

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Prudential plc		2 Issuer's employer identification number (EIN) 980343908	
3 Name of contact for additional information Tom Clarkson	4 Telephone No. of contact +442039779172	5 Email address of contact tom.clarkson@prudentialplc.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1 Angel Court		7 City, town, or post office, state, and ZIP code of contact London EC2R 7AG	
8 Date of action October 21, 2019	9 Classification and description Stock		
10 CUSIP number shares - GB0007099541	11 Serial number(s) ADRs - US74435K2042	12 Ticker symbol PRU.L (shares) / PUK.N (ADRs)	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶

See Attachment

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶

See Attachment

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶

See Attachment

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

See Attachment

18 Can any resulting loss be recognized? ▶

See Attachment

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

See Attachment

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 23 / 10 / 19

Print your name ▶ Tom Clarkson Title ▶ Company Secretary

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶		Phone no.	
Firm's address ▶				

Prudential plc
Attachment to Form 8937, Part II
Report of Organizational Actions Affecting Basis of Securities

This information is provided as indicative guidance only. Prudential plc accepts no responsibility for the use that may be made of this information. This does not constitute tax or financial advice and must not be relied upon as such. This note is not a complete analysis or discussion of all the potential tax consequences of the demerger of M&G plc (the "Demerger"). This note reflects Prudential's expectation as to the US tax treatment of the Demerger. Holders of Prudential ordinary shares and Prudential ADRs are advised that an advance ruling was not sought and, as a result, there can be no assurances that the US Internal Revenue Service will not disagree with or challenge the expected treatment of the Demerger and the resulting consequences described herein. Please consult your own tax advisors as to the specific tax consequences to you of the Demerger, including tax return reporting requirements and the applicability and effect of US federal, state, local and foreign income and other tax laws in light of your particular circumstances.

Part II, Question 14

On October 21, 2019, Prudential plc ("Prudential") distributed 100% of the ordinary shares of M&G plc ("M&G") to the holders of Prudential ordinary shares (the "Demerger"). In the Demerger, each holder of Prudential ordinary shares received one M&G ordinary share for each Prudential ordinary share. JPMorgan Chase Bank N.A. as depository for Prudential's American Depositary Receipt ("Prudential ADR") programme (the "US ADR Depository"), received on behalf of each holder of Prudential ADRs two M&G ordinary shares for each Prudential ADR, reflecting that each Prudential ADR represents an interest in two Prudential ordinary shares.

Part II, Question 15

See response to Question 16.

Part II, Question 16

The aggregate tax basis of the Prudential ordinary shares (or Prudential ADRs) held immediately before the Demerger, should be allocated between the Prudential ordinary shares (or Prudential ADRs) and the M&G ordinary shares in proportion to their relative fair market value on the date of the Demerger.

There are a number of ways to determine the fair market value of Prudential shares or Prudential ADRs and M&G ordinary shares. The allocation described below is based on the closing trading price on the London Stock Exchange of Prudential ordinary shares and M&G ordinary shares on October 21, 2019, translating pounds sterling into US dollars at the exchange rate prevailing on October 21, 2019, and reflecting that each Prudential ADR represents two Prudential ordinary shares. Other valuation methodologies may exist, however, and we recommend you consult your own tax advisor regarding these basis allocation calculations.

The following example illustrates the US tax basis allocation for a holder of Prudential ordinary shares, and for a holder of Prudential ADRs.

Assume a holder held 100 Prudential ordinary shares, acquired before the Demerger for \$20/share, for an aggregate tax basis of \$2,000. In the Demerger, such shareholder received 100 M&G ordinary shares. Tax basis would be allocated as follows (using an exchange rate of £1 = \$1.29):

Number of shares		Closing share price on October 21, 2019	FMV of Shares post Demerger	Percentage of total FMV	Allocated Tax Basis	Allocated tax basis per share
Prudential ordinary shares	100	£13.66	\$1,762.14	86.2374%	\$1,724.75	\$17.2475
M&G ordinary shares	100	£2.18	\$281.22	13.7626%	\$275.25	\$2.7525

Assume a holder held 50 ADRs, acquired before the Demerger for \$20/ADR, for an aggregate tax basis of \$2,000. In the Demerger, such shareholder received 100 M&G ordinary shares. Tax basis would be allocated as follows (using an exchange rate of £1 = \$1.29):

Number of ADRs/shares [1 ADR = 2 shares]		Closing share price on October 21, 2019	FMV of Shares post Demerger	Percentage of total FMV	Allocated Tax Basis	Allocated tax basis per share
Prudential ADRs	50	£13.66	\$1,762.14	86.2374%	\$1,724.75	\$17.2475
M&G ordinary shares	100	£2.18	\$281.22	13.7626%	\$275.25	\$2.7525

Prudential shareholders who acquired blocks of Prudential ordinary shares or Prudential ADRs at different times or at different prices should perform the foregoing allocation separately with respect to each such block of Prudential ordinary shares or Prudential ADRs. Such holders should consult their own tax advisors in performing the foregoing allocation with respect to such blocks of Prudential ordinary shares or Prudential ADRs.

Part II, Question 17

Sections 355 and 358.

Part II, Question 18

No, except with respect to cash received in lieu of fractional shares.

Part II, Question 19

The Demerger occurred in calendar year 2019.