



Prudential plc

Senior Debt Investor Presentation

Marketing Road Show April 2020

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Any forward-looking statements contained in this presentation speak only as of the date on which they are made. Prudential expressly disclaims any obligation to update any of the forward-looking statements contained in this presentation or any other forward-looking statements it may make, whether as a result of future events, new information or otherwise except as required pursuant to the rules and regulations of the SEC, the UK Listing Rules, the UK Disclosure and Transparency Rules, the Hong Kong Listing Rules, the SGX-ST listing rules or other applicable laws and regulations.

Prudential has filed a registration statement (including a preliminary prospectus supplement and accompanying prospectus) for the offering to which this presentation relates. Before you invest, you should read the prospectus supplement and the accompanying prospectus in that registration statement and the documents incorporated by reference or filed as exhibits to the registration statement for more complete information about Prudential and this offering. You may get these documents for free by visiting EDGAR on the SEC web site at www.sec.gov.

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Executive Summary

Prudential plc

- Global insurer and financial services holding company focused in the life insurance and asset management sectors
- Over 20 million¹ customers worldwide
- Issuer senior debt credit rating of **A2⁴/A⁵ from Moody's and S&P**

Global Brand

JACKSON
NATIONAL LIFE INSURANCE COMPANY

PRUDENTIAL
AFRICA

PRUDENTIAL
英國保誠集團

eastspring
investments
A member of Prudential plc (UK)

Our Strategy

- Serving the protection and investment needs of the growing middle class in Asia
- Providing asset accumulation and retirement income products to US retirees
- Offering products to new customers in Africa, one of the fastest-growing regions in the world

Financial Overview^{1,3}

- IFRS adjusted operating profit **\$ 5,310m**
- IFRS profit after tax **\$ 1,953m**
- LCSM shareholder surplus² **\$ 9.5bn**
- Funds under management **\$ 544bn**

1. As at 31 December 2019

2. Shareholders surplus over group minimal capital requirement

3. From continuing operations

4. Moody's Credit Option Prudential plc 17 March 2020

5. S&P Global Ratings Prudential 17 March 2020



Prudential plc

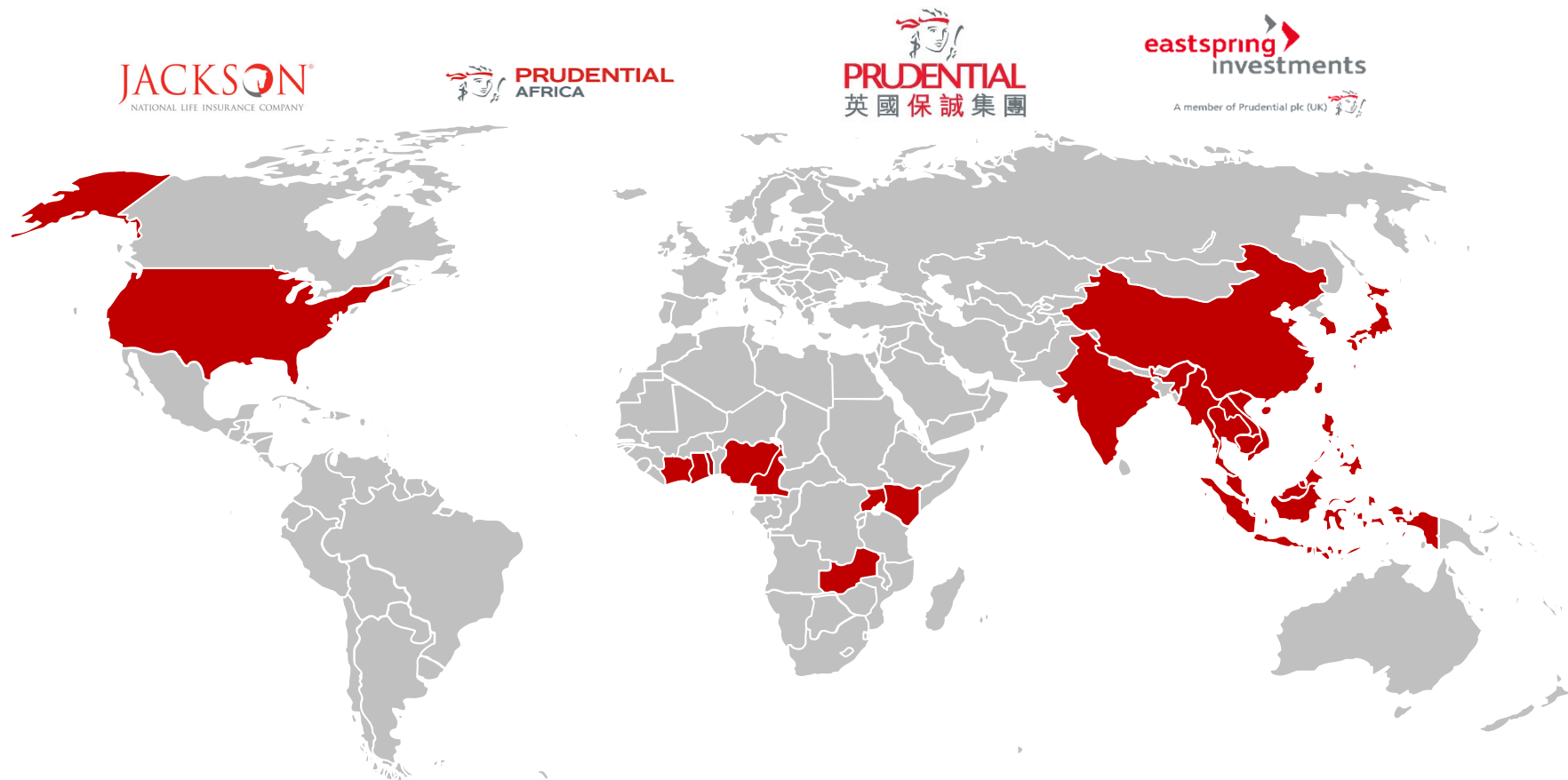
Overview of Prudential plc

Senior Debt Roadshow April 2020

Prudential plc - Globally Diversified Group

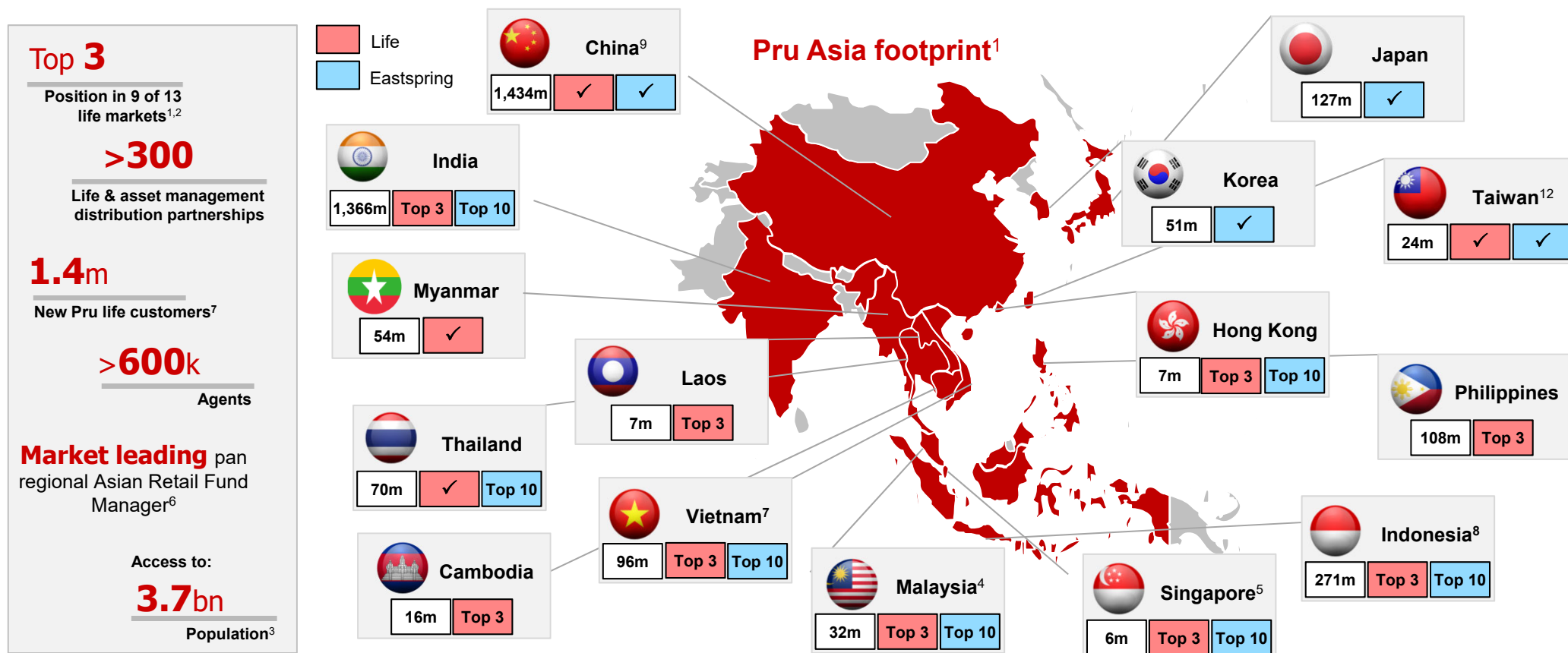
A diverse global group with leading positions in structural growth markets

- Diverse global portfolio of market-leading businesses in markets with good growth potential
- Local competitive advantages driven by best-in-class product capabilities, customer engagement & brand
- Scale synergies strengthen local competitive advantage, with an appropriate balance of risk & reward
- Record of generating value from capital allocation, risk management & stakeholder engagement
- Discipline in delivering managed operational growth



Prudential plc – Asia

Leading pan-regional franchise



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

1 Markets determined by regulatory and business requirements

2 Top 3 in 9 of 13 markets. Source: Based on formal (Competitors' results release, local regulators and insurance associations) and informal (industry exchange) market share data. Ranking based on new business (APE or weighted FYP depending on the availability of data)

3 United Nations, Department of Economic and Social Affairs, Population Division, World Population Prospects 2019 Revision

4 Includes Takaful, excludes Group business

5 Includes onshore only, excluding Eldersfield and DPS.

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

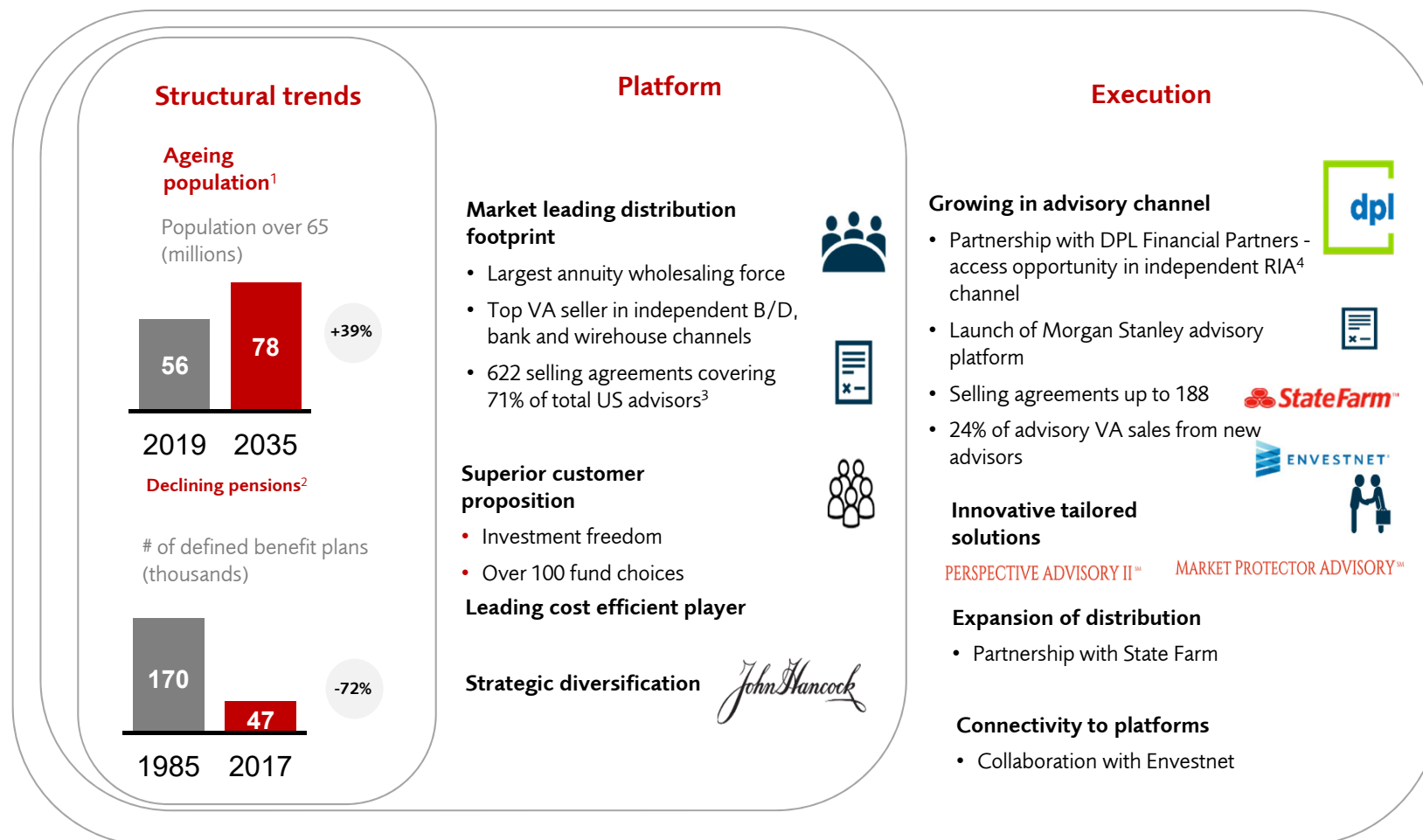
7 In FY19. Excludes India.

8 Excluding Jiwasraya.

9 Total joint venture/foreign players only.

Prudential plc – US/Jackson

Well placed to capitalise on market opportunity



¹ Social Security Administration

² U.S. Department of Labor, Private Pension Plan Bulletin, Abstract of 2017 Form 5500 Annual Reports. September 2019

³ The Cerulli Report Advisor Metrics 2019 and Jackson research

⁴ Registered Investment Adviser (RIA)

Prudential plc – Africa

Regional footprint and growth prospects

Population of Africa¹

1.3 bn → **2.3 bn**
2019 2045

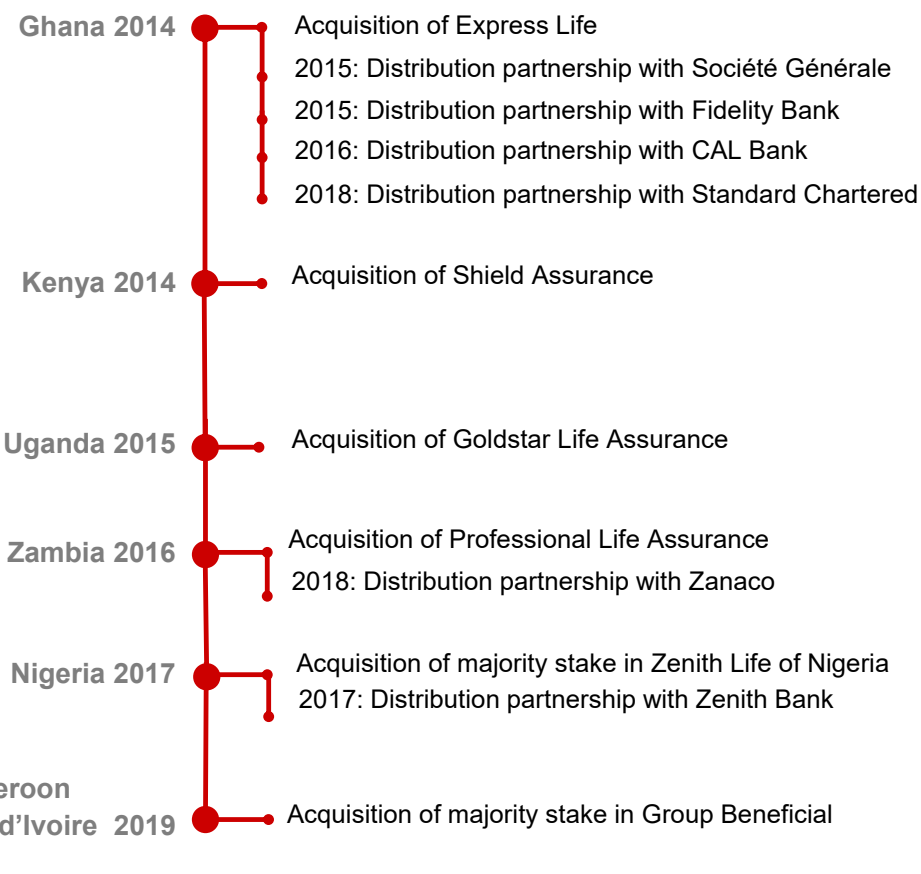
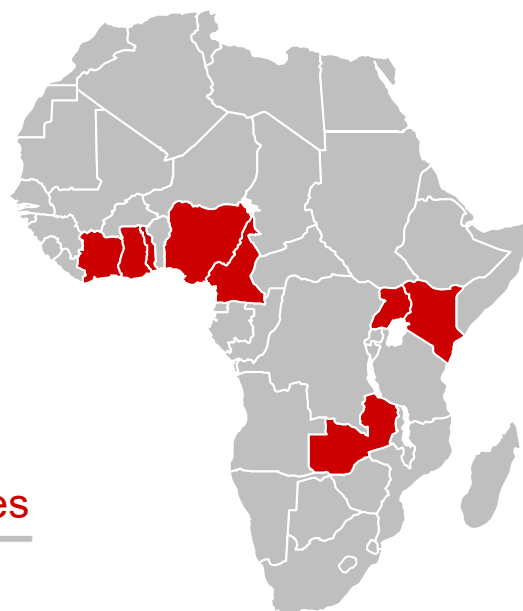
1,000,000+ customers²

9,000+ agents

Access to **600+** branches

2 mobile telecommunications partners

6 exclusive bank partners



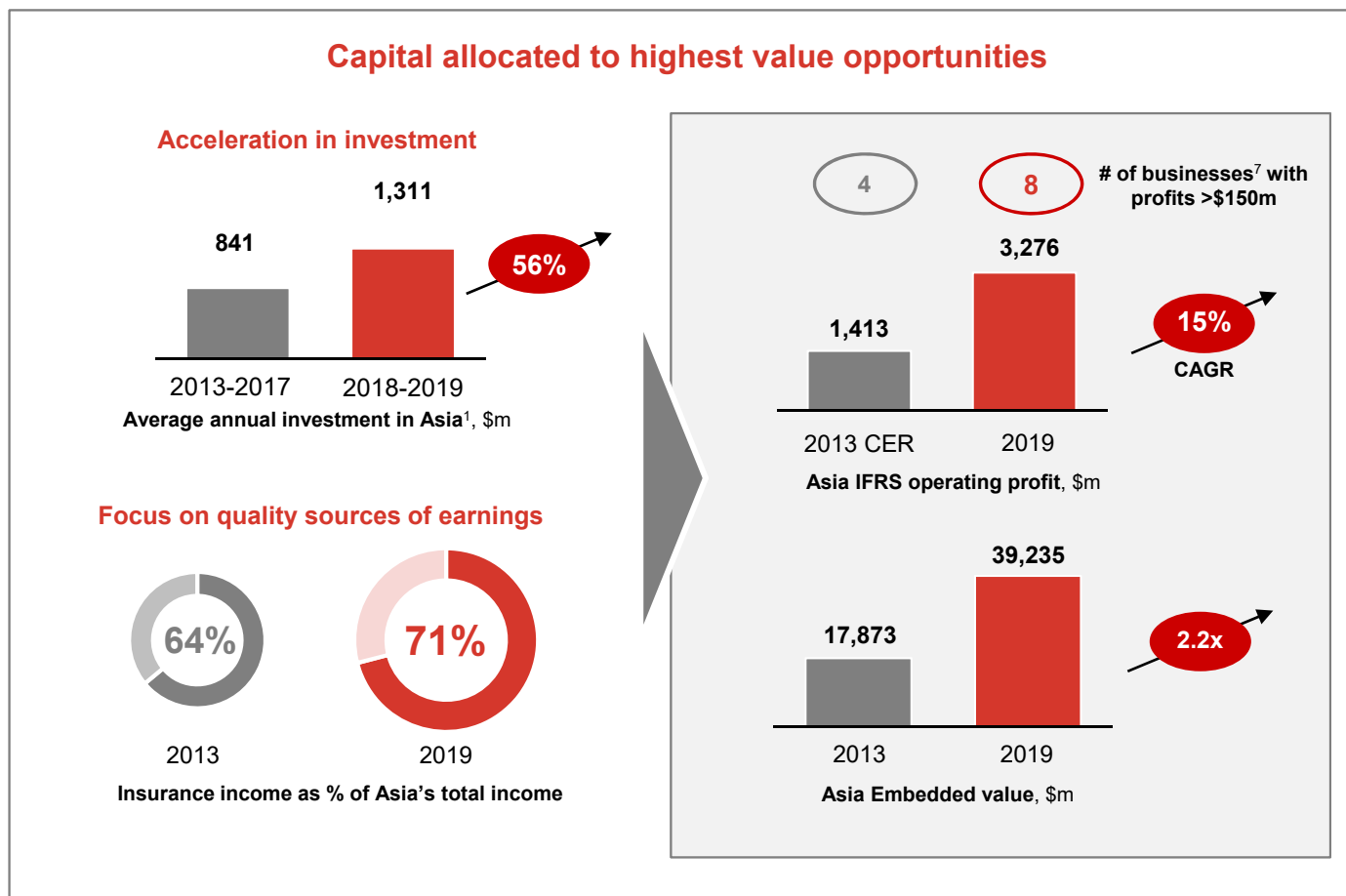
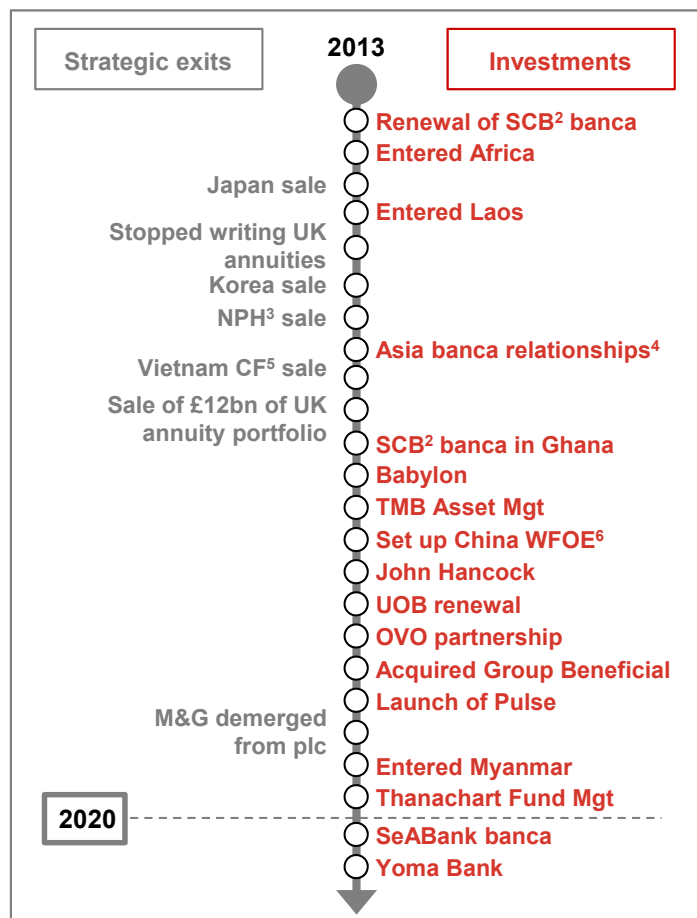
Note: Data as at 31 December 2019, unless stated otherwise. All facts include the impact from the acquisition of Group Beneficial which completed on 9 July 2019

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

² Excludes micro insurance customers

Group

Active portfolio manager – c.\$7bn invested in Asia since 2013¹



¹ Includes investment in new business, upfront committed fee on bancassurance distribution deals and acquisitions

² Standard Chartered Bank

³ National Planning Holdings

⁴ Including Shinhan, Robinsons and Vietbank bancassurance distribution agreements

⁵ Vietnam Consumer Finance

⁶ WFOE: Wholly Foreign Owned Enterprise

⁷ Includes Eastspring



Prudential plc

Prudential Group

Senior Debt Roadshow April 2020

Group

Selected performance metrics: continuing operations

	\$m	FY18 (CER ¹)	FY19	Change %
Asia	New business profit	3,460	3,522	2%
	EEV operating profit ²	6,052	6,138	1%
	Operating FSG ²	1,567	1,772	13%
	Embedded Value	32,008 ³	39,235	23%
	Adjusted IFRS operating profit ²	2,872	3,276	14%
US	Remittances ³	450	525	17%
	% APE sales FA, FIA & Institutional	19%	34%	15%p
Group	Adjusted IFRS operating profit	4,429	5,310	20%
	Shareholder LCSM surplus (\$bn) ⁴	9.7 ³	9.5⁵	(2)%

1. Defined as constant exchange rate (CER)

2. Before restructuring costs

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

4. The Prudential Group's total shareholder surplus of available capital over the regulatory Group Minimum Capital Requirement (GMCR)

5. Before allowing for the payment of the 2019 second interim ordinary dividend

Group

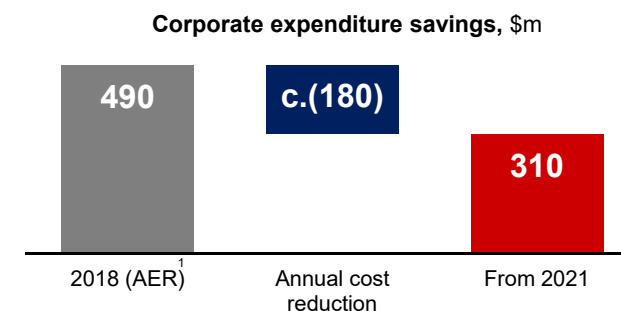
Central cost base to reduce by c.\$180 million post demerger of M&G plc² in October 2019

Group IFRS result, \$m

	FY18 (CER)	FY19	Change %	
Asia	2,872	3,276	14	
US	2,563	3,070	20	
Total segment profit continuing operations	5,435	6,346	17	● Asia and US segment profit up 17%. No impact from M&G demerger.
Other income & expenditure, restructuring costs	(1,006)	(1,036)	(3)	● Includes pre-demerger related items up to Completion
<i>of which:</i>				
<i>Interest payable on core structural borrowings</i>	(523)	(516)	1	● Includes interest costs related to debt transferred to M&G of \$179m. Expected annual cost of retained structural borrowings ~\$300m
<i>Corporate expenditure</i>	(477)	(460)	4	● Central functions. Annual reduction across head office of c.\$180m from 2021. Restructuring costs expected of c1x annual savings to be incurred in 2020
<i>Restructuring costs</i>	(73)	(110)	(51)	● FY19 primarily comprises IFRS 17 costs. As IFRS 17 preparation continues, costs are expected to increase
Adjusted IFRS operating result: continuing operations	4,429	5,310	20	
ST fluctuations on shareholder-backed business, & other	(963)	(3,388)		● Reflects net equity hedge losses & US accounting asymmetries
Profit from continuing operations before tax	3,466	1,922	(45)	
Profit for the period from continuing operations after tax	2,896	1,953	(33)	

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

2. M&G plc was the Group's former UK and Europe savings and investments business



Group

Strong liquidity position post M&G demerger

Movement in holding company cash

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

- High 2019 opening cash balance held in preparation for M&G demerger
- Post M&G demerger, a lower level of liquidity held centrally
- YE19 core structural borrowings \$5.6bn
- \$2.6bn of undrawn revolving credit facilities

Post M&G demerger annual interest costs expected to be ~\$300m (before cost of this issue)

Central overhead to be aligned with post demerger footprint

Expected to decline sharply post demerger

2019 dividend paid relates to the pre demerger 2018 2nd interim and 2019 1st interim dividends. In 2020, dividend policy² to be applied to 2019 based dividend: 36.84 cents per share (\$958m)

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

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

2. Subject to regulatory and board approvals

Diversified Investments

Conservative asset portfolio

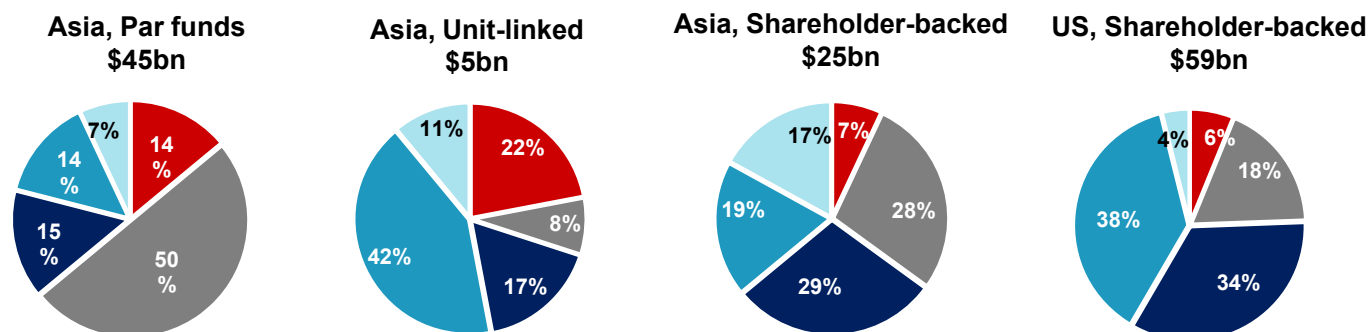
Breakdown of Asia invested assets^{1,2}, FY19 \$bn

	Par funds	Unit linked	Shareholder-backed Asia Life	Total
Debt	44.8	5.2	24.6	74.6
Equity	29.4	19.0	3.6	52.0
Property	0.0	0.0	0.0	0.0
Mortgage	0.0	0.0	0.2	0.2
Deposits	0.8	0.4	1.3	2.5
Other Loans	1.4	0.0	0.3	1.7
Other ⁵	0.2	0.0	1.3	1.5
Total	76.6	24.6	31.3	132.5

Breakdown of US invested assets, FY19 \$bn

	Shareholder-backed US life
Debt	58.5
Equity	0.2
Property	0.0
Mortgage	9.9
Deposits	0.0
Other Loans	4.7
Other ⁵	2.8
Total	76.1

By credit rating^{3,4}, FY19 \$bn



Ratings:



- At 31 December 2019, 92 per cent of the Group's shareholder debt portfolio is investment grade rated.⁴
- In particular, 61 per cent of the portfolio is rated A- and above (or equivalent)

1 Excludes asset management

2 Includes \$1.3bn of investment in joint ventures and associates accounted for using the equity method

3 Totals may not cast as a result of rounding

4 Based on hierarchy of Standard and Poor's, Moody's and Fitch, where available and if unavailable, internal ratings have been used

5 Securities with NAIC ratings or local ratings are included in Other category



Prudential plc

Asia

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Strategic priorities

Enhance the core

- **#1** agency force in HK; **35%** increase in MDRT qualifiers ex-HK
- Reboot of Indonesian distribution and product set
- Leader in banca¹ – enhanced with UOB (APE +24%)² & SeABank (20Y exclusive)³
- Broadening product offering: developed **>160** products, contributing **c.16%** of NBP

Create best-in-class health capability

- **Pulse by Prudential** is live in **8** markets
- **18** digital partnerships secured; **c.1.3m** Pulse installs⁴
- H&P NBP ex-Hong Kong grew **23%**
- Group sales up **13%**; **PRUworks** launched in Singapore & Indonesia

Accelerate Eastspring

- Net inflows of **\$18bn** supported **25%** growth in AUM to **\$241bn**
- Continued innovation with **55%** of external flows from new initiatives⁵
- Expanded TMBAM Eastspring AUM⁵ by **35%** to **\$15bn**
- Completed TFund acquisition; now **4th** largest AM in Thailand (12% m/s⁶ & AUM^{5,6} of \$22bn)

Expand presence in China

- Presence expanded to **20** branches (+1); **94** cities (+7) and **229** SSOs (+14)⁷
- GWP⁸ growth of **39%**; outgrowing China's life market **3x**
- Established WFOE⁹, sourced **>RMB1bn** funds in its first year of operation¹⁰

¹ By access to bank branches

² Renewal of UOB bancassurance alliance to 2034, expanding scope to include Vietnam and UOB's digital bank TMRW

³ Entered into 20 year exclusive bancassurance partnership with SeABank in January 2020. SeABank has 1.2m retail customers and almost 170 branches in Vietnam

⁴ As of 5 March 2020

⁵ Excludes Money Market Funds

⁶ Mutual fund market shares through combined holdings in Thanachart Fund Eastspring and TMBAM Eastspring; Mutual fund assets under management as at 31 December 2019.

⁷ Increase compared to 2018. SSO = Sales and Servicing Offices

⁸ GWP = Gross written premium. Source: CBIRC.

⁹ WFOE – Wholly Foreign Owned Enterprise

¹⁰ Total inbound and outbound funds raised or sub-advised since launched of WFOE

Asia

Key success factors driving growth

Structural demand drivers



Low insurance & mutual fund penetration



Rapid growth of underinsured middle-class population



Ageing population & growing need for retirement income



Protection gap with limited social welfare provision

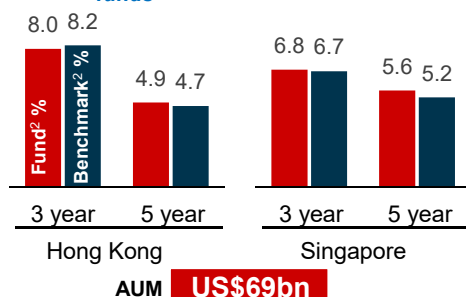


Large proportion of wealth held in deposits

Capabilities/Competitive advantages

Par Fund¹

Large UK-style with profits funds



Eastspring³

\$241bn of AUM

Top 10 in 7 out of 11 territories

Well diversified platform

Reliable & stable flows from life business

China

Access to:
c.80%
GWP, GDP & Population⁴
Established in 2000

1st 2 branches
contributing
c.50% of APE



Leadership Positions



Top 3 in 9 out of 13 markets^{5,6}



Leading Asian Retail fund manager⁷

Unrivalled Platform



600,000+
Agents

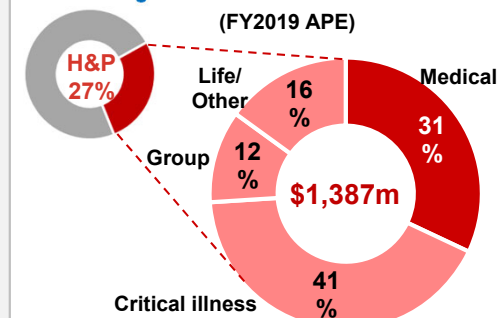
300+ Life & AM distribution partnerships



>15m customers

Health & Protection

Growing individual medical reimbursement (FY2019 APE)



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

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

2 Investment performance (%)

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

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

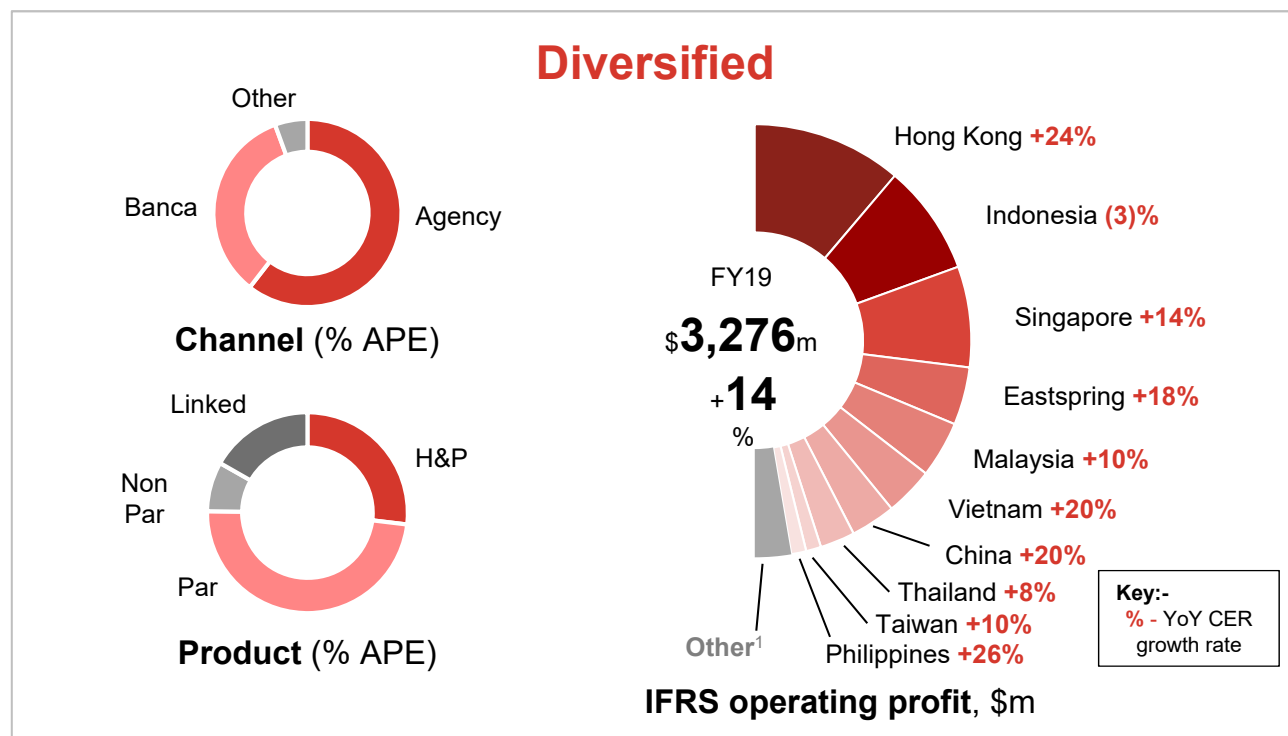
5 Markets determined by regulatory and business requirements

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

7 Source: Asia Asset Management – Fund Manager Surveys. Based on assets sourced in Asia ex- Japan, Australia and New Zealand. Ranked according to participating firms only. Data as of FY18.

Asia

Diversified high quality portfolio



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

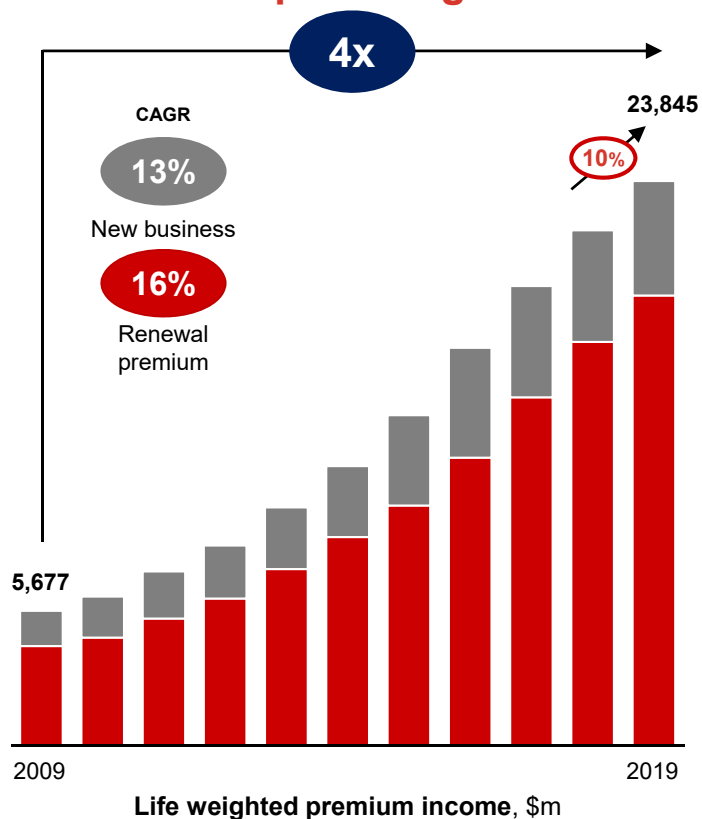
- ✓ Focus on recurring premium Health & Protection (H&P) – lower correlation to markets

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

Asia

Resilient and compounding business

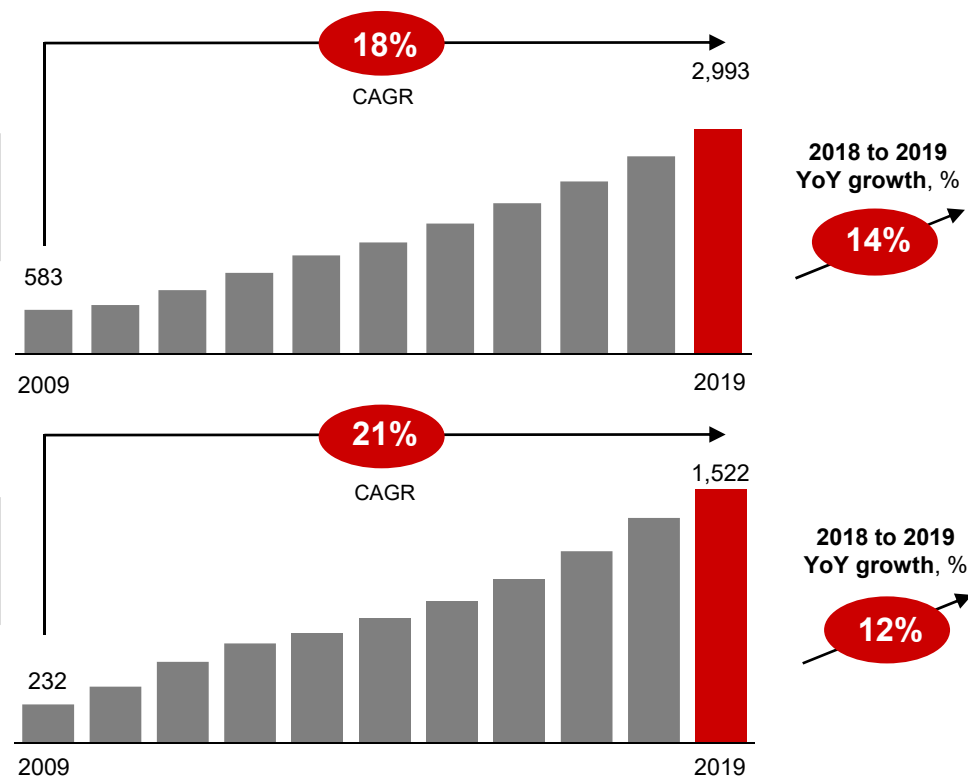
Compounding^{1,2,3}



IFRS operating profit, \$m

Free surplus generation, \$m

Resilient growth in earnings & cash^{1,2,3}



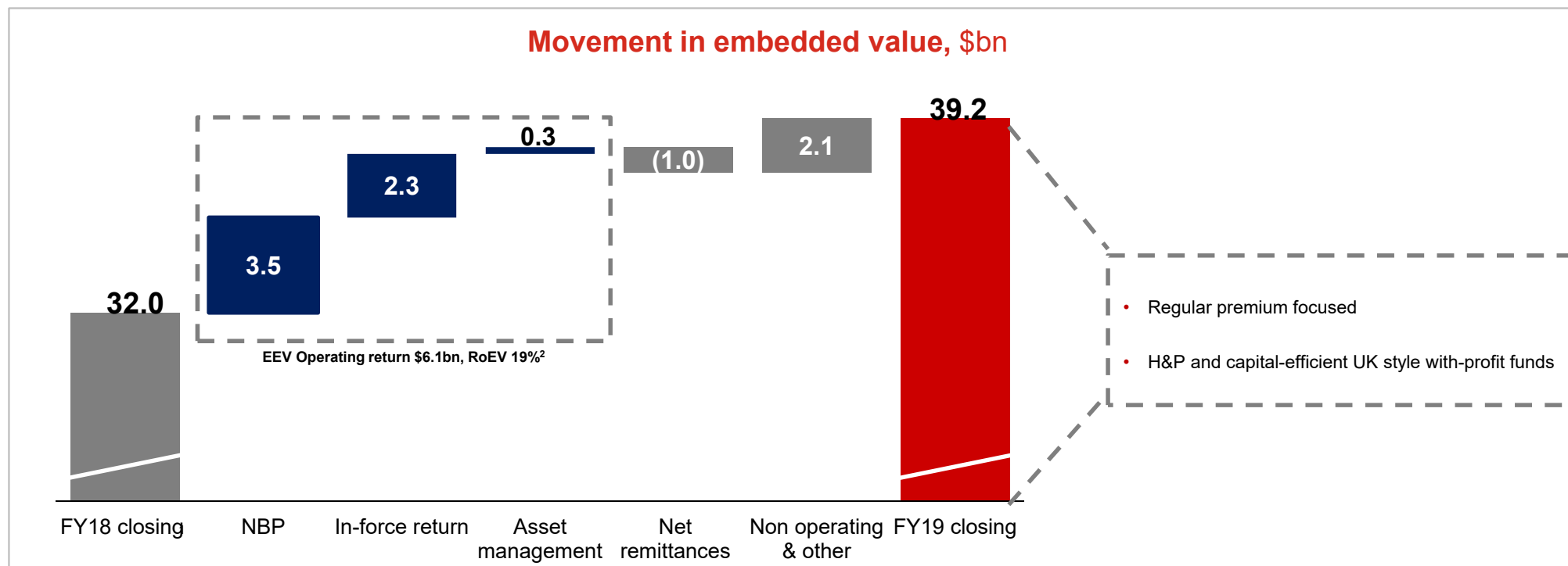
1 On a constant exchange rate basis

2 For long-term business

3 Excludes Japan and Korea businesses and after development costs

Asia

Compounding new business profit drives growth in EEV



- New business profits added 11% to opening Asia embedded value driving overall operating return of 19%²
- In-force return includes \$0.8bn positive impact from operating assumption changes and experience variances
- Asset management business, with external FUM of \$124.7bn^{3,4}, carried at IFRS NAV of \$1.1bn⁵

1. Actual exchange rate basis

2. Calculated versus 2018 year-end embedded value

3. \$26.7bn of M&G related assets have been reclassified to external from internal funds under management following the completion of the demerger of M&G plc

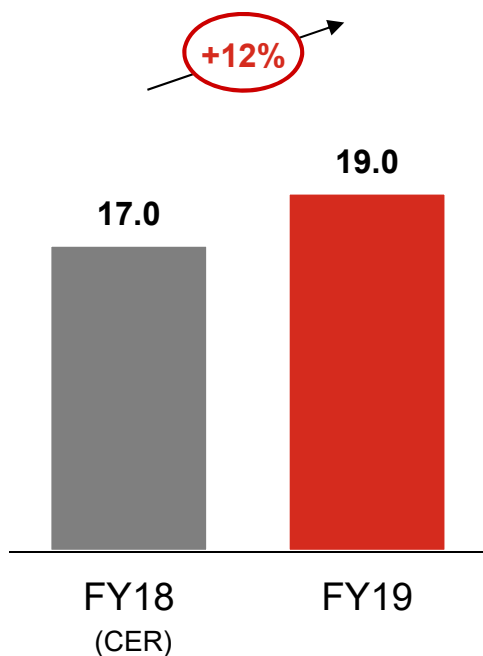
4. Includes money market funds of \$13bn

5. Excluding minority interests

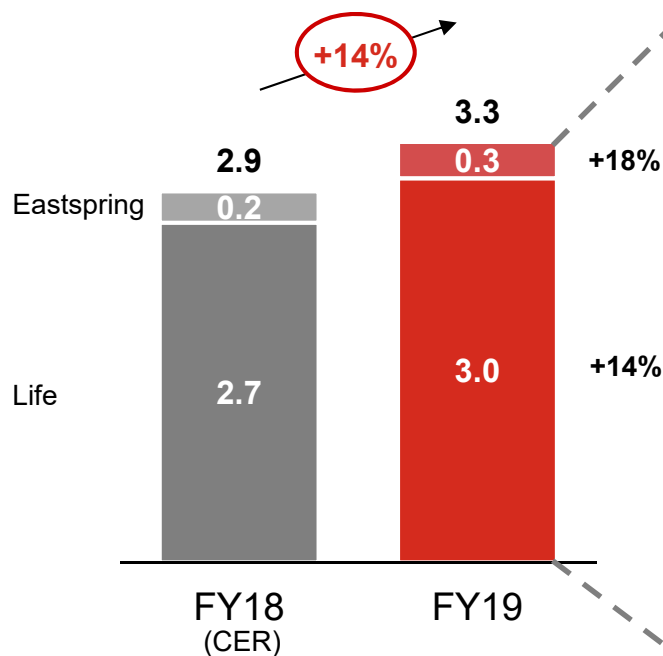
Asia

Resilient in-force growth drives IFRS operating profit

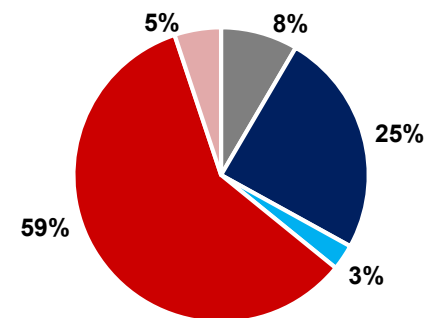
Renewal premiums, \$bn



IFRS operating profit, \$bn



Insurance margin & fees drive IFRS income¹



Legend: Spread (Grey), Fee (Dark Blue), With-profits (Light Blue), Ins. Margin (Red), Return SH assets (Light Grey)

Strong market contributions, at scale²

IFRS operating profit (%/\$m)³

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

8 businesses with \$150m+ IFRS op. profit

1. FY19. Total income includes insurance margin, spread income, life fee income and asset management operating income (net of commission) as fee income, with-profits income and expected return on shareholder assets. Margin on revenue is excluded

2. Table excludes Cambodia (FY19 CER growth in IFRS operating profit >20%)

3. Growth rates on a constant exchange rate basis



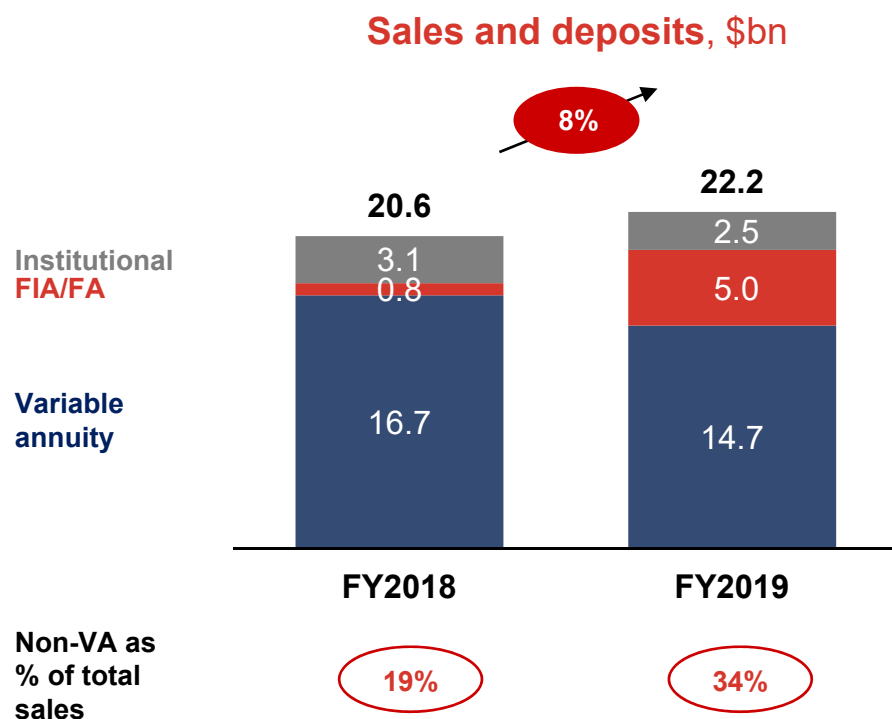
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US/Jackson

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US/Jackson

2019 sales and distribution highlights



Successful sales diversification

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

Enhancing distribution capabilities

- #1 VA player in independent BD¹, bank and wirehouse channels
- Expanded advisory distribution – providing lifetime income solutions to independent RIAs²
 - Advisory sales, up +30% to \$909m (12% market share³)
- Continued progress with channel diversification
- Supportive environment given regulatory clarity (passing of SEC Best Interest rule and SECURE⁴ Act)

¹ Broker dealer

² Registered Investment Advisor

³ As at 30 September 2019

⁴ Setting Every Community Up for Retirement Enhancement Act

US/Jackson

Preparations for potential minority IPO commenced

2019 Achievements

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

Outlook

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

US/Jackson

IFRS result

US IFRS result¹, \$m

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

Key drivers

Fee income +0.8% YoY

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

Spread margin 112bps (2018: 155bps)

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

Favourable DAC deceleration

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

US IFRS short-term fluctuations

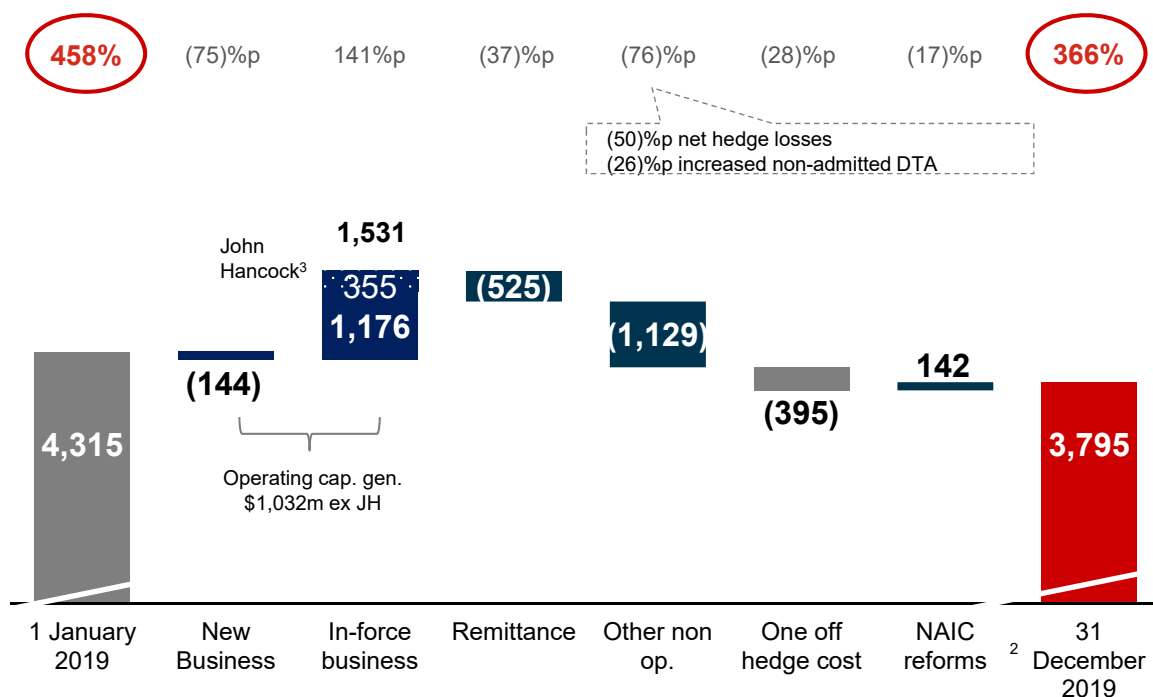
Higher equity markets resulted in losses on equity hedging positions combined with the effect of accounting asymmetries: IFRS VA reserves only partly recognise the benefit of higher equity markets, and were also impacted by the adverse effect of lower interest rates in the period

1: The reconciliation of Jackson's standalone IFRS result to US GAAP result can be found on Jackson's website: <https://www.jackson.com/the-jackson-difference/financial-strength.html>

US/Jackson

Evolution of RBC over 2019

US statutory surplus & RBC ratio development¹, 2019 (\$m/%)



- RBC ratio at 31 December 2019: 366%
 - Early adoption of NAIC framework², impacted RBC ratio by (17)%p
 - Non admitted DTA impact of (26)%p expected to be utilised over next 2 years, subject to market conditions
 - C1 factor update now expected 2021 at the earliest. Ratio impact (10-20)%p
- New framework less interest rate sensitive
- Hedging continues to focus on protecting economics, accepting accounting volatility
- 2019 remittance ~50% operating capital generation (ex John Hancock³)
 - Future remittances to be spread more evenly over the year

1. Jackson National Life. Surplus defined as surplus of available capital over required capital (set at 100 per cent of the Company Action Level)

2. Jackson applies the US statutory reserve and capital framework required by the NAIC and adopted the NAIC's changes to this framework for variable annuities with effect from 31 December 2019

3. One-off \$355m benefit from reserve release related to the 2018 John Hancock acquisition



Prudential plc

Latest Developments

Senior Debt Roadshow April 2020

Latest Developments

Update on Covid-19 and current market conditions

- **Prudential, as a business committed to openness and transparency, will issue regular updates on our response to the varied effects of Covid-19.**
 - In parts of Asia, our colleagues have been living with this outbreak for several months and they have been performing heroically, providing outstanding service to customers in a challenging environment.
 - Covid-19 has now developed rapidly from a largely regional issue into a global pandemic. This means we are having to adapt further. Our teams in the US, the UK and Africa are learning from the experience of their colleagues in Asia.
 - While the full consequences of Covid-19 are still emerging, Prudential has a highly resilient business model and remains well placed to continue to create value for shareholders, and support distribution partners and customers. This crisis is impacting families and individuals in every community we serve across the world, and all of us at Prudential want those people to know that we will be there for them now and in the future.
- **The current situation requires us to be flexible in how we execute our corporate strategy.**
 - The Board is unambiguously clear on the strategic priorities for the Group:
 - Firstly, to enable Prudential's investors to benefit to the fullest extent possible from the opportunity presented by Prudential's business in Asia.
 - Secondly, to pursue a path for an independent Jackson, while ensuring that, through a combination of diversifying its business mix and the necessary strengthening of its standalone capital position, it retains the strong credit rating that its current and future customers require.



Prudential plc

Debt and capital

Senior Debt Roadshow April 2020

Outstanding Debt Profile

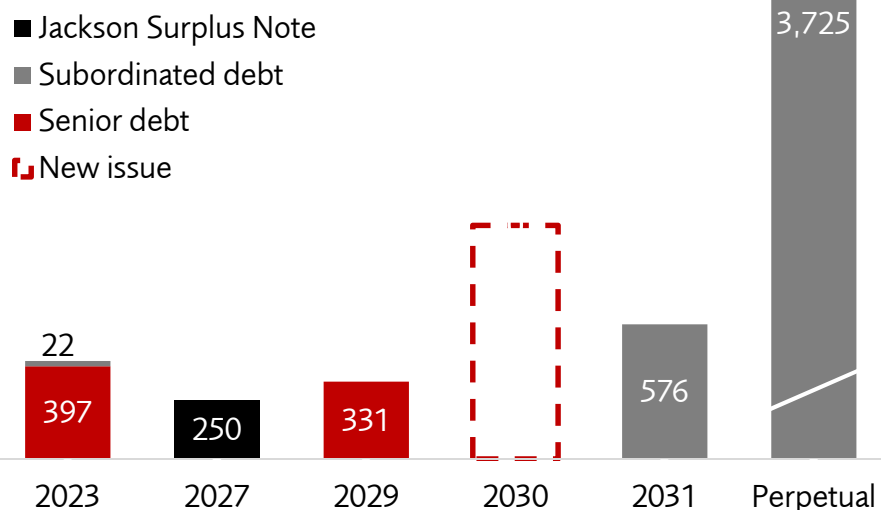
Current debt profile provides significant financing flexibility

- New 10Y Senior Note fits well within both maturity and call profiles
- The total current debt stack by face value consists of:
 - US\$3,725m of USD fixed for life subordinated debt, of which \$1,250m has already passed its 1st call date
 - £435m and €20m subordinated dated debt
 - £550m of senior instruments
 - \$250m Jackson Surplus Note

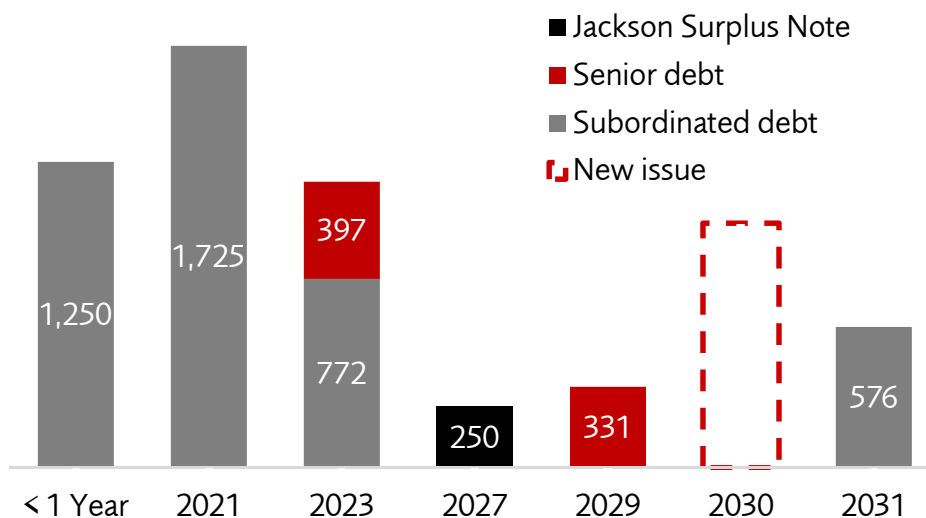
Debt at Face Value¹:

Senior	\$728m
Subordinated	\$4,323m
Surplus Note	\$250m
Total²	\$5,301m

FY19 Profile to maturity date¹, \$m



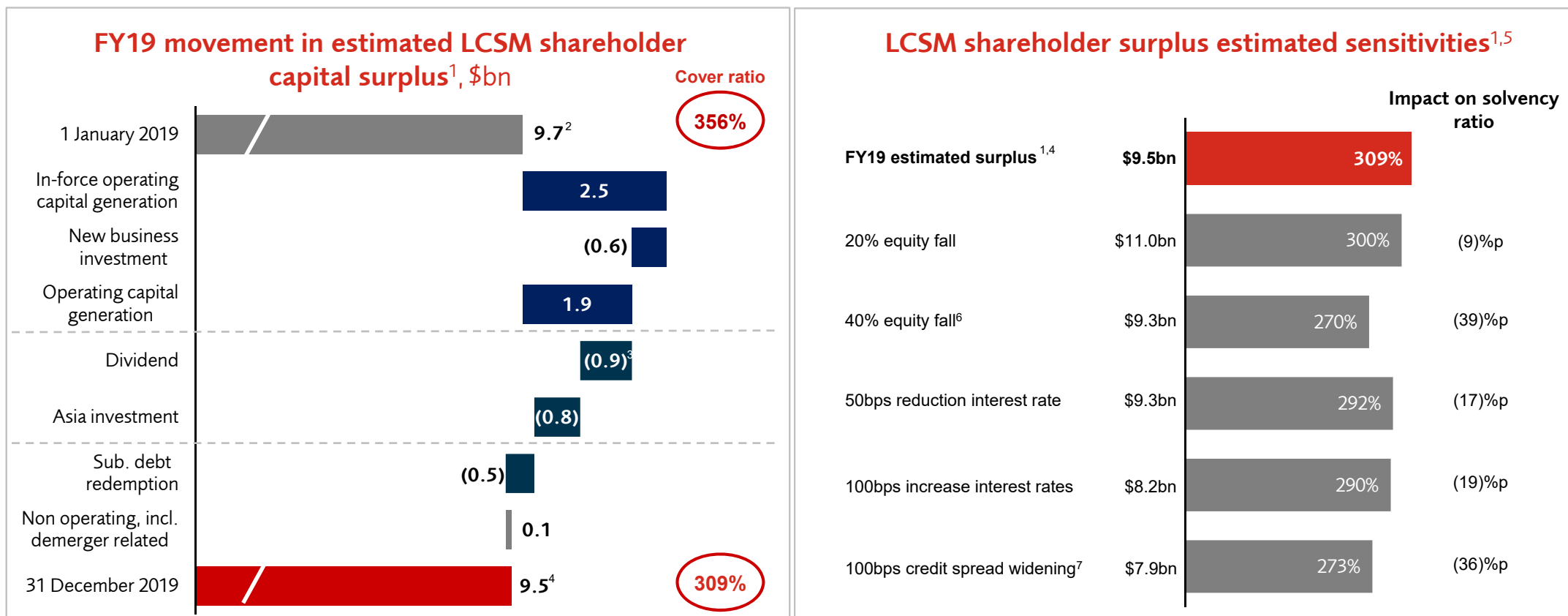
FY19 Profile to next call/maturity date¹, \$m



1. The maturity profiles are shown at face value, translated using the closing FX rate as of 31 December 2019, compared to the FY19 accounts, which are accounted for on an amortized cost basis using the effective interest method.
 2. Bank loan of \$350m is excluded.

Capital and Capital Sensitivities

Robust and resilient LCSM capital generation supporting investment in growth



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

2. Excludes M&G plc

3. Group external dividend of \$1.6bn less \$0.7bn of M&G remittances

4. Before allowing for the payment of the 2019 second interim ordinary dividend

5. The sensitivity results assume instantaneous market movements as at 31 December 2019, apart from the -40% equity sensitivity

6. Where hedges are dynamic, rebalancing is allowed for by assuming an instantaneous 20 per cent fall followed by a further 20 per cent fall over a four-week period

7. US RBC solvency position included using a stress of 10 times expected credit defaults