

NEWS RELEASE



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Prudential plc announces international placing and Hong Kong public offer of New Shares on the Hong Kong Stock Exchange

Transaction details

Prudential plc ("Prudential" or "the Group") announces a share offer to raise up to 5 per cent. of its issued share capital¹, or approximately 130.8 million shares, on the Hong Kong Stock Exchange ("HKSE") through a concurrent Hong Kong public offer (the "Public Offer") and international placing (the "Placing") (together the "Share Offer"). The Public Offer, which consists of up to approximately 6.5 million new shares initially to be issued in Hong Kong, is only available to Hong Kong residents, and includes a preferential offer to eligible employees and agents of up to approximately 1.3 million shares. Subject to the level of any oversubscription in the Public Offer and pursuant to the clawback mechanism as described in the prospectus to be issued for the Public Offer ("Prospectus"), the total number of shares available under the Public Offer could be adjusted to up to a maximum of approximately 32.7 million new Shares, representing 25 per cent. of the total shares initially available in the Share Offer.

The offer price for the Public Offer will be no more than HK\$172 per share.

Prudential's shares trade in board lots of 50 shares each.

¹ Total issued ordinary share capital as at 1 April 2021

Use of proceeds

The proceeds are expected to maintain and enhance Prudential's financial flexibility in light of the breadth of opportunities to invest for growth in Asia and Africa. Specifically, US\$2.25 billion (approximately HK\$17.5 billion) is expected to be used to redeem existing high coupon debt, with the remaining net proceeds expected to contribute to Prudential's central stock of liquidity.

Timetable

- The Prospectus for the Public Offer has been registered with the Registrar of Companies in Hong Kong and is expected to be published on or around Monday, 20 September 2021.
- Offering circulars for the Placing are also expected to be distributed on or around Monday, 20 September 2021.
- Prudential is expected to determine the Public Offer Price and the Placing Price on or around Saturday, 25 September 2021.
- Completion of the Share Offer and commencement of dealings in the new shares on the Main Board of the Hong Kong Stock Exchange are expected on Monday, 4 October 2021.

The Prospectus for the Share Offer is expected to be published on the Hong Kong Stock Exchange website www.hkexnews.hk and Prudential's website at www.prudentialplc.com.

History and strategy of Prudential plc

Prudential has been present in Hong Kong for 57 years, listed on the Main Board of the Hong Kong Stock Exchange since 2010, and its lead regulator has been the Hong Kong Insurance Authority since 2019. Prudential also has a dual primary listing on the London Stock Exchange and is domiciled in the UK. In addition, Prudential has secondary

listings in both Singapore and New York (the latter in the form of American Depositary Receipts). The majority of its headquarters staff are based in Hong Kong.

Following the demerger of its US business Jackson Financial Inc., Prudential is now entirely focused on long-term structural growth opportunities in Asia and Africa. Our purpose is to help people get the most out of life, by making healthcare affordable and accessible and by promoting financial inclusion. Prudential protects people's wealth, helps them grow their assets, and empowers them to save for their goals. The Group has more than 17 million life customers, with its largest life and protection operations in Hong Kong, Singapore, Indonesia and Malaysia as well as its joint venture in Mainland China.

The Group continues to invest in its people and systems to ensure that it has the resources to deliver on its long-term growth strategy, to evolve its operating model to keep pace with its future as an exclusively Asian and African business, and to develop the capacity to serve 50 million customers by 2025. The Group expects that if it executes its Asia and Africa-focused strategy successfully, it will result in the long-term delivery of future shareholder returns through value appreciation, with a focus on achieving long-term double-digit growth in embedded value per share.

Business and financial prospects of the Group¹

The Group delivered a resilient performance in the first half of 2021 against a backdrop of continuing economic and social challenges due to Covid-19 and the resulting continuing volatility in consumer activity. The quality of execution in the Group's chosen markets saw growth in new business sales in the first six months of 2021 (on an APE basis) in Asia and Africa 17 per cent² compared to the same period in 2020 and Asia's IFRS operating earnings remained resilient, driven by the compounding nature of regular premium income and the focus on health and protection led insurance margin income. Year to date new business sales performance continues to grow at a double-digit rate, including in markets such as China, Singapore and Malaysia.

Prudential expects vaccination programmes being rolled out during 2021 and 2022 to facilitate a gradual return to more normal economic patterns, although the pace of these programmes and their effect are likely to vary substantially and give a degree of uncertainty over the economy, and therefore the performance of the business of the Group in the short-term. Significant Covid-19 related restrictions continue in many markets including Indonesia, Malaysia, Thailand, Vietnam and the Philippines the impacts of which are likely to extend at least into the fourth quarter of 2021. There is also continuing uncertainty over the extent and the timing of the re-opening of the border between Hong Kong and Mainland China and we expect that it will remain closed at least for the rest of this year. However, the Prudential Board is confident that the demand for products offered by the Group will continue to grow in line with the structural growth in its chosen markets, and that its expanded offering and increasingly digitalised distribution platforms are well placed to meet this demand.

¹ Comparisons are to the first six months of the prior year unless otherwise stated and year-on-year percentage changes are provided on a constant exchange rate basis unless otherwise stated.

² On a constant exchange rate basis, 21 per cent. on an actual exchange rate basis.

Competitive advantages

The Group is well positioned to meet the growing health, protection and long-term savings needs of its customers in the geographies in which it operates. It has leading positions in Hong Kong and South-east Asia, and sees the greatest growth opportunities in the largest economies of China, India, Indonesia and Thailand.

Prudential's nationwide footprint of 20 branches covering 99 cities in Mainland China provides access to 83 per cent. of Mainland China's GDP and 85 per cent. of its gross written premium. Prudential is a top-three provider of life insurance in India and the market leader in the overall life insurance market and the sharia-compliant market in Indonesia, which has the largest Muslim population of any country. In Thailand, the Group is focused on delivering the strategic benefits of recent investments and intends to upscale its position significantly. Eastspring, its pan-Asian asset manager, has top-10 positions in seven out of the 11 markets in which it operates.

Prudential has a multi-channel and integrated distribution strategy which can adapt and respond flexibly depending on local market conditions. The Group's distribution network includes its agency force of around 560,000 agents, its bancassurance partnerships which give it access to around 28,000 bank outlets and Pulse, a digital mobile application designed by the Group. The Group's aspiration is for Pulse to act both as a complementary tool for sourcing and managing new business to enhance customer experience and as a future platform for the business, with scope for delivering future operational efficiency.

Mike Wells, Group Chief Executive of Prudential plc, said: "Prudential is now entirely focused on long-term structural growth opportunities in Asia and Africa. This Share Offer will maintain and enhance Prudential's financial flexibility in light of the breadth of opportunities to invest for growth.

As we undertake the next stage of Prudential's development, we strive to deliver profitable growth in a socially responsible way, digitise our products and services, and humanise our company and advice channels."

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Notes to Editors

About Prudential plc

Prudential plc provides life and health insurance and asset management, with a focus on Asia and Africa. The business helps people get the most out of life, by making healthcare affordable and accessible and by promoting financial inclusion. Prudential protects people's wealth, helps them grow their assets, and empowers them to save for their goals. The business has more than 17 million life customers in Asia and Africa and is listed on stock exchanges in London, Hong Kong, Singapore and New York. Prudential is not affiliated in any manner with Prudential Financial, Inc. a company whose principal place of business is in the United States of America, nor with The Prudential Assurance Company Limited, a subsidiary of M&G plc, a company incorporated in the United Kingdom.

Disclaimers

This press release is for information purposes only and does not constitute an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for any securities. This press release is not a prospectus. Potential investors should read the Prospectus for detailed information about the Share Offer described below before deciding whether or not to invest in the Offer Shares (as defined in the Prospectus).

This press release is not for release, publication, distribution, directly or indirectly, in or into the United States or any other jurisdiction where such distribution is prohibited by law. This press release does not contain or constitute, and is not, an offer to sell or a solicitation of any offer to buy securities in Hong Kong, the United States or any other jurisdiction. Any such offer or invitation will be made only by means of a prospectus that may be obtained from Prudential (if published) and that will contain detailed information about Prudential and management, as well as financial statements, and only in jurisdictions in which such offer or invitation may legally and validly be made. The publication, distribution or release of this press release may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein may come should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, pledged or transferred within the United States or to, or for the account or benefit of, any U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state or local securities laws. Prudential does not intend to register the Offer Shares in the United States or to conduct a public offering of securities in the United States.

Forward-looking statements

This press release 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 speak only as of the date on which they are made, and therefore undue reliance should not be placed on them. By their nature, all forward-looking statements involve risk and uncertainty. Prudential expressly disclaims any obligation to update any of the forward-looking statements contained in this press release 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.