



# Prudential plc

## 2022 Half Year Results

10 August 2022

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**Mark FitzPatrick**

Group Chief Executive





# Compelling investment case

- 1 Business model aligned to structural growth drivers
- 2 Diversification across Asia & Africa
- 3 Digitally enhanced multi-channel distribution platform
- 4 Innovative & consumer centric
- 5 Leading Asia-based asset manager

Expect to deliver long-term growth outperformance

Growth rates of NBP are expected to substantially exceed GDP growth

Sustainable growth in operating capital generation

Funding further profitable compounding growth & high risk-adjusted returns for shareholders

Focus on high return H&P & savings products

Long-term double-digit growth in EV per share







- 1 Significant growth opportunities
- 2 Diversified platform
- 3 Digitally enhanced multi-channel model
- 4 Innovative & consumer centric
- 5 Leading Asia-based asset manager



## Growth underpinned by structural demand drivers

**2.8%**

Low penetration<sup>1</sup>

**1.8tn**

Health protection gap<sup>2</sup>

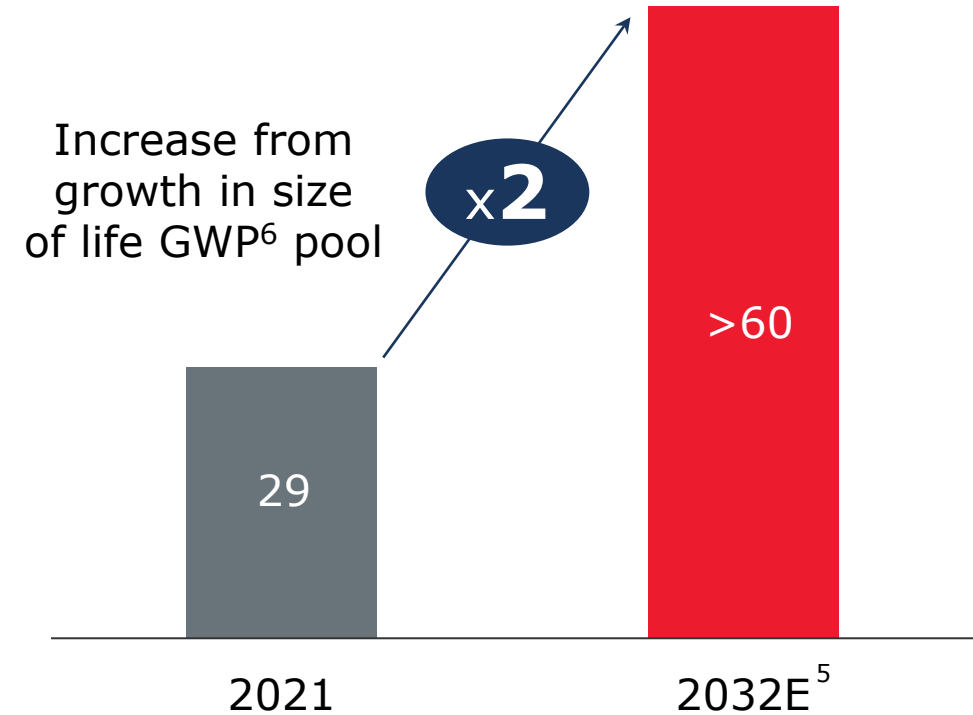
**40%**

Asia contribution to global GDP growth<sup>3</sup>

**+1.5bn**

Growing middle class<sup>4</sup>

**~\$900bn** of additional industry life GWP<sup>6</sup> by 2032 in our Asian markets



Potential increase in Prudential's life GWP<sup>6</sup> in Asia (\$bn)

1. Source: Swiss Re. Penetration defined as life insurance premiums as a percentage of GDP.  
2. Source: Swiss Re - The health protection gap in Asia: A modelled exposure of USD 1.8 trillion. October 2018. Health protection gap defined as the shortfall to adequately finance current and expected health expenditures.  
3. Source: IMF. Between 2022 and 2027. Prudential's Asia footprint.  
4. Increase in the middle-class population in Asia Pacific between 2020 and 2030.  
5. Source: Allianz Global Insurance Report 2022. Estimated by applying Prudential's market share at 31 December 2021 to Allianz's forecast of gross written premiums.  
6. GWP - Gross written premiums.







1

Significant growth opportunities

2

Diversified platform

3

Digitally enhanced multi-channel model

4

Innovative & consumer centric

5

Leading Asia-based asset manager





## Diversified market leading platform focused on Asia & Africa

**99**

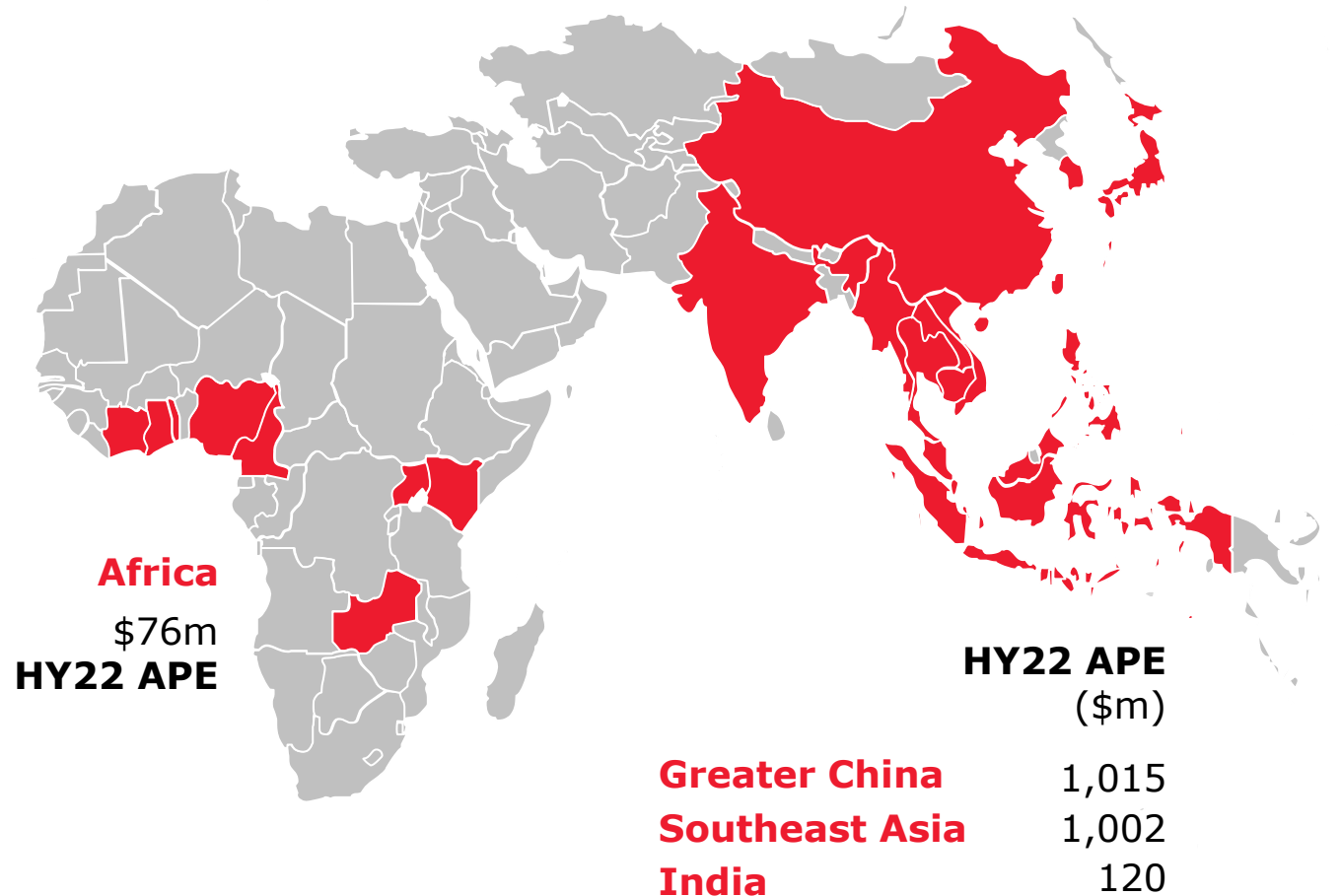
Years in Asia

**19.3m**

Life customers

Top 3 in **11**  
Asia life markets<sup>1</sup>

**3.9bn**  
Access to  
population



1. As reported at full year 2021. 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.

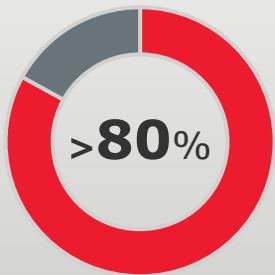


# Distinct competitive advantages



## Chinese Mainland

Access to nearly whole of Chinese Mainland



GDP & GWP<sup>1</sup>



## India

Top 3 life and asset manager



**15%** market share<sup>2</sup>



**12%** market share<sup>3</sup>



## Indonesia

Strong market positioning

**#1**

Overall market share<sup>4</sup>

**#1**

Sharia market share<sup>4</sup>



## Thailand

A leading bancassurance player



Upscaling the business significantly through our bank partnerships

1. Source: National Bureau of Statistics and CBIRC.

2. Based on new business sum assured for 31 December 2021. Source: IRDAI. Among private players only.

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

4. As at 31 December 2021. Based on weighted total premiums.



# Well-positioned to capture Southeast Asia's significant long-term potential

## Significant growth opportunities

Access to population of **670m**

Fast growing middle-class

Low insurance penetration



## Enhanced platform

**Top 3** in **8** out of **9** ASEAN markets

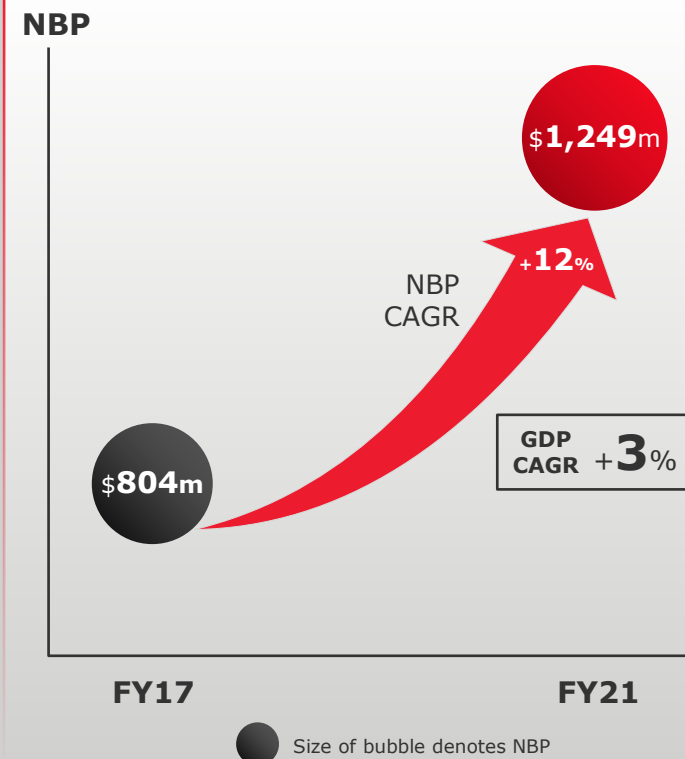
Growing high quality agency force

Expansion of bancassurance platform

Increasing use of digital

Broadening customer segments

## High quality growth







1

Significant growth opportunities

2

Diversified platform

3

Digitally enhanced multi-channel model

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5

Leading Asia-based asset manager



## Enhancing our agency force

### At scale

> **530**k  
Agents

### Quality

c**7.0**k  
MDRTs<sup>1</sup>

## Investing for growth

### Growing scale

+ **5**%  
New recruits

### Greater productivity

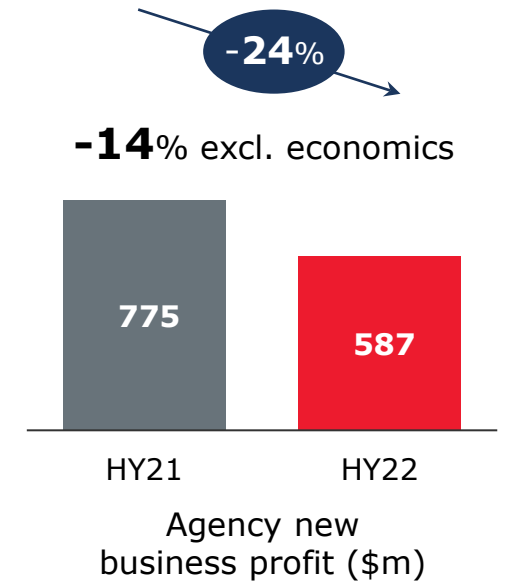
+ **4**%  
Cases per active agent

### Growing reach

**4.8**m  
Leads generated<sup>2</sup>

### Improving quality

+ **13**%  
H&P cases



Note: Data as of HY21 and growth rates are on a constant exchange rate basis unless otherwise stated

1. Million Dollar Round Table (MDRT).

2. Leads that originate from a digital platform, digital campaign or partner; and other leads, including leads from agents, recorded on digital leads management systems.



## Enhancing our bancassurance distribution

**Strong positioning**

**> 170**

Bank partners

**Reach**

**> 27<sub>k</sub>**

Access to bank branches

## Investing for growth

**Increasing scale**

**+ 25%**

APE growth

**Increasing reach**

**22**

New bank partnerships

**Balanced mix**

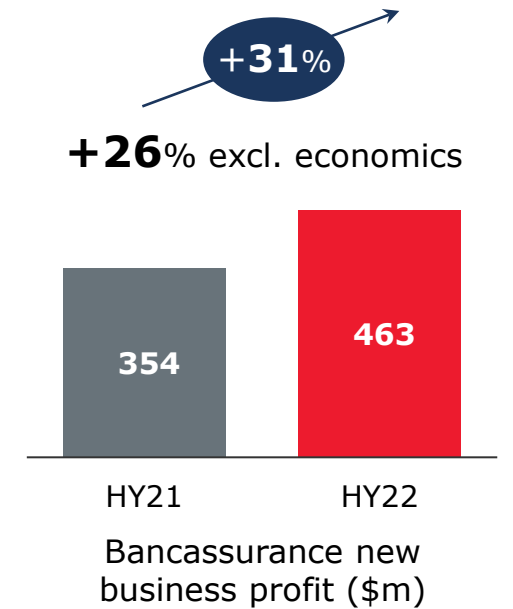
**47%**

H&P case contribution

**Improving quality**

**10**

Markets with double-digit NBP growth



Note: Data as of HY21 and growth rates are on a constant exchange rate basis unless otherwise stated.





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# New or enhanced products

New or enhanced products

>90

New D2C products<sup>1</sup>

19

# Continued innovation and enhancing our product & digital capabilities

## Inclusive offerings

Modern families

Muslim community

Small and medium sized businesses

Low-income groups

## Digital innovation

Broadening access to new customers

Enrich customer engagement

Proposition centred on customers' needs

Scalable platforms enhancing efficiency

1. Number of new products launched in the six months ended 30 June 2022, which are sold direct to consumer through digital tools including Pulse.



# Delivering for 19.3m life customers as a trusted partner

## Leading customer experience

**75%**

Smart underwriting rate<sup>1</sup>

**24%**

Smart claims rate<sup>2</sup>

## High customer satisfaction

**Top 3**

NPS in 5 out of 7 markets<sup>3</sup>

**>90%**

Customer retention ratio

1. % of policies which are auto-underwritten.

2. % of policies where claims are settled without human intervention.

3. Net Promoter Score (NPS) as measured by competitive benchmarking surveys in Hong Kong, Malaysia, Indonesia, the Philippines, Taiwan, Thailand and Vietnam.







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# Eastspring – experts in Asia. Invested in your future

## Significant growth opportunities

**22%**

Low mutual fund penetration

**>50%**

Asia's expected share of global GDP in 2040

**750<sub>m</sub>**

No. of people over 65 by 2040

## Strong platform

Leading Asia-based asset manager

Broad regional presence

AUM of **\$222bn**

## Competitive advantages

**Top 10** positions in **6** out of **11** markets<sup>1</sup>

**300** investment professionals providing deep local expertise

Reliable and stable flows from life business







Disciplined execution of  
our strategy to deliver  
growth & value





# HY22 Financial highlights

Resilient broad-based delivery

Continued investment in operational capability

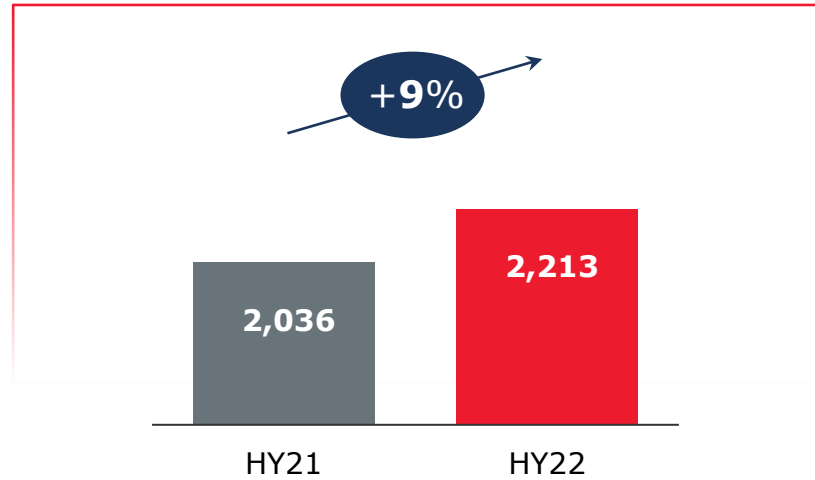
1,539c

EEV/share, 30 June 2022

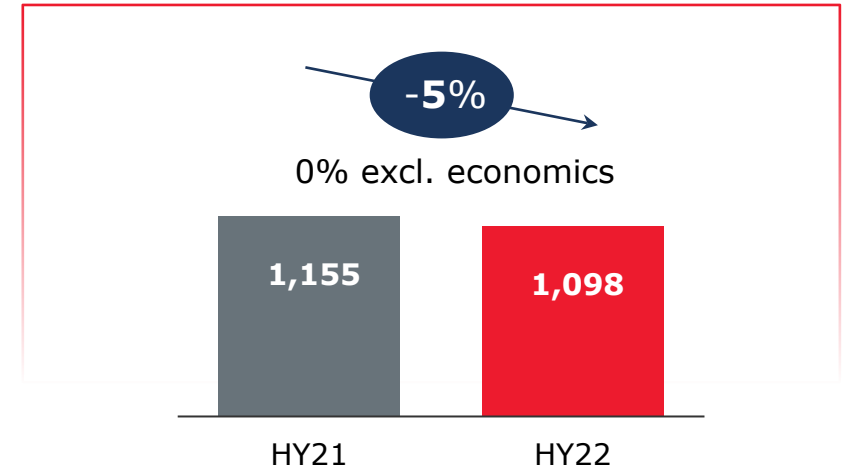
5.74c

First interim DPS, 2022

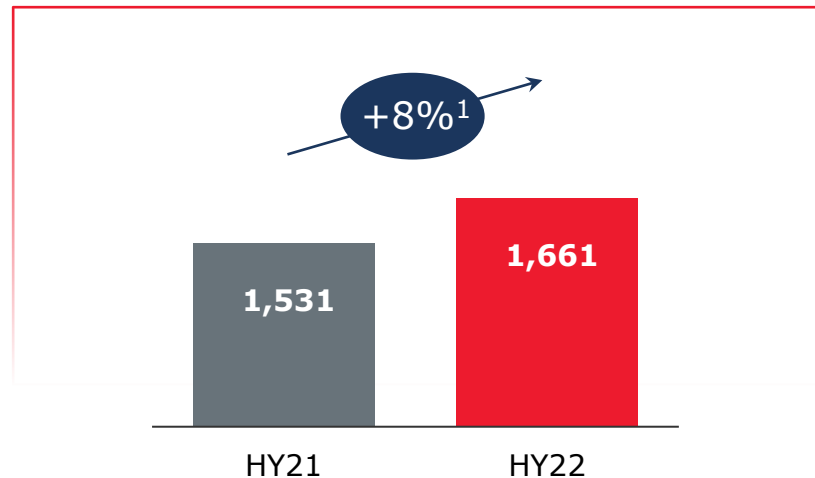
## APE sales, \$m



## New business profit, \$m

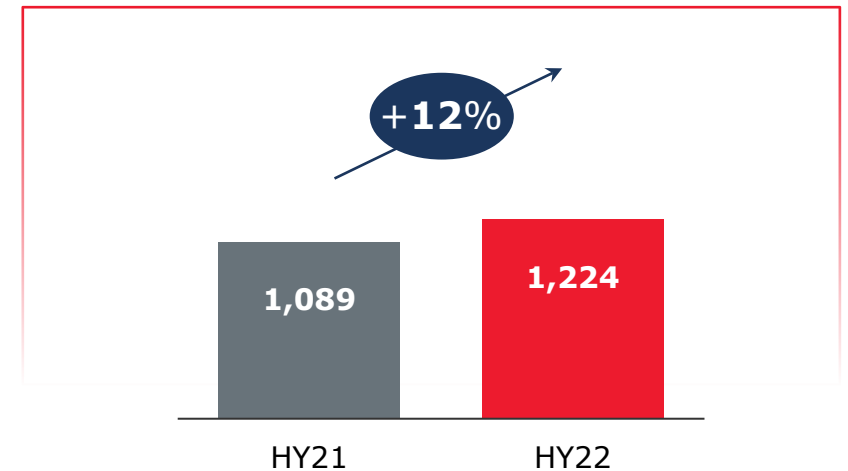


## IFRS operating profit, \$m



## Operating free surplus generation

Life & Eastspring, \$m

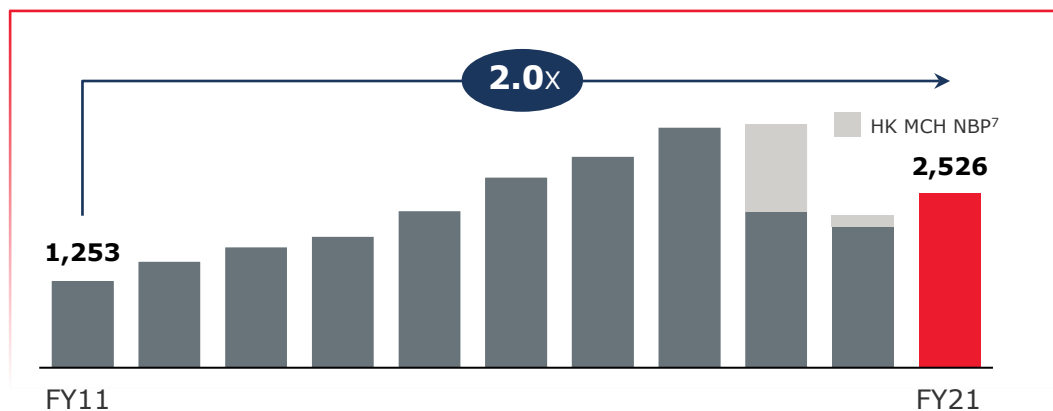


Note: Data as of HY21 and growth rates are on a constant exchange rate basis unless otherwise stated.  
1. HY22 Life & Asset Management segmental profit \$2,029m, +6% YoY (CER).

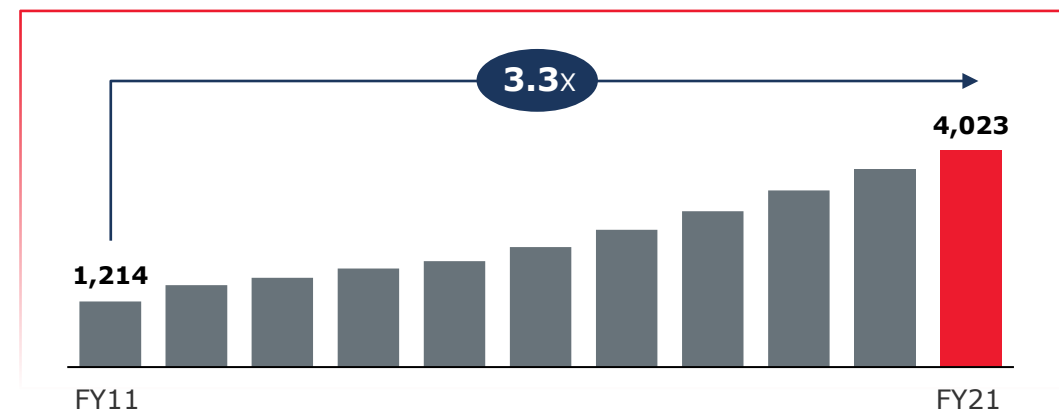


# Proven model of delivering growth & value

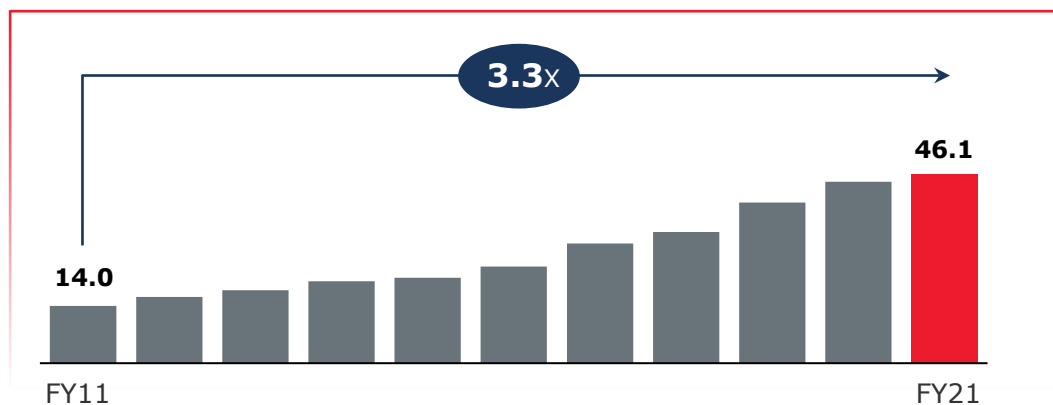
**New business profit<sup>1,3,5</sup>, \$m**



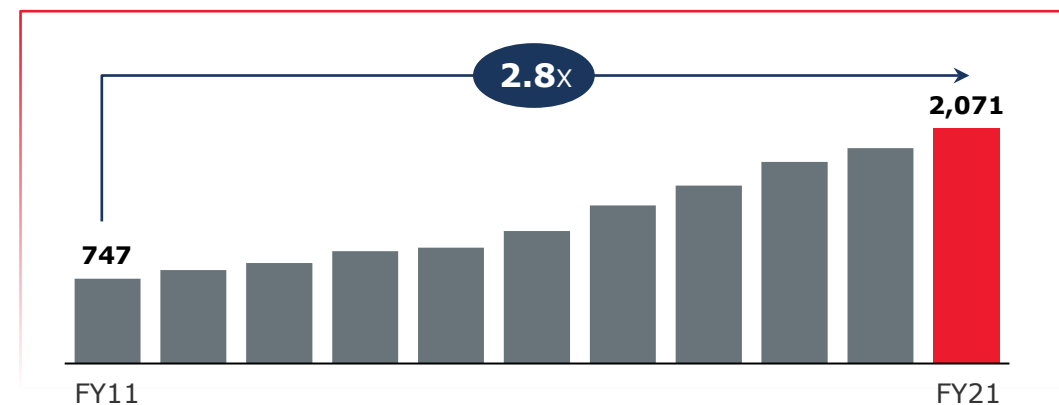
**IFRS operating profit<sup>2,3,5</sup>, \$m**



**Embedded value<sup>2,4,5</sup>, \$bn**



**Operating free surplus generation<sup>2,3,5,6</sup>, \$m**



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 and are on an actual exchange rate basis.  
 6. Before restructuring and IFRS17 implementation costs.  
 7. Hong Kong Mainland Chinese visitors' new business profits (2019: \$1,246m; 2020: \$128m).



# Key messages: Delivering sustainable growth & value

1

Diversified pure-play Asia & Africa with leading positions in key high growth markets

2

Enhancing capabilities building on our substantial competitive advantages

3

High quality resilient growth in HY22 despite challenging environment

4

Successful execution of our strategy enables us to take advantage of the growth opportunities ahead







**James Turner**

Group CFO







# Delivering sustainable growth & value

- 1 Diverse sources of **Growth**
- 2 **Earnings** Momentum
- 3 Robust **Capital**
- 4 Quality & **Resilience**



# HY22 resilient results

Diverse sources of growth

Strong capital surplus

5.74c

First interim DPS, 2022

	\$bn	HY21	HY22	
<b>Growth</b>	APE	2.0 <sup>1</sup>	2.2	+9% <sup>1</sup>
	NBP	1.2 <sup>1</sup>	1.1	(5)% <sup>1</sup>
	Group EEV	47.4 (31 Dec. 2021)	42.3 (30 Jun. 2022)	(11)%
<b>Earnings</b>	Group IFRS operating profit	1.5 <sup>1</sup>	1.7	+8% <sup>1</sup>
<b>Capital</b>	Free surplus stock <sup>2</sup>	8.4 (31 Dec. 2021) <sup>4</sup>	8.6 (30 Jun. 2022)	
	GWS <sup>3,5</sup> GPCR cover	320% (31 Dec. 2021) <sup>4,6,9</sup>	317% (30 Jun. 2022) <sup>7</sup>	
	GWS <sup>3,8</sup> GMCR cover	545% (31 Dec. 2021) <sup>4,6,9</sup>	548% (30 Jun. 2022) <sup>7</sup>	

1. Constant exchange rate basis.

2. Excluding distribution rights and other intangibles.

3. Prudential applies the Insurance (Group Capital) Rules set out in the GWS Framework to determine group regulatory capital requirements (both minimum and prescribed levels).

4. Proforma for \$1.7bn debt redemption in January 2022.

5. GWS coverage ratio of capital resources over prescribed capital requirement attributable to shareholder business.

6. Before allowing for the 2021 second cash interim dividend.

7. Before allowing for the 2022 first cash interim dividend.

8. GWS coverage ratio of capital resources over Group minimum capital requirement attributable to shareholder business.

9. Updated for the impact of Hong Kong RBC and C-ROSS II. The reported GMCR cover ratio as at 31 December 2021 was 408%.

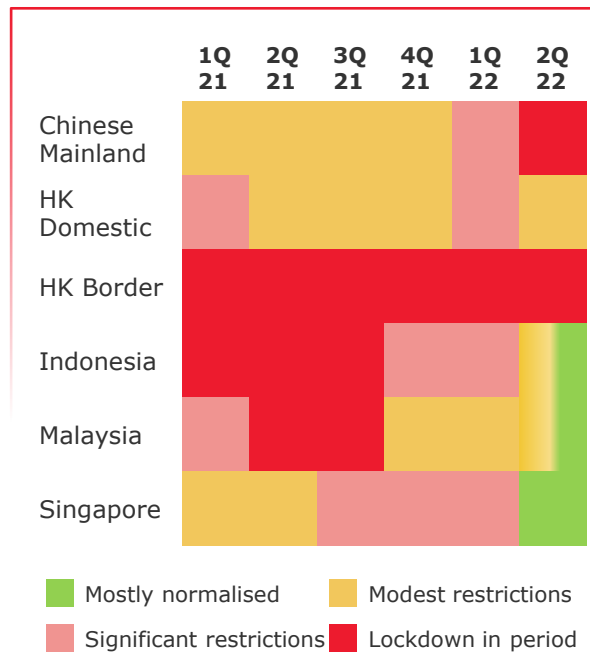




# Challenging market context to navigate

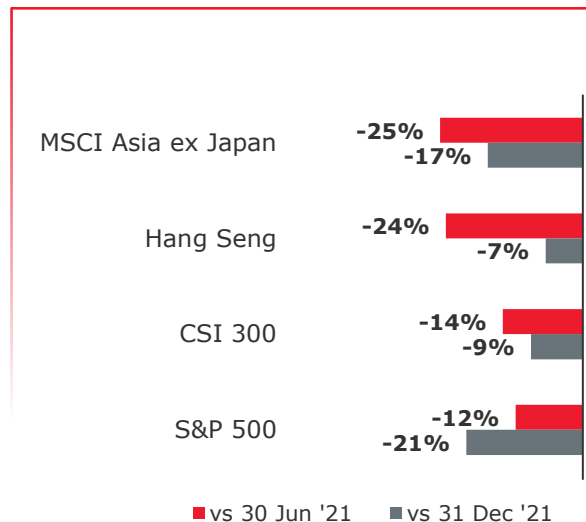
## Covid disruption<sup>1</sup>

Indicative restriction levels by market



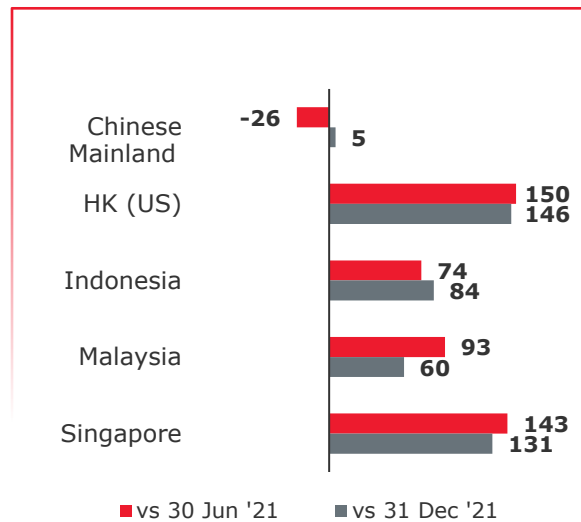
## Equities down

Equity indices 30 Jun '22 YoY & vs 31 Dec '21, %



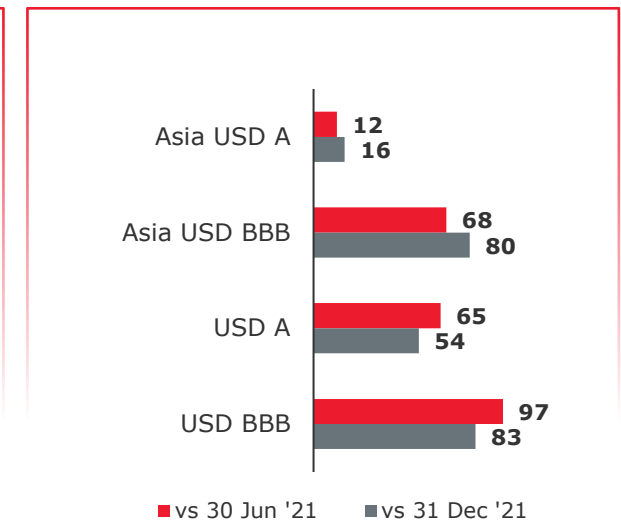
## Rates up

10Y gov. bond yield, 30 Jun '22 YoY & vs 31 Dec '21, bps



## Spreads wider

30 Jun '22 YoY & vs 31 Dec '21, bps



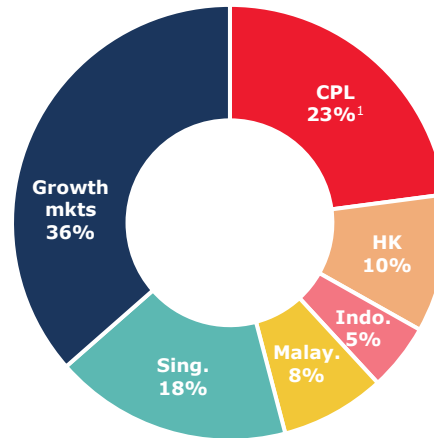
**Strong  
franchise**

**APE growth**

**+9%<sup>2</sup>**

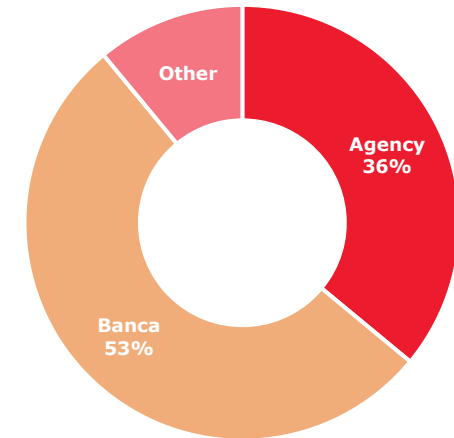
**APE:**  
**\$2.2bn**  
(HY21: \$2.0bn)<sup>2</sup>

## Pan Asia & Africa



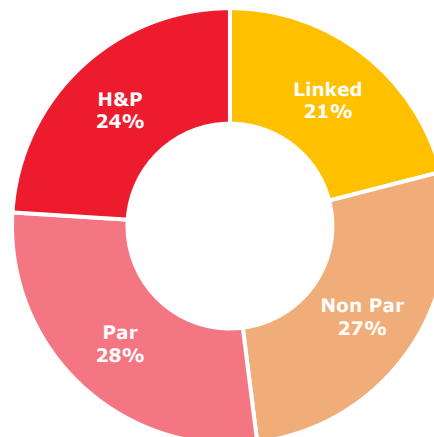
**APE by market, HY22**

## Multi-channel



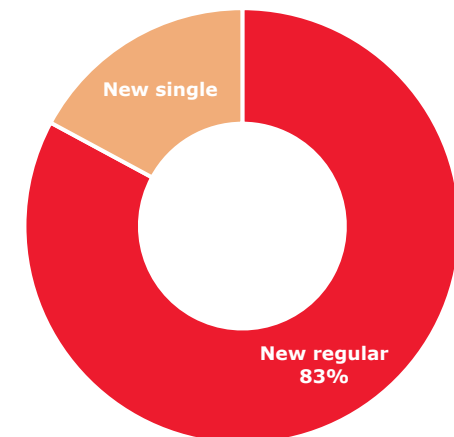
**APE by channel, HY22**

## Well-balanced



**APE by product, HY22**

## Recurring premium



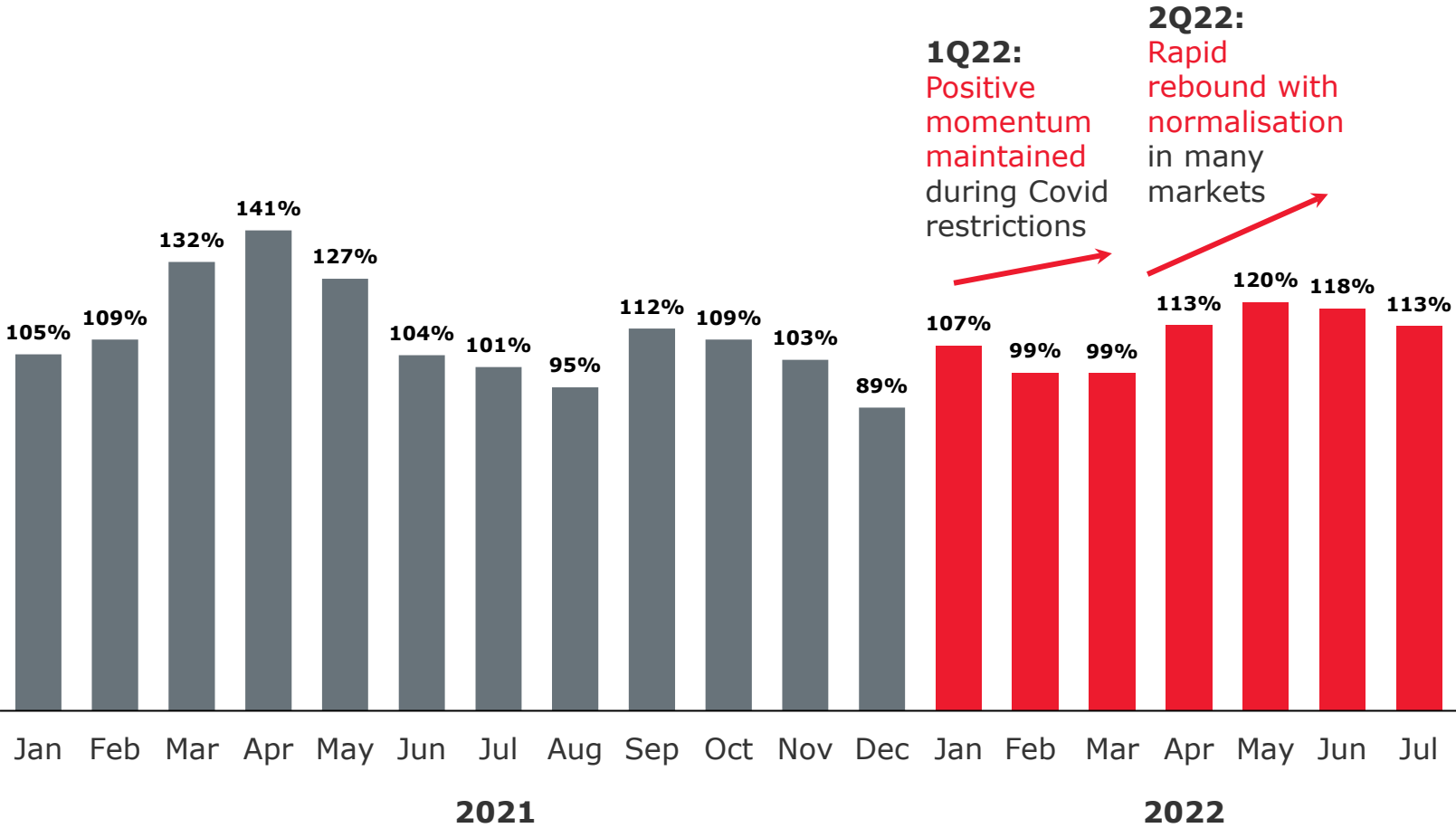
**APE by contribution type, HY22**

1. CITIC Prudential Life (CPL). New business in CPL is included at Prudential's 50 per cent interest in the joint venture.  
2. Constant exchange rate basis.



**Sales  
momentum  
maintained**

# YoY APE sales growth by month, 2021-July 2022<sup>1</sup>



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





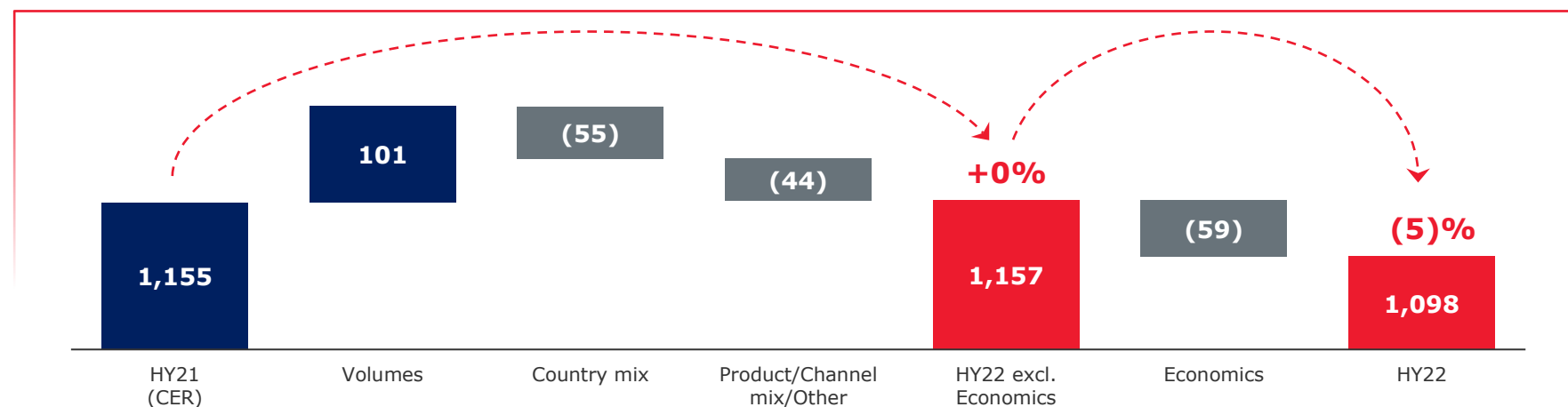
**High quality  
resilient  
performance**

**Diverse sources  
of growth**

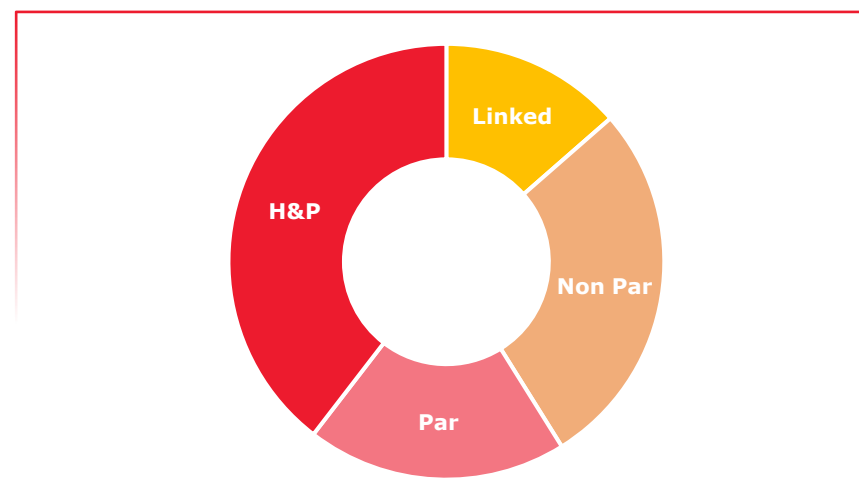
**NBP:**  
**\$1.1bn**  
(HY21: \$1.2bn)<sup>1</sup>

## NBP excl. economics

NBP development HY21-HY22, \$m

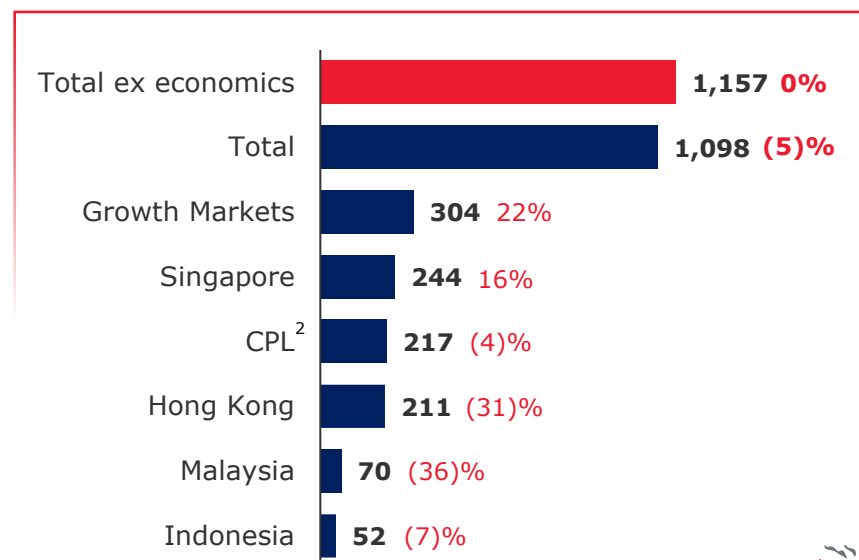


## High quality NBP by product, HY22



## Diversified

NBP, HY22 \$m, % YoY (CER)<sup>1</sup>



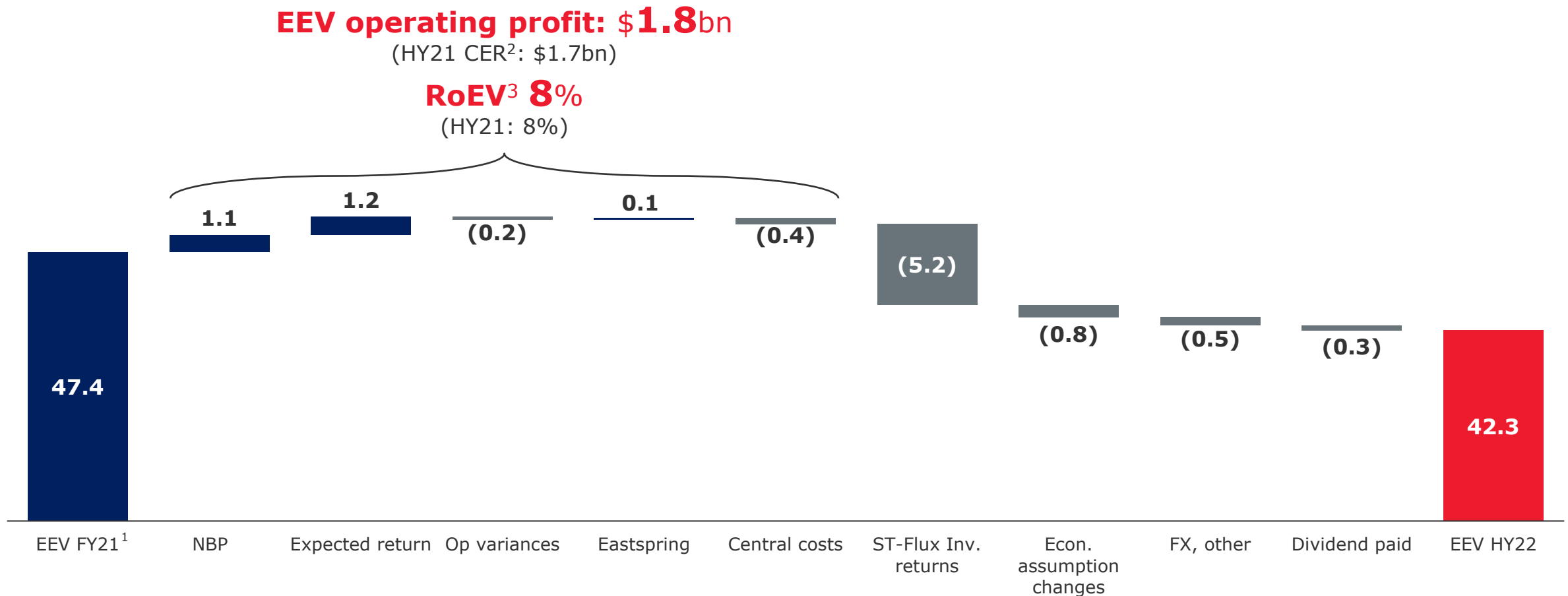
1. Constant exchange rate basis.

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



# EEV driven by NBP & expected return, offset by economics

## Group EEV development HY22, \$bn



1. Actual exchange rate basis.

2. Constant exchange rate basis (CER).

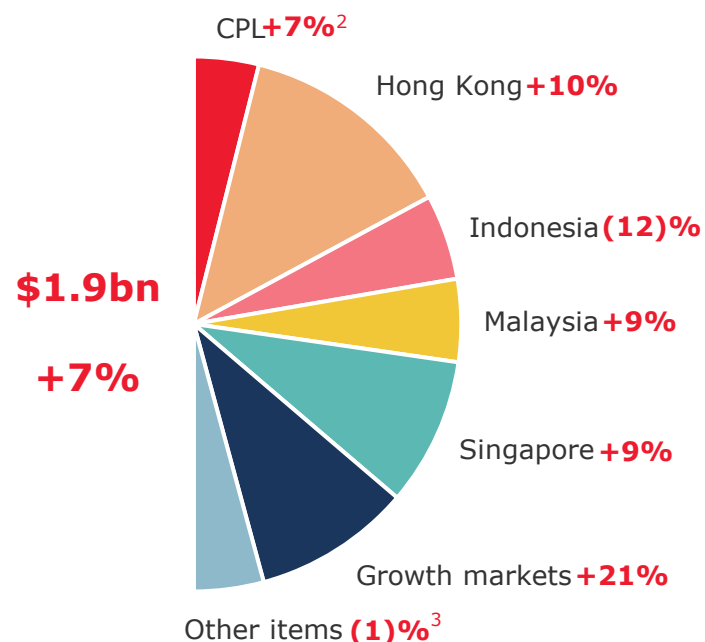
3. Operating return on average EEV shareholders' equity, net of non-controlling interests.



# Earnings Momentum: Group operating profit +8%<sup>1</sup>

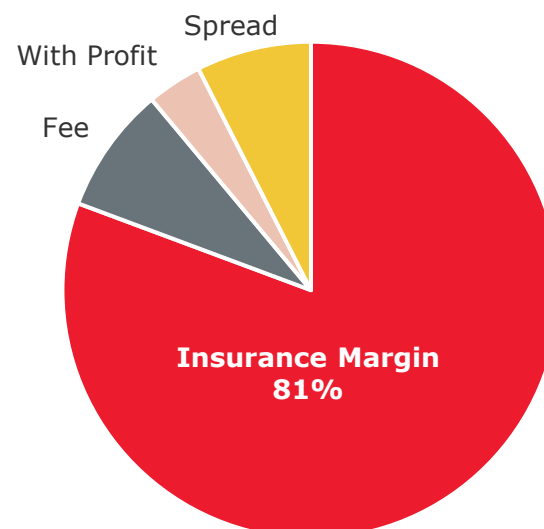
## Well diversified life profit

Life IFRS operating profit, HY22  
% YoY CER<sup>1</sup>



## High quality

IFRS insurance income, HY22



## Central costs reducing

Group P&L HY21-22

\$m	HY21 (CER <sup>1</sup> )	HY22	% Growth
Life	1,768	1,898	7%
Eastspring	155	131	(15)%
<b>Segment Profit</b>	<b>1,923</b>	<b>2,029</b>	<b>6%</b>
Central items	(392)	(368)	6%
<b>Group Operating Profit</b>	<b>1,531</b>	<b>1,661</b>	<b>8%</b>
Short-term fluctuations <sup>4</sup>	(234)	(1,383)	n/a
Other	(96)	22	n/a
<b>PBT</b>	<b>1,201</b>	<b>300</b>	<b>(75)</b>
Tax	(176)	(194)	(10)
<b>Profit Continuing Ops</b>	<b>1,025</b>	<b>106</b>	<b>(90)</b>

1. Constant exchange rate basis (CER).

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

3. Other items of \$160 million (HY21: \$161m CER), includes a non-recurring Hong Kong RBC related benefit.

4. Includes a non-recurring HK RBC related benefit.





# IFRS17 programme well advanced

## Expected outcomes

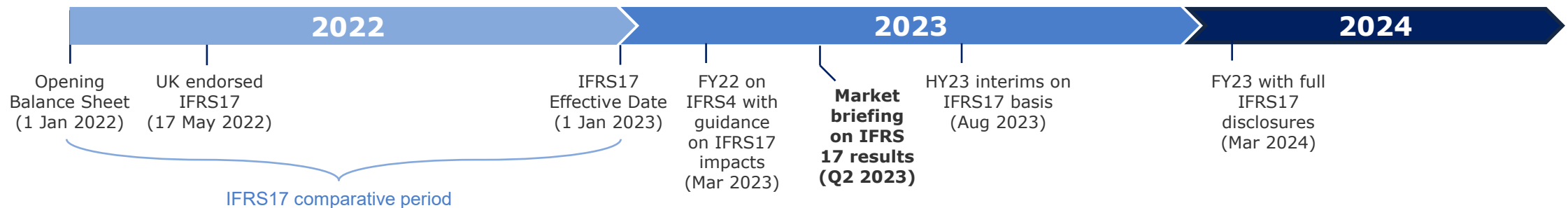
- Strategy and dividend policy unchanged
- Value and capital metrics unchanged
  - Reconciliation of Shareholders' Equity plus CSM to EEV will be provided
- Accounting mismatches remain
  - Operating profit will separate short-term fluctuations from underlying earnings

## In progress

- Key accounting judgements agreed, subject to external audit
- Production and audit of Opening Balance Sheet underway

## Outstanding

- Some judgements pending industry developments
- External audit of accounting policies, new processes and controls
- HY22 IFRS17 comparatives production to start in Q3 2022



# Robust capital

## Strong regulatory capital & balance sheet

## Financial flexibility

## Growing free surplus funds growth

- Regulatory capital and ratings metrics remain strong
- Significant financial flexibility to support future investments
- HK RBC and C-ROSS II adopted
- Enhanced disclosure given expected changes to HKIA capital reporting guidance

**\$16.2bn**

Group shareholder GPCR surplus<sup>1,2,3,4</sup>

**\$8.6bn**

Shareholder Free Surplus<sup>1,6</sup>

**317%**

Group shareholder GPCR cover ratio<sup>1,2,3,4</sup>

**22%/AA-**

Moody's total leverage ratio<sup>1</sup>/FSR rating<sup>8</sup>

**548%**

Group shareholder GMCR cover ratio<sup>1,2,4,5</sup>

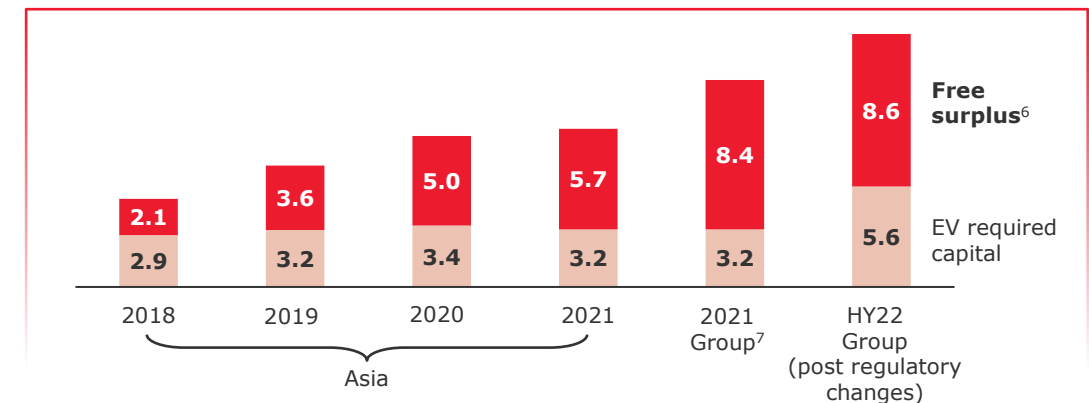
**\$2.1bn**

Holding company cash<sup>1</sup>

## Free surplus<sup>6</sup> and required capital

2018-HY22, \$bn

- Represents capital available for investment
- Less impacted by recent regulatory changes than GWS
- EV required capital remains on GPCR basis



1. At 30 June 2022.

2. Prudential applies the Insurance (Group Capital) Rules set out in the GWS Framework to determine group regulatory capital requirements (both minimum and prescribed levels).

3. GWS capital resources in excess of the Group prescribed capital requirement (GPCR) attributable to shareholder business.

4. Before allowing for the 2022 first cash interim dividend.

5. GWS coverage ratio of capital resources over Group minimum capital requirement (GMCR) attributable to shareholder business.

6. Excluding distribution rights and other intangibles.

7. Proforma for \$1.7bn debt redemption in January 2022.

8. The Group has a AA- Financial Strength Rating from Standard & Poors and from Fitch.



# Primed for growth

Strong in-force  
capital generation

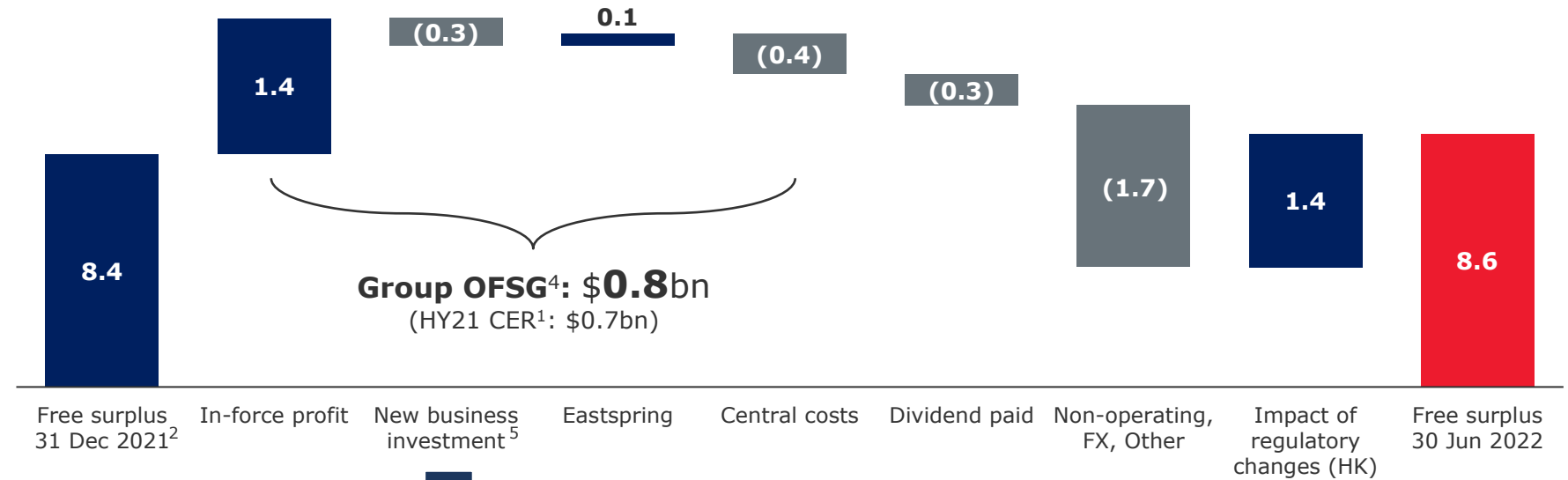
High returns on  
invested capital

Compounding value

Investing for the  
long-term - \$11bn  
since 2012

## Group free surplus development<sup>1</sup>

HY22, \$bn



**\$0.3bn** reinvested in organic new business<sup>5</sup>

**\$1.1bn** NBP generated

**>30%** IRRs / **4x** value multiplier

1. Excluding distribution rights and other intangibles.

2. Proforma for \$1.7bn debt redemption in January 2022.

3. Operating free surplus generated (OFSG).

4. Constant exchange rate basis (CER).

5. Free surplus invested in new business primarily represents acquisition costs and amounts set aside for required capital.





# Quality & resilience

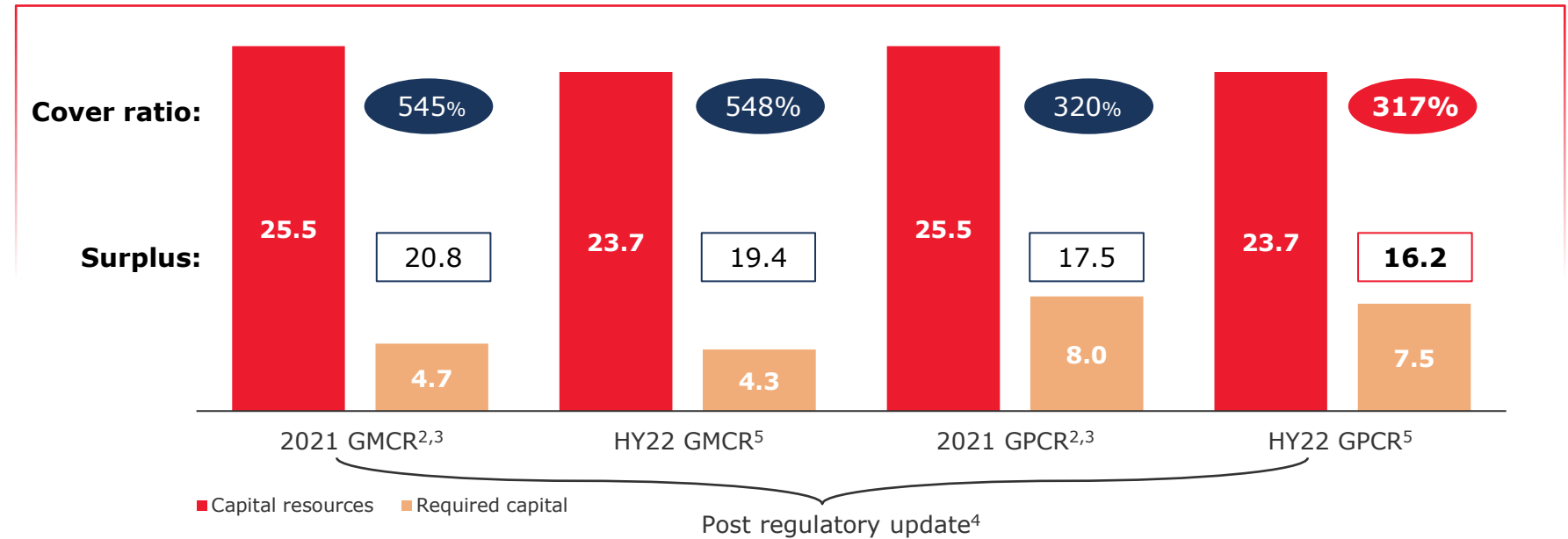
Strong & resilient GWS capital position

Macro sensitivities remain low post regulatory changes

Risk appetite: above 150% on shareholder GPCR basis

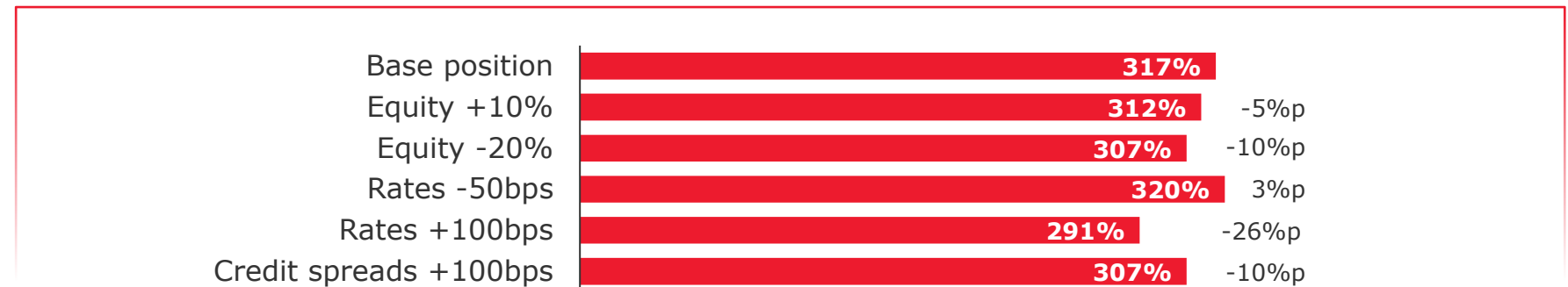
## GWS shareholder capital position

31 December 2021 – 30 June 2022, \$bn<sup>1</sup>



## GWS capital position highly resilient to macro shocks

30 June 2022, GWS shareholder cover ratio, GPCR basis<sup>1,5,6</sup>



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).

2. Proforma for \$1.7bn debt redemption in January 2022.

3. Before allowing for the second 2021 interim dividend.

4. Updated for the Impact of Hong Kong RBC and C-ROSS II.

5. Before allowing for the first 2022 interim dividend.

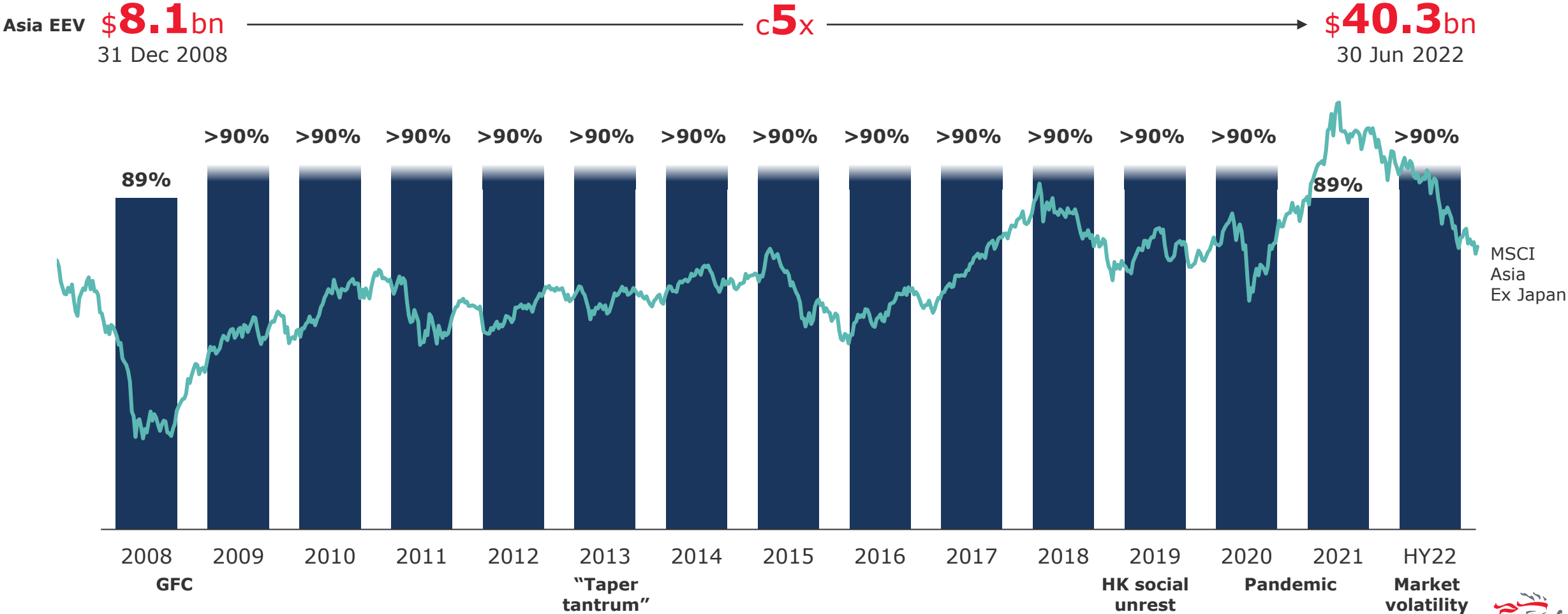
6. The Group's retained economic interest in Jackson Financial Inc is assumed to be unchanged in the sensitivities. The sensitivity results assume instantaneous market movements and reflect all consequential impacts as at the valuation date.



# Quality & resilience: Meeting customer needs

## High customer retention through cycle<sup>1</sup>

2008-HY22



# Quality & resilience: Actively managing inflation risk

## Considerations

- Product
- Pricing
- Persistency
- People

## Impact on business

- Adverse economic conditions & asset value volatility
- Lower consumer disposable income
- Lapse risk
- Medical inflation, salaries

## Mitigants

- Asset-liability matching, prudent asset allocation, strong participating funds
- Diverse product range with many price points
- Quality sales process, product design, protection focus
- Regular re-pricing, cost discipline, agency model





## Summary: High quality and resilient franchise

- Strong execution delivers growth in challenging markets
- Positioned to capture growth opportunities
- Free surplus stock provides capacity to invest
- Robust regulatory capital position
- Commitment to achieving long-term double-digit growth in EEV per share







**Lilian Ng**

Managing Director, Strategic Business Group



# Chinese Mainland: Unparalleled platform for customer growth



## Solid and scalable foundation

Integrated risk rating<sup>1</sup>

**25** quarters "A"

Most achieved insurer

GWP growth<sup>2</sup>

+ **13%**

3.6 times industry

Broadest Geographic Coverage

**23** branches (99 cities)

Serving **1.7m** customers

## Established multi-distribution

# of Elite agents

+ **12%** MOM<sup>4</sup>

Drive for quality

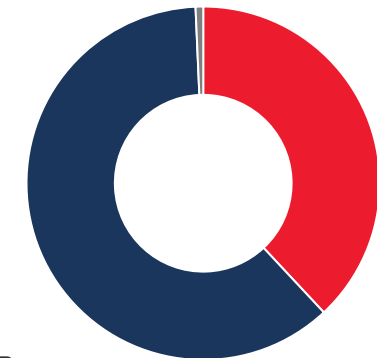
Expand banca

+ **50%**

#branches<sup>3</sup> >6,000

## Diverse distribution platform

Group  
Top 2 Player<sup>6</sup>



Agency  
>1000 MDRTs<sup>5</sup>

Banca  
55 Partners

## Relevant customer proposition

Acquisition

**112k**

New customers

Protecting

+ **53%** H&P

Onboard 363k H&P policies

HY22 NBP by Channel

All data for the first 6 months unless otherwise stated.

1. Ratings based on quarterly assessment given by China Banking and Insurance Regulatory Commission.

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

3. YoY growth compared to HY21. Access to >6,000 bank branches as at 30th June 2022.

4. MOM refers to month on month growth from Jan 2022 to June 2022.

5. MDRT qualifiers.

6. Amongst foreign JV players (by gross written premiums).





# Hong Kong: Resilient platform to serve customers



## Customer advocacy

### Satisfaction

# **1**

Voice of customers<sup>1</sup>

### Retention

> **98%**

Strong loyalty

## Multi-distribution platform

### Active agents

**5.9**/active

H&P policies

### Banca value

+ **86%** Q2/Q1

Shifting mix to H&P policies

## Product proposition

### Product innovation

**24%** Q2 APE

New customer proposition<sup>2</sup>

### New to Pru

**2/3**

Customers bought H&P

### Omni-channel Platform to Serve

**1.35m** customers

Digital self-servicing **195k** transactions

### Resilient distribution platform

Agency  
Top 3 Agency



Banca  
#1 Strategic  
Bank Partnership

Broker  
Quality Focused

HY22 NBP by Channel

All data for the first 6 months unless otherwise stated.

1. Double-blind customer satisfaction survey conducted by an independent third-party agency.

2. Refers to Individual life business.







**Solmaz Altin**

Managing Director, Strategic Business Group





# Indonesia: Resilience supported by broadening & strengthening capabilities



**#1 MDRT  
company**

**#1**

Agency force

**#1**

Sharia market share

**Initiatives**

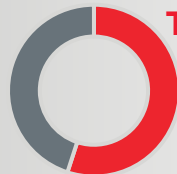
Agency transformation

Enhance bancassurance capabilities

Customer centricity and digitising core

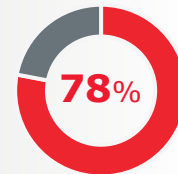
**Quality  
focus**

Unit-  
linked  
(45%)



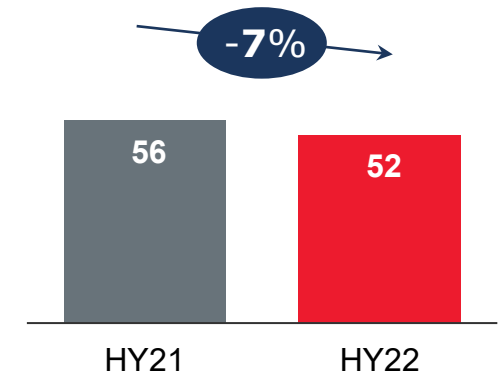
**Traditional**  
(55%)

Balanced new  
sales portfolio



High H&P  
mix in NBP

**New business profit, \$m**



<b>APE sales</b>	116	110	-5%
<b>Margin</b>	48%	47%	-1ppt





# Malaysia: Strong positioning



## #1 MDRT company

**24k**

No. of agents

One of the largest agency forces

**+36%**

YoY increase in MDRTs

Increase in quality

## Strong Takaful base

**#1**

Takaful market leadership<sup>1</sup>

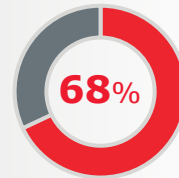
**+15%**

YoY growth in Takaful agents to c.19k

## Quality focus

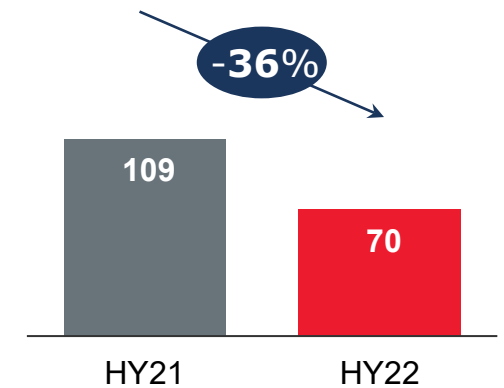
**98%**

High regular premium mix



High H&P mix in NBP

## New business profit, \$m



APE sales	202	172	-15%
Margin	54%	41%	-13ppt



# Philippines: Strong positioning supports continued momentum



## Enhancing distribution capabilities

**~x2**

Increase in new recruits to 9.2k

**+15%**

Increase in no. of active agents

## Product innovation

**1<sup>st</sup>** in market **PRUHealth Fam Love**

CI Protection Plan covering up to 4 family members in 1 policy

Innovative modern family-orientated product

## Quality focus

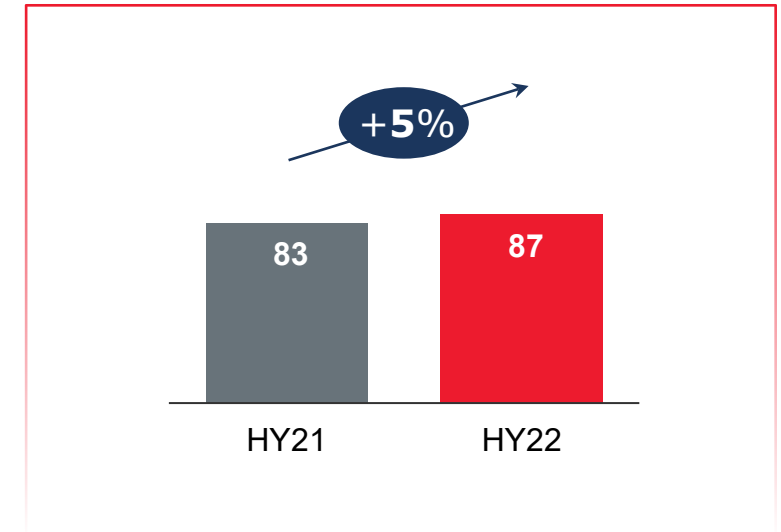
**94%**

Strong customer retention ratio

**+12%**

Growth in renewal premium income

## APE sales, \$m



**Lives assured** 0.86m 1.05m +22%





**Dennis Tan**

Managing Director, Strategic Business Group





# Singapore: Strong positioning supports continued momentum



## Enhancing distribution capabilities

> **1k**

MDRT members, ranked #3 in SG

+ **53%**

Strong growth in banca NBP

## Broadening product innovation

Highly customised ILP solutions that meet retirement and protection needs

## Quality focus

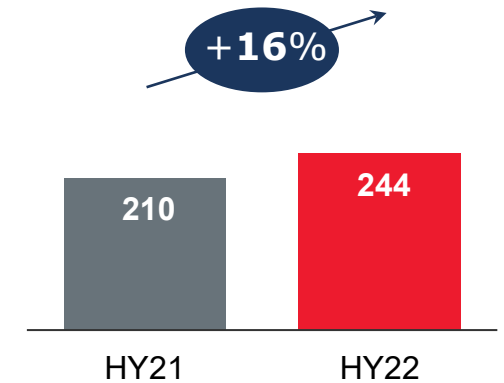
**34%**

Agency RP market share<sup>1</sup>, +2ppt YoY



High customer retention ratio

## New business profit, \$m



APE sales	370	390	+5%
Margin	57%	63%	+6ppt



# Thailand: Strong progress

## Enhancing distribution capabilities

#3 Market share in Banca

0.4%	7.9%
Sector	Pru Thailand

Banca APE YoY growth<sup>1</sup>

>3.6k

No. of TTB sales people

## Broadening product innovation



4x

APE growth in health reimbursement

3x

APE growth in whole life

## Quality focus

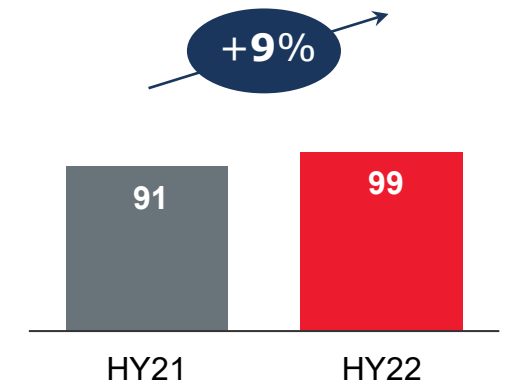
93%

High regular premium mix

+24%

Growth in H&P APE

## APE sales, \$m



# Appendix

## Contents:

CEO appendix 50

CFO appendix 61

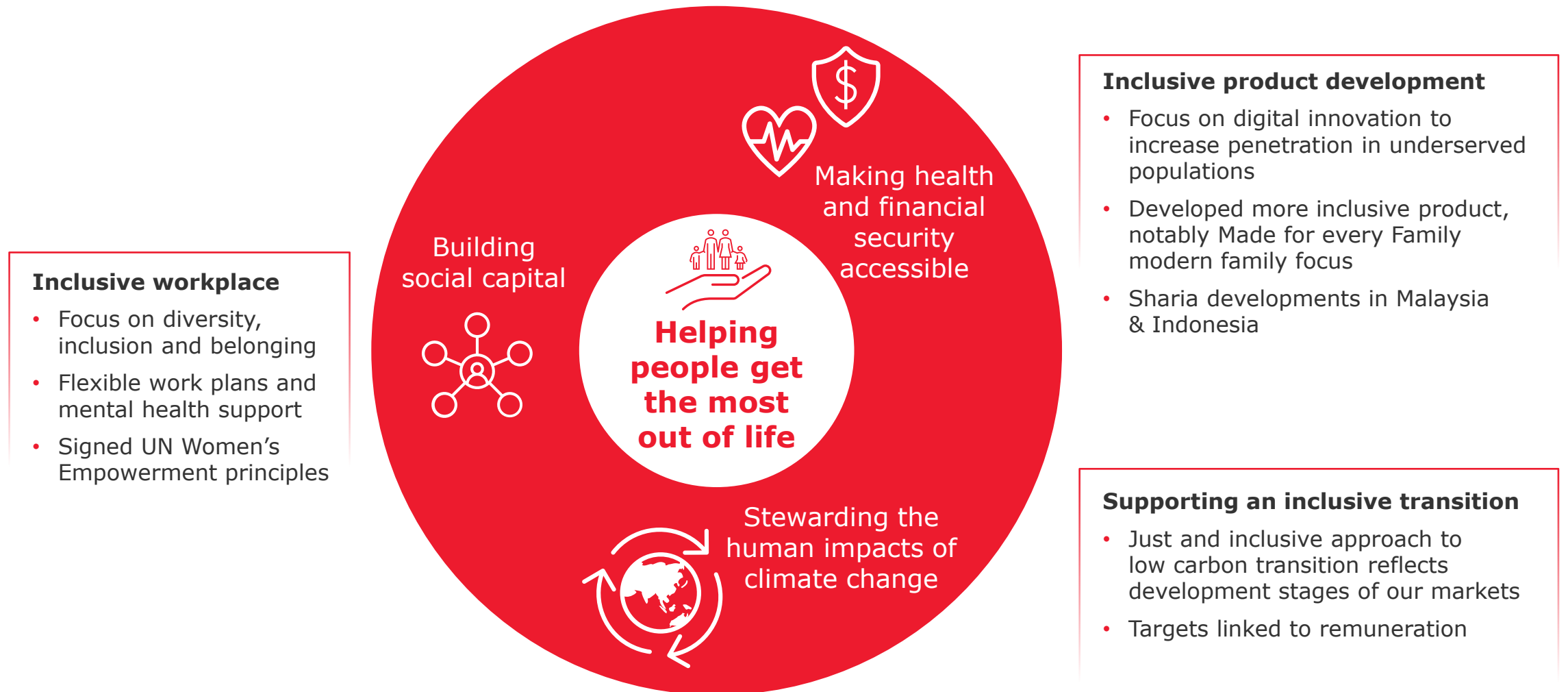




# CEO appendix



# ESG



# Leading pan-Asia & Africa focused life & health insurer and asset manager

## Why?

### Our Purpose

#### We help people get the most out of life

We make healthcare affordable and accessible

We promote financial inclusion across our markets

We protect people's wealth and grow their assets, and we empower people to save for their goals

## Who?

19.3m customers<sup>1</sup>



#### Solutions for all

(Emerging, mass, affluent, high net worth & Group customer segments)

Developing capacity to serve  
**50m customers by 2025**

## What?

>90 new and revamped products in HY22



**Health & Protection insurance**



**Savings & investments**

**pulse'**  
by Prudential

**Value-added health services**

## How?

Multi-channel distribution



**>530k agents<sup>2</sup>**



**>27k bank branches<sup>2</sup>**



**4.8m leads generated<sup>3</sup>**

**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 members in Group schemes.











2. As at 30 June 2022.

3. Leads that originate from a digital platform, digital campaign or partner; and other leads, including leads from agents, recorded on digital leads management systems.





# Diversified franchise with leading presence in markets with favourable macro trends

		HY22 IFRS adjusted operating profit	Life position <sup>1</sup>	Eastspring position <sup>6</sup>	Insurance penetration <sup>7</sup>	Total health protection gap <sup>8</sup>	GDP growth forecast <sup>9</sup>
Selected Growth markets	 <b>Chinese Mainland</b>	\$149m	Top 3 <sup>2</sup>	✓	2.1%	\$805bn	5.0%
	 <b>Hong Kong</b>	\$501m	Top 3	Top 10	17.3%	\$23bn	3.2%
	 <b>Indonesia</b>	\$196m	Top 3	Top 10	1.1%	\$82bn	5.5%
	 <b>Malaysia</b>	\$190m	Top 3 <sup>3</sup>	Top 10	3.9%	\$47bn	4.6%
	 <b>Singapore</b>	\$340m	Top 3 <sup>4</sup>	Top 10	7.5%	\$23bn	2.6%
	 <b>Philippines</b>	\$59m	Top 3	--	1.5%	\$32bn	6.5%
	 <b>Taiwan</b>	\$45m	✓	✓	11.6%	\$41bn	2.3%
	 <b>Thailand</b>	\$103m	✓	Top 10	3.4%	\$6bn	3.5%
	 <b>Vietnam</b>	\$155m	Top 3	✓	1.6%	\$36bn	6.9%
	 <b>India</b>	n/a	Top 3 <sup>5</sup>	Top 10	3.2%	\$369bn	6.7%

1. As reported at full year 2021. 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 Takaful, 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 4/2021 – 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 2022 and 2026 and is based on IMF World Economic Outlook Database, April 2022.



# Distinct competitive advantages

## 1 Chinese Mainland: Access to nearly whole of country



**23** branches  
& presence  
in 99 cities

## 2 India: Top 3 Life and Asset Manager<sup>2</sup>



**15%** market share<sup>3</sup>



**12%** market share<sup>4</sup>

## 3 Indonesia: #2 insurer and #1 Sharia

**#2**  
Overall market  
share<sup>5</sup>

**#1**  
Agency  
force

**#1**  
Sharia market  
share<sup>5</sup>

## 4 Thailand: Rapid growth in high-potential market

**0.4%** **7.9%**  
Sector Pru Thailand  
**Banca APE YoY growth<sup>6</sup>**

**#3**  
**Market share in Banca**

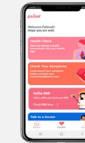


**pulse**  
by Prudential



## 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



**>530,000**  
agents<sup>8</sup>

**>60,000**  
agent recruits<sup>9</sup>

## 7 Bancassurance: Largest branch network



**>27,000**  
Bank branch access<sup>8,10</sup>

## 8 Eastspring: Our leading Asian asset manager

**Top 10** position in 6 out of 11 markets<sup>11</sup>  
FUM of **\$222.3bn<sup>8</sup>**, down **-14%** YTD

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). HY22 v HY21 YoY CER growth.

7. Based on APE, PLT +9% YoY CER growth.

8. On a constant exchange rate basis.

8. As at 30 June 2022.

9. For the 6 month period ending 30 June 2022.

10. Including India and Africa.

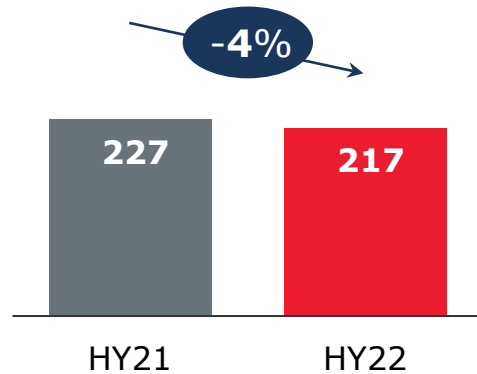
11. Source: Singapore and Hong Kong (Morningstar), Malaysia (Lipper), Thailand (Association of Investment Management Companies), Korea (Korea Financial Investment Association), India (Association of Mutual Funds in India), Japan (Investment Trusts Association), Taiwan (Securities Investment Trust & Consulting Association of R.O.C.), China (Wind), Indonesia (Otoritas Jasa Keuangan), Vietnam (State Securities Commission of Vietnam). Per latest data available.



# Chinese Mainland and Hong Kong: New business results

## Chinese Mainland

New business profit, \$m



**APE sales**      447      507      +13%

### Margin

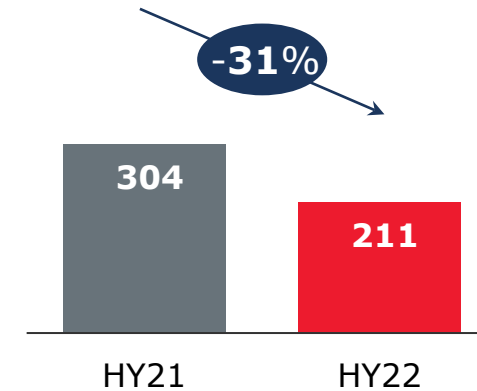
**Total**      51%      43%      -8ppt

**Agency**      81%      62%      -19ppt

**Banca**      42%      41%      -1ppt

## Hong Kong

New business profit, \$m



**APE sales**      251      227      -10%

### Margin

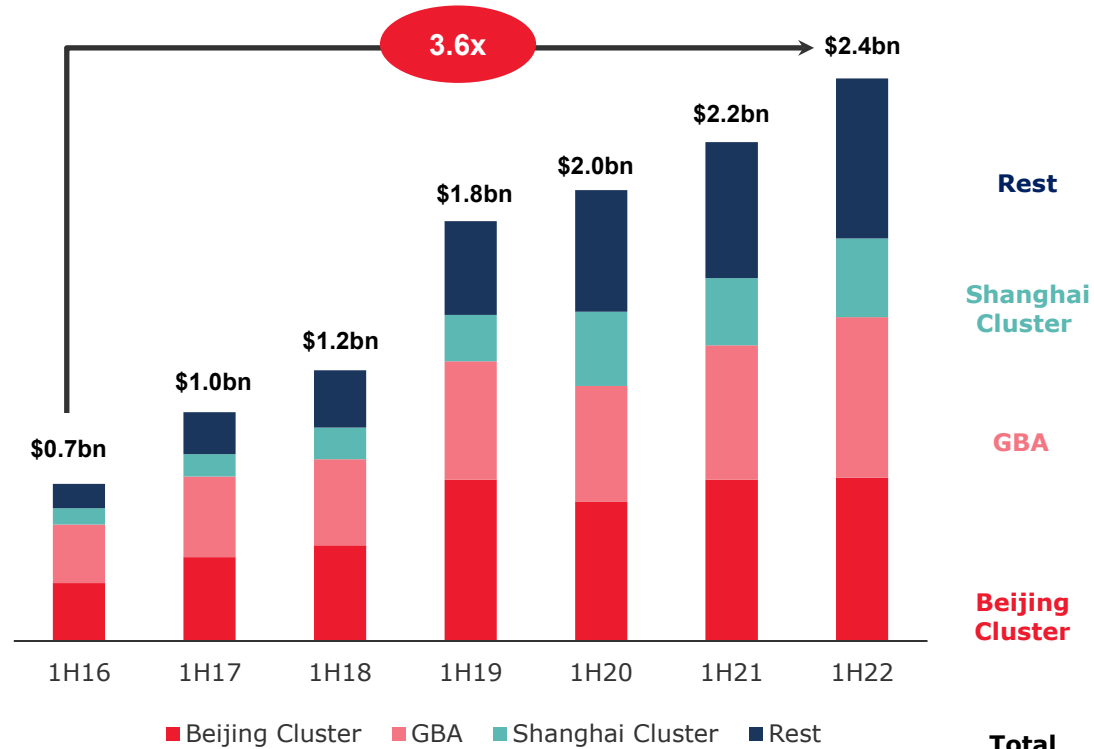
**Total**      121%      93%      -28ppt





# Chinese Mainland: Our “City Cluster” Model

## Citic-Prudential Life (CPL) GWP, \$bn<sup>1</sup>



**Beijing Cluster** = Beijing + Tianjin + Hebei

**GBA** = Guangdong (include Shenzhen branch), exclude Hong Kong & Macau

**Shanghai Cluster** = Jiangsu + Zhejiang + Shanghai + Anhui

**Rest** = Rest of China (not including Beijing Cluster, GBA and Shanghai Cluster)

1. 100% CPL GWP under constant 1H22 exchange rate basis.

2. Based on 1H22 data for CPL and CBIRC China Market GWP data.

3. As at June-2022.

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 shown to the nearest thousand.

GWP CAGR	GWP Mix % <sup>2</sup>		CPL GWP Market Share %		CPL Agency Channel <sup>3</sup>	CPL Banca Channel <sup>3</sup>	
(1H16-1H22)	CPL	China Market	1H16	1H22	# of Agents (,000) <sup>7</sup>	# of Partners <sup>6</sup>	# of Outlets (,000) <sup>7</sup>
37%	28%	54%	0.09% <sup>4</sup>	0.41% <sup>4</sup>	5	10	3
30%	14%	23%	0.15% <sup>4</sup>	0.47% <sup>4</sup>	1	27	1
18%	29%	12%	0.96% <sup>4</sup>	1.86% <sup>4</sup>	6	30	1
19%	29%	12%	0.88% <sup>4</sup>	1.91% <sup>4</sup>	4	22	1
24%	100%	100%	0.31% <sup>5</sup>	0.77% <sup>5</sup>	16	55	6

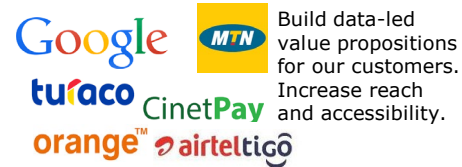


# Africa: Ongoing business momentum driven by innovation

## Distribution

**\$76 million** of APE sales  
**+17%**  
**APE sales growth<sup>1</sup>**

### Digital Partnerships



Build data-led value propositions for our customers. Increase reach and accessibility.

### Agency

**>13,000 agents**



Agents in Nigeria and Ghana have already achieved **MDRT** qualification

### Bancassurance

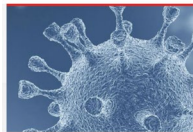
**>1,000 branches, >40 bank partners**



Optimising strategic partnerships

## Products

### Refreshed COVID19 cover



Prudential COVID-19 Cover

Prudential provides free a 30 days cover for clients hospitalized due to Covid-19.

[Learn More](#)

Standing with our communities through cover that offers hope at a time of uncertainty. **>9,000 COVID related claims paid**

### New products for all people at every stage of life to help them get the most out of life

**Cameroon:** Degree insurance

**Zambia:** 1. Post-retirement health insurance scheme, 2. Offshore and local currency collective investment scheme

**Kenya:** Pru critical care: Lump-sum pay-out for critical or terminal illness

**Nigeria:** 1. Easy protection term assurance product, 2. Revamped my Basic Savings plan

**Uganda:** 1. PruFarewell last expense plan, 2. ABSA Family Protection, 3. Stanbic Medicare, 4. Exim Medi-life, 5. End-to-end digital funeral product with Stanbic Bank

**Cote d'Ivoire:** Hospitalisation cash plan

## Flagship Community Events



### Safe Steps Road Safety

Leading the conversation to promote safe road use, building habits to save and protect lives in Cote d'Ivoire, Zambia, Cameroon, Uganda, Kenya

### Cha-ching financial literacy



Fundamentals of financial literacy shared with selected primary schools in Togo, Cote d'Ivoire, Ghana, Zambia, Kenya

### Global Money Week

Annual events and activities aimed at inspiring youth to learn about money, saving, employment and entrepreneurship celebrated in Ghana, Cameroon, Togo, Cote d'Ivoire



Providing thought leadership on **Mental Health at the workplace** across all our businesses

## Reach

**>2.8 million lives covered<sup>3</sup>**

**44% growth in lives covered<sup>2</sup>**

**Official insurance sponsor of the Africa Cup of Nations football tournament**



### Market Leaders

Prudential Life Assurance **Zambia** has now claimed the **number 1** life market position

Prudential Life Assurance **Uganda** is now **number 1** in the life market

### Innovation Leaders

Prudential Uganda named the **most innovative insurer** by the regulator, the second time in a row

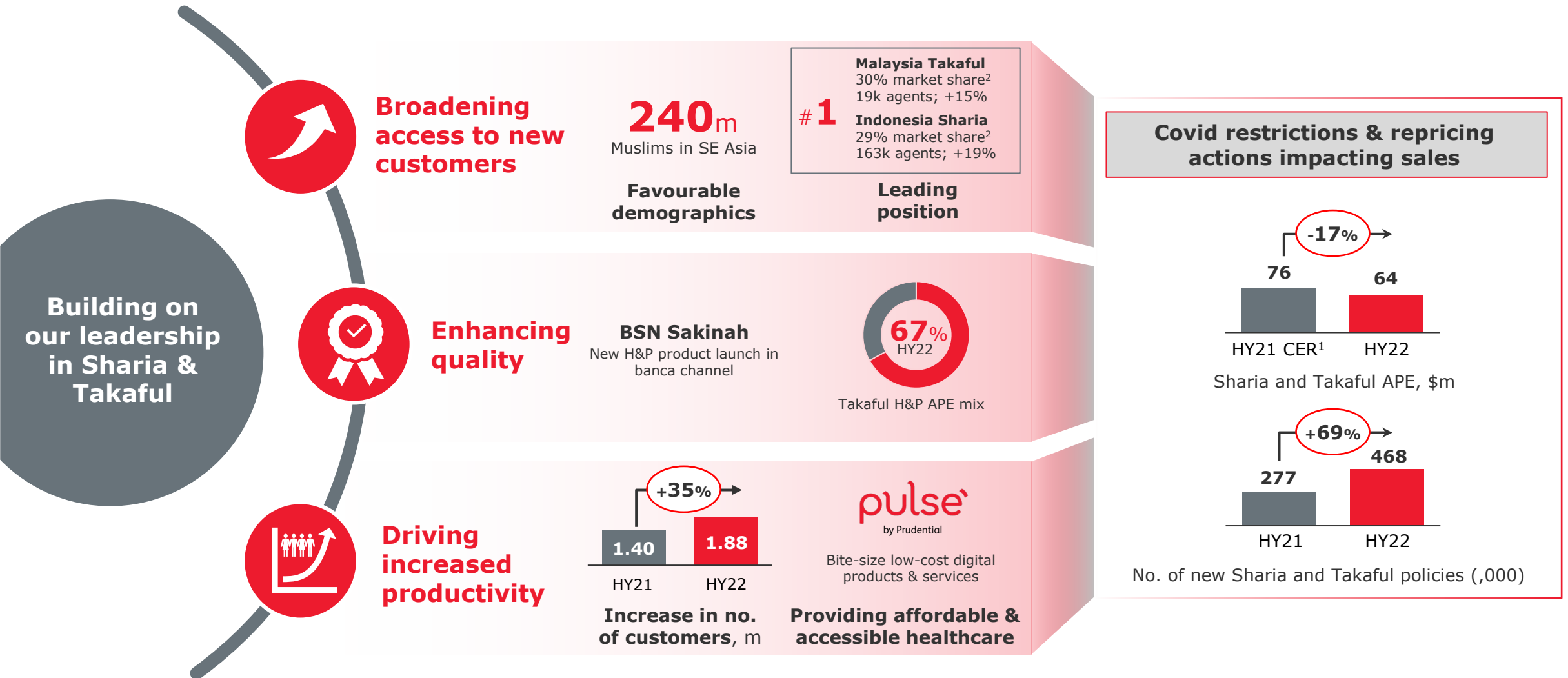
Prudential Uganda launched **the Best HR Practices Survey** to share best practices and recognise organisations championing best employment practices

Prudential Africa Regional Hub joined **Nairobi International Financial Centre** as the anchor client and was mentioned in the Kenyan President's speech

1. Constant exchange rate (CER) basis.  
 2. Growth from prior year H1.  
 3. Includes Group policies



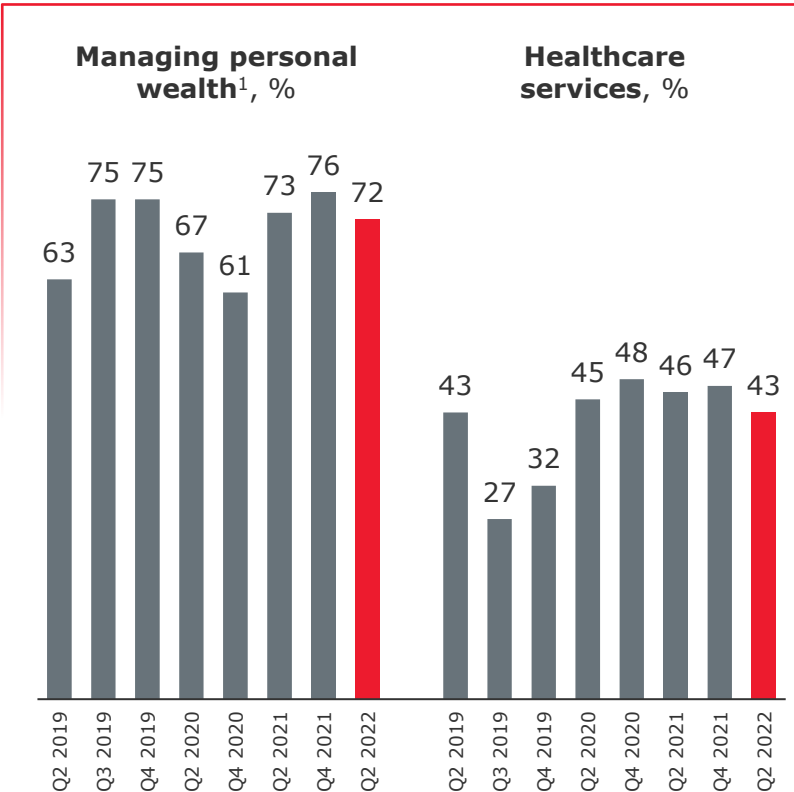
# Reinforced leadership in Sharia and Takaful



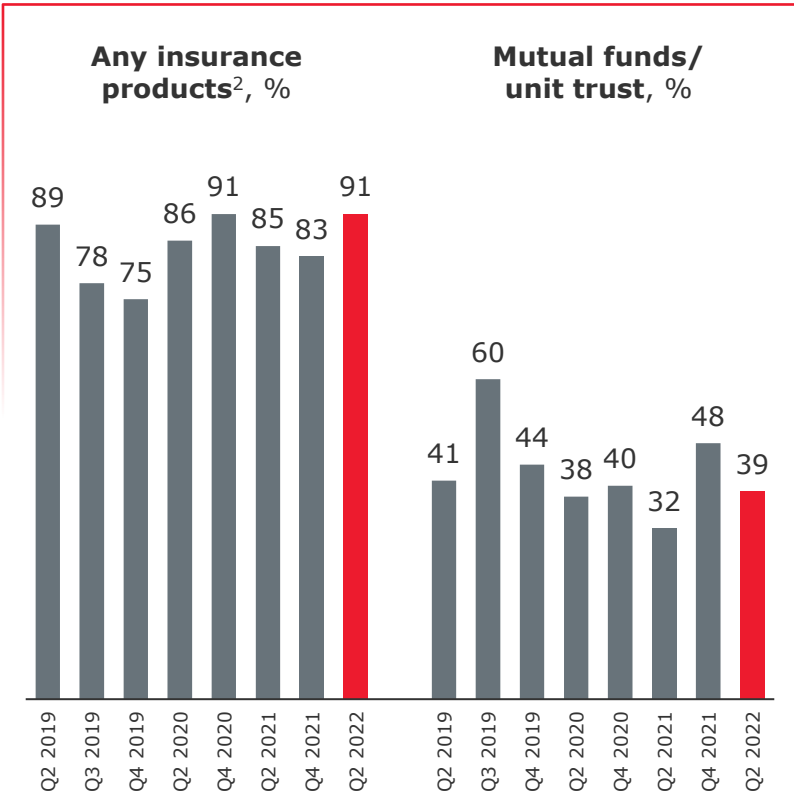


# Hong Kong: Intact demand drivers for Chinese Mainland customers

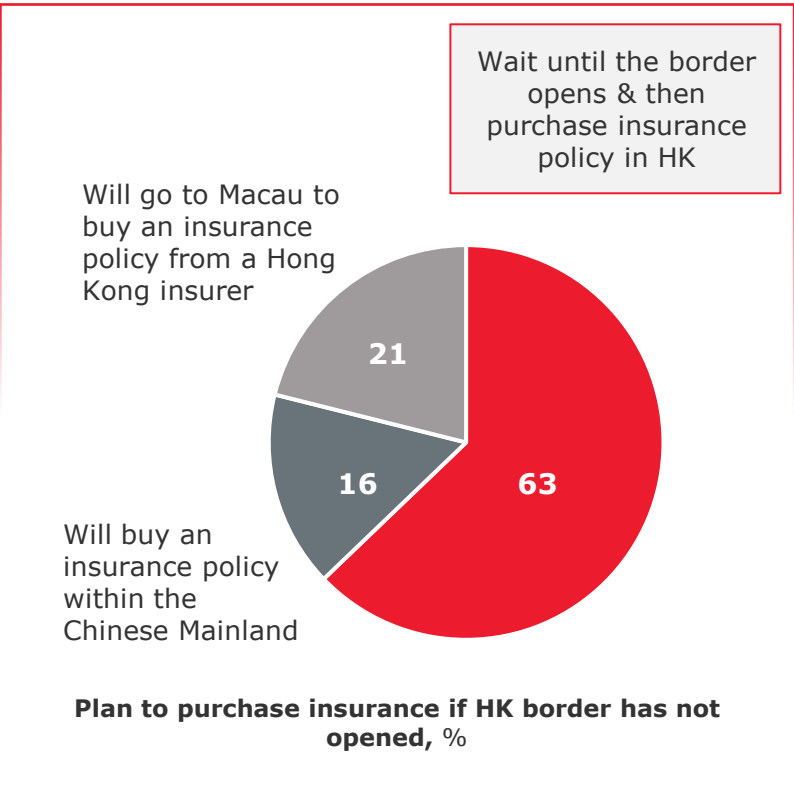
## MCH visitors' reasons to visit HK (Next 12 months)



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



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

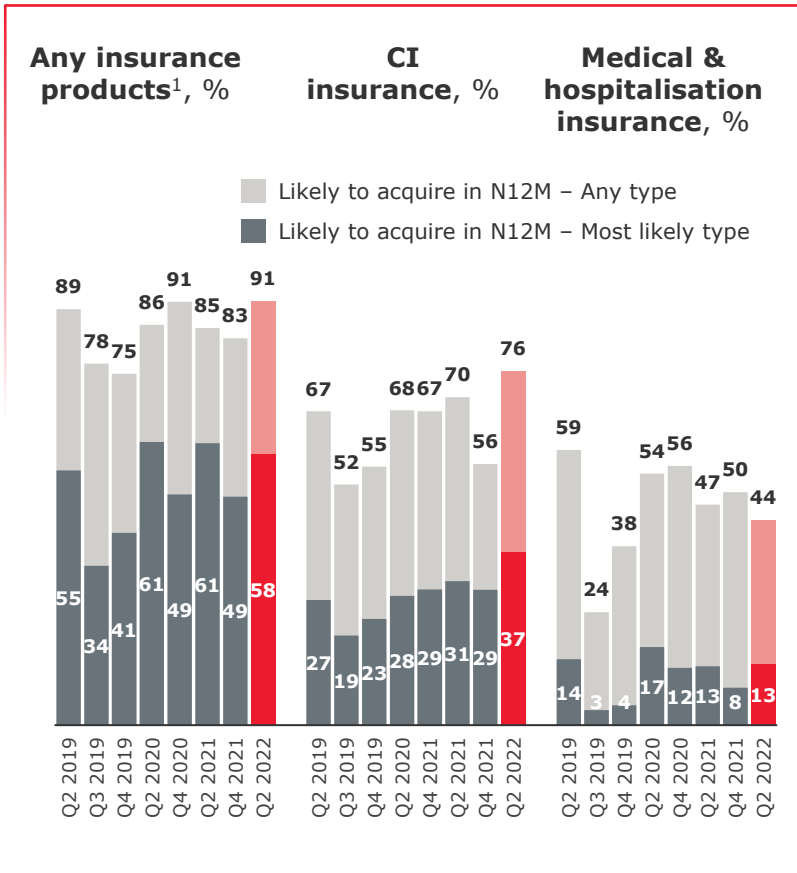


Note: Based on our 2Q 2022 MCH Sentiment Tracker conducted through an online survey. Survey results are based on sample size of 450.  
1. Managing personal wealth includes meeting with financial consultant/ insurance agent, purchasing savings, investment or insurance products.  
2. Any insurance products refers to insurance with coverage in the event of death, CI, Medical & hospitalization insurance and savings insurance.

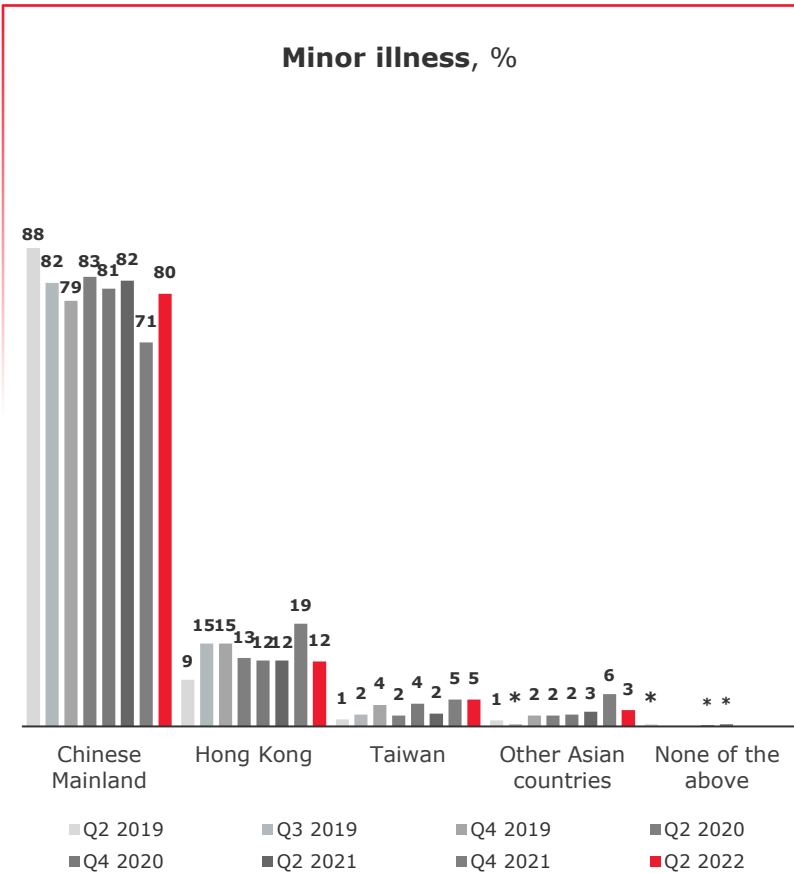


# Hong Kong: Intact demand drivers for Chinese Mainland customers

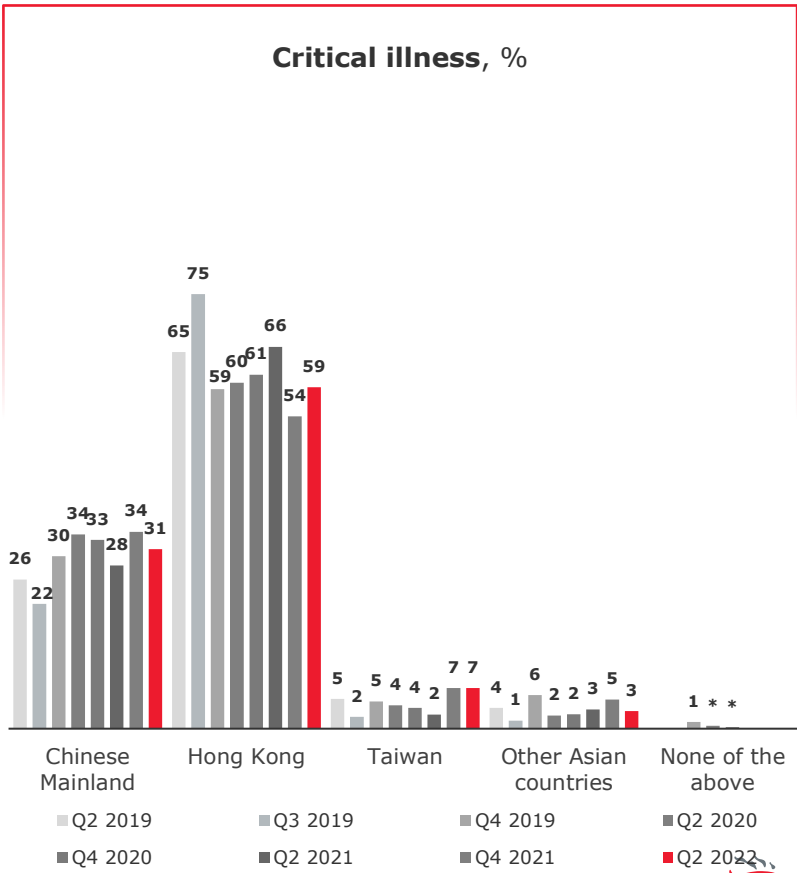
MCH visitors' intention for financial products



MCH visitors' preference for medical treatment



MCH visitors' preference for medical treatment



Note: Based on our 2Q 2022 MCH Sentiment Tracker conducted through an online survey. Survey results are based on sample size of 450.  
1. Any insurance products refers to insurance with coverage in the event of death, CI, Medical & hospitalization insurance and savings insurance.



# CFO appendix

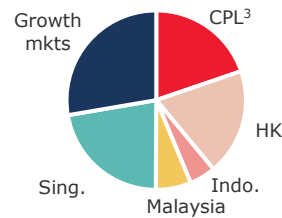




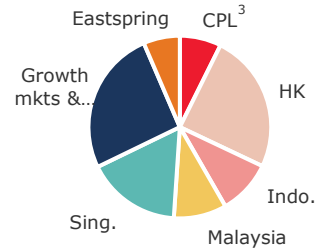
# Diversification and growth

## Financial performance by segment

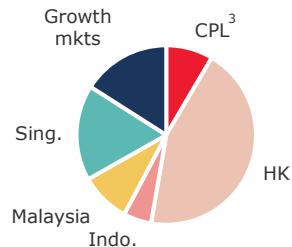
### New Business Profit, HY22



### Adjusted IFRS Operating Profit, HY22



### EEV SHF LT Business, 30 June 2022¹



\$m	New Business Profit		Adjusted IFRS Operating Profit		EEV SHF Long-term business¹
	HY22	%YoY²	HY22	%YoY²	30-Jun-22
<b>CPL³</b>	217	(4)	149	7	3,302
<b>Hong Kong</b>	211	(31)	501	10	17,246
<b>Indonesia</b>	52	(7)	196	(12)	1,956
<b>Malaysia</b>	70	(36)	190	9	3,524
<b>Singapore</b>	244	16	340	9	6,712
<b>Growth markets &amp; other⁴</b>	304	22	522	13	6,225
<b>Eastspring</b>	n/a	n/a	131	(15)	n/a
<b>Total</b>	<b>1,098</b>	<b>(5)</b>	<b>2,029</b>	<b>6</b>	<b>38,965</b>

1. Excluding goodwill.

2. Constant exchange rate basis.

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

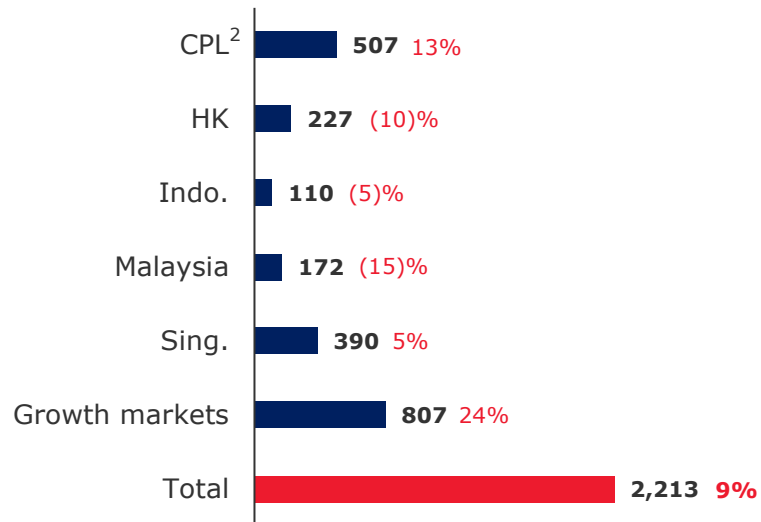
4. Adjusted operating profit for growth markets and other includes other items of \$160 million (half year 2021: \$167 million on an AER basis and \$161 million on a CER basis; full year 2021: \$217 million on an AER basis) which in the first half of 2022 comprised largely of the impact of the adoption of the Risk-Based Capital regime in Hong Kong offset by corporate taxes for life joint ventures and associates and provisions for sales and premium tax.



# Diversified and resilient segment NBP performance

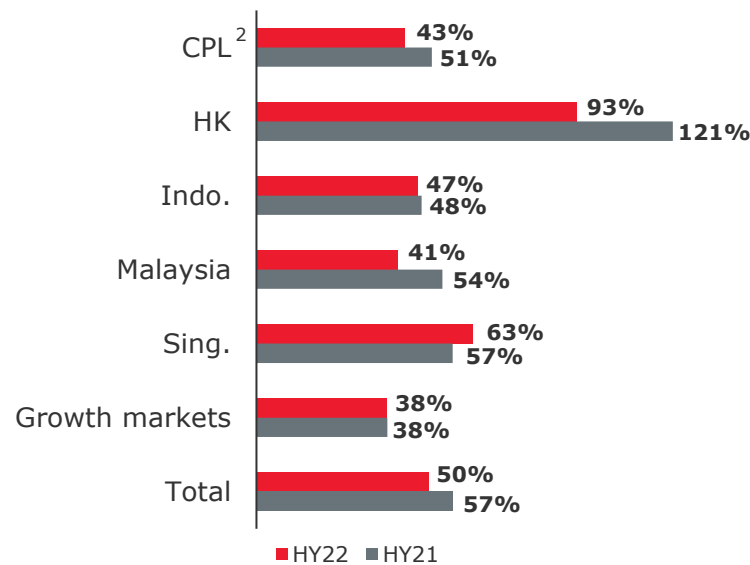
## Diversified

APE, HY22 \$m, % Growth YoY (CER<sup>1</sup>)



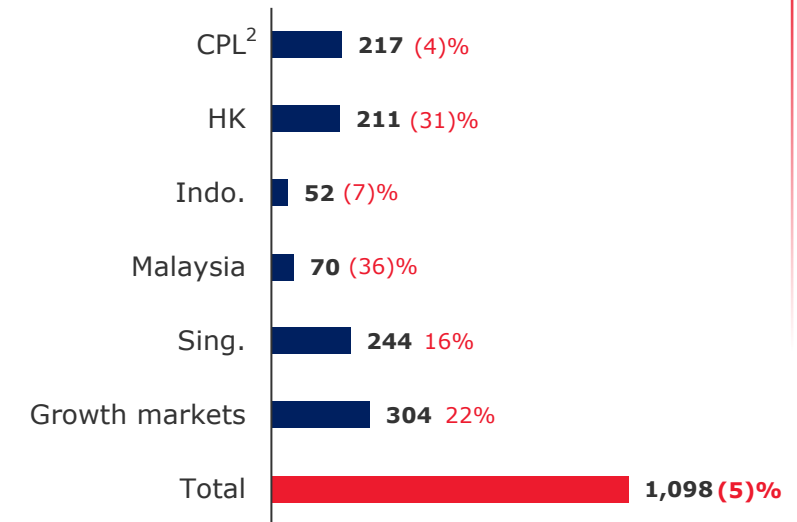
## Mix & economic effects

NBP margin vs APE HY22 vs HY21<sup>1</sup>



## Resilient

NBP, \$m, % Growth YoY (CER<sup>1</sup>)



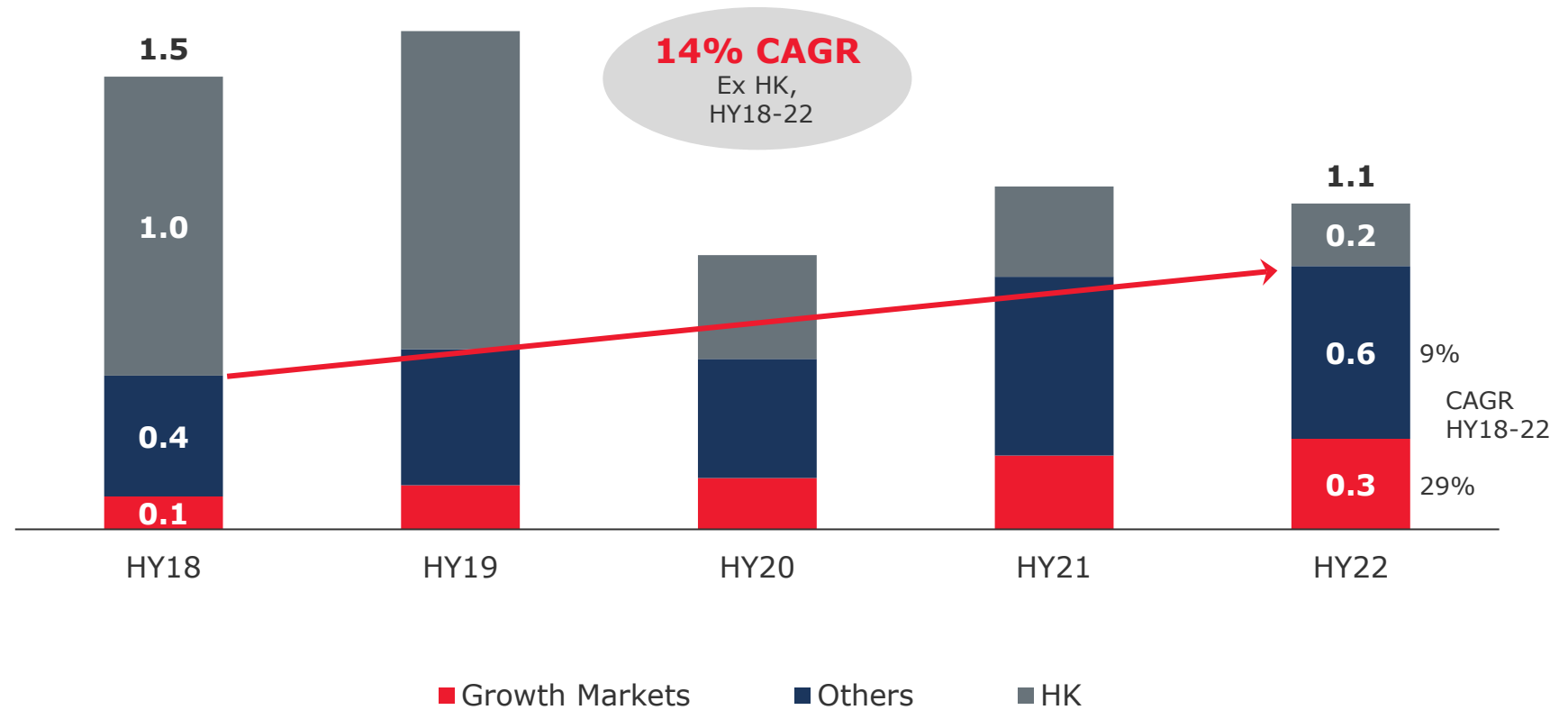
**NBP: \$1.1bn**  
(HY21: \$1.2bn)



**14% NBP CAGR  
ex HK despite  
disruption**

Material growth  
in franchise with  
capacity for MCH  
sales maintained

## NBP, HY18-HY22 \$bn CER<sup>1</sup>



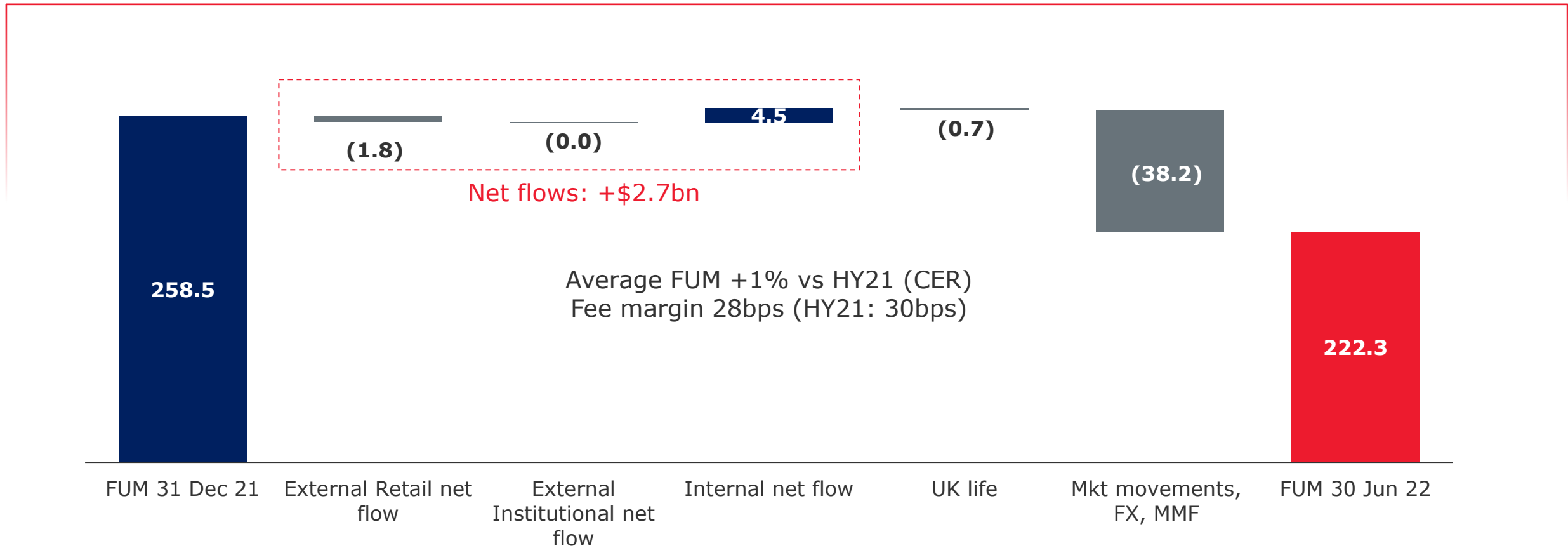
1. Constant exchange rate basis.



# Eastspring: Positive net inflows in challenging environment

## Eastspring: Movement in FUM

HY22, \$bn





# Asset portfolio

## Breakdown of invested assets<sup>1</sup>

at 30 Jun 2022 \$bn

	Par funds	Unit linked	Shareholder-backed <sup>2</sup>	Total
<b>Debt</b>	<b>49.6</b>	<b>5.1</b>	<b>24.4</b>	<b>79.1</b>
Direct equities	11.3	11.3	2.2	24.8
Collective investment schemes <sup>3</sup>	21.8	6.9	3.7	32.4
Mortgage	0.0	0.0	0.1	0.1
Other loans	1.9	0.0	0.4	2.3
Other <sup>4</sup>	1.2	0.4	2.5	4.1
<b>Total</b>	<b>85.8</b>	<b>23.7</b>	<b>33.3</b>	<b>142.8</b>

## Shareholder debt portfolio

at 30 Jun 2022

	Holding by issuer				
	Portfolio \$bn	No. Issuers <sup>5</sup>	Av. \$m	Max \$m	<BBB- <sup>6</sup>
<b>Sovereign debt</b>	11.9	81	146.9	3,508.6	13.2%
<b>Other debt</b>	12.5	1,429	8.7	260.0	7.4%
	<b>24.4</b>				<b>20.6%</b>
<b>Investment grade</b>	10.7	1,041	10.3	260.0	
<b>High Yield</b>	1.8	485	3.7	190.2	
	<b>12.5</b>				

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 deposits, derivative assets and other investments.

5. Presented on issuer group basis.

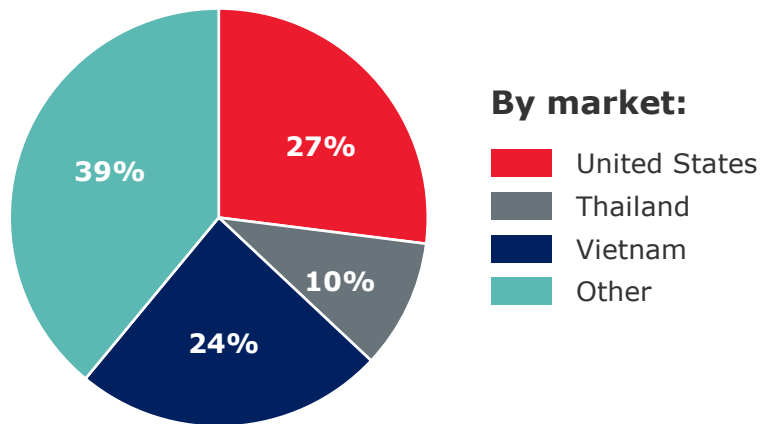
6. Based on middle rating from Standard and Poor's, Moody's and Fitch. If unavailable, local external rating agencies ratings and then internal ratings have been used.



# Shareholder-backed debt exposures

## By geography<sup>1</sup> at 30 Jun 2022

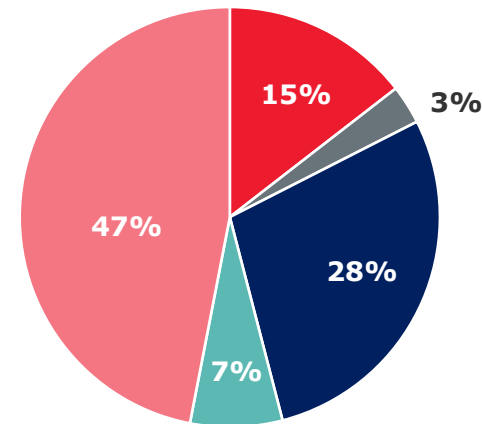
### Sovereign debt



Total \$11.9bn

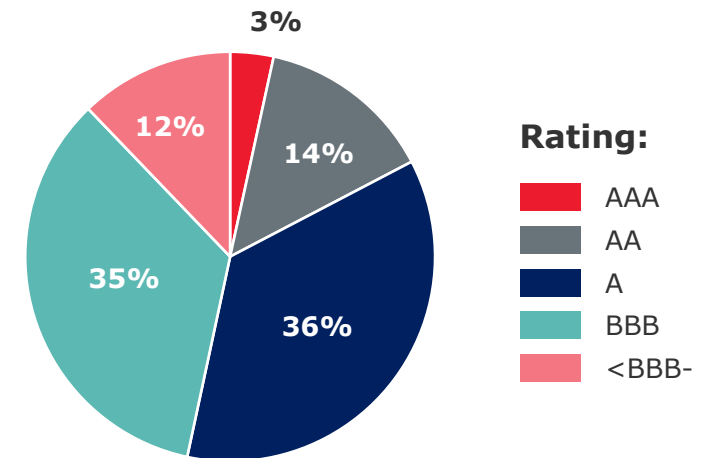
## By credit rating<sup>1,2</sup> at 30 Jun 2022

### Other government bonds



Total \$0.9bn

### Corporate bonds



Total \$11.5bn

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

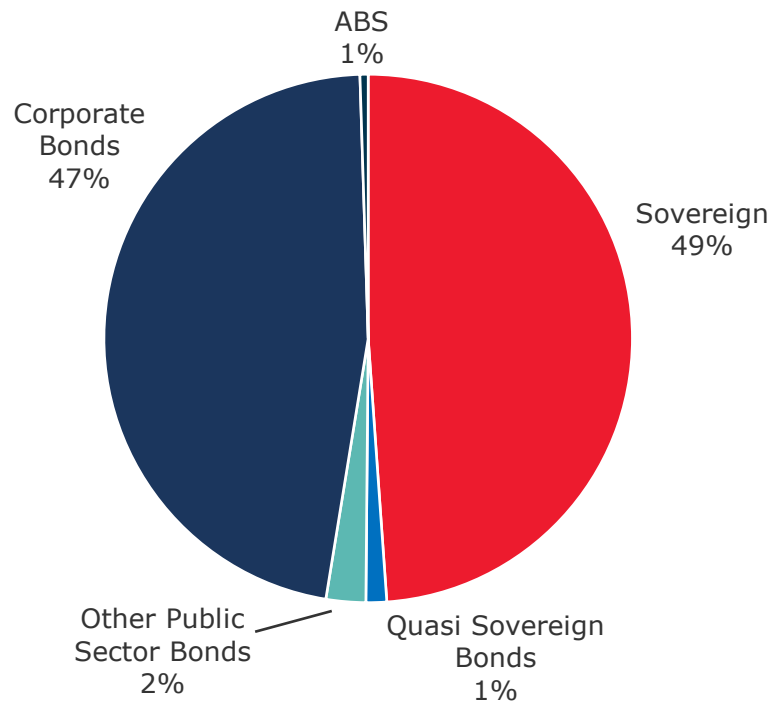
1. Totals may not cast as a result of rounding.

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.



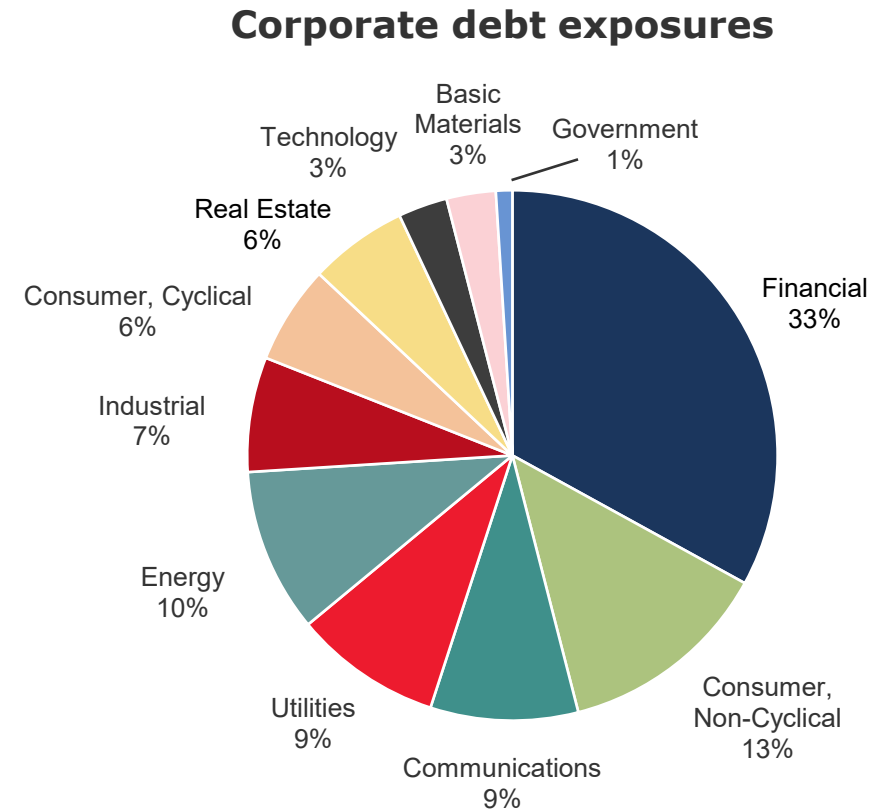
# Shareholder-backed debt exposures

**By asset type<sup>1</sup>**  
at 30 Jun 2022



**Total \$24.4bn**

**By sector<sup>1,2</sup>**  
at 30 Jun 2022



**Total \$11.5bn**

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

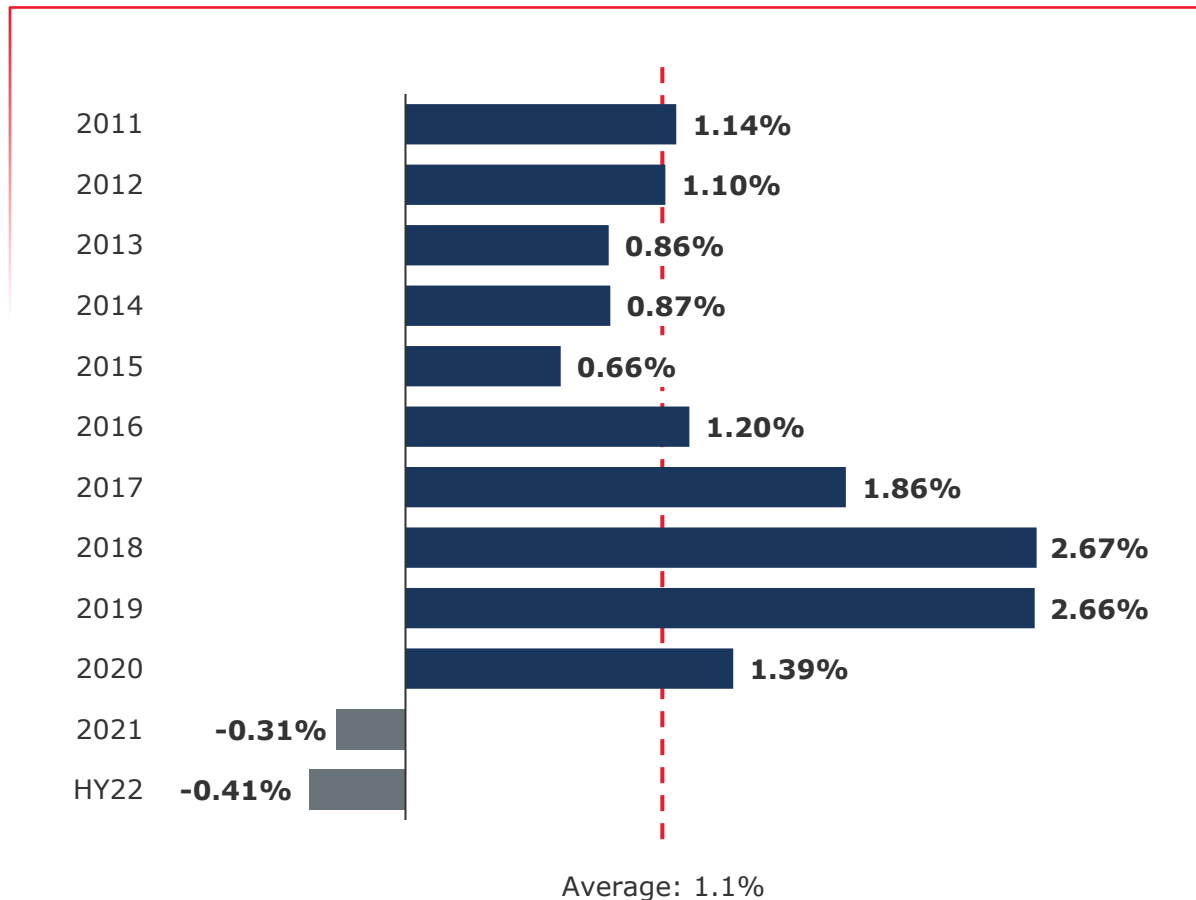
1. Totals may not cast as a result of rounding.

2. Primary sources of segmentation: Bloomberg Sector, Bloomberg Group and Merrill Lynch.

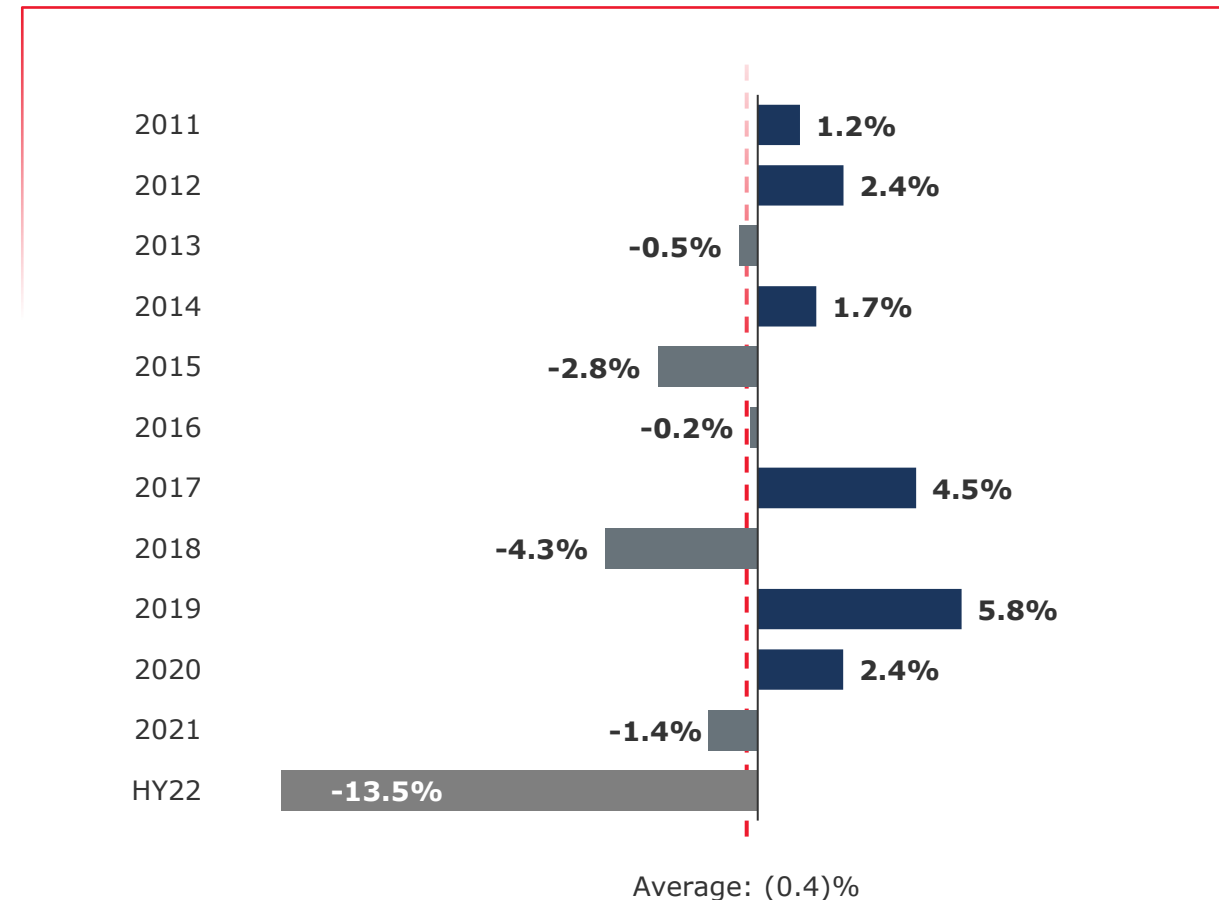


# History of materially positive operating and economic variances

## Operating experience & assumption changes<sup>1</sup> as % of opening EV



## Economic experience<sup>2</sup> as % of opening EV



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).

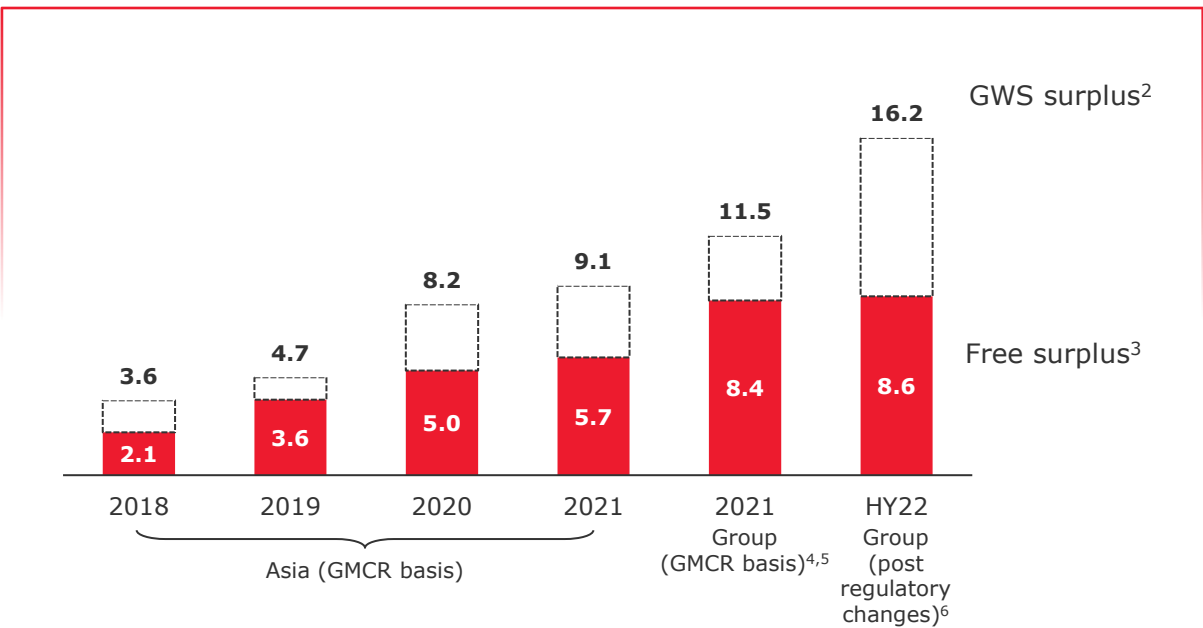




# Free surplus represents shareholder capital available for investment

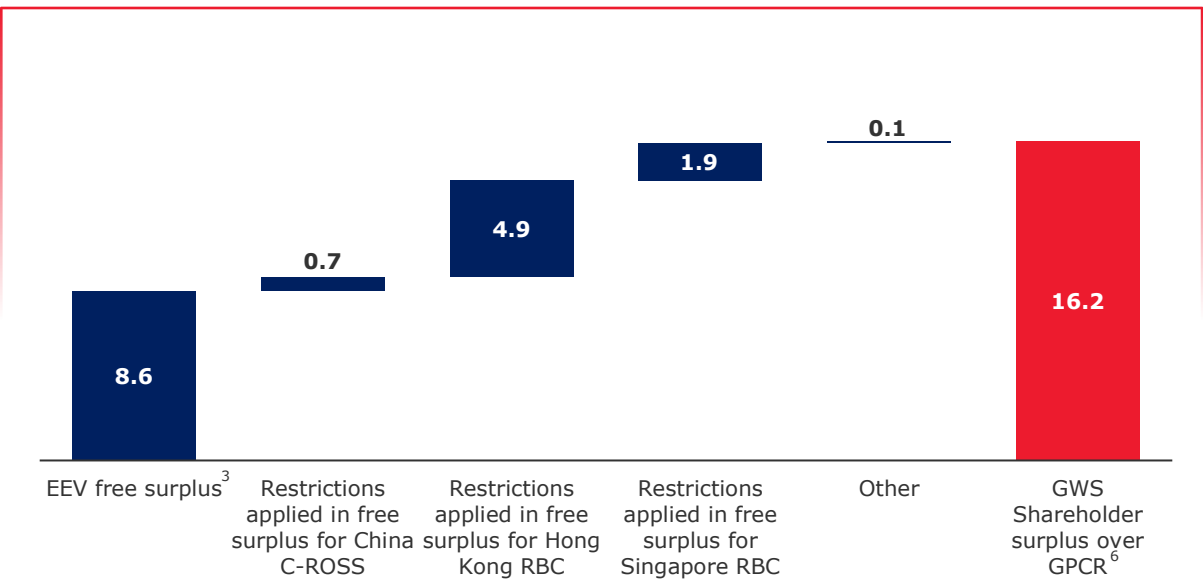
## Free surplus less impacted by recent regulatory changes than GWS<sup>1</sup>

GWS/LCSM shareholder & EEV free surplus, 2019-HY22 \$bn



## Reconciliation of EEV free surplus to GWS<sup>1</sup> surplus

On a GPCR basis 30 June 2022, \$bn



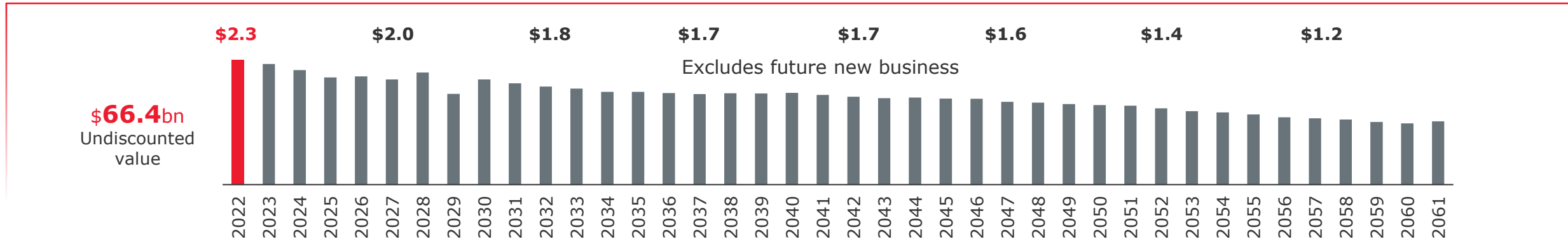
1. Prudential applies the Insurance (Group Capital) Rules set out in the GWS Framework to determine group regulatory capital requirements (both minimum and prescribed levels).  
 2. GWS surplus vs GMCR from 2018-2021, vs GPCR at HY22.  
 3. Excluding distribution rights and other intangibles.  
 4. Proforma for \$1.7bn debt redemption in January 2022.  
 5. Before allowing for the second 2021 interim dividend.  
 6. Before allowing for the first 2022 interim dividend.



# Building high quality, growing capital generation

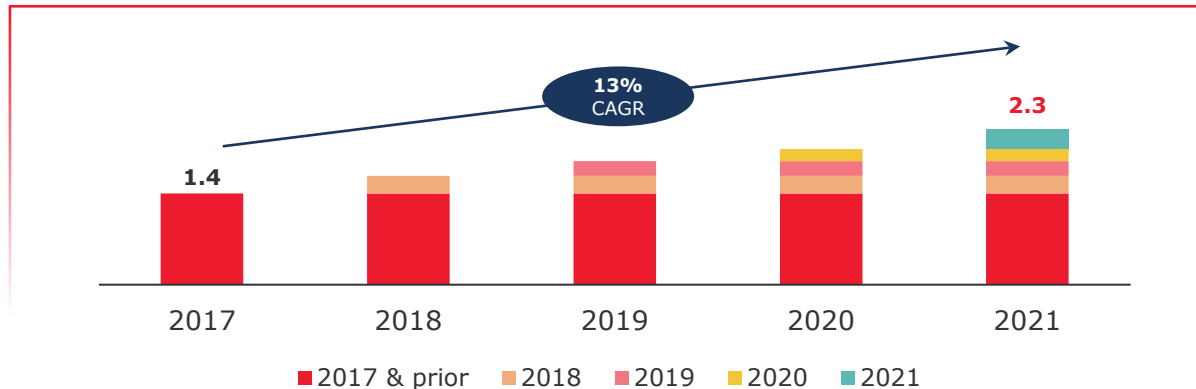
## Highly predictable in-force capital generation

Expected free surplus generation from in-force business by year, 2022-2061, 31 December 2021, \$bn



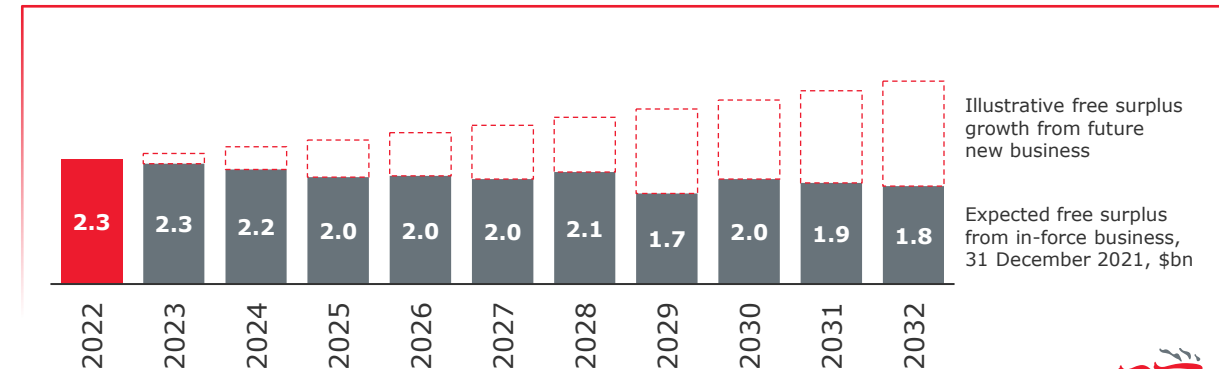
## New business creates compounding growth

Development of expected 2022 free surplus generation by cohort, FY17-FY21 \$bn



## New business creates compounding growth

Illustrative growth in free surplus generation from future new business, \$bn



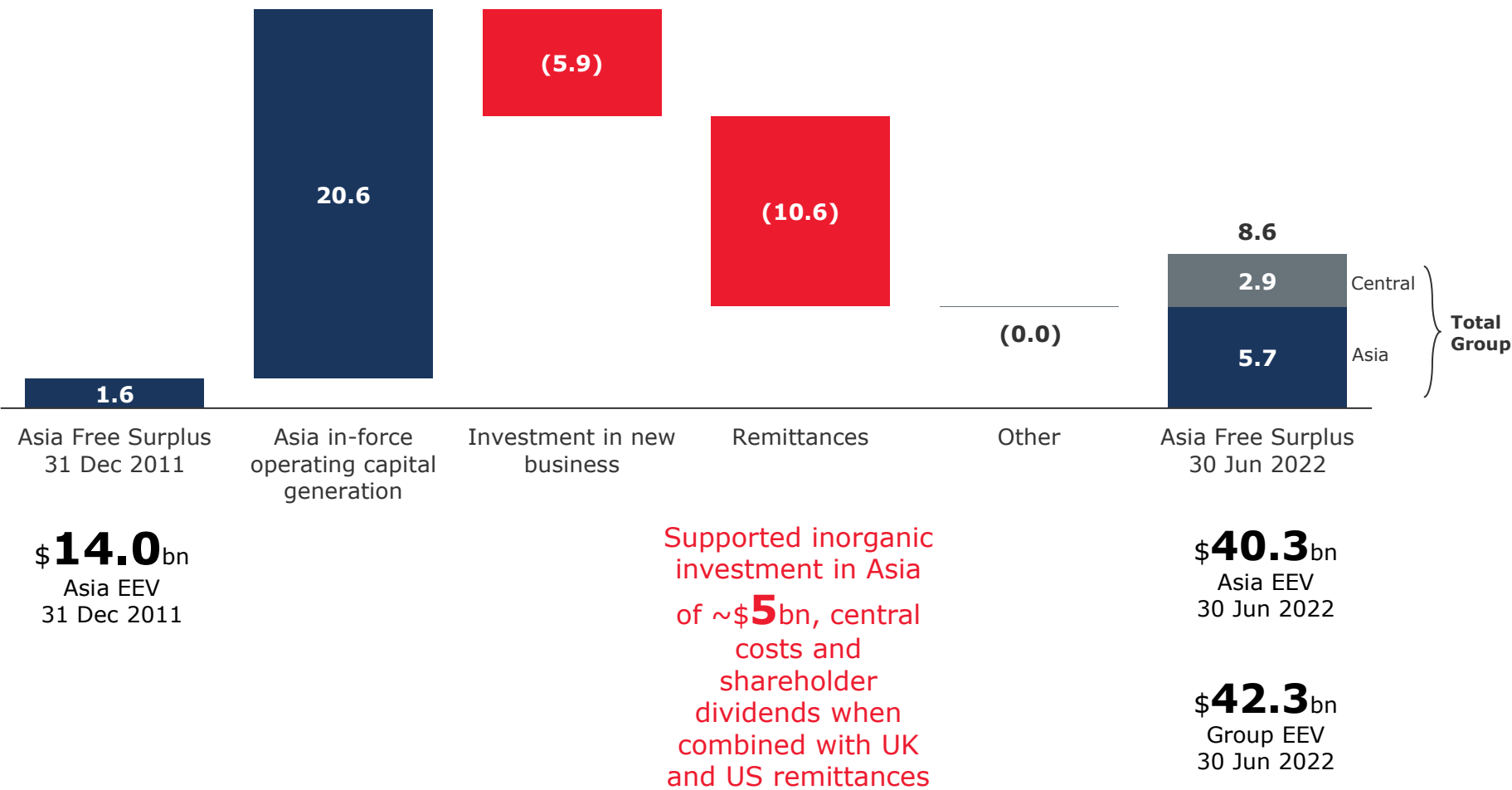
# Disciplined Capital allocation

\$6bn invested  
new business

\$5bn invested in  
inorganic  
opportunities

## Reinvesting Asia capital generation to drive growth

Asia Free surplus<sup>1</sup> sources and uses, FY12-HY22 \$bn



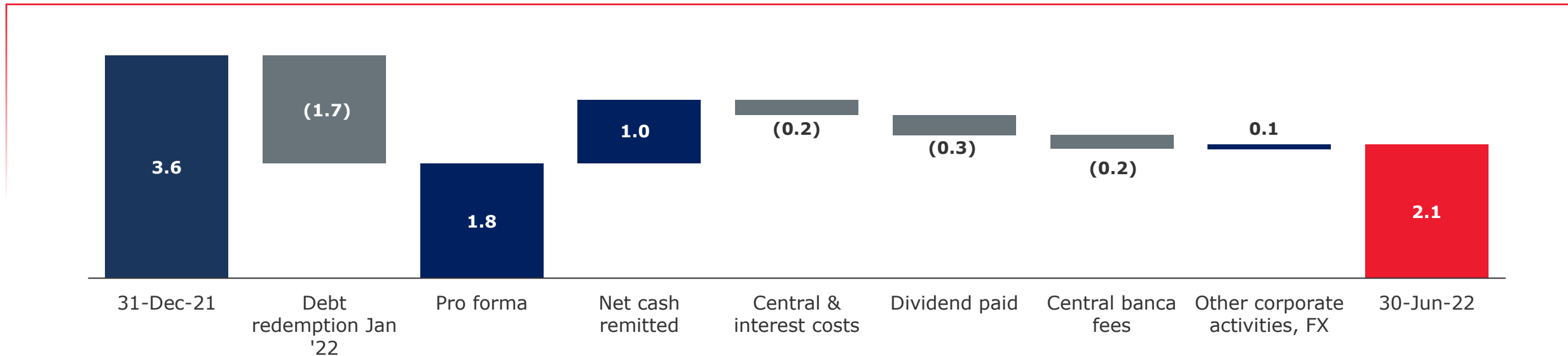
1.Excluding distribution rights and other intangibles.



# Strong central liquidity

## Group holding company cash flow

HY22, \$bn



- \$2.1bn central liquidity
- Substantial flexibility to invest in new business and strategic growth opportunities





# Impact of regulatory changes measured as at 1 January 2022

1 January 2022, \$bn	Impact of Hong Kong RBC and C-ROSS II <sup>1</sup>	
<b>GWS<sup>2</sup></b>		
GWS shareholder capital surplus over GMCR	+9.3	Increase in capital resources as prudence removed from liabilities and capital requirements increase as a result of risk-based approach leading to net positive impact on surplus and coverage ratio.
GWS shareholder coverage ratio over GMCR	+137%p	
<b>EEV Shareholder's Equity</b>	<b>0.2</b>	
Value in force	(4.0)	An increase in the EEV net worth (sum of free surplus and required capital) by \$4.2 billion, reflecting the release of prudent regulatory margins previously included in liabilities. And a reduction in VIF.
Free surplus	1.4	
Required capital	2.8	
<b>IFRS Shareholder's Equity</b>	<b>0.9</b>	
Operating (non-recurring)	0.2	More limited impact compared to EEV Net Worth because of the application of minimum floors when determining IFRS liabilities.
Non-Operating (non-recurring)	0.7	

1. No impact of C-ROSS Phase II on EEV and IFRS. Figures have been adjusted for casting purposes.

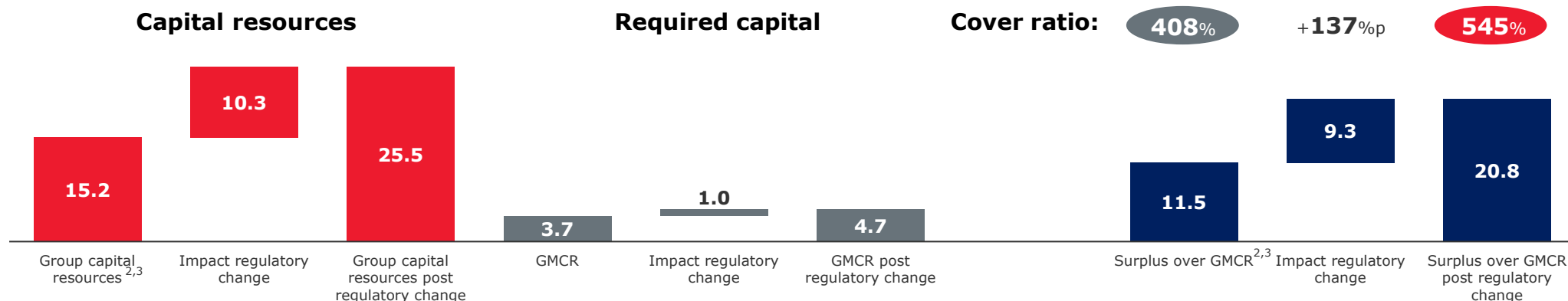
2. Prudential applies the Insurance (Group Capital) Rules set out in the GWS Framework to determine group regulatory capital requirements (both minimum and prescribed levels).



# Impact of regulatory change on GWS position 31 December 2021<sup>1</sup>

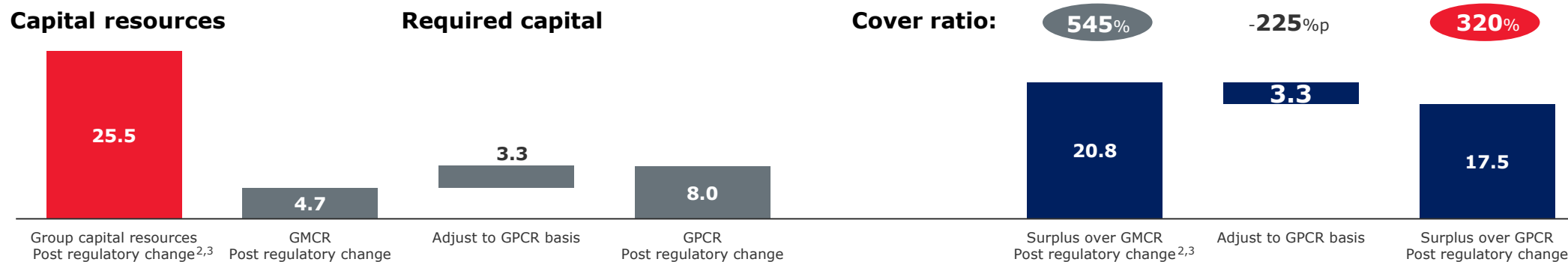
## Impact of regulatory change on GWS position, GMCR basis, \$bn<sup>1,2,3</sup>

Reconciliation of Group shareholder GWS position for impact of regulatory change, 31 December 2021



## Impact of applying GPCR basis, \$bn<sup>1,2,3</sup>

31 December 2021



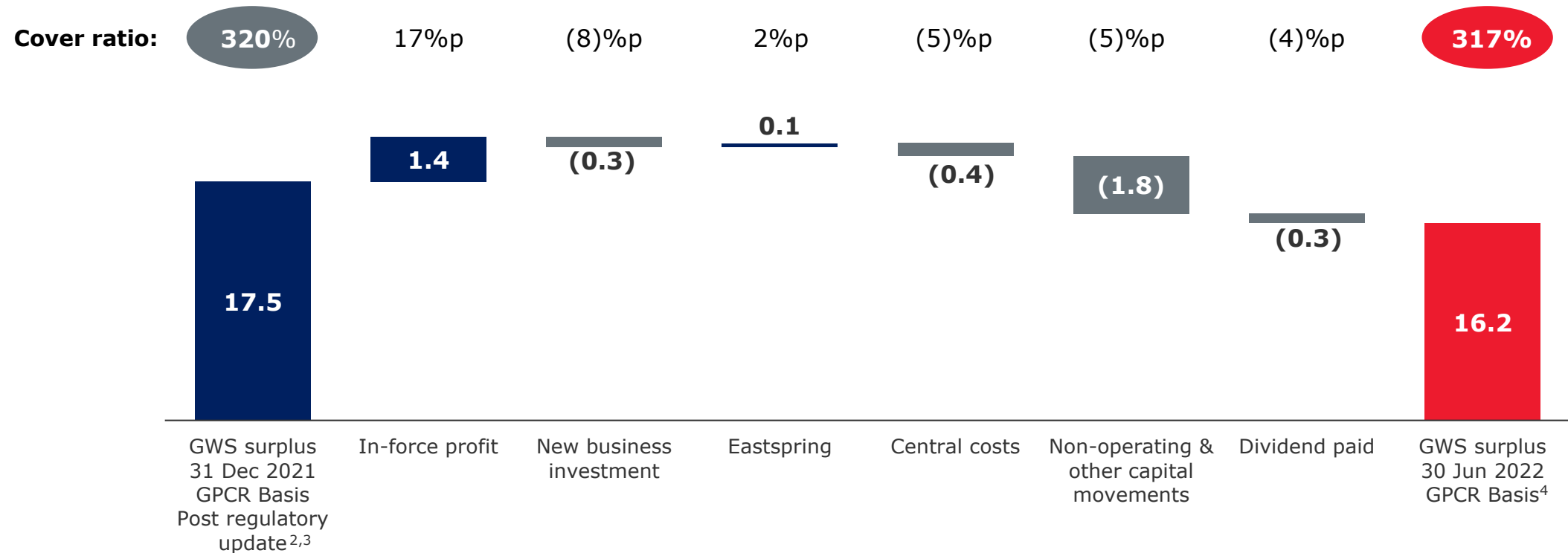
1. Prudential applies the Insurance (Group Capital) Rules set out in the GWS Framework to determine group regulatory capital requirements (both minimum and prescribed levels).

2. After allowing for the impact of the \$1.7 billion debt redemption in January 2022

3. Before allowing for the second 2021 interim dividend.



# Resilient regulatory GWS<sup>1</sup> capital generation



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).

2. Before allowing for the second 2021 interim dividend.

3. Proforma for \$1.7bn debt redemption in January 2022.

4. Before allowing for the first 2022 interim dividend.

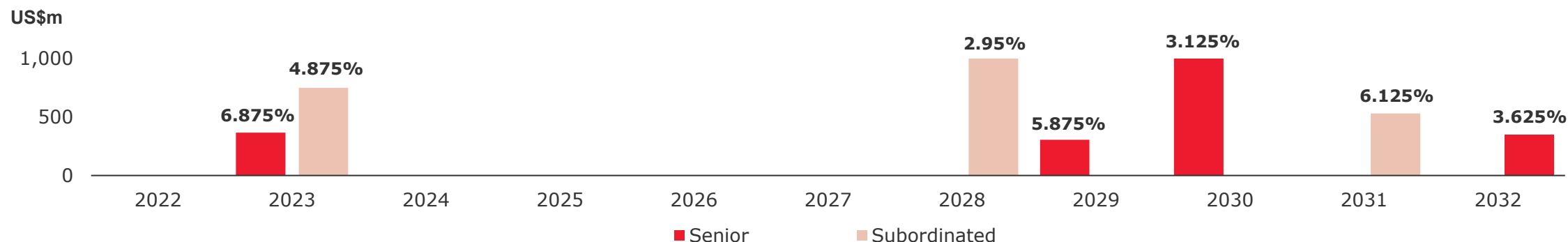


# Balanced call date/maturity profile supports financial flexibility

## Prudential plc: Core structural borrowings<sup>1</sup>

30 June 2022

### Next call / Maturity Schedule



Maturity	Next call	Currency	Coupon	Issue size (m)	IFRS value (\$m)	Type
Perpetual	20/1/2023 <sup>2</sup>	USD	4.875%	750	749	Subordinated
20/01/2023	n/a	GBP	6.875%	300	363	Senior
10/07/2023	n/a	EUR	Eur CMS	20	21	Subordinated
03/11/2033	03/11/2028 <sup>3</sup>	USD	2.95%	1,000	995	Subordinated
11/05/2029	n/a	GBP	5.875%	250	282	Senior
14/04/2030	n/a	USD	3.125%	1,000	986	Senior
19/12/2031	n/a	GBP	6.125%	435	524	Subordinated
24/3/2032	n/a	USD	3.625%	350	346	Senior
<b>Total Senior Bonds</b>					<b>1,974</b>	
<b>Total Subordinated Bonds</b>					<b>2,289</b>	
<b>Total</b>					<b>4,266</b>	

1. All senior and subordinated bonds included as GWS capital other than \$350m senior issued in HY22.

2. Subject to regulatory consent.

3. Subject to regulatory consent, the company has the right to call this security for a repayment at par between 3 August 2028 and 3 November 2028.





# Transfer of Prudential shares between UK and HK share registers

- Prudential has a UK and HK share register. Shareholders can transfer Prudential shares from one register to the other, 'shunting'
- This can be processed in 4 business days, 2 in the UK plus 2 in HK, subject to fees

