



Prudential plc

2021 Full Year Results

9 March 2022



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Mike Wells

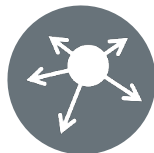
Group CEO



Strategic and operational highlights in 2021



✓ **Resilient business model**



✓ **Enhanced distribution capabilities**



✓ **Outperforming the market in China²**

>200 New & revamped products

✓ **Drive & pace in innovation**



✓ **Structural transformation**



✓ **New ESG framework**



- Business model aligned to structural growth levers
- Diversified across Asia & Africa with H&P focus
- Modern multi-channel distribution model
- Adaptable, consumer centric products with digital platform
- Leading Asia-based asset manager with FUM of \$258.5bn¹
- Strong balance sheet positioned for growth

Environment - Social - Governance

1. As of 31 December 2021.
2. With reference to growth in gross written premiums.

Prudential plc

2021 financial highlights



APE sales

+8% Group
+16% Group ex HK

FY21 APE vs FY20 CER¹

New business profit

+13% Group
+23% Group ex HK

FY21 NBP vs FY20 CER^{1,3}

IFRS earnings

+16%

Growth on prior year IFRS operating profit¹ to \$3.2bn

Embedded value

\$47.4bn

+7% EV per share growth² vs prior year

1. On a constant exchange rate (CER) basis.

2. On an actual exchange rate (AER) basis. Closing embedded value year-on-year growth of 13%.

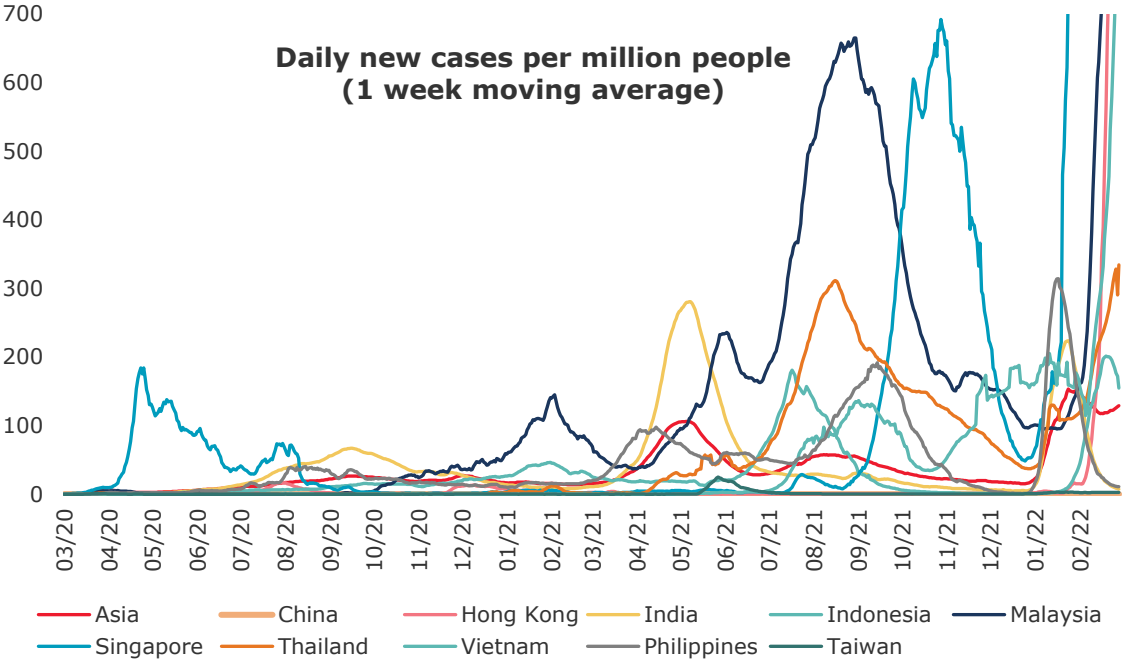
3. The full year 2020 new business profit excludes contributions from Africa.

Strong broad based delivery despite challenging operating backdrop



Sharply higher new COVID cases in 2H 2021¹

	1H19	2H19	1H20	2H20	1H21	2H21
NBP, \$m	1,696	1,874	936	1,304	1,172	1,354
YoY growth					+25%	+4%



Multi-channel model supports growth²

**Broad based
APE & NBP
growth**

Double-digit APE & NBP growth
excl. HK

**Highest ever
H&P APE levels**

India, Malaysia, Myanmar, Philippines,
Singapore, Thailand, Africa

**Highest ever
NBP levels**

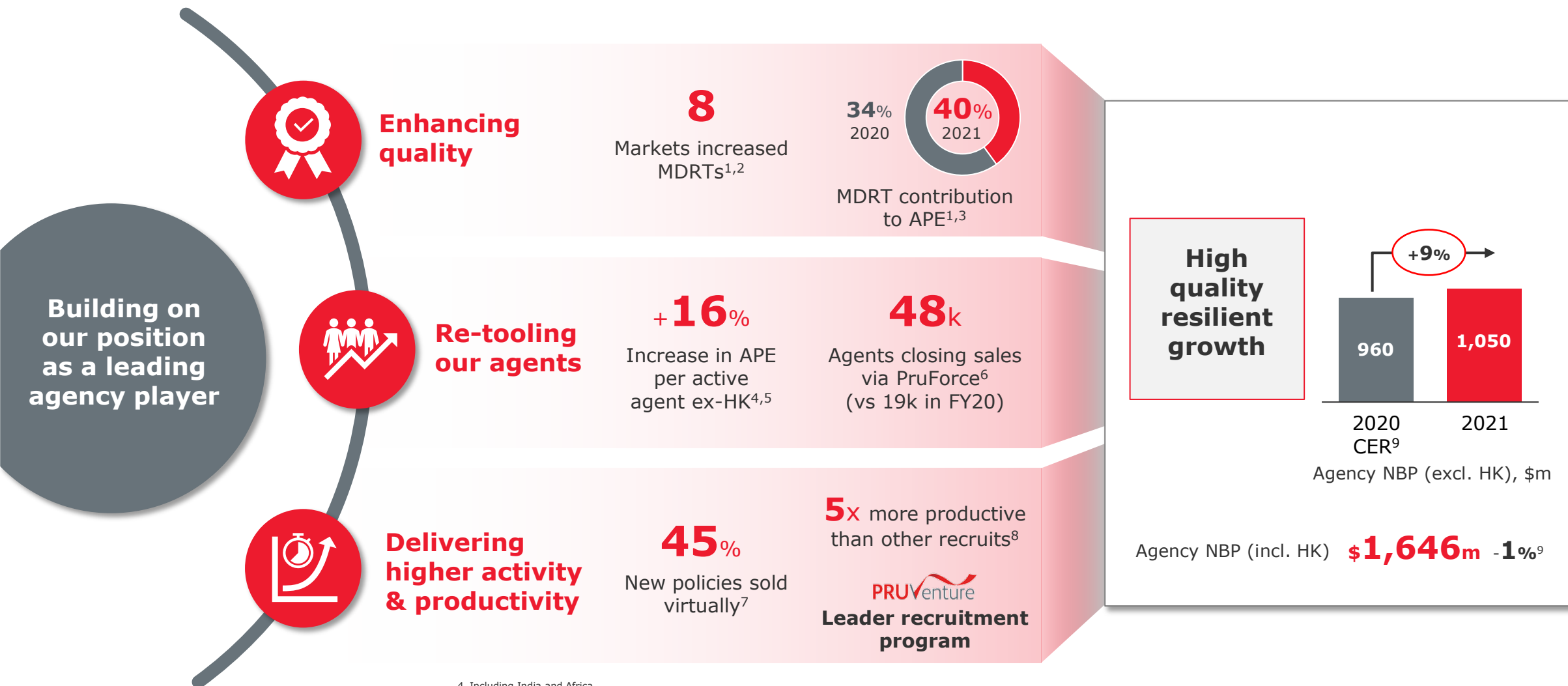
China, India, Malaysia, Myanmar, Philippines,
Singapore, Thailand, Vietnam, Africa

**Strong
momentum
in banca**

Double-digit NBP growth in banca channel

1. Source: Our World in Data, University of Oxford. 1-week moving average until 2 March 2022.
2. The full year 2020 new business profit excludes contributions from Africa. Data as of FY21; year-on-year growth on a constant exchange rate basis.

Enhancing multi-channel capabilities to accelerate growth: Agency



1. Million Dollar Round Table (MDRT) qualifiers.

2. Excluding India.

3. Percentage of APE sales in Asia markets, excluding India and including CPL and Malaysia Takafu on a 100% basis.

4. Including India and Africa.

5. APE per active agents increased 3% including Hong Kong.

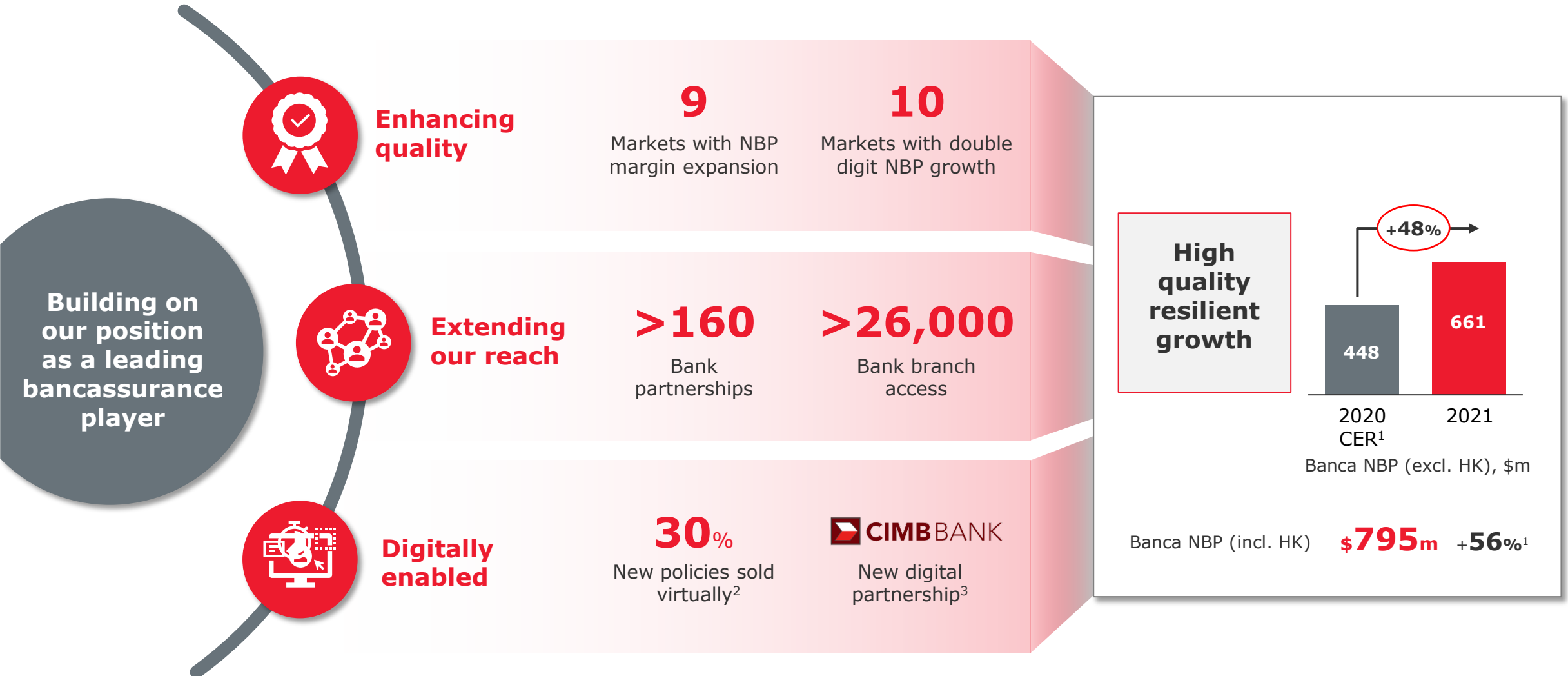
6. Involving PruForce (activity management system) hosted on Pulse.

7. For 12 months ended 31 December 2021.

8. Productivity based on APE per agent and is compared against year 1 agents.

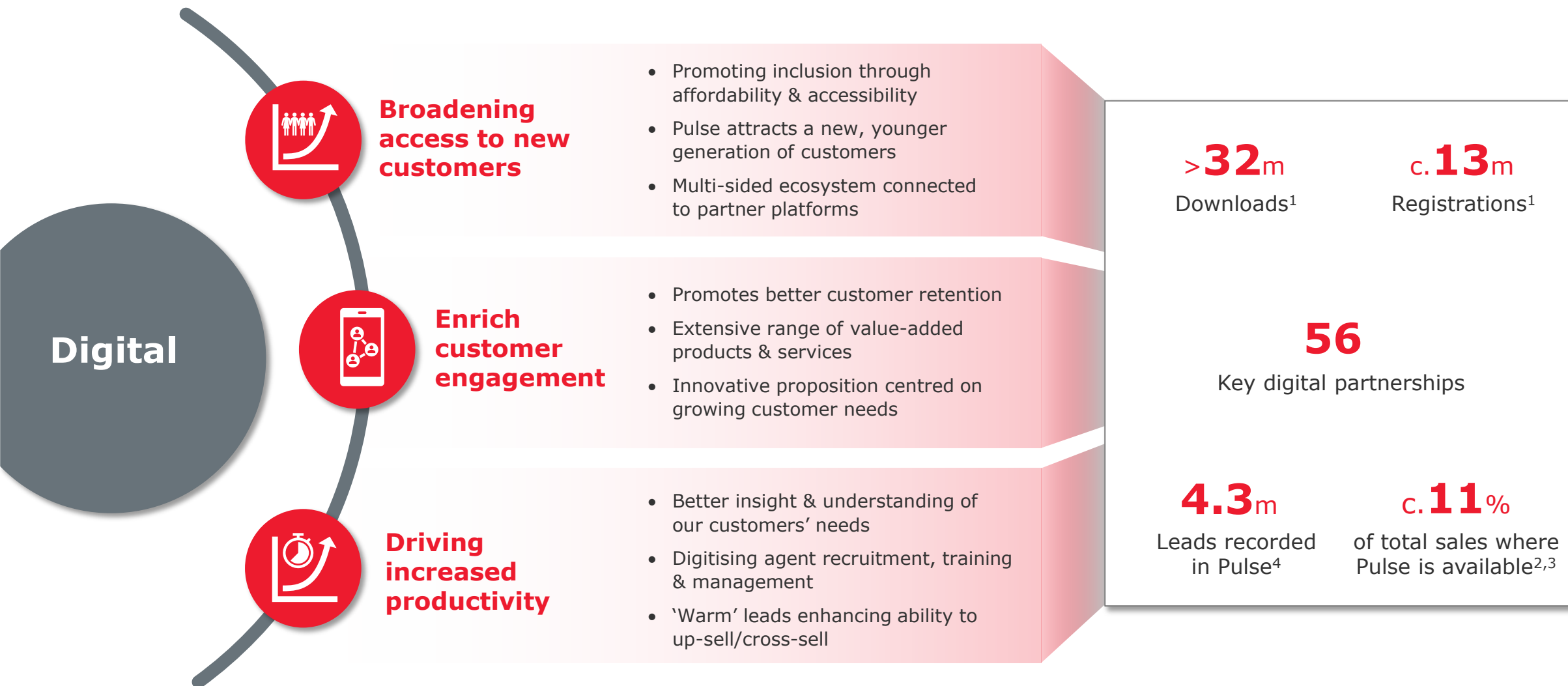
9. On a constant exchange rate (CER) basis.

Enhancing multi-channel capabilities to accelerate growth: Bancassurance



1. On a constant exchange rate (CER) basis.
 2. For 12 months ended 31 December 2021.
 3. In the Philippines.

Enhancing multi-channel capabilities to accelerate growth: Digital



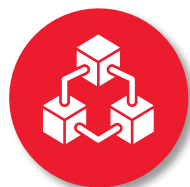
1. Cumulative since launch to 31 December 2021.

2. For the year ended 31 December 2021, in the markets where Pulse is available.

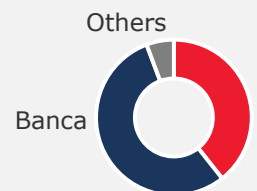
3. APE sales involving Pulse are sales completed by agents on leads from digital campaigns captured within the Pulse customer management system or on leads from Pulse registrations, together with a small number of policies purchased via Pulse online.

4. Leads that originate from a digital platform, digital campaign or partner; and other leads, including leads from agents, recorded on PRULEads, part of the Pulse platform.

Mainland China: Strong strategic platform with high quality balance sheet

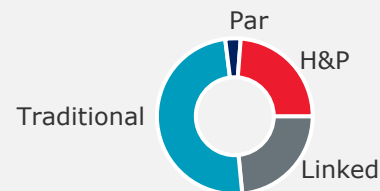


Diversified platform



Channel

FY21 NBP



Product

Agency APE +25%

+23% To >1.1k MDRT¹

+69% Cases per active agent

+61% APE per active agent

Quality & productivity

Banca APE +28%

+5 To 48 bank partners

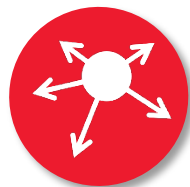
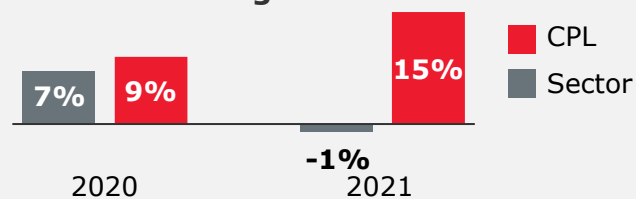
+2.2k To 6.0k bank branches

+760 To 3.1k ins. specialists

Extending our reach

**Market share
+12bps to
0.86%**

GWP growth²

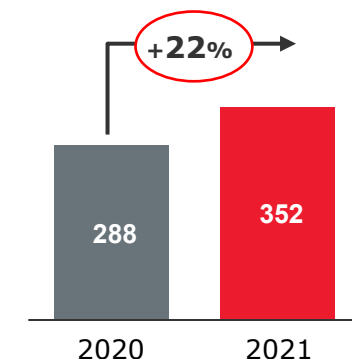


Enhancing distribution capabilities



Outperforming the market

High quality resilient growth



New business profit, \$m

Leading margins

Agency **71%**
Banca **39%**

Note: Data as of FY21 and growth rates on a constant exchange rate basis unless otherwise stated.

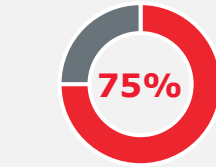
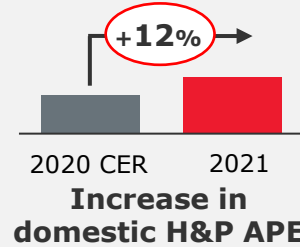
1. Million Dollar Round Table (MDRT) qualifiers.

2. On the basis of industry gross premium metrics reported to the China Banking and Insurance Regulatory Commission.

Hong Kong: Pivot to domestic protection & enhancing capabilities



Focus on quality



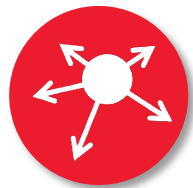
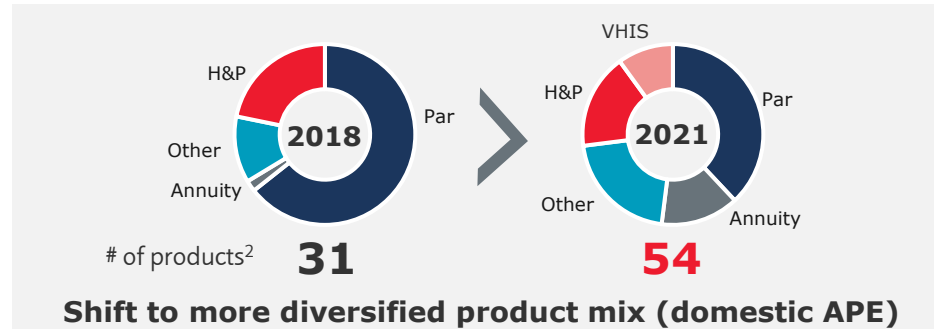
High domestic H&P mix in NBP

Top 3 with **c.19%** market share¹

VHIS



Broadened product ranges



Enhancing business platform

+120%

Increase in banca NBP

2021 **39%**

2020 **32%**

Increasing MDRT⁵ contribution to APE

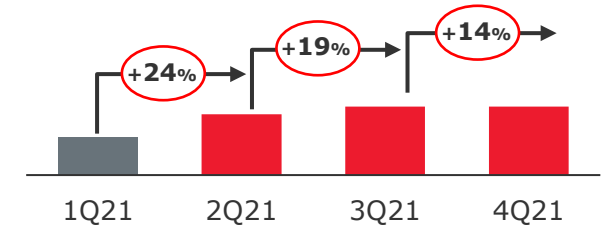
800k+ **61k**

Downloads³ New policies associated with Pulse⁴

Digitising platform

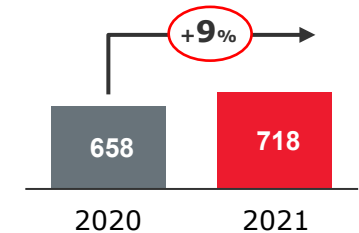


Strong sequential momentum despite border closure



Total HK NBP, \$m

\$736m **-6%**



Domestic new business profit, \$m

Note: Data as of FY21 and growth rates on a constant exchange rate basis unless otherwise stated.

1. Based on internal estimates of market shares by APE in FY21.

2. Including base policies and riders.

3. Cumulative downloads since launch to 31 December 2021.

4. New policies sold in 2020 and 2021. Including D2C and O2O policies.

5. Million Dollar Round Table (MDRT) qualifiers.



**Growth amid
challenging
backdrop**

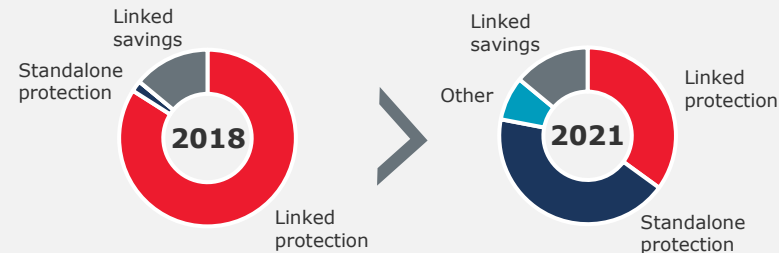
+37%
Increase in
standalone
protection policies

+19%
Increase in
Sharia new
policies

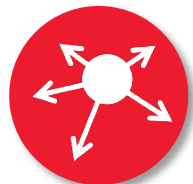
+33%
Increase in
Group
business APE



**Broadened
product
ranges**



Diversification of sales product mix



**Enhancing
distribution
capabilities**

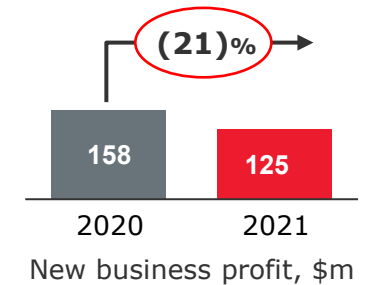
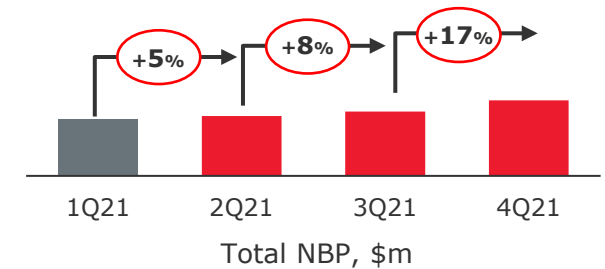
~16k
Policies sold D2C,
incl. 13k via OVO

29k
Agents closing
sales via PruForce¹

+25%
Growth in
banca NBP

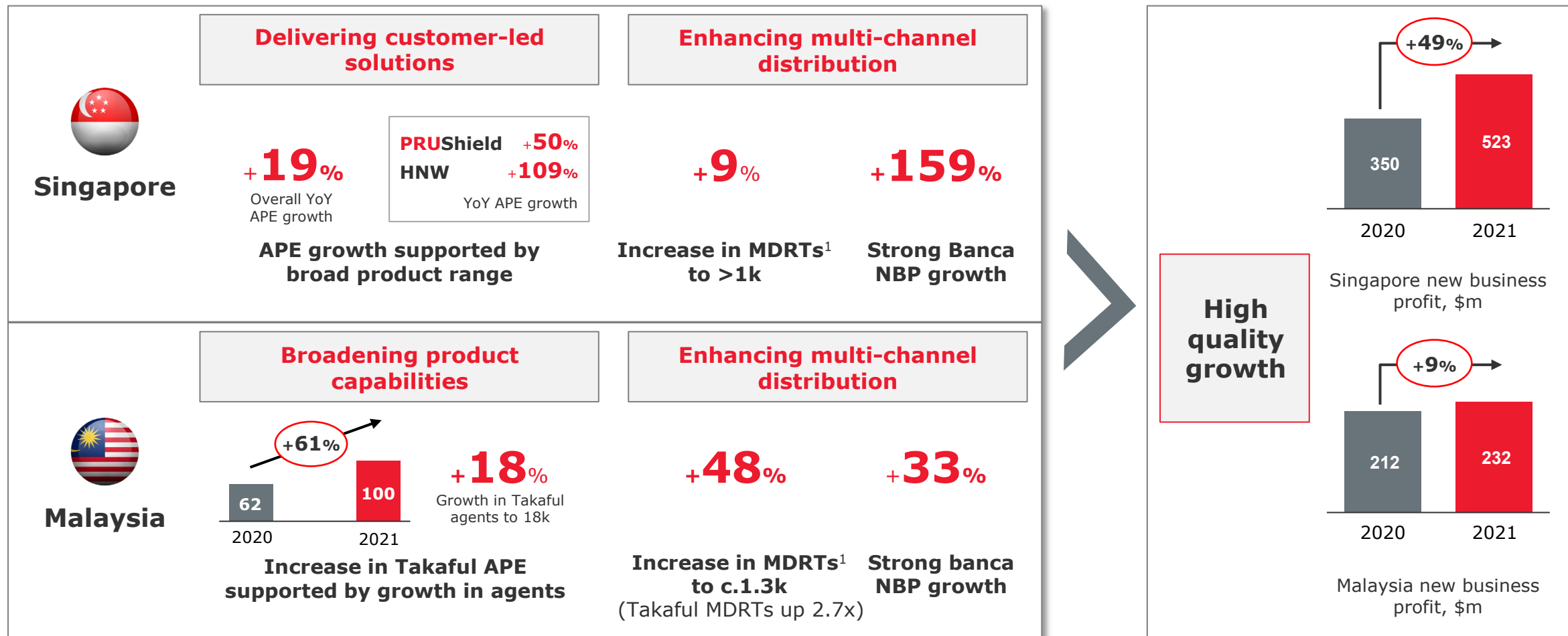


**Momentum despite peak
Covid cases in Jun/Jul**



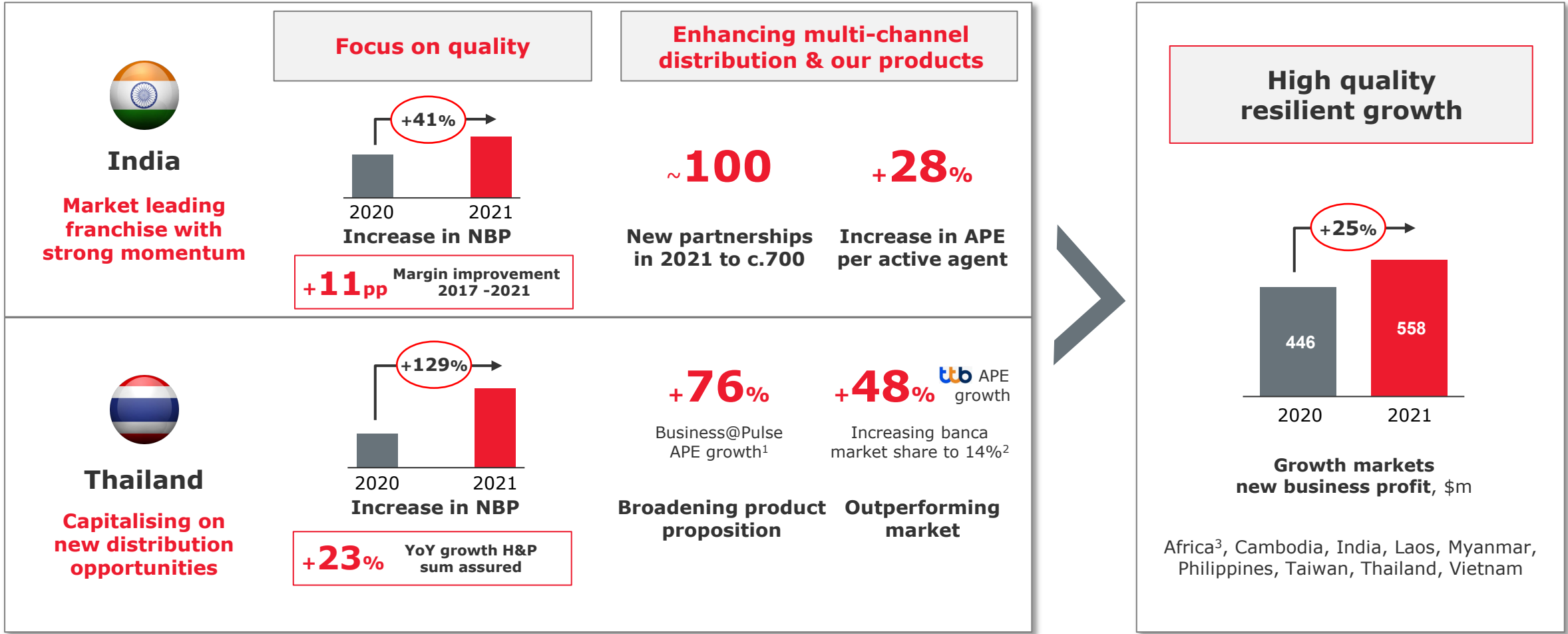
321k +7%
New policies sold

Singapore & Malaysia: Strong positioning supports continued momentum



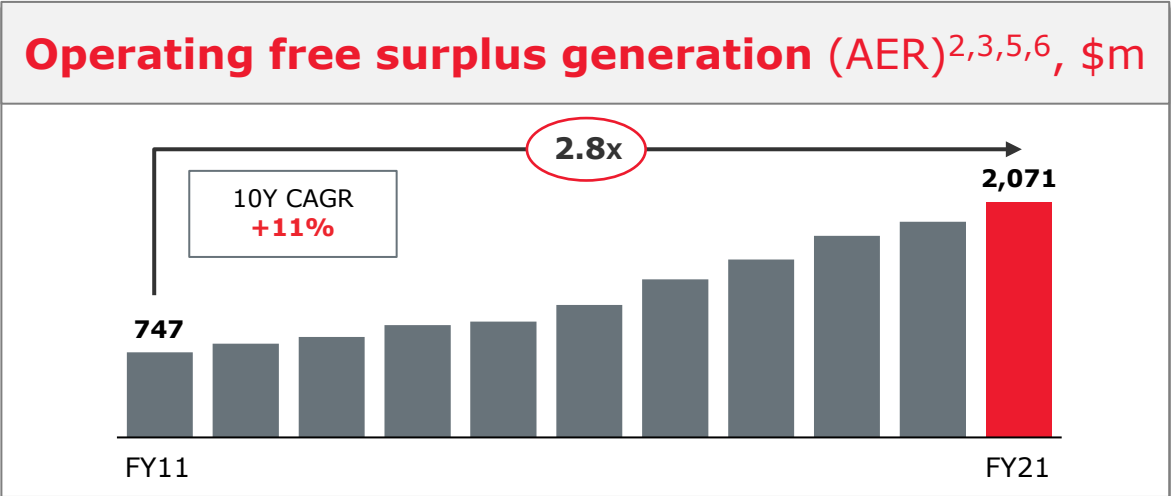
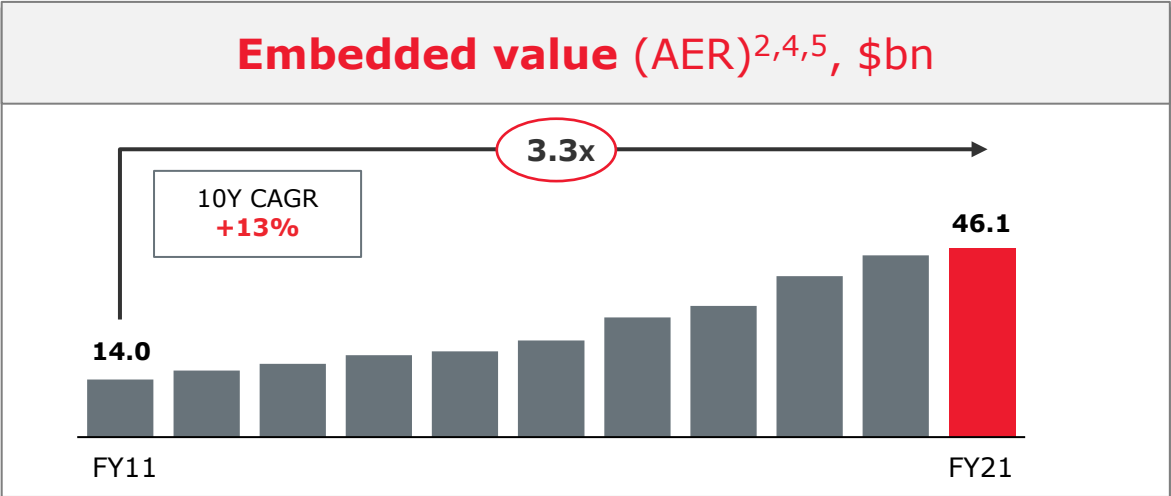
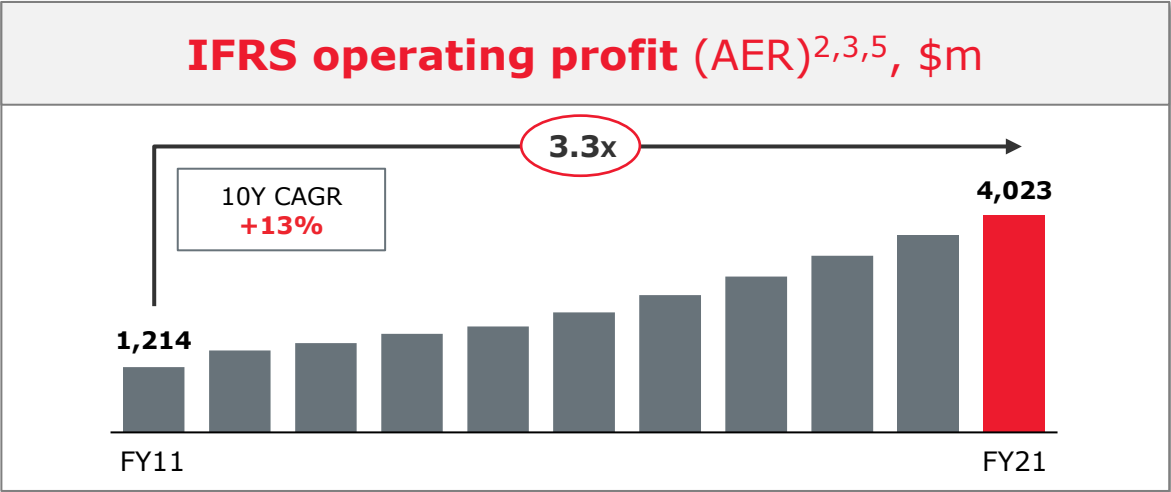
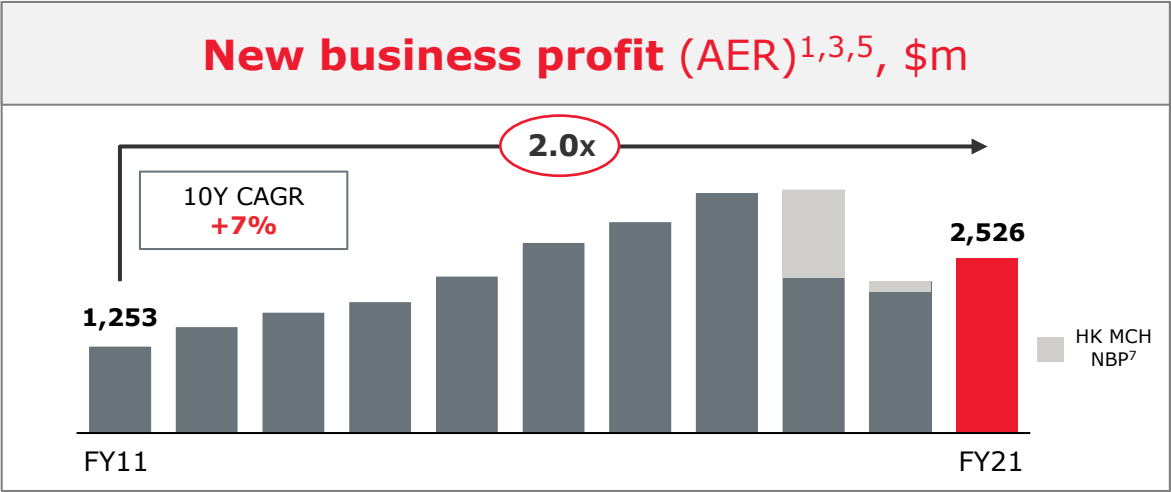
Prudential plc

India & Thailand: Good progress



Note: Data as of FY21 and growth rates on a constant exchange rate basis unless otherwise stated.
1. Including credit life products.
2. Based on weighted new business premiums as per Thai Life Assurance Association (TLAA).
3. The full year 2020 new business profit excludes contributions from Africa.

Building on track record of delivering sustainable shareholder value

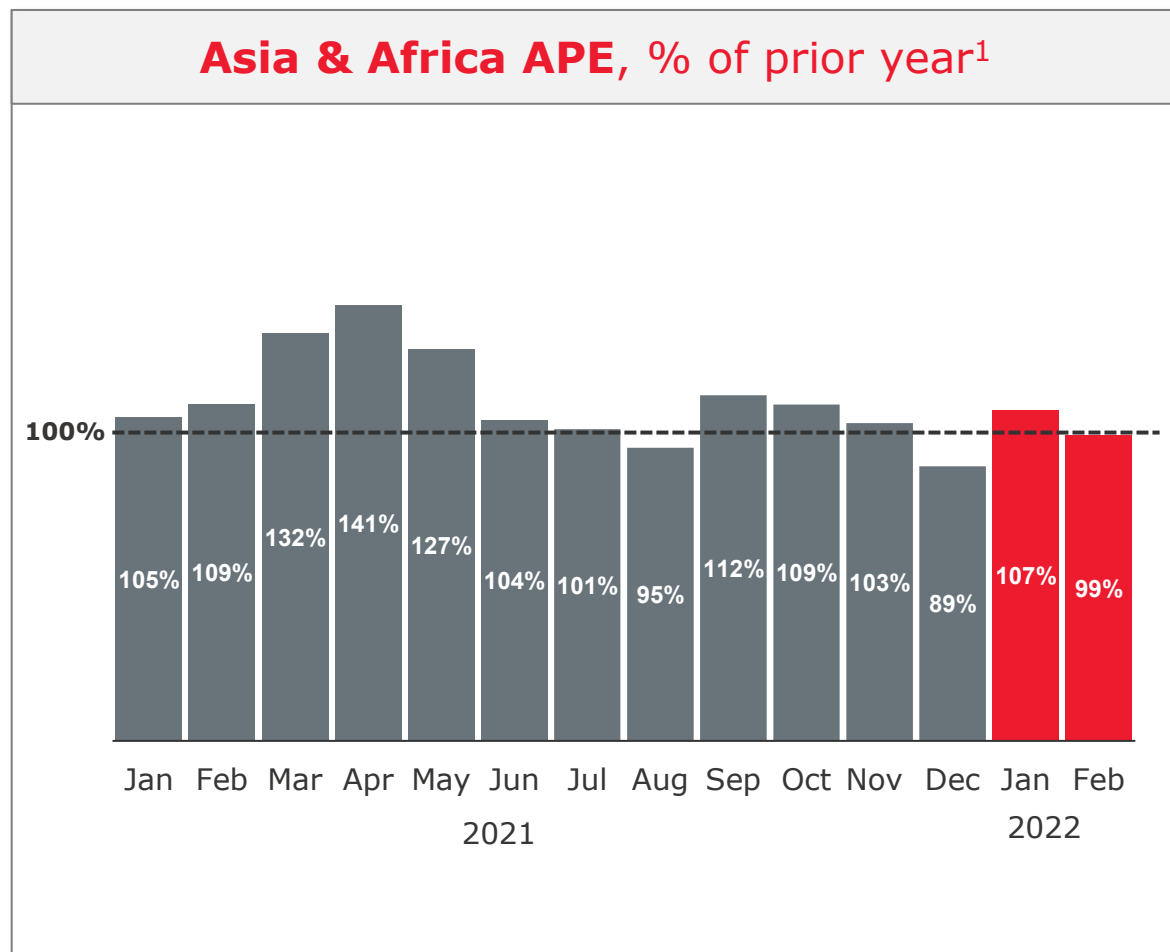


Note: AER – Actual exchange rate basis.
1. Continuing insurance operations.
2. Continuing insurance and asset management operations.
3. Comparatives are adjusted for new and amended accounting standards and exclude PCA Korea Life, Japan and Taiwan agency.

4. 2011-2016 include PCA Korea Life.
5. All comparatives exclude Africa.
6. Before restructuring and IFRS17 implementation costs.
7. Hong Kong Mainland Chinese visitors' new business profits (2019: \$1,246m; 2020: \$128m).



APE outcome reflects the timing & scale of Covid-related restrictions



- We enter 2022 with a strong balance sheet and capital position
- The timing of the opening of the Hong Kong border remains uncertain and Covid-19 will continue to have an impact
- The current conflict in Ukraine could have wider implications for global economic and market conditions as well as geopolitical relations
- However, we believe our multi-channel approach and focus on quality business and operating efficiency is the right strategy for dealing with volatile operating conditions
- We are confident that our investment in new business, distribution and product enhancements will continue to meet the needs of our customers and build value for our shareholders over the long term

1. Year-on-year growth rates on a constant exchange rate (CER) basis.



- High quality resilient growth despite challenging environment
- Enhancing capabilities building on our substantial competitive advantages
- 100% focus on Asia & Africa with leading positions in key high growth markets & segments
- Well positioned to capture future long-term growth opportunities

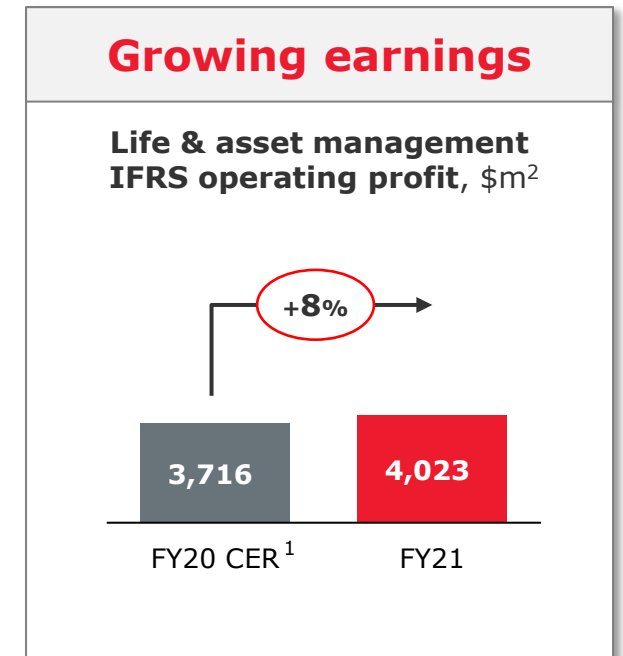
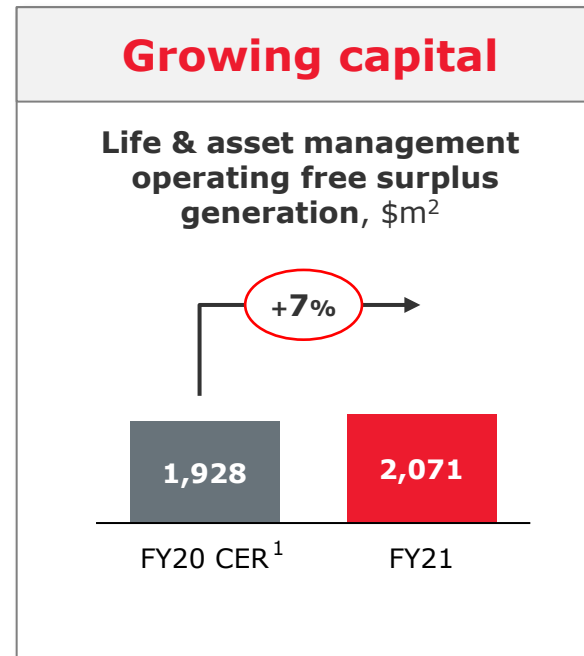
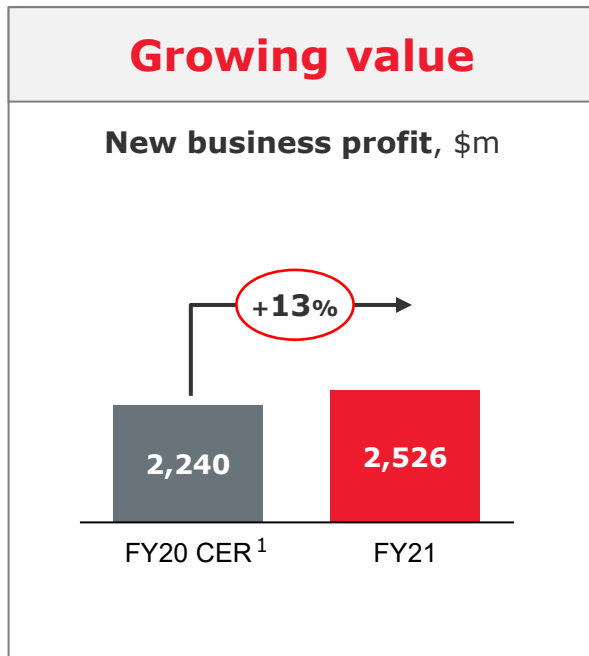
Mark FitzPatrick

Group CFO & COO





Growth



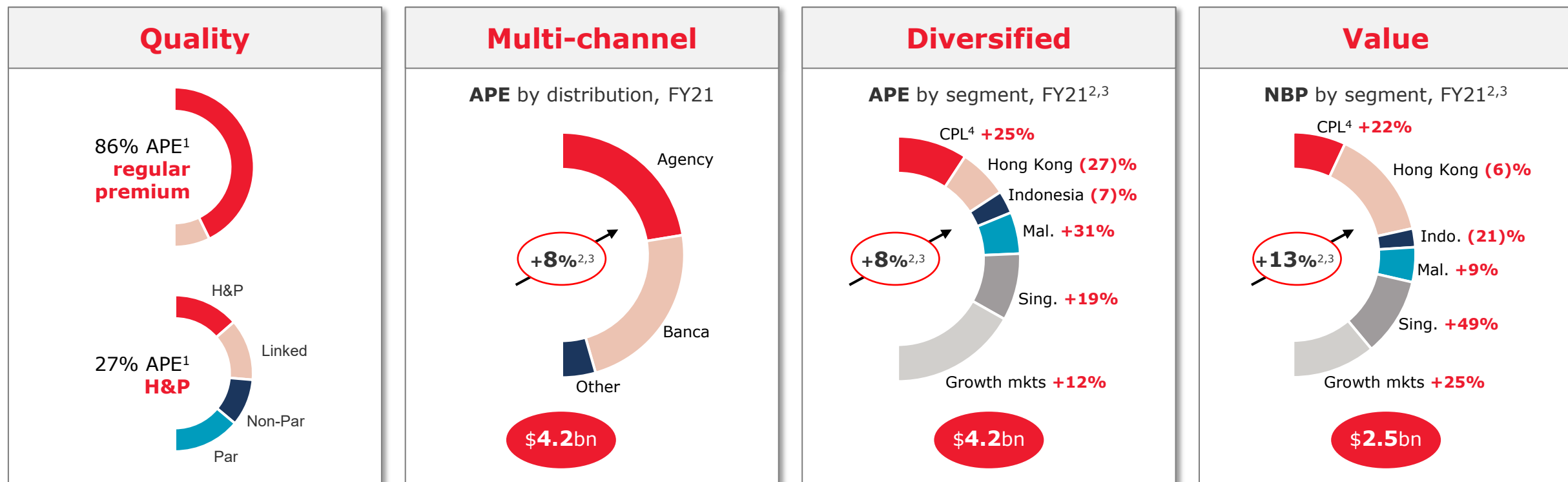
Execution

- ✓ Successful equity raise, financial flexibility enhanced, Moody's total leverage ratio at 21%³
- ✓ Increased weight of shareholder-backed new business. New business margin 60% (2020: 58%)
- ✓ Expense discipline: Group IFRS adjusted operating profit +16% YoY¹

1. Constant exchange rate basis (CER).

2. Long-term and asset management businesses only, before restructuring and IFRS 17 implementation costs, centrally incurred costs and eliminations. Before deducting the amounts attributable to non-controlling interests.

3. We estimate the Moody's total leverage at 31 December 2021 to be 26 per cent and if the further debt redemptions of \$1,725 million in January 2022 had been completed as at 31 December 2021, we estimate that this figure would have been 21%.



- Prioritize high quality regular premium and H&P new business; shift to higher margin, shareholder-backed product
- Multi-channel, digitally enabled diversified portfolio supports APE growth despite Covid disruption
 - Ex Hong Kong: agency and banca APE +15% YoY²
 - Pulse associated APE +73% YoY to \$364m^{2,5}
- NBP growth driven by higher new sales and improved, higher margin product mix

1. FY21.

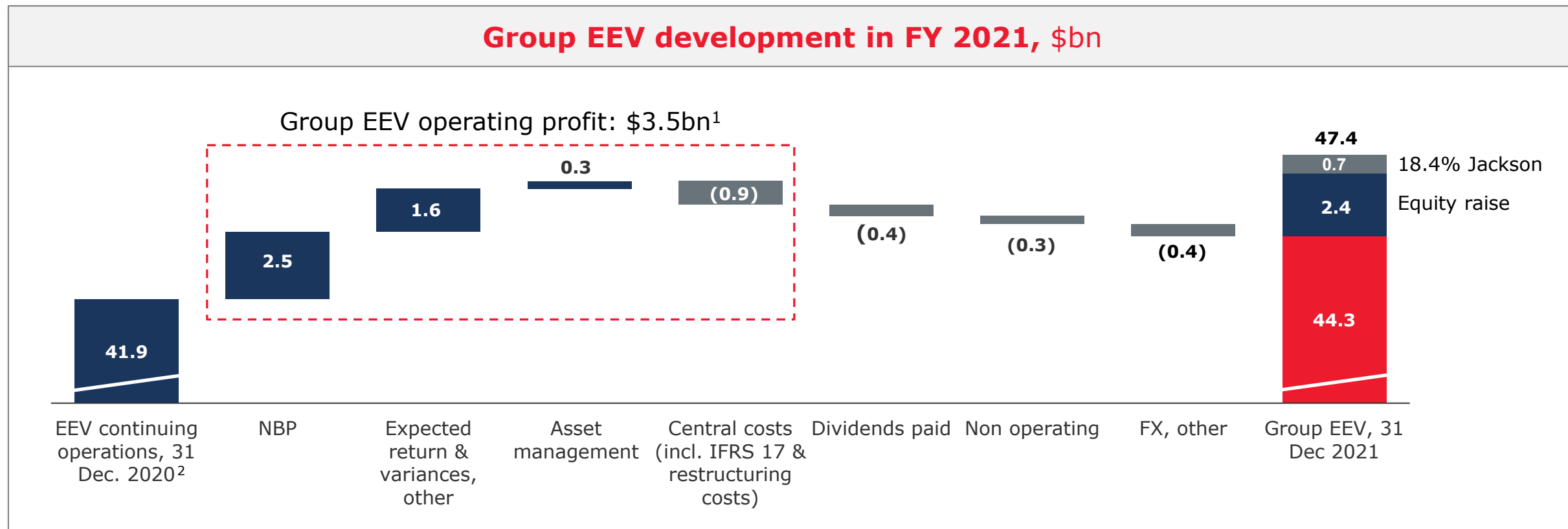
2. Presented on a constant exchange rate basis.

3. Growth rates are FY21 vs. FY20.

4. CITIC Prudential Life (CPL). New business in CPL is included at Prudential's 50 per cent interest in the joint venture.

5. APE sales involving Pulse are sales completed by agents on leads from digital campaigns captured within the Pulse customer management system or on leads from Pulse registrations, together with a small number of policies purchased via Pulse online.

New business profit drives EEV operating profit



- \$2.5bn NBP key driver of Group EEV operating profit. Central costs to reduce further
- \$1.6bn of expected return & variances includes \$1.8bn of in-force return and adverse variances of \$(0.1)bn
- Non-operating movements result from the net impact of higher interest rates under EEV methodology
- Group operating RoEV 8%³ in Covid impacted year. Group EEV/share +7% (AER)⁴

1. Group EEV operating profit is stated after restructuring and IFRS 17 implementation costs, centrally incurred costs and eliminations.

2. Actual exchange rate basis.

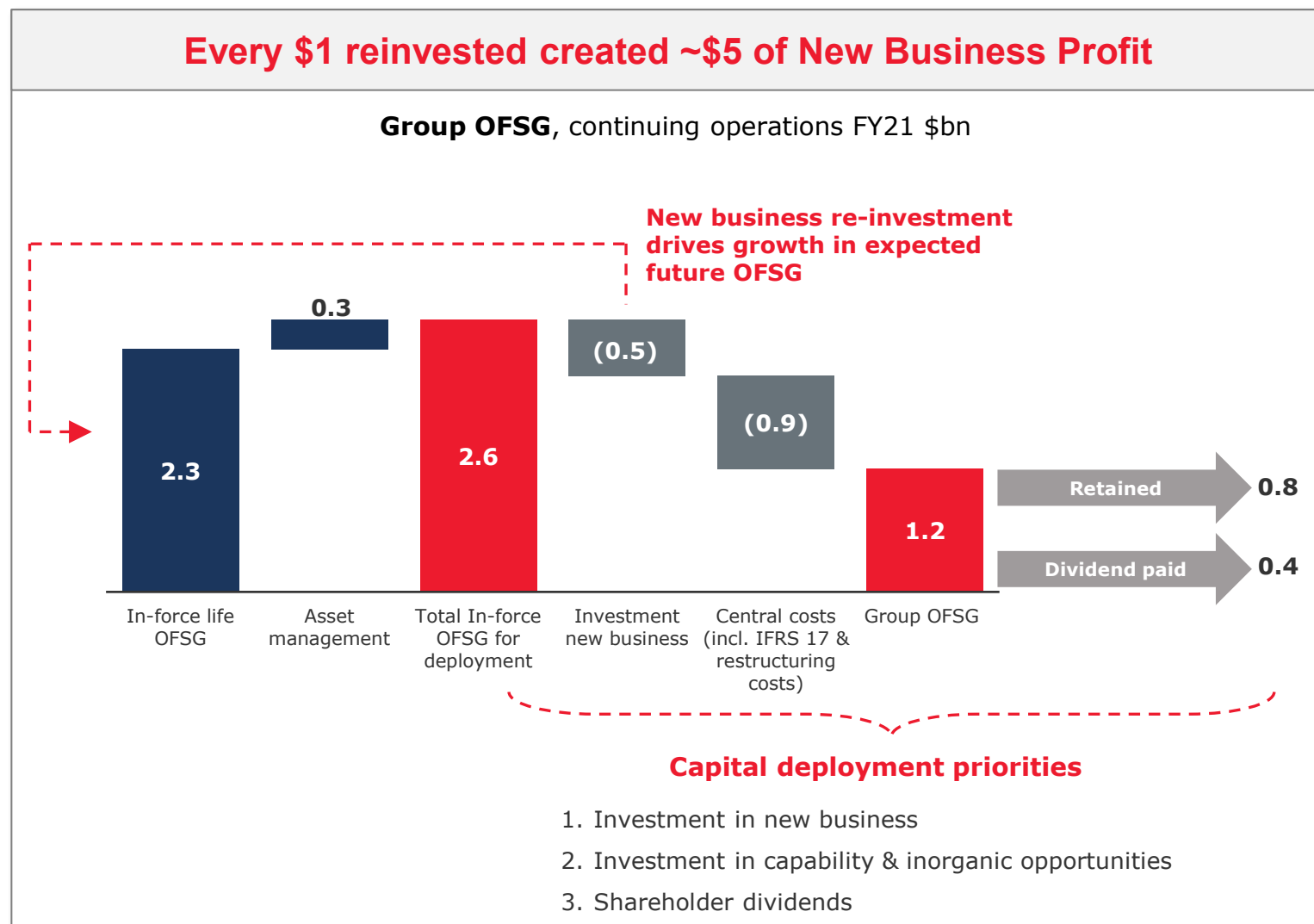
3. Operating return on average EEV shareholders' equity, net of non-controlling interests.

4. Closing EEV shareholders' equity, net of non-controlling interests per share, YoY growth 31 December 2021 vs 31 December 2020. Presented on an actual exchange rate basis.

Reinvestment of OFSG¹ drives compounding value



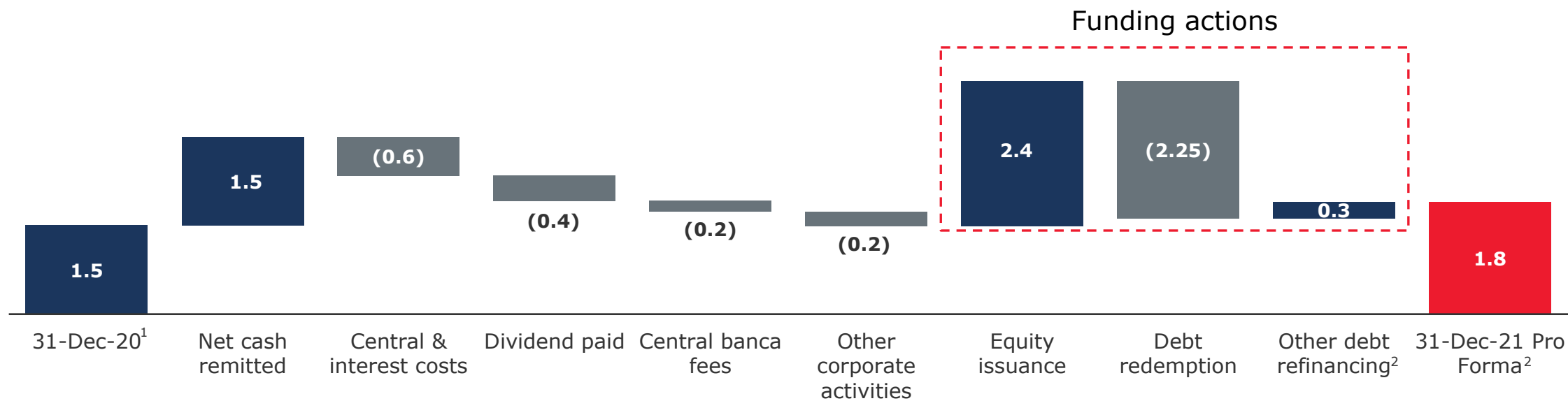
- \$2.6bn of OFSG generated by high quality in-force life business & Eastspring
- \$0.5bn invested in new business² generated \$2.5bn in new business profit driving growth in future expected OFSG
- Life & AM OFSG +7% YoY³, Group OFSG +26% YoY³ driven by lower central costs
- FY21 DPS of 17.23¢ +7% YoY
- Flexibility to invest in new business and strategic growth opportunities further enhanced as central costs reduce



1. Operating free surplus generated (OFSG).
 2. Free surplus invested in new business primarily represents acquisition costs and amounts set aside for required capital.
 3. Presented on a constant exchange rate basis.



Holding company cash movement, FY21 \$bn pro-forma¹



- \$1.8bn pro-forma central liquidity after debt redemptions completed in January 2022; future interest costs reduced by ~\$125m pa
- Other activities includes centrally funded strategic investment, primarily extension of banca distribution agreements
- Substantial flexibility to invest in new business and strategic growth opportunities

1. Actual exchange rate basis.

2. Allowing for the completion of the debt redemption and refinancing programme on 20 January 2022.

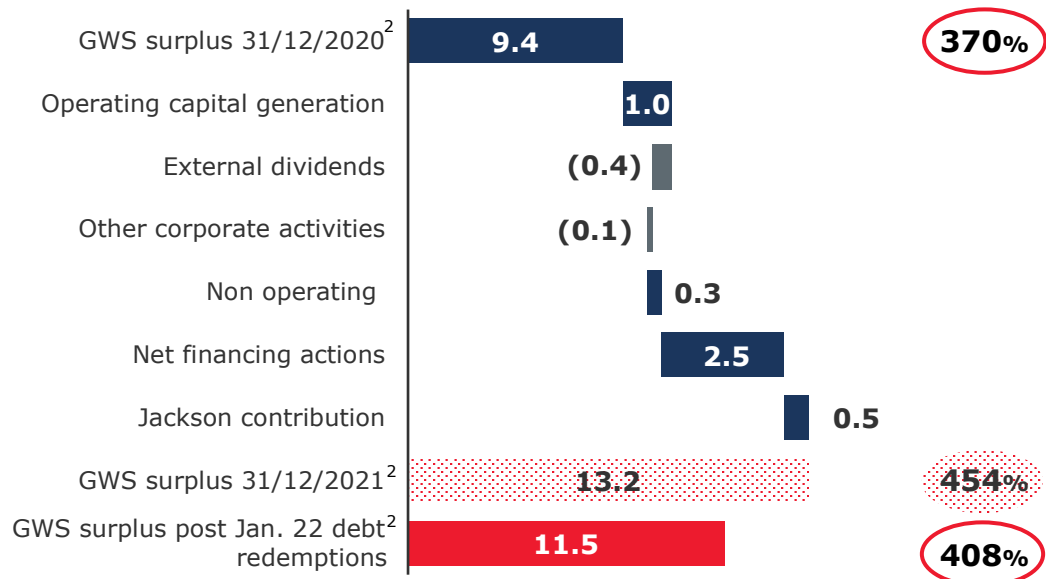
Growing Capital

Strong and resilient GWS position



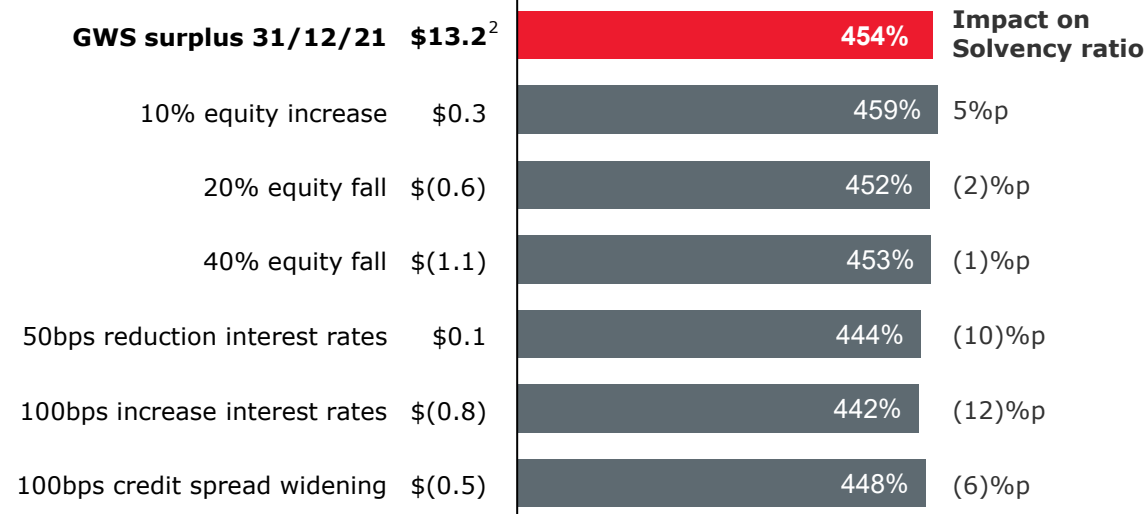
Capital generative

Estimated group shareholder GWS surplus development, FY21 \$bn¹



Resilient to macro stress

Estimated group shareholder GWS surplus, 31 December 2021 \$bn^{1,3}



- Strong GWS capital position driven by robust net operating capital generation
- Limited sensitivity to macro stress
- Hong Kong RBC (subject to HKIA approval) and China C-ROSS Phase 2 expected to be adopted for HY22 reporting

1. Prudential applies the Insurance (Group Capital) Rules set out in the GWS Framework to determine group regulatory capital requirements (both minimum and prescribed levels). Estimated GWS capital position based on Group Minimum Capital Requirement (GMC).

2. 31/12/20 before allowing for the impact of the 2020 second interim ordinary dividend and including the benefit of senior debt grandfathering. 31/12/21 before allowing for the impact of the 2021 second interim ordinary dividend.

3. The Group's retained economic interest in Jackson Financial Inc is assumed to be unchanged in the sensitivities. The sensitivity results assume instantaneous market movements and reflect all consequential impacts as at the valuation date. The January 2022 debt redemption results in no change to the impacts of the sensitivities on capital surplus and immaterial impacts of the sensitivities on the solvency ratios.

Quality focus supports IFRS life operating profit growth despite higher Covid claims



Quality focus

High regular premium mix¹



Focus on H&P²

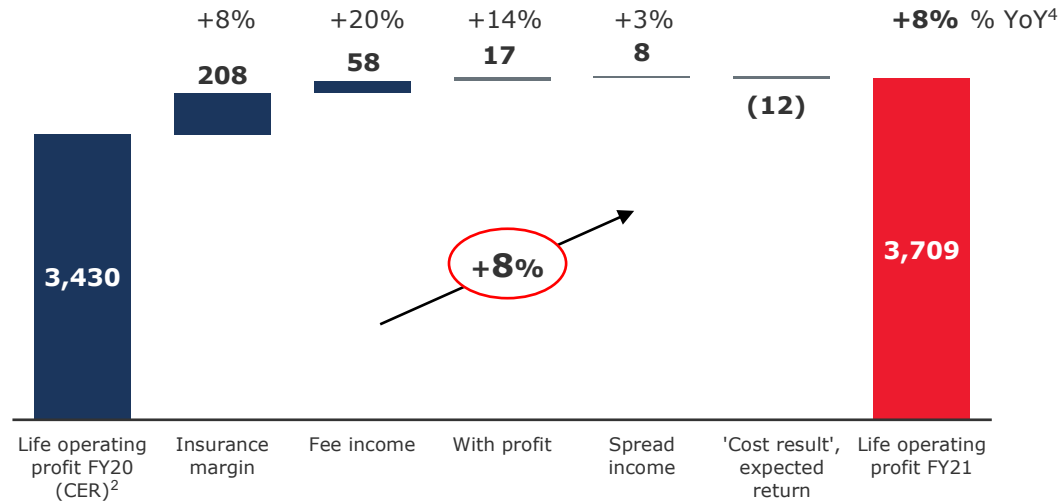


High retention ratios³



Insurance margin drives IFRS life result

FY21 IFRS life operating profit, continuing operations \$m



Diversified, at scale

FY21 IFRS operating profit by segment

	\$m	% YoY ⁴
CPL	343	28%
Singapore	663	13%
Malaysia	350	12%
Growth markets & other ⁵	932	11%
Hong Kong	975	10%
Indonesia	446	(16)%
Life operating profit	3,709	8%
Eastspring	314	10%
Total segment profit	4,023	8%

- 2021 result reflects in-force growth, normalised health claims experience, higher COVID-19 claims in Indonesia and India, and a strong fee result
- Performance is diversified and at scale:
 - 8 businesses delivered double digit growth⁶ and 7 businesses generated operating profits >\$0.3bn

1. Regular premium (% of APE).

2. Insurance margin (% of insurance income). Life insurance income includes insurance margin, spread income, life fee income and with-profits. Excludes margin on revenue and expected return on shareholder assets.

3. Excludes India, Laos, Myanmar and Africa.

4. Constant exchange rate basis.

5. For growth markets and other, adjusted operating profit includes other items of \$217 million (2020: \$119 million) which primarily comprise of taxes for life joint ventures and associates and other non-recurring items.

6. Constant exchange rate basis. 7 out of 14 life markets, representing 13 Asia markets plus Africa delivered double digit growth in IFRS operating profit. Eastspring IFRS operating profit +10%.

Positive operating leverage as we reduce central costs



Group IFRS result, \$m

	FY20 (CER ¹)	FY21	% Growth
Long-term business	3,430	3,709	8
Eastspring	286	314	10
Total segment profit from continuing operations	3,716	4,023	8
Interest payable	(316)	(328)	(4)
Corporate expenditure	(428)	(298)	30
Restructuring & IFRS 17 costs	(167)	(185)	(11)
Investment return & other	(15)	21	~
Total central overhead	(926)	(790)	15
Total adjusted operating profit before tax	2,790	3,233	16
Short-term fluctuations	(554)	(458)	17
Other	728 ²	(99)	~
Profit from continuing operations before tax attributable to shareholders	2,964	2,676	(10)
Tax	(450)	(462)	(3)
Profit from continuing operations	2,514	2,214	(12)
Loss from discontinued operations for the period, net of related tax	(283)	(5,027)	~
(Loss) profit for the period	2,231	(2,813)	~

- Positive jaws: segment profit +8%, adjusted op. profit +16%
- Central overhead improvement reflects delivery of \$180m pa corporate expenditure savings from 1/1/21. Further reductions expected from:
 - ~\$125m pa lower interest costs from January 2022
 - \$70m pa reduction in corporate expenditure by start 2023
 - IFRS 17/restructuring costs to reduce sharply from 2023 with IFRS 17 project delivery. 2022 costs to remain elevated
- Short-term fluctuations reflects net impact of higher interest rates on IFRS asset and liability valuations
- Other of \$(99)m includes transaction costs associated with the Jackson demerger
- Loss from discontinued operations reflects write-down of Jackson at demerger

1. Constant exchange rate basis (CER).
2. FY20 'Other': \$728m reflects gain from reinsurance transaction by Hong Kong business.

Concluding remarks



- Multi-channel, digitally enabled and quality focused distribution drives 13% NBP growth¹
- In-force business generates predictable, resilient cash-flow for reinvestment at attractive returns
- 8% operating RoEV² in a Covid impacted year
- Strong, robust balance sheet and capital position with substantial capacity to invest
- Significant growth opportunities ahead

Growing value

Growing capital

Growing earnings

1. Constant exchange rate basis.

2. Operating return on average EEV shareholders' equity, net of non-controlling interests.

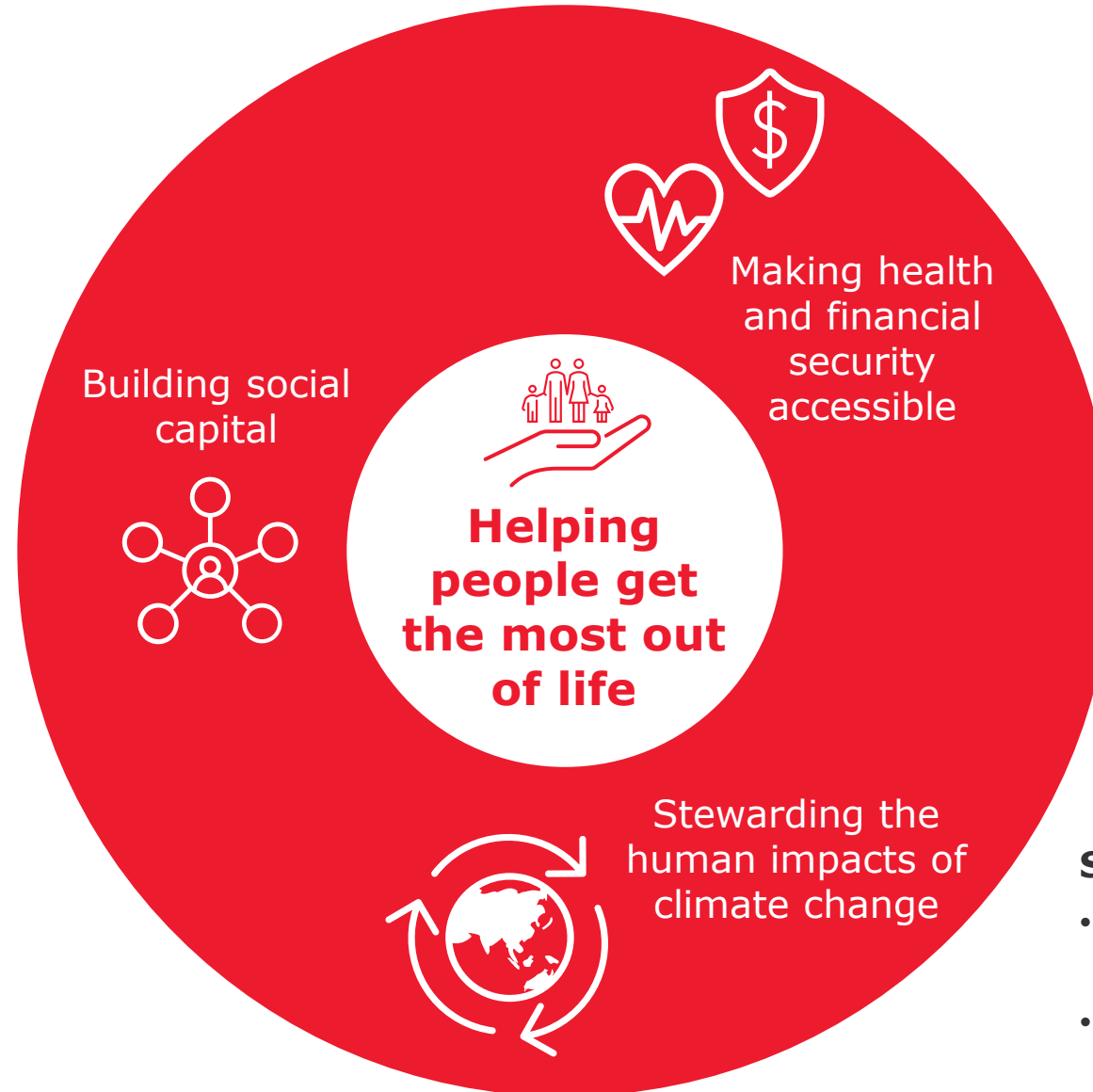


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CEO appendix





Inclusive work place

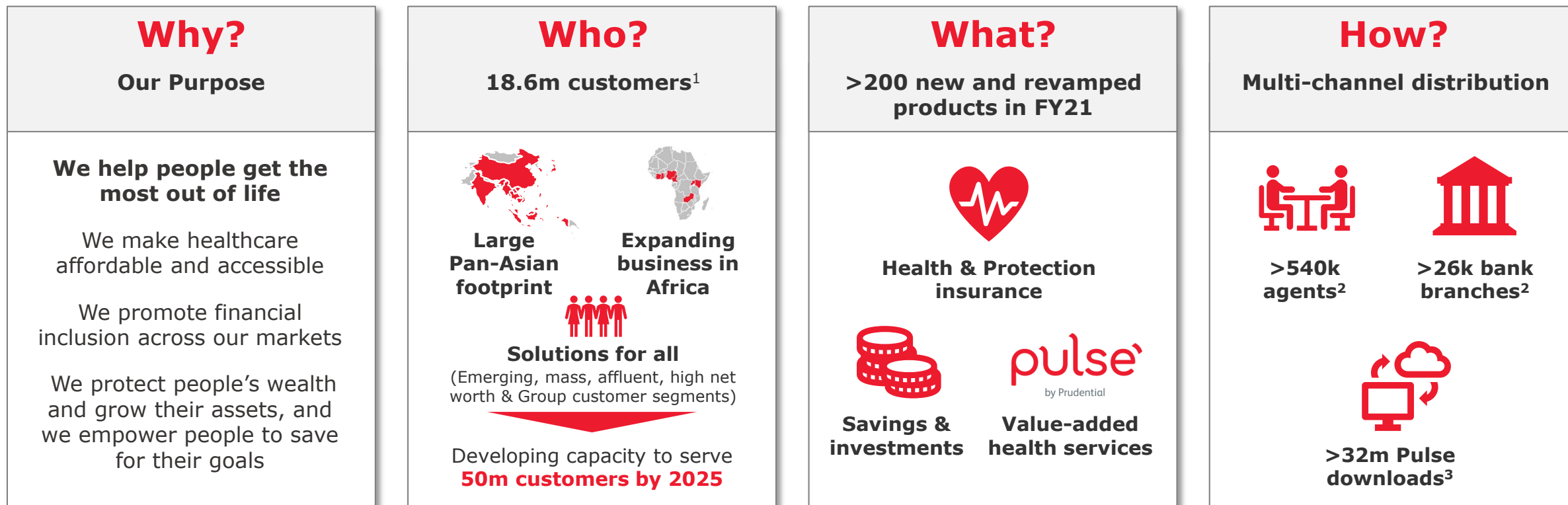
- Flexible work plans
- Diversity, inclusion and belonging
- Mental health support

Inclusive product development

- Focus on digital innovation to increase penetration in underserved populations
- Added diversity to our product offering
- Sharia developments in Malaysia & Indonesia

Supporting an inclusive transition

- Carbon transition reflecting development stages of our markets
- Targets linked to remuneration



Underpinned by favourable long-term structural growth drivers



Superior economic growth



Favourable demographics



Aligned with public policy objectives



Large protection gap and low insurance penetration in our markets

1. Africa total customer numbers exclude micro insurance customers, and include members in Group schemes.











2. As at 31 December 2021.

3. Cumulative since launch to 31 December 2021.

Well positioned for further long-term profitable growth

Diversified franchise with leading presence in markets with favourable macro trends



		FY21 IFRS adjusted operating profit	Life position¹	Eastspring position⁶	Insurance penetration⁷	Total health protection gap⁸	GDP growth forecast⁹
	Mainland China	\$343m	Top 3 ²	✓	2.4%	\$805bn	5.2%
	Hong Kong	\$975m	Top 3	Top 10	19.2%	\$23bn	3.0%
	Indonesia	\$446m	Top 3	Top 10	1.4%	\$82bn	5.7%
	Malaysia	\$350m	Top 3 ³	Top 10	4.0%	\$47bn	5.4%
	Singapore	\$663m	Top 3 ⁴	Top 10	7.6%	\$23bn	2.7%
	Philippines	\$110m	Top 3	--	1.2%	\$32bn	6.6%
	Taiwan	\$94m	✓	✓	14.0%	\$41bn	2.5%
	Thailand	\$236m	✓	Top 10	3.4%	\$6bn	3.8%
	Vietnam	\$317m	Top 3	✓	1.6%	\$36bn	6.9%
	India	n/a	Top 3 ⁵	Top 10	3.2%	\$369bn	6.7%

Selected
Growth
markets

1. Based on latest market share data available. Sources include formal (e.g. 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) or total weighted revenue premiums.

2. Ranking among JV players. Ranked 4th based on foreign players.

3. Includes Takafu, excludes Group business.

4. Includes onshore only.

5. Private players only.

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. Swiss Re Institute; sigma No 3/2021 – life insurance penetration (premiums as a percentage of GDP).

8. Swiss Re Institute. The health protection gap in Asia, October 2018. Estimated total national health protection gap as defined by Swiss Re Institute (financial stress caused by health spending and incidence of people not seeking treatment due to affordability).

9. Represents a CAGR of forecast GDP per capita between 2021 and 2025 and is based on IMF World Economic Outlook Database, October 2021.

Distinct competitive advantages



1 Mainland China: Access to nearly whole of China

GDP & GWP¹

20 branches &
presence in
99 cities

2 India: Top 3 Life and Asset Manager²

15% market share³12% market share⁴

3 Indonesia: #2 insurer and #1 Sharia

#2

Overall market
share⁵

#1

Agency
force

#1

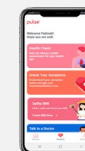
Sharia market
share⁵

4 Thailand: Rapid growth in high-potential market

- PLT⁶ +21% vs Market⁶ -4%
- >2x NBP YoY⁷ in FY21

5 Pulse: Compelling digital strategy

All-in-one,
personalised
and on-demand
AI-powered app



Engage Onboard Fulfilment

6 Agency: Leading agency force across the region



>540,000
agents⁸

>120,000
agent recruits⁹

7 Bancassurance: Largest branch network



>26,000
Bank branch access^{8,10}

8 Eastspring: Our leading Asian asset manager

Top 10 position in 6 out of 11 markets¹¹

FUM of \$258.5bn⁸, up +4% YoY

PRUDENTIAL
保誠集團

pulse[®]
by Prudential

eastspring
investments

1. 2020 data for GDP and GWP. Sources from National Bureau of Statistics and CBIRC.

2. Source: IRDAI. ICICI Prudential Annual Reports and Investor Presentations.

3. Based on new business sum assured for 12 months ended 31 December 2021. Source: IRDAI. Among private players only.

4. Based on FUM. As at 31 December 2021.

5. As at FY21. Ranking based on weighted new business premiums. Ranked 1st based on total weighted premiums.

6. Based on weighted new business premiums as per Thai Life Assurance Association (TLAA). Based on APE, PLT +22% YoY CER growth.

7. On a constant exchange rate basis.

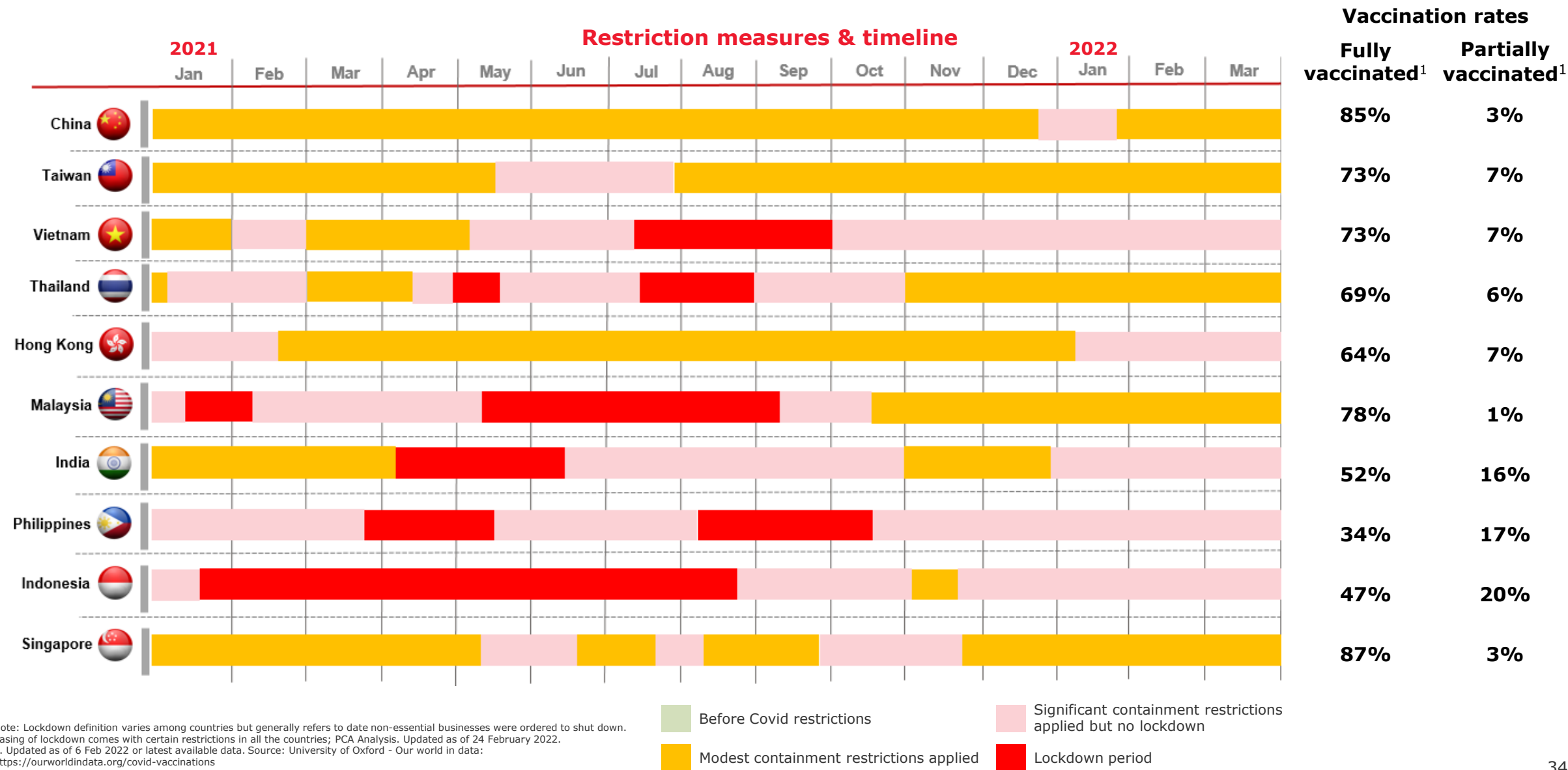
8. As at 31 December 2021.

9. For the 12 month period ending 31 December 2021.

10. Including India and Africa.

11. Source: Singapore and Hong Kong (Morningstar), Malaysia (Lipper), Thailand (Association of Investment Management Companies), 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 (Wind), Indonesia (Otoritas Jasa Keuangan), Vietnam (State Securities Commission of Vietnam). Per latest data available.

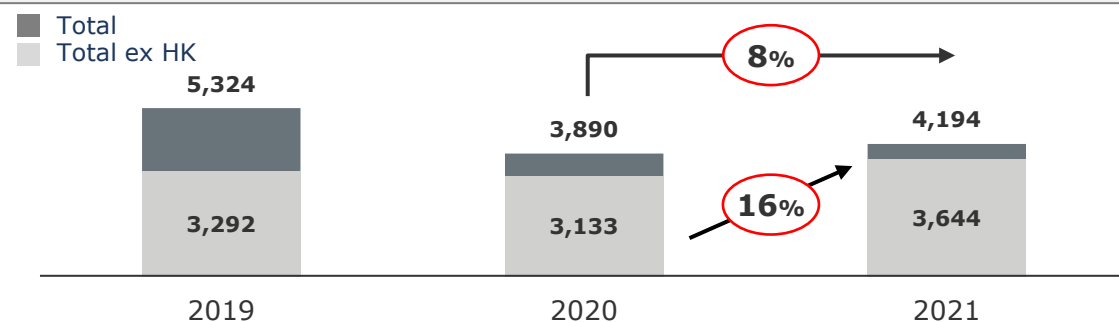
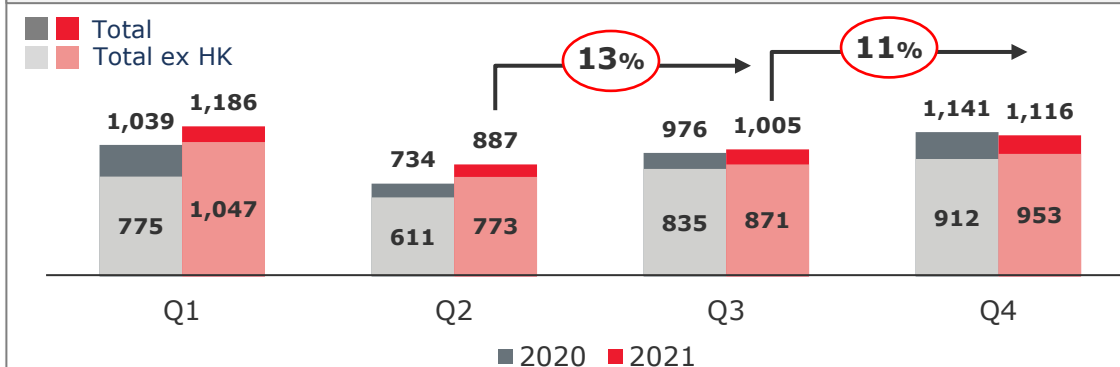
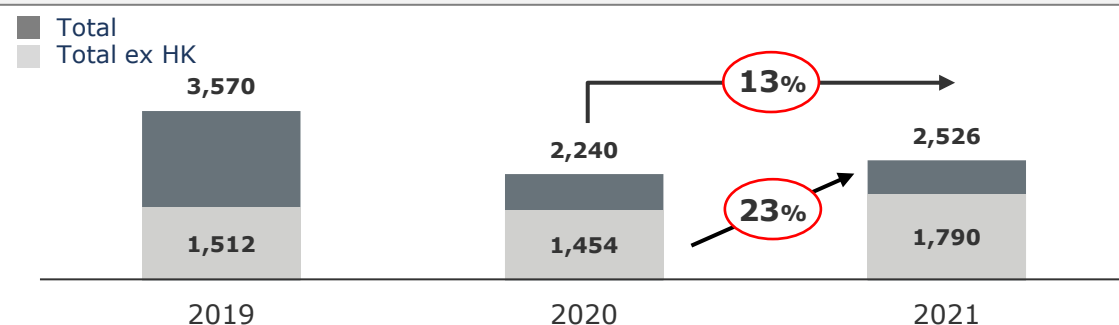
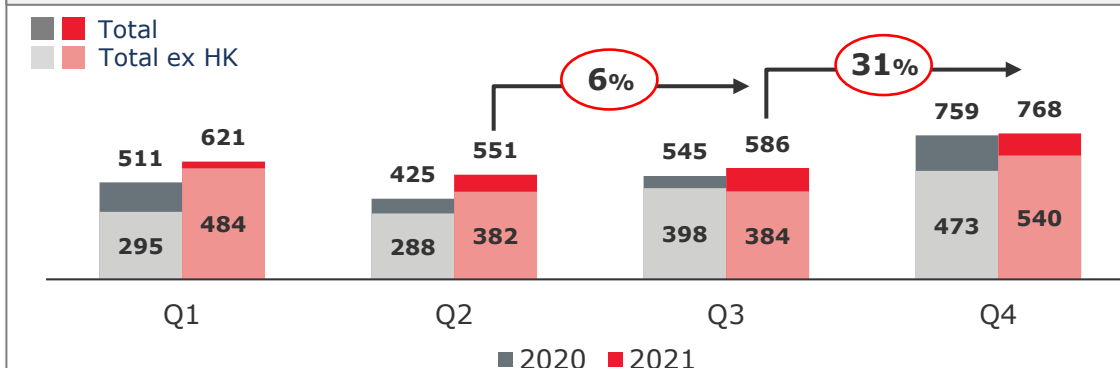
Asian markets at different levels of restrictions



APE & NBP momentum: Sequential growth since Q2, ahead of 2019 ex HK



Full Year APE, \$m

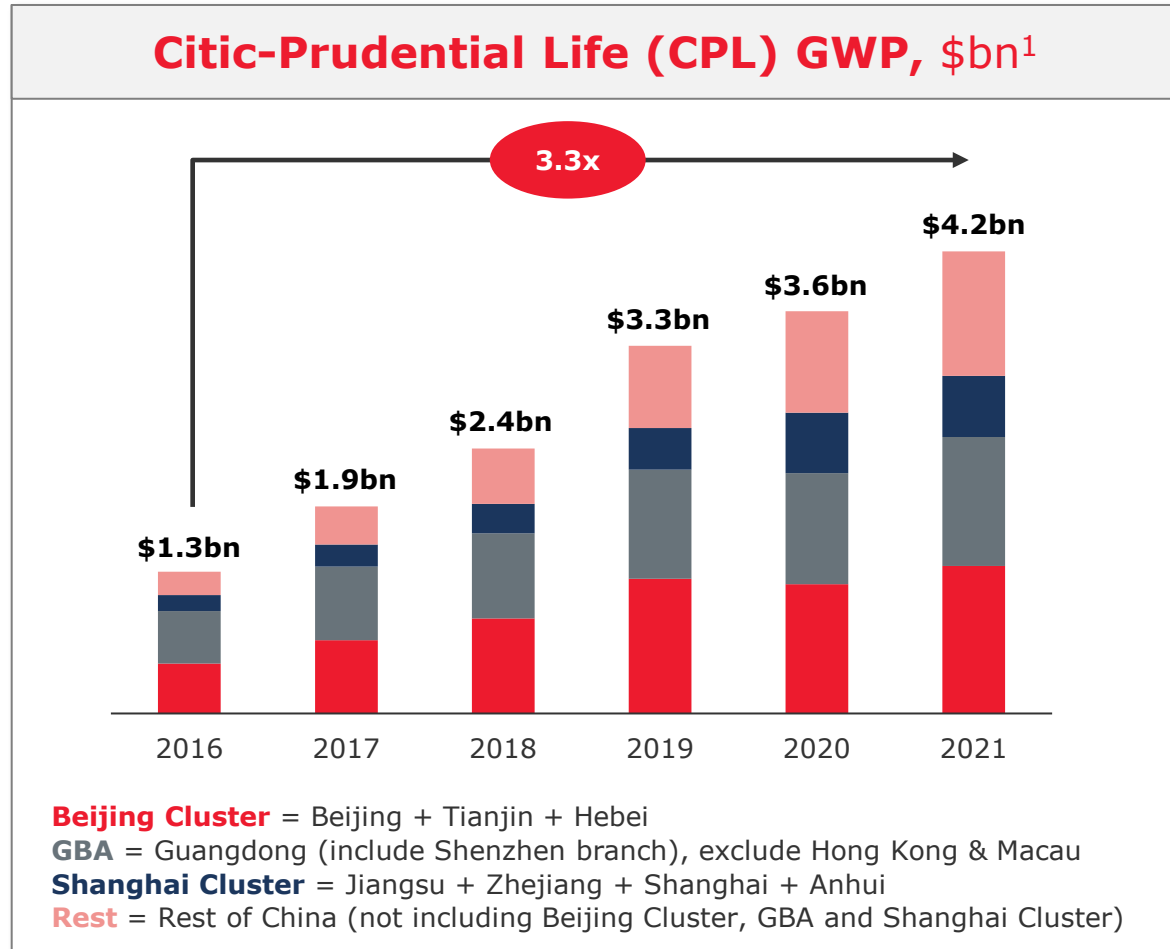
Quarterly APE², \$mFull Year NBP¹, \$mQuarterly NBP^{1,2}, \$m

Note: Growth rates on a constant exchange rate basis unless otherwise stated.

1. New business profits in 2019 and 2020 exclude contributions from Africa.

2. Growth rates are on a quarter-on-quarter basis.

Mainland China: Our “City Cluster” Model



	GWP CAGR	GWP Mix % ²		CPL GWP Market Share %		CPL Agency Channel ³	CPL Banca Channel ³	
		CPL	China Market	FY16	FY21	# of Agents (,000) ⁷	# of Partners ⁶	# of Outlets
Rest	40%	27%	53%	0.12% ⁴	0.44% ⁴	6	10	3,129
Shanghai Cluster	31%	13%	22%	0.20% ⁴	0.51% ⁴	2	25	765
GBA	20%	28%	13%	1.10% ⁴	1.91% ⁴	6	29	1,279
Beijing Cluster	24%	32%	12%	1.02% ⁴	2.25% ⁴	4	22	870
Total	27%	100%	100%	0.38%⁵	0.86%⁵	18	48	6,043

1. 100% CPL GWP under constant FY21 exchange rate basis.

2. Based on FY21 data for CPL and the data from CBIRC for China Market.

3. As at Dec-2021.

4. GWP market share represents market share of the cluster.

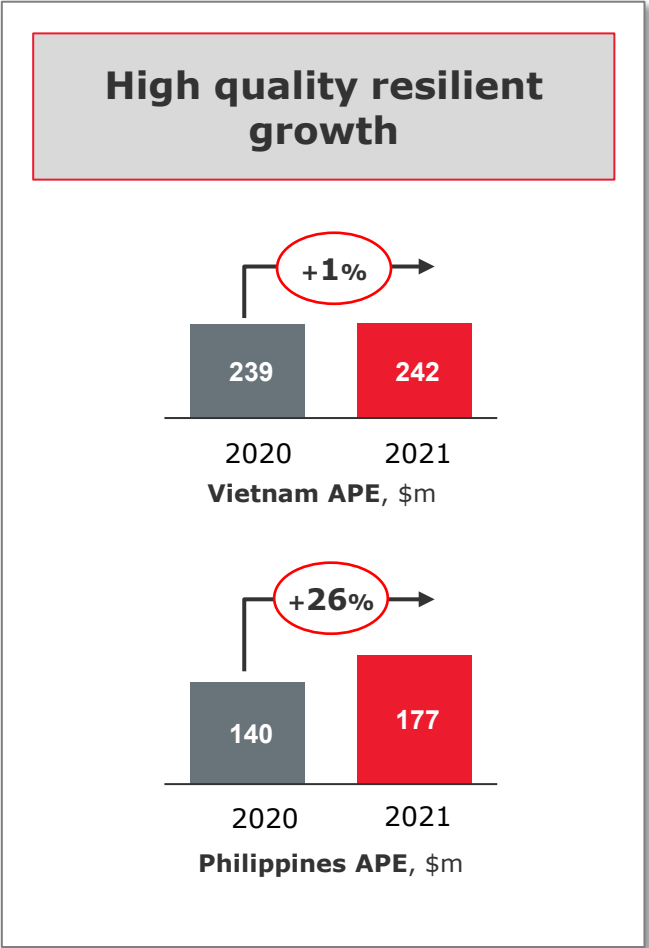
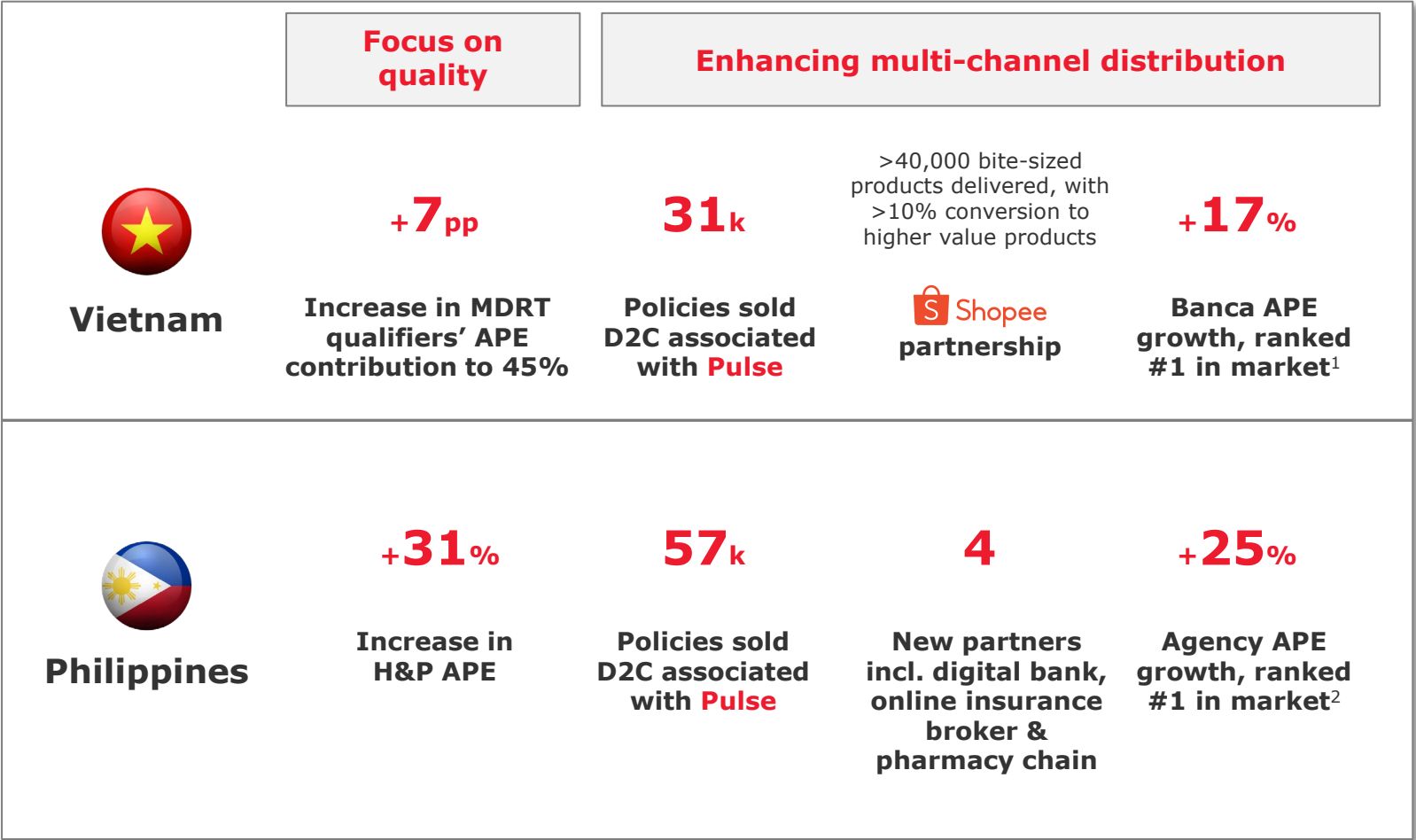
5. GWP market share is on a total industry basis.

6. Number of Banca Partners does not cast as some bank partners are partners in several clusters.

7. Number of agents shown to the nearest thousand

Prudential plc

Vietnam & Philippines



Note: Data as of FY21 and growth rates on a constant exchange rate basis unless otherwise stated.
1. Market ranking for the bancassurance channel in FY21.
2. Market ranking for the agency channel. September 2021 YTD.



Distribution

\$134 million of APE sales

+24%

APE sales growth¹

Agency

+8%

APE sales growth¹



>13,000 agents

All markets achieved MDRT qualification

Bancassurance

+12%

APE sales growth¹

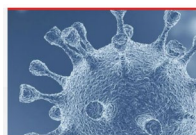
Optimising strategic partnerships



>600k branches

Products

Refreshed COVID-19 cover



Prudential COVID-19 Cover

Prudential provides free a 30 days cover for clients hospitalized due to Covid19.

[Learn More](#)

Standing with people through a cover that offers hope at a time of uncertainty

New products with more protection options



Solutions for all people at every stage of life to help them make the most out of life

Expansion of medical offering in Uganda



Transfer of IAA medical book successfully completed in H1

Community



Africa SafeSteps road safety campaign

Leading the conversation to promote safe road use, building habits to save and protect lives

Cha-ching financial literacy



Fundamentals of financial literacy shared with over 5,000 pupils in selected primary schools across the region



Providing thought leadership on **Mental Health at the workplace**

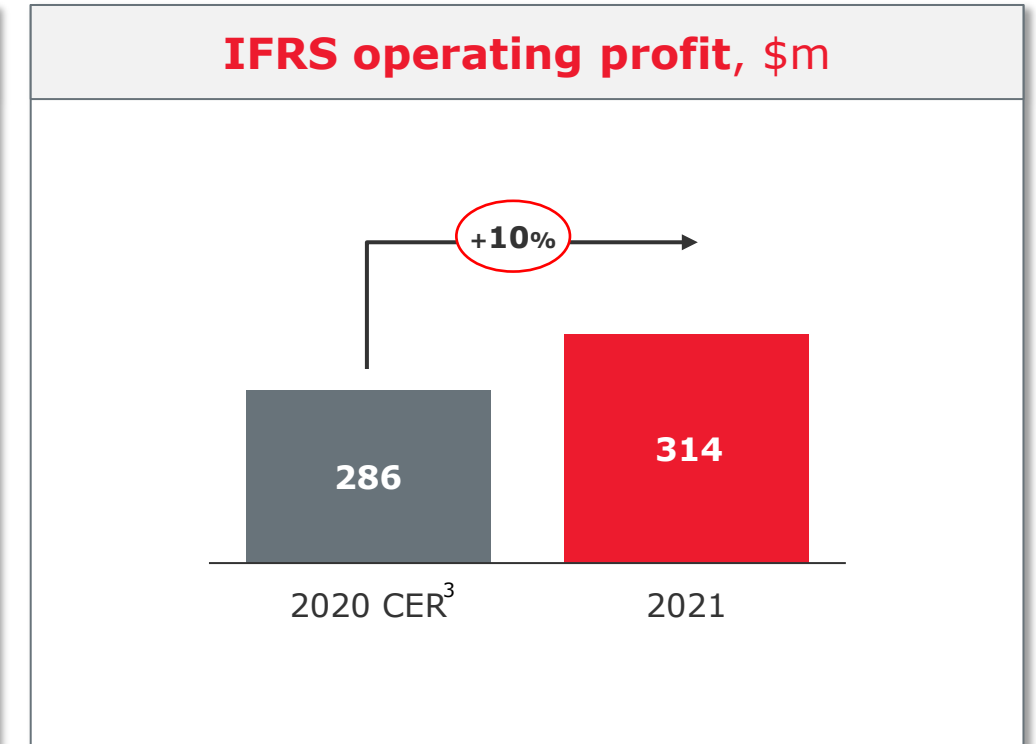
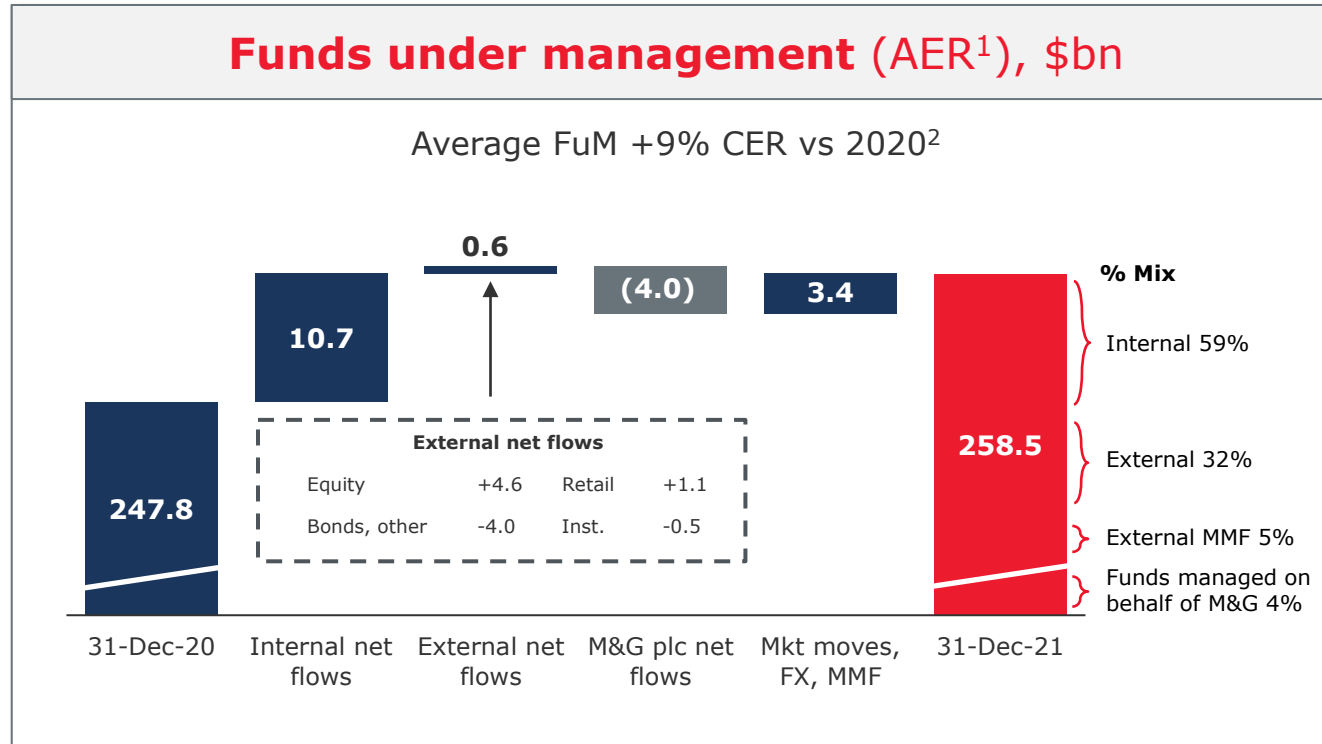
Reach

>2 million Customers

Official Insurance sponsor of the Africa Cup of Nations football tournament



The foremost football tournament in Africa with nearly **1 billion people engaging with the tournament** across all media channels.



- Continued strong internal Asia life net flows. Equity/retail funds drive external net flows
- Investment performance⁴ improving: 61% (2020: 33%) funds outperforming on 1Y view; 42% (2020: 38%) on 3Y view
- Fee revenues +15% CER driven by higher average FuM and increase in revenue margin⁵ to 30bps (2020: 28bps)
- Cost/income ratio 54% (2020: 52%) reflects on-going investment in capability build, and higher staff costs

1. Actual exchange rate (AER) basis.

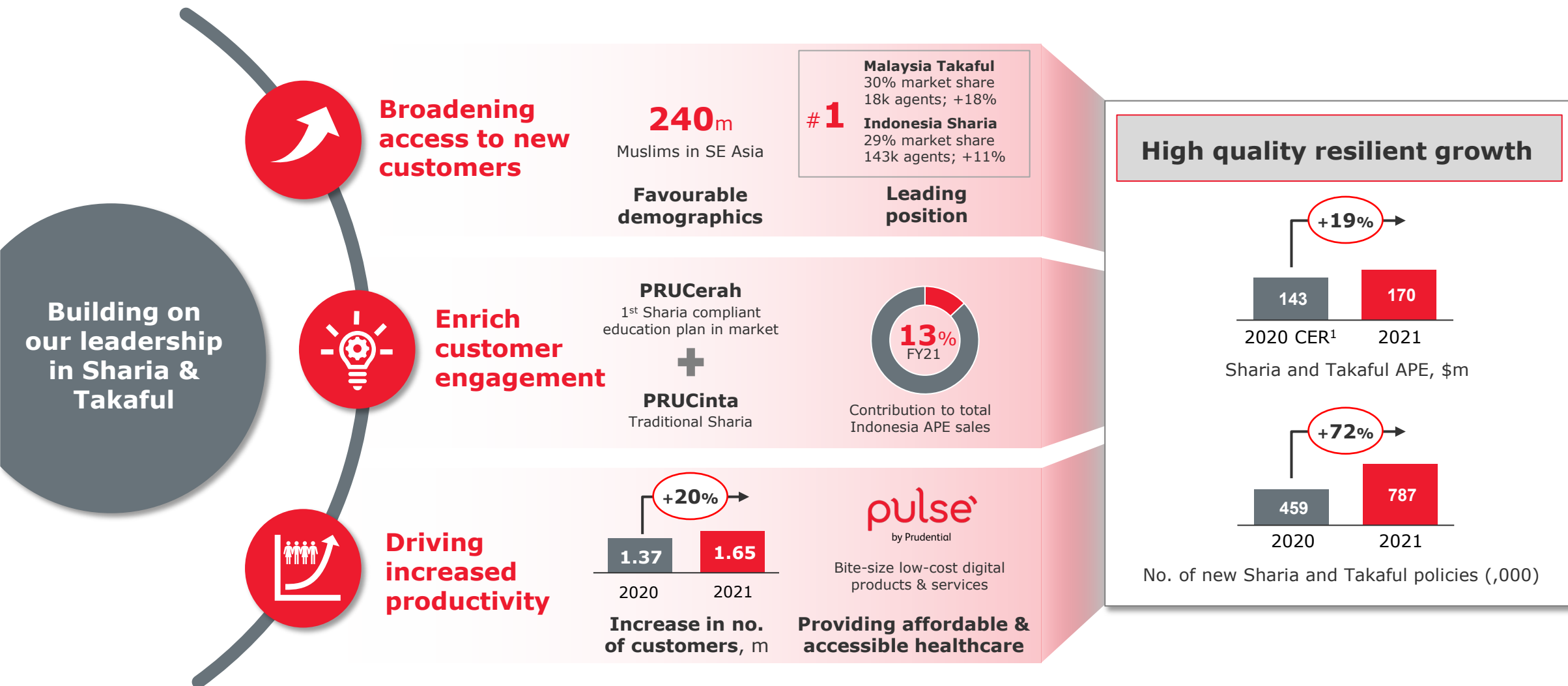
2. Average FUM growth: +9% on constant exchange rate basis, +11% on actual exchange rate basis.

3. Constant exchange rate basis (CER).

4. Based on funds under management.

5. Margin represents operating income before performance-related fees as a proportion of the related funds under management (FUM). Monthly closing internal and external funds managed by Eastspring have been used to derive the average. Any funds held by the Group's insurance operations that are managed by third parties outside the Prudential Group are excluded from these amounts.

Reinforced leadership in Sharia and Takaful



1. Growth rates on a constant exchange rate (CER) basis.



Product & digital innovation

New and revamped products **>200**

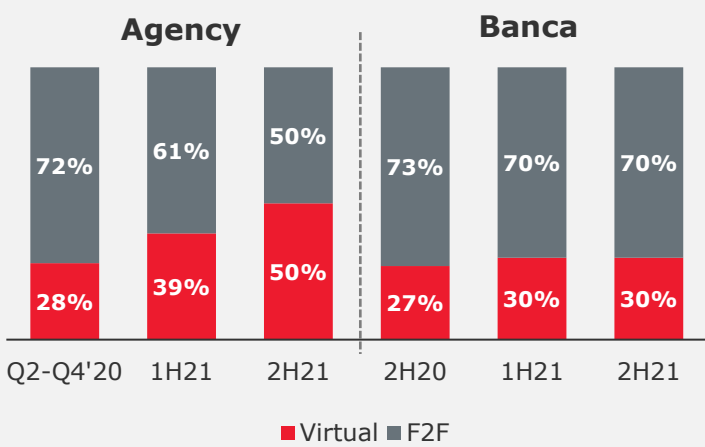
New digital & H&P products **>90**

Pulse & digital relationships **>100k** D2C cases



Virtual onboarding

Virtual onboarding a new embedded capability¹



Attracting new customers

+22% to >2.5m
New to Pru customers



18.6m
Total life customers²

3.9m
Total new policies³ (+16%)

2.2m
New H&P policies³ (+41%)

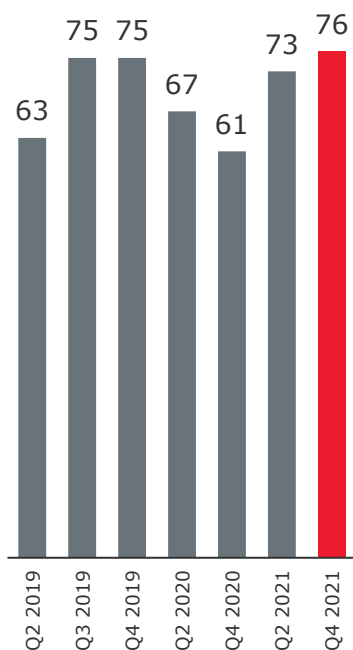
1. Virtual and face-to-face case mix of new cases.
2. Africa total customer numbers exclude micro insurance customers and include members in Group schemes.
3. Excludes Africa.

Hong Kong: Intact demand drivers for mainland Chinese customer

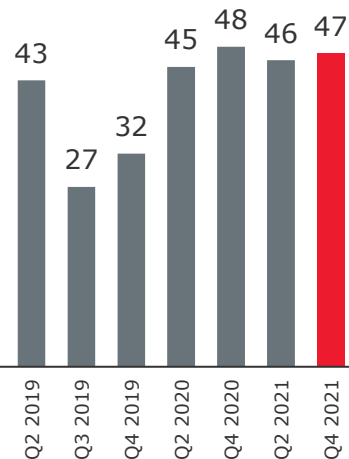


MCH visitors' reasons to visit HK (Next 12 months)

Managing personal wealth¹, %

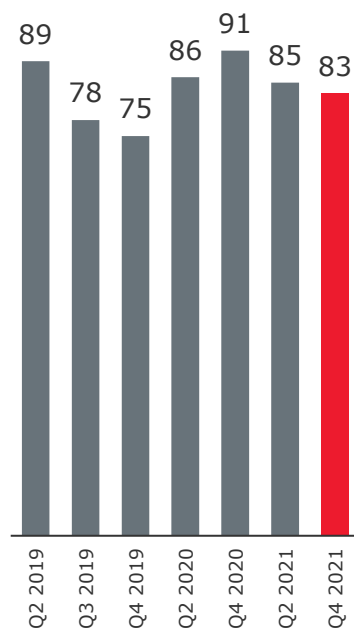


Healthcare services, %

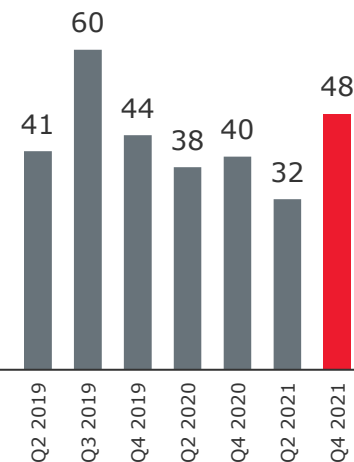


Financial products likely to acquire in HK (Next 12 months)

Any insurance products², %



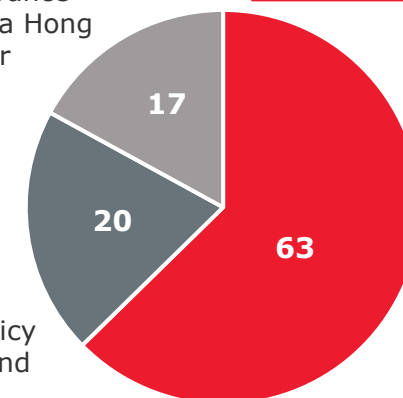
Mutual funds / unit trust, %



Majority of MCH visitors prefer to wait until border opens to purchase insurance in HK

Will go to Macau to buy an insurance policy from a Hong Kong insurer

Will buy an insurance policy within Mainland China



Plan to purchase insurance if the border between HK & Mainland China has not opened, %

Note: Based on our 4Q 2021 MCH Sentiment Tracker conducted through online survey using Nielsen online panel on behalf of Prudential Hong Kong. Survey results are based on sample size of 474.

1. Managing personal wealth includes meeting with financial consultant/ insurance agent, purchasing savings, investment or insurance products.

2. Any insurance products refers to insurance with coverage in the event of death, CI, Medical & hospitalization insurance and savings insurance.

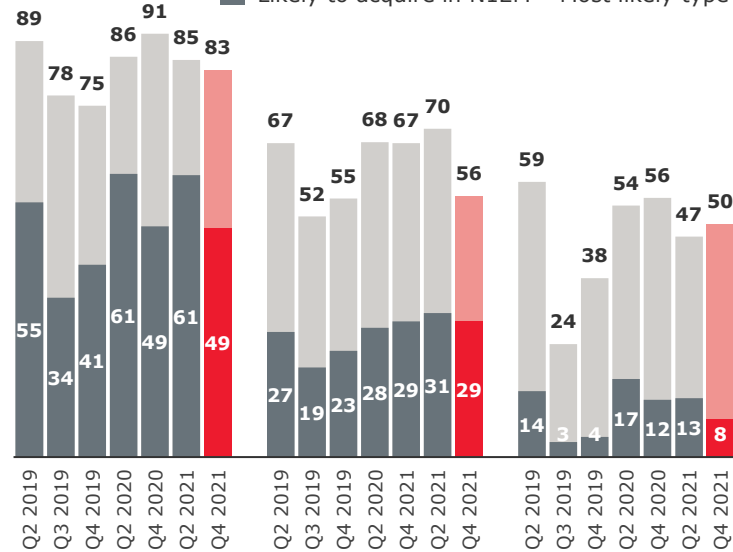
Hong Kong: Intact demand drivers for mainland Chinese customers



MCH visitors' intention for financial products

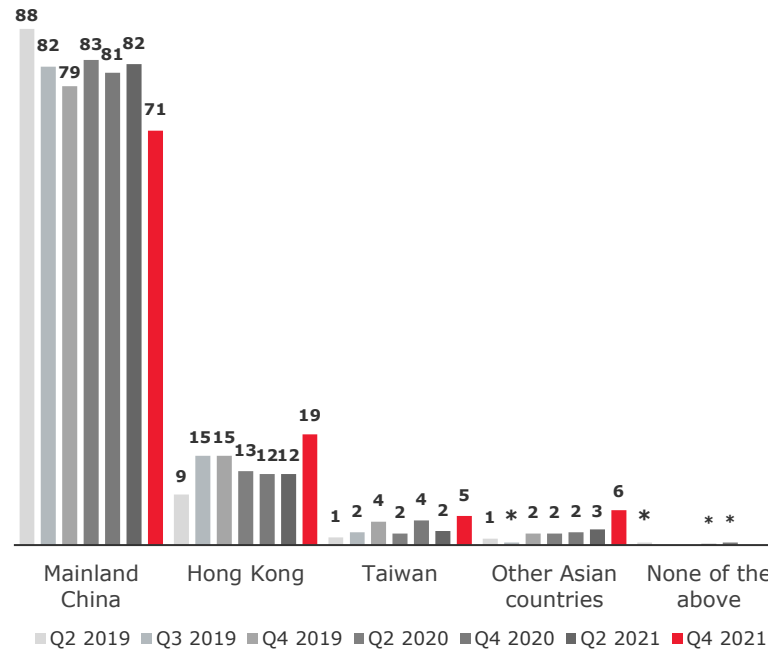
Any insurance products¹, % CI insurance, % Medical & hospitalization insurance, %

■ Likely to acquire in N12M – Any type
■ Likely to acquire in N12M – Most likely type



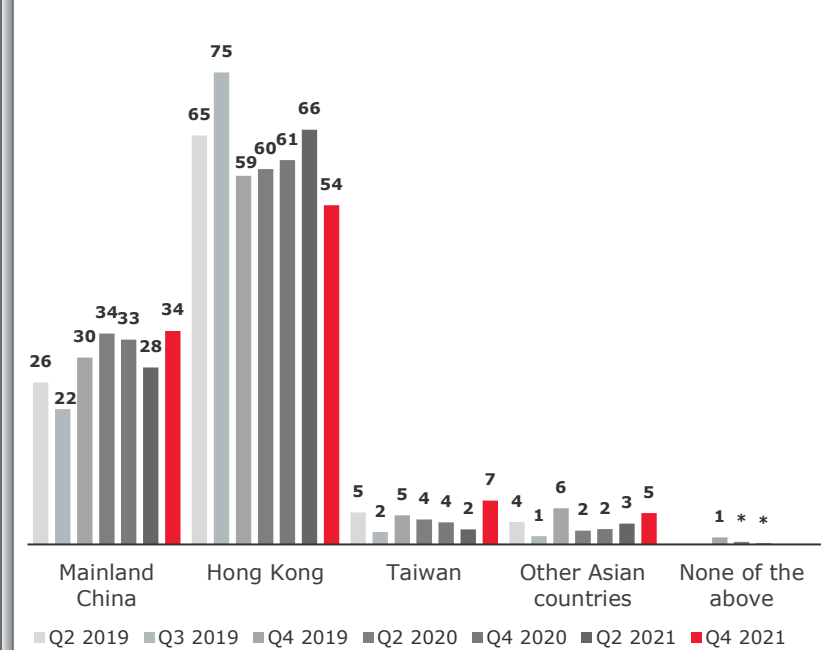
MCH visitors' preference for medical treatment

Minor illness, %



MCH visitors' preference for medical treatment

Critical illness, %



CFO appendix



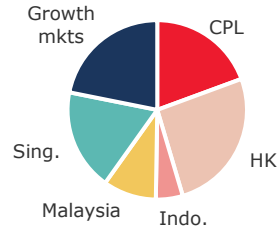
Prudential plc

Diversification and growth

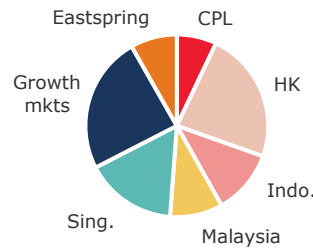


Financial performance by segment

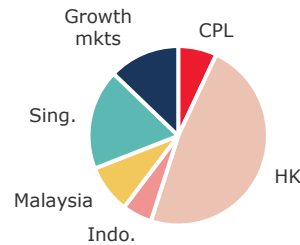
New Business Profit, FY21



Adjusted IFRS Operating Profit, FY21



EEV SHF LT Business, 31 December 2021¹



\$m	New Business Profit		Adjusted IFRS Operating Profit		EEV SHF Long-term business ¹
	FY21	%YoY ²	FY21	%YoY ²	31- Dec-21
CPL³	352	22	343	28	3,114
Hong Kong	736	(6)	975	10	21,460
Indonesia	125	(21)	446	(16)	2,237
Malaysia	232	9	350	12	3,841
Singapore	523	49	663	13	7,732
Growth markets & other⁴	558	25	932	11	6,262
Eastspring	n/a	n/a	314	10	n/a
Total	2,526	13	4,023	8	44,646

1. Excluding goodwill.

2. On a constant exchange rate basis (CER).



3. CITIC Prudential Life (CPL). New business in CPL is included at Prudential's 50 per cent interest in the joint venture.

4. For growth markets and other, adjusted operating profit includes other items of \$217 million (2020: \$119 million) which primarily comprise of taxes for life joint ventures and associates and other non-recurring items.

Prudential plc

China & India life JVs



Partner	Prudential's stake	Prudential's board representation	Market capitalization \$bn (100%)	Embedded Value \$bn (100%)	NBP FY21 \$m (100%)
 <p>中信保诚 人 寿 保 险 聆 听 所 至 信 诚 所 在 CITIC Prudential Life (CPL)</p>	50%	Nic Nicandrou (Chair) Lilian Ng Charles Chan Jin Wen Hung	n/a	6.2 ^{1,2}	704 ¹
 <p>ICICI PRUDENTIAL LIFE INSURANCE</p>	22%	Wilfred Blackburn	8.5 ³	4.1 ⁴	218 ⁵

1. Presented on a Prudential EEV basis.

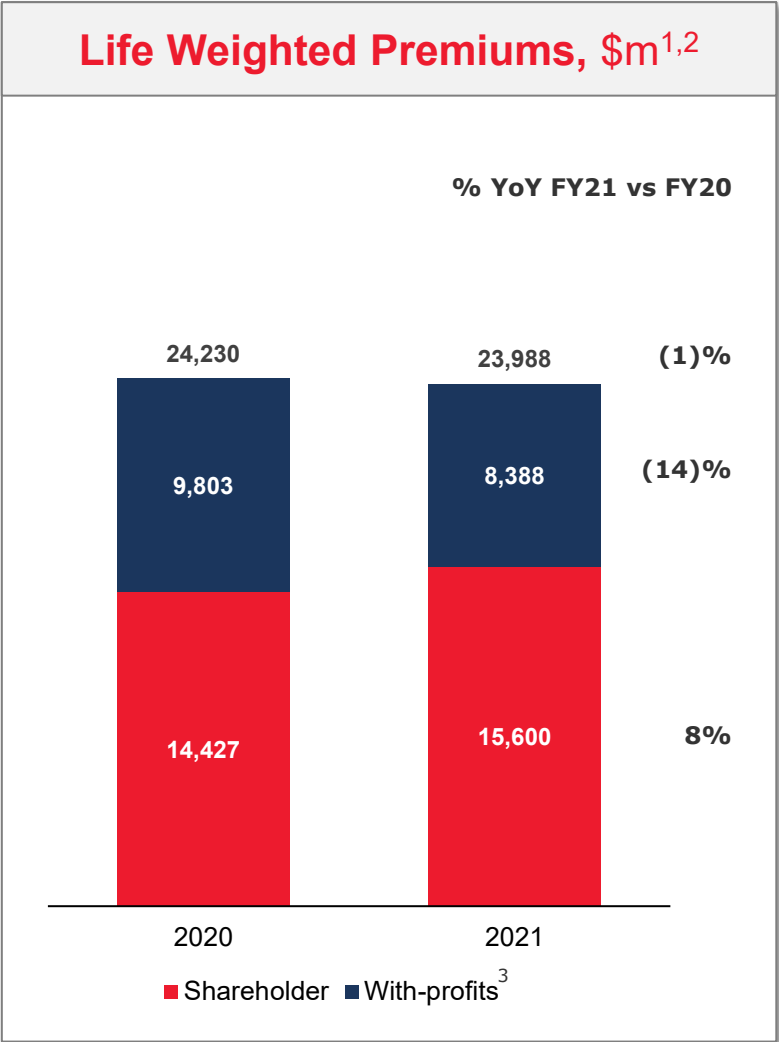
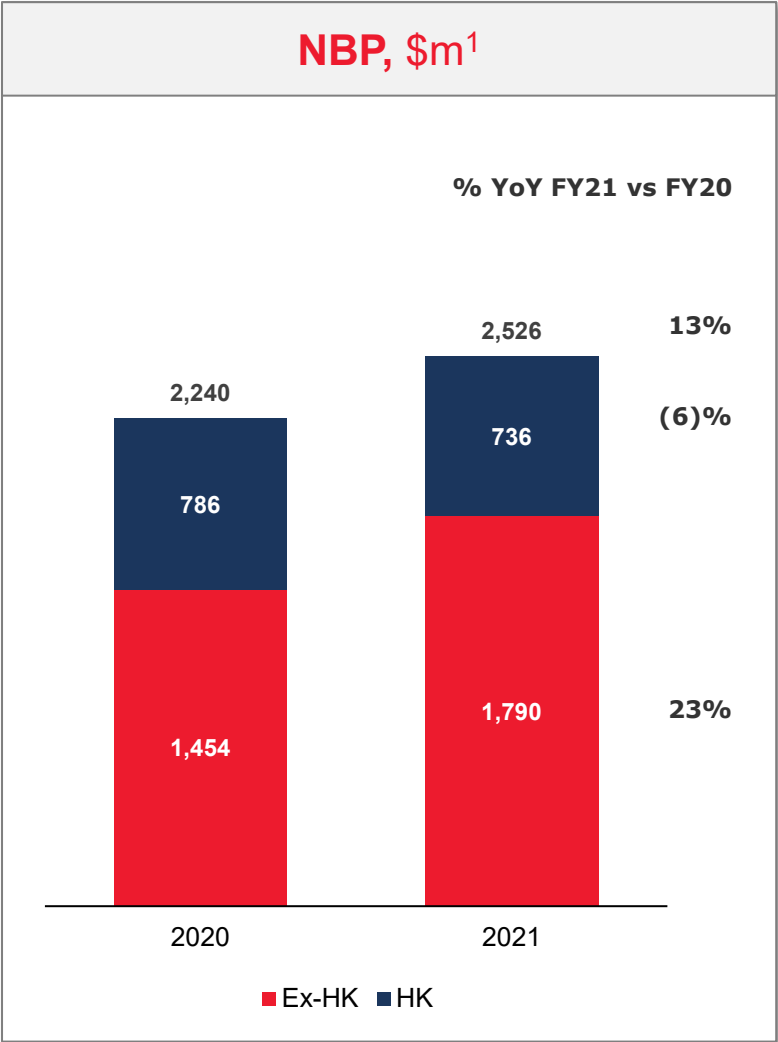
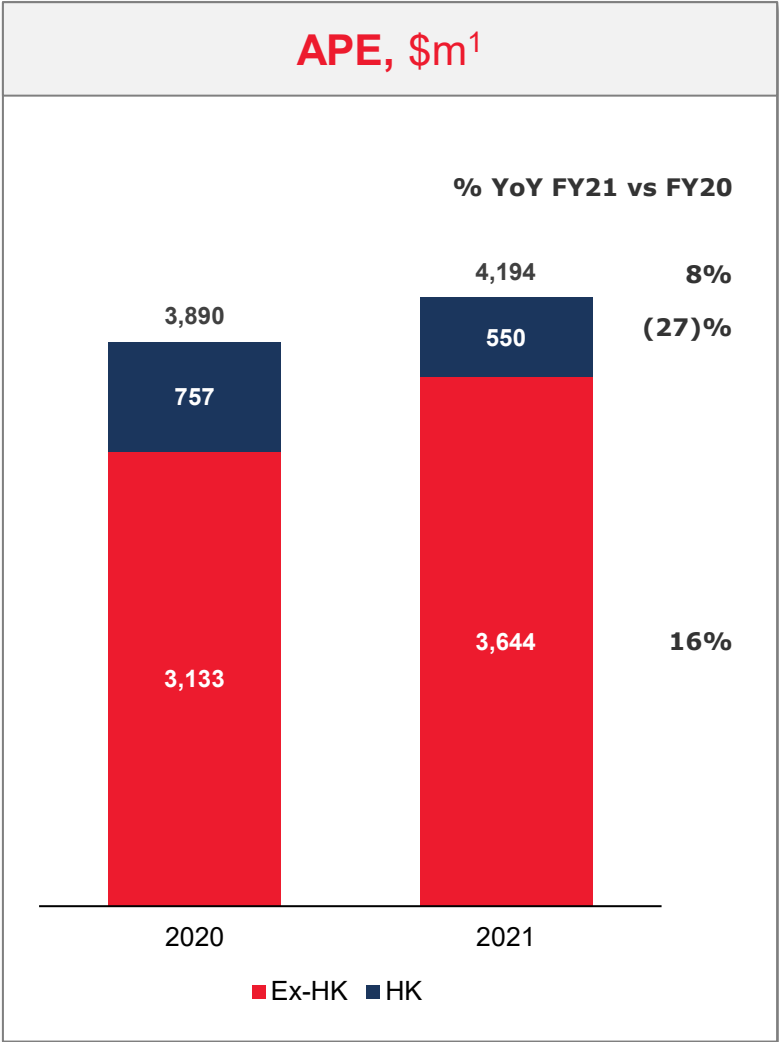
2. At 31 December 2021.

3. At 4 March 2022.

4. As reported by ICICI Prudential as of 30 September 2021 on an Indian Embedded Value (IEV) method. Translated at 30 September 2021 IRP/US\$ spot rate of 74.2275.

5. As reported by ICICI Prudential for FY21 ending 31 March 2021 on an Indian Embedded Value (IEV) method. Translated at FY21 (ending 31 March 2021) IRP/US\$ average rate of 74.2186.

APE, NBP and Life Weighted Premiums



1. Numbers and growth rates are on a constant exchange rate basis.
2. Life weighted premiums represent the sum of renewal premiums (excluding Africa) and APE.
3. Represents UK-style with-profits business in Hong Kong, Malaysia and Singapore.

Focus on high quality product mix reduces market risk exposure



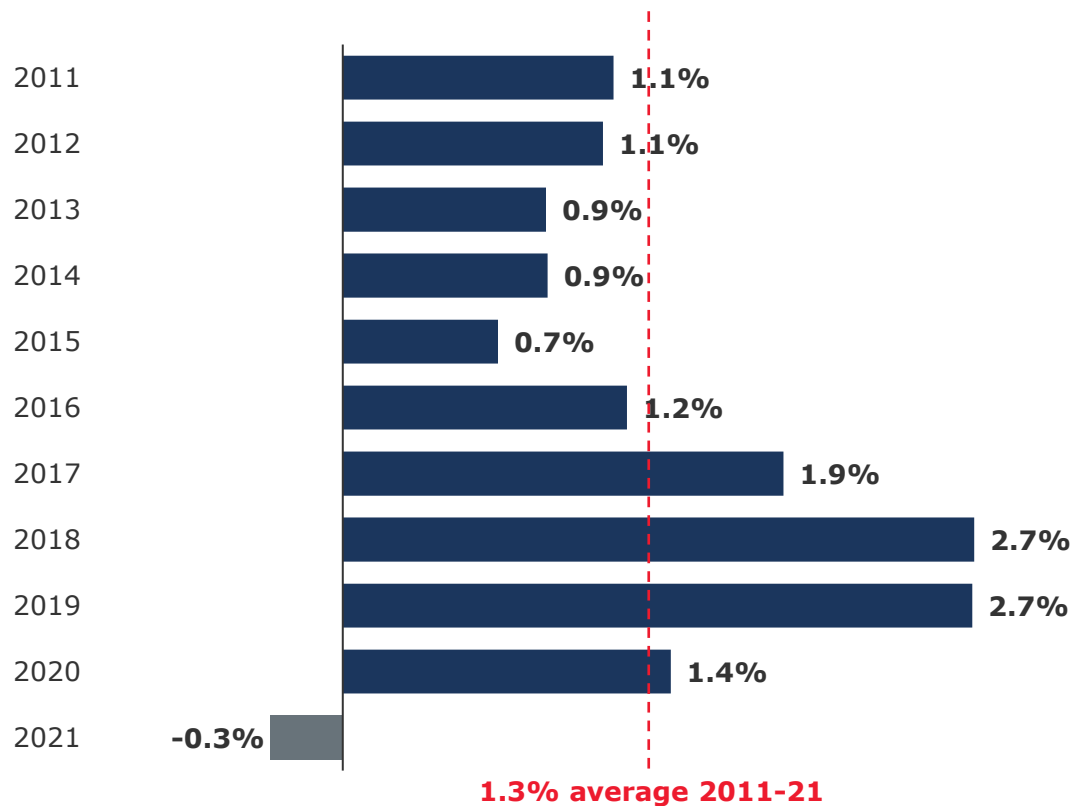
Prudential adopts EEV principles which:

- Increase the transparency and consistency of reporting
- Allow for the evaluation of risks at a product group level and by territory

High quality VIF		Prudential’s EV framework makes appropriate allowance for risk			
<p>Value of in-force 31 December 2021 (%)</p> <div><div><div>H&P, 61%</div><div>Par, 19%</div><div>Unit-linked, 17%</div><div>Non-par, 3%</div></div></div>		Prudential’s EV framework (using EEV principles)			TEV comparison
Risk discount rate	<ul style="list-style-type: none">• Risk discount rates vary by product groups and territories. This reflects the specific market risks of each product group	<ul style="list-style-type: none">• H&P profit drivers have low market risk sensitivity• With-profits (UK style) structure reduces the market volatility of customer and shareholder cash flows• Unit-Linked. Shareholders are indirectly exposed to market volatility via management fee charges		<ul style="list-style-type: none">• Generally risk discount rate does not vary by product groups within each territory	
Risk free rate (underpinning investment return and RDR assumptions)	<ul style="list-style-type: none">• Based on current market yields	<ul style="list-style-type: none">• Transparent and consistent framework based on observable market data with no trending or mean reversion to longer-term assumptions		<ul style="list-style-type: none">• Generally passive approach with long-term view of investment returns	
Time Value of Options & Guarantees (TVOG)	<ul style="list-style-type: none">• Explicit allowance and quantification of TVOG, based on stochastic techniques	<ul style="list-style-type: none">• TVOG only 2% of gross value of in-force business (VIF) reflecting the high H&P mix which generally contains limited financial options or guarantees		<ul style="list-style-type: none">• Implicit through uplift to risk discount rate	
Credit risk allowance	<ul style="list-style-type: none">• Explicit allowance to projected investment returns	<ul style="list-style-type: none">• Relatively low impact reflecting the high H&P mix and low exposure to non-par spread products		<ul style="list-style-type: none">• Implicit through uplift to risk discount rate	

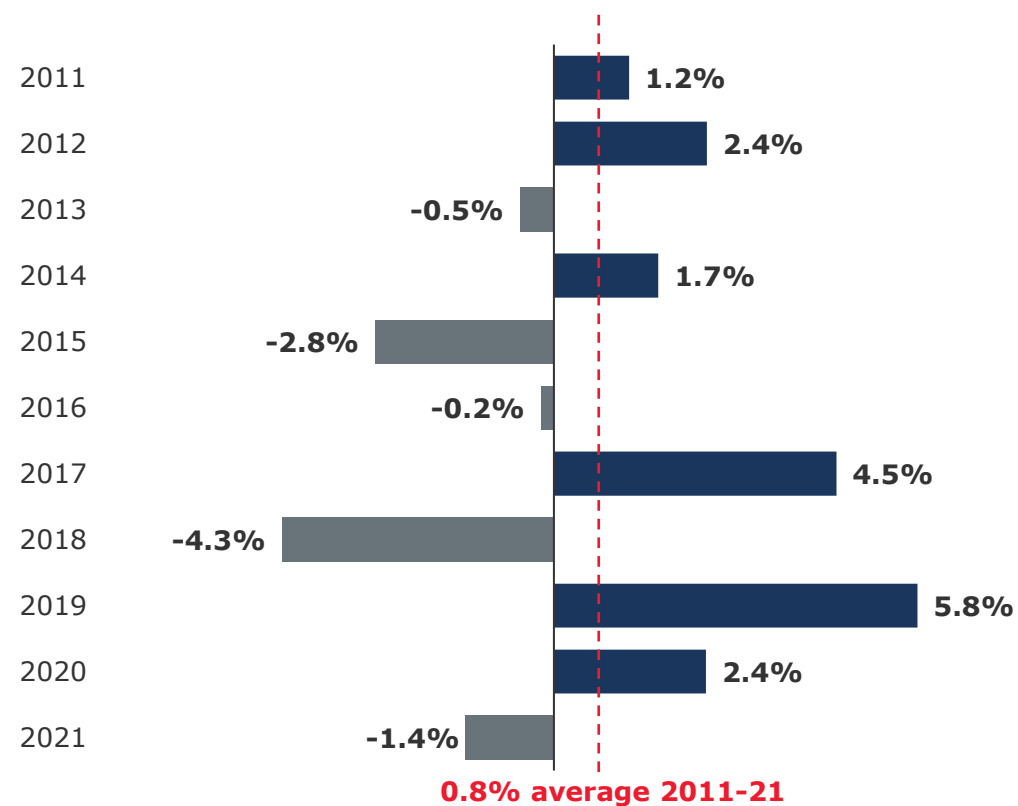


Operating experience & assumption changes¹ as % of opening EV



c\$3.3bn EV contribution from positive mortality, morbidity and persistency experience since the start of 2011

Economic experience² as % of opening EV



c\$2.0bn EV contribution from net positive investment variances and economic assumption changes since the start of 2011

1. Calculated on opening EV for long-term business for continuing operations (excluding goodwill).

2. Includes short-term fluctuations in investment returns and the effect of changes in economic assumptions. Calculated on opening EV for long-term business for continuing operations (excluding goodwill).

Embedded value sensitivities in rising rate scenarios



	Embedded value long-term business
As reported 31 December 2021	44,646
Excluding TVOG ¹	45,430
Interest rates: 2% increase	
Effect of interest rates and consequential effects ex Risk Discount Rates (RDR)	4,935
Effect of RDR	(9,717)
Combined effect of interest rates and consequential effects including RDR	(4,782)
Interest rates: 1% increase	
Effect of interest rates and consequential effects ex RDR	3,215
Effect of RDR	(5,443)
Combined effect of interest rates and consequential effects including RDR	(2,228)

- The sensitivity impacts are expected to be non-linear
- To aid understanding of this non linearity, impacts of both a 1 per cent and 2 per cent increase to interest rates and risk discount rates are shown
- If the changes in assumptions shown in the sensitivities were to occur, the effects shown above would be recorded within two components of the EEV non-operating profit analysis for the following period, namely the effect of changes in economic assumptions and short-term fluctuations in investment returns

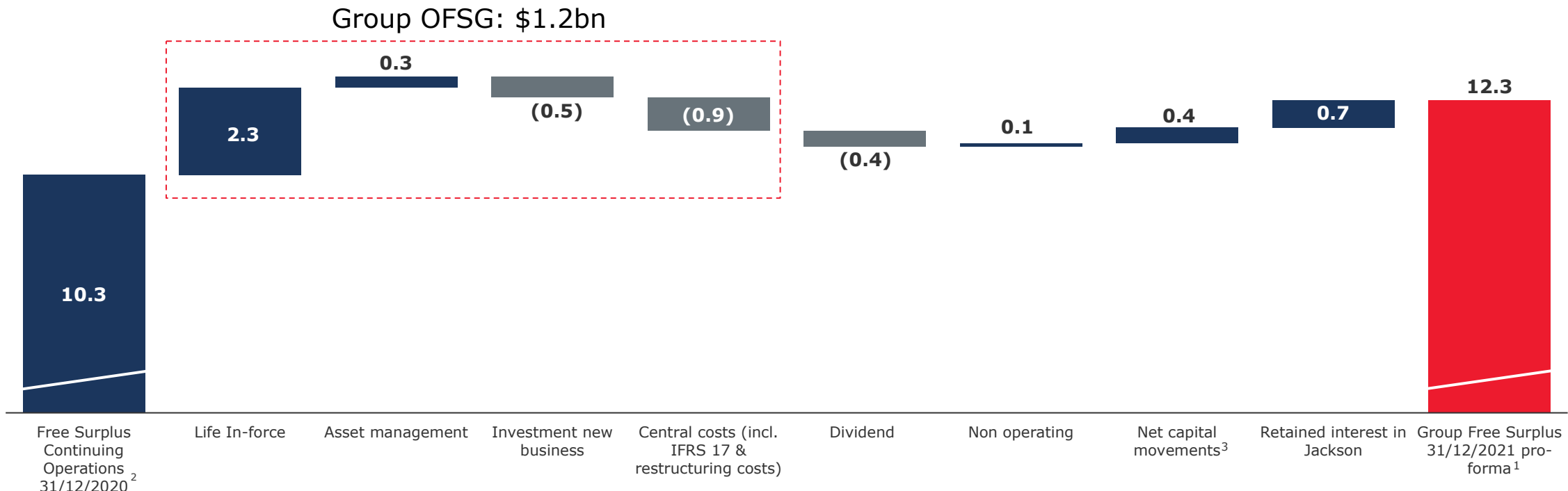
1. Time value of options and guarantees (TVOG). At 31 December 2021 TVOG were \$(784)m.

Capital

Group free surplus development



Group free surplus development, FY21 \$bn Pro-forma¹

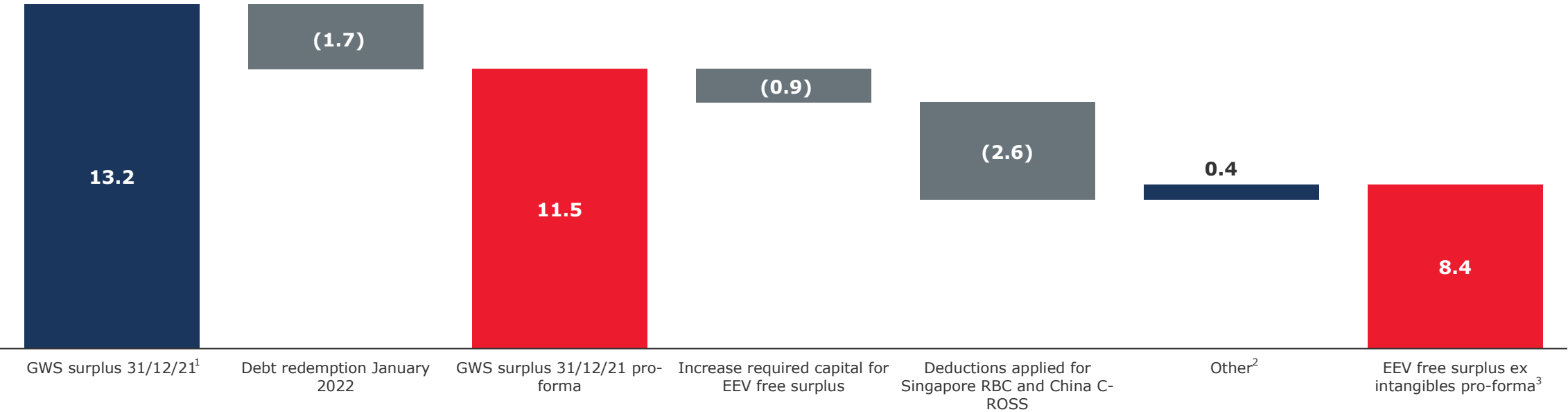


1. Allowing for the redemption of \$1.7bn of debt on 20 January 2022. Totals do not cast due to rounding.
2. Including the benefit of senior debt grandfathering.
3. Including the effect of the \$2.4bn equity raise, net of corresponding \$1.25bn subordinated debt redemption in December 2021, additional \$1bn new debt raise in November 2021, and the redemption of \$1.7bn of debt on 20 January 2022.

Reconciliation of GWS and EEV free surplus ex intangibles



Estimated Group shareholder GWS surplus to EEV free surplus, 31 December 2021, \$bn Pro-forma¹



1. Prudential applies the Insurance (Group Capital) Rules set out in the GWS Framework to determine group regulatory capital requirements (both minimum and prescribed levels). Estimated GWS capital position based on Group Minimum Capital Requirement (GMCR). Before allowing for the impact of the 2021 second interim ordinary dividend.

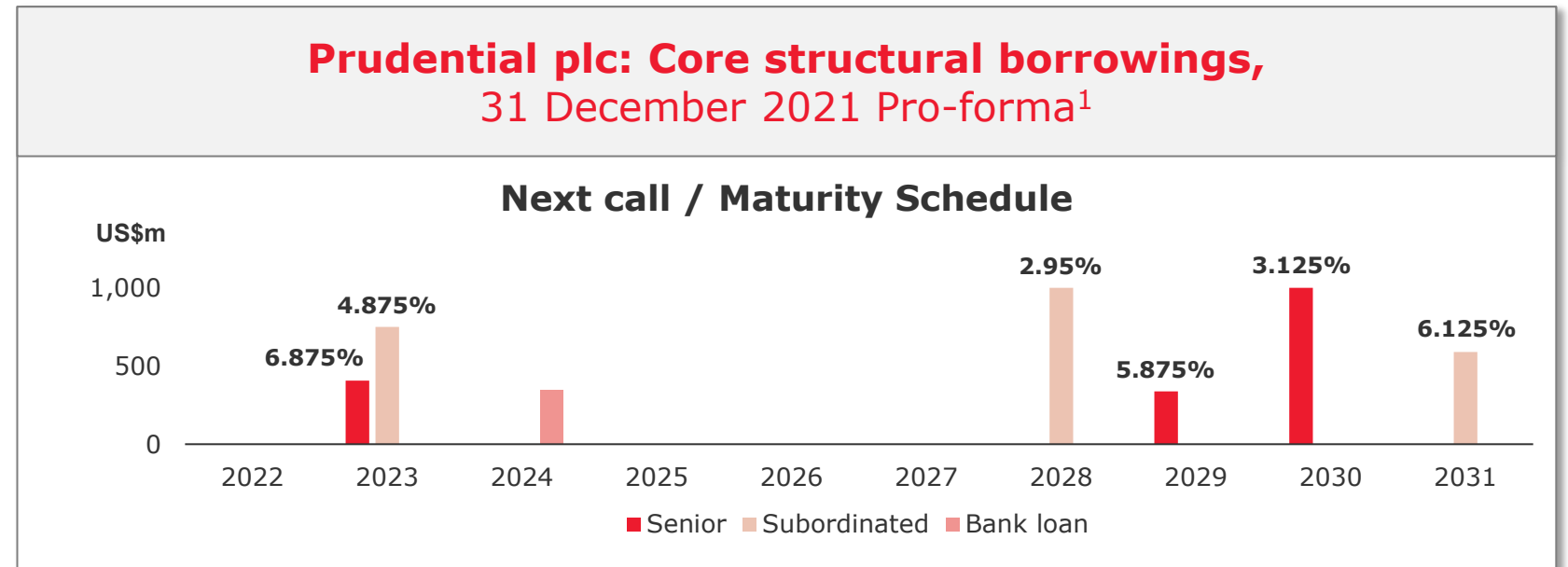
2. The shareholder GWS capital surplus (over GMCR) restricts the valuation of certain sundry non-intangible assets. In most cases these assets are considered fully recognisable in free surplus, in addition the EEV Principles require surplus assets to be included at fair value.

3. Group free surplus including intangibles and pro-forma for debt redemption in January 2022 is \$12.3 billion.

Core structural borrowings



- Balanced call date / maturity profile facilitates group debt management
- All senior and subordinated bonds included as GWS capital



Maturity	Next call	Currency	Coupon	Issue size (m)	IFRS value (\$m)	Type
Perpetual	20/1/2023	USD	4.875%	750	748	Subordinated
20/01/2023	n/a	GBP	6.875%	300	404	Senior
10/07/2023	n/a	EUR	Eur CMS	20	23	Subordinated
03/11/2033	03/11/2028	USD	2.95%	1,000	995	Subordinated
11/05/2029	n/a	GBP	5.875%	250	313	Senior
14/04/2030	n/a	USD	3.125%	1,000	985	Senior
19/12/2031	n/a	GBP	6.125%	435	584	Subordinated
Total Senior Bonds					1,702	
Total Subordinated Bonds					2,350	
Total Bank loan					2024	350
Total						4,402

1. Allowing for the completion of the debt redemption programme on 20 January 2022.

Asia and Africa invested assets

Asset portfolio



Breakdown of invested assets¹, FY21 \$bn

	Par funds	Unit linked	Shareholder-backed ²	Total
Debt	63.3	5.9	29.7	98.9
Direct equities	10.3	12.8	2.4	25.5
Collective investment schemes ³	24.0	7.7	3.8	35.5
Mortgage	0.0	0.0	0.1	0.1
Other loans	2.0	0.0	0.4	2.4
Other ⁴	1.6	0.1	2.4	4.1
Total	101.2	26.5	38.8	166.5

Shareholder debt portfolio, FY21 \$bn

Holding by issuer					
	Portfolio \$bn	No. Issuers ⁵	Av. \$m	Max \$m	<BBB- ⁶
Sovereign debt	14.0	98	142.5	3,576.6	11.8%
Other debt	15.7	1,394	11.3	309.9	7.4%
	29.7				19.2%
Investment grade	13.5	1,049	12.8	309.9	n/a
High Yield	2.2	417	5.2	192.7	7.4%
	15.7				7.4%

Note: invested assets valued on an IFRS basis, therefore exclude the assets of joint venture operations.

1. Totals may not cast as a result of rounding.

2. Includes shareholder exposure in the Group's asset management businesses.

3. Underlying assets of collective investment schemes comprise a mix of bond, equity, liquidity, property and other funds.

4. Other financial investments comprise derivative assets, other investments and deposits.

5. Presented on issuer group basis.

6. Based on middle rating from Standard and Poor's, Moody's and Fitch. If unavailable, local external rating agencies ratings and then internal ratings have been used. As a percentage of the shareholder-backed debt of \$29.7bn.

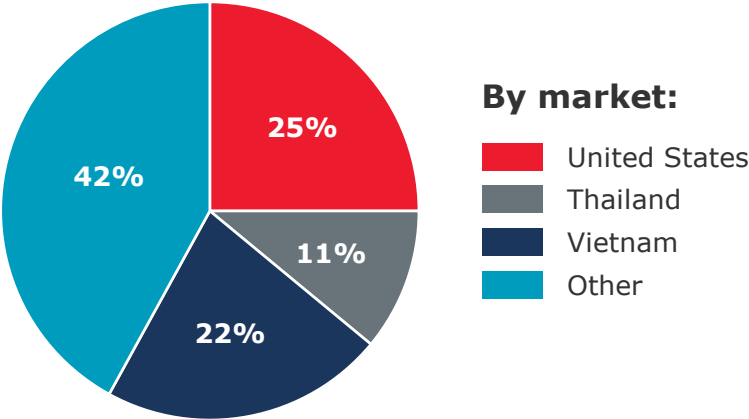
Asia and Africa invested assets

Shareholder-backed debt exposures



By geography¹, at 31 Dec 2021 \$bn

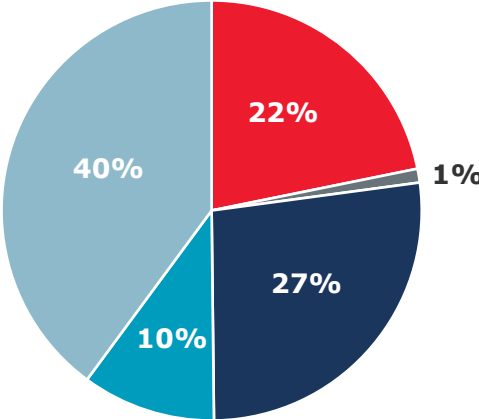
Sovereign debt



Total \$14.0bn

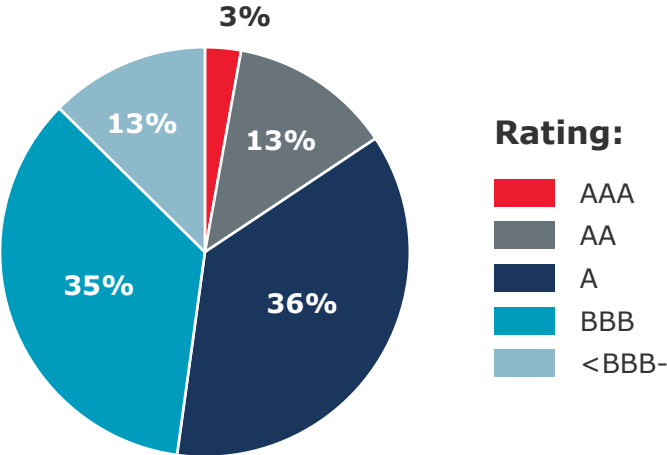
By credit rating^{1,2}, at 31 Dec 2021 \$bn

Other government bonds



Total \$1.1bn

Corporate bonds



Total \$14.5bn

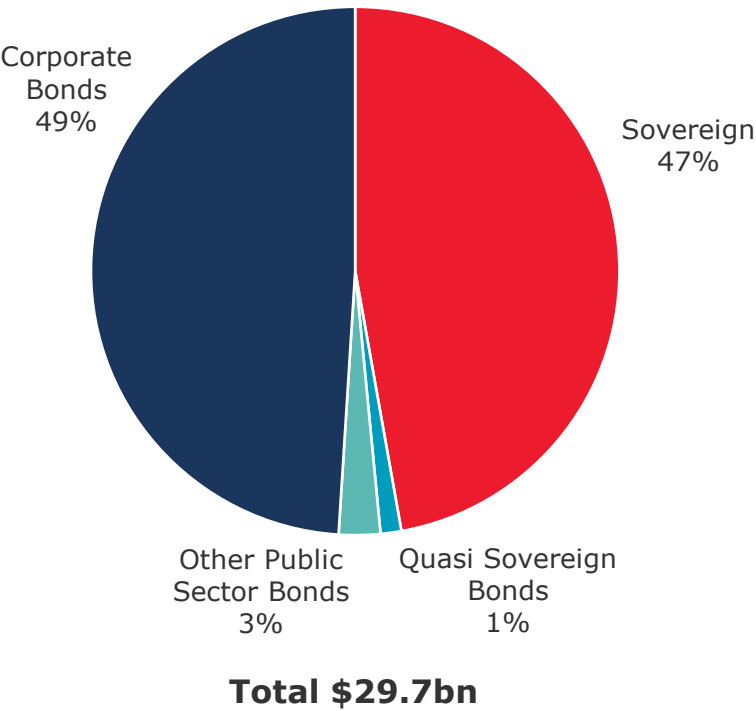
Note: invested assets valued on an IFRS basis, therefore exclude the assets of joint venture operations.
1. Totals may not cast as a result of rounding.
2. Based on middle rating from Standard and Poor's, Moody's and Fitch. If unavailable, local external rating agencies ratings and then internal ratings have been used.

Asia and Africa invested assets

Shareholder-backed debt exposures

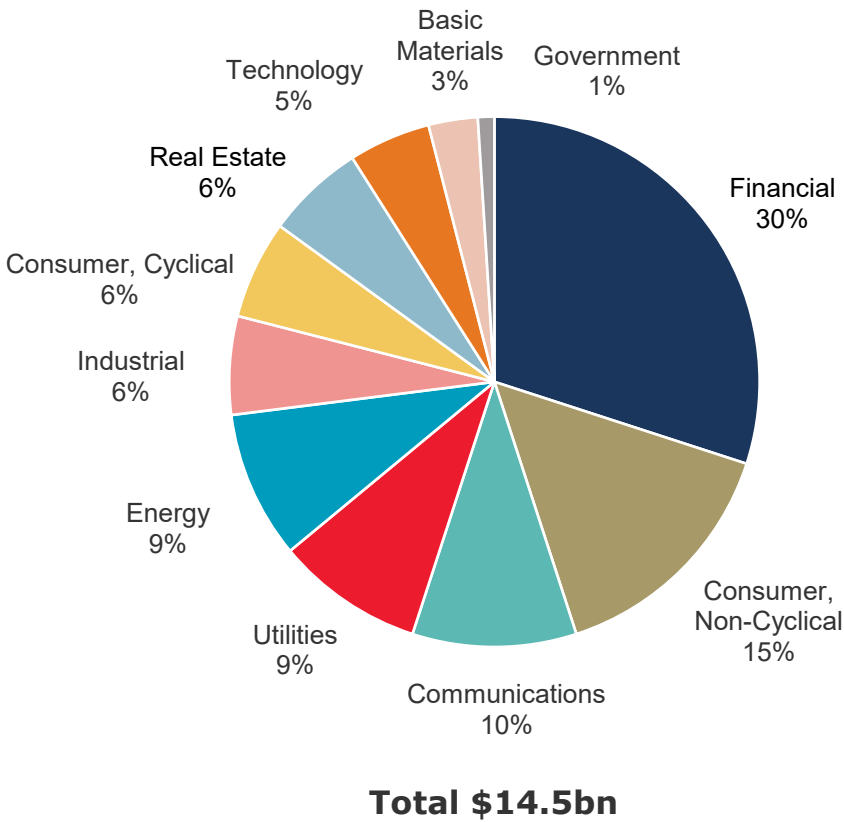


By asset type¹, 31 Dec 2021



By sector^{1,2}, 31 Dec 2021

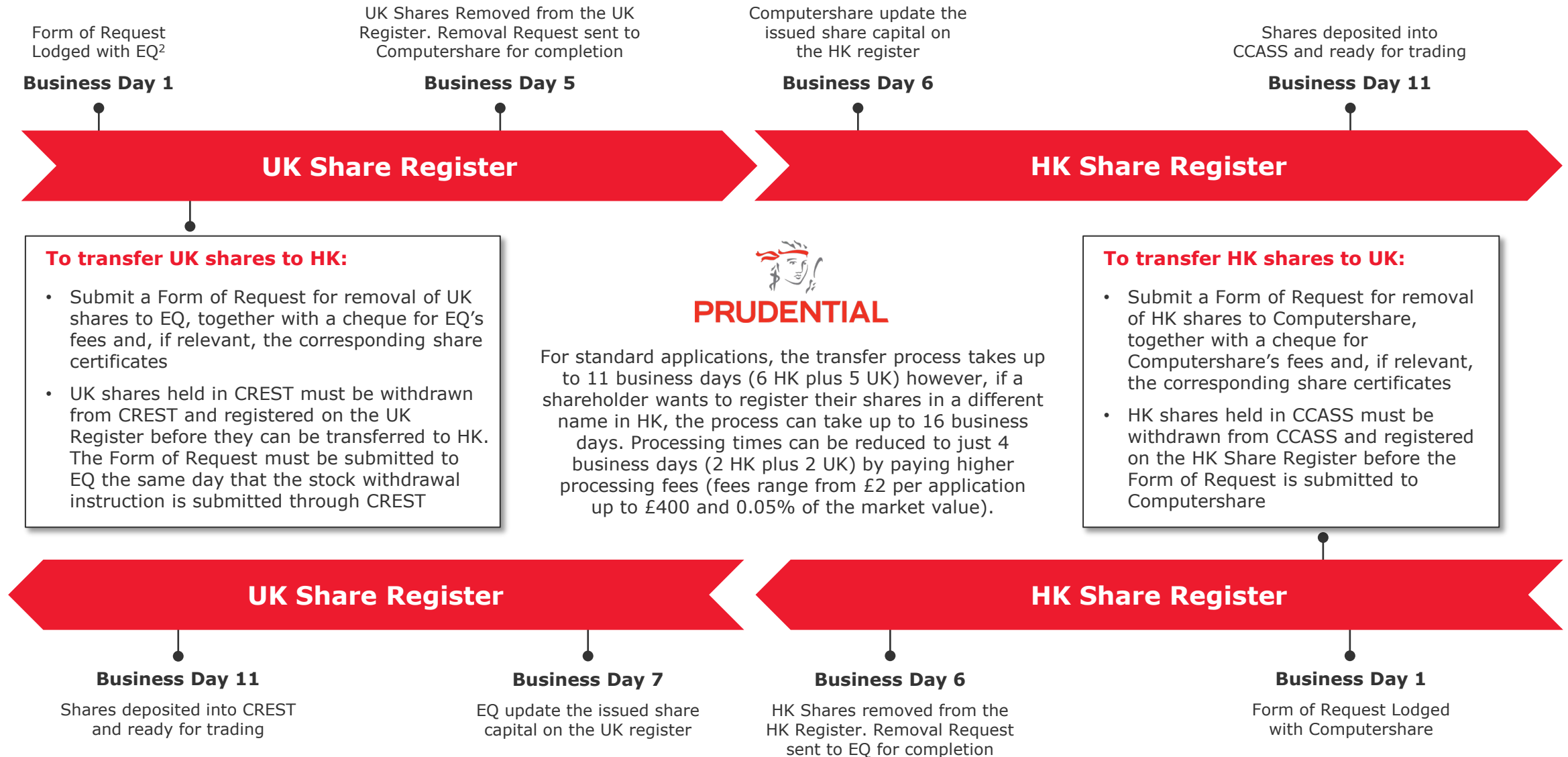
Corporate debt exposures



Note: invested assets valued on an IFRS basis, therefore exclude the assets of joint venture operations.
1. Totals may not cast as a result of rounding.
2. Source of segmentation Bloomberg Sector, Bloomberg Group and Merrill Lynch. Anything that cannot be identified from the three sources noted is classified as other.



Transfer of Prudential shares between UK and HK share registers¹



1. Also see: <https://www.prudentialplc.com/en/investors/shareholder-information/transferring-prudential-shares>.

2. Equiniti.