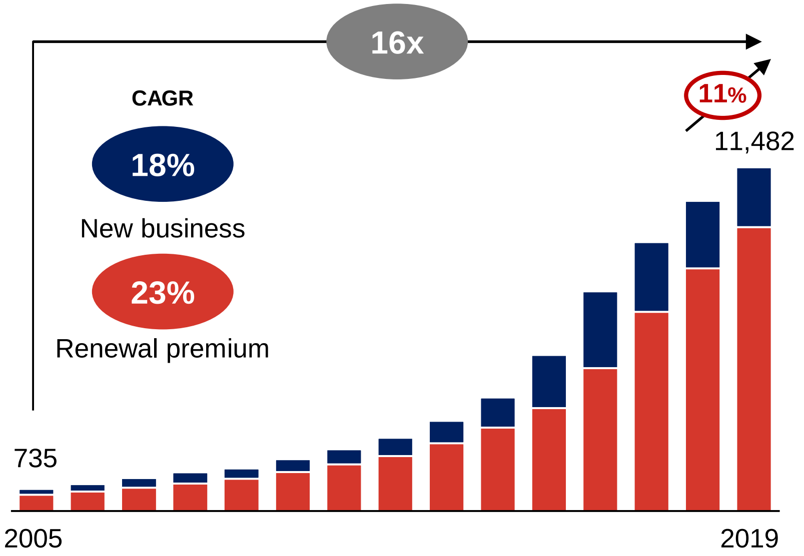
- Continuing to invest in an attractive & resilient business
- Near term sales environment impacted by social unrest and coronavirus containment measures
- Track record of recovery from periods of disruption underpinned by structural trends & attractive product proposition

APE[1], $m

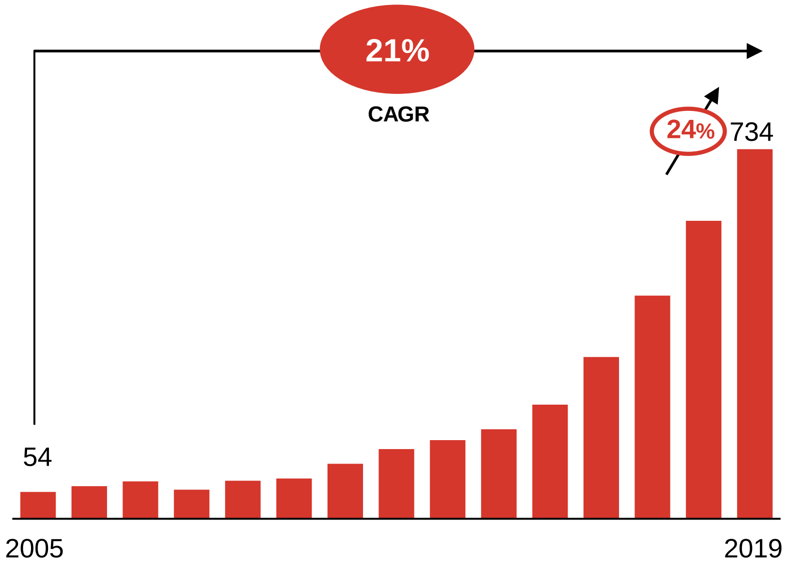


X 1. SARS between 2002-2003; 2. GFC between 2008-2009; 3. 2014 Occupy Central event in Hong Kong; 4. Tighter control of yuan in 2016. 5. Social unrest.

Life weighted premium income[1], $m



Life IFRS operating profit[1], $m

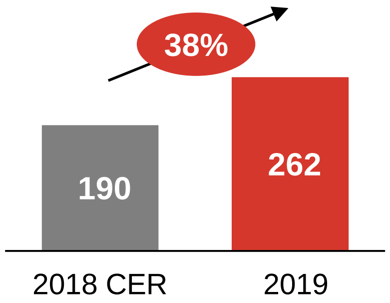


1 On a constant exchange rate basis.

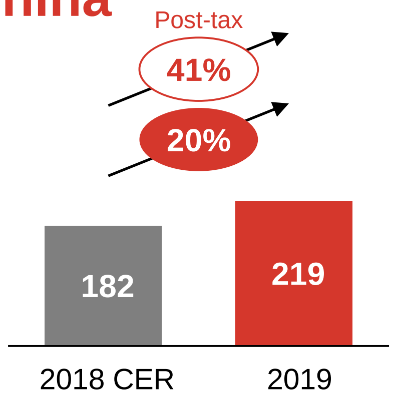
Asia – market highlights

China and Indonesia

China



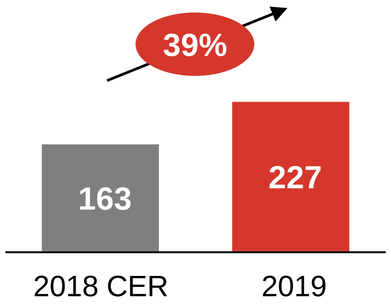
New business profit, $m



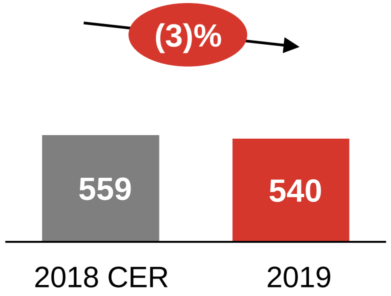
IFRS operating profit, $m

- ✓ APE +53% & NBP +38%, driven by double digit growth in agency & banca following substantial marketing
- ✓ Banca: Strong sales expansion - activated bank outlets across 31 partners
- ✓ Agency: Good momentum supported by
  - Increased productivity[1] by +47%
  - Increase in MDRTs
  - New recruits contributed to 34% of NBP
  - 32 new/revamped products launches

Indonesia



New business profit, $m



IFRS operating profit, $m

- ✓ APE +23%, driven by new products & agent productivity
- ✓ Enhancing distribution capabilities
  - Elite agents growing APE by +57%, 25% of agency APE
  - Strong banca growth +9%
  - Strategic digital partnership with OVO
- ✓ Broadened our product range: successful product refreshes & pipeline of innovative product launches
- ✓ Modernising platform: 97% e-Submissions[2]; >480k Pulse installs[3] & 1st online PayLater Protect in OVO
- ✓ PRUworks: IDR5.8bn APE since launch, >5k insured lives[4]

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[1] Agency NBP per active agent
[2] Agency e-Submissions
[3] As of 5 March 2020
[4] As of 31 December 2019

Asia

Coronavirus update

Customers

- Enhanced benefits and extra coverage across markets
- Set up a 24-hour dedicated hotline for customer inquiries
- Established a green channel to simplify claims process & accelerate claims payment
- Leveraging Pulse as a medium to provide guidance and offer products

Society

- Focused on supporting the welfare of our colleagues, their families and their local communities
- Our China businesses have donated RMB15m to various local NGOs
- Our Singapore business set up a S$1.5m PRUcare package to support SMEs & affected individuals
- Launching a Safe Steps Pandemic programme through Prudence Foundation

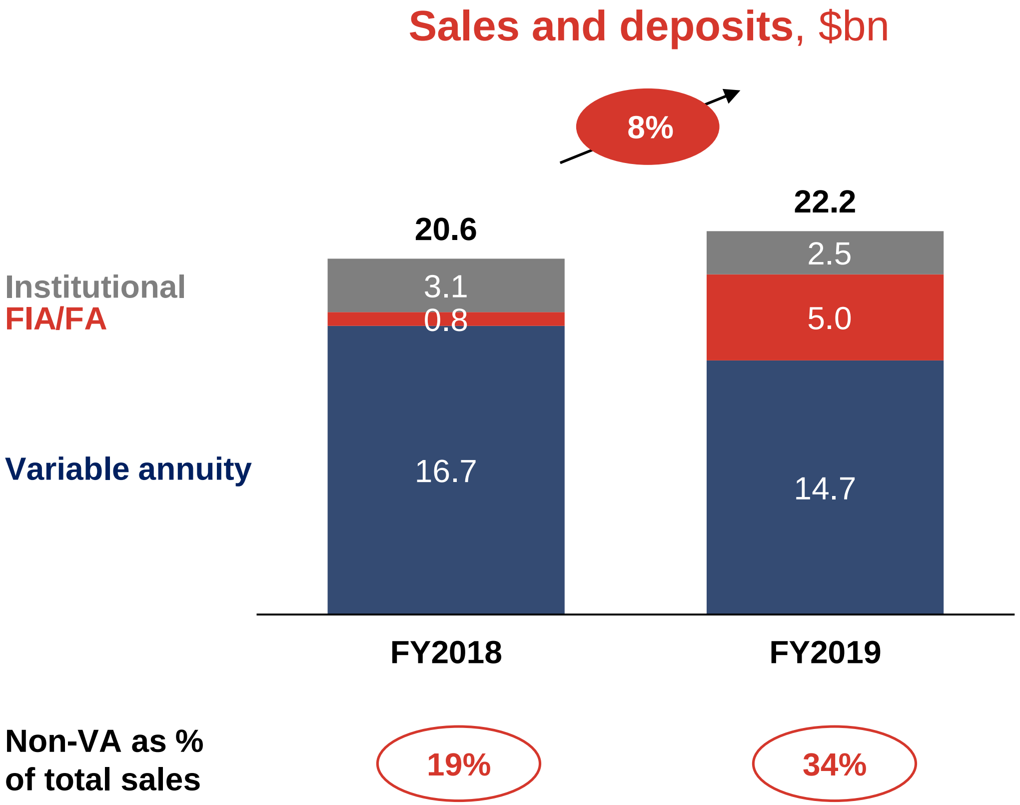
Staff & agents

- Established Incident Management Teams at regional and local levels; monitor situation very closely
- Leveraging online tools for internal (Xin Yi Tong) and external (WeChat) activities in mainland China
- Launched non-face-to-face channels in HK for QDAP & VHIS plans[1]
- Offered flexible working arrangement and upgraded hygiene measures

[1] QDAP = Qualifying Deferred Annuity Policy; VHIS = Voluntary Health Insurance Scheme.

US

2019 sales and distribution highlights



Successful sales diversification

- 8% YoY growth, with strong 2H sales
  - FA/FIA sales grown 6x, representing 23% of total sales (2018: 4%)
  - VA sales down 12%; industry core VA sales down 5% whilst total industry sales boosted by structured VA product
- Product launches planned for 2020
- Reserve change lags organic sales shift

Enhancing distribution capabilities

- #1 VA player in independent BD[1], bank and wirehouse channels
- Expanded advisory distribution – providing lifetime income solutions to independent RIAs[2]
  - Advisory sales, up +30% to $909m (12% market share[3])
- Continued progress with channel diversification
- Supportive environment given regulatory clarity (passing of SEC Best Interest rule and SECURE[4] Act)

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[1] Broker dealer
[2] Registered Investment Advisor
[3] As at 30 September 2019
[4] Setting Every Community Up for Retirement Enhancement Act

US

Execution progress

Objectives

- Enhance statutory capital generation and cash returns over time
- Preserve balance sheet resilience
- Accelerate new business diversification
- More balanced mix of policyholder liabilities

2019 Achievements

- Remittance of $525m - maintained long term track record of delivery
- Early-adopted new NAIC framework
- Demonstrated distribution reach across US annuity market
- Deepened management bench - new CEO, CFO, CCO
- Meaningful organic sales diversification

Outlook

- Preferred route is minority IPO
  - Preparations commenced
  - Detailed engagement with key stakeholders
- Disciplined capital management
  - Maintain resilient RBC level
- Continued investment in capabilities
  - New product rollouts
  - Expansion of distribution and technology integration

Group

Key take-aways

- Strong performance in volatile and uncertain environment
- Asia focused on high quality profitable growth; significant investment continues
- Jackson demonstrating resilience and organic diversification
- Active capital allocation, Jackson IPO preparation commenced
- Well positioned to deliver long-term profitable growth

Mark FitzPatrick

Group CFO & COO

Group

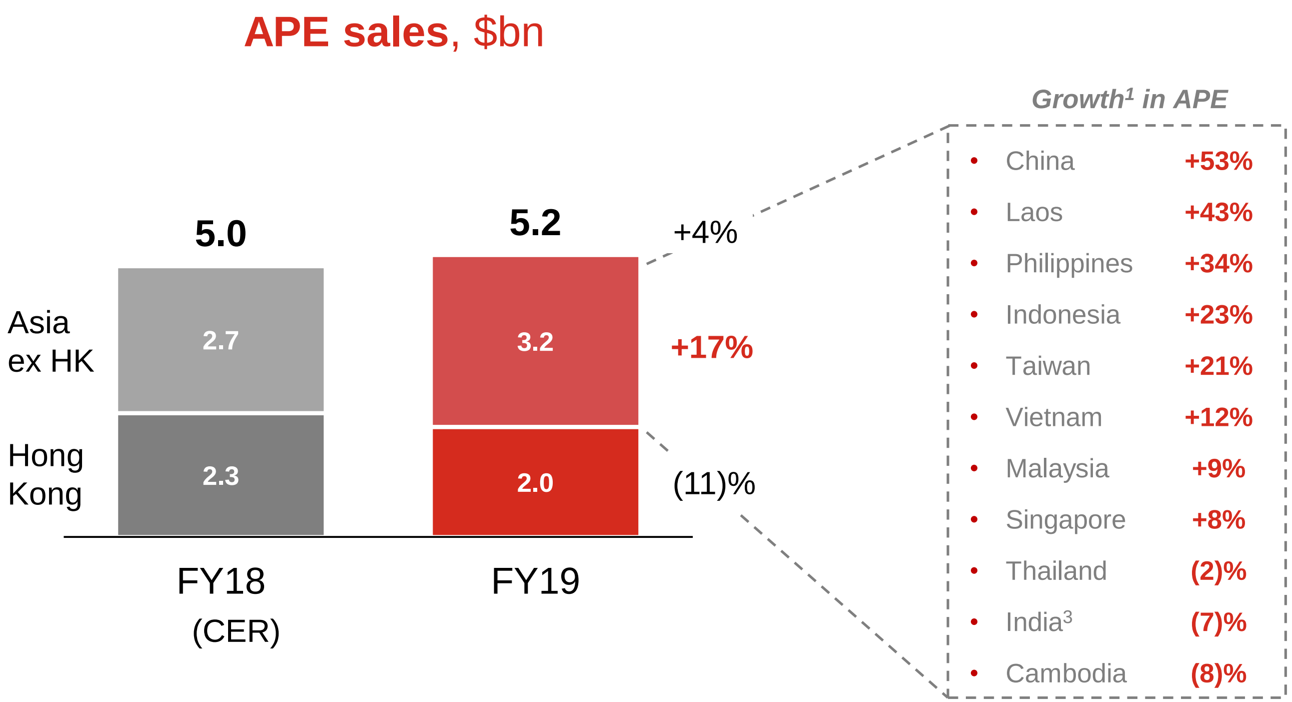
Selected performance metrics: continuing operations

	$m	FY18 (CER[1])	FY19	Change %
Asia	New business profit	3,460	**3,522**	**2%**
	EEV operating profit[2]	6,052	**6,138**	**1%**
	Operating FSG[2]	1,567	**1,772**	**13%**
	Embedded Value	32,008[3]	**39,235**	**23%**
	Adjusted IFRS operating profit[2]	2,872	**3,276**	**14%**
US	Remittances[3]	450	**525**	**17%**
	% APE sales FA, FIA & Institutional	19%	**34%**	**15%p**
Group	Adjusted IFRS operating profit	4,429	**5,310**	**20%**
	Shareholder LCSM surplus ($bn)[4]	9.7[3]	**9.5[5]**	**(2)%**

1. Defined as constant exchange rate (CER)
2. Before restructuring costs
3. Presented on an actual exchange rate basis (AER)
4. The Prudential Group's total shareholder surplus of available capital over the regulatory Group Minimum Capital Requirement (GMCR)
5. Before allowing for the payment of the 2019 second interim ordinary dividend

Asia

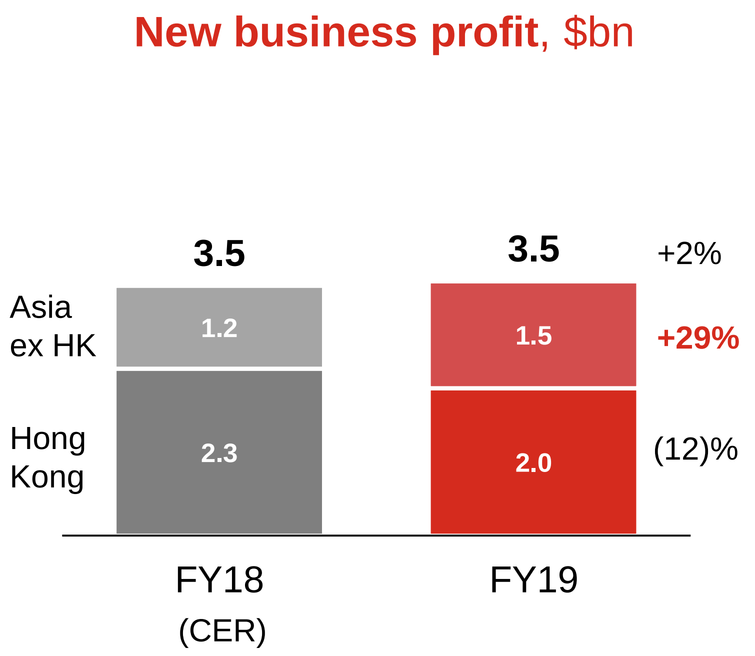
High quality, diverse portfolio supports new business



Growth[1] in APE

China	+53%
Laos	+43%
Philippines	+34%
Indonesia	+23%
Taiwan	+21%
Vietnam	+12%
Malaysia	+9%
Singapore	+8%
Thailand	(2)%
India[3]	(7)%
Cambodia	(8)%

- Broad-based performance outside HK, with improving momentum
- 6 markets delivered growth of 10%+
- HK MLC[2] business impacted by 2H social unrest; FY19 domestic APE +8%



- Outside HK, NBP +29%
- 8 markets increased NBP by 10%+
- HK NBP development driven by lower APE sales

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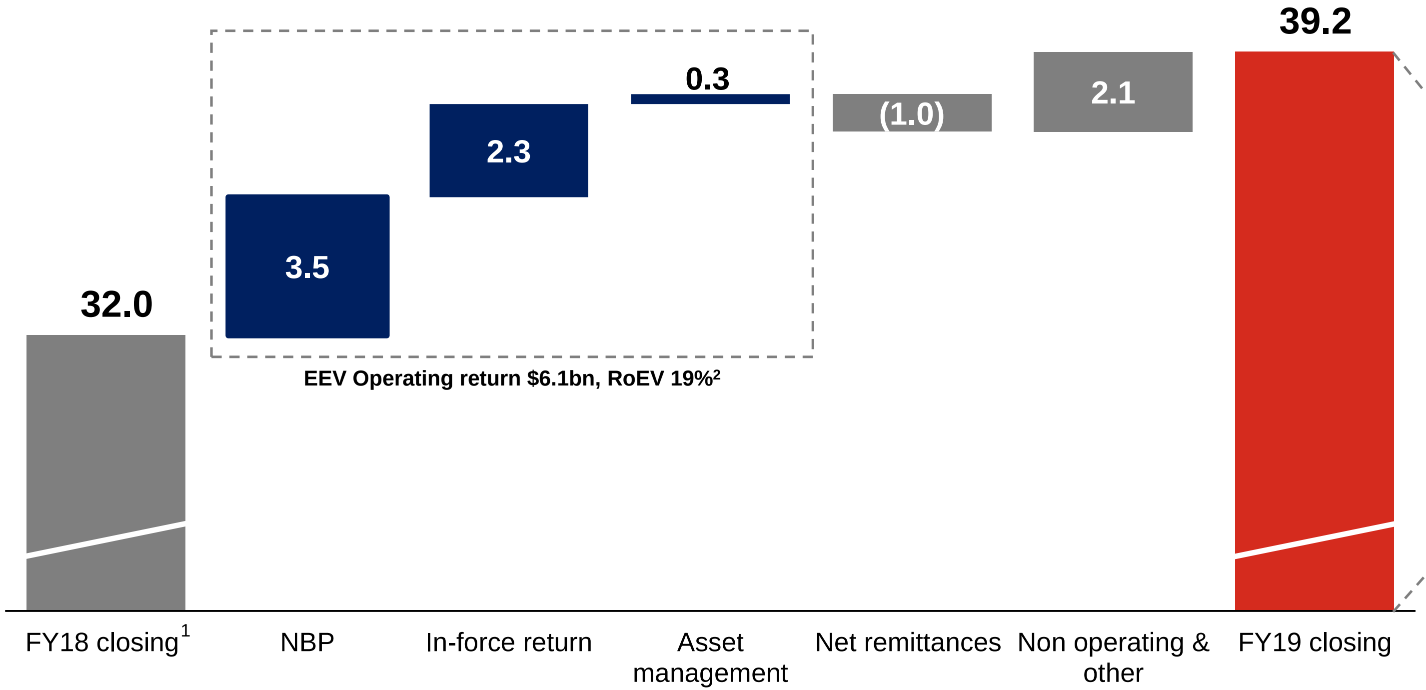
1. On a constant exchange rate basis
2. Mainland China (MLC)
3. Adjusted for change in holding, India CER APE growth is +4%

Asia

Compounding new business profit drives growth in EEV

Movement in embedded value, $bn



- Regular premium focused
- H&P and capital-efficient UK style with-profit funds

- New business profits added 11% to opening Asia embedded value driving overall operating return of 19%[2]
- In-force return includes $0.8bn positive impact from operating assumption changes and experience variances
- Asset management business, with external FUM of $124.7bn[3,4], carried at IFRS NAV of $1.1bn[5]

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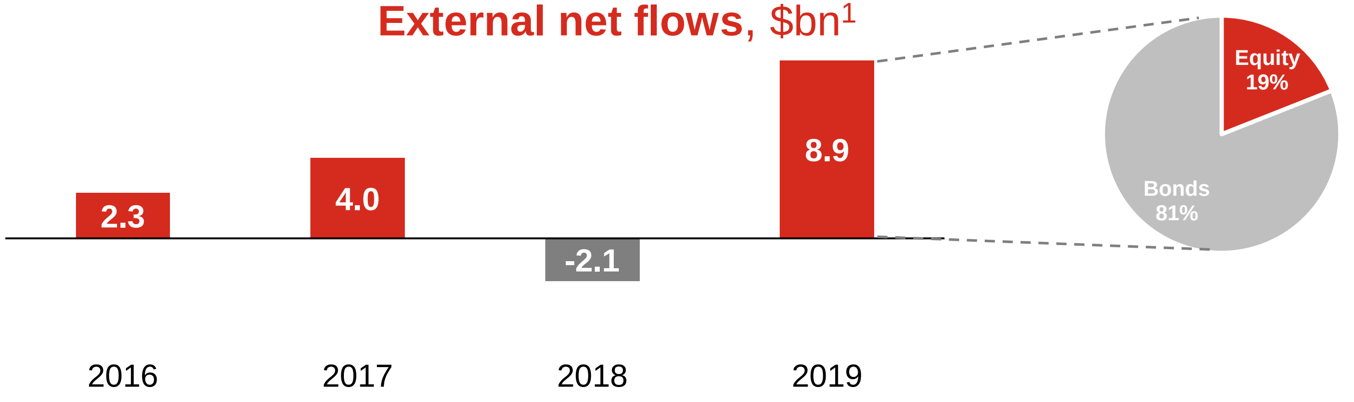
1. Actual exchange rate basis
2. Calculated versus 2018 year-end embedded value
3. $26.7bn of M&G related assets have been reclassified to external from internal funds under management following the completion of the demerger of M&G plc
4. Includes money market funds of $13bn
5. Excluding minority interests

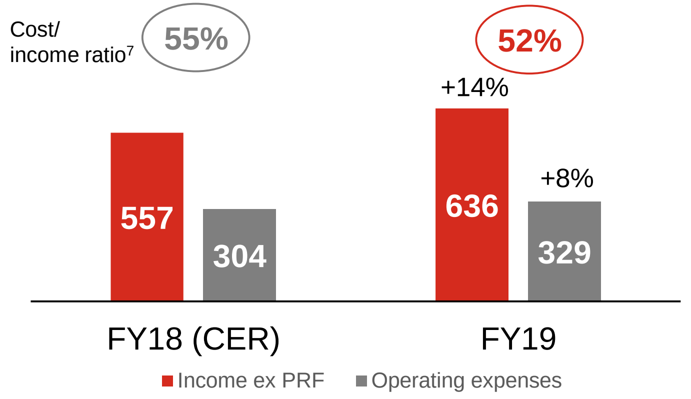
Asia

Eastspring: delivering profitable growth

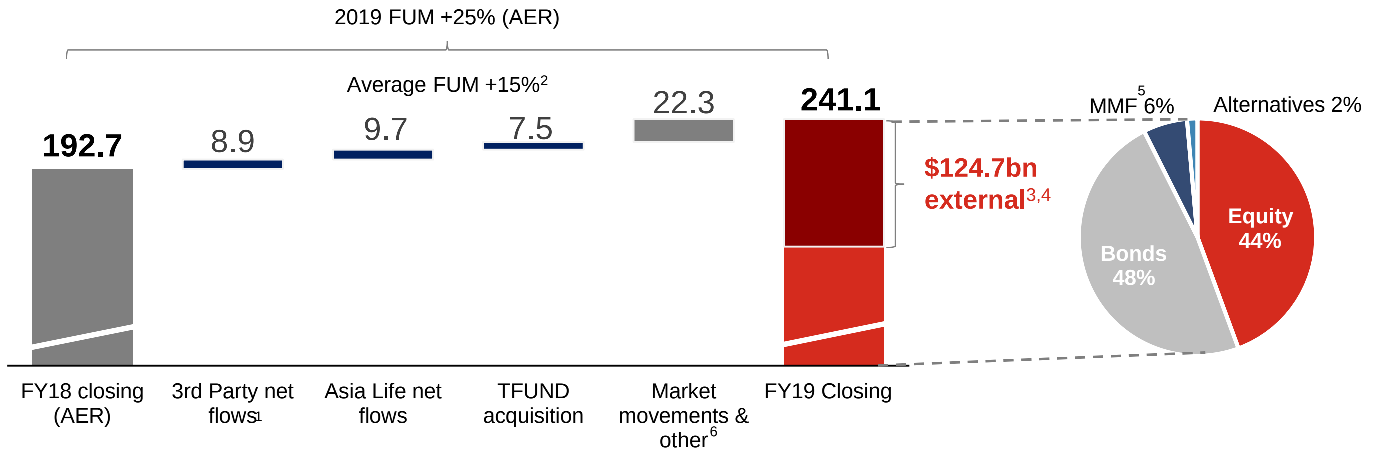
External net flows, $bn[1]



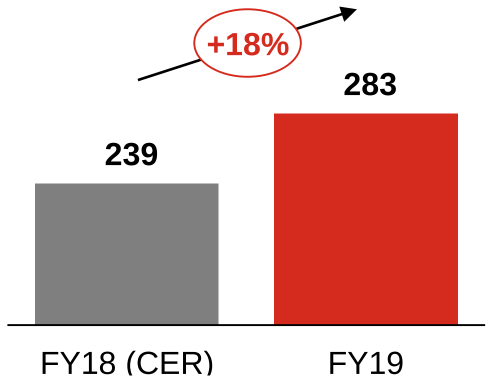
Operating leverage, $m



FUM movement FY19[2], $bn



IFRS operating profit, $m[8]



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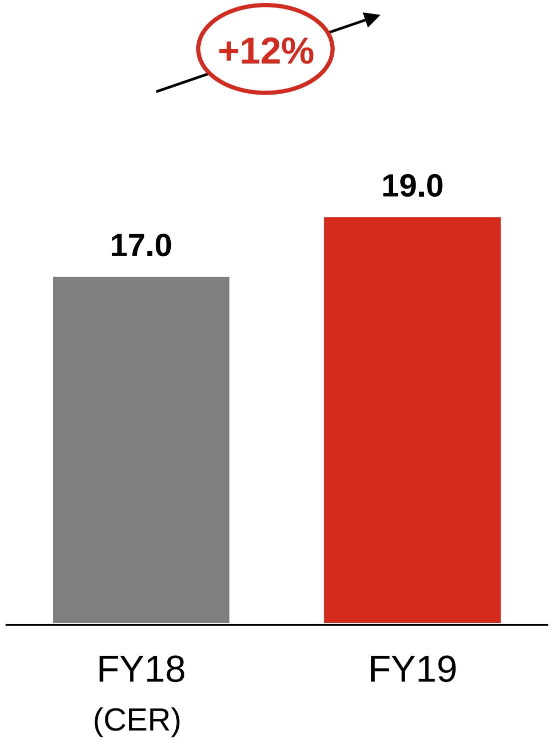
1. Excludes money market funds
2. Actual exchange rate basis (AER)
3. Includes money market funds of $13bn (FY18: $15bn)
4. 2018 total FUM included $22.2bn of funds managed on behalf of M&G plc. Following the demerger of M&G plc, $26.7bn of M&G related assets have been reclassified to external from internal funds under management
5. Money market funds (MMF)
6. Includes M&G plc net flows pre demerger and money market fund net flows
7. Cost/income ratio represents cost as a percentage of operating income before performance related fees
8. IFRS operating profit includes performance-related fees of $12m (2018: $23m CER basis) and is net of group's share of tax on joint ventures' adjusted operating profit of $(36)m (2018: $(35)m CER basis)

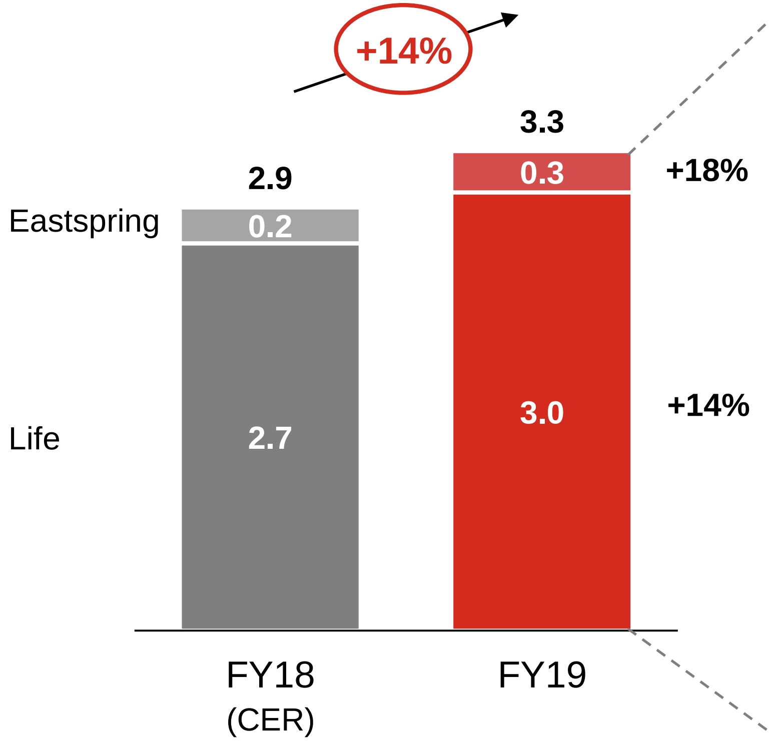
Asia

Resilient in-force growth drives IFRS operating profit

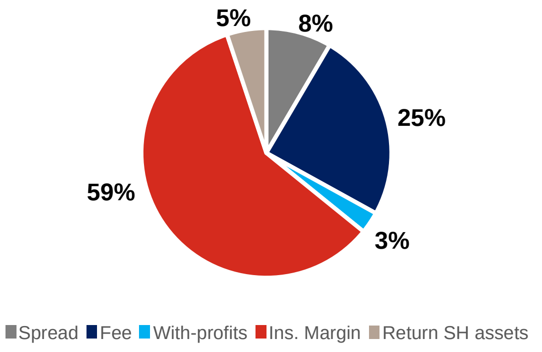
Renewal premiums, $bn



IFRS operating profit, $bn



Insurance margin & fees drive IFRS income[1]



Strong market contributions, at scale[2]

IFRS operating profit (%/$m)[3]

Hong Kong	+24%	734
Indonesia	(3)%	540
Singapore	+14%	493
Eastspring	+18%	283
Malaysia	+10%	276
Vietnam	+20%	237
China	+20%	219
Thailand	+8%	170
Taiwan	+10%	74
Philippines	+26%	73

8 businesses with $150m+ IFRS op. profit

---

1. FY19. Total income includes insurance margin, spread income, life fee income and asset management operating income (net of commission) as fee income, with-profits income and expected return on shareholder assets. Margin on revenue is excluded
2. Table excludes Cambodia (FY19 CER growth in IFRS operating profit >20%)
3. Growth rates on a constant exchange rate basis

US
IFRS result

US IFRS result, $m

	FY18	FY19
Fee	3,265	3,292
Spread	778	642
Other income/expenses, incl. DAC	(1,232)	(1,176)
Sub Total	**2,811**	**2,758**
DAC (acceleration)/deceleration	(259)	280
Asset management	11	32
Operating Profit	**2,563**	**3,070**
ST fluctuations	(134)	(3,757)
Other items	(107)	(38)
Pre Tax Profit	**2,322**	**(725)**
Post tax	**1,982**	**(380)**

Key drivers

Fee income +0.8% YoY
Average separate account balance +1.6%, average fee margin 182bps (2018: 183bps)

Spread margin 112bps (2018: 155bps)
Lower core spread & reduced income from swaps held for duration management purposes. Core spread reduction from lower invested asset yields & consolidation of John Hancock portfolio. Given current reinvestment yields, further spread margin compression expected

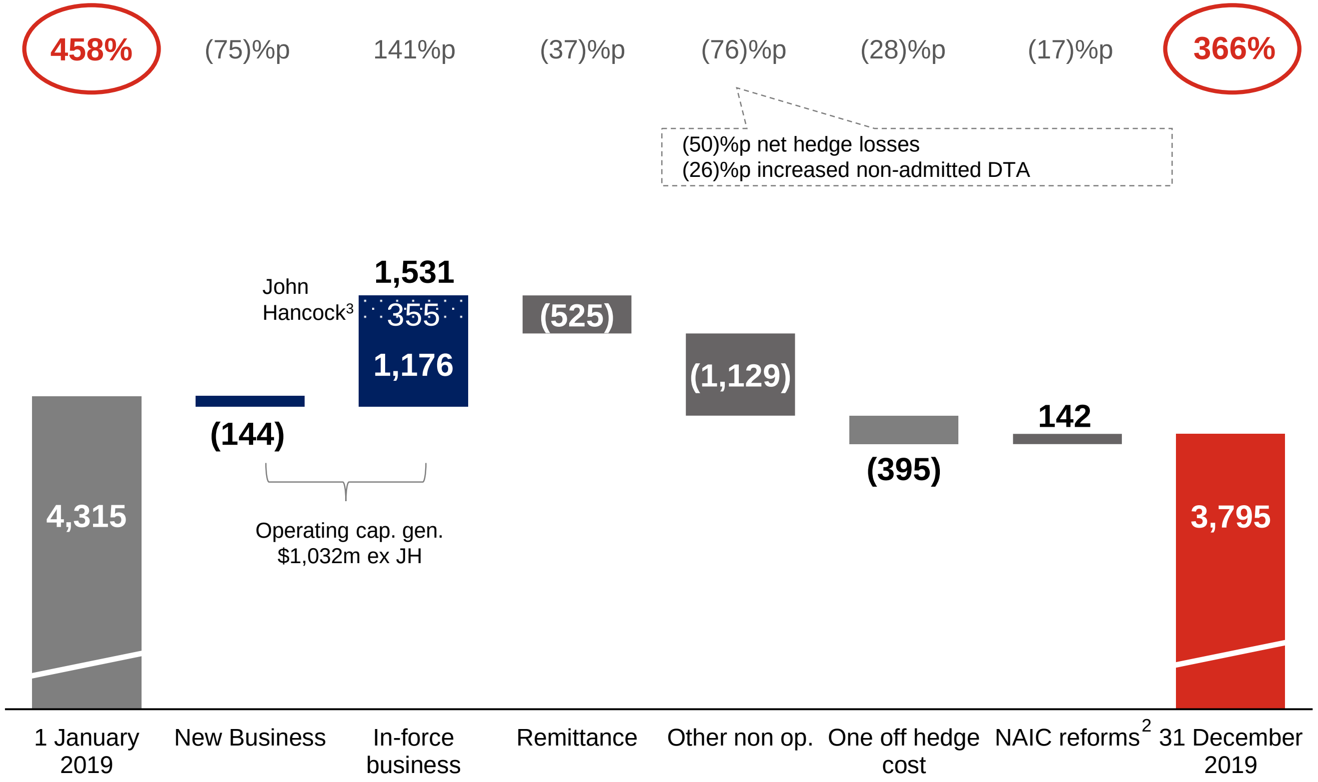
Favourable DAC deceleration
2019 separate account return higher than that assumed (2018: unfavourable DAC acceleration of $(259m)). Expect $17m (acc.)/deceleration per 1%p separate account growth under/over mean reversion rate (2020: 4.9%)

US IFRS short-term fluctuations
Higher equity markets resulted in losses on equity hedging positions combined with the effect of accounting asymmetries: IFRS VA reserves only partly recognise the benefit of higher equity markets, and were also impacted by the adverse effect of lower interest rates in the period

US

Evolution of RBC over 2019

US statutory surplus & RBC ratio development[1], 2019 ($m/%)



- RBC ratio at 31 December 2019: 366%
  - Early adoption of NAIC framework[2], impacted RBC ratio by (17)%p
  - Non admitted DTA impact of (26)%p expected to be utilised over next 2 years, subject to market conditions
  - C1 factor update now expected 2021 at the earliest. Ratio impact (10-20)%p
- New framework less interest rate sensitive
- Hedging continues to focus on protecting economics, accepting accounting volatility
- 2019 remittance ~50% operating capital generation (ex John Hancock[3])
  - Future remittances to be spread more evenly over the year

---

1. Jackson National Life. Surplus defined as surplus of available capital over required capital (set at 100 per cent of the Company Action Level)
2. Jackson applies the US statutory reserve and capital framework required by the NAIC and adopted the NAIC's changes to this framework for variable annuities with effect from 31 December 2019
3. One-off $355m benefit from reserve release related to the 2018 John Hancock acquisition

Group

Central cost base to improve by c.$180 million post demerger

Group IFRS result, $m

	FY18 (CER)	FY19	Change %
Asia	2,872	3,276	14
US	2,563	3,070	20
Total segment profit continuing operations	**5,435**	**6,346**	**17**
Other income & expenditure, restructuring costs	(1,006)	(1,036)	(3)
of which:			
Interest payable on core structural borrowings	*(523)*	*(516)*	*1*
Corporate expenditure	*(477)*	*(460)*	*4*
Restructuring costs	*(73)*	*(110)*	*(51)*
Adjusted IFRS operating result: continuing operations	**4,429**	**5,310**	**20**
ST fluctuations on shareholder-backed business, & other	(963)	(3,388)	
Profit from continuing operations before tax	**3,466**	**1,922**	**(45)**
Profit for the period from continuing operations after tax	**2,896**	**1,953**	**(33)**

Asia and US segment profit up 17%. No demerger impact

Includes pre-demerger related items up to Completion

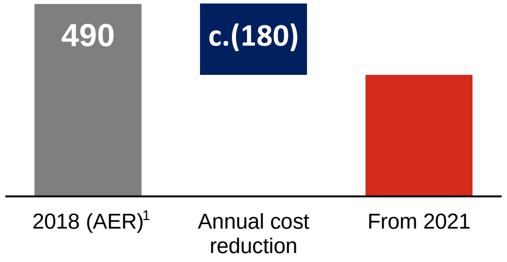
Includes interest costs related to debt transferred to M&G of $179m. Expected annual cost of retained structural borrowings ~$300m

Central functions. Annual reduction across head office of c.$180m from 2021. Restructuring costs expected of c1x annual savings to be incurred in 2020

FY19 primarily comprises IFRS 17 costs. As IFRS 17 preparation continues, costs are expected to increase

Reflects net equity hedge losses & US accounting asymmetries

Corporate expenditure savings, $m



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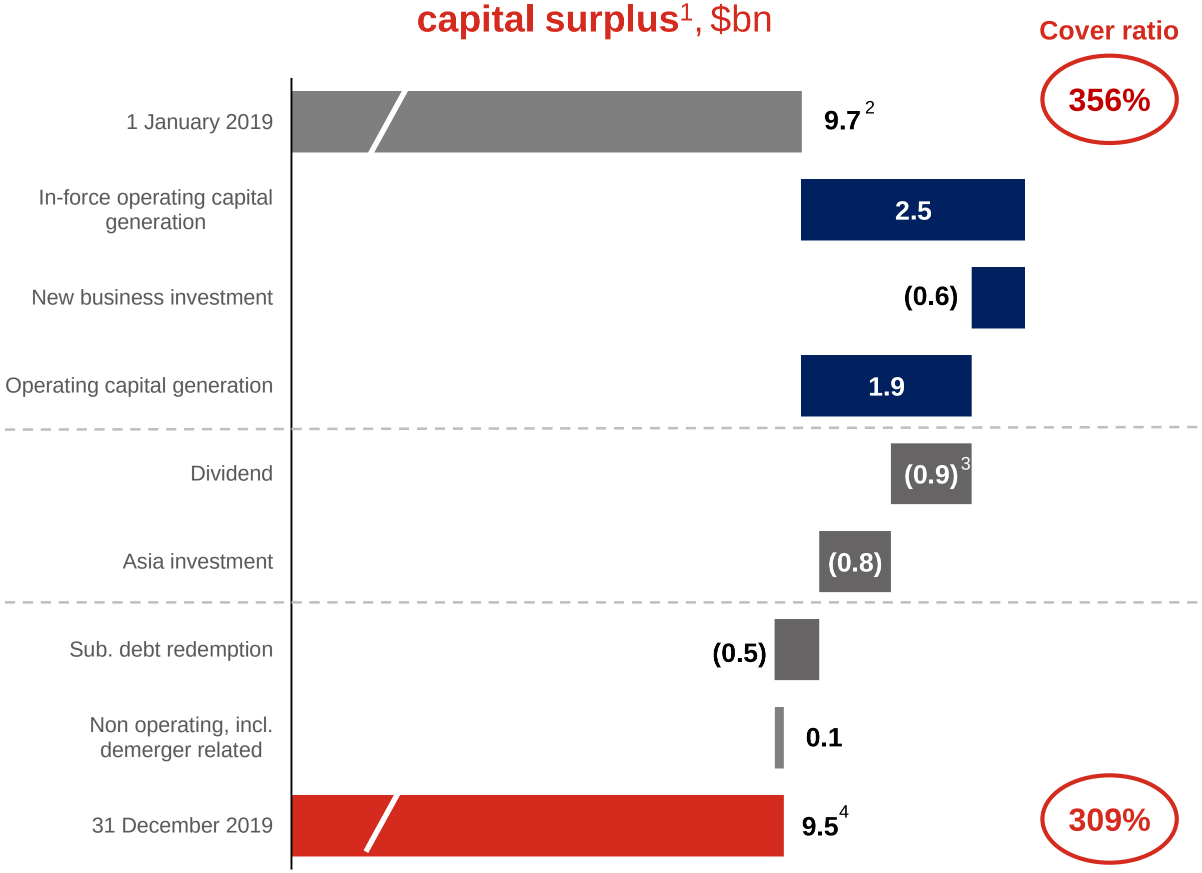
1. Presented on an actual exchange rate basis (AER)

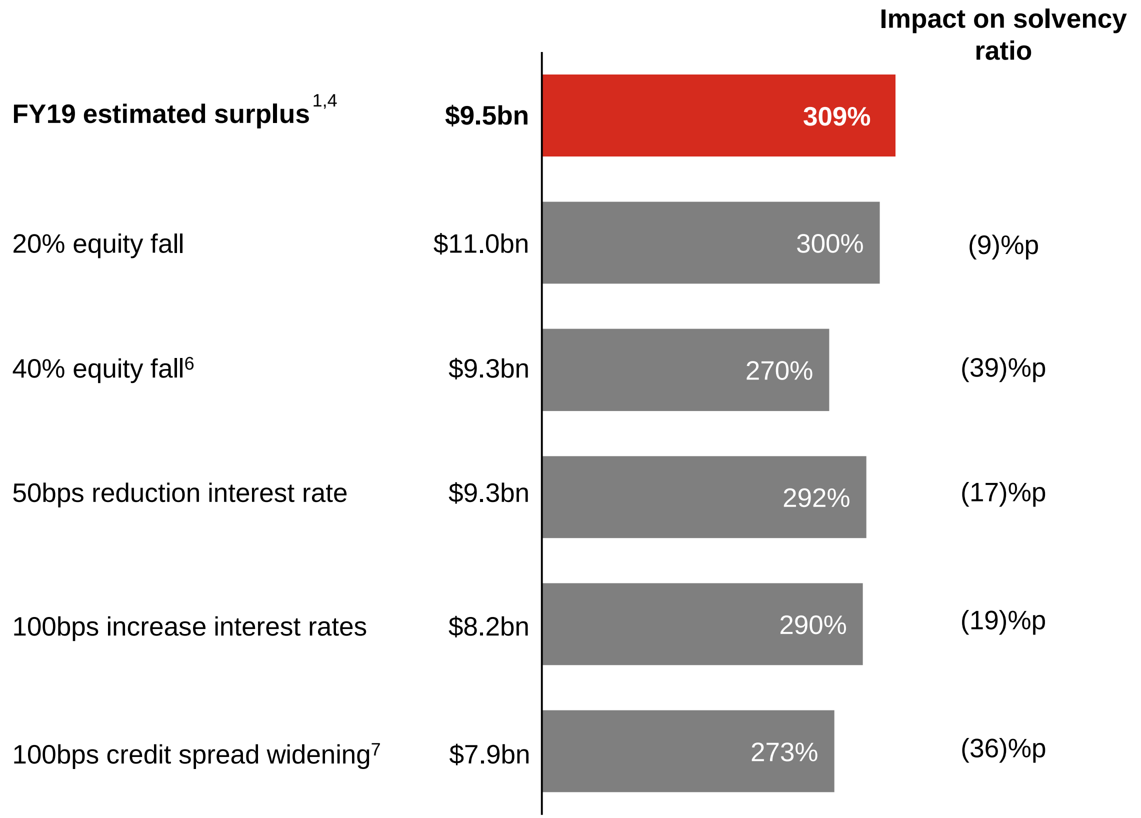
Group

Robust and resilient LCSM capital generation supporting investment in growth

FY19 movement in estimated LCSM shareholder capital surplus[1], $bn



LCSM shareholder surplus estimated sensitivities[1,5]



			Impact on solvency ratio
FY19 estimated surplus[1,4]	**$9.5bn**	**309%**	
20% equity fall	$11.0bn	300%	(9)%p
40% equity fall[6]	$9.3bn	270%	(39)%p
50bps reduction interest rate	$9.3bn	292%	(17)%p
100bps increase interest rates	$8.2bn	290%	(19)%p
100bps credit spread widening[7]	$7.9bn	273%	(36)%p

---

1. Based on Group Minimum Capital Requirement. Until Hong Kong's Group Wide Supervision (GWS) framework comes into force, Prudential will apply the local capital summation method (LCSM) that has been agreed with the Hong Kong IA to determine group regulatory capital requirements
2. Excludes M&G plc
3. Group external dividend of $1.6bn less $0.7bn of M&G remittances
4. Before allowing for the payment of the 2019 second interim ordinary dividend
5. The sensitivity results assume instantaneous market movements as at 31 December 2019, apart from the -40% equity sensitivity
6. Where hedges are dynamic, rebalancing is allowed for by assuming an instantaneous 20 per cent fall followed by a further 20 per cent fall over a four-week period
7. US RBC solvency position included using a stress of 10 times expected credit defaults

Group

Strong liquidity position post demerger

Movement in holding company cash

$m	FY19
Hold co. cash period start	**4,121**
Net remittance to Group	
Asia	950
US[1]	509
Other	6
Total Continuing operations	**1,465**
Discontinued operations	684
Net remittance to Group	**2,149**
Net interest paid	(527)
Corporate activities	(260)
Tax received	265
Hold co. cash flow before dividends & other	**1,627**
Dividends paid	(1,634)
Other movements	(1,907)
Hold co. cash period end	**2,207**

- High 2019 opening cash balance held in preparation for demerger
- Post demerger, a lower level of liquidity held centrally
- YE19 core structural borrowings $5.6bn

Net interest paid: Post demerger annual interest costs expected to be ~$300m

Corporate activities: Central overhead to be aligned with post demerger footprint

Tax received: Expected to decline sharply post demerger

Dividends paid: 2019 dividend paid relates to the pre demerger 2018 2nd interim and 2019 1st interim dividends. In 2020, dividend policy[2] to be applied to 2019 based dividend: 36.84 cents per share ($958m)

Other movements: 2019 other movements dominated by demerger related items. Also includes $(0.5)bn sub. debt redemption.
Post demerger, expected annual outflow of ~$(0.2)bn for existing, centrally funded banca distribution, before one off effects

1. Significant cash remittances from business units were hedged into sterling using forward contracts during 2018 and 2019 and these contracts determine the amount of sterling recorded in the holding company cash flow for the relevant remittances. The implicit rates may therefore differ from that applied to present the holding company cash flow in US $dollars. The dividend paid by Jackson in US dollars in 2019 was $525m
2. Subject to regulatory and board approvals

Group

Dividend policy

- Progressive dividend policy
- Level of dividend growth will take into account:
    - Investment opportunities
    - Capital generation capacity
    - Financial prospects
    - Market conditions
- Will be applied to the 2019 post demerger base dividend of 36.84 cents per share
- Dividend will be determined and declared in US dollars

Group

Key take-aways

- Asia execution and diversification driving strong financial outcomes
- US: First steps in execution of new strategy
- Strong operational delivery, continual focus on discipline in central expenses
- Resilient balance sheet, appropriate capital management policy to support growth

Mike Wells

Group CEO

Group

Investment case: Focused on structural growth markets in Asia

1 **A leading Asian franchise operating in markets forecast to continue growing at 10%**[1]

2 **Active portfolio management approach with a record of effective capital allocation**

3 **Building long-term shareholder value**

---

[1] Source: Allianz Research, Global Insurance Report 2019. Annual premium growth between 2019 and 2029

Q&A

Closing statement

Growth

Diversification

Resilience

Appendix

2019 Full Year Results

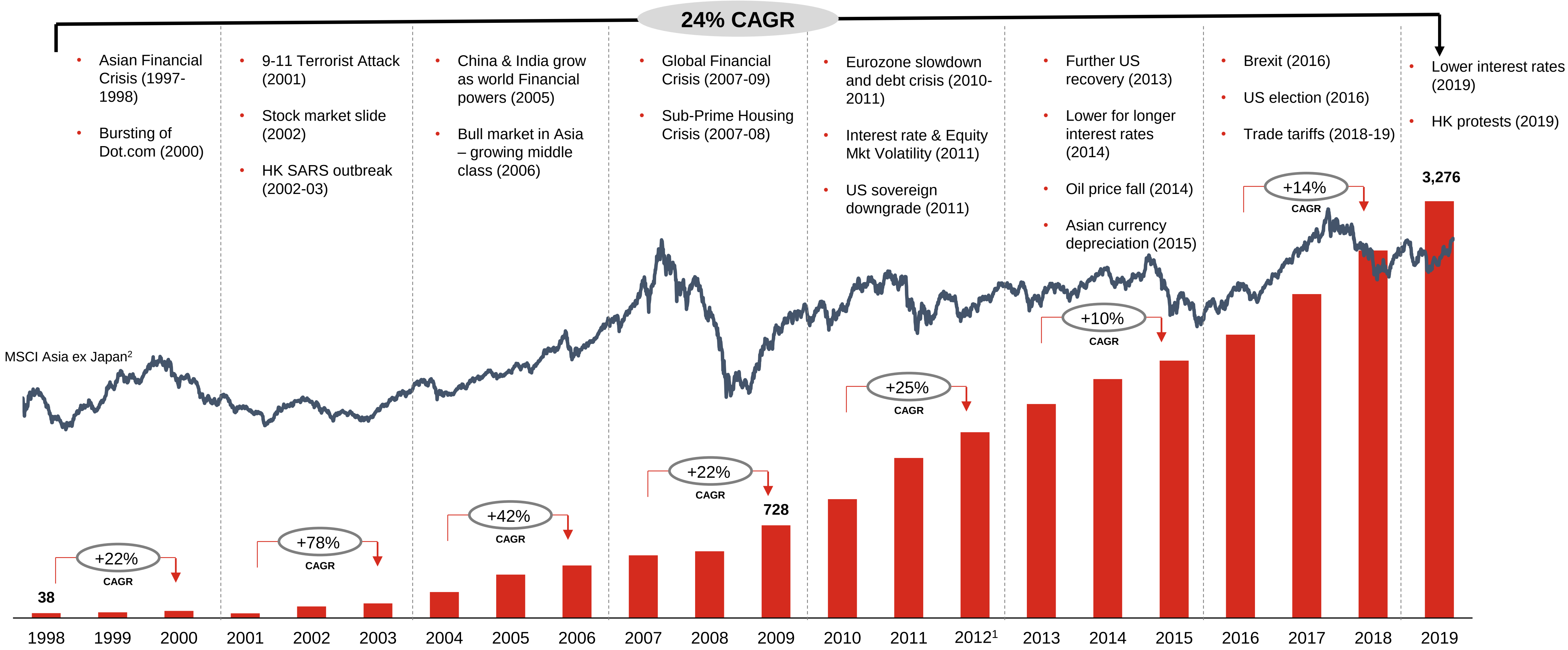
Contents:

Asia

Asia

Quality execution: Consistent and resilient growth across cycles

IFRS operating profit[1], $m



- Asian Financial Crisis (1997-1998)
- Bursting of Dot.com (2000)

- 9-11 Terrorist Attack (2001)
- Stock market slide (2002)
- HK SARS outbreak (2002-03)

- China & India grow as world Financial powers (2005)
- Bull market in Asia – growing middle class (2006)

- Global Financial Crisis (2007-09)
- Sub-Prime Housing Crisis (2007-08)

- Eurozone slowdown and debt crisis (2010-2011)
- Interest rate & Equity Mkt Volatility (2011)
- US sovereign downgrade (2011)

- Further US recovery (2013)
- Lower for longer interest rates (2014)
- Oil price fall (2014)
- Asian currency depreciation (2015)

- Brexit (2016)
- US election (2016)
- Trade tariffs (2018-19)

- Lower interest rates (2019)
- HK protests (2019)

62% → **Insurance margin[3]** → 71%

---

[1] Numbers on Actual Exchange Rate (AER) basis as reported, excludes Korea, Japan and sales of China Life Insurance Company in Taiwan in 2012

[2] Source: Bloomberg

[3] Insurance margin = insurance income / total income (insurance income, spread income, fee income, with-profits and expected return)

Asia

Leading pan-regional franchise

>600k
Agents

>300
Life & asset management distribution partnerships

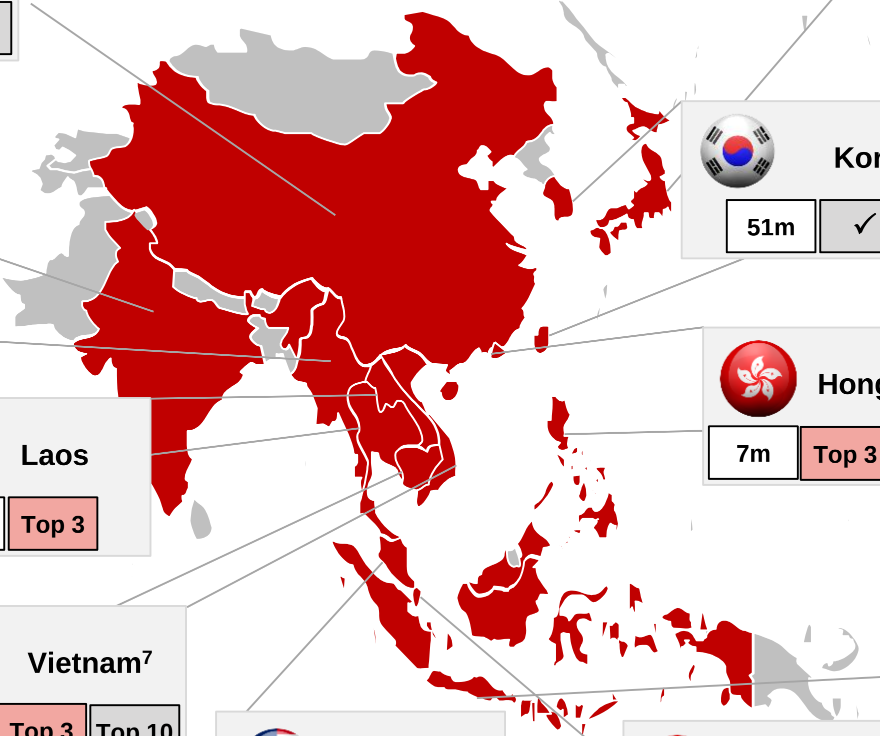
1.4m
New Pru life customers[7]

Top 3
Position in 9 of 13 life markets[1,2]

Market leading pan regional Asian Retail Fund Manager[6]

Access to:
3.7bn
Population[3]

Pru Asia footprint[1]



🟥 Life
⬜ Eastspring

China[9]	1,434m	✓	✓
India	1,366m	Top 3	Top 10
Myanmar	54m	✓	
Laos	7m	Top 3	
Thailand	70m	✓	Top 10
Cambodia	16m	Top 3	
Vietnam[7]	96m	Top 3	Top 10
Malaysia[4]	32m	Top 3	Top 10
Singapore[5]	6m	Top 3	Top 10
Indonesia[8]	271m	Top 3	Top 10
Philippines	108m	Top 3	
Hong Kong	7m	Top 3	Top 10
Taiwan[12]	24m	✓	✓
Korea	51m		✓
Japan	127m		✓

Based on full year 2019 or the latest information available. Sources include formal (eg competitors results release, local regulators and insurance association) and informal (industry exchange) market share data. Ranking based on new business (APE sales, weighted full year premium or full year premium depending on availability of data). Full year 2019 data is not yet available for Hong Kong; full year 2018 has been used instead

[1] Markets determined by regulatory and business requirements

[2] Top 3 in 9 of 13 markets. 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 2019 Revision

[4] Includes Takaful, excludes Group business

[5] Includes onshore only, excluding Eldershield and DPS.

[6] 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.

[7] In FY19. Excludes India.

[8] Excluding Jiwasraya.

[9] Total joint venture/foreign players only.

Asia

Development of PCA in the last 10 years

APE Product split

Channel mix

APE Single vs regular

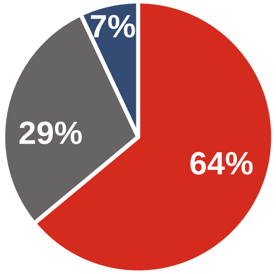
Retention Ratio

2009

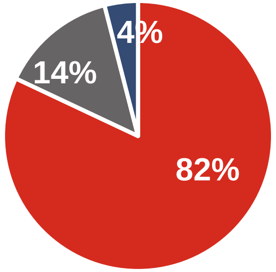
H&P	27%
Savings	
Par	33%
Linked	36%
Other	4%

$1.5bn[1,2]

APE Channel Mix



NBP Channel Mix



$0.7 bn[1,2,3,4]

Single	6%
Regular	94%

c.90%

3.5X

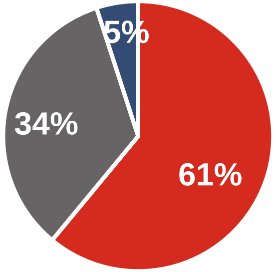
5.0X

2019

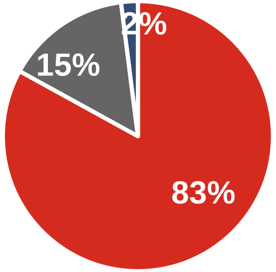
H&P	27%
Savings	
Par	48%
Linked	17%
Other	8%

$5.2bn

APE Channel Mix



NBP Channel Mix



$3.5 bn

Single	7%
Regular	93%

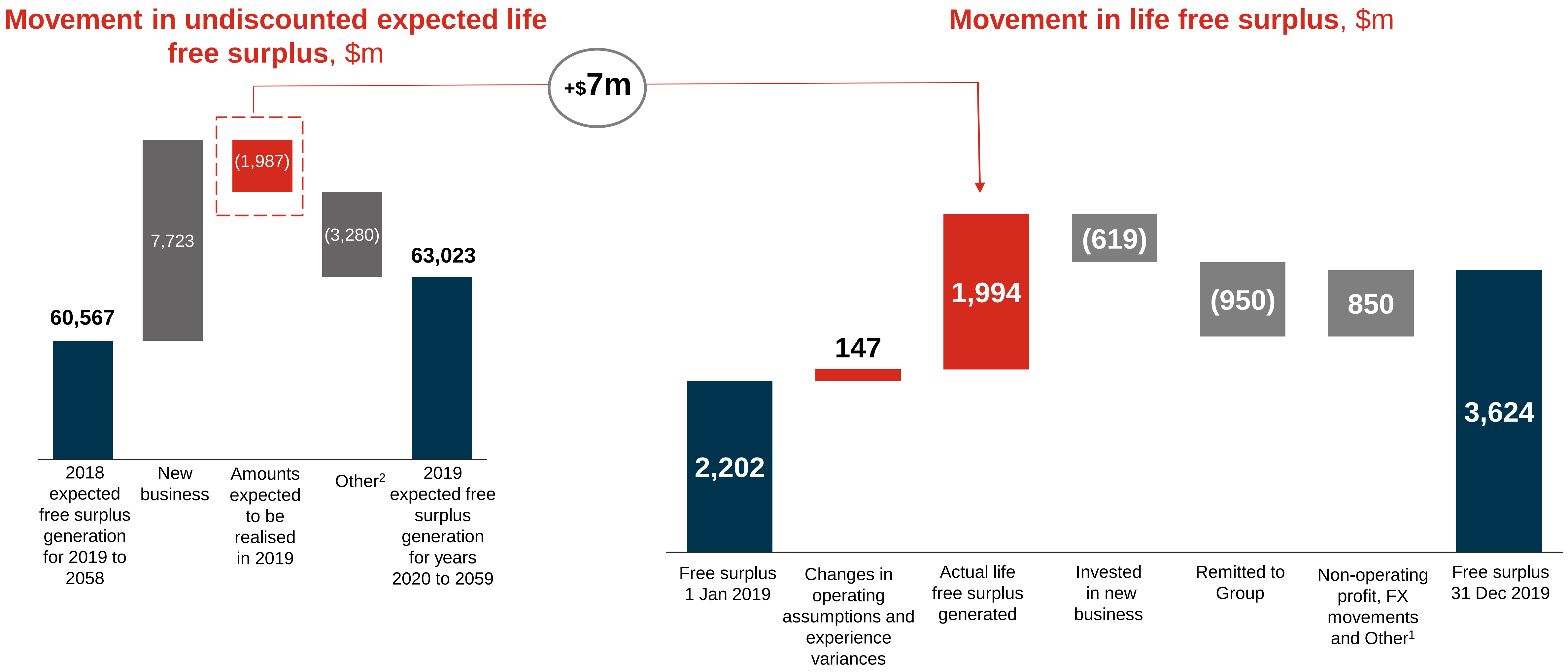
90%

🟥 Agency ▨ Banca ■ Other

1 Stated on a constant exchange rate basis
2 2009 has been restated to exclude the contribution from the Korea Life, Japan Life and Taiwan Agency
3 Restated on a post-tax basis
4 NBP channel mix shown on a pre-tax basis

Asia

Life in-force underpins cash generation prospects



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[1] Includes non-operating profit (loss), the impact of currency movements and other movements

[2] Other includes expected free surplus to be generated in year 2059, foreign exchange differences, operating movements and non-operating other movements

Asia

PCA value in Prudential joint ventures

	ICICI PRUDENTIAL LIFE INSURANCE		CITIC PRU	
Partner	ICICI Bank		CITIC Corporation	
Prudential Share	22%		50%	
Market Value	$ 8.9 bn	₹ 639.31bn[1,6]	N/A	
EV	$ 2.6 bn	₹ 226.8 bn[2,6]	Not disclosed	
IFRS NAV	$ 0.8 bn	₹ 75 bn[3,6]	Not disclosed	
GWP	$ 4.11 bn	₹ 309.3 bn[4,6]	$ 2.4 bn	RMB 21.3 bn[6]
Pre-tax operating profit	$ 1.0 bn	₹ 74.1 bn[4,6]	$219 m[5]	
Prudential Board Representative	Raghu Hariharan		Nic Nicandrou, Lilian Ng, Ying Teoh, Charles Chan & Jin Wen Hung	

Key products

Life insurance	**2019 % APE Sales[5]**	**Life insurance**	**2019 % APE Sales[5]**
o/w		*o/w*	
Linked	71%	Linked	10%
Non-Par	3%	Non-Par	11%
Par	11%	Par	49%
H&P	15%	H&P	30%
Asset Management			
FUM	$25bn[5]		

Note: As per FY19 disclosures unless stated otherwise

1 Bloomberg, as at 04 March 2020. Translated at spot rate

2 Per latest data available, as at September 2019. Translate using September 2019 spot rate

3 Per latest available data, as at 31 December 2019.Translated using December 2019 spot rate.

4 Per latest full year data, 12 months to March 2019 Translated using year to date spot rate, 12 months to March 2019

5 Figures representative of Prudential Plc share in joint ventures

6 Figures representative of the whole company, not just Pru shareholding

Asia

Market highlights – Hong Kong

Resilient performance supported by structural demand drivers

Domestic

- Ageing population
- Significant protection gap
- Government initiatives: QDAP[3] and VHIS[4]

Mainland

- Attractiveness of HK policies
- Government initiatives: Greater Bay Area

Enhancing our distribution capabilities

- **#1** agency force with 31% m/s, increased by c.**15**% to **24**k agents
- **#1** position in agency APE in Hong Kong
- **Leading** regional partnership with Standard Chartered Bank

Product innovation, strong focus on quality & needs of our customers

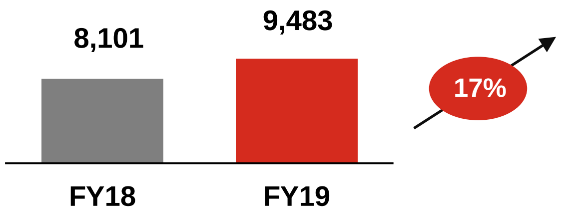
98%	Regular premium mix
97%	Customer retention ratio
1.3m	Customers, up 8% y-y

QDAP 合資格延期年金保單 Qualifying Deferred Annuity Policy

APE $**162**m

20%	Domestic APE[5] (launched in 2Q)
18%	Market share in HK[5]

Core earnings drivers improved despite challenging environment



Renewal premiums[6], $m

+24%

EEV growth[6]

Execution[6]

APE -**11**% to $**2,016**m

	1H19	2H19
Domestic	+**5**%	+**12**%
Mainland visitors	+**6**%	-**41**%
Mainland visitors to HK[2]	+**16**%	-**41**%

NBP -**12**% to $**2,042**m

Earnings[1] +**24**% to $**734**m

---

1 IFRS pre-tax operating profit
2 Source: Hong Kong tourist board
3 Qualifying Deferred Annuity Policy (QDAP)
4 Voluntary Health Insurance Scheme (VHIS)
5 Statements refer to QDAP. From April to October 2019. Source: HKEJ
6 On a constant exchange rate basis

Asia

Market highlights – China

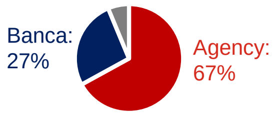
Structural demand drivers remain intact

- Faster growth in GDP than advanced economies[1]
- Significant protection gap[2]
- **350**million[3] entrants into the middle class will be in China

Expansion of our platform

- Operationalised Hunan, established **20th** branch Shaanxi (population[4] of 38m)
- Presence in **94** cities (**+7**) and **229** SSOs[5] (**+14**)
- Obtained new licence for **Insurance Asset Management Co.**

Enhancing our distribution capabilities



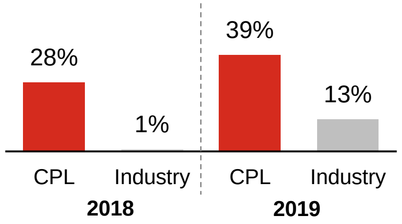
NBP by channel (2019)

- Agency productivity up[6] +**47**%
- # of MDRT members up +**9**%
- Agency new recruits contributed to **34**% of NBP (27% in 2018)
- Successful strategy to drive branch activation, **>3,900** outlets

Quality execution and consistent outperformance

+**39**%	Regular premium growth
94%	Customer retention ratio
1.4m	Customers, up +12%
+**37**%	EEV growth[7]

Gross written premium (GWP) growth



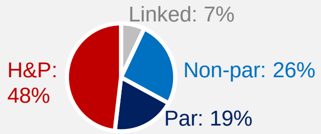
Execution[7]

APE (@ 50%)

+53% to $**590**m

NBP (@ 50%)

+38% to $**262**m



NBP by Product (2019)

Earnings (@ 50%)

+20% to $**219**m

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1 IMF, World Economic Outlook (October 2019), Real GDP growth

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 Brookings Institution. Global Economy & Development Working Paper 100. February 2017. 'Asia' represents Asia Pacific. 350m of the next billion entrants into the middle class

4 National Bureau of Statistics of China, Shaanxi population. 2018

5 Sales Service Offices (SSOs)

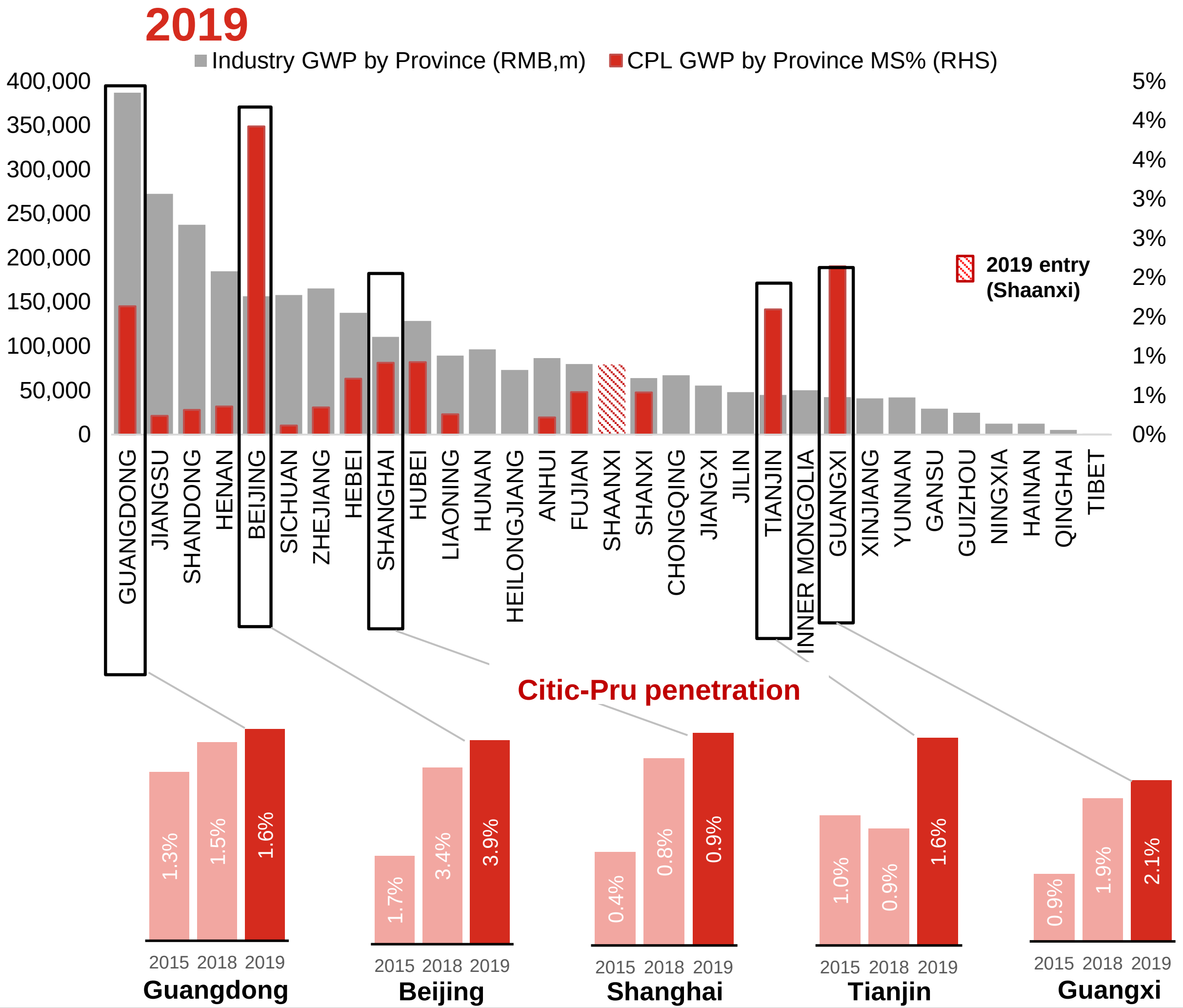
6 Agency NBP per active agent.

7 On a constant exchange rate basis

Asia

China - Broadening and deepening presence

No	Branch	Year	CPL Penetration (% GWP)		Change
		Established	2018	2019	Y-Y (bps)
1	Guangdong	2000	1.5%	1.6%	10
2	Beijing	2003	3.4%	3.9%	54
3	Jiangsu	2004	0.2%	0.2%	4
4	Suzhou	2005	n/a[1]	n/a[1]	n/a[1]
5	Shanghai	2005	0.8%	0.9%	11
6	Shenzhen	2005	n/a[1]	n/a[1]	n/a[1]
7	Hubei	2005	0.8%	0.9%	16
8	Shandong	2006	0.3%	0.3%	4
9	Zhejiang	2006	0.3%	0.3%	2
10	Tianjin	2007	0.9%	1.6%	69
11	Guangxi	2007	1.9%	2.1%	27
12	Fujian	2008	0.4%	0.5%	16
13	Hebei	2009	0.6%	0.7%	11
14	Liaoning	2011	0.2%	0.3%	2
15	Shanxi	2014	0.3%	0.5%	26
16	Henan	2015	0.2%	0.4%	15
17	Anhui	2016	0.1%	0.2%	8
18	Sichuan	2017	0.1%	0.1%	6
19	Hunan	2018	0.0%	0.0%	0
20	Shaanxi	2019	0.0%	0.0%	0
	Total		0.6%	0.7%	13



2019

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[1] Shenzhen and Suzhou incorporated in Guangdong and Jiangsu market GWP penetration

Asia

Market highlights – Indonesia

Enhancing distribution capabilities – Quality and sustainable delivery

- Agency APE +25%; highest sales since 2015
- Elite agents growing sales by +57%, contributing 25% of agency APE
- MDRT +31% to 1,061 qualifiers; largest in Indonesia

Broadening product range - New product offerings & upgrades

- **PRUPrime Healthcare+** (HNW medical): contributed 40% of APE
- Top 7 in Traditional Agency sales[1]; first time in history; 6% of mix in 4Q[2]
- **PRUCritical Benefit 88** accounted for 1/10 of new agent case count
- **PRUworks** (EB proposition[3]); IDR 5.8bn of APE[4], >5K insured lives

Future-proof - Modernise platform to realise full potential

- 1,493 **PRUmedical** network (up from **418** in 2018)
- **Pulse by Prudential** launched, 480K+ installs[5] in 2 months
- Strategic partnership with OVO; launched **Pay Later Protect**
- Automation: 97% e-Submission rate[6]
  87% e-Policy rate
  75% Auto-underwriting

PRUPaylink & Tokopedia
Additional ePayment options to pay premiums

Execution[8]

APE

+23% to $390m

APE growth	1H19	2H19
	+4%	+41%

NBP

+39% to $227m

Earnings[7]

-3% to $540m

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[1] Based on weighted new business premium as of FY 2019. Source: AAJI
[2] Data based on APE as of 4Q2019
[3] Employee Benefit proposition
[4] Since inception to 31 December 2019. IDR5.8bn is equivalent to $0.5m.
[5] Data updated as of 5 March 2020.
[6] Agency e-Submissions
[7] IFRS pre-tax operating profit
[8] On a constant exchange rate basis.

Asia

Market highlights – Singapore, Malaysia and Eastspring

Singapore

Strong market positioning

- **Top 3** market share & in regular premium
- Best ever 4Q19 APE, up +**11**%

Leading distribution platform

- **Largest** agency force in the market; increasing no. of MDRT qualifiers by +**39**%
- Agency Protection APE **+8%**
- Strong banca sales +**18**%

Broadening product offerings

- HNW getting traction; $**76**m APE, +**46**%
- **Top 5** player in **Group** NB[2], acquired c.**117**K new lives assured, +42% vs 2018

APE[4]	NBP[4]	Earnings[1,4]
+**8**% to $**660**m	+**10**%	+**14**% $**493**m

Malaysia

Strong market positioning

- **#1** market share in conventional & takaful
- Best ever 4Q19 APE, up +**28**%

Enhancing distribution capabilities

- Increasing MDRT members by +**25**%
- UOB APE +**33**%

Continued to focus on quality

- **94**% of APE from regular premiums
- **42**% of the APE mix is H&P
- **+31%** increase in NB sum insured

Building digital capabilities

- e-Submission rate +**98**% (vs. 93% in 2018)
- **Dengue X**, 1st digital product in Pulse

APE[4]	NBP[4]	Earnings[1]
+**9**% to $**355**m	+**10**%	+**10**% $**276**m

Eastspring

eastspring investments

A member of Prudential plc (UK)

Strong market positioning

- Top **10** in **7** out of **11** markets
- Asia's **largest retail asset manager** (ex Japan)

Innovation and new products launches

- **55**% of external net flows from new initiatives[6]
- Strong year for net inflows of **$18bn**
- Completed TFund acquisition; **4th** largest AM in Thailand with **$22bn** AUM[3,6]
- Expanded TMBAM ESI by **35**% to **$15bn**[6]
- Launched China WFOE; >RMB **1**bn AUM

Leveraging technology

- Launched **eTrading** platform in Malaysia
- Implemented Blackrock's **Aladdin** system

Total net inflows	AUM[5]	Earnings[1,4]
$**18**bn	+**25**% to $**241**bn	+**18**% to $**283**m

---

1 IFRS pre-tax operating profit
2 Top 5 in group new business sales. Source: LIA as of 3Q19
3 Total FUM as at 31 Dec 2019
4 On a constant exchange rate basis
5 On an actual exchange rate basis
6 Excluding Money Market Funds

PRUDENTIAL

Asia

Business highlights - Other markets

India

Pivot to H&P

- Product mix shift to H&P +5ppts to **15%**
- NBP margin up 2ppts to **19%**

Enhancing distribution capabilities

- No. of active agents **+4%**
- Agency case size **+6%**

Growing scale

- AUM **+14%** to **$25bn**[5]; EV reached **₹ 226.8bn**[6]

Leveraging technology

- AI powered virtual assistant '**Chat Buddy**'
- **67%** of NB policies issued within 2 days
- **94%** of NB applications initiated via digital platform

APE[1,8]	Protection APE
+4% to $260m	+33% to $38m

Vietnam

Enhancing distribution capabilities

- **20-year exclusive** partnership with **SeABank**
- Strong momentum in banca sales **+167%**
- Optimising partnerships with **VIB**
- **9%** new agents converted to Elite (6% in 2018)

Pivot to more balanced efficient mix

- Product mix shift to ILP[3] +8ppt to **56%**

Focus on quality

- **+30%** increase in NB sum insured
- **99%** regular premium
- **91%** customer retention ratio

APE[8]	LWPI[7]	Earnings[2]
+12% to $217m	+17% to $936m	+20% $237m

Thailand

Enhancing distribution capabilities

- Thanachart Bank APE: **+22%**
- Best ever 4Q19 APE, up **+18%**

Focus on quality

- H&P APE growth **+2%**
- **83%** customer retention ratio
- **+286K** new customers to **1.6m**

Leveraging technology

- **ePOS 2.0** for UOB, SCB and Agency
- E-Submission rate **64%** (vs. 5% in 2018)
- **Smart Reflexive Underwriting** launched
- Launched **Chatbot**, 9% reduction in inbound call

APE[4,8]	LWPI[7]	Earnings[2,8]
-2% to $159m	+8% to $619m	+8% to $170m

---

1 India JV ownership changed from 25.7% to 22.1% on 27 March 2019. Reported APE was -7%
2 IFRS pre-tax operating profit
3 Investment-Linked Products (ILP)
4 APE +12% excluding Siam Commercial Bank
5 Figures representative of Prudential Plc share in joint ventures
6 As of September 2019 (FY2020). Figures represent the whole company, not just Prudential shareholding. Translates to $2.6bn using September 2019 spot rate
7 LWPI = Life weighted premium income = 10% single premium + 100% regular premium and 100% renewal
8 On a constant exchange rate basis

Asia

Unlocking new customer segments

SME

Structural drivers

- c.60m SMEs making up 97% of total enterprises
- Contributing 35-70% of GDP

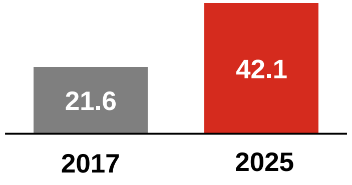
Operational execution

- Developed PRUworks – a replicable and scalable model
- Total APE from employee benefits business: **+13%** to **$165m**
- Onboarded **c.4,900** schemes in 2019 vs. c.4,700 in 2018
- **276K** new lives added, up **+27%**

HNW

Structural drivers

Asia Pacific expected to contribute 57% of world's increase in wealth[1]



HNWI wealth in Asia Pacific, $tn

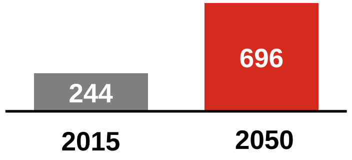
Operational execution

- OPUS in Singapore
- APE of **$76m**, **+46%**
- **92** Private Wealth consultants
- Services include estate, wealth and tax & legal planning
- Launched VIP privilege programme in Taiwan with VAS to HNW customers
  APE of **$68m**, **+86%**

Retirement

Structural drivers

- Growing retirement gap
- Rapidly ageing population
- Low pension assets as proportion of GDP[3]



Over 65 years of age, millions

Operational execution

Launch of QDAP[2] (APE: $162m)

Tax deferred pension pilot
(Individual pension products)

Application for pension company
(Commercial pension business)

PRUActive[5] & PRUGolden Retirement (APE: **$44m**, **up 40%**)

H&P value added services

- **Pulse by Prudential** is live in **8 markets**
- **c.1.3 million** installs[4]
- **18** new digital partnerships secured
- Launched **online products**: Dengue fever, Credit Shield, Personal Accident, Coronavirus cover
- **>145K** new customers acquired through the digital channels[4]

Benefits include:

- New customer acquisition
- Reduced claims frequency
- Lower cost severity
- Higher loyalty and retention

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1 Capgemini: Asia-Pacific Wealth Report. 2018
2 Qualifying Deferred Annuity Policy (QDAP)
3 OECD- Global Pension Statistics. Note China numbers exclude NSSF
4 As of 05 March 2020
5 PRUActive Retirement was launched in August 2019

Asia invested assets

Asset portfolio

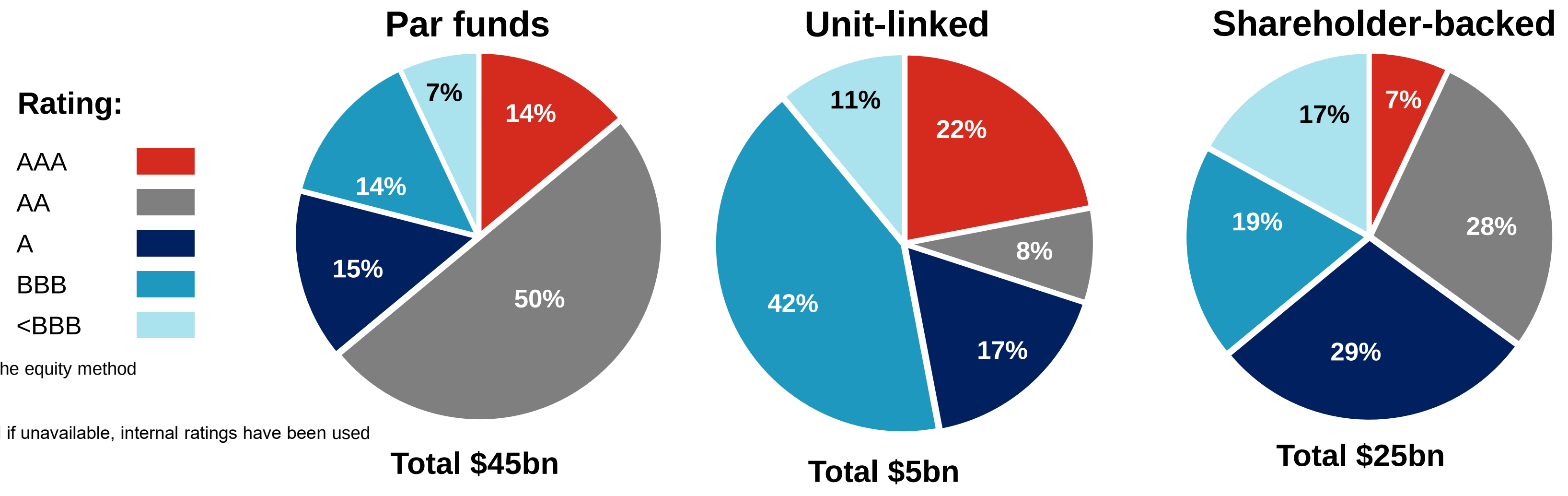
Breakdown of Asia invested assets[1,2], FY19 $bn

	Par funds	Unit linked	Shareholder-backed Asia Life	Total
Debt	44.8	5.2	24.6	**74.6**
Equity	29.4	19.0	3.6	**52.0**
Property	0.0	0.0	0.0	**0.0**
Mortgage	0.0	0.0	0.2	**0.2**
Deposits	0.8	0.4	1.3	**2.5**
Other Loans	1.4	0.0	0.3	**1.7**
Other	0.2	0.0	1.3	**1.5**
Total	**76.6**	**24.6**	**31.3**	**132.5**

Shareholder debt portfolio, FY19 $bn

			Holding by issuer		
	Portfolio $bn	No. Issuers	Av. $m	Max $m	<BBB
Sovereign debt [3]	10.4	12	866.7	2,900.5	11.8%
Other debt	14.2	659	21.5	137.1	5.3%
	24.6				**17.1%**
Investment grade	12.9	499	25.9	137.1	n/a
High Yield	1.3	160	8.1	129.4	5.3%
	14.2	**659**			

By credit rating[4,5], FY19 $bn

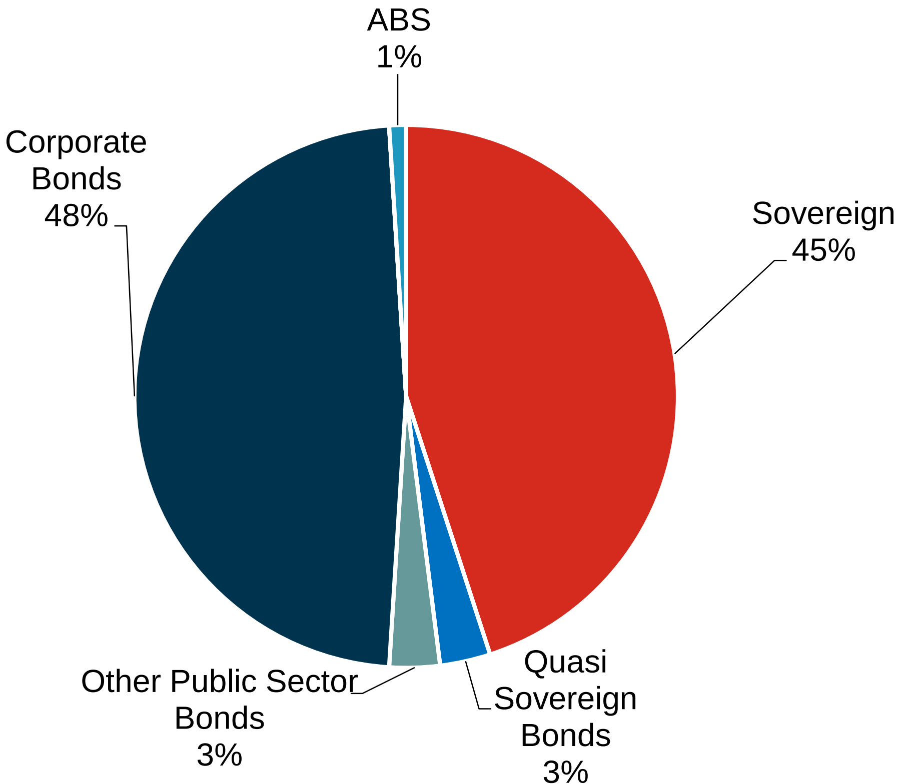


1 Excludes asset management
2 Includes $1.3bn of investment in joint ventures and associates accounted for using the equity method
3 Excludes assets of the consolidated unit trusts and similar funds
4 Totals may not cast as a result of rounding
5 Based on hierarchy of Standard and Poor's, Moody's and Fitch, where available and if unavailable, internal ratings have been used

Asia invested assets

Shareholder-backed debt exposures

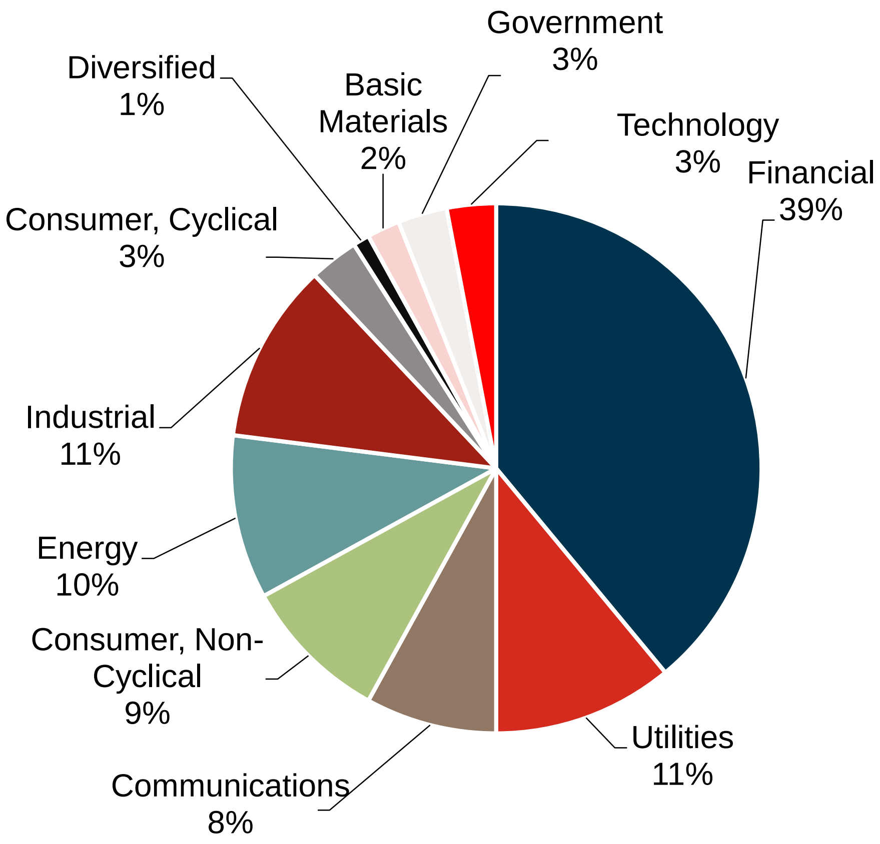
By asset type[1,2], 31 Dec 2019



Total $25bn

By sector[1], 31 Dec 2019

Corporate debt exposures



Total $12bn

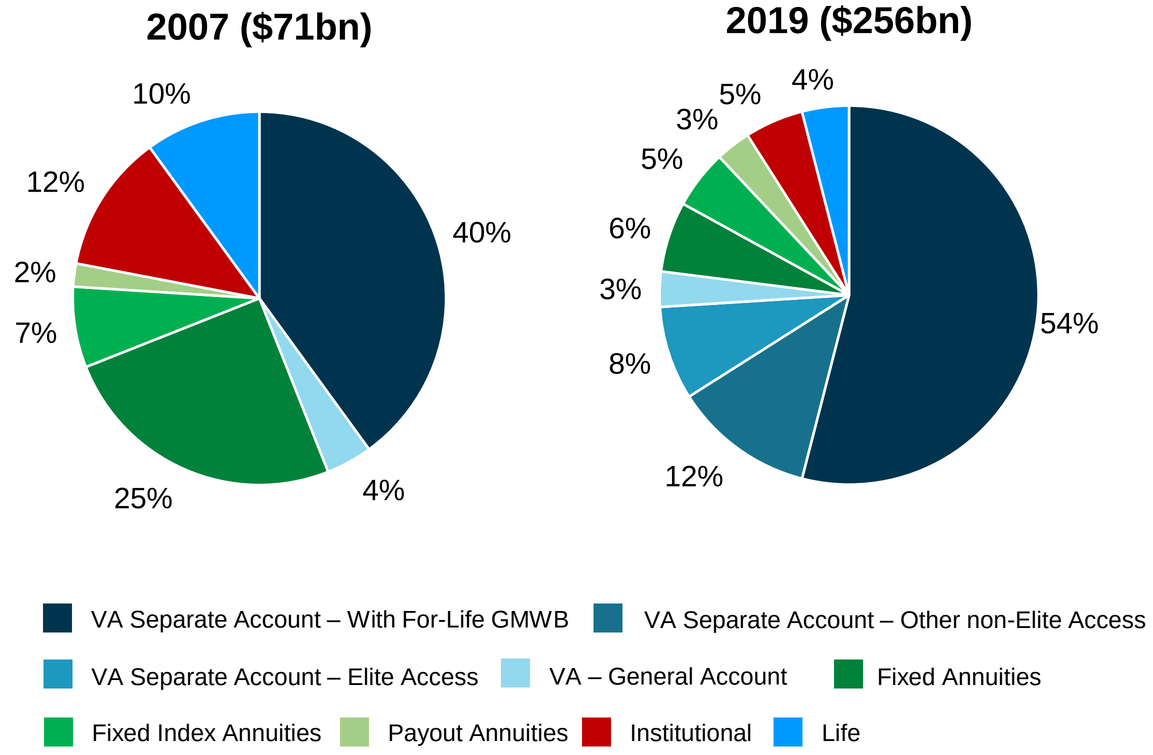
1 Totals may not cast as a result of rounding
2 Sovereign includes assets held in the consolidated unit trusts and similar funds of $0.8bn

US

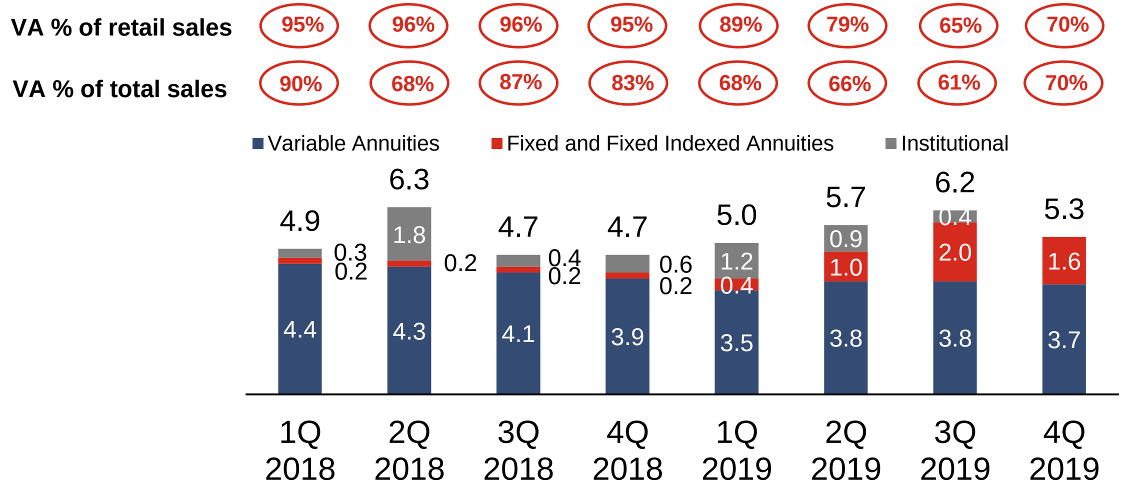
US

Statutory reserves and sales developments

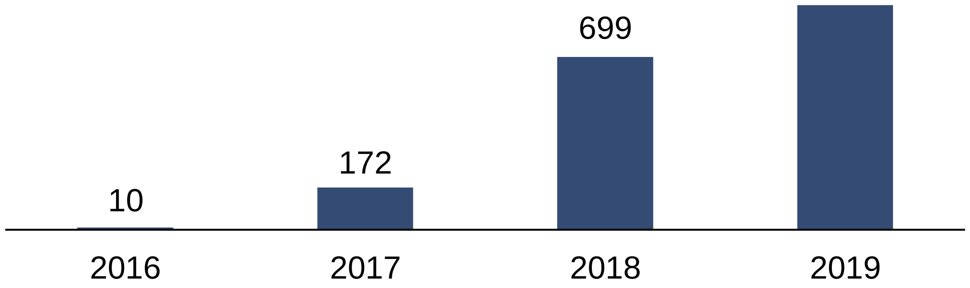
Statutory reserves by product type, %



Sales and deposits, $bn



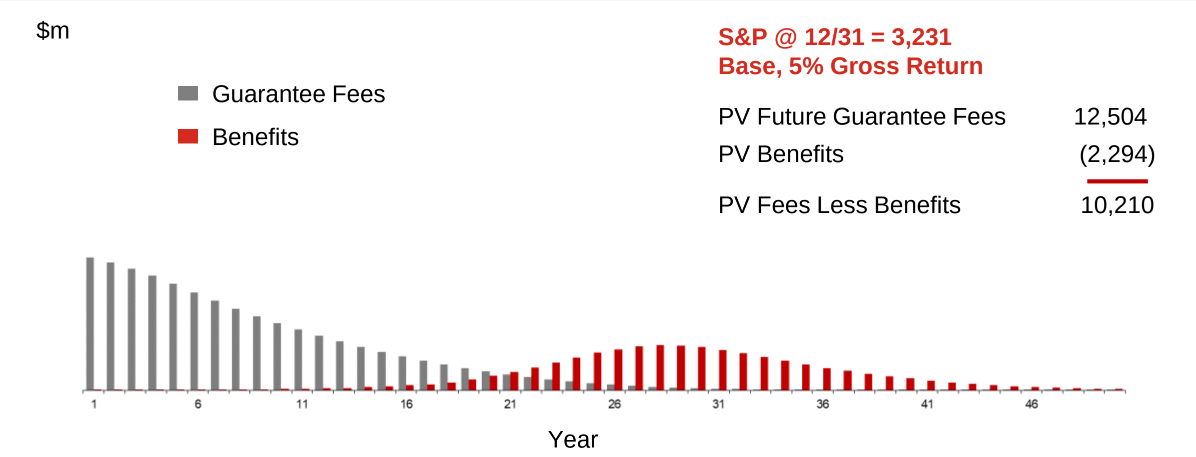
Total advisory sales, $m



US

Unhedged economic profile of GMWB guarantees

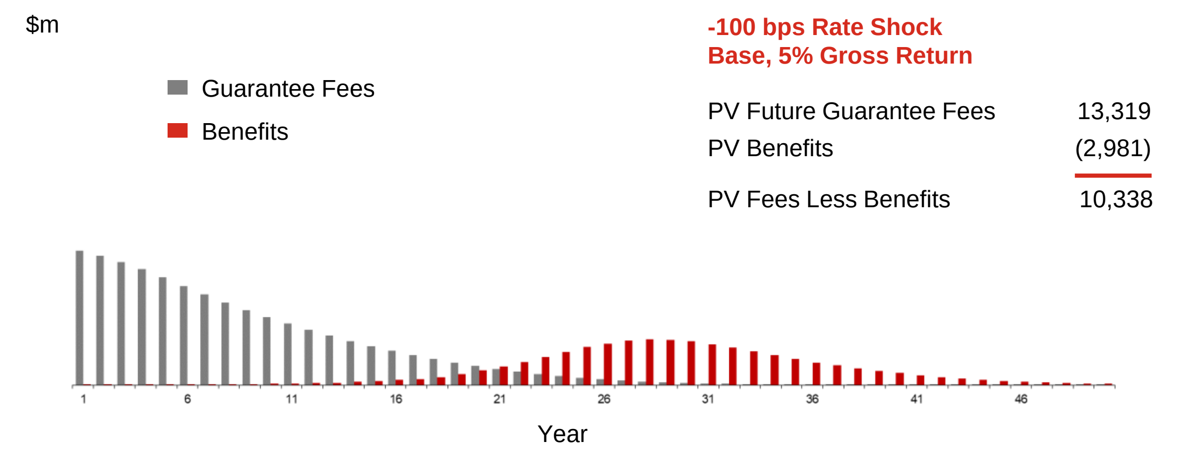
Jackson unhedged GMWB cash flow exposure, 31 December 2019



S&P @ 12/31 = 3,231
Base, 5% Gross Return

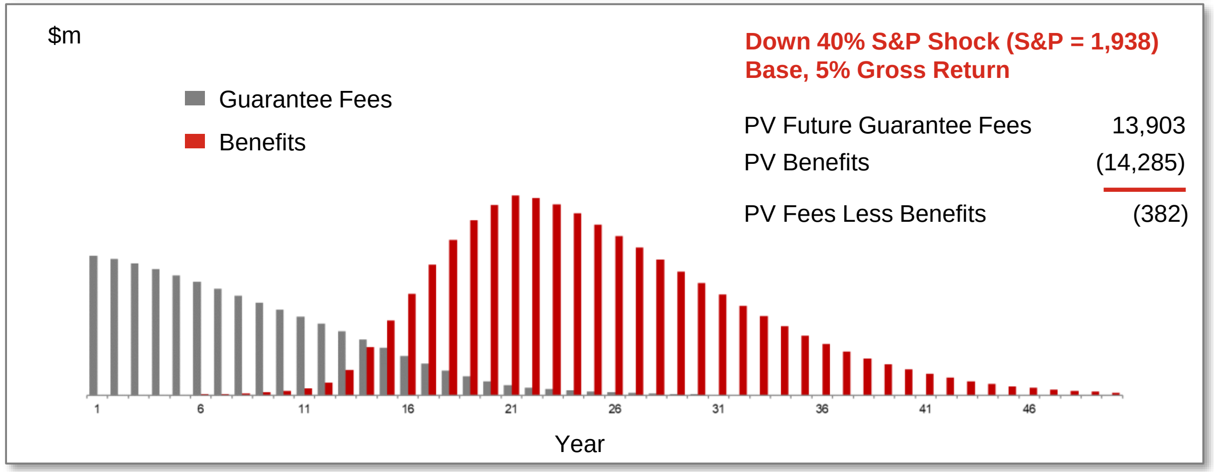
PV Future Guarantee Fees	12,504
PV Benefits	(2,294)
PV Fees Less Benefits	10,210

- 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 ~$19bn
- Under the base scenario, the net PV increased by $2.2bn from 2018 to 2019



-100 bps Rate Shock
Base, 5% Gross Return

PV Future Guarantee Fees	13,319
PV Benefits	(2,981)
PV Fees Less Benefits	10,338



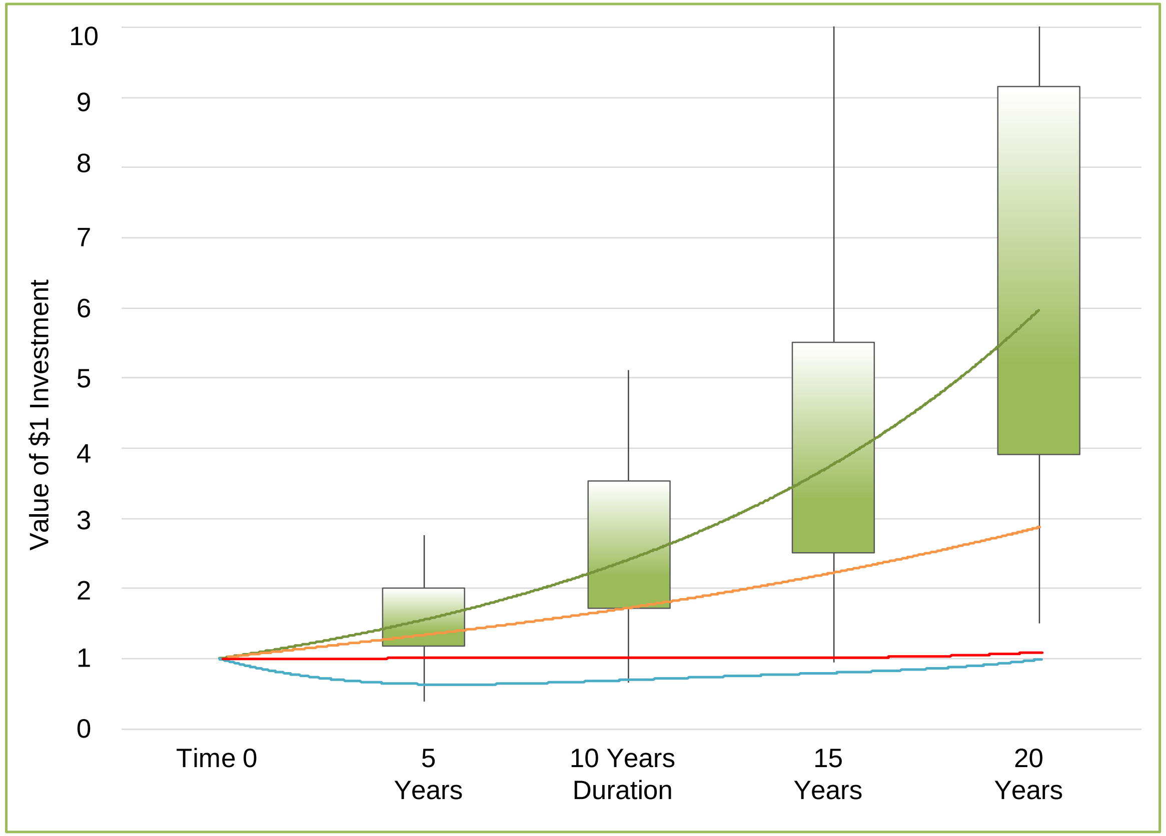
Down 40% S&P Shock (S&P = 1,938)
Base, 5% Gross Return

PV Future Guarantee Fees	13,903
PV Benefits	(14,285)
PV Fees Less Benefits	(382)

US

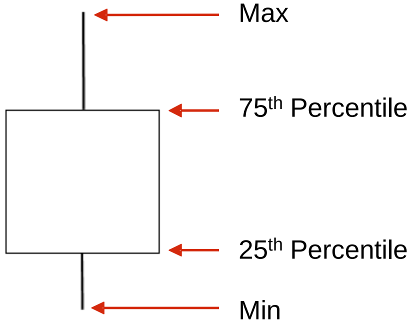
Conservative return assumptions in VA reserves

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 and statutory 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 CTE98 or the mean IFRS scenario.

— S&P (Mean)
— EEV (Mean)
— Statutory (CTE 98)
— IFRS (Mean)



US

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 (deceleration/catch-up)

Rule of thumb: Acceleration/deceleration is $17m 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

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

Separate Account Returns[1] – 3 year actuals plus 5 year mean reversion rate required to attain long-term gross return of 7.4%

2017A	2018A	2019A	2020	2021	2022	2023	2024
17.8%	(4.6)%	24.2%	4.9%	4.9%	4.9%	4.9%	4.9%

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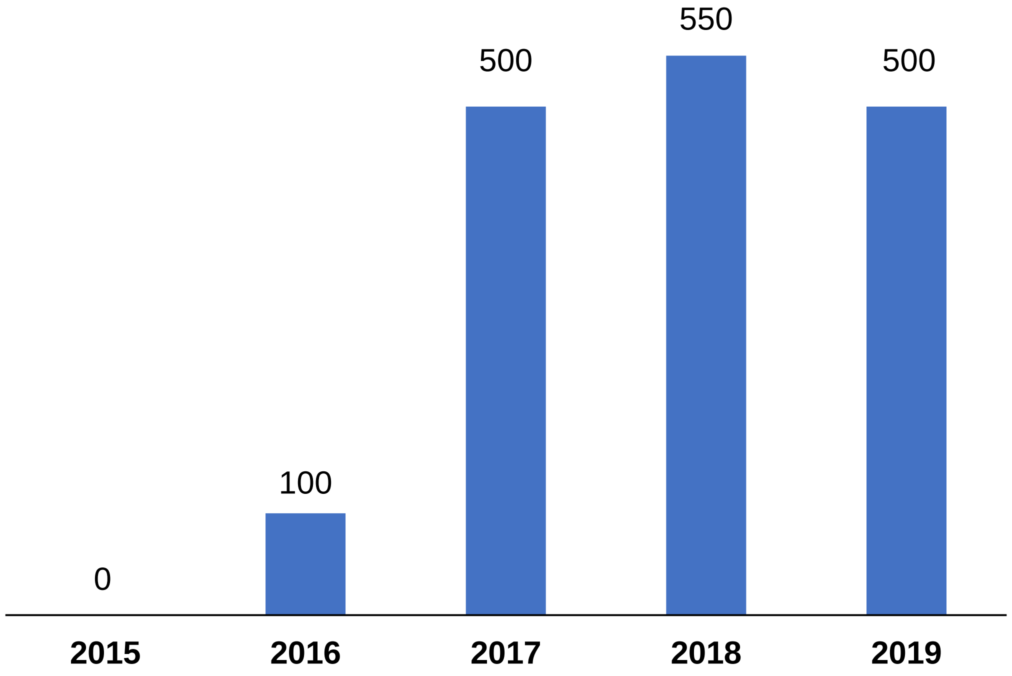
[1] Analysis date as at 31.12.2019

Additional Hedge Spend Requirement

In recent years, accounting/regulatory issues have led to additional hedging spend

Incremental Hedge Spend to Protect Statutory Capital ($m)



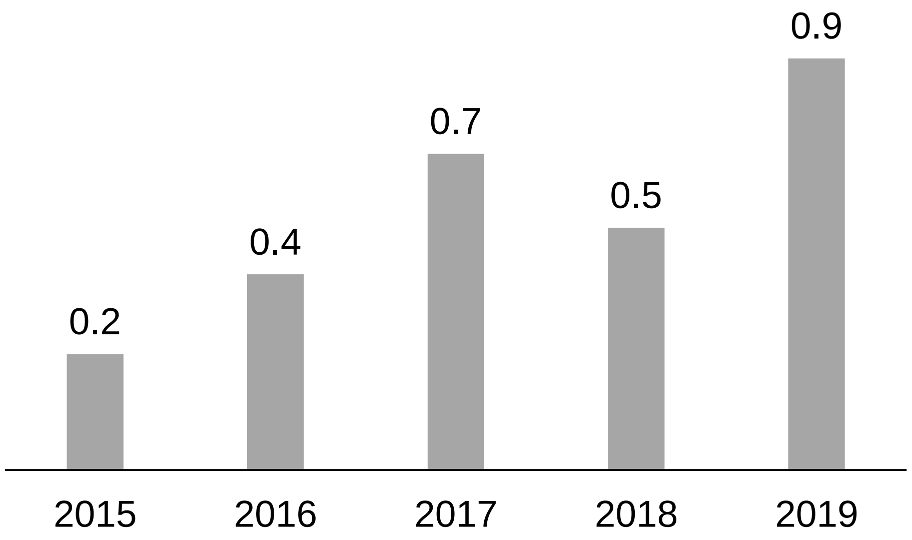
2015	0
2016	100
2017	500
2018	550
2019	500

- Statutory reserves will be no less than the cash surrender value of the underlying policies
- In recent years, the flooring out of statutory reserves has meant that there was little or no reserve offset for hedging losses in up equity markets
- In 2016-2018 this necessitated incremental call option spend to protect statutory capital in upside equity market scenarios above what the economic profile would require
- In 2019 the management of both the old and new VA frameworks in a low rate environment drove the additional spend

Statutory Deferred Tax Asset

Non-admitted DTAs represent unrecognised economic value

Non-Admitted Deferred Tax Asset ($bn)

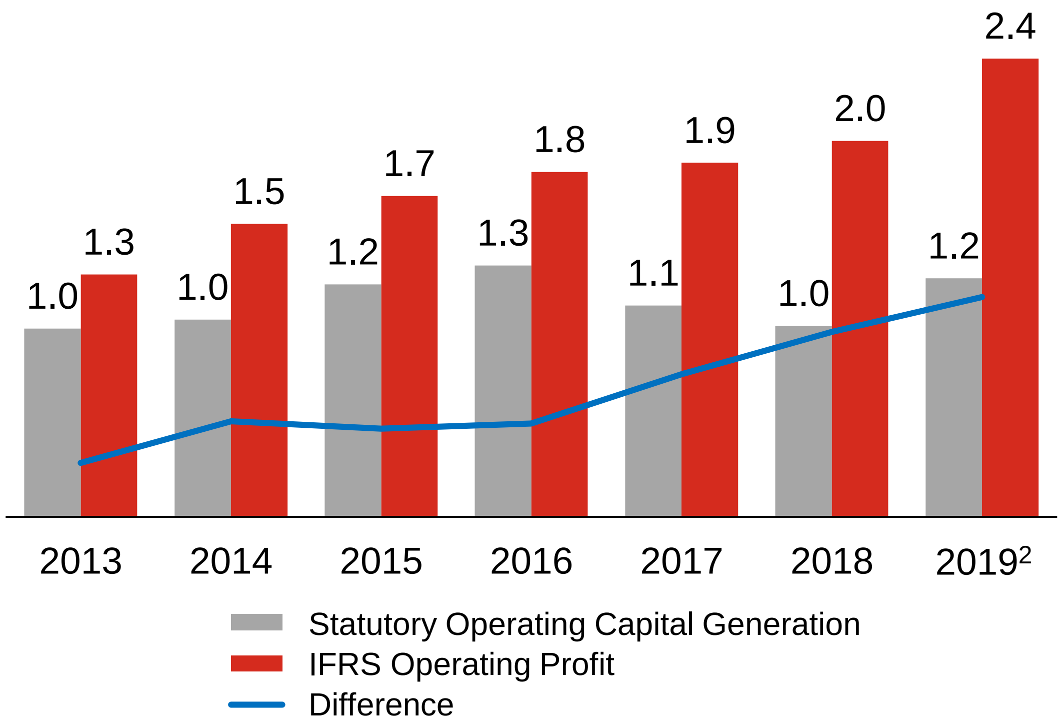


- Under statutory accounting, DTAs will be included in capital to the extent that they are deemed to be “admitted” by various tests
- In recent years, Jackson’s admitted DTA has been limited by 15% of capital and surplus
- A meaningful amount of non-admitted DTA has built up over this time due to hedge losses not getting full tax benefit
- The 2019 increase of the non-admitted DTA balance primarily relates to hedge losses incurred in 2019 which are required to be spread over 3 years for tax purposes and so is expected to be carried forward to be deducted from Jackson’s taxable income in the next 2 years.
- As of year-end 2019, $0.5bn of the DTA balance could have been admissible from a higher capital level. After that point, the 3-year reversals would have become the binding constraint.
- Going forward, in years with significant equity market increases, DTA will build due to resulting derivative losses

Divergence of Statutory and IFRS Operating Profit

IFRS operating income has grown while statutory operating has been flat

Statutory and IFRS Operating Profit[1] ($bn)



- In recent years, IFRS operating profit growth has been strong, while stat operating capital generation has been mostly flat
- While the differences between the figures are numerous, the two main ones are:
    - Guarantee fee recognition
    - Acquisition cost treatment

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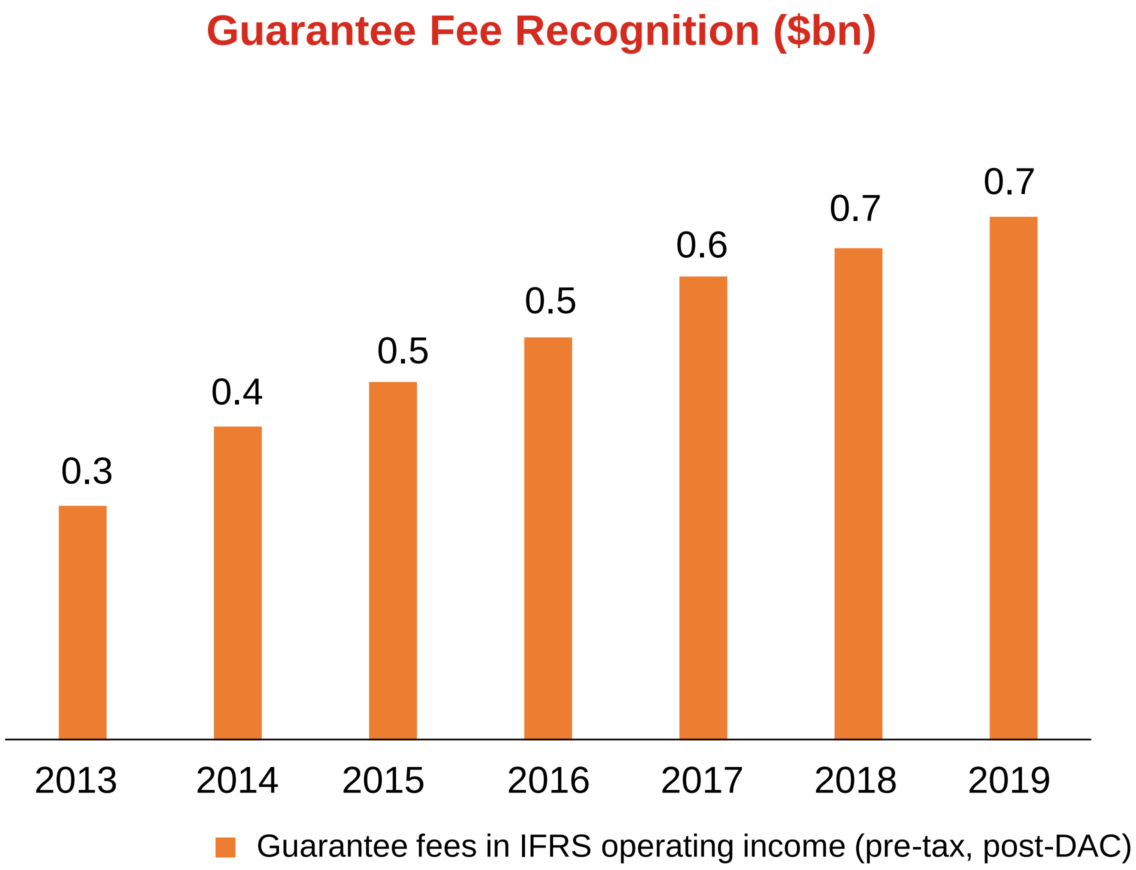
1 Statutory figures as reported after-tax, IFRS is pre-tax operating profit taxed at 35% in 2013-2017 and 21% in 2018 & 2019. Actual IFRS results are quoted post actual tax charge

2 2019 statutory figure reflects in-force capital generation, as well as capital increases from operating variances and new business. Excludes John Hancock reserve benefit

Guarantee Fee Recognition

As the VA block has grown, guarantee fees have grown as well



- The reported statutory operating capital generation removes all guarantee fees collected and moves them to “Reserves net of hedging”
- IFRS reserving methods incorporate the value of guarantee fees that are expected to fund future projected benefit payments using the assumptions applicable for that method. The level of fees recognised are fixed at issue and are capped so that they are equal to benefits[1] (i.e. any excess is ignored). The remaining fees are recognized as earned and included in operating profit

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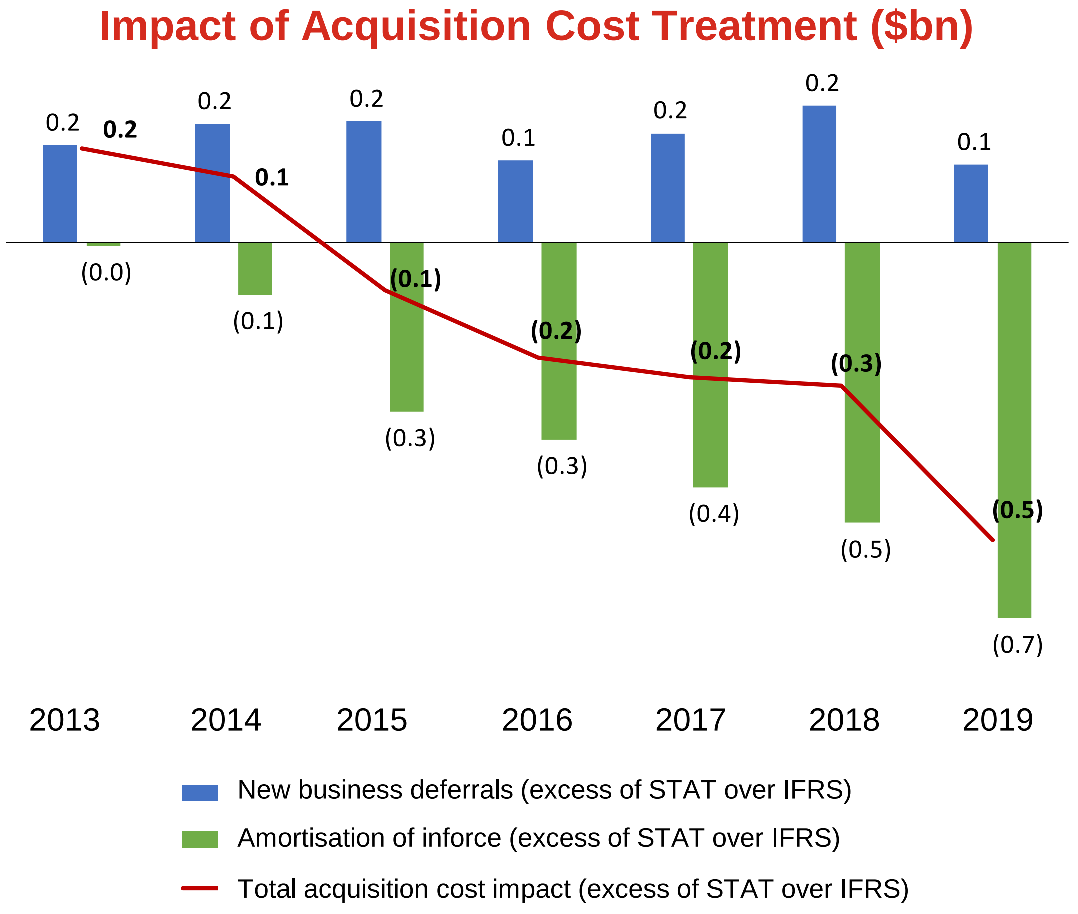
[1] For guarantee liabilities valued under FAS 157

Impact of Acquisition Cost Treatment

2011-2015 sales impact on statutory compared to IFRS



Note: All figures presented after-tax using 35% for 2013-2017 and 21% for 2018-2019

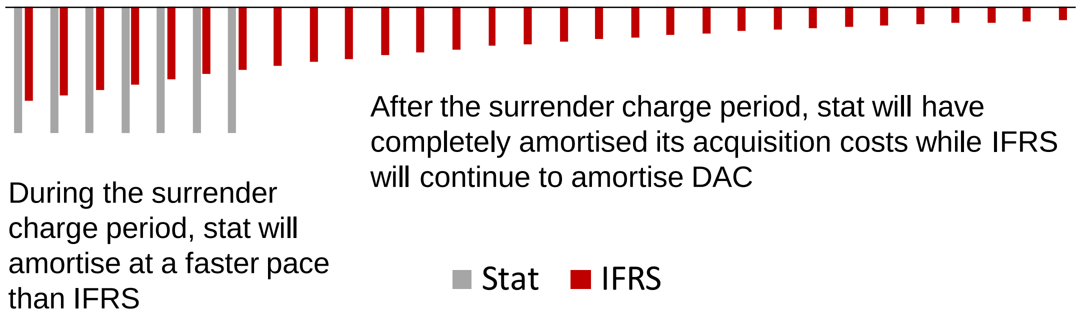
- Under IFRS, DAC is amortised based on the expected gross profits over the life of the policy. Amortisation moves with the market
- Under statutory, CARVM is amortised on a set schedule, regardless of the commission option selected
- Strong sales levels in 2011-2015 led to a drag in statutory operating growth relative to IFRS. Very strong equity markets in 2019 caused a large jump in this drag, as it reduced DAC amortisation under IFRS
- Absent market impacts, the stat drag peaked in 2018

Pattern of Acquisition Cost Treatment

Statutory basis conservatism in its amortisation of acquisition expense

Pattern of Acquisition Cost Recognition

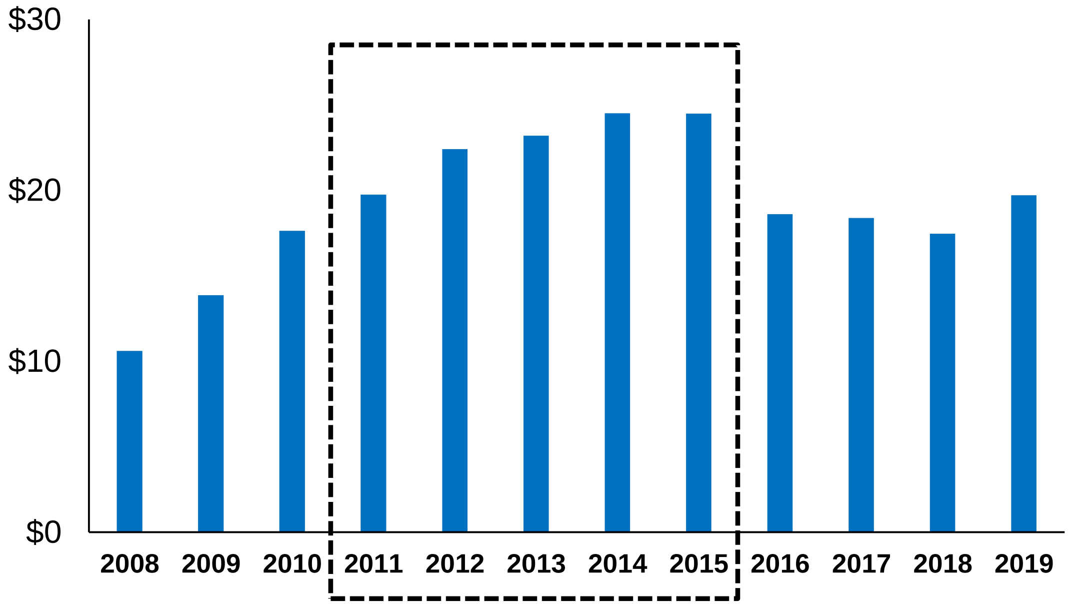
Commission expenses are paid at issue, but these will be largely offset by the deferral of DAC/CARVM



During the surrender charge period, stat will amortise at a faster pace than IFRS

After the surrender charge period, stat will have completely amortised its acquisition costs while IFRS will continue to amortise DAC

Jackson Total Annuity Sales ($bn)[1]



- Under IFRS, DAC is amortised based on the expected gross profits over the life of the policy. Amortisation is impacted by market performance.
- Under STAT, the CARVM allowance is amortised on a set schedule, regardless of the commission option selected and can only amortise at a faster pace where profitability is impaired

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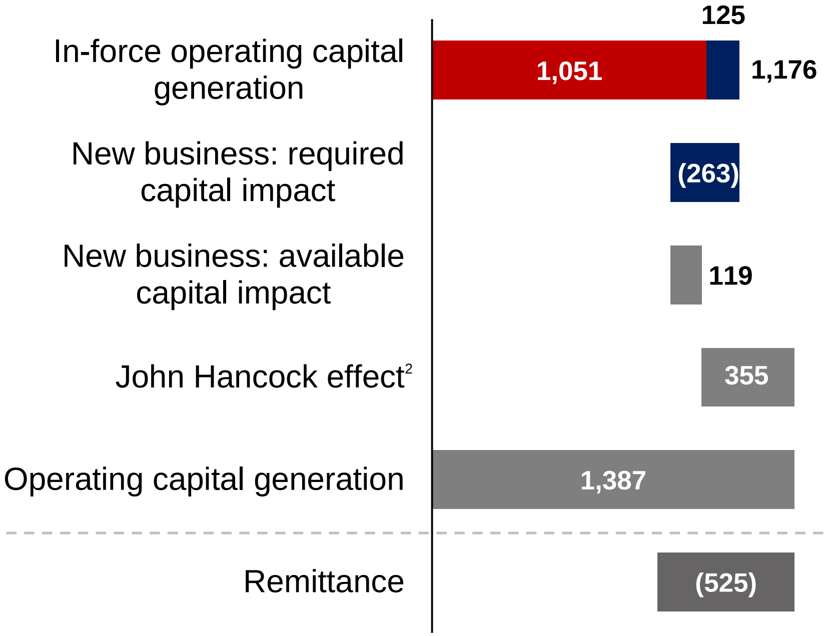
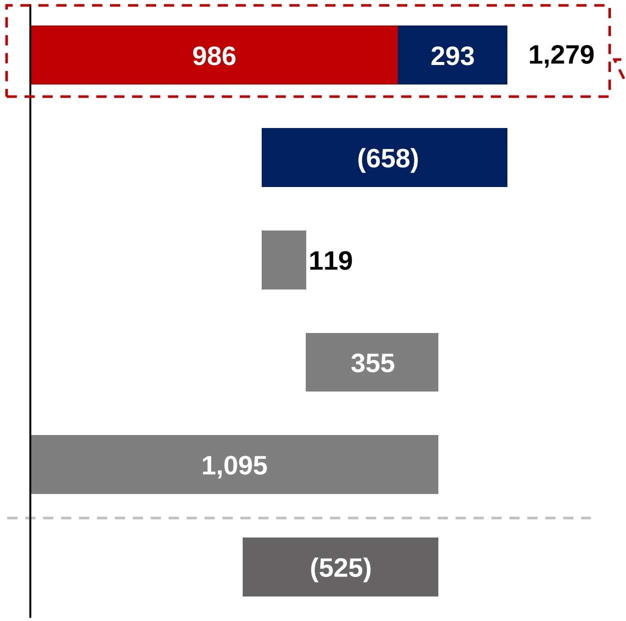
[1] Excludes Institutional

US Capital generation
Statutory capital generation and EEV OFSG

FY19 statutory surplus operating generation, $m[1]
(Required capital = 100% CAL)



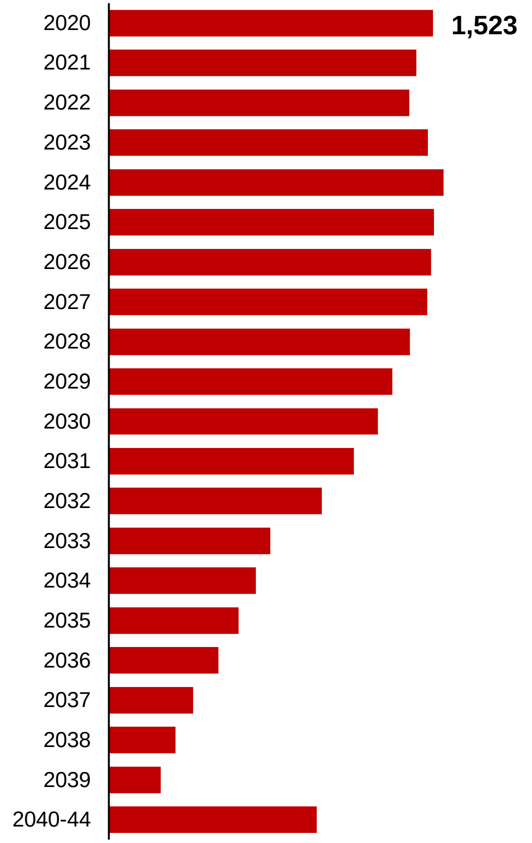
FY19 life EEV OFSG, $m[3]
(Required capital: regulatory constraint, 250% CAL)



■ Required capital effect

Projected in-force free surplus generation, $m[4]
(Required capital: regulatory constraint, 250% CAL)

- Based on EEV assumptions at 31 December 2019
Actual experience subject to market conditions
- Projections exclude future new business



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1 Jackson National Life. Surplus defined as surplus of available capital over required capital, set at 100 per cent of the Company Action Level (CAL)
2 One-off $355m benefit related to the recent John Hancock acquisition
3 Based on US perimeter as per note 10 to the EEV accounts
4 Expected undiscounted transfer of value of in-force business (VIF) and required capital release to free surplus based on EEV assumptions at 31 December 2019

US invested assets

Asset portfolio

Breakdown of US invested assets, FY19 $bn

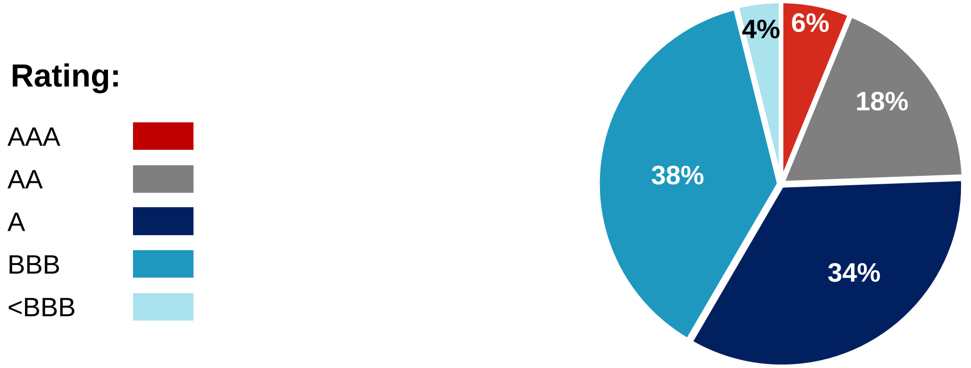
	Shareholder-backed
	US life
Debt	58.5
Equity	0.2
Property	0.0
Mortgage	9.9
Deposits	0.0
Other Loans	4.7
Other	2.8
Total	**76.1**

Shareholder debt portfolio, FY19

			Holding by issuer		
	Portfolio $bn	No. Issuers	Av. $m	Max $m	<BBB
Sovereign debt	6.2	3	2,066.7	6,137.2	0.0%
Other debt	51.1	1,280	39.9	308.9	1.8%
Consolidated funds[1]	1.2				2.1%
	58.5				**3.9%**
Investment grade	50.0	894	55.9	308.9	n/a
High yield	1.1	386	2.8	184.6	1.8%
	51.1	**1,280**			**1.8%**

By credit rating[2,3], FY19

US, Shareholder-backed



Total $59 bn

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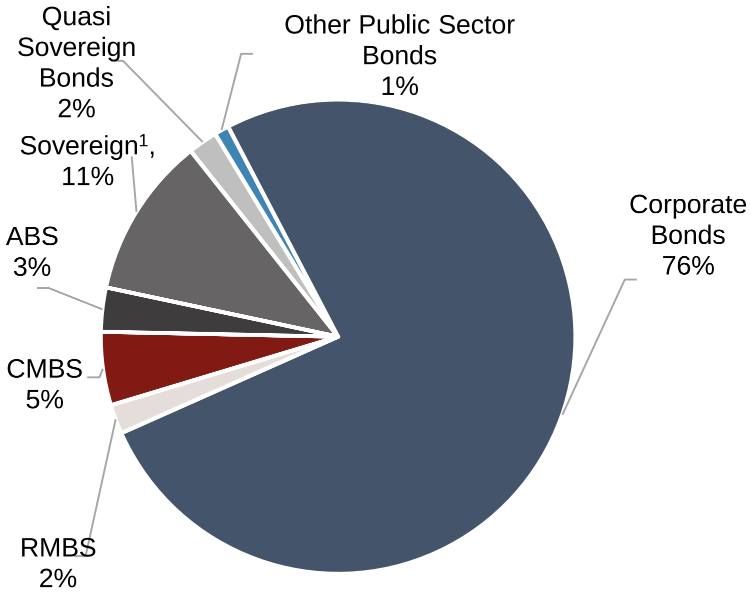
[1] Assets held by consolidated funds for which the associated risk is not borne by shareholders
[2] Based on hierarchy of Standard and Poor's, Moody's and Fitch, where available and if unavailable, internal ratings have been used
[3] Totals may not cast as a result of rounding

US invested assets

Shareholder-backed debt exposures

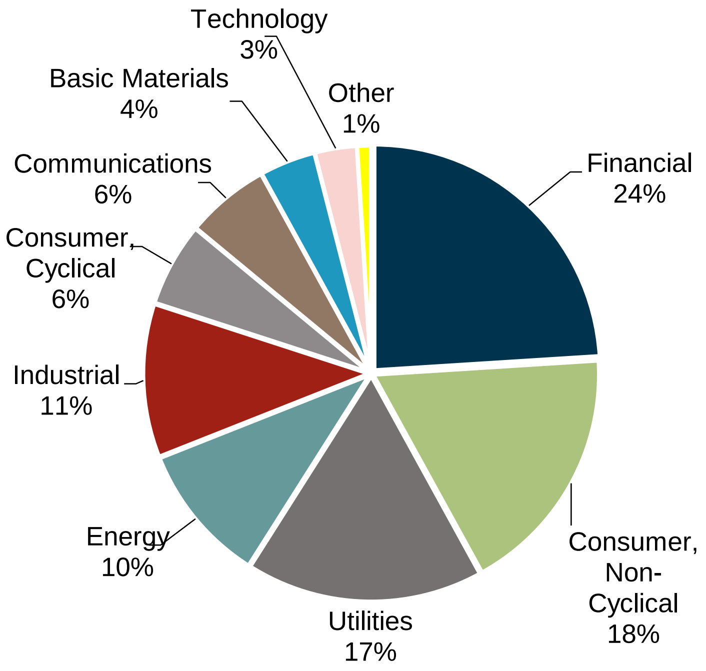
By asset type[1,2], 31 Dec 2019



Total $59bn

By sector[1,2], 31 Dec 2019

Corporate debt exposures



Total $45bn

Corporate debt portfolio[3]

Investment grade

- Significant weighting towards investment grade
  - Investment grade is 98% of corporate bond portfolio
  - Corporate debt investment grade is c. 57% of total US investment portfolio (2007:52%)

- BBB exposure weighted to upper bands
  - BBB+ and BBB account for 87% of BBB exposure
  - BBB- only 4% of total US investment portfolio
  - BBB- average holding of $25m across 108 issuers (total investment grade corporate bond portfolio average: $56m)

High yield

- High yield corporate debt equivalent to c.1.5% of total US investment portfolio
  - Significant reduction in exposure (2007: >5%)
  - Average holding of $6m

[1] Source of segmentation Bloomberg Sector, Bloomberg Group and Merrill Lynch. Anything that cannot be identified from the three sources noted is classified as other.
[2] Totals may not cast as a result of rounding
[3] Excluding assets in consolidated funds for which the associated risk is not borne by shareholders

Africa

Africa
Regional footprint

Population of Africa[1]

1.3 bn → **2.3** bn

2019 2045

1,000,000+ customers[2]

9,000+ agents

Access to **600**+ branches

2 mobile telecommunications partners

6 exclusive bank partners

Ghana 2014
- Acquisition of Express Life
- 2015: Distribution partnership with Société Générale
- 2015: Distribution partnership with Fidelity Bank
- 2016: Distribution partnership with CAL Bank
- 2018: Distribution partnership with Standard Chartered

Kenya 2014
- Acquisition of Shield Assurance

Uganda 2015
- Acquisition of Goldstar Life Assurance

Zambia 2016
- Acquisition of Professional Life Assurance
- 2018: Distribution partnership with Zanaco

Nigeria 2017
- Acquisition of majority stake in Zenith Life of Nigeria
- 2017: Distribution partnership with Zenith Bank

Cameroon
Côte d'Ivoire 2019
Togo
- Acquisition of majority stake in Group Beneficial

Note: Data as at 31 December 2019, unless stated otherwise. All facts include 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

Africa

2019 Business highlights

Distribution

$82 million of APE sales

+76%
APE growth[1]

Agency

+70%
APE sales growth

9,000+ agents

MDRT
4 countries with MDRT agents

Bancassurance

+256% APE sales growth

Optimising strategic partnerships

FIDELITY BANK
Standard Chartered
ZENITH
SOCIETE GENERALE GHANA
zanaco

Products

1st in 5 markets
to launch 'never lapse' product feature

Digital client onboarding capability

Leading the way in Insurtech

Community

Africa SafeSteps campaign

Pru Ride launched: Ghana & Zambia

Health promotion events in community

Technology

Harnessing technology to **improve customer service, innovate in distribution** and **build a business** which is **scalable.**

Cloud-based policy administration system ⟷ linking each business & provides **real-time** management information across the business

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

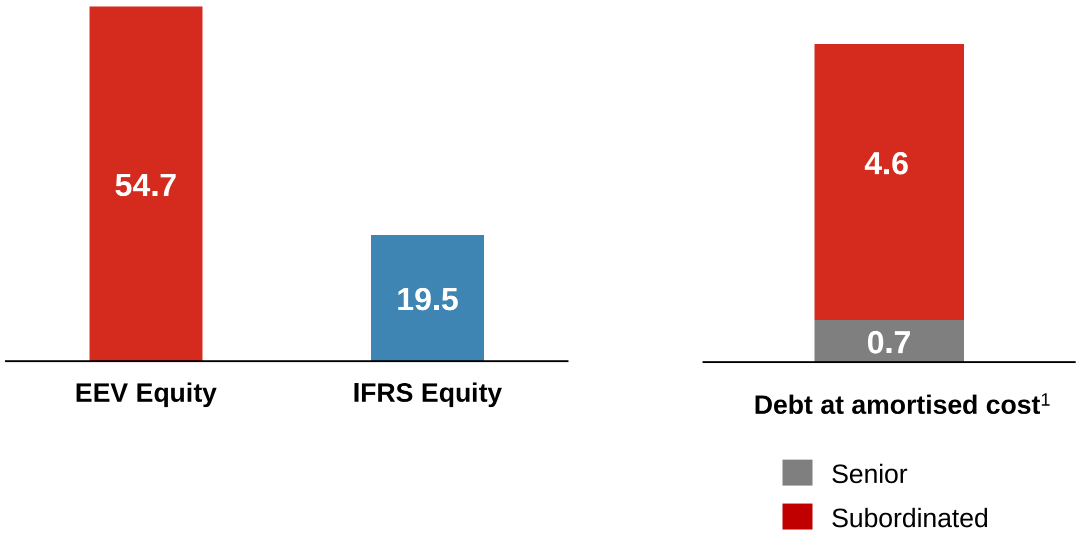
[1] Constant exchange rate (CER) basis

Group

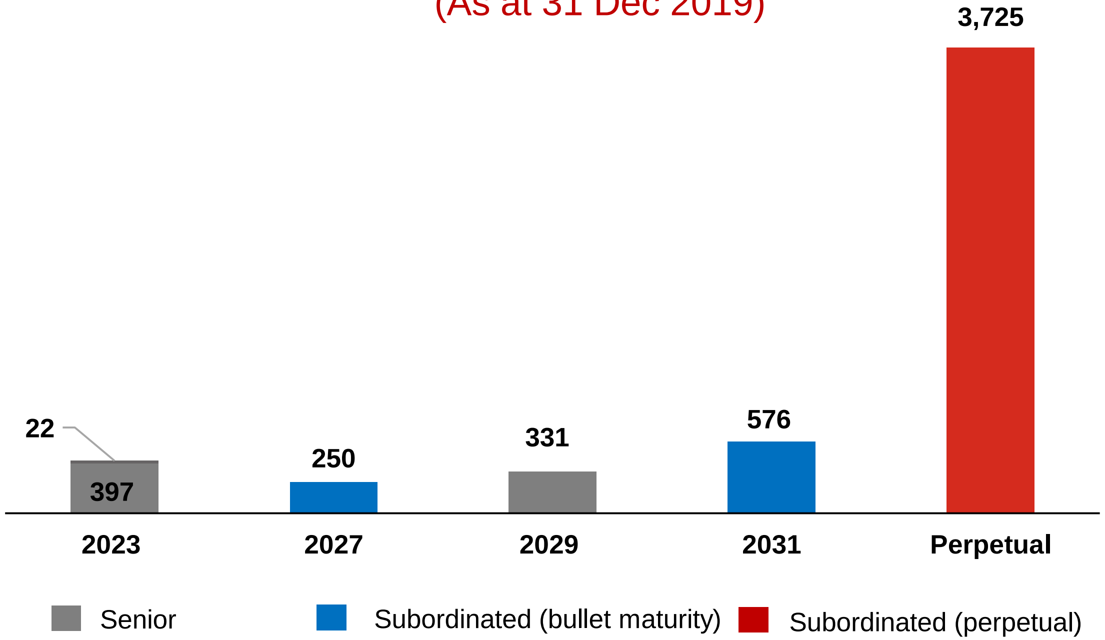
Group

Medium term bond maturity profile

EEV, IFRS Equity & Debt at amortised cost, $bn
(As at 31 Dec 2019)



Group bond maturity profile[2,3], $m
(As at 31 Dec 2019)



First call date for perpetual debt ($m)	
Already passed	$1,250
1-2 years	$1,725
2-3 years	$750
Total	**$3,725**

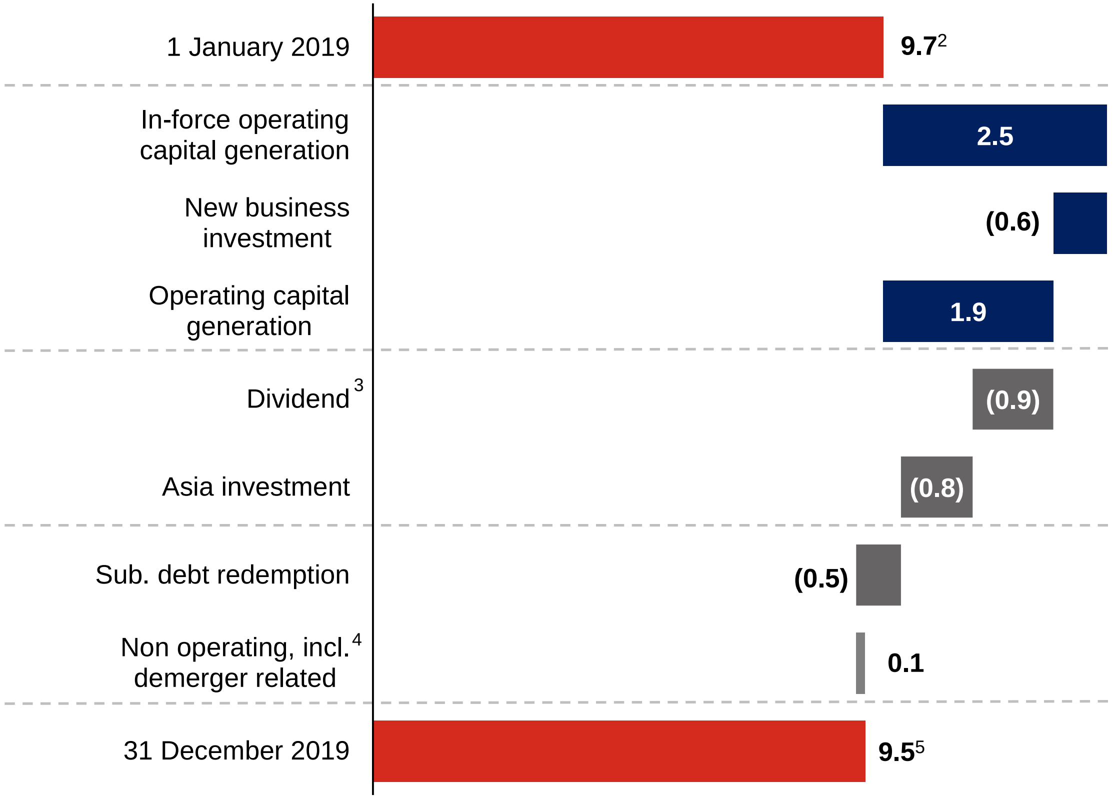
1 Debt at amortised cost (as per financial statements), excludes bank loan of $350m.
2 At principal value, excludes $350m bank loan
3 Translated using the closing FX rate

Capital generation

Comparison of Group LCSM with EEV Free Surplus generation

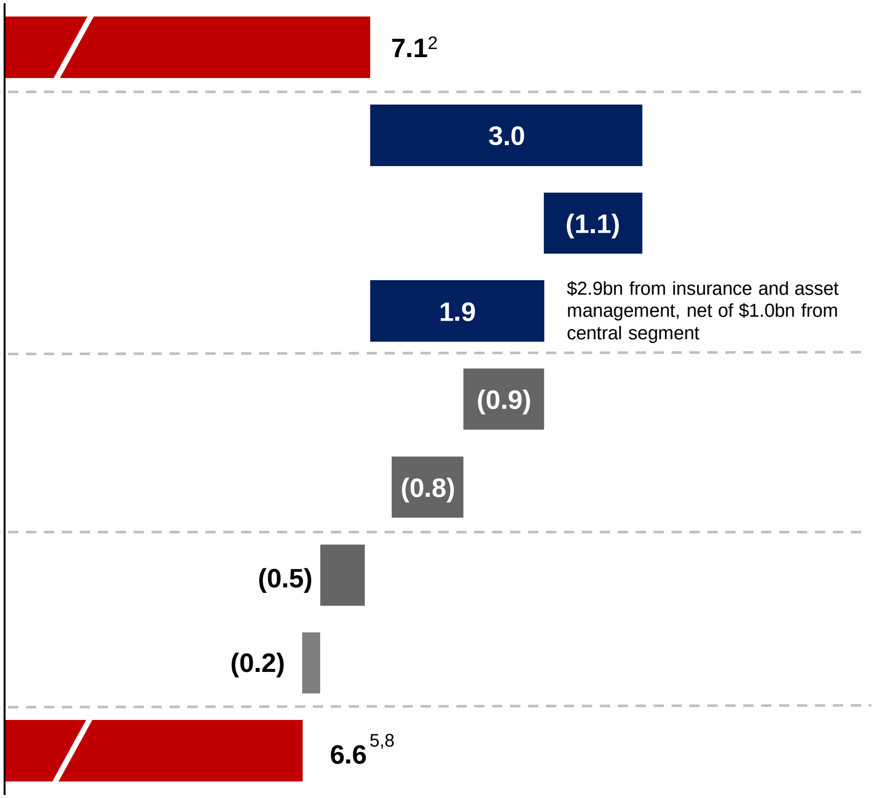
FY19 movement in estimated LCSM capital surplus[1], $bn

Required capital = Group Minimum Capital Requirement (GMCR)



FY19 movement in EEV free surplus[6,7], $bn

Required capital set to satisfy regulatory constraints



$2.9bn from insurance and asset management, net of $1.0bn from central segment

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1 Based on Group Minimum Capital Requirement. Until Hong Kong's Group Wide Supervision (GWS) framework comes into force, Prudential will apply the local capital summation method (LCSM) that has been agreed with the Hong Kong IA to determine group regulatory capital requirements
2 Excludes M&G plc
3 Group external dividend of $1.6bn less $0.7bn of M&G remittances
4 Including methodology differences between LCSM and EEV free surplus
5 Before allowing for the payment of the 2019 second interim ordinary dividend
6 Group EEV free surplus excluding intangibles and distribution rights
7 Required capital based on the applicable local statutory regulations, including any amounts considered to be required above the local statutory minimum requirements to satisfy regulatory constraints
8 As per note 11 to the EEV accounts. Comprises $6.0bn of free surplus in insurance and asset management operations, less $0.6bn of distribution rights and other intangibles, plus $1.2bn of central segment items

Prudential plc

2019 Full Year Results

11 March 2020