



Prudential plc

2017 Half Year Results

10 August 2017

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Any forward-looking statements contained in this document 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 document or any other forward-looking statements it may make, whether as a result of future events, new information or otherwise except as required pursuant to the UK Prospectus Rules, the UK Listing Rules, the UK Disclosure and Transparency Rules, the Hong Kong Listing Rules, the SGX-ST listing rules or other applicable laws and regulations.

Mike Wells

Group Chief Executive

Group

Headline results

Earnings

IFRS
operating profit¹ **£2.4**bn

Cash

Free surplus
generation¹ **£1.8**bn

Growth

New
business profit^{1,2} **£1.7**bn

External
Net inflows³ **£9.5**bn

(Eastspring & M&G)

Capital

Solvency II
Surplus^{4,5} **£12.9**bn
202%



Broad based performance with double digit growth in Asia



2017 Asia objectives on track, Group objective achieved



Strong capital position



Intention to create M&G Prudential, a leading savings and investment provider

1. Following its sale in May 2017, the operating results exclude the contribution of the Korea life business.

2. New business profit on business sold in the period, calculated in accordance with EEV principles

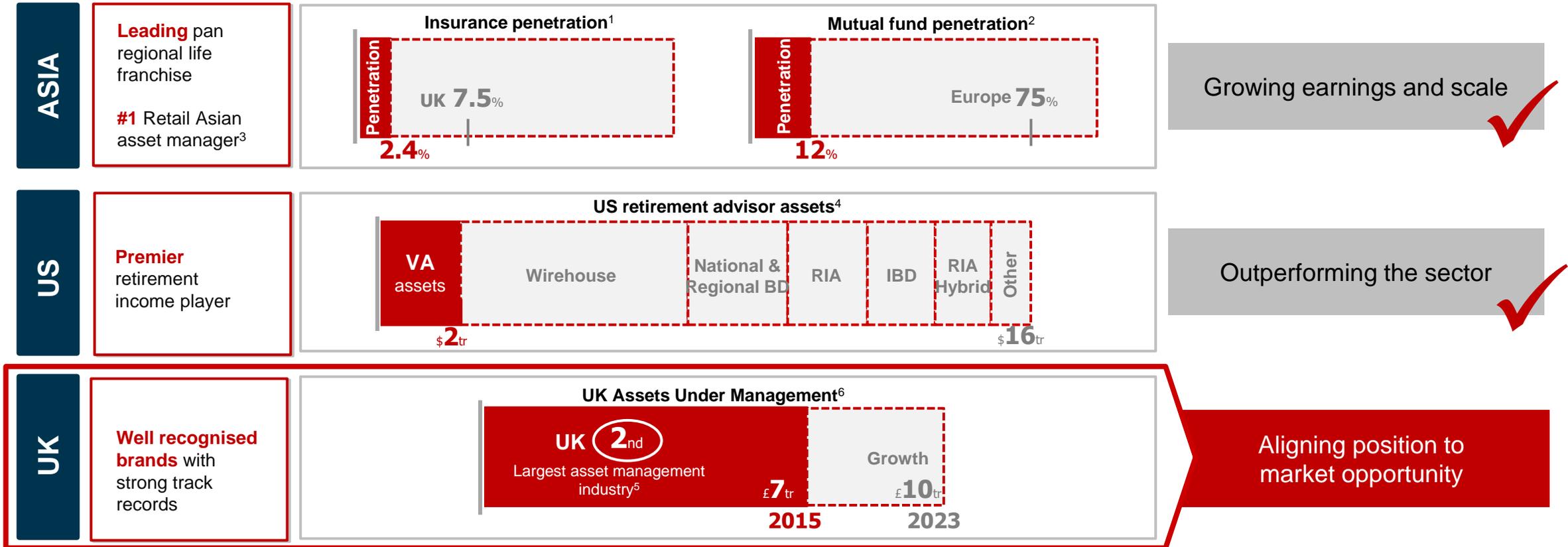
3. External net inflows Ex MMF

4. Before allowing for first interim dividend

5. The Group shareholder position includes management's estimate of transitional measures reflecting operating and market conditions at the valuation date. The estimated Group shareholder surplus would increase from £12.9 billion to £13.6 billion at 30 June 2017 if the approved regulatory transitional amount was applied instead

Group

Geographic footprint aligned to significant demand



1 Insurance penetration source Swiss Re Sigma 2015. Insurance penetration calculated as premiums as % of GDP. Asia penetration calculated on a weighted population basis

2 Mutual fund penetration: FUM as % of GDP. Source: Investment Company Institute, industry associations and Lipper as of 1Q'16. Datastream as of June 2016

3 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.

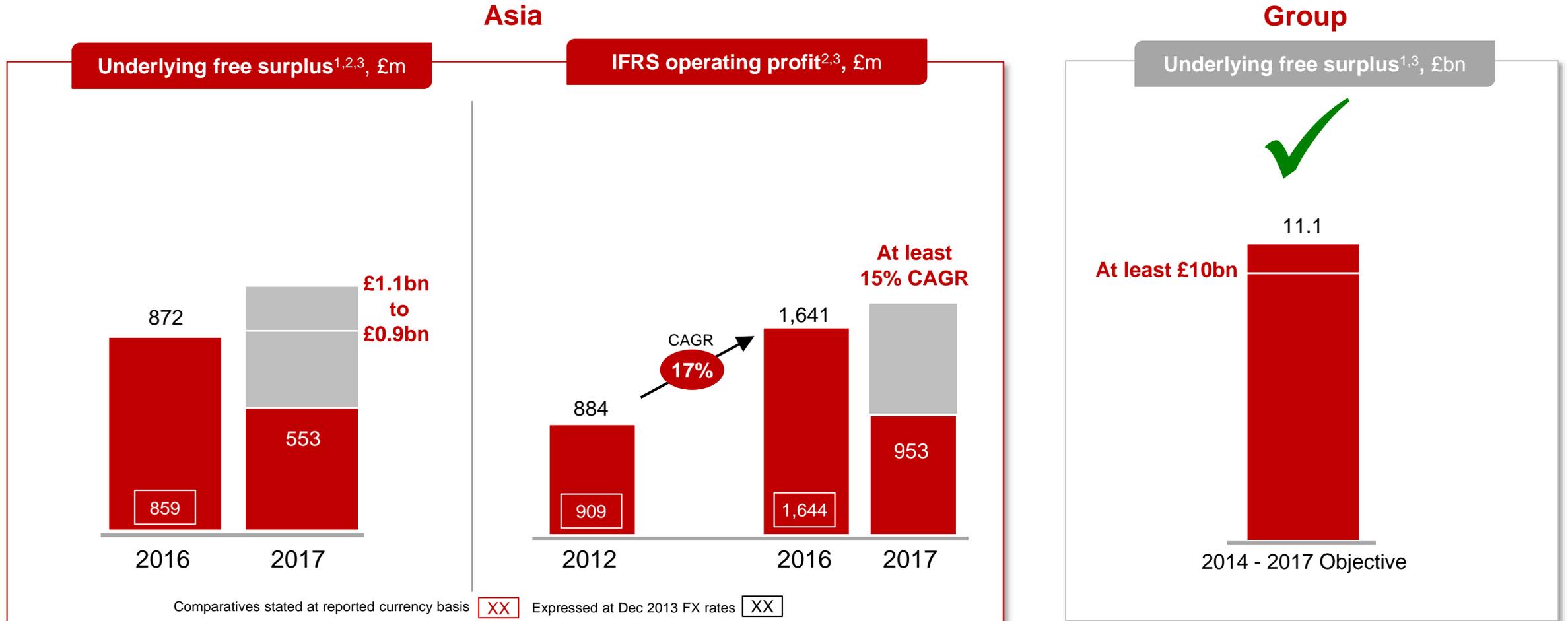
4 Source: Cerulli Associates – advisor metrics 2015

5 Source: The CityUK

6 Source: The Investment Association. PWC Asset Management 2020. Prudential calculations. Growth rate based off Europe forecast CAGR of 4.4%

Group

2017 Asia objectives on track, Group objective achieved



1 The objectives assume exchange rates at December 2013 and economic assumptions made by Prudential in calculating the EEV basis supplementary information for the half year ended 30 June 2013, and are based on regulatory and solvency regimes applicable across the Group at the time the objectives were set. The objectives assume the existing EEV, IFRS and Free Surplus methodology at December 2013 will be applicable over the period

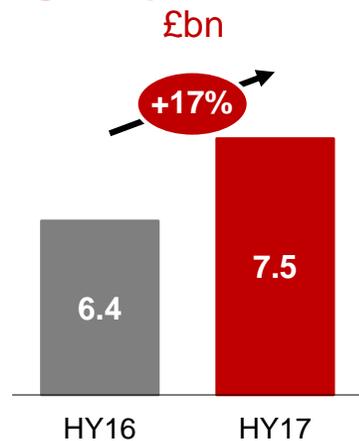
2 Underlying free surplus generated comprises underlying free surplus generated from long-term business (net of investment in new business) and that generated from asset management operations. The 2012 comparative is based on the retrospective application of new and amended accounting standards and excludes the one-off gain on sale of our stake in China Life of Taiwan of £51 million and sale of Korea life.

3 Following its sale in May 2017, the operating results exclude the contribution of the Korea life business. All comparative results and the relevant 2017 objective (Asia IFRS operating profit) have been similarly adjusted.

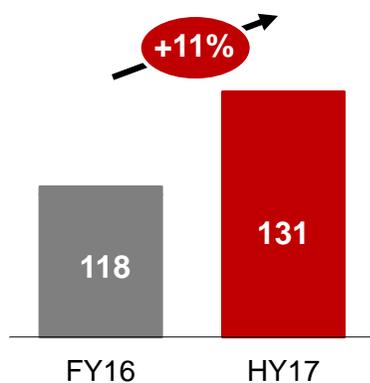
Asia

Double digit growth in key metrics

Life weighted premium income^{1,2}, £bn



Eastspring FUM³, £bn



New business profit², £m

£ **1,092**_m
+18%

IFRS operating profit², £m

£ **953**_m
+16%

Free surplus generation², £m

£ **553**_m
+15%

- Scale and diversification of portfolio driving value across the cycle
- Leveraging mix to drive quality growth
- Compounding effect of strong persistency & new business growth underpins earnings
- Performance underlines value creation levers

1 Weighted premium income comprises gross earned premiums at 100% of renewal premiums, 100% of first year premiums and 10% of single premiums
2 Comparatives have been stated on a constant exchange rate basis. Historic figures have been restated to exclude Korea life.
3 Comparatives have been stated on a reported exchange rate basis

Asia

High quality growth

New business profit¹ + **18%**

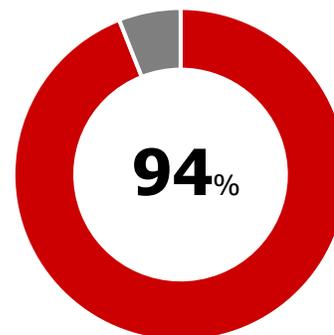
IFRS operating profit¹ + **16%**

Free surplus generation¹ + **15%**

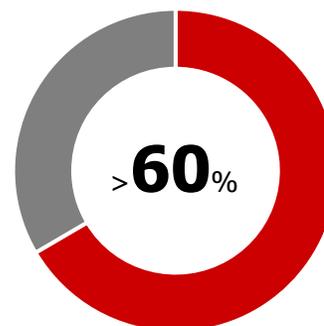
Quality

Premium Mix

Regular premium
% APE



Health & Protection
% NBP



Momentum

NBP Growth

Distribution

Agency¹ + **24%**

Banca¹ + **54%**

Country

Countries with at least double digit growth¹ **8**

Hong Kong¹ + **15%**

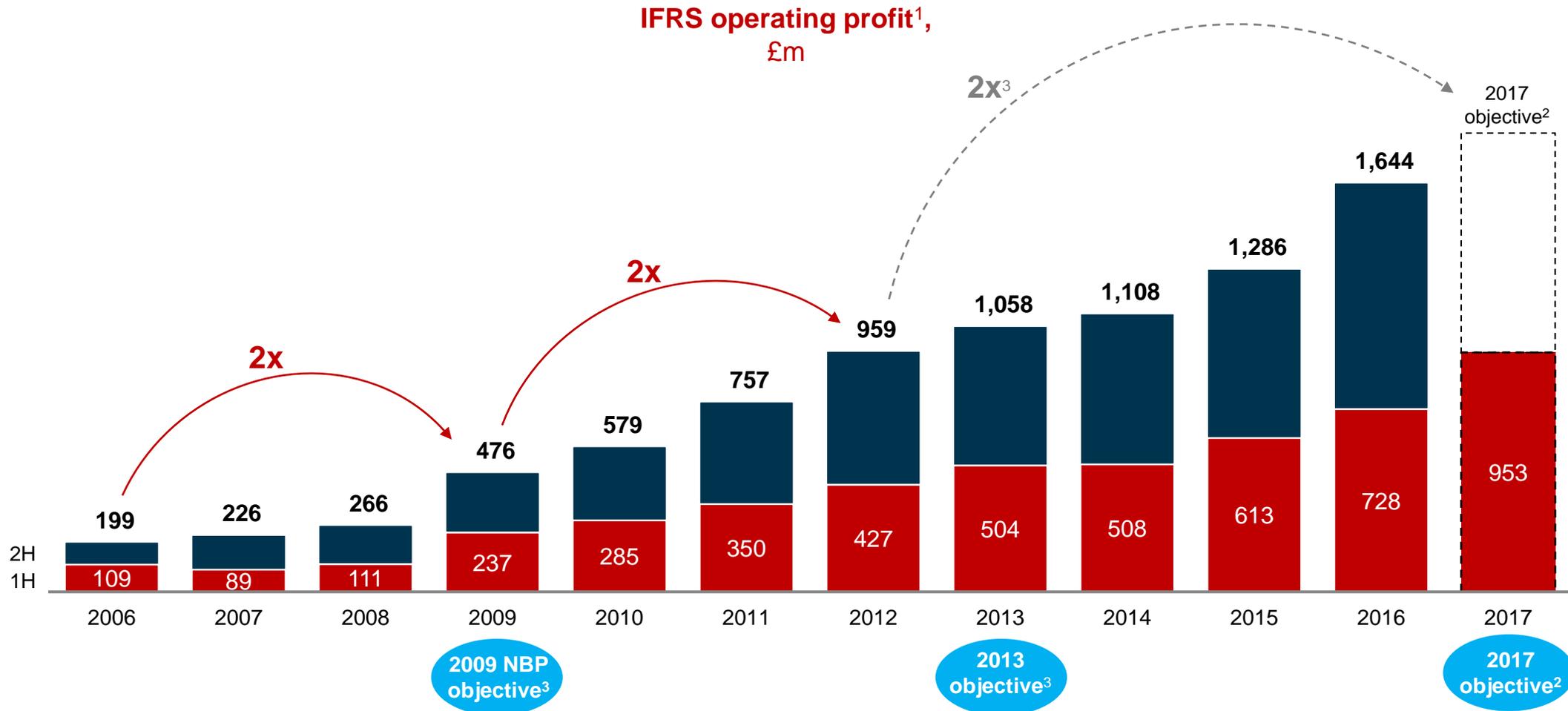
Agency +31% & Banca +22%
(2Q17 vs 2Q16: 13% & 21%)

Rest of Asia¹ + **22%**

¹ Growth rates based on comparatives using a constant exchange rate basis

Asia

Long-term performance track record



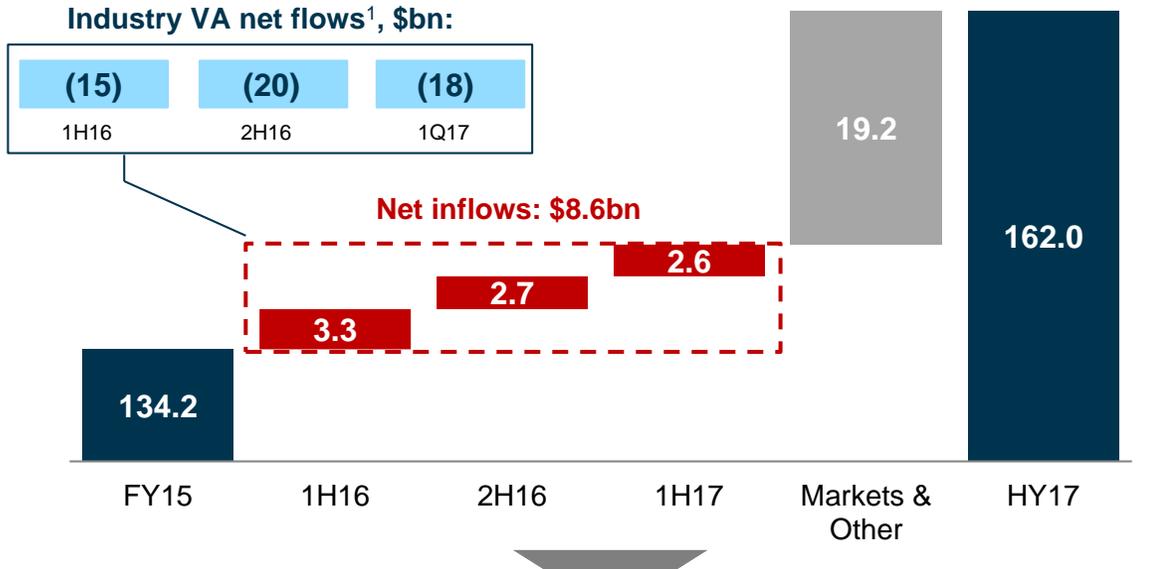
1. Comparatives have been stated on an actual exchange rate. Comparatives have also been restated to exclude the contribution from Korea life business sold in May 2017. 2012 includes the one-off gain on sale of stake in China Life of Taiwan of £51m.

2. 2017 objective is defined as at least 15% CAGR from 2012-17 based on an Asia 2012 IFRS operating profit of £909m (excluding one off of £51m) assuming exchange rates at December 2013.

3. 2009 objective based on doubling 2005 Asia NBP, 2013 objective based on doubling 2009 Asia IFRS profit 'Growth and Cash'. 2x based on implied multiple using 2012 IFRS operating profit of £909m increasing at a 15% CAGR to 2017

Relative outperformance

Separate account assets, \$bn



⊢ Rapidly adapting to changing environment

⊢ Fee business driving earnings growth

⊢ Launched fee based VA products

⊢ Outperforming the sector

IFRS operating profit

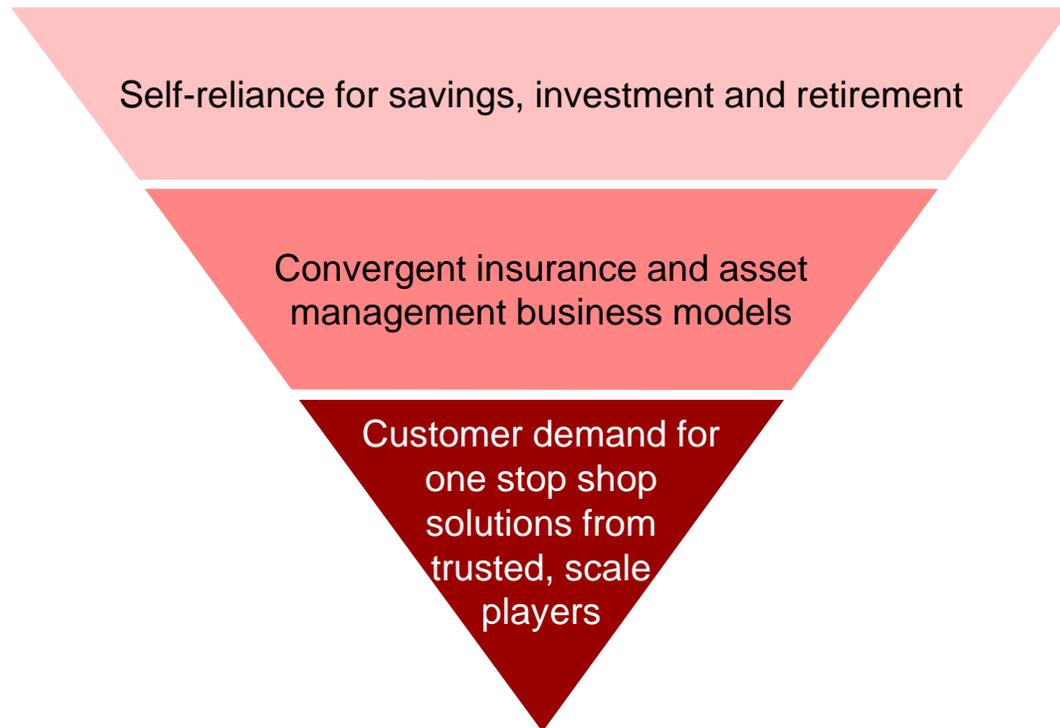
VA fee business **+17%**

New advisors to Jackson

Fee based sales **>25%**

1. Source: MARC industry data

Market trends



Strategic imperatives

- ✚ Scale, brand, product/distribution capability and financial strength
- ✚ Demonstrated breadth & depth of investment expertise
- ✚ Service-led customer proposition with direct and intermediated access points
- ✚ Capital-light and cost efficient model to drive customer & shareholder value

Intention to combine best of breed businesses



Strategically attractive

- ▶ Leading savings and investment provider
- ▶ Complementary expertise: scale, brands, product, distribution and financial strength
- ▶ Combination leverages strengths to align to market opportunities

Financially compelling

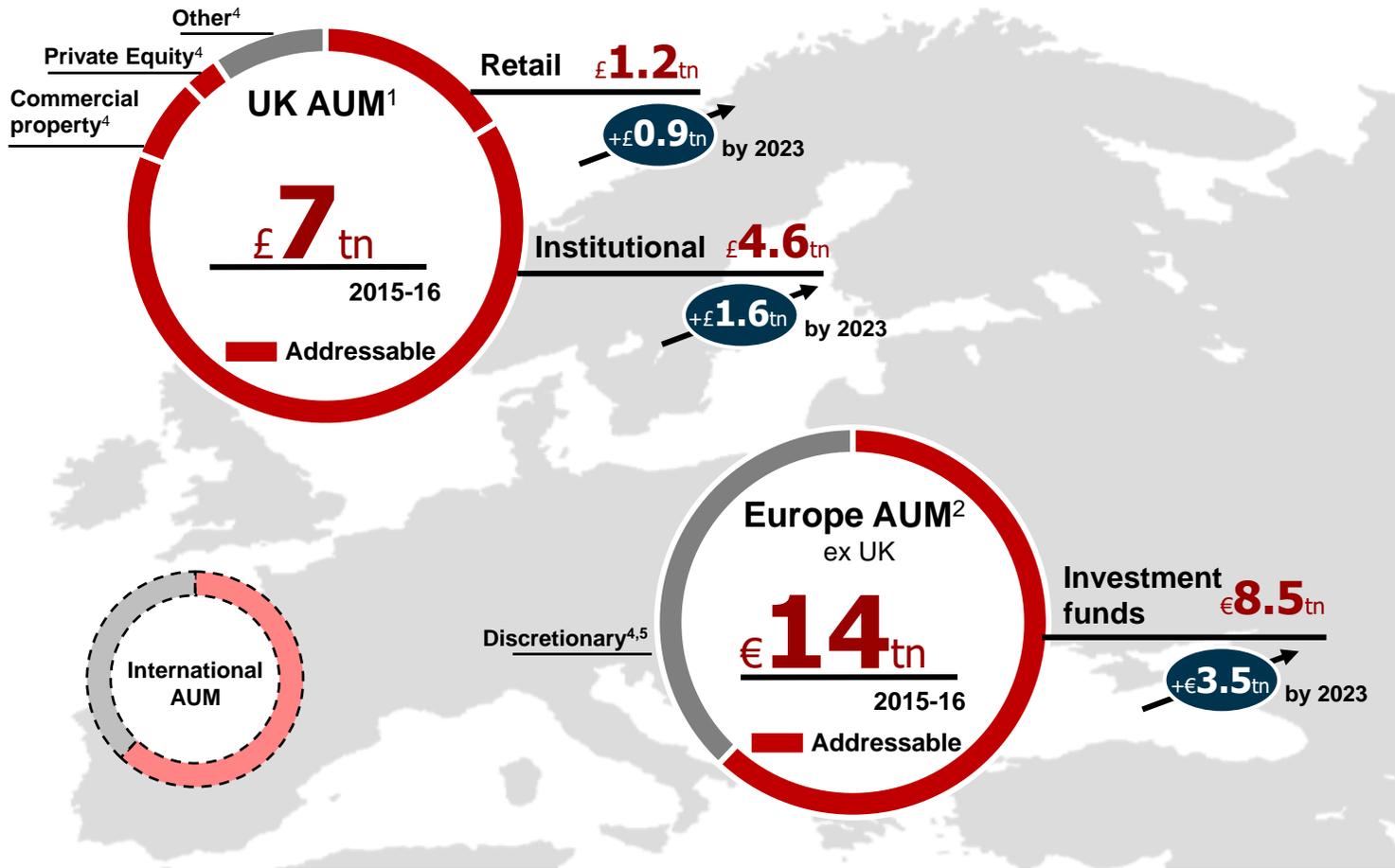
- ▶ Revenue upside from combining active investment and solutions expertise
- ▶ Accelerate transition to capital light model
- ▶ Investing to create a cost efficient business

Unlocking opportunity

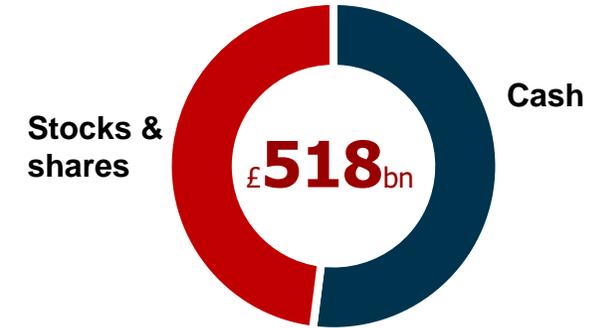
- ▶ Combined business able to develop and fund joint product propositions
- ▶ New digital service and distribution to meet fast changing customer needs
- ▶ Transformation into an efficient, service-led, digitally enabled business

Attractive market dynamics

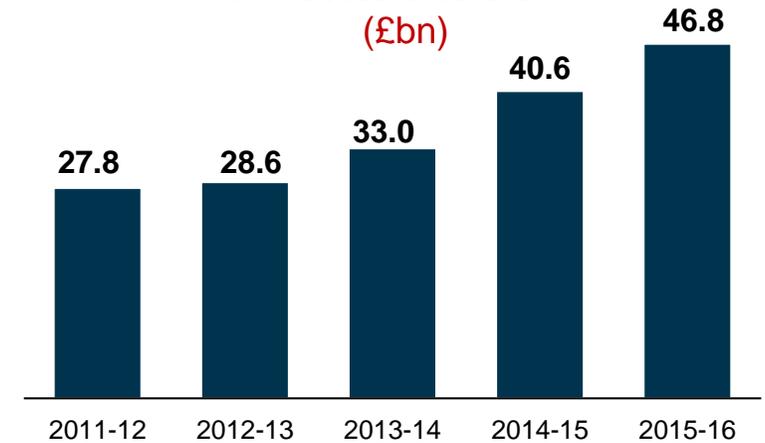
Opportunity^{1,2,3}



ISA market value⁶



Cash ISA transfers^{6,7} (£bn)



1. Source: The Investment Association – Asset management in the UK 2015-2016.

2. Source: EFAMA Asset Management report, data as at 2015

3. Growth rates source: PWC Asset Management 2020, BCG and Prudential calculations. Retail growth rate sourced from BCG, Europe and remaining UK using PWC Europe forecast CAGR of 4.4%

4. UK AUM consists of Commercial Property, Private Equity and Other of £1.3tn growing by £0.5tn by 2023. European AUM consists of Discretionary of Eur5.2tn growing by Eur2.0tn.

5. Discretionary includes mandates and could be included within M&G Institutional addressable market.

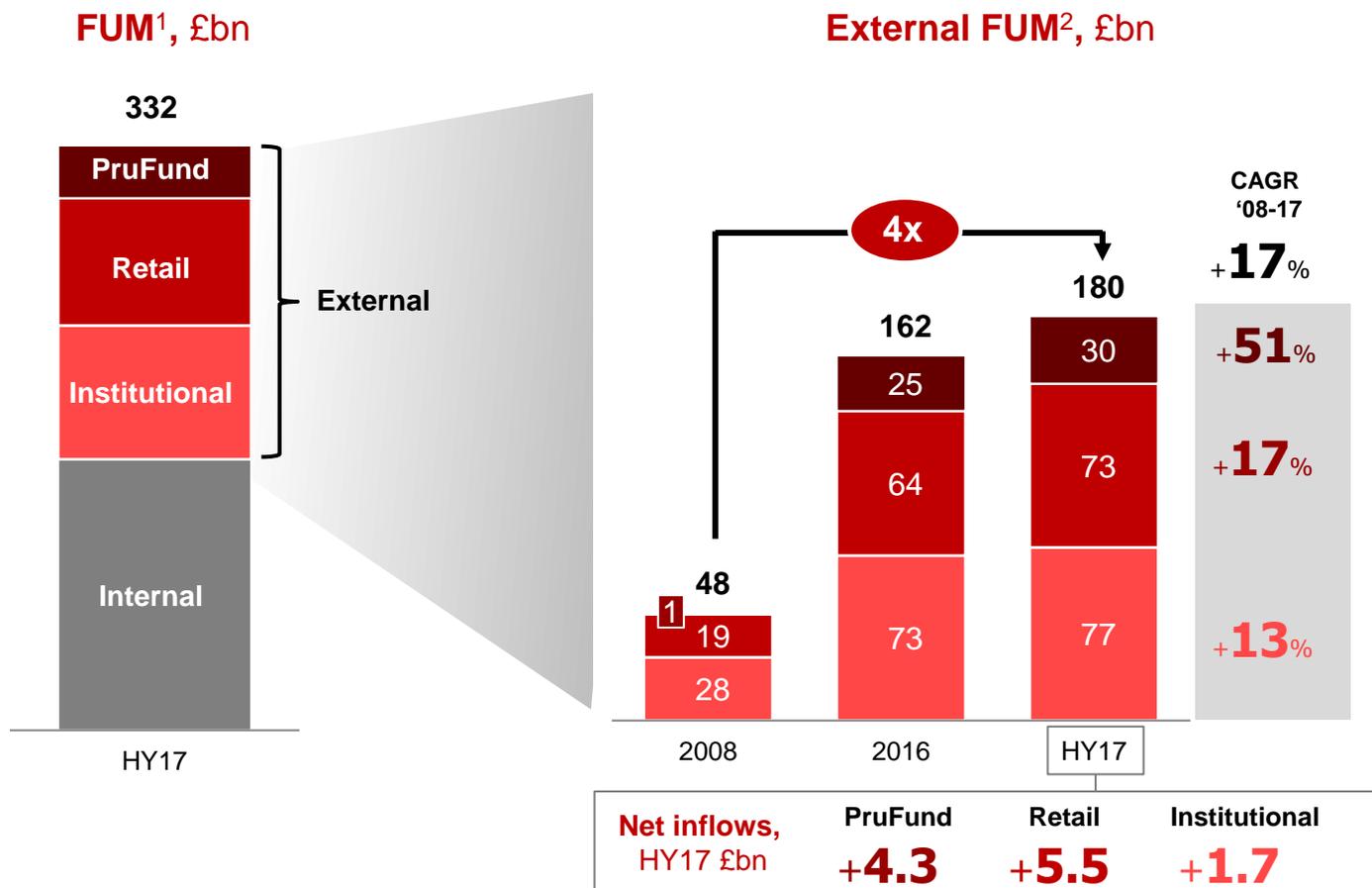
6 Source: HMRC – Individual Savings Account (ISA) Statistics April 2017, HMRC, BoE, ONS, ABI

7 Cash ISA transfers is derived from total amount subscribed in a year minus the new subscription and reinvestment of return. Reporting period for the year is April to March

M&G Prudential

Strong operating platform

Operating performance



Investment performance

PruFund 3yr return³ +23% (+16%)

(+7ppt vs ABI mixed investment 20%-60%: return of +16%)

Retail Performance⁴ +56% above Median

(3 year, net of fees – based on fund size)

Institutional Performance⁴ +100% above benchmark

(3 year, gross of fees – based on number of funds - FI segregated & public debt mandates)

1. FUM includes M&G external FUM of £149.1bn plus the UK internal FUM of £193.8bn less £11.3bn that are classified within Prudential Group's funds.

2. External FUM includes £72.5bn Retail, £76.6bn Institutional and £30bn of UK PruFund FUM

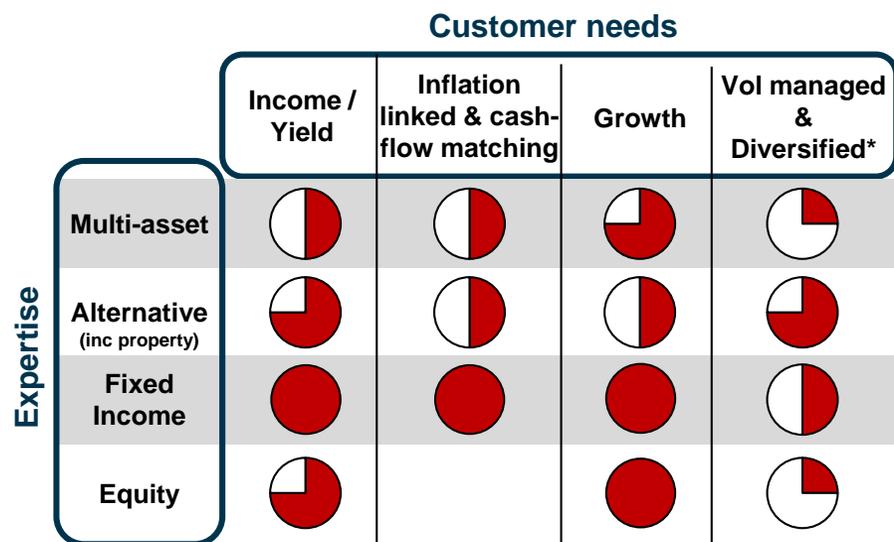
3. Outperformance based on 30 June 2014 to 30 June 2017

4. Investment performance stated in this statement is calculated by M&G, using published benchmarks for products. Retail quartile rankings are compared against funds' respective peer groups and are sourced from Morningstar Inc. based on returns that are net of fees. Institutional performance is gross of fees and is stated based on the 34 actively managed fixed income segregated and public debt mandates that have a 3-year performance track record. All performance returns are reported in base fund currency. Returns are not aggregated. Terminated funds have not been included. Data as at end June 2017.

M&G Prudential

Well positioned to unlock opportunity

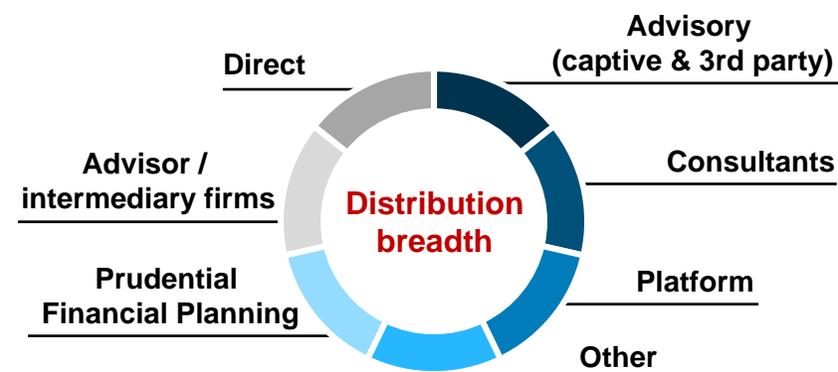
Capability spectrum¹



*Volatility managed and Diversified assets (vs equities).

Product range

ISA	PruFund	Segregated mandates
SIPP	DC pension	UCITS
Annuities	Unit linked funds	Closed-end vehicles



Schematic, not to scale

1. Internal allocation and categorisation based on M&G internal data for Retail and Institutional FUM

M&G Prudential

Leading savings and investment provider



Savings and investment powerhouse with strong brands, scale and investment expertise



Leverage strengths to create comprehensive financial solutions for customers



Strong performance track record provides a platform to lead the industry in creating customer and shareholder value



Size and scale provide headroom to amplify our current strengths across multiple dimensions



Well positioned to succeed over the long-term in a rapidly consolidating and changing market place.

Mark FitzPatrick

Chief Financial Officer

Group HY17 results

Key financial highlights

HY17 vs HY16

	£m	HY17	HY16	AER ¹	CER ¹
Growth	IFRS operating profit	2,358	2,044	+15%	+5%
	New business profit	1,689	1,257	+34%	+20%
	EEV operating profit	2,870	2,257	+27%	+15%
Cash	Free surplus generation	1,845	1,615	+14%	+6%
	Remittances	1,230	1,118	+10%	n/a
	Ordinary dividend per share (pence)	14.50	12.93	+12%	n/a

HY17 vs FY16

		HY17	FY16		
Capital	Solvency II surplus ^{2,3} (£bn)	12.9	12.5	+0.4	n/a
	EEV per share (pence) ⁴	1,567	1,510	+8%	n/a

¹ AER: Actual exchange rates. CER: Constant exchange rates

² Before allowing for the 2017 first interim ordinary dividend (FY16: before allowing for the 2016 second interim ordinary dividend)

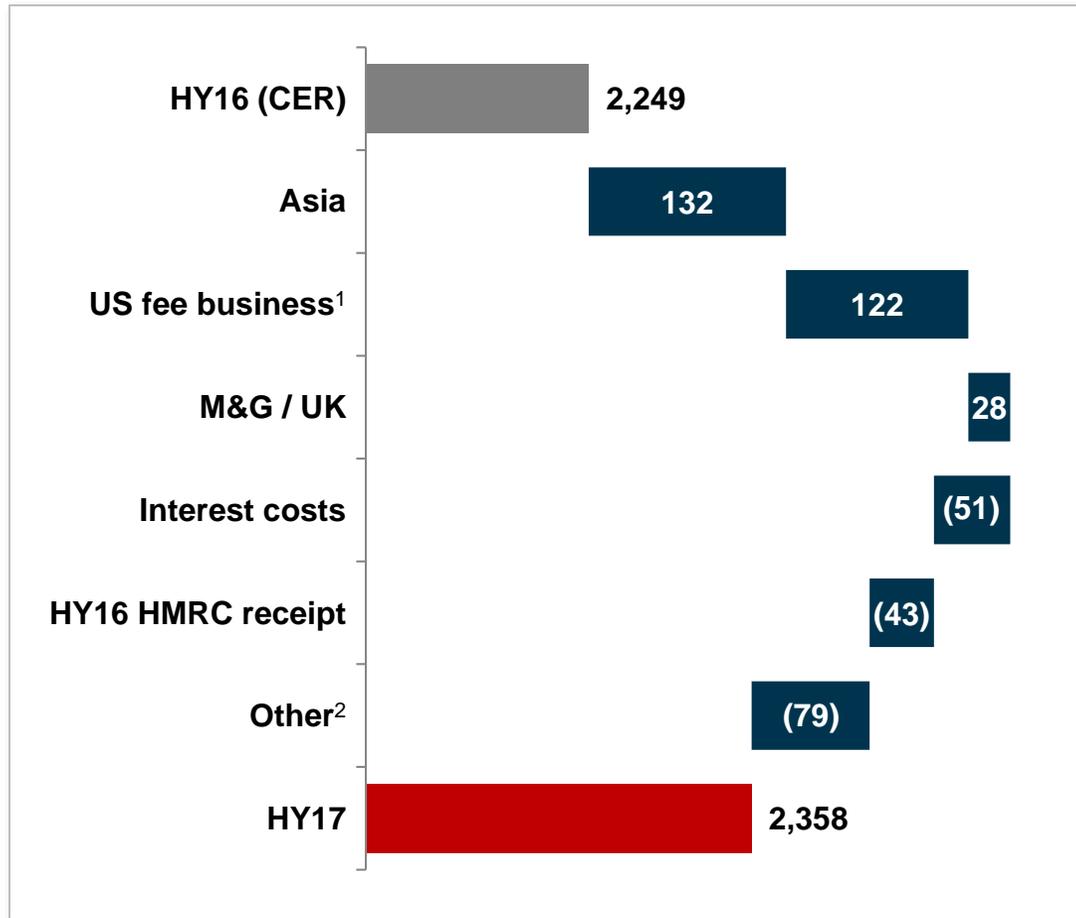
³ The Group Shareholder position excludes the contribution to the Group Own Funds and the Solvency Capital Requirement of ring fenced With-Profit Funds and staff pension schemes in surplus. The Group Shareholder position includes management's estimate of transitional measures reflecting operating and market conditions at the valuation date. The estimated Group shareholder surplus would increase from £12.9 billion to £13.6 billion at 30 June 2017 if the approved regulatory transitional amount was applied instead (31 December 2016: The estimated Group shareholder surplus would increase from £12.5 billion to £12.9 billion)

⁴ Percentage movement on an annualised basis

Group IFRS operating profit

Growth driven by Asia and US fee business

IFRS operating profit, HY17 vs HY16 (CER), £m



— Growth led by Asia

↑ Asia life IFRS +16%

↑ Eastspring +20%

— Continued strong contribution from US

— High quality sources of income

↑ Insurance income +14%

↑ Life fee income +14%

↑ Asset management fee income³ +14%

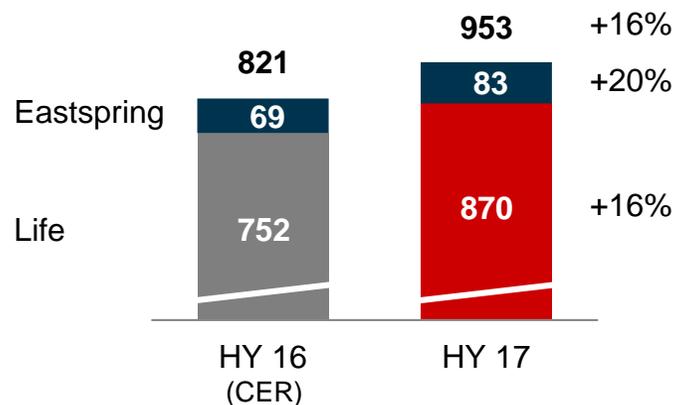
↓ Spread income (5)%

¹ Fee business represents profits from variable annuity products. As well as fee income, revenue for this product line includes spread income from investments directed to the general account and other variable annuity fees included in insurance margin
² Includes US spread business, US life and other business, Prudential Capital, Africa, central and restructuring costs
³ Represents M&G and Eastspring operating fee income before performance-related fees

Business unit IFRS operating profit

Positive momentum in underlying drivers of earnings

Asia IFRS operating profit, £m



Asia Life

- In-force earnings up +18%
- Insurance income up +24%; growing in 10 countries¹

Eastspring⁵

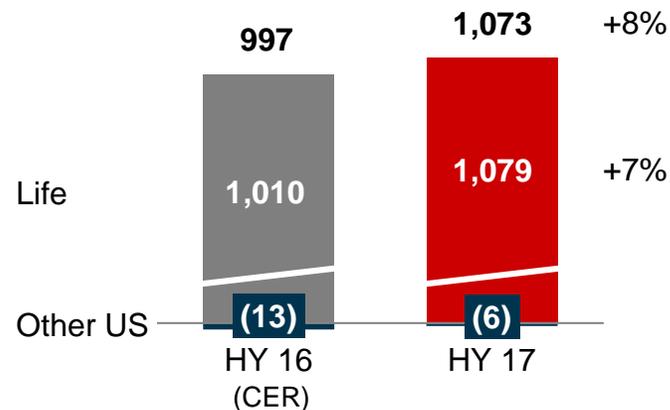
- Average AUM up +21%² to £124.9bn
- Revenue +16%; revenue margin 33bp (-1bp)
- Cost / income ratio 55% (HY16 56%)

¹ Does not include Laos where amounts are immaterial

² Increase in average assets represents HY17 average compared to HY16 average on a CER basis

³ Fee business represents profits from variable annuity products. As well as fee income, revenue for this product line includes spread income from investments directed to the general account and other variable annuity fees included in insurance margin

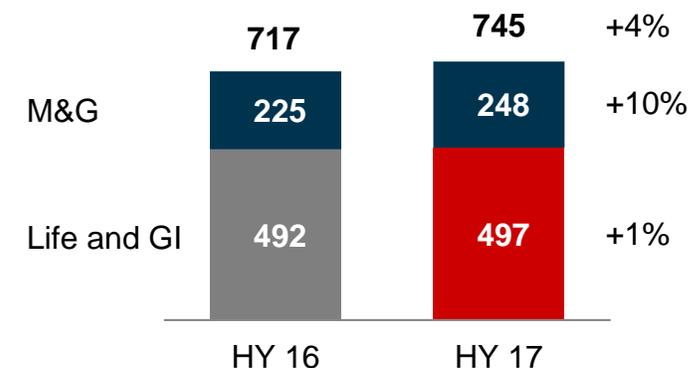
US IFRS operating profit, £m



US Life

- Fee business earnings³ +17%
 - Positive net flows of \$2.6bn
 - Separate account average AUM +16%²
- Spread margin down 15bp to 202bp

UK IFRS operating profit, £m



UK Life

	HY16	HY17
Core in-force	306	288
Annuities new business	27	4
Management actions ⁴	140	188
Total	473	480

M&G⁵

- Average AUM up +10%² to £267.2bn
- Revenue +13%; revenue margin 37bp (+1bp)
- Cost / income ratio 53% (HY16 52%)

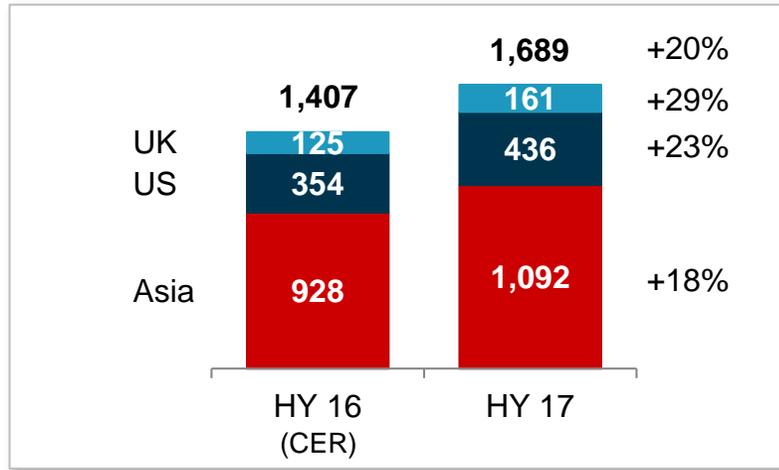
⁴ Management actions represents longevity reinsurance transactions of £31m (HY16: £66m) and specific asset and liability management actions of £157m (HY16: £74m) taken to improve the solvency position of our UK life business and further mitigate market risk

⁵ Excludes performance-related fees. Growth rates based on comparatives using a constant exchange rate basis

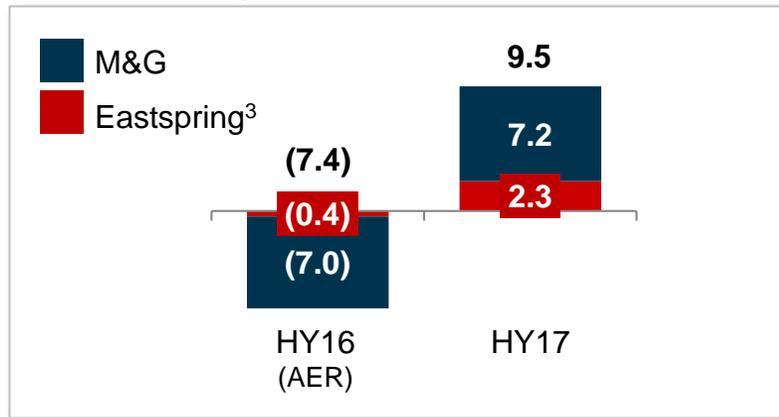
Group new business profit

Strong new business growth in both life and asset management

New business profit by business unit, £m



Asset management external net flows, £bn



Group

- Life NBP up 20%¹ and asset management inflows of £9.5bn
- Overall 9% beneficial impact from interest rates on NBP

Asia

- Continued focus on H&P: H&P NBP +19%¹
- Broad diversification: 8 countries with at least double digit growth in NBP^{1,2}
- Regular premium business 94% of total APE
- **Eastspring** - Net external inflows of £2.3bn³, driven by Retail business
- Total AUM of £130.5bn, up 11%⁴ year-to-date

US

- Variable annuity net inflows of \$2.6bn, outperforming market
- Variable annuity new business profit +30%¹
- Positive interest rate impact, contributing 14ppts of growth

UK

- Growth driven by retirement segment products⁵, with NBP +135%
- PruFund related APE sales +29%; PruFund AUM £30.0bn (+22% YTD)
- **M&G** - Record H1 Retail net inflows of £5.5bn; Institutional net inflows of £1.7bn
- Total AUM of £281.5bn, up 6% year-to-date

¹ Growth rates based on comparatives using a constant exchange rate basis.
² Does not include Laos where amounts are immaterial
³ Excludes Money Market Fund flows of £499m (HY2016: £656m)
⁴ Growth rates based on comparatives using an actual exchange rate basis
⁵ Includes income drawdown and individual pensions

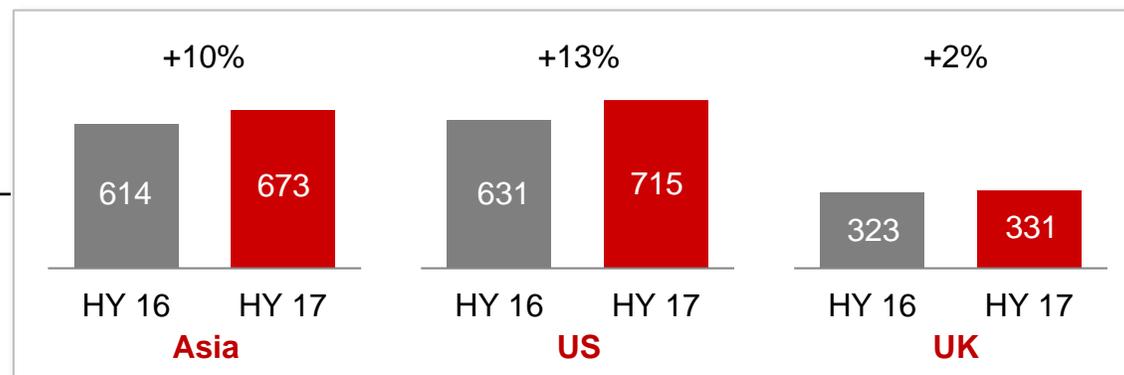
Group free surplus generation

Growing contribution from life in-force and asset management

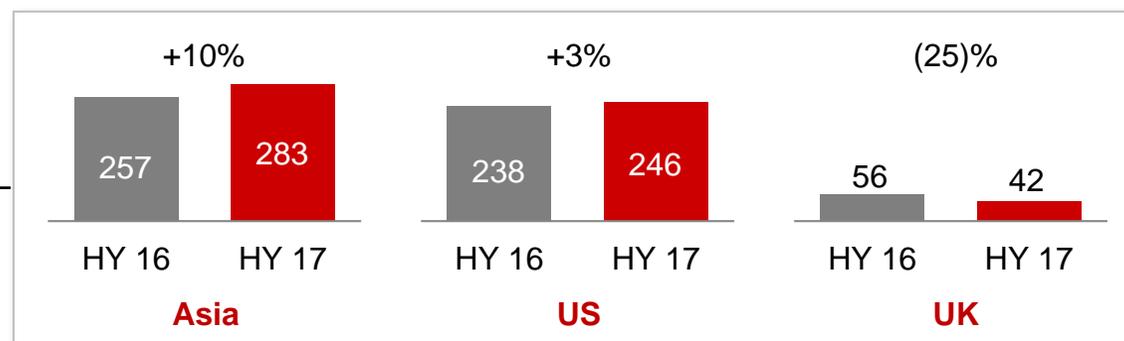
Life and asset management free surplus generation, £m

	HY17	HY16 CER	Change
Expected return from in-force	1,719	1,568	10%
Experience result ²	342	411	(17)%
Investment return on free surplus	66	52	27%
Life in-force result	2,127	2,031	5%
Asset management and Other	289	258	12%
Gross free surplus generation	2,416	2,289	6%
Less: new business strain ³	571	551	4%
Net free surplus generation	1,845	1,738	6%

Expected return from in-force¹, £m



New business strain³, £m



¹ HY16 restated on a constant exchange rate basis, increasing Asia life expected return from in-force by £69m and increasing US life expected return from in-force by £76m

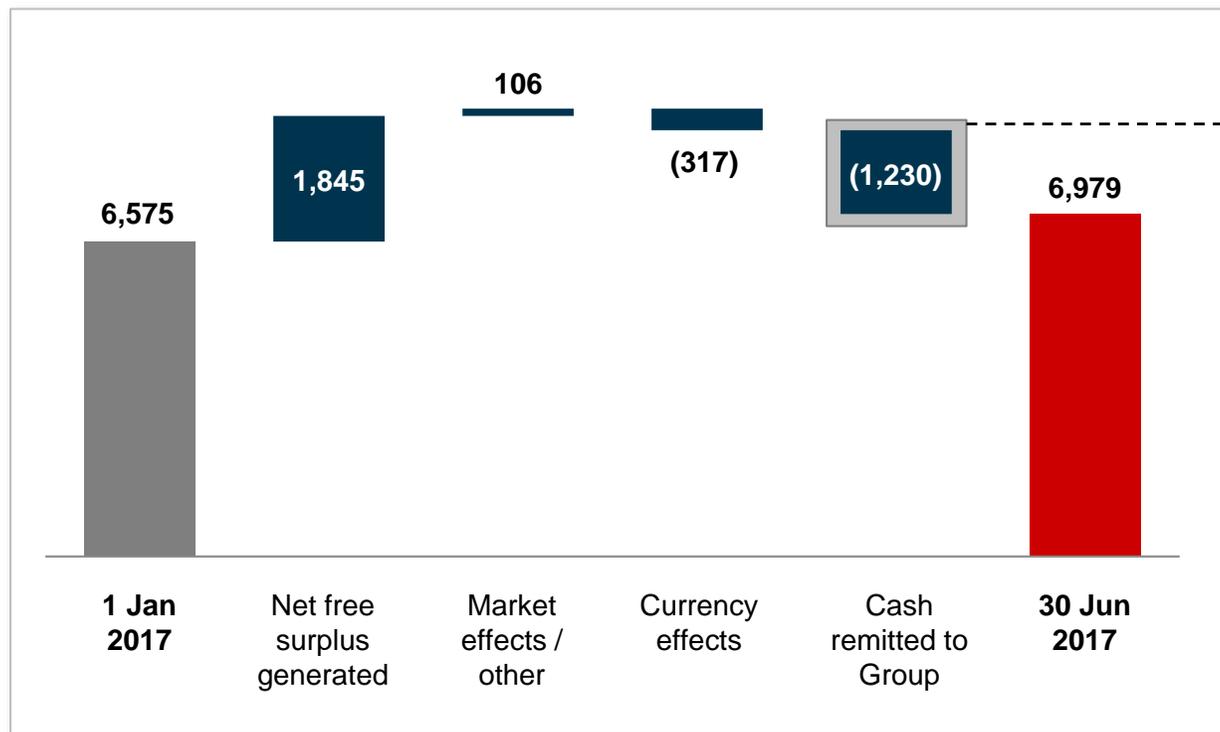
² Includes amounts relating to specific asset and liability management actions taken in 2017 to improve the solvency position of our UK life businesses and further mitigate market risk. These actions generated an overall positive effect of £193m (HY2016: £190m).

³ HY16 restated on a constant exchange rate basis, increasing Asia new business strain by £29m and increasing US new business strain by £29m

Group cash

Growing cash flows to Group

Movement in life and asset management free surplus, £m



Movement in central cash, £m

Opening (1 Jan 2017)	2,626
Cash remitted to Group	1,230 (+10%)
Asia	350
US	475
M&G / UK ¹	390
Other	15
2016 second interim dividend paid	(786)
Central costs / corporate activities / other	(413)
Closing (30 Jun 2017)	2,657

¹ Contribution from M&G of £175m and from UK Life of £215m

Equity shareholders' funds

Operating profit remains key driver of growth

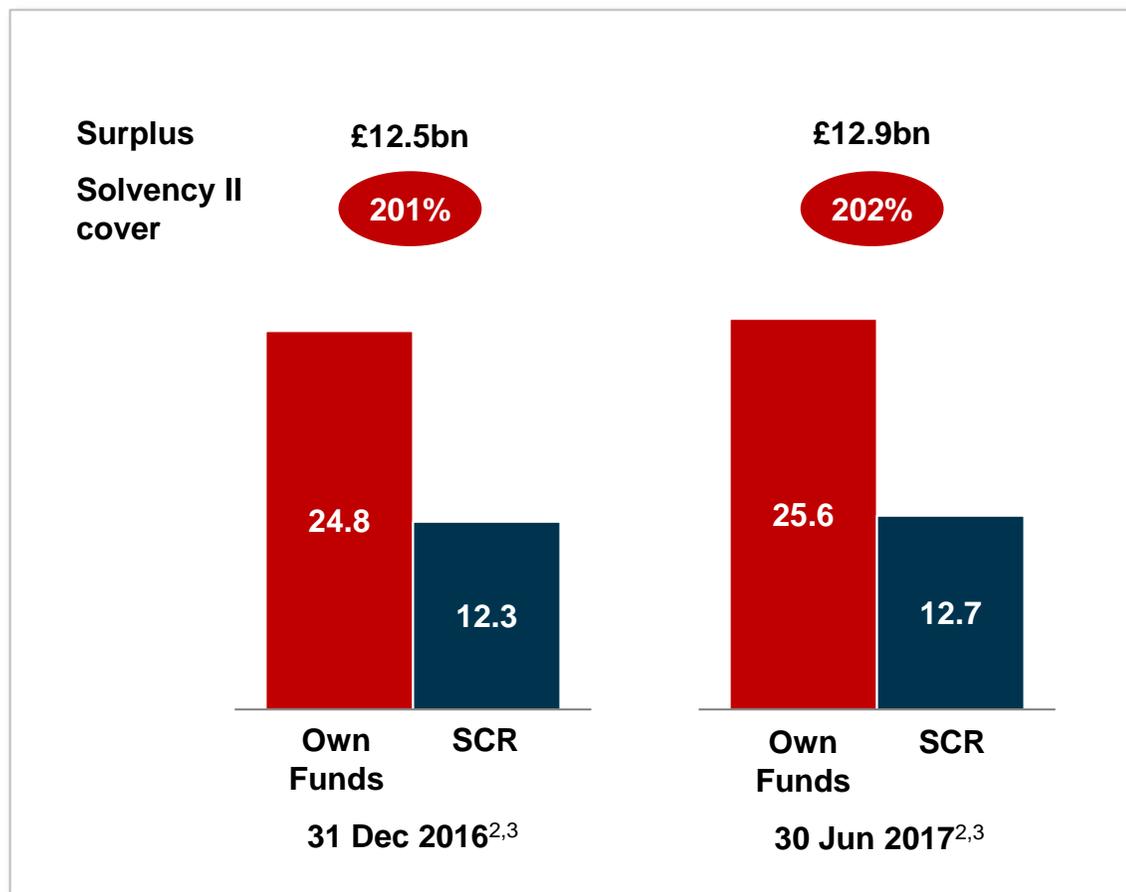
	IFRS Equity		EEV Equity	
	£bn	Per share (p)	£bn	Per share (p)
Operating profit after tax	1.8	70	2.9	112
Investment variance and other	(0.3)	(11)	0.4	17
Unrealised gain on AFS	0.3	12	n/a	n/a
Foreign exchange and reserve movements	(0.3)	(11)	(1.0)	(41)
Dividend	(0.8)	(31)	(0.8)	(31)
Other movements	0.0	2	0.1	3
Increase in shareholders' equity	0.7	31	1.6	60
Opening shareholders' equity	14.7	568	39.0	1,510
Closing shareholders' equity	15.4	597	40.5	1,567

Note: numbers may not sum due to rounding and differences in shares in issue between 31 December 2016 and 30 June 2017

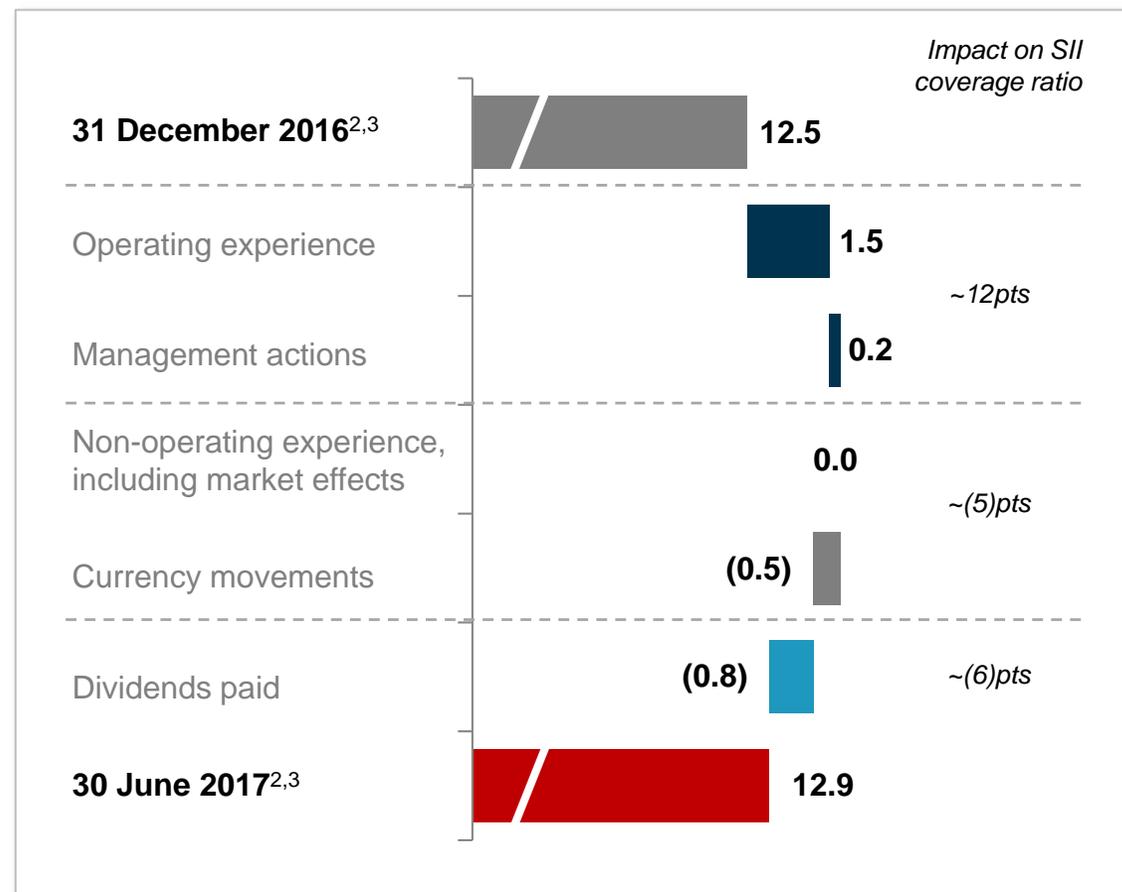
Solvency II

Strong solvency capital position

Group Shareholder Solvency II capital position¹, £bn



HY17 movement in Solvency II capital¹, £bn



¹ The Group Shareholder position excludes the contribution to the Group SCR and Own Funds of ring fenced With-Profit Funds and staff pension schemes in surplus.

² Before allowing for the 2017 first interim ordinary dividend (FY16: before allowing for the 2016 second interim ordinary dividend)

³ The Group Shareholder position includes management's estimate of transitional measures reflecting operating and market conditions at the valuation date. The estimated Group shareholder surplus would increase from £12.9 billion to £13.6 billion at 30 June 2017 if the approved regulatory transitional amount was applied instead (31 December 2016: The estimated Group shareholder surplus would increase from £12.5 billion to £12.9 billion)

Balance sheet

Well capitalised and defensively positioned

Capital strength

- Well capitalised at Group and local levels
- Strong operating capital generation in the period
- Continued active management to optimise position

Liquidity

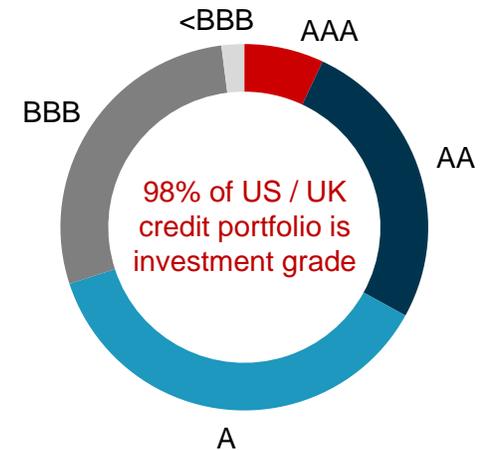
- Central cash of £2.7bn
- Access to revolving credit facilities of £2.6bn, untapped

Conservative management

- High quality credit portfolio with 97% sovereign debt or investment grade
- Zero credit default losses and minimal impairments
- Continuing pivot towards more capital-light product portfolio

Credit portfolio

US and UK combined credit portfolio, £73bn



- US shareholder debt exposure of £38bn
 - 97% investment grade
 - Corporate debt portfolio across c.1,000 issuers with average holding of £28m
- UK shareholder debt exposure of £35bn
 - 98% investment grade
 - Corporate debt portfolio across c.500 issuers with average holding of £48m

HY17 results

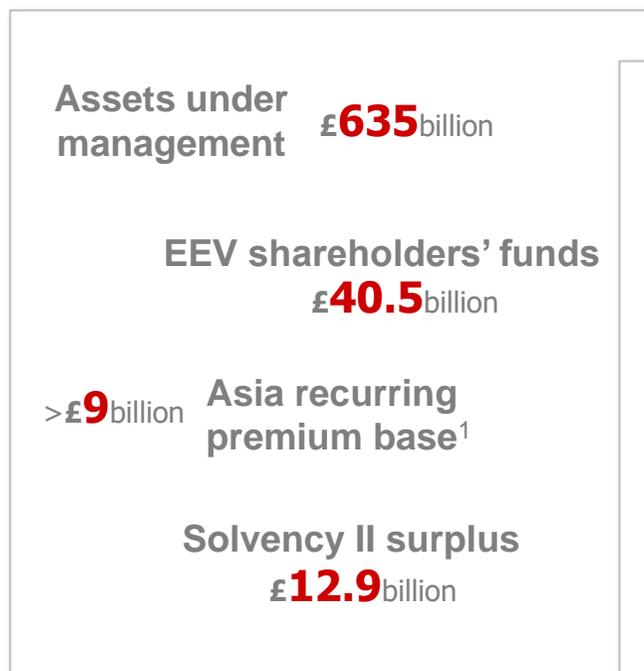
Summary

-  Continued delivery of growth and cash; enhancing earnings mix
-  Financial progress led by Asia, with recovery in asset management
-  Organic capital generation driving solvency strength and resilience
-  Sustained momentum in earnings drivers underpins positive outlook

Financial profile

Scale, growth and resilience

Scale



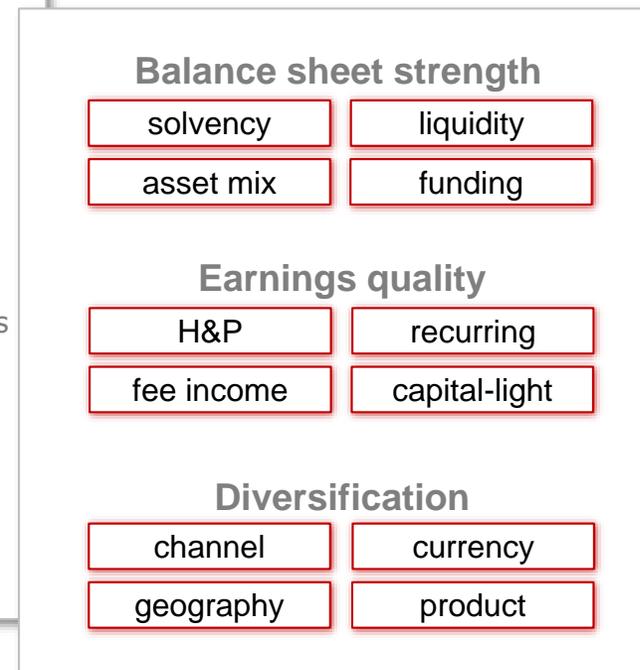
- ✓ Strong customer outcomes
- ✓ Active in-force management
- ✓ Recurring income streams

Growth



- ✓ Products aligned to customer needs
- ✓ High quality, diversified distribution
- ✓ Capital efficient new business

Resilience

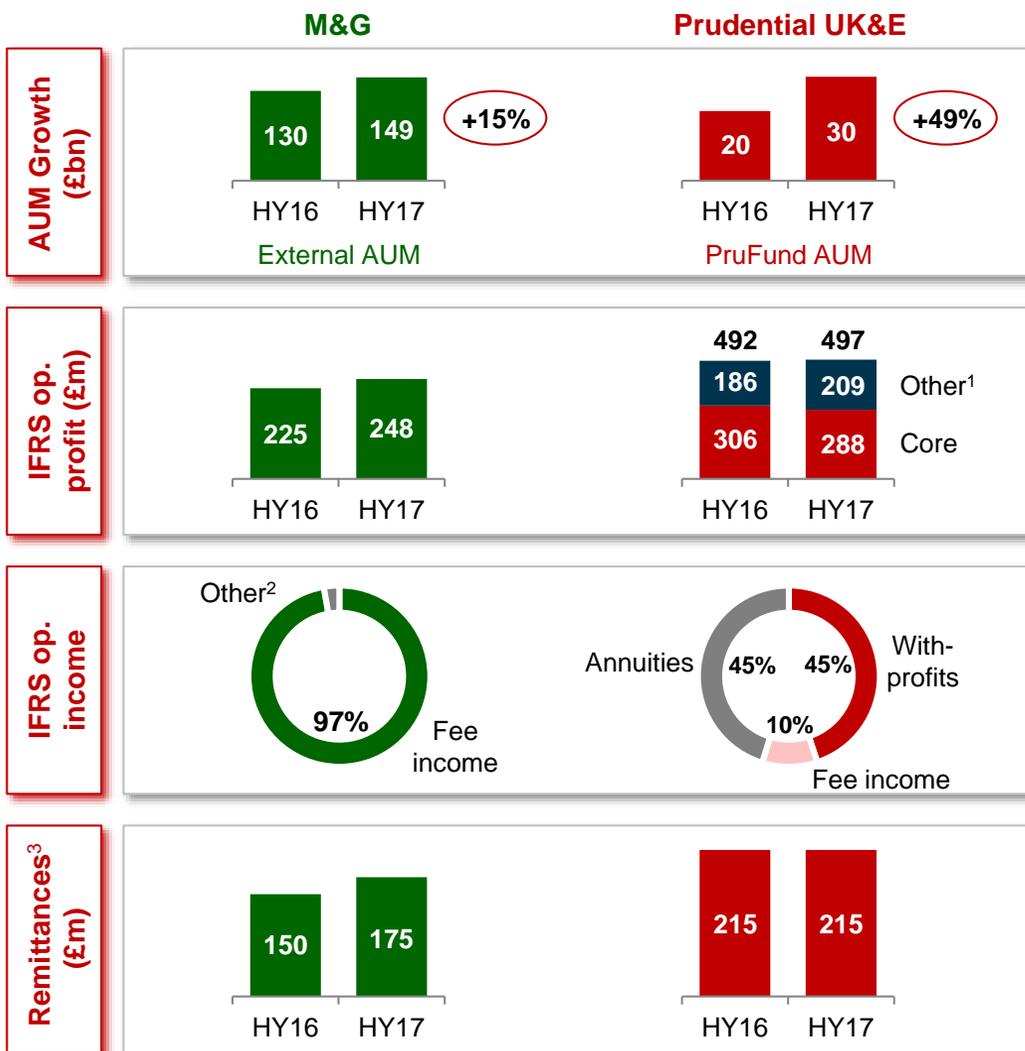


- ✓ Disciplined capital allocation
- ✓ Strong risk management
- ✓ Conservatively managed balance sheet

Note: Assets under management, EEV shareholders' funds and Solvency II surplus figures are as at 30 June 2017. Full year 2016 numbers used for IFRS, NBP, FSG and Asia recurring premium base.
1 Represents FY16 renewal premiums. Total weighted premium income, including new business of £3.5bn, was £12.6bn.

M&G Prudential

Financial profile



M&G Prudential

- Transformation to efficient, services-led, digitally-enabled business
 - Shareholder investment of circa £250m
 - Shareholder cost savings of circa £145m pa⁴ by 2022
- Leverage scale and capabilities to enhance growth prospects
- Accelerating shift in mix to fee income and with-profits



¹ Includes general insurance commission of £17 million (2016: £19 million), shareholder-backed annuity new business profit of £4 million (2016: £27 million) and £188 million from management actions (2016: £140 million).

² Relates to performance related fees and share of associate's results

³ HY16 UK remittances exclude non-recurring UK remittances of £131 million

⁴ Pre-tax

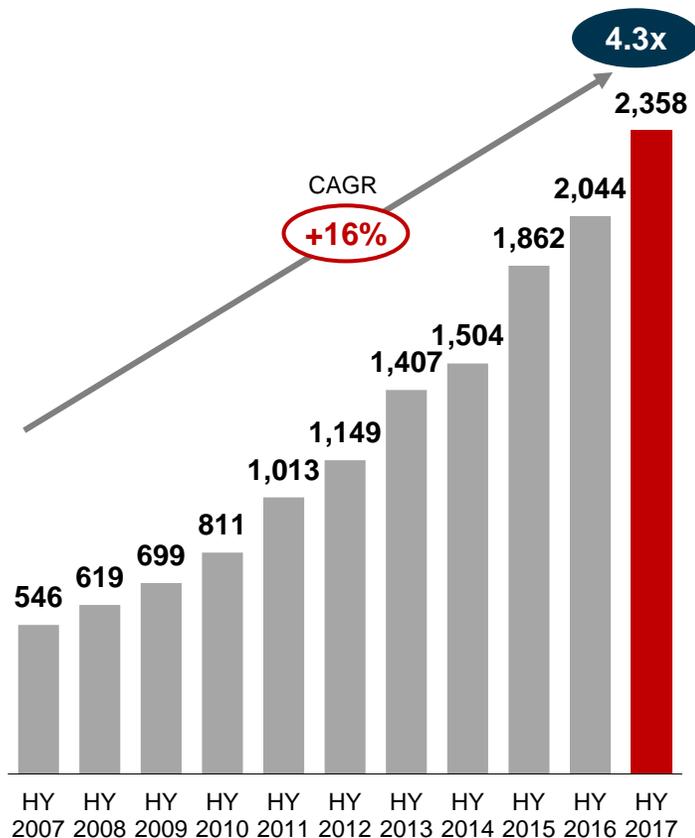
Mike Wells

Group Chief Executive

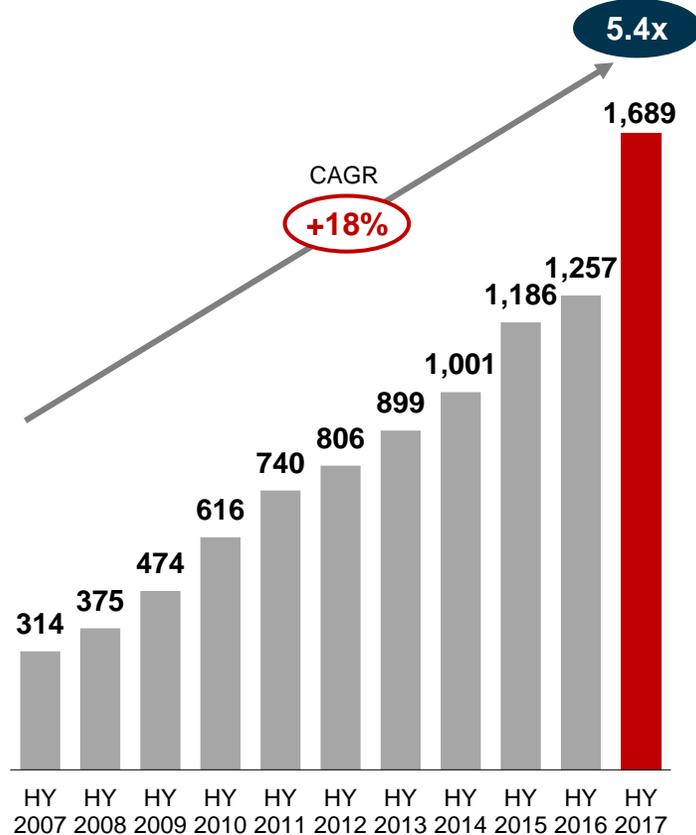
Group

Long-term track record

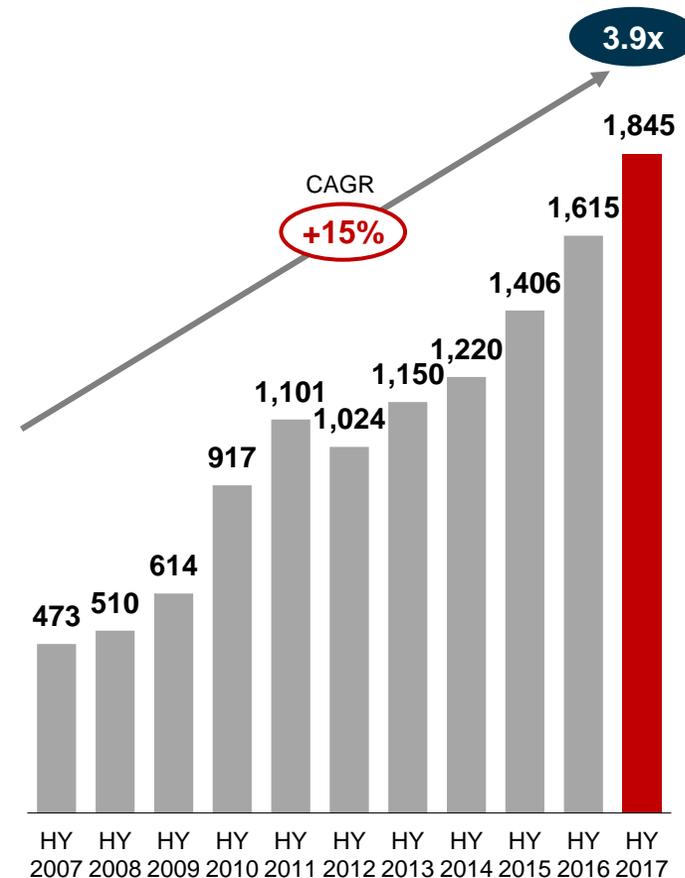
IFRS operating profit^{1,2,5}, £m



New business profit^{1,2,3,4}, £m



Free surplus generation^{1,2,3,4}, £m



1 Comparatives have been stated on an actual exchange rate basis

2 Excludes Korea life, Japan life and Taiwan agency. HY2014 comparatives have been restated to exclude the contribution from the sold PruHealth and PruProtect businesses. HY2008 to HY2013 comparatives include the results of PruHealth and PruProtect

3 On a post tax basis

4 Results for UK insurance operations have been prepared on a basis that reflects the Solvency II regime effective from 1 January 2016. HY15 results and prior reflect the Solvency I basis being the regime applicable for those periods

5 Adjusted for new and amended accounting standards.

Group

Key take-aways



High quality, broad based performance



Asia continues to underpin growth



M&G Prudential leverages complementary strengths to unlock further value



Strong balance sheet, defensive positioning



Well positioned to deliver long-term, profitable growth



Investor Conference, London

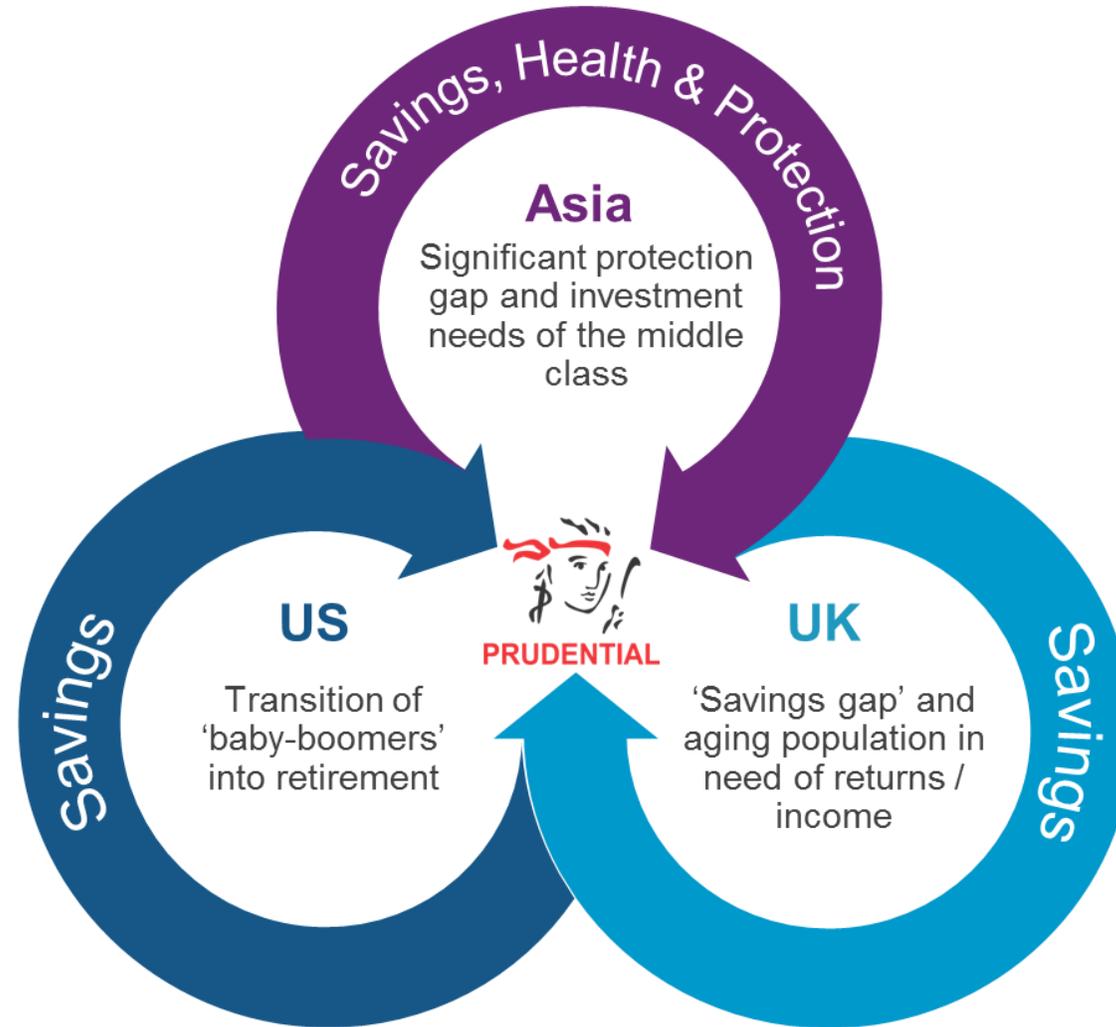
16th November 2017

Appendix

2017 Half Year Results

Group

Clear strategy



Group

Premium franchises

▶ **Leading** pan regional franchise

▶ In Asia since **1923**

▶ **15m** life customers with **Top 3 position** in 9 out of 12 life markets¹

▶ **Leading**² Asian asset manager with **+20 years** operating history

▶ **£131bn** funds under management⁴



▶ **Premier** retirement income player

▶ Founded in **1961**

▶ **4m** life customers

▶ **18% market share** Variable Annuities³

▶ **\$228bn** of statutory admitted assets⁴



▶ **Well recognised brands** with strong track record

▶ **169 years** of providing financial security

▶ **6m** life customers

▶ Over **£30bn** PruFund funds under management⁴

▶ **£332bn** funds under management⁴



¹ 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 availability of data)

² Based on assets sourced from the region. Excluding Japan, Australia and New Zealand as at September 2016. Source Asia Asset Management September 2016 (Ranked according to participating regional players only)

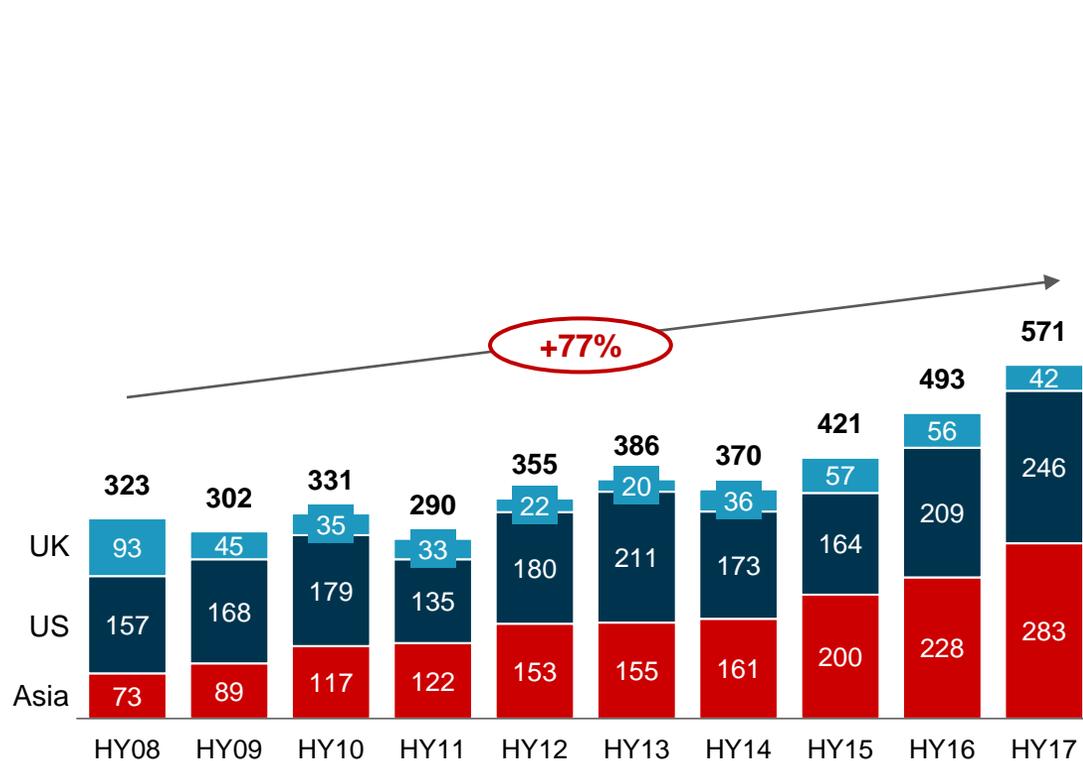
³ Source: LIMRA 1Q 2017

⁴ As at 30 June 2017

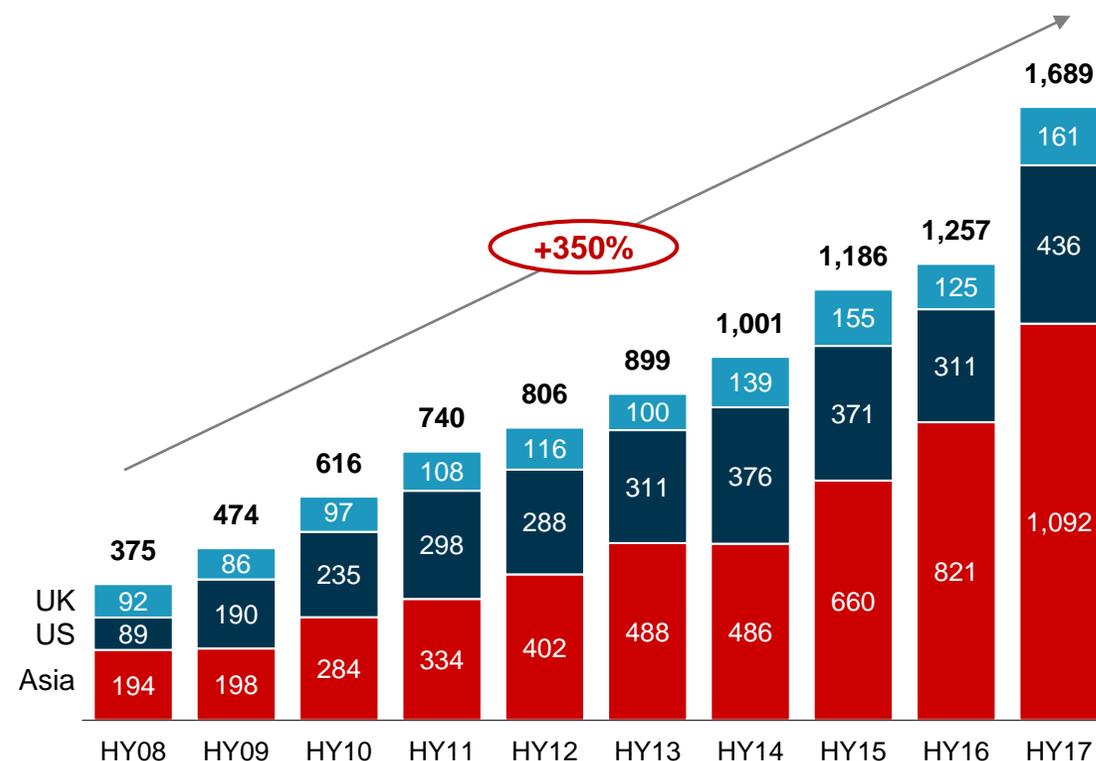
Group

Disciplined capital allocation

New business strain^{1,3,4,5}, £m



New business profit^{2,3,4,5}, £m



1 Free surplus invested in new business

2 On a post tax basis

3 Excludes Korea, Japan Life and Taiwan agency. HY2014 comparatives have been restated to exclude the contribution from the sold PruHealth and PruProtect businesses. HY2008 to HY2013 comparatives include the results of PruHealth and PruProtect

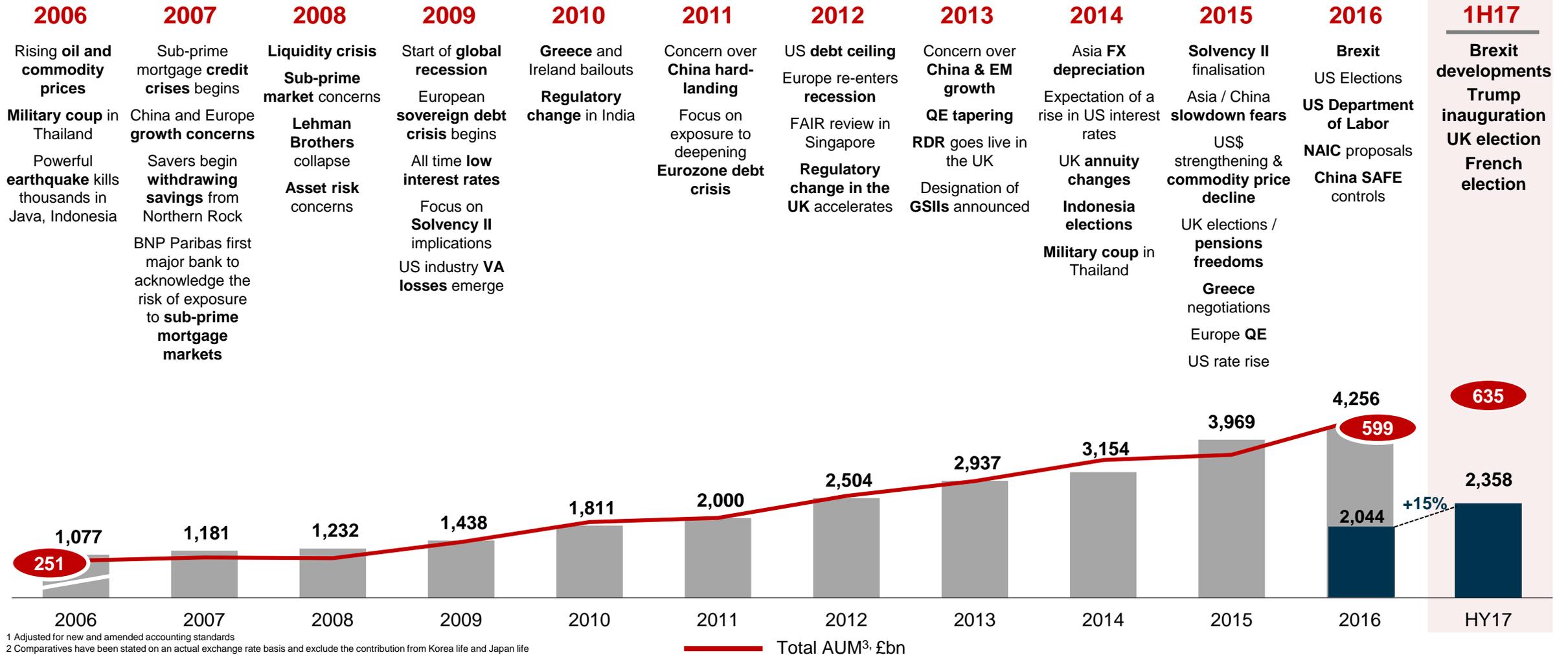
4 Results for UK insurance operations have been prepared on a basis that reflects the Solvency II regime effective from 1 January 2016. HY15 results and prior reflect the Solvency I basis being the regime applicable for those periods

5 As reported RER

Group

Effective response to challenges

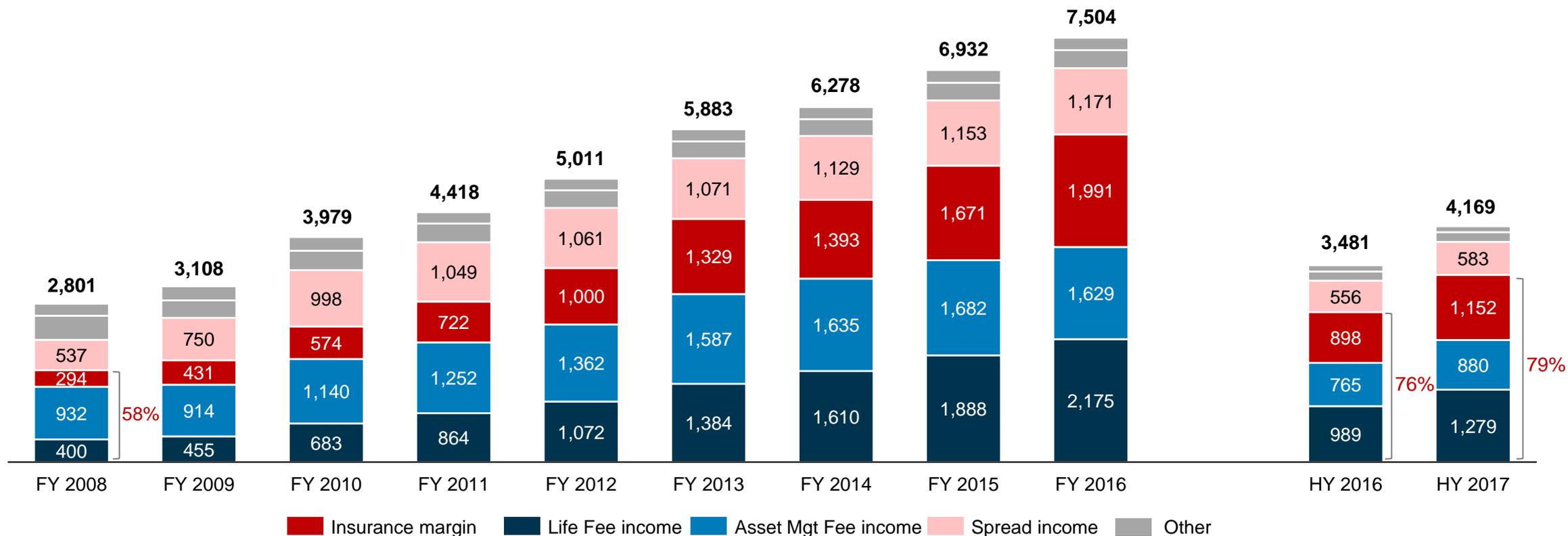
IFRS operating profit^{1,2}, £m



Group

Growth in high quality earnings

Sources of IFRS operating income^{1,2,3,4}, £m



¹ Comparatives adjusted for new and amended accounting standards

² As reported RER

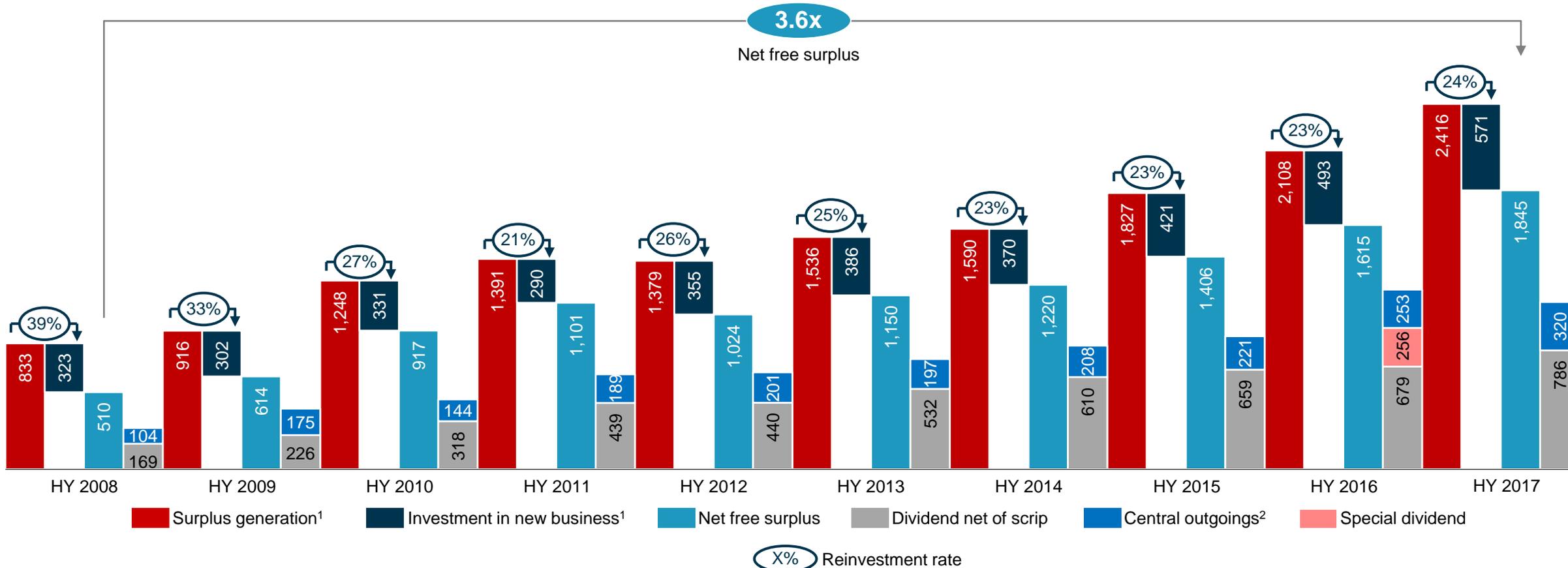
³ Excludes Korea, Japan Life and Taiwan agency. FY2014 comparatives have been restated to exclude the contribution from the sold PruHealth and PruProtect businesses. FY2008 to FY2013 comparatives include the results of PruHealth and PruProtect

⁴ Excludes UK specific management actions taken to position the balance sheet more efficiently under the new Solvency II regime

Group

Free surplus generation

Free surplus³ and dividend, £m



¹ Excludes Korea, Japan Life and Taiwan agency. HY2014 comparatives have been restated to exclude the contribution from the sold PruHealth and PruProtect businesses. HY2008 to HY2013 comparatives include the results of PruHealth and PruProtect

² Central outgoings includes RHO costs

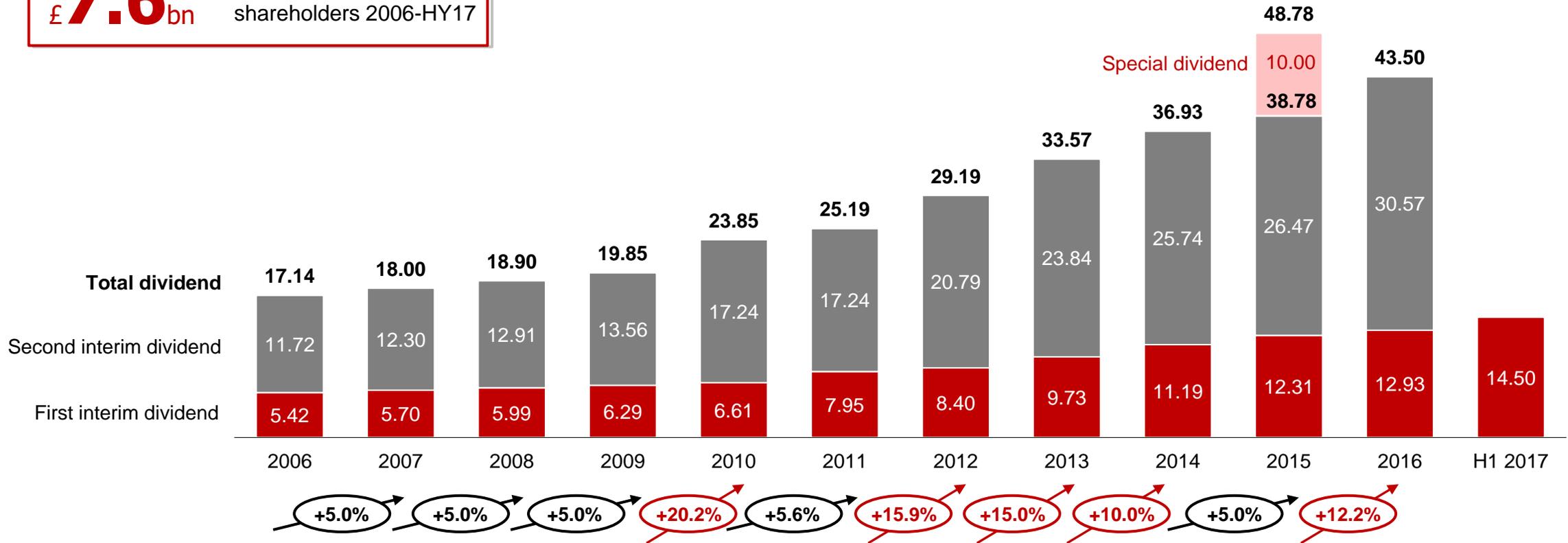
³ Results for UK insurance operations have been prepared on a basis that reflects the Solvency II regime effective from 1 January 2016. HY15 results and prior reflect the Solvency I basis being the regime applicable for those periods

Group

Delivering cash

Dividend, pence per share

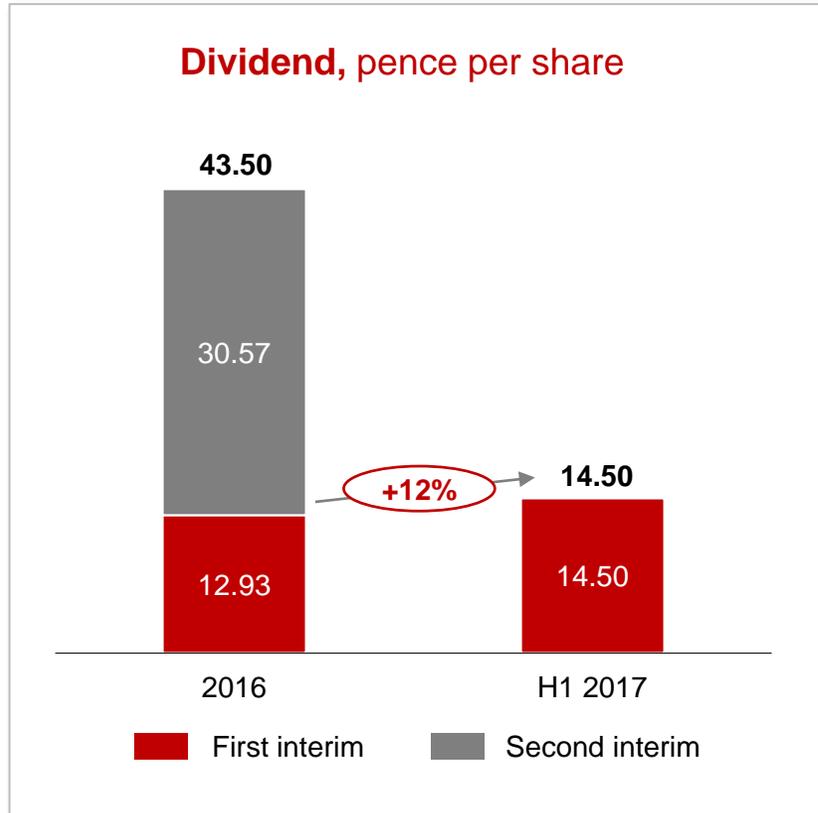
£7.6bn Total dividends¹ to shareholders 2006-HY17



¹ Amounts paid between 2006 and 2010 are net of scrip dividends

Group

Interim dividend

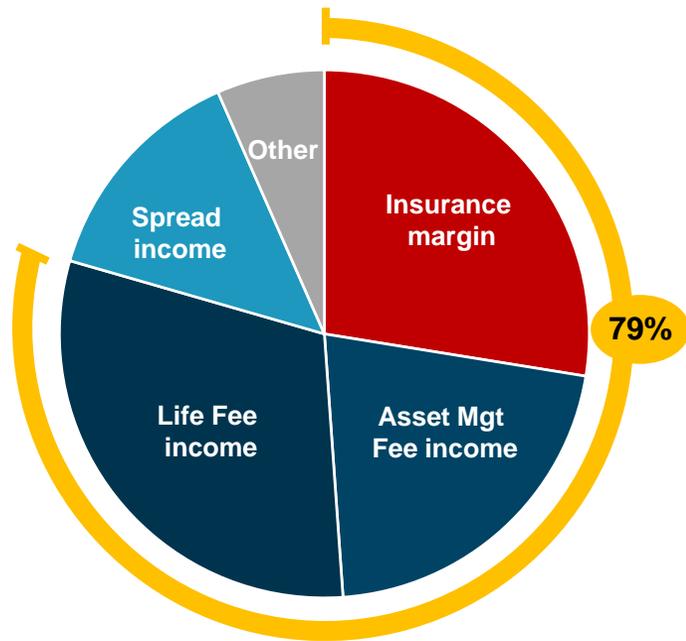


- ▶ First interim dividend increased by 12 per cent to 14.50 pence per share
- ▶ Ex-dividend date:
 - ▶ 24 August 2017 (UK, Ireland and Hong Kong)
 - ▶ 23 August 2017 (Singapore)
- ▶ Record date: 25 August 2017
- ▶ Payment of dividend:
 - ▶ 28 September 2017 (UK, Ireland and Hong Kong)
 - ▶ On or about 5 October 2017 (Singapore)
 - ▶ On or about 5 October 2017 (ADR holders)

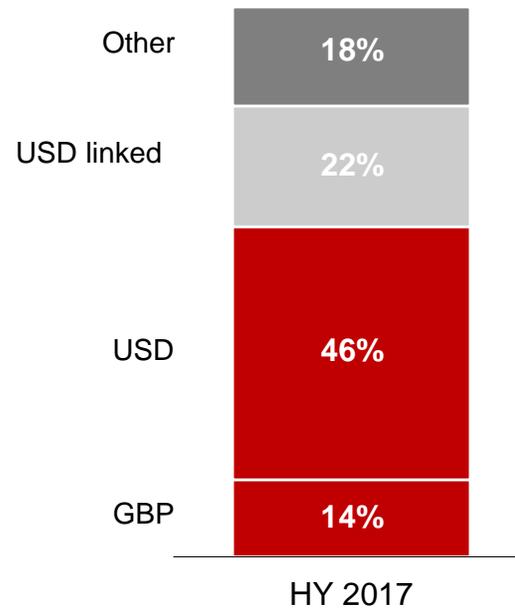
Group

Well positioned to deliver across cycles

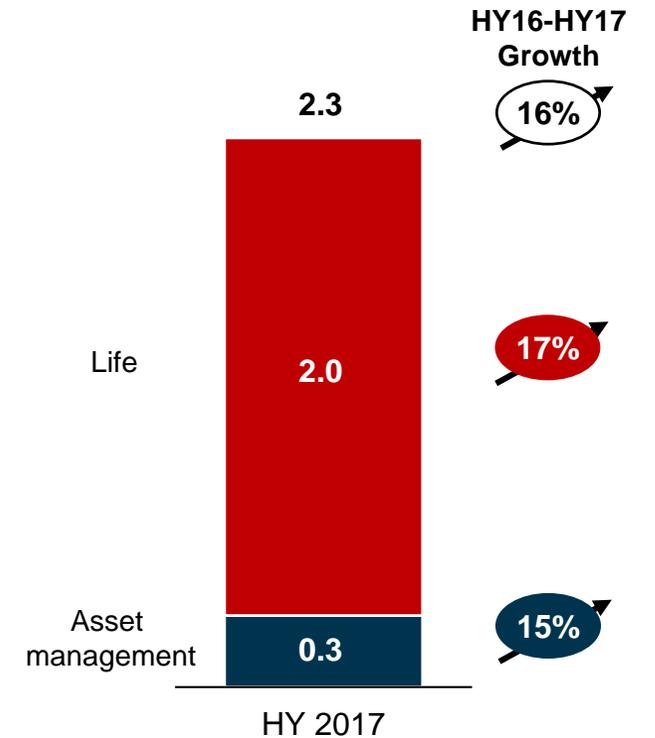
IFRS income by revenue source, HY17 %



IFRS earnings split by currency^{1,2,3,6}, %



In-force IFRS operating profit^{4,5}, £bn



¹ USD linked includes Hong Kong and Vietnam where currencies are pegged to the USD, and Malaysia and Singapore where currencies are managed against a basket of currencies including the USD

² Includes long-term, asset management business and other businesses

³ For operating profit UK sterling includes amounts in respect of central operations as well as UK insurance operations and M&G

⁴ Operating profit comprises the following: Asia life as disclosed in note 1(b) of the 'additional financial information', after deducting development expenses. Jackson IFRS operating profit after adding back acquisition costs expensed (and not deferred) in the period of £110m. HY17 UK operating profit excluded the £188m (HY16: £140m) contribution from longevity reinsurance and other management actions taken to improve solvency. Asset management operating profit for M&G, PruCap, Eastspring and US broker-dealer and asset management

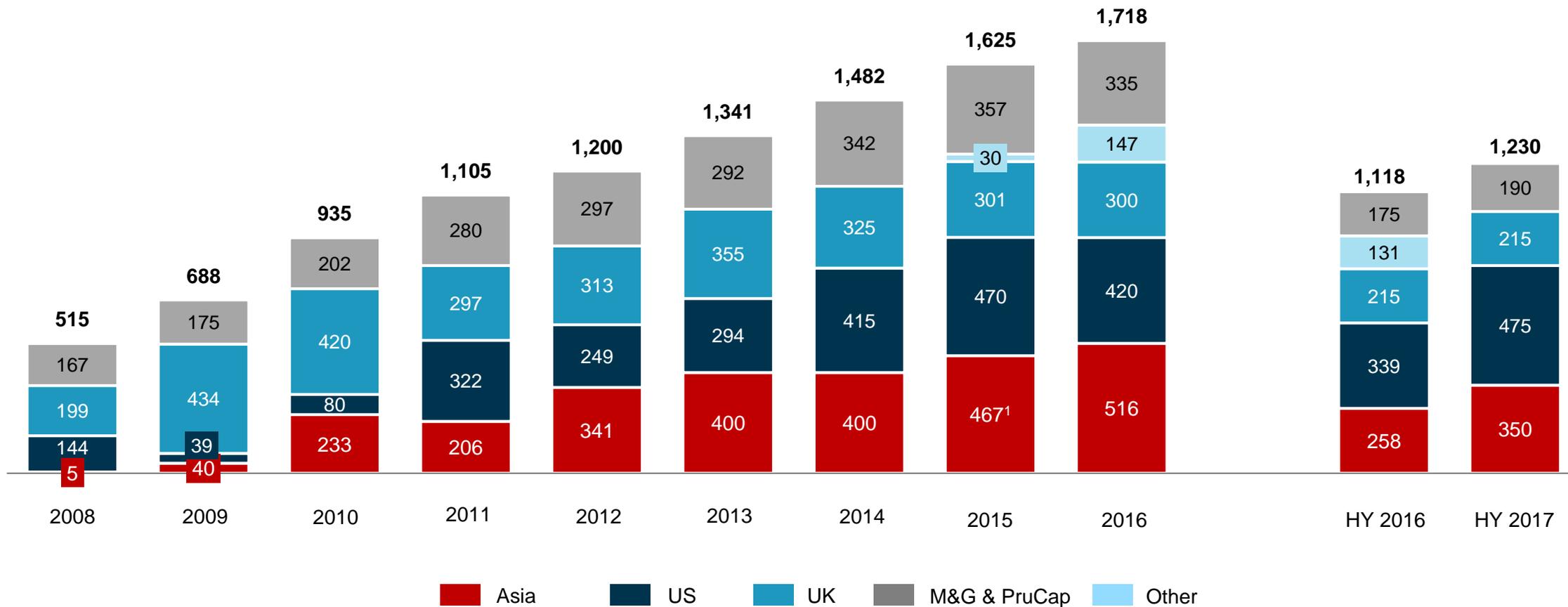
⁵ As reported (RER)

⁶ UK sterling includes amounts in respect of UK insurance operations, M&G and central operations. Operating profit for central operations includes amounts for corporate expenditure for Group Head Office as well as Asia Regional Head Office which is incurred in HK dollars. Sterling operating profits also include all interest payable as sterling denominated, reflecting interest rate currency swaps in place

Group

Cash remittances to Group

Business unit net remittances², £m

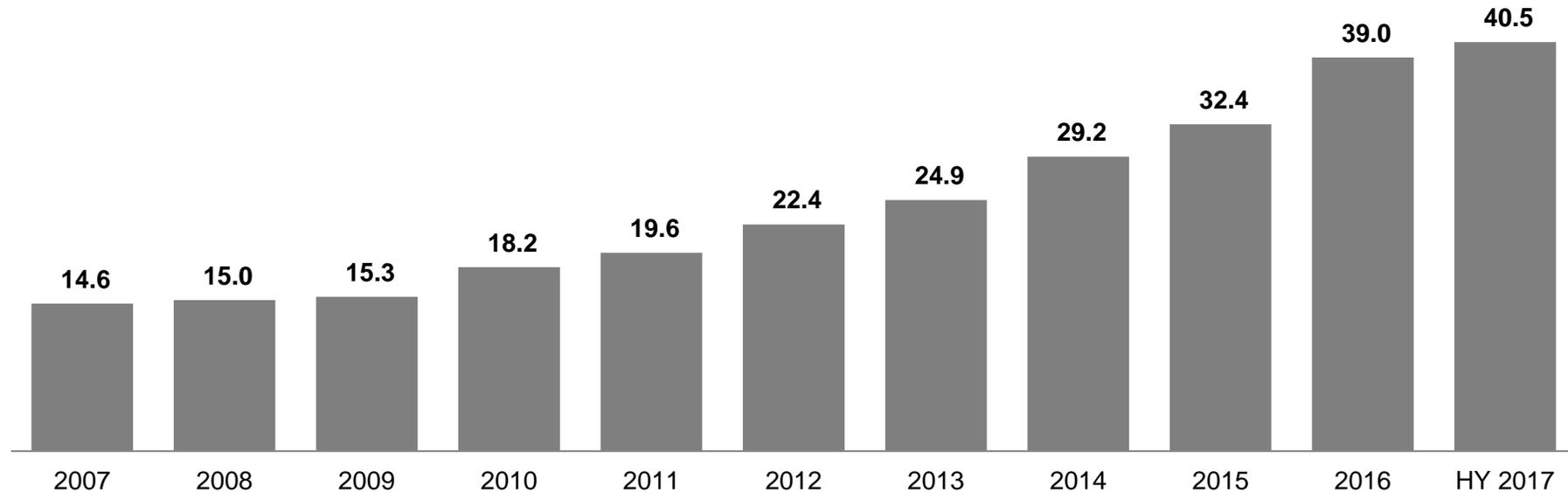


¹ Includes £42 million of proceeds from the sale of Japan
² As reported RER

Group

Growing value at consistent returns

Shareholders' equity (EEV), £bn



Full Year Return on Embedded Value¹, %

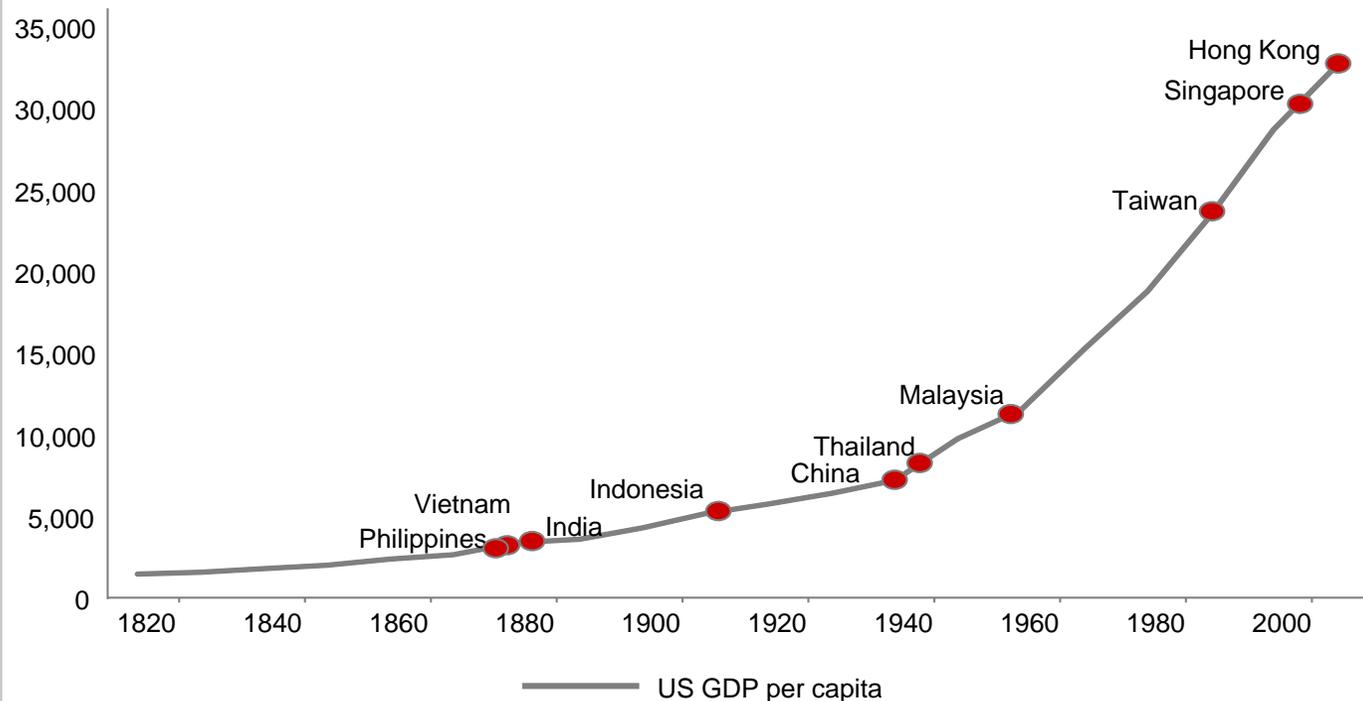


¹ Return on embedded value is based on EEV post-tax operating profit, as a percentage of opening EEV basis shareholders' equity

Asia

Long term opportunity

GDP per capita in 2010, against the US GDP per capita, 1990 US\$¹



Top 3 in 9 /12 Asian countries²

 Cambodia (2013)	1st	 Malaysia (1924)	1st
 China (2000) ³	4th	 Philippines (1996)	3rd
 Hong Kong (1964)	2nd	 Singapore (1931)	3rd
 India (2000) ⁴	1st	 Taiwan (1999)	12th
 Indonesia (1995)	1st	 Thailand (1995)	10th
 Laos (2015)	3rd	 Vietnam (1999)	2nd

(YYYY) Operations start date

¹ Geary-Khamis dollar, based on purchasing power parities with 1990 as benchmark year - one 1990 dollar has the same purchasing power as the US dollar in 1990. Prudential estimates

² 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 availability of data)

³ Total JV / foreign players only

⁴ Ranking among private players, share among all players on fiscal year basis

Asia

Favorable dynamics

	2017F Population ¹ (m)	Market penetration ² (%)	2017F GDP (\$bn) ¹	2017F GDP growth ¹
 Cambodia (2013)	16	-	21	6.9%
 China (2000)	1,391	2.0%	11,795	6.6%
 Hong Kong (1964)	7	13.3%	332	2.4%
 India (2000)	1,327	2.7%	2,454	7.2%
 Indonesia (1995)	262	1.3%	1,021	5.1%
 Laos (2015)	7	-	15	6.8%
 Malaysia (1924)	32	3.4%	310	4.5%
 Philippines (1996)	106	1.4%	330	6.8%
 Singapore (1931)	6	5.6%	292	2.3%
 Taiwan (1999)	24	15.7%	567	1.7%
 Thailand (1995)	69	3.7%	433	3.0%
 Vietnam (1999)	94	0.8%	216	6.5%

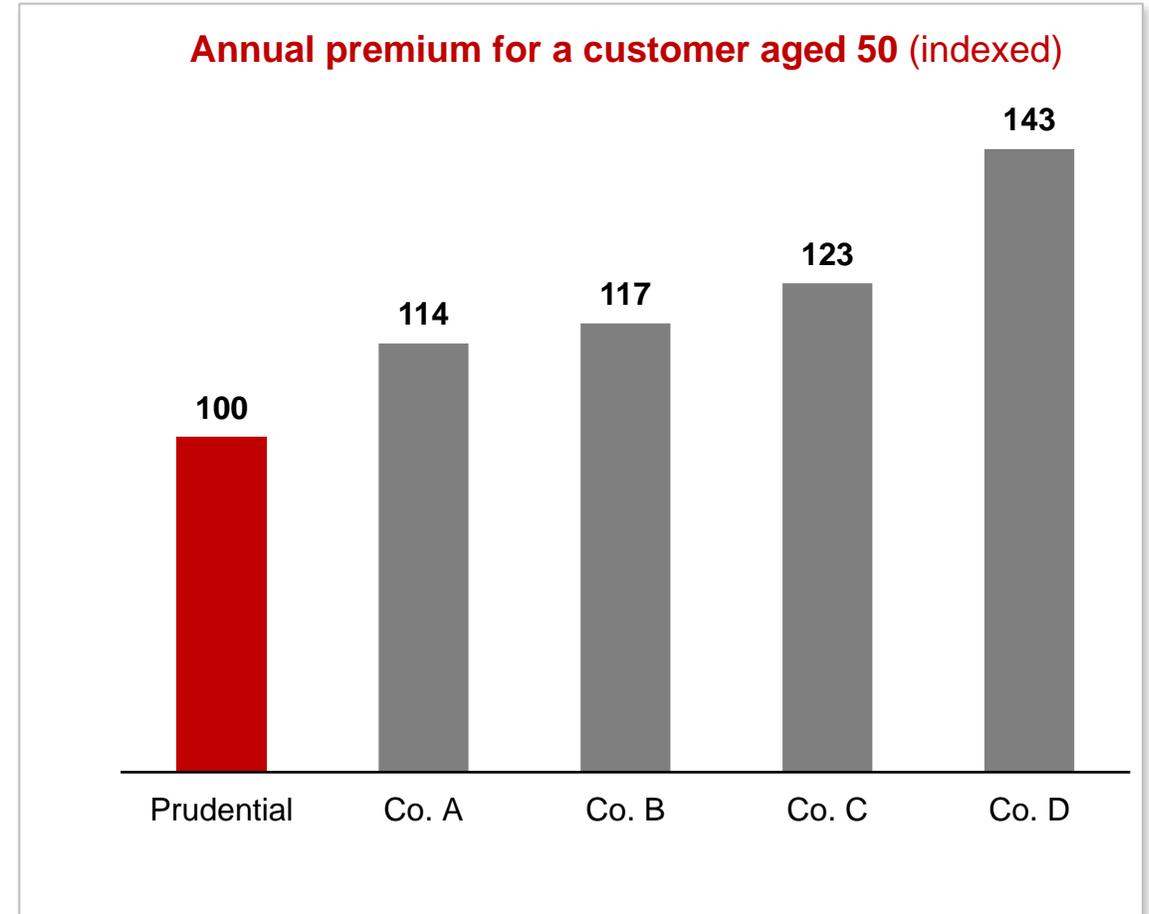
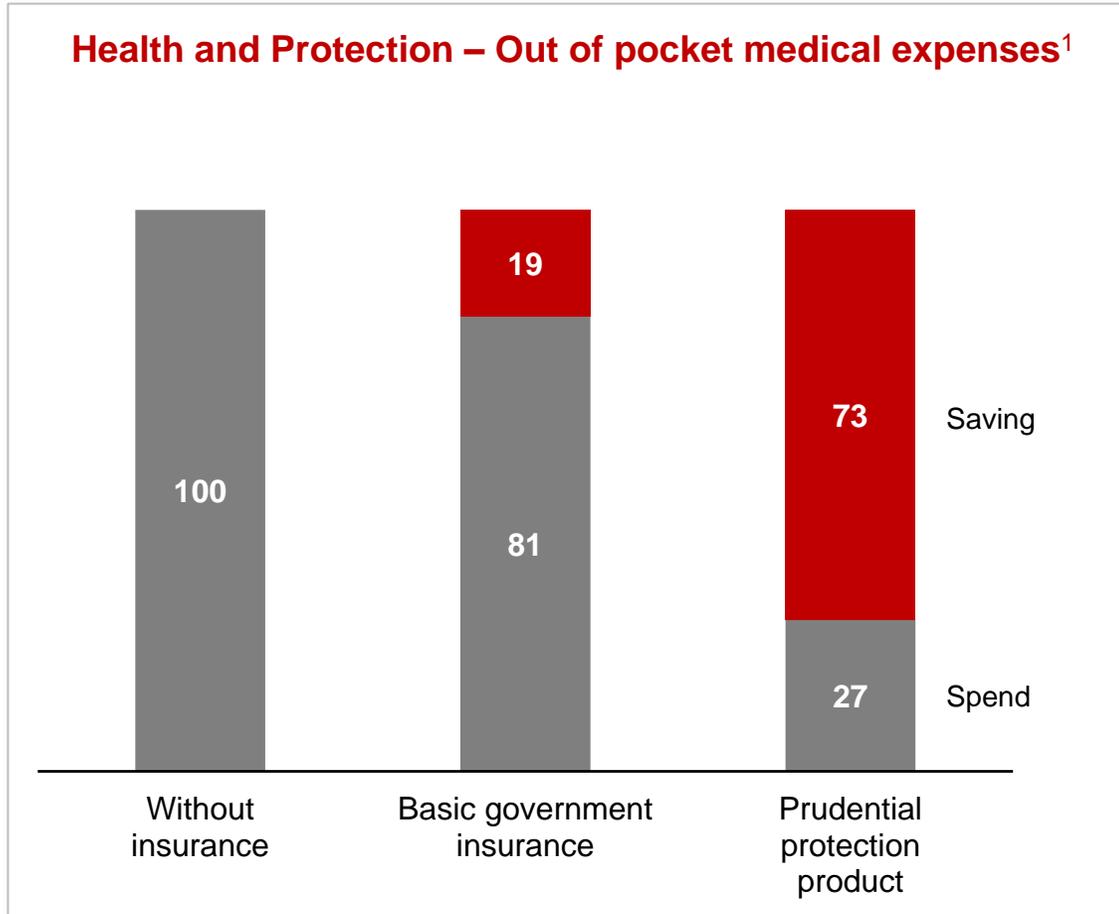
¹ Source: IMF data, April 2017

² Source: Swiss Re. Market penetration based on life insurance premiums as a percentage of GDP in 2015 (estimated)

(YYYY) Operations start date

Asia

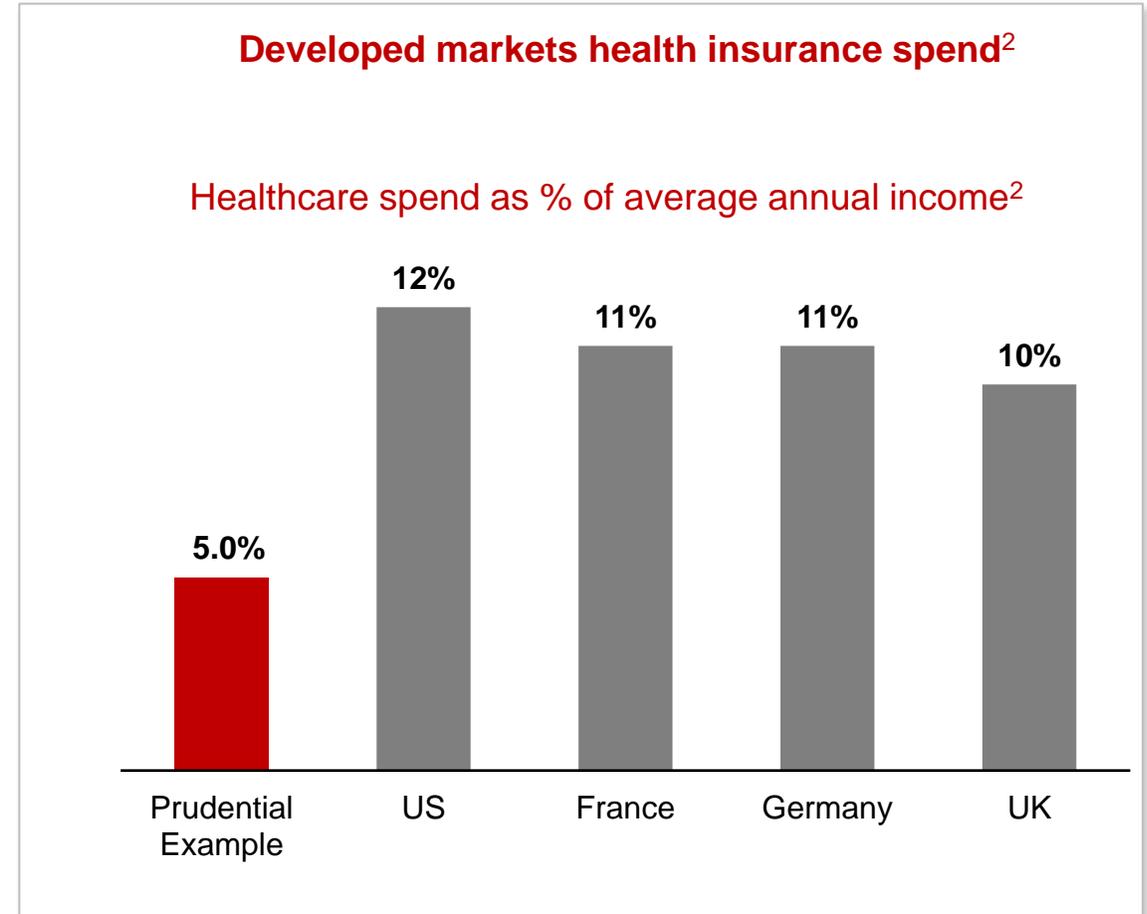
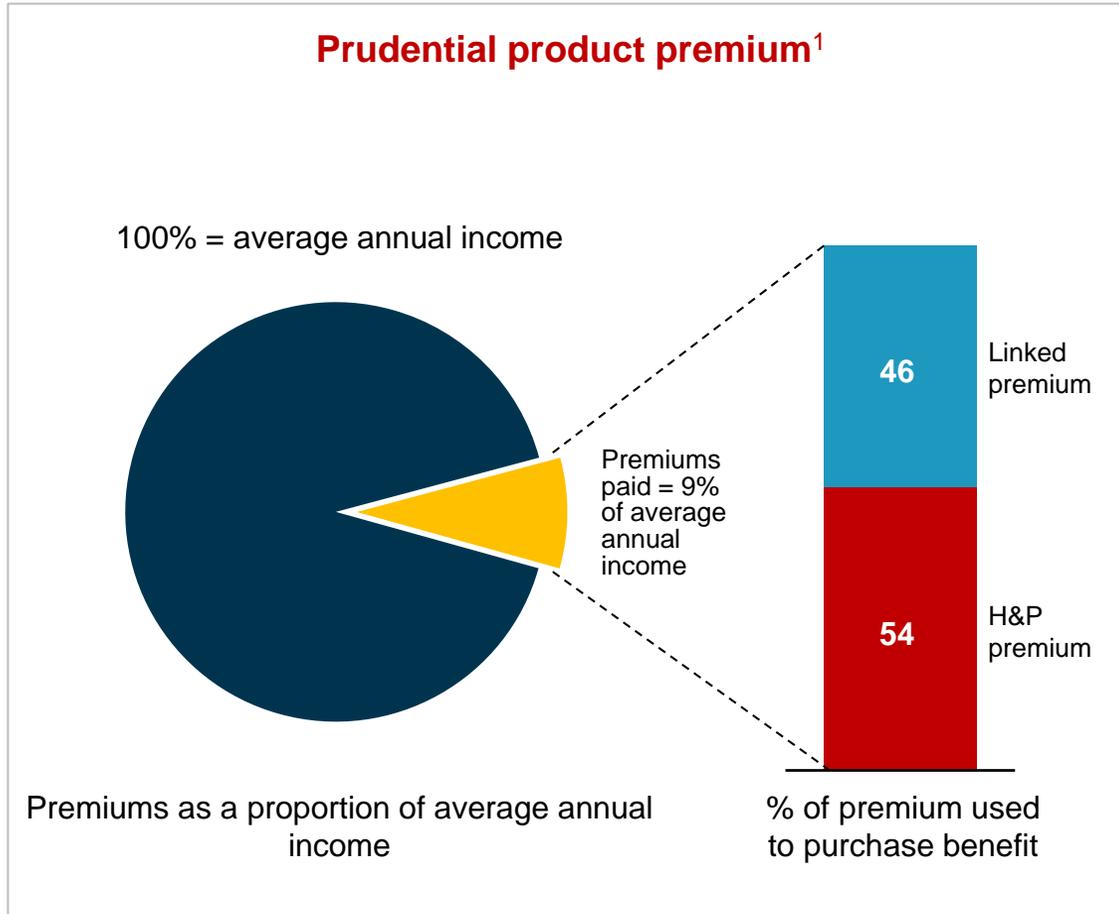
Products meet customer needs and create shareholder value



¹ Expenses for a male aged 50 for heart diseases and heart surgery treatment

Asia

Affordable products underpin consumer demand



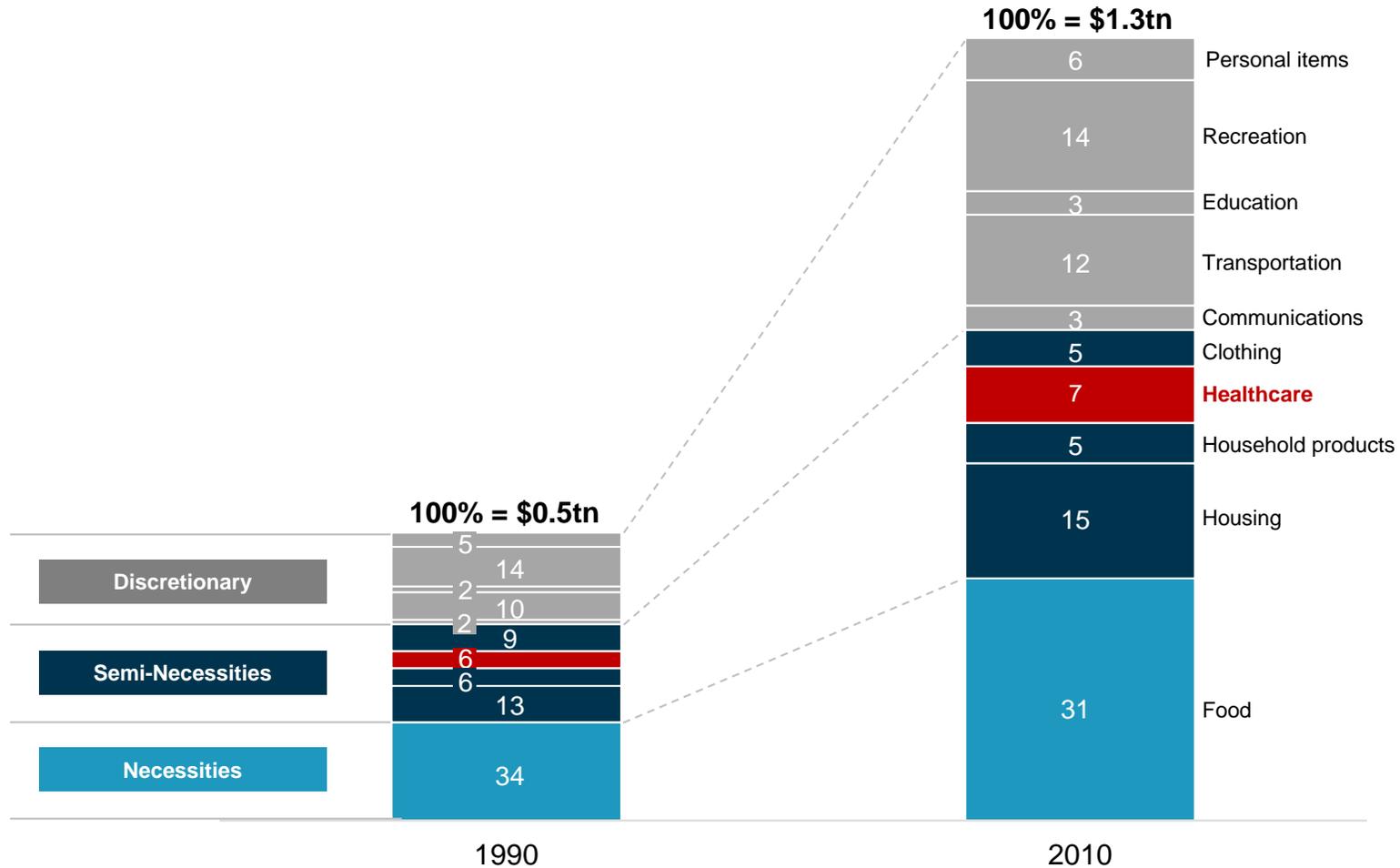
¹ Average Prudential customer spend on insurance products

² Source: OECD, UN population stats, Prudential estimates. Premium spend includes healthcare expenditure by private and public sources except for the US. Healthcare spend data adjusted for working age population and unemployment rates

Asia

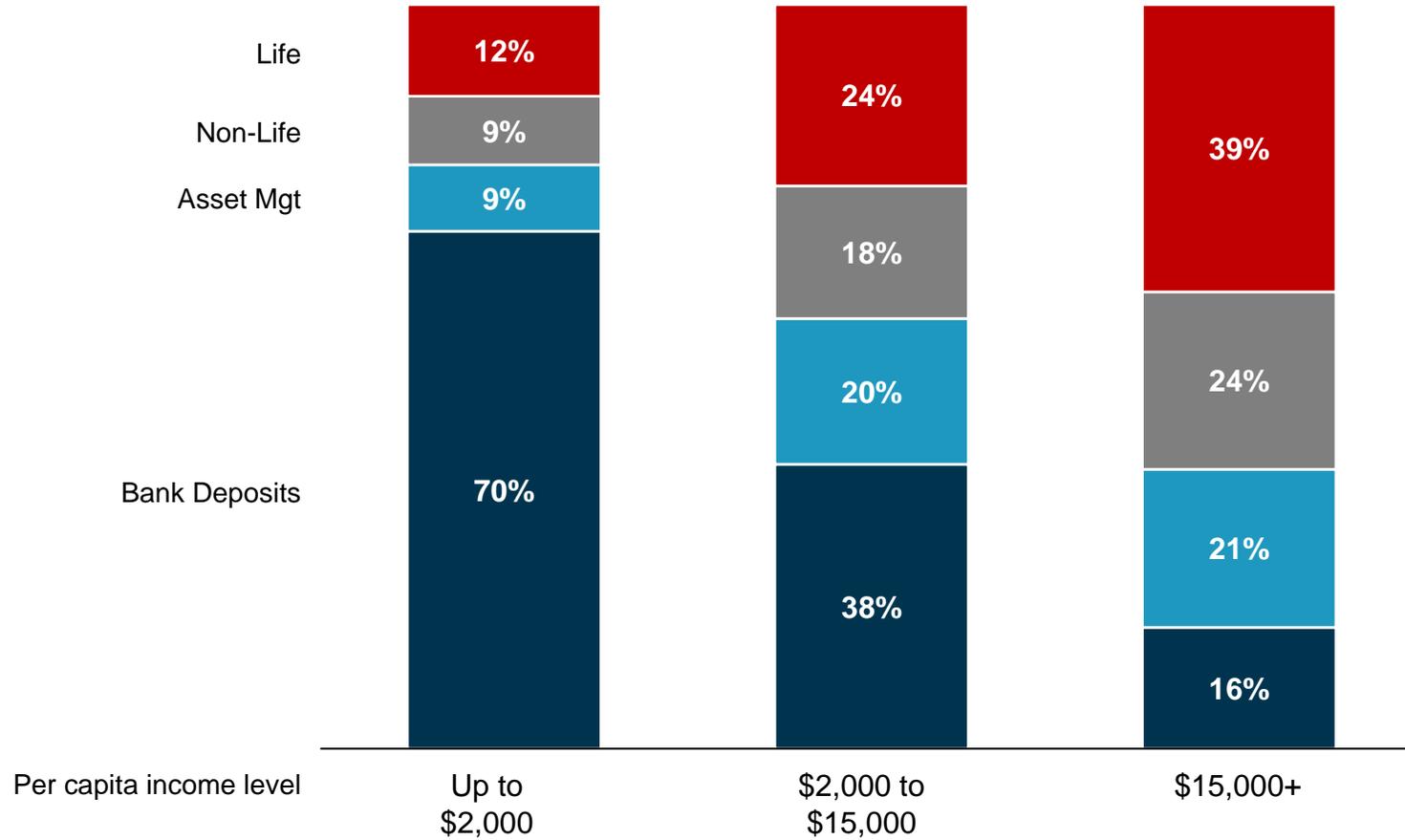
Growing demand for healthcare

Household consumption by category¹, %



¹ Euromonitor, McKinsey, Prudential estimates

Breakdown of personal financial assets

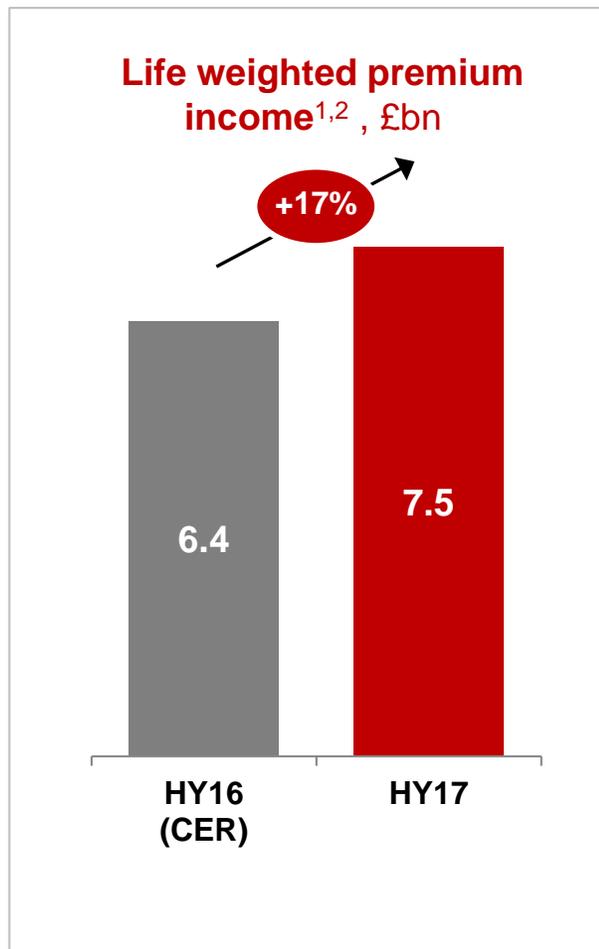


Source: Oliver Wyman analysis; Prudential analysis

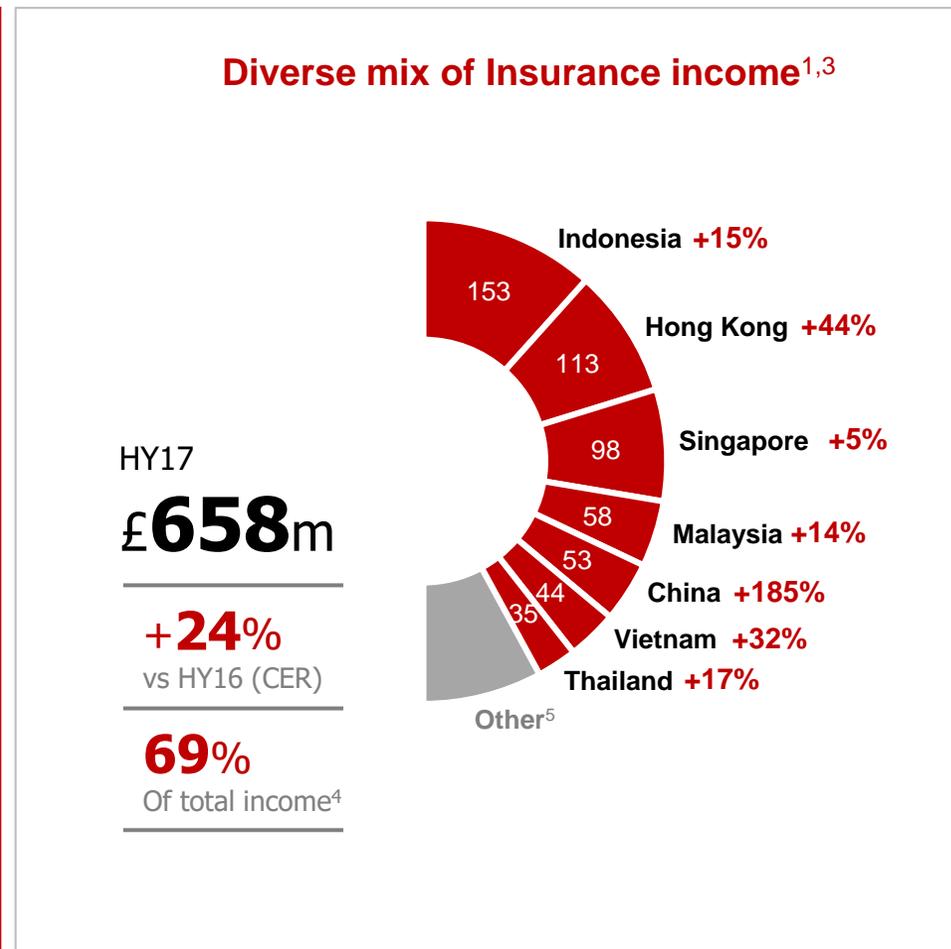
Asia

Asia life growing in scale and quality

Scale



Quality



¹ Excludes the results attributable to the sold Korea life business

² Weighted premium income comprises gross earned premiums at 100% of renewal premiums, 100% of first year premiums and 10% of single premiums

³ Growth based on constant exchange rates

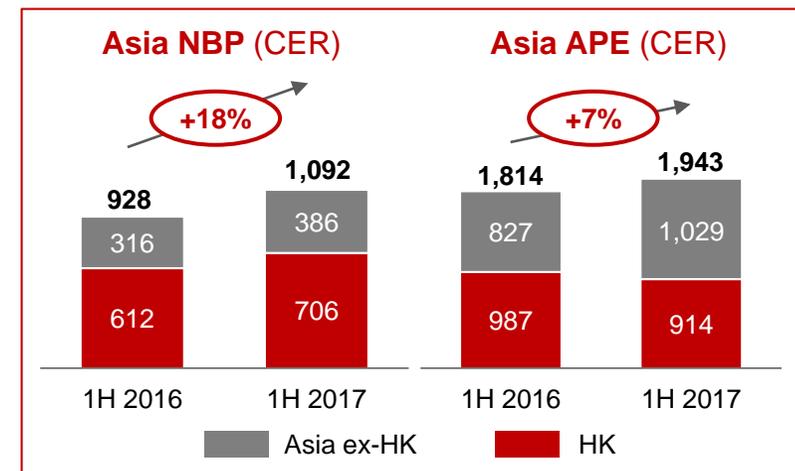
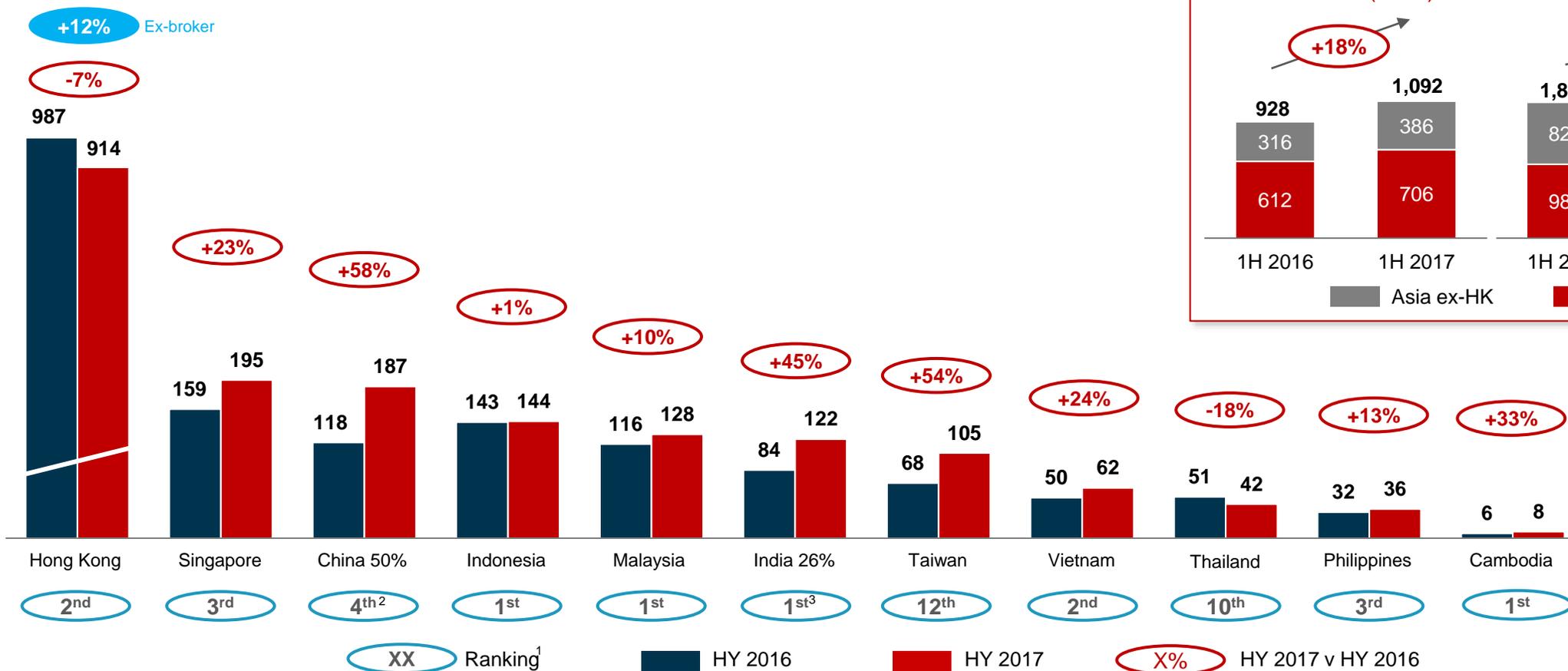
⁴ Calculated as a % of total Asia life income, which includes insurance income, spread income, fee income, with-profits income and expected returns on shareholder assets and excludes margin on revenues

⁵ Other represents Philippines, India, Taiwan, Cambodia, other life and non-recurring

Asia

Life APE by market

Asia APE by market, £m (Constant Exchange Rate)

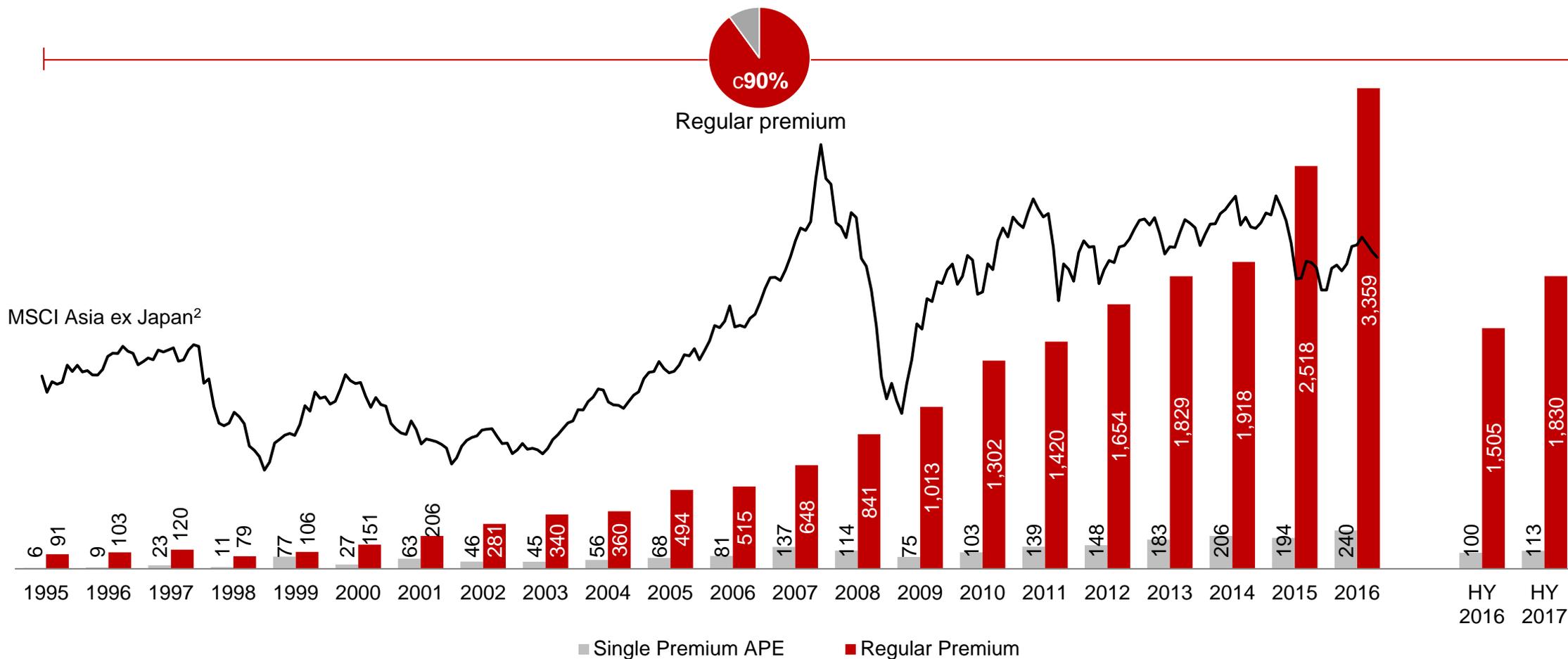


¹ Source: Based on formal (competitors' results release, local regulators and insurance associations) and informal (industry exchange) market share data. Ranking based on new business (APE or weighted FYP depending on availability of data)
² Total JV / foreign players only
³ Ranking among private players, share among all players on fiscal year basis

Asia

High quality, defensive growth

Regular and Single Premium APE¹, £m



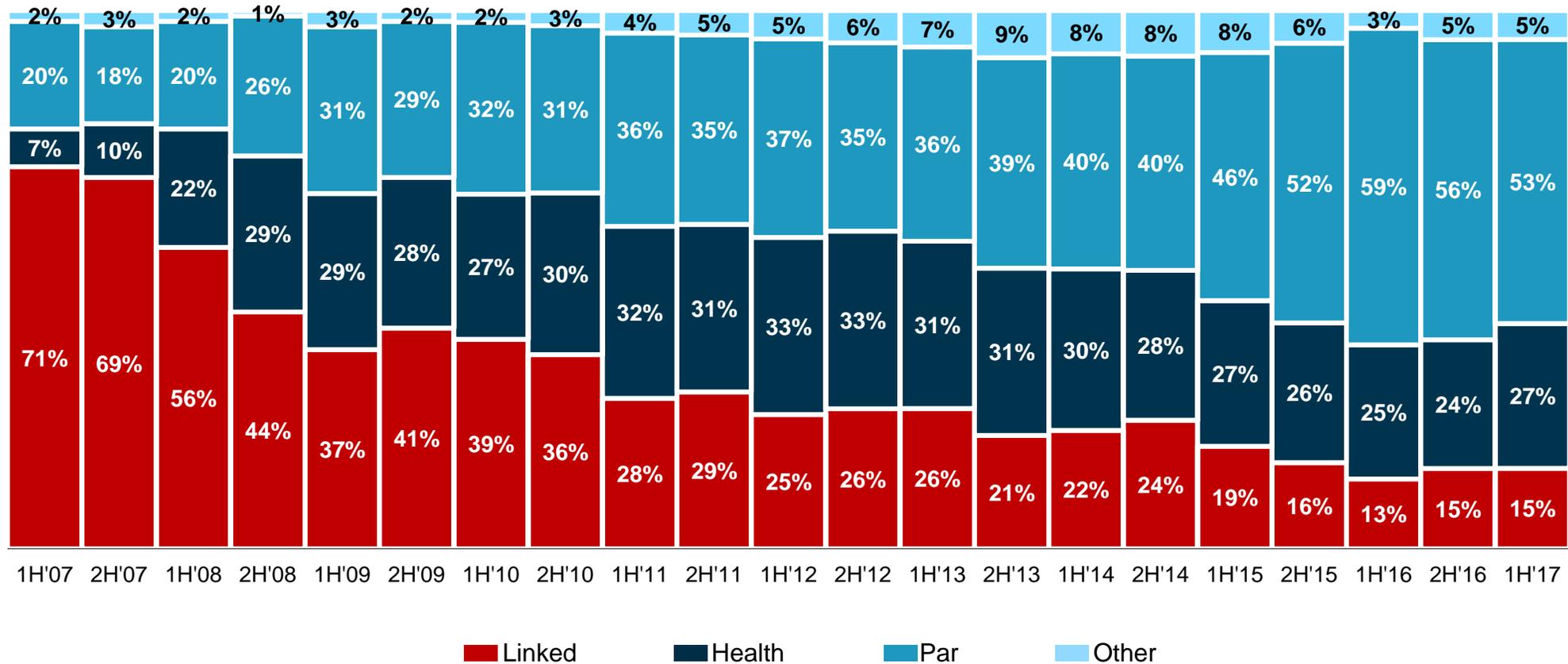
¹ Comparatives have been stated on a reported exchange rate. Comparatives from 2006-2016 exclude the contribution from Korea life

² Source: Datastream

Asia

Life APE sales by product - percent

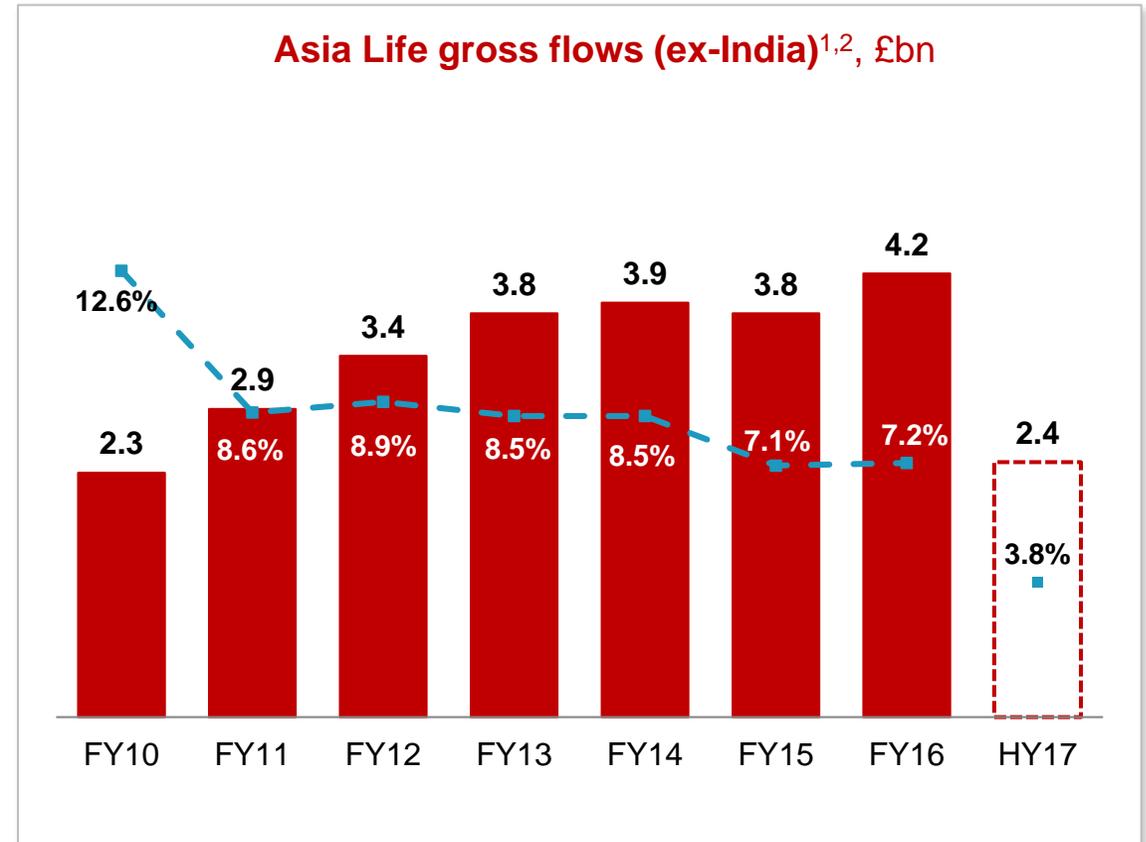
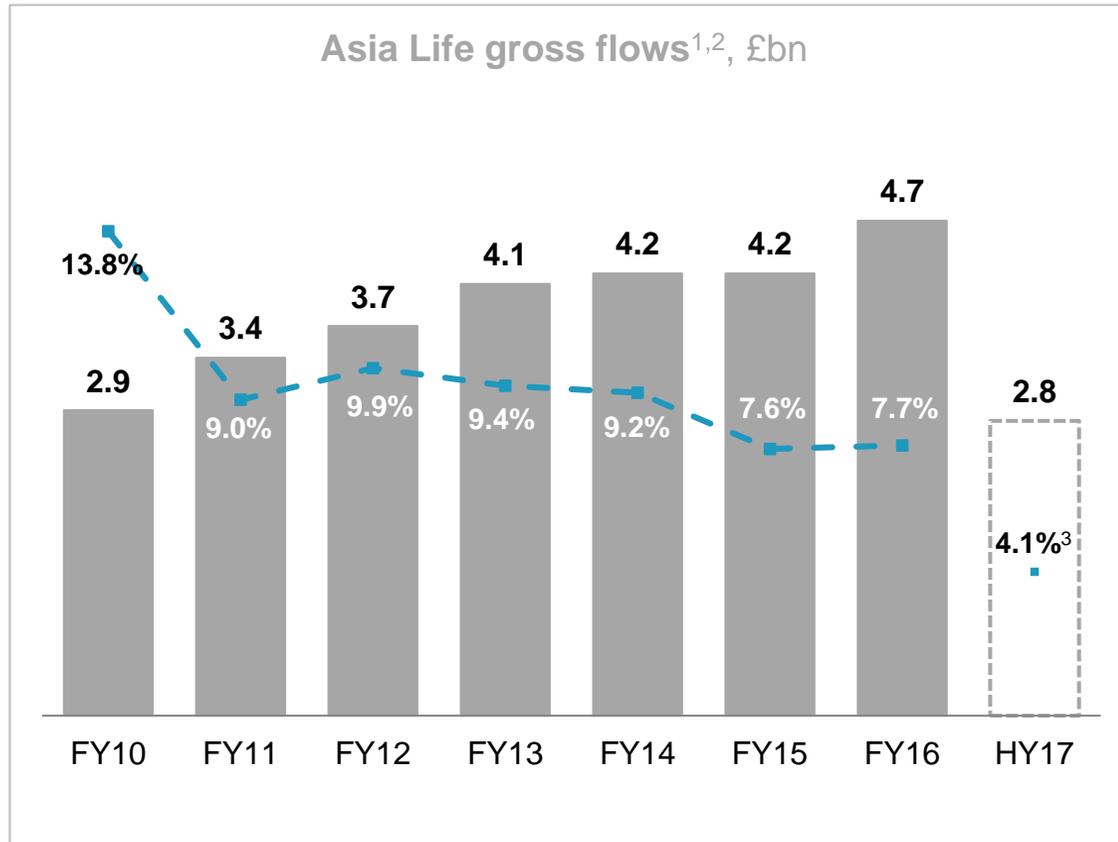
Asia APE by product,¹ %



¹ All comparatives restated to exclude Korea Life

Asia

Life flows and persistency



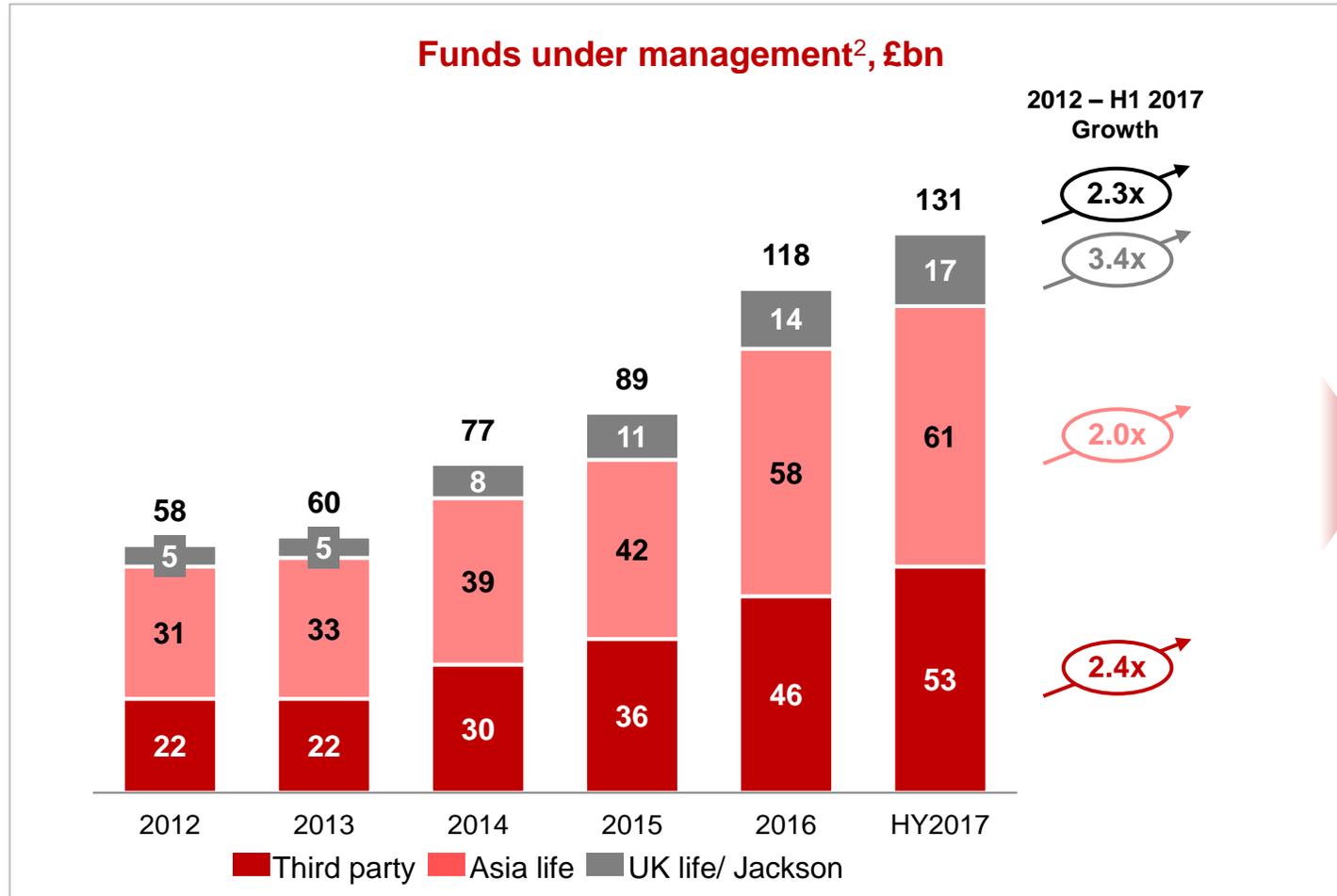
..... Surrenders/withdrawals as % of opening liabilities

¹ Defined as movements in shareholder-backed policyholder liabilities arising from premiums (after deducting insurance & other margins)

² Excludes Korea, Japan and Taiwan agency

³ The rate of surrenders for shareholder-backed business (expressed as a percentage of opening liabilities) was 4.1 per cent in the first half of 2017 (half year 2016: 3.3 per cent). The increase compared to half year 2016 primarily relates to unit-linked business following equity market appreciation

Asia Eastspring

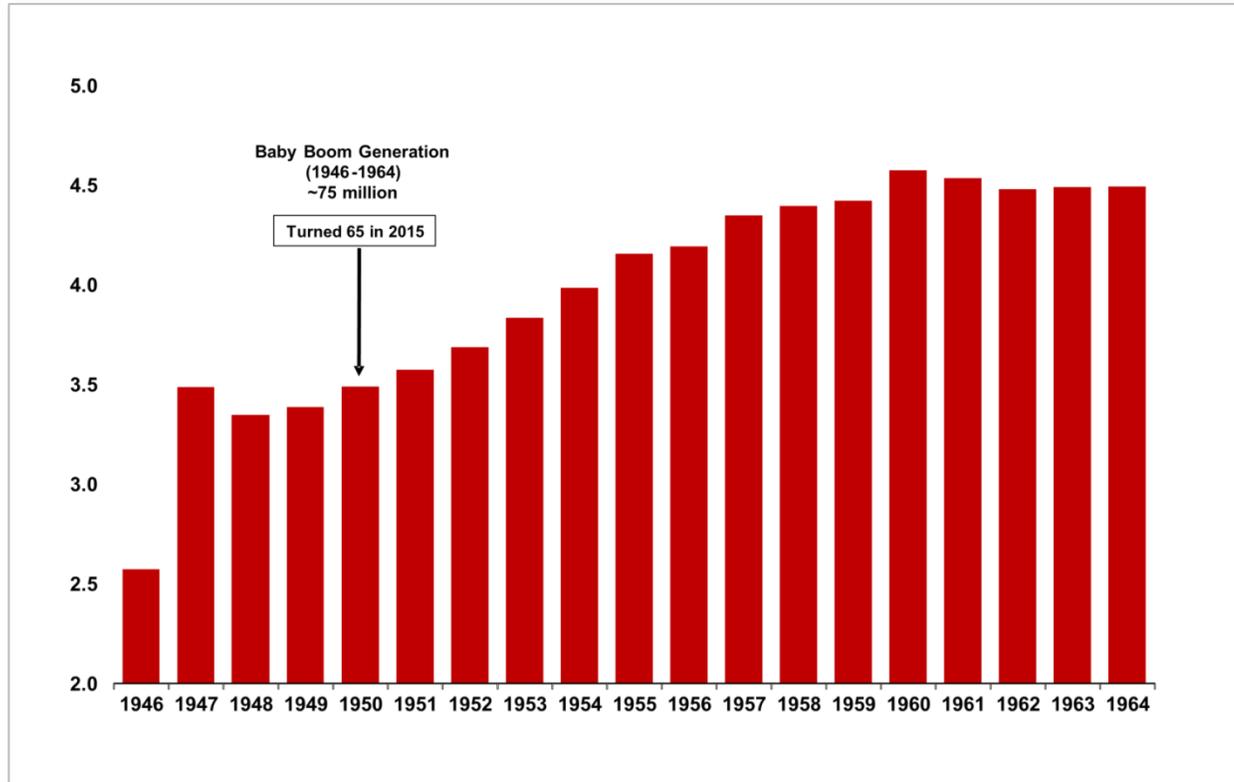


#1 Retail Fund Manager
September 2016¹

£131bn
Funds under management

¹ Based on assets sourced from the region. Excluding Japan, Australia and New Zealand as at Sept 2016. Source Asia Asset Management Sept 2016 (Ranked according to participating regional players only)
² As reported (RER)

Baby boomer retirement wave

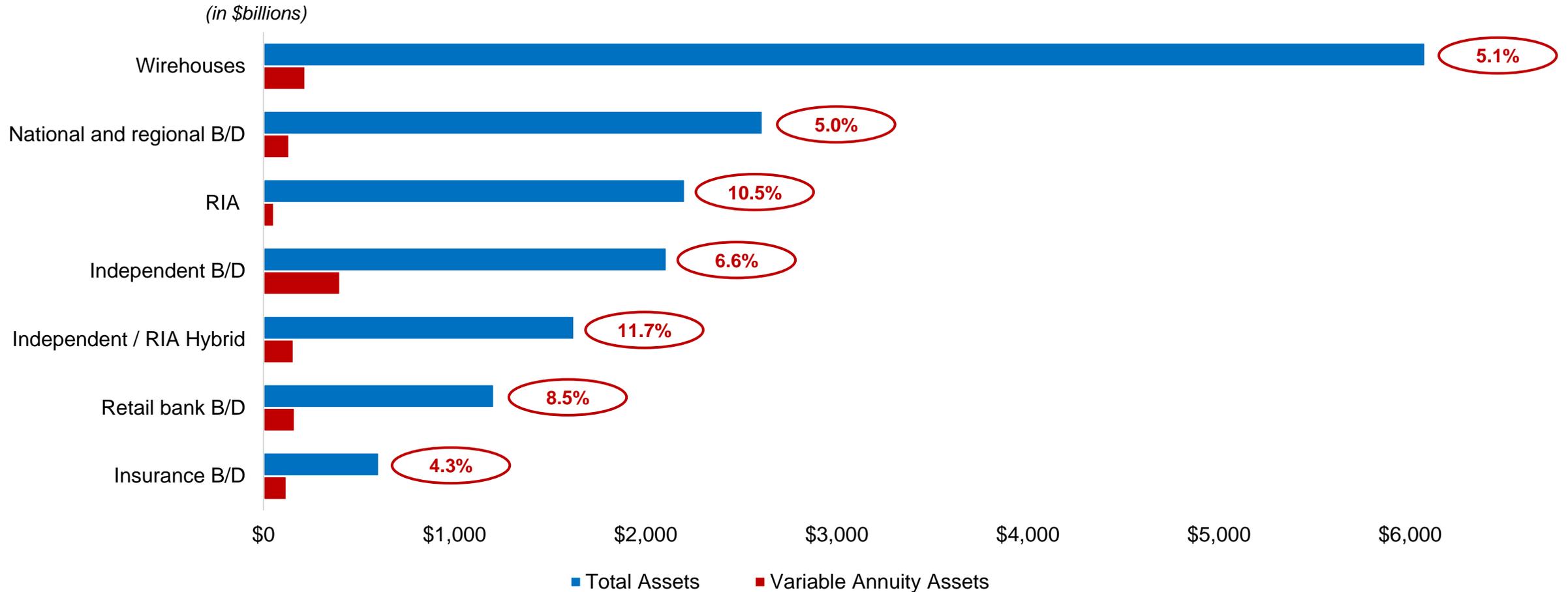


- ▶ Over 40 million people will reach retirement age in the next decade
- ▶ Private defined benefit plans are disappearing and government plans are underfunded
- ▶ Social security was never intended to be the primary retirement plan and its long-term status is in question
- ▶ Life expectancy at age 65 has increased significantly
- ▶ Due to low interest rates, investors are forced to seek out equity markets in order to earn adequate returns
- ▶ Individual investors struggle to capture market returns and are exposed to volatile equity markets

Source: U.S. Census Bureau, Population Division. 2014 estimate of population Generations as defined by Pew Research Center, 2014

Advisor distributed assets

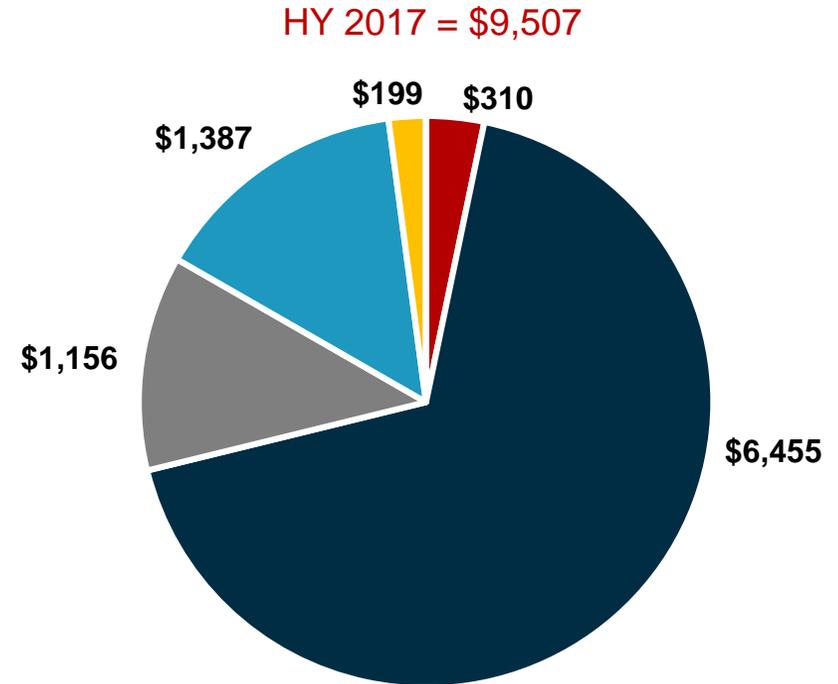
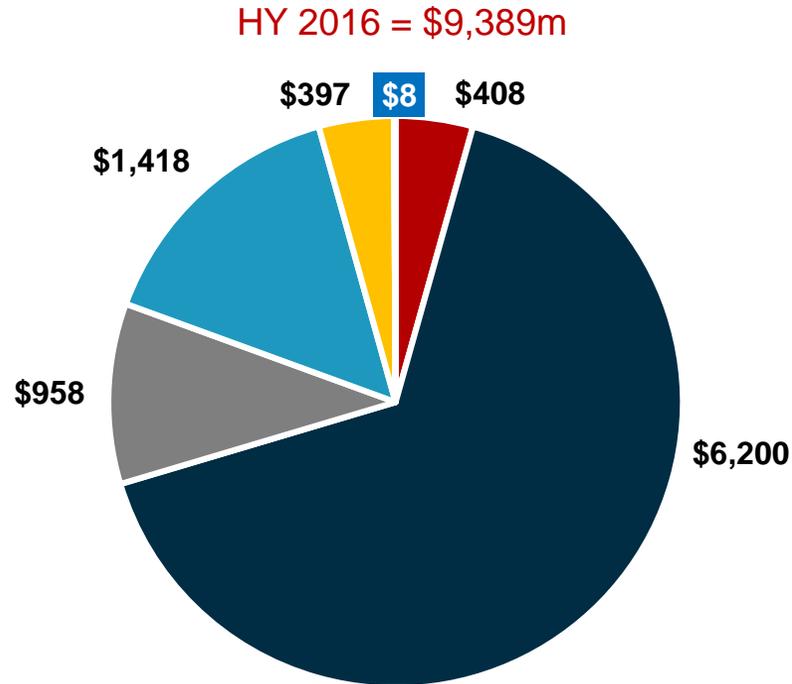
More than \$16 trillion in assets across existing channels



Source: Cerulli Associates, The State of US Retail and Institutional Asset Management 2016
Bubbles represent 5-year growth CAGR as of December 31, 2015

Jackson retail sales and deposits

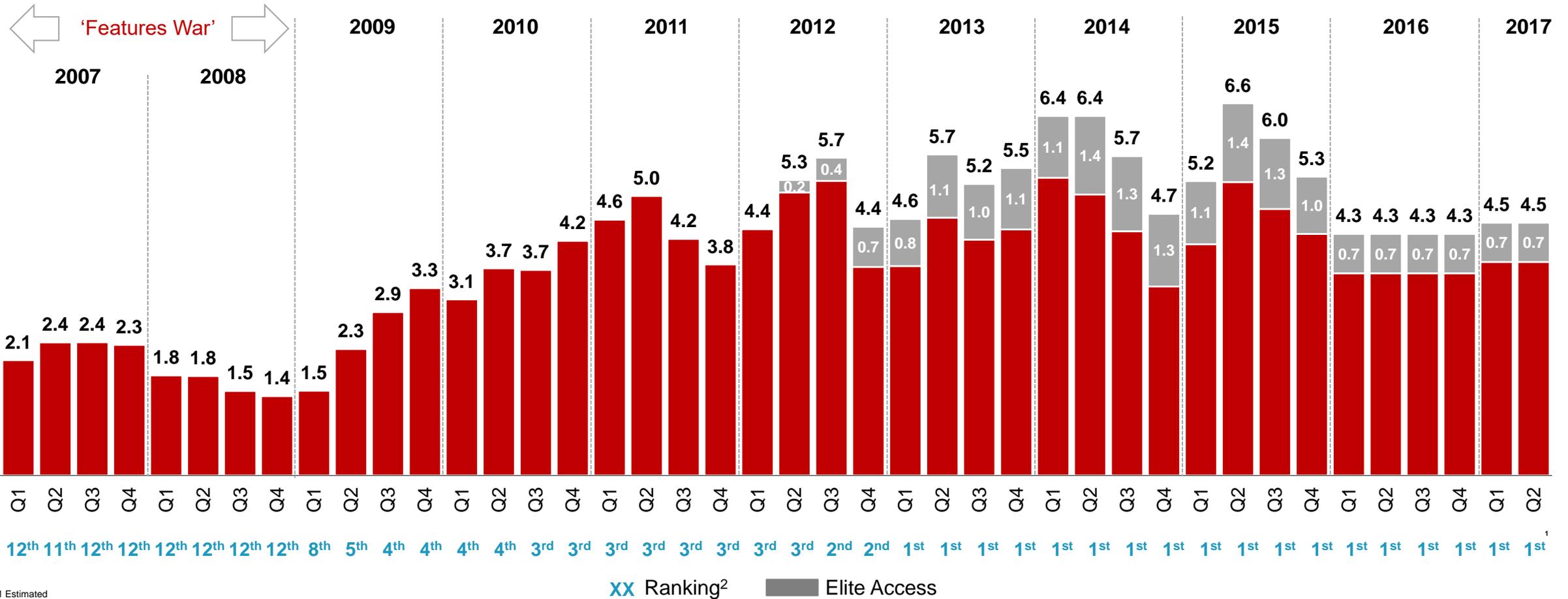
Retail sales and deposits, \$m



- Fixed Annuities
- Variable Annuities – with living benefits
- Variable Annuities – w/o living benefits, non EA
- Elite Access
- Fixed Index Annuities
- Separately managed accounts

Jackson variable annuity volumes

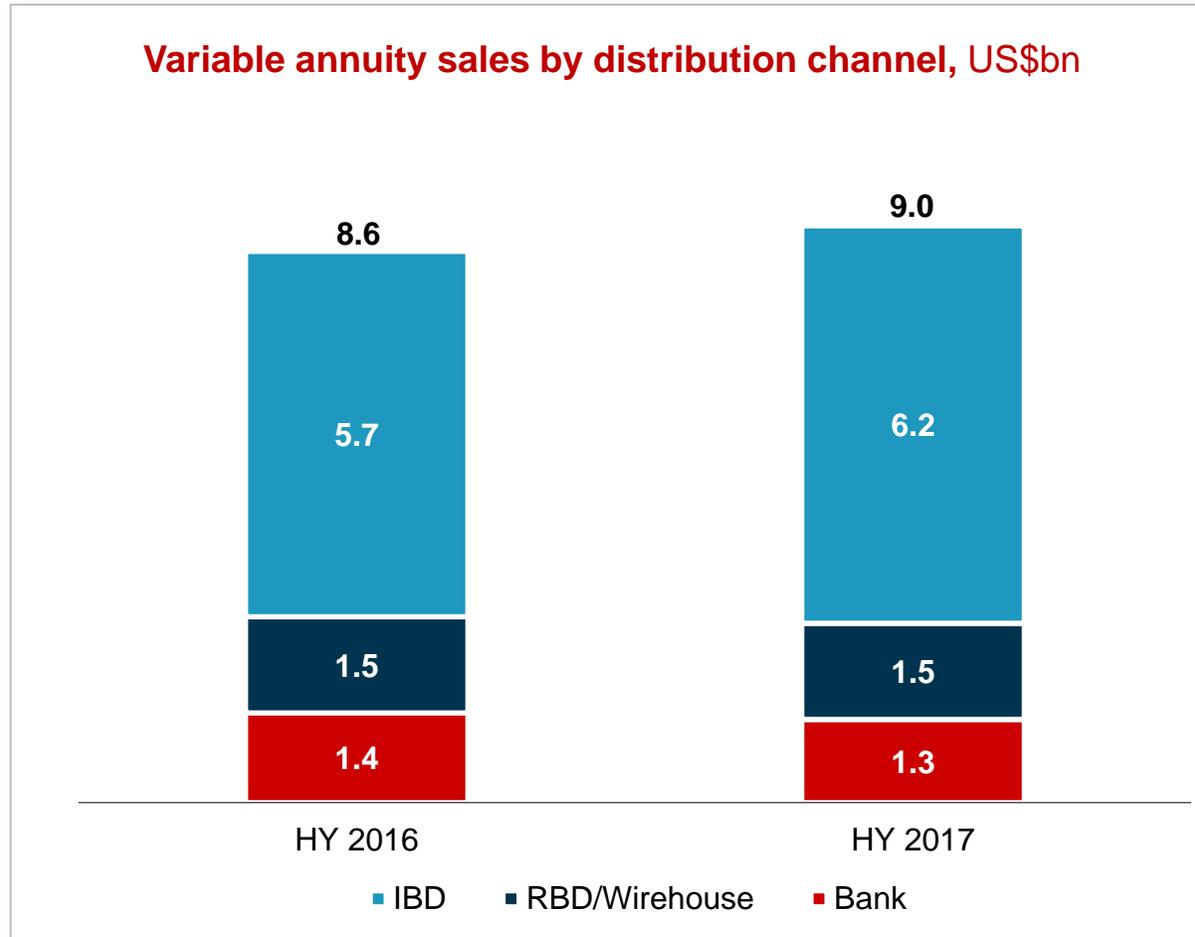
VA volumes by quarter, sales US\$bn



1 Estimated
2 Morningstar Annuity Research Center

XX Ranking² Elite Access

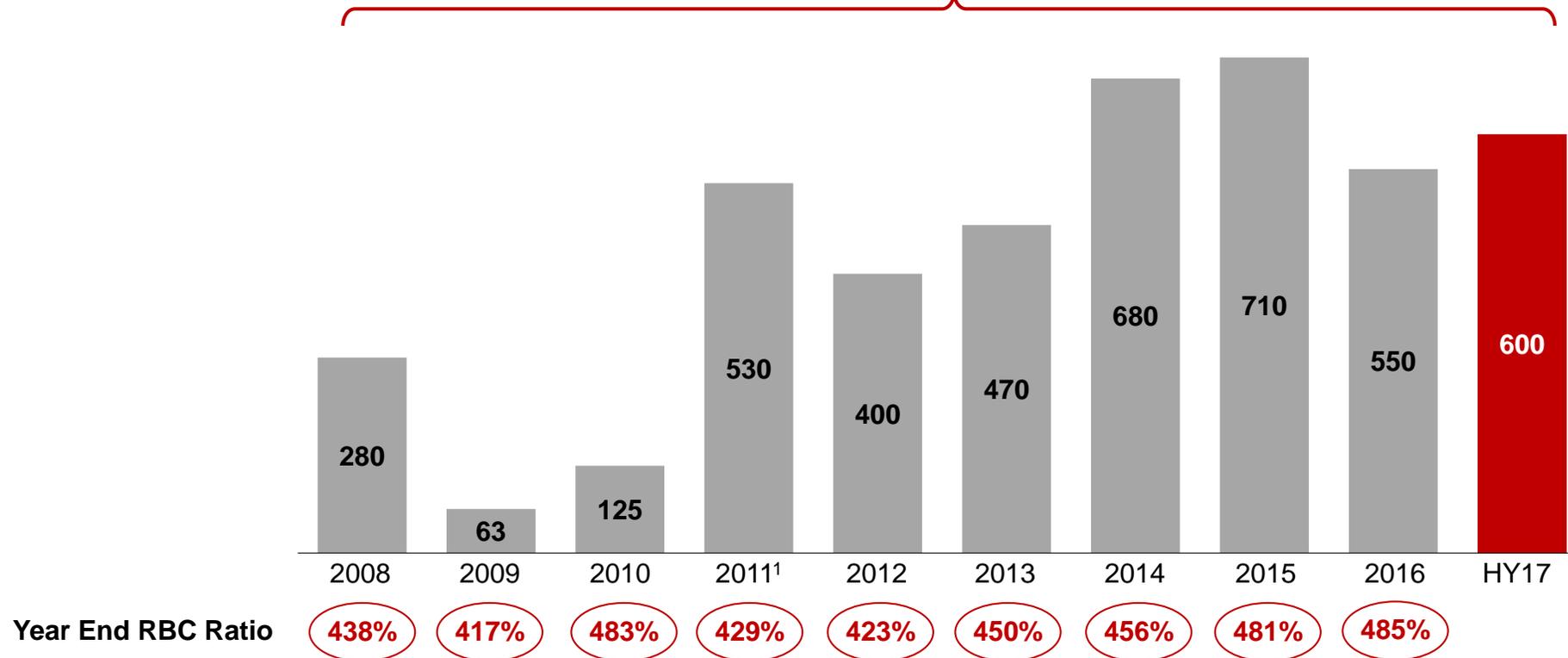
Jackson variable annuity distribution



IBD: Independent Broker Dealer, RBD: Regional Broker Dealer

Cash remittances, \$m

\$4,408m



¹ Net remittances from Jackson include \$197m in 2011 representing release of excess surplus to the Group

Impact on results of DAC amortisation,³ £m

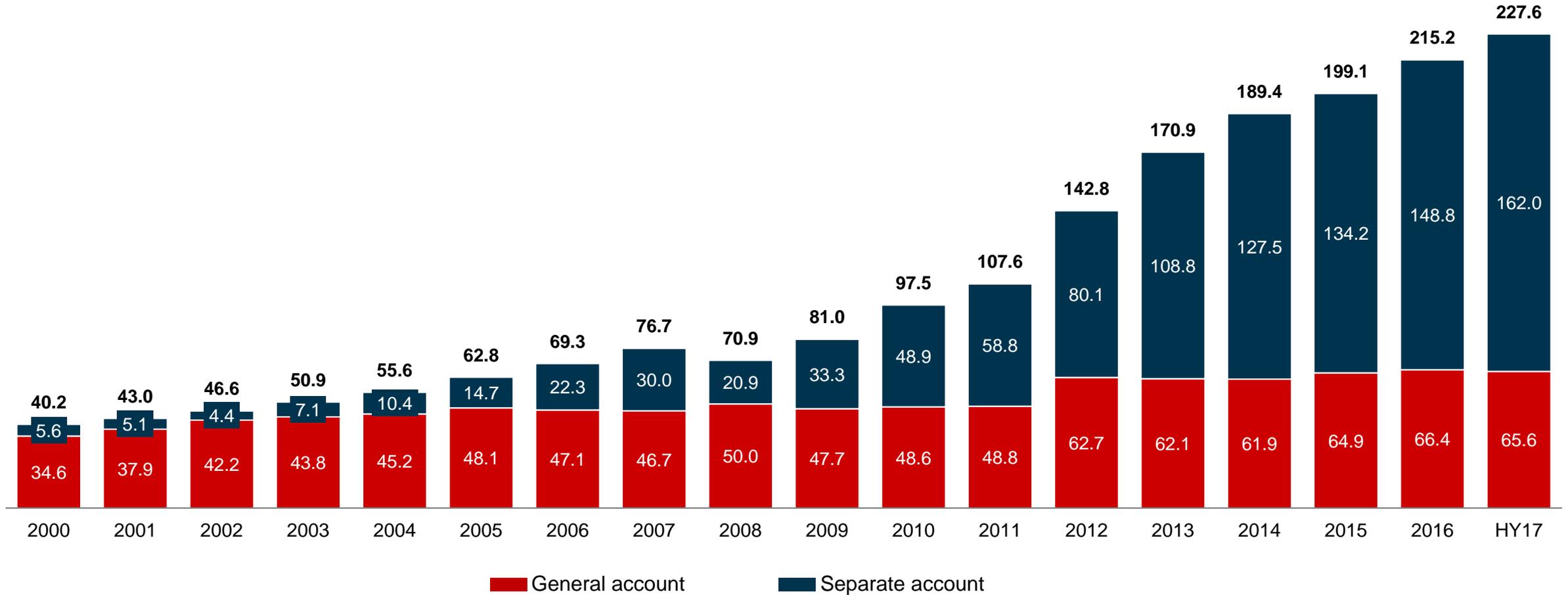
	HY 2016	HY 2017
Gross profits ¹	1,141	1,357
New business strain ²	(92)	(108)
DAC amortisation		
- Core	(266)	(272)
- Deceleration	29	36
Operating result	812	1,013
Core as % of Gross profits	23%	20%

¹ Gross profits equals IFRS operating profit pre acquisition costs and pre DAC, excluding REALIC

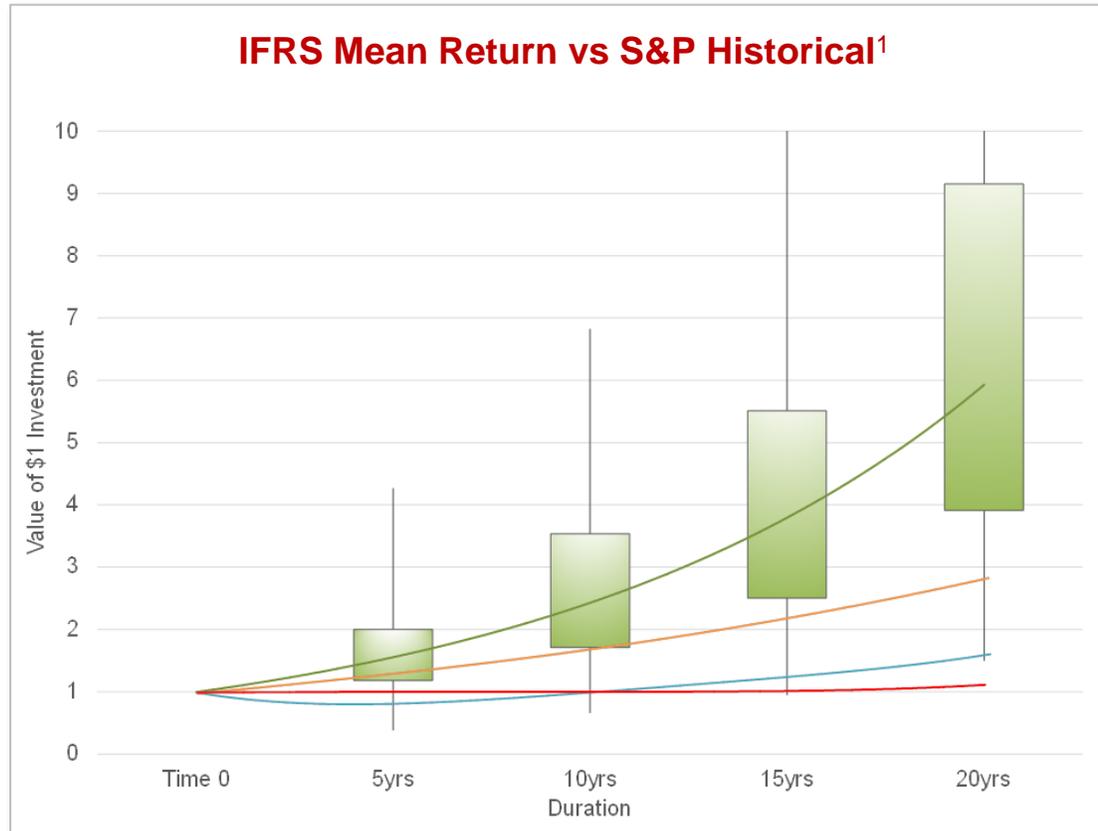
² Represents acquisition costs no longer deferrable following the adoption of altered US GAAP principles for deferred acquisition costs

³ As reported (RER)

Growth in statutory admitted assets, US\$bn



Reserves return assumptions



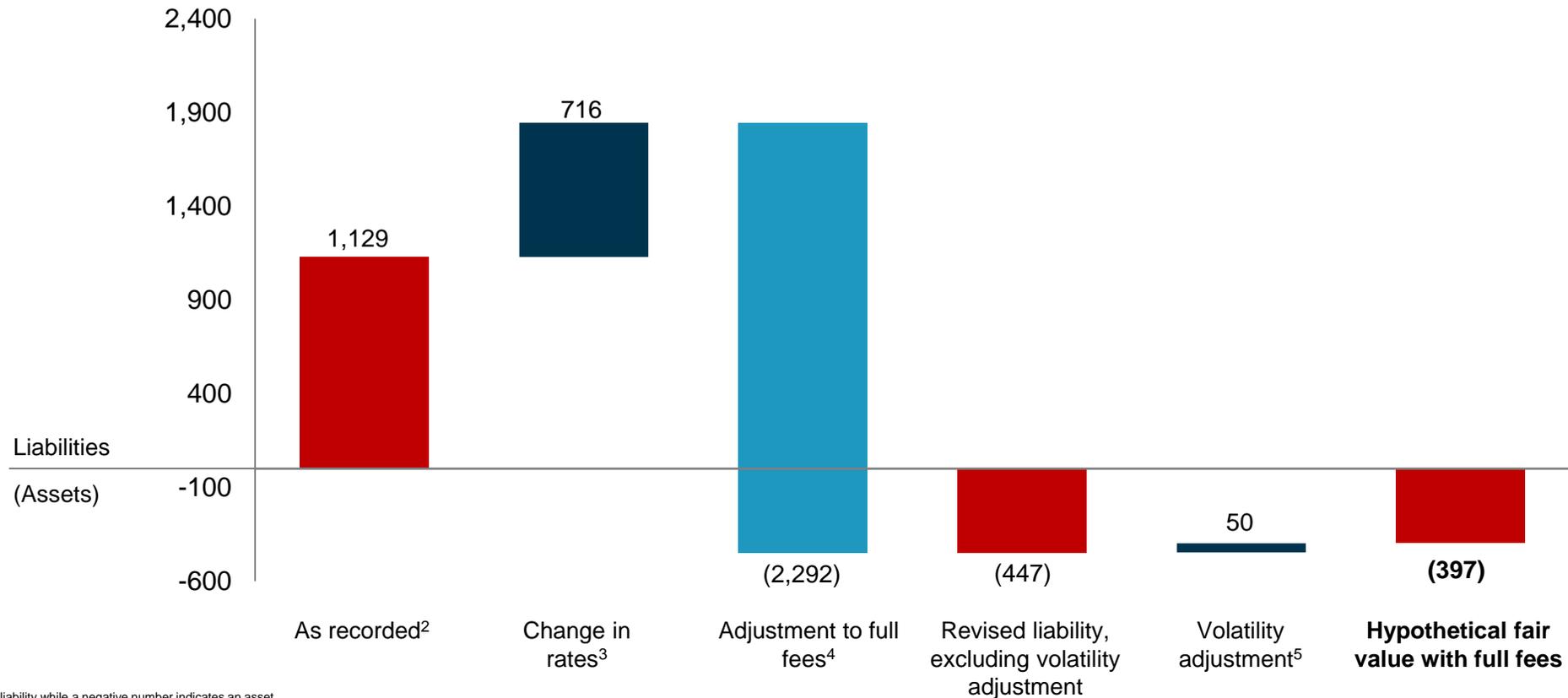
- ▶ All accounting bases assume 20-year equity market returns well below the mean returns posted by the S&P 500
- ▶ IFRS return assumptions are especially punitive. There has never been a 20-year period for the S&P with as weak a return profile as what is used in the mean IFRS scenario



¹ As shown at the Group's November 2016 Investor Day, except IFRS and EEV, which has been updated to be as at 30 June 2017

Moving reserves to 'fair value'

Guarantee Benefit Liability Supplemental Disclosure¹, net of DAC, £m



¹ A positive number indicates a liability while a negative number indicates an asset

² GMWB and GMD B IFRS basis

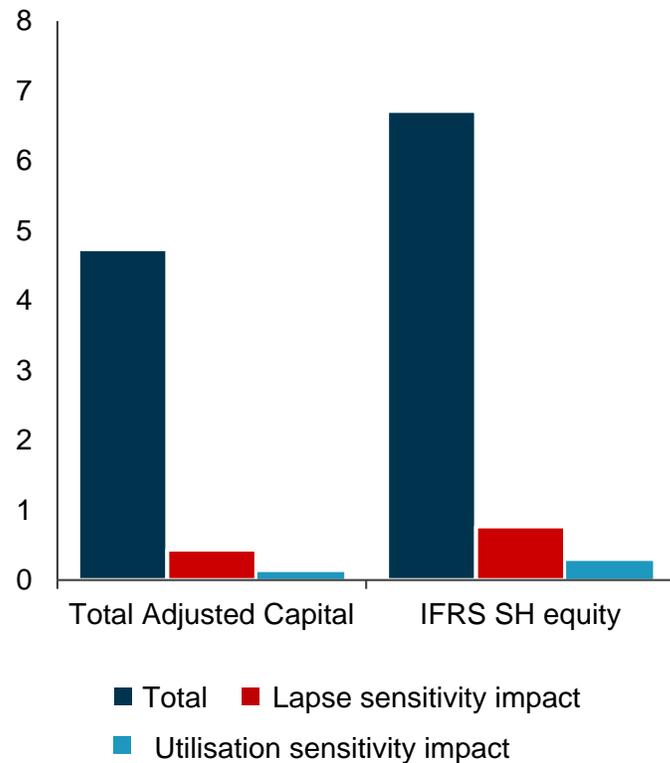
³ For GMD B and GMWD liabilities only. Excludes adjustment for volatility, which is shown separately. Includes application of market based (30.06.17) earned rates based on the greater of the SWAP and treasury curves (2.3% representative 10 year rate) and AA corporate bond discount rates (3.4% representative 10 year rate) in place of long-term rate of 7.4% for IFRS (8.4% discount rates used for pre-2013 issues)

⁴ Value of fees over and above those in reserve calculations

⁵ Application of market based (30.06.17) volatility curve (19.5% representative 5 year rate) instead of long-term 15% level for IFRS

GMWB policyholder behavior sensitivities

GMWB policyholder behaviour sensitivities
30 June 2017 US\$bn



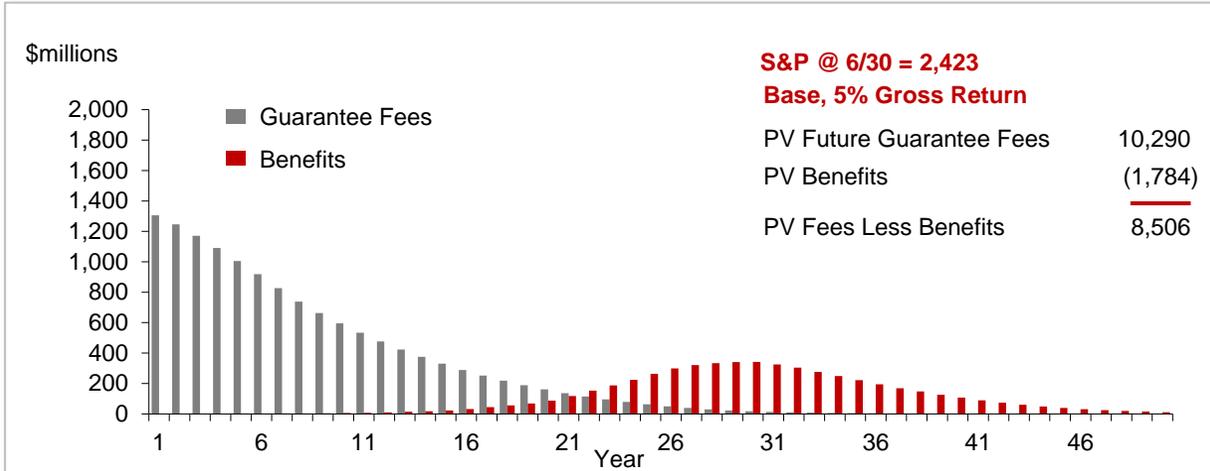
- ▶ Policyholder behaviour experience is continuously monitored and a comprehensive study is conducted on an annual basis.
- ▶ For IFRS and statutory accounting purposes, assumptions are set at the conservative end of the plausible range (i.e. best estimate with an explicit margin for conservatism). For example:
 - ▶ Lapse - Lifetime GMWB ultimate lapse assumptions at significantly ITM levels are assumed to be 35% of the base lapse assumption
 - ▶ Utilisation - For-Life GMWB utilisation assumptions at attained ages 65+ are 50-85% (with special provisions for benefits with incentives to delay withdrawals)
- ▶ To measure the sensitivity to these assumptions, IFRS Equity and Statutory Total Adjusted Capital (TAC) were computed under severe shocks to these already conservative assumptions. The shocks were as follows:
 - ▶ Lapse - Lapse rates for ITM policies were reduced to half the assumed levels. For example, ultimate lapse rates on significantly ITM Lifetime GMWB policies were reduced from 35% to 17.5% of the base lapse level, resulting in ultimate lapse rates of less than 1.5% for utilising policyholders
 - ▶ Utilisation - Utilisation rates beyond the bonus period, if applicable, were increased by 10% (i.e. 110% of the best estimate assumption).

	Total adjusted capital US\$bn
31 December 2016	5.3
Operating profit	0.4
Dividend	(0.6)
Reserves net of hedging and other effects	(0.4)
30 June 2017	4.7

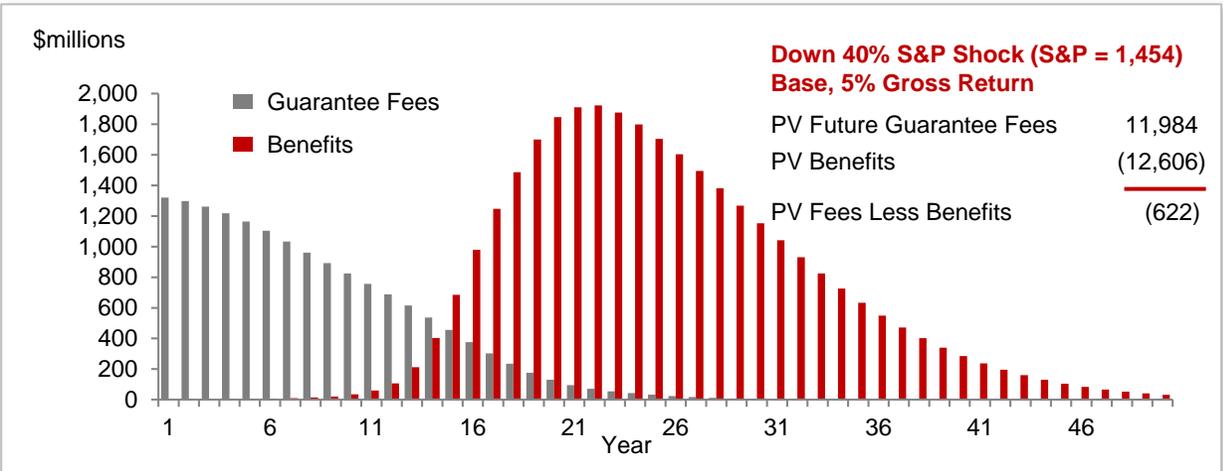
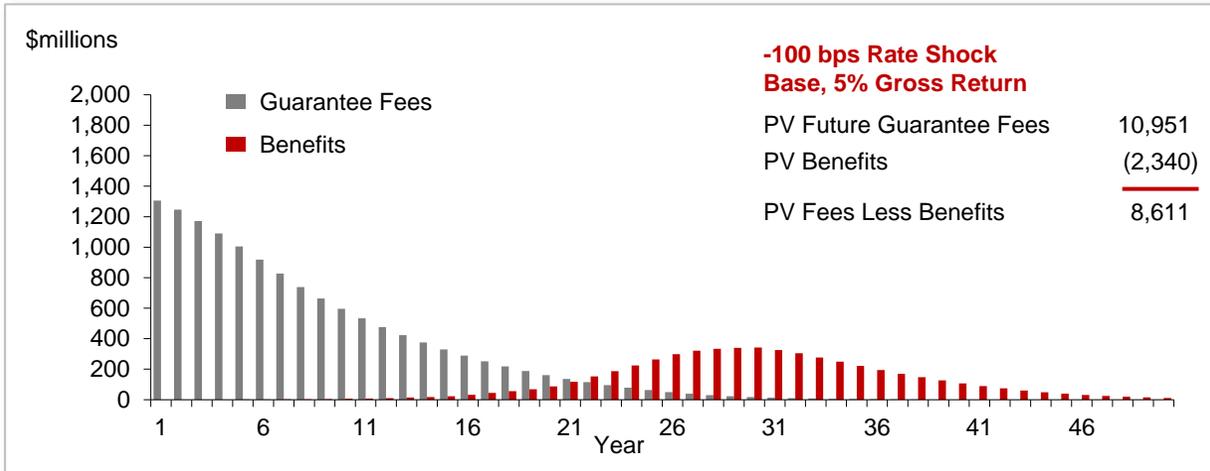
- ▶ Hedging programme continues to effectively mitigate risks
- ▶ Earned guarantee fees of 127 bps per annum (c\$1.0bn in HY 2017). Expected guarantee fees of \$2.0bn for 2017
- ▶ Equity allocations remain below our 84% pricing assumption
- ▶ Total adjusted capital excludes:
 - ▶ Gains on interest rate swaps: \$486m net of tax at 30 June 2017 (31 Dec 2016: gain of \$413m)

GMWB unhedged cash flow

Unhedged GMWB cash flow exposure, 30 June 2017

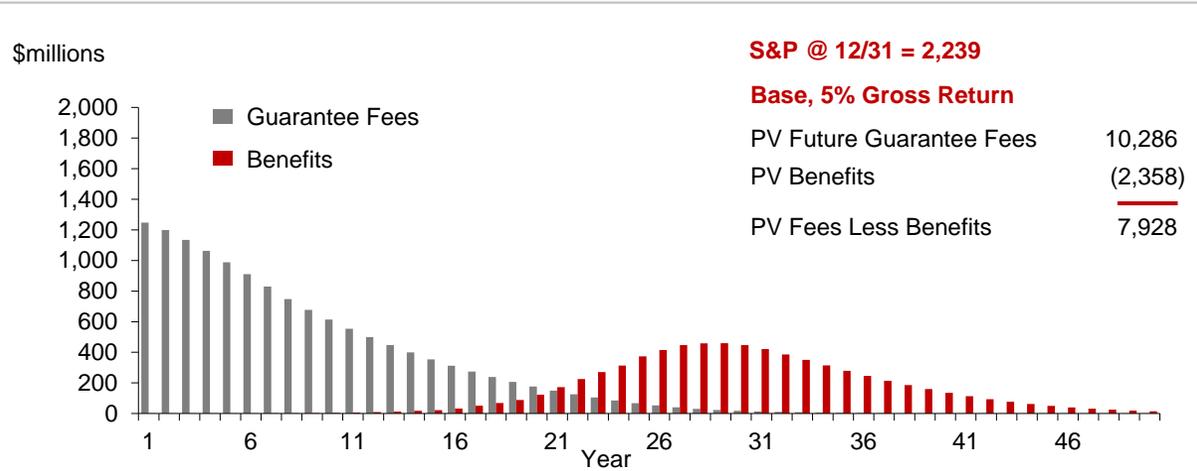


- Includes guarantee fees only
- Uses prudent best estimate assumptions (AG43, C3P2)
- 5% gross return is well below historical average market return
- Ignores guarantee fees collected to date as well as reserves
- PV of future GMWB fees exceeds PV of benefits over a wide range of market shocks
- Negative cash flow is far into future even in bad scenarios
- No material strain on liquidity in any given year

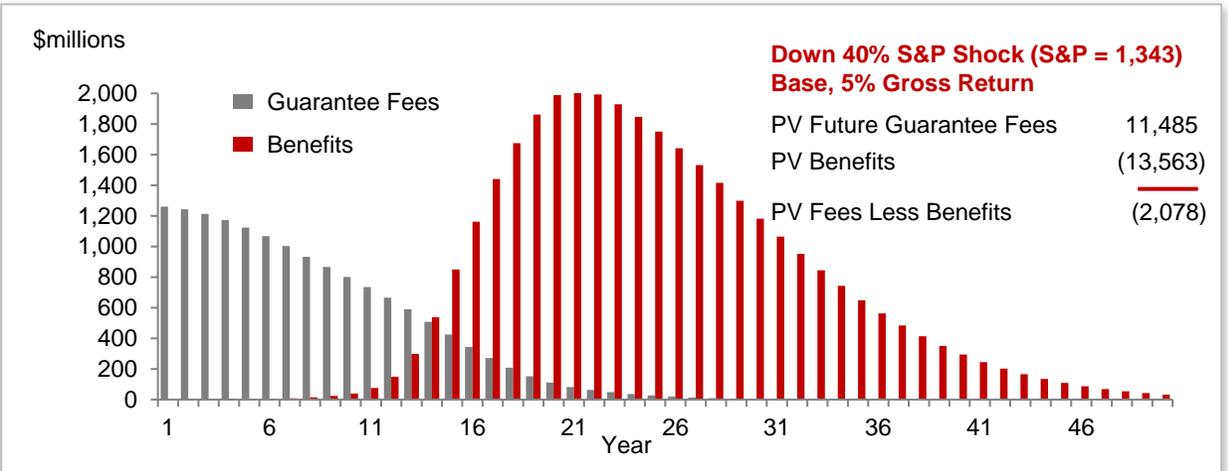
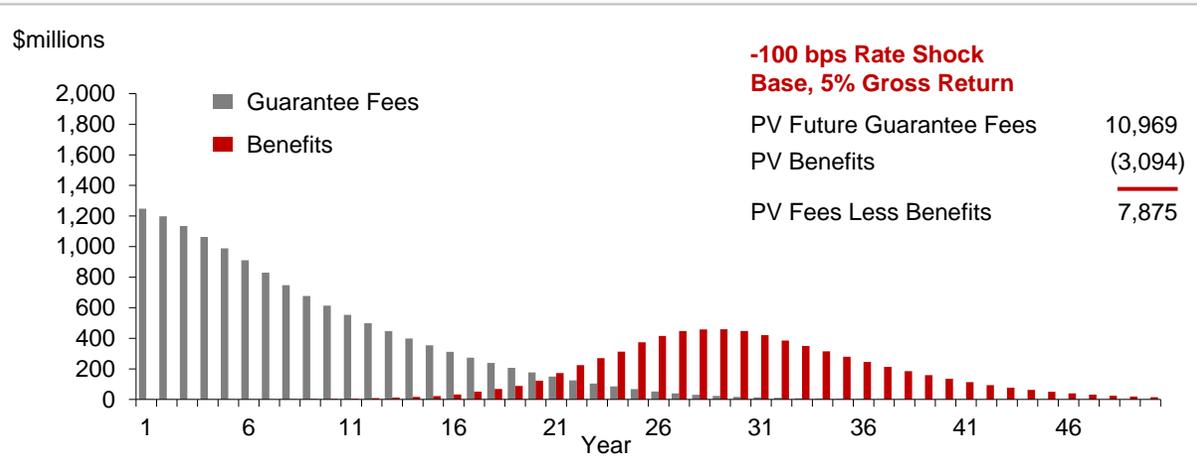


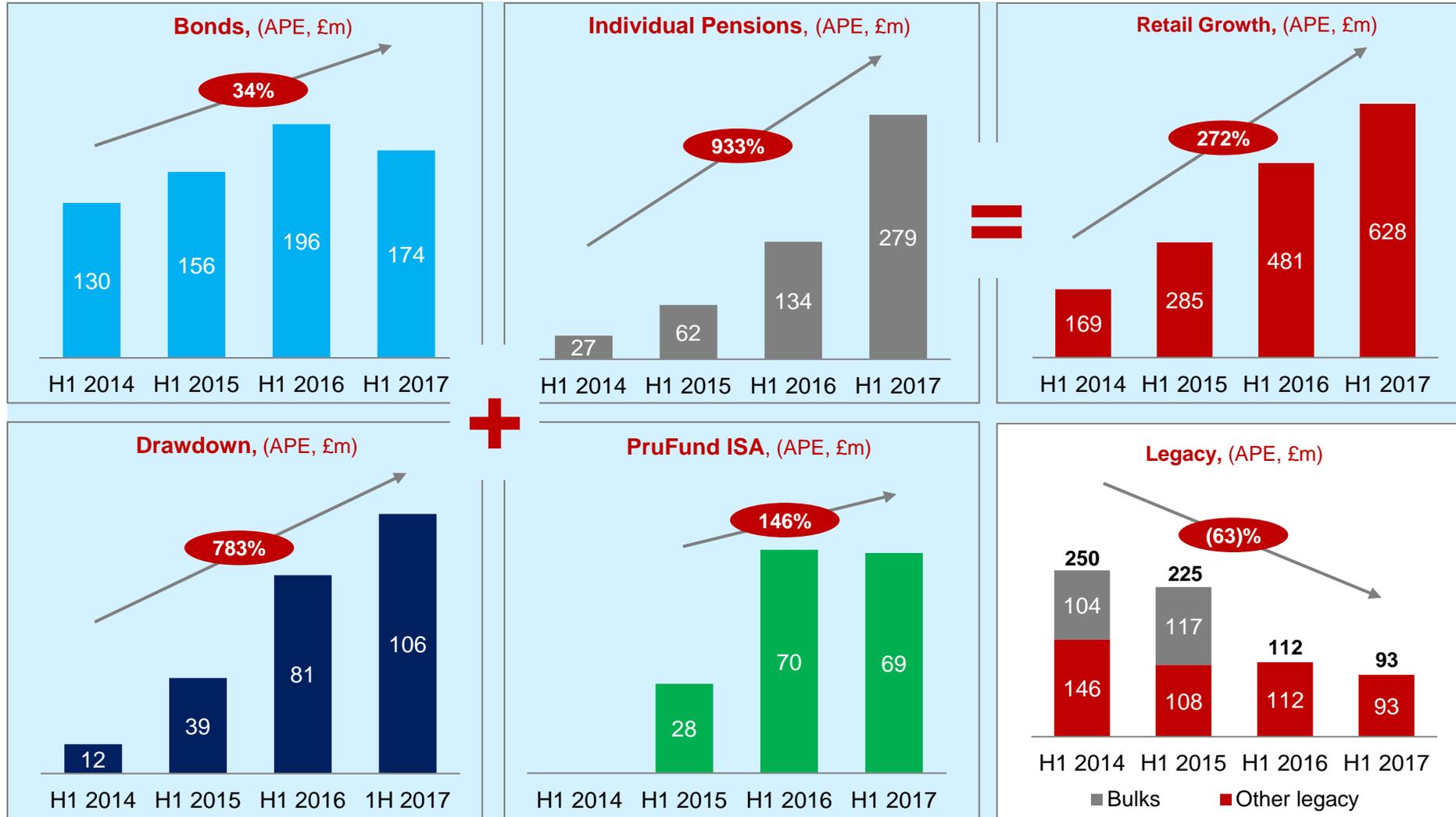
GMWB unhedged cash flow

Unhedged GMWB cash flow exposure, 31 December 2016



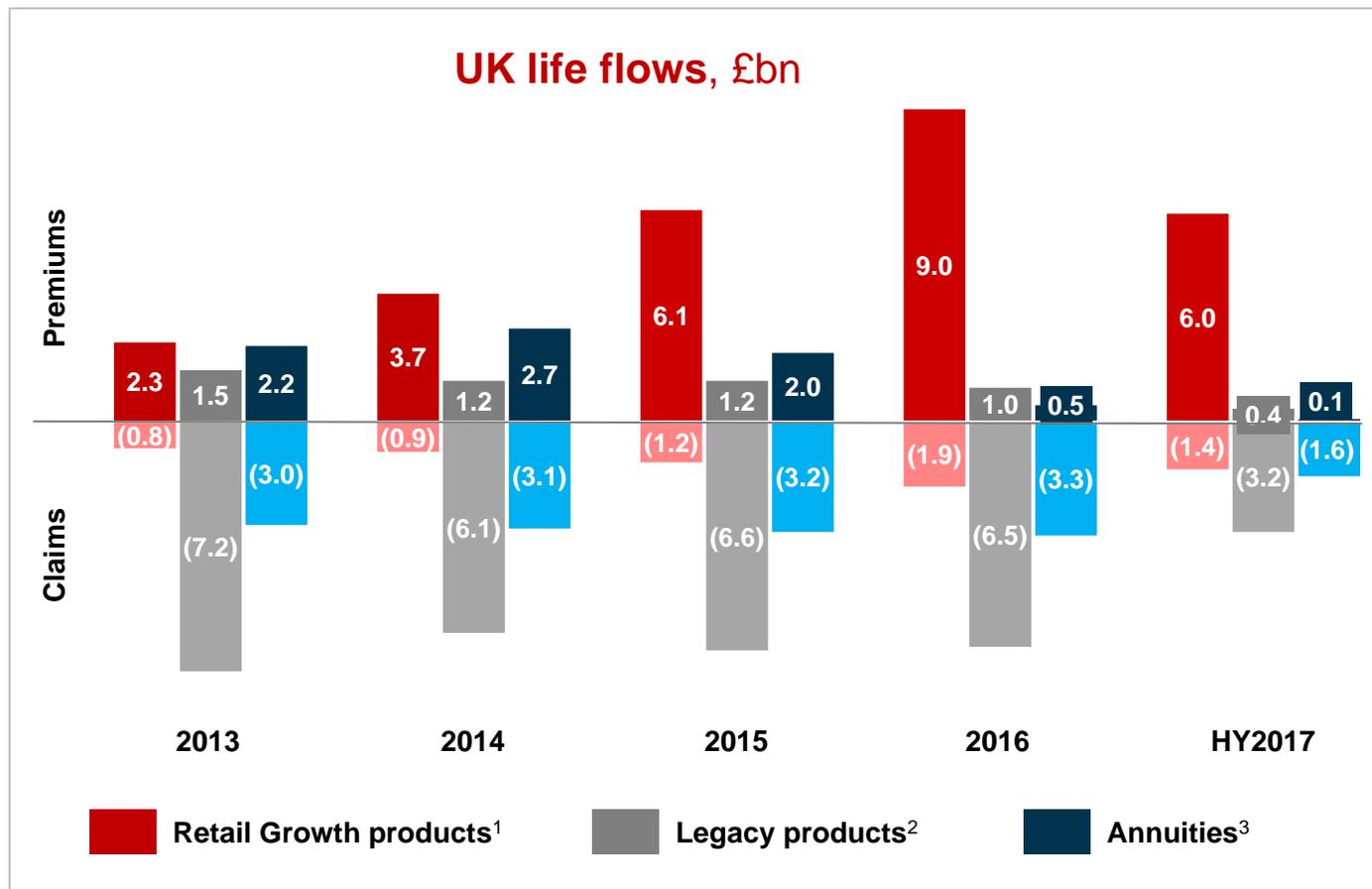
- Includes guarantee fees only
- Uses prudent best estimate assumptions (AG43, C3P2)
- 5% gross return is well below historical average market return
- Ignores guarantee fees collected to date as well as reserves
- PV of future GMWB fees exceeds PV of benefits over a wide range of market shocks
- Negative cash flow is far into future even in bad scenarios
- No material strain on liquidity in any given year





UK Life

Life asset flows



¹ Includes investment bonds, individual pensions, drawdown and PruFund ISA
² Includes corporate pensions and other
³ Includes retail and bulk annuities

With-profits

30 June 2017

£126bn
invested assets

YoY
Change

+11%

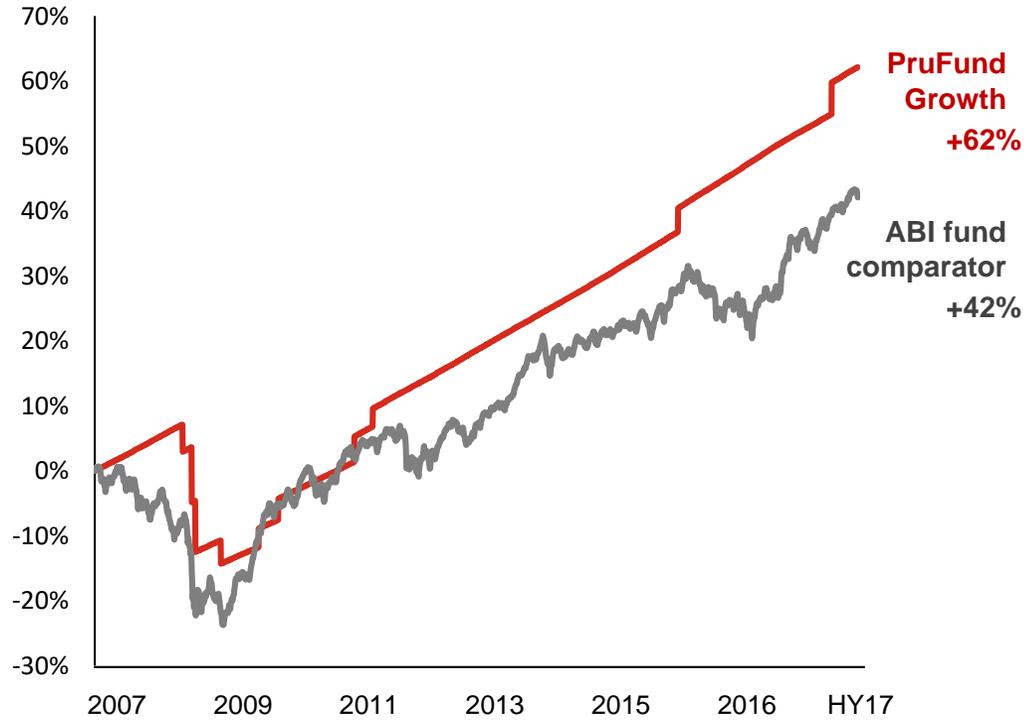
Shareholder backed

30 June 2017

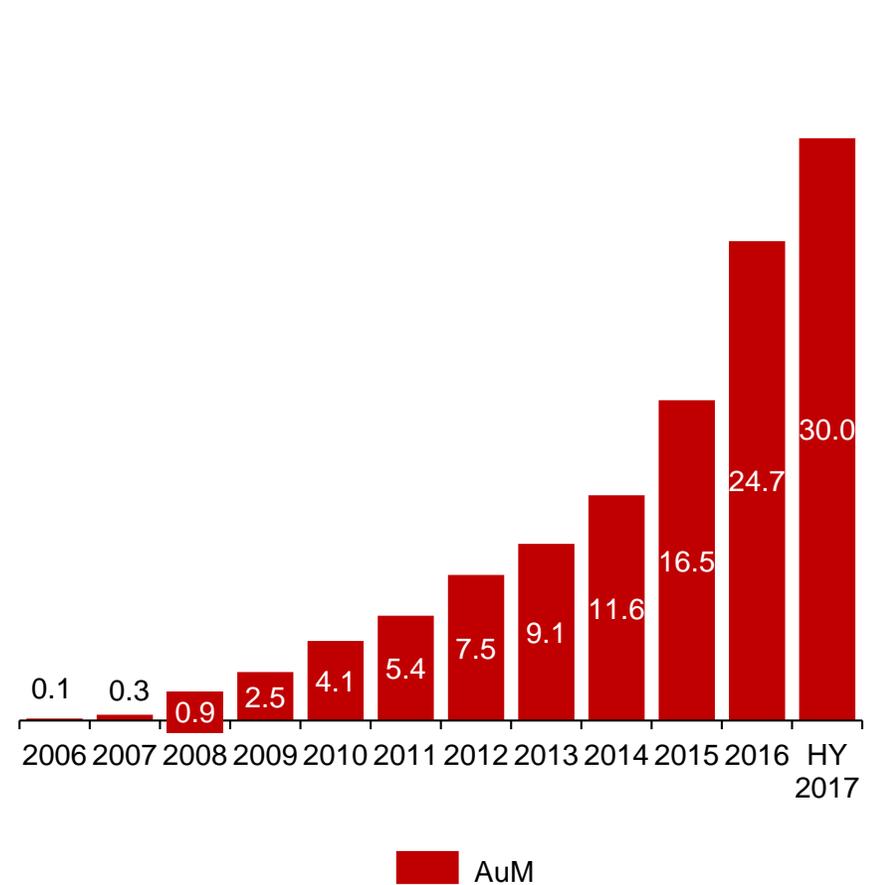
£64bn
invested assets

+2%

PruFund investment performance¹

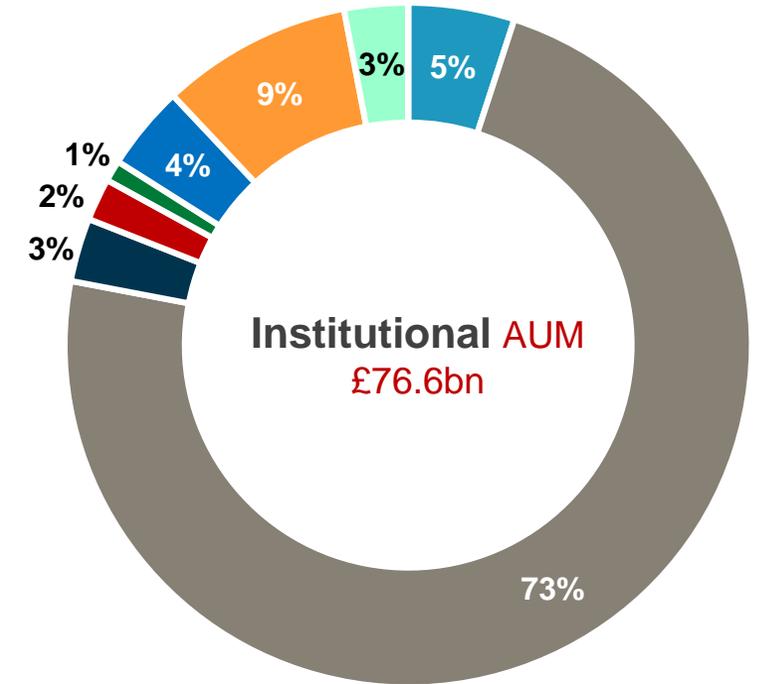
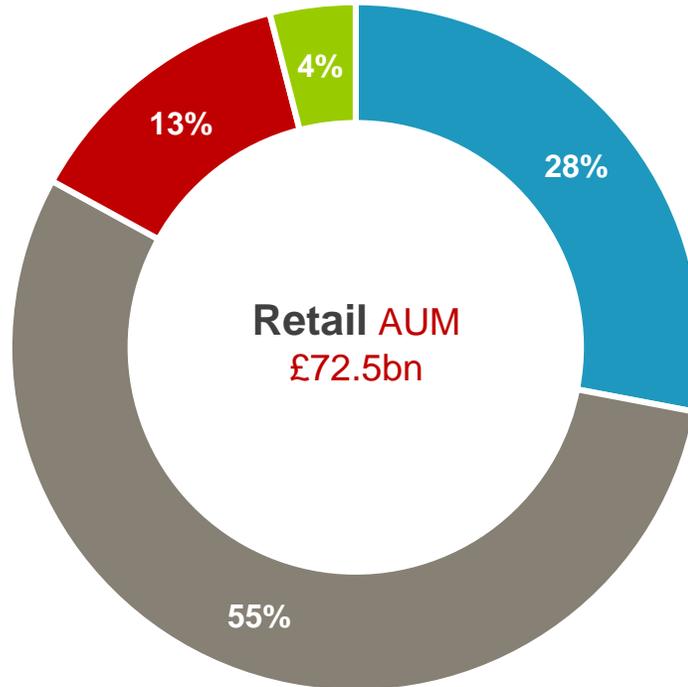
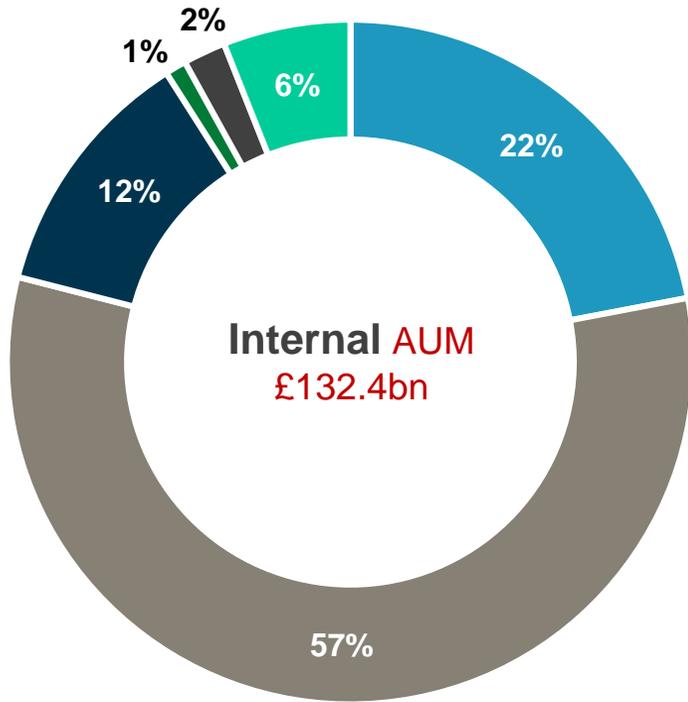


Growth in PruFund AuM (£bn)



¹ ABI Mixed Investment 20%-60% Shares TR; performance from 29 June 2007 to 30 June 2017

M&G Group assets under management by client type and asset class (%), 30 June 2017¹



Equities

Infrastructure

Structures products

Fixed income

Real estate mortgages / debt

Other alternative investments

Real estate

Private equity

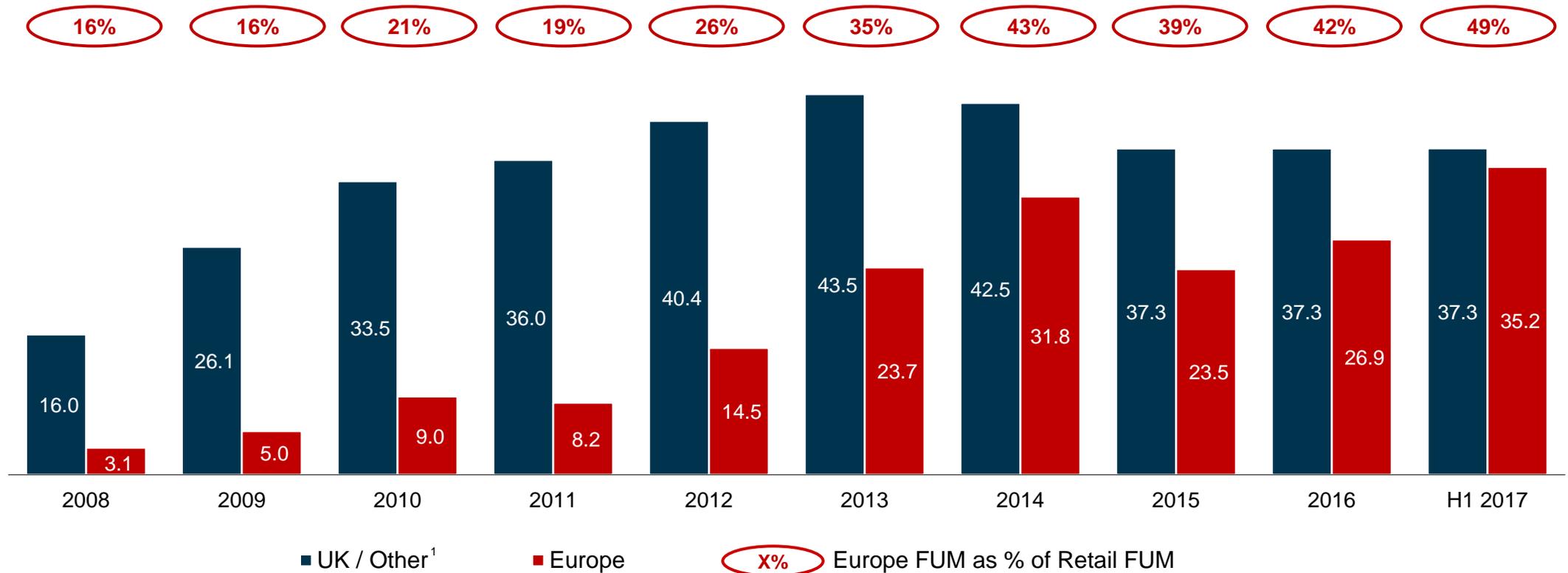
Cash

Multi-asset

Other debt / private finance lending

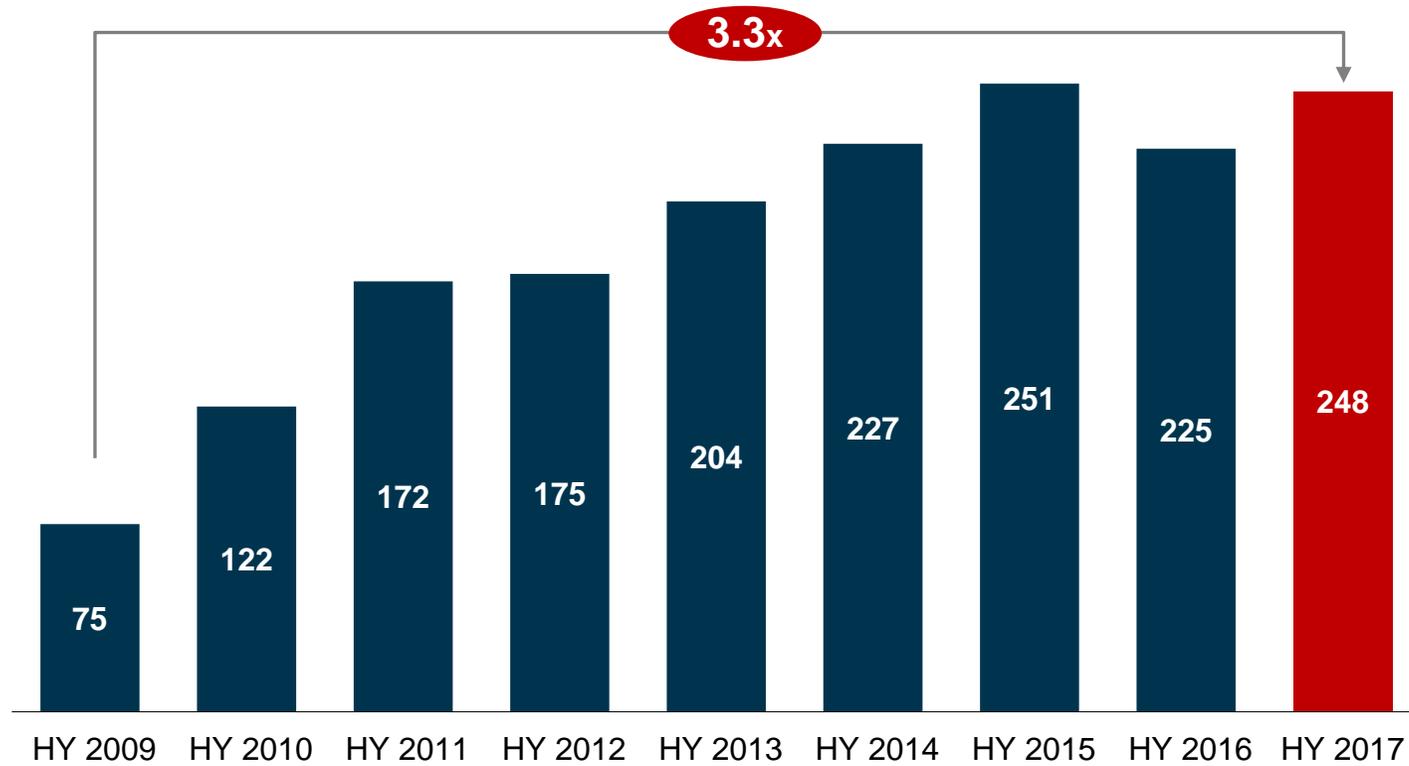
¹ Asset class splits exclude assets from Prudential Investment Managers South Africa business

Retail funds under management, £bn



¹ Other relates to South Africa

M&G IFRS operating profit¹, £m



¹ Excludes PruCap

IFRS operating profit

	2017 H1	2016 H1 (AER)	2016 H1 (CER)	% Movement (AER)	% Movement (CER)
Asia operations					
Asia insurance operations	870	667	752	30%	16%
Eastspring Investments	83	61	69	36%	20%
Total Asia operations	953	728	821	31%	16%
US operations					
Jackson (US insurance operations)	1,079	888	1,010	22%	7%
Broker-dealer and asset management	(6)	(12)	(13)	50%	54%
Total US operations	1,073	876	997	22%	8%
UK operations					
Long-term business	480	473	473	1%	1%
General insurance commission ¹	17	19	19	(11)%	(11)%
Total UK insurance operations	497	492	492	1%	1%
M&G	248	225	225	10%	10%
Prudential Capital	6	13	13	(54)%	(54)%
Total UK operations	751	730	730	3%	3%
Total segment profit	2,777	2,334	2,548	19%	9%
Other income and expenditure					
Investment return and other income	-	6	6	(100)%	(100)%
Interest payable on core structural borrowings	(216)	(165)	(165)	(31)%	(31)%
Corporate expenditure ²	(172)	(156)	(165)	(10)%	(4)%
Total	(388)	(315)	(324)	(23)%	(20)%
Solvency II implementation costs	-	(11)	(11)	n/a	n/a
Restructuring costs ³	(31)	(7)	(7)	(343)%	(343)%
Operating profit based on longer-term investment returns before interest received from tax settlement	2,358	2,001	2,206	18%	7%
Interest received from tax settlement	-	43	43	n/a	n/a
Operating profit based on longer-term investment returns	2,358	2,044	2,249	15%	5%

¹ General insurance commission represents the commission receivable net of expenses for Prudential-branded general insurance products in connection with the arrangement to transfer the UK general insurance business to Churchill in 2002.

² Corporate expenditure as shown above is for Group Head Office and Asia Regional Head Office.

³ Restructuring costs are incurred in the UK and Asia and represent one-off business development expenses.

IFRS operating profit – sources of earnings

Group long-term business

Source		
HY 2017	HY 2016 ¹ (CER)	+/-
£m except reserves £bn		

Total operating profit		
2,429	2,235	9%

=

Total Life income		
4,615	4,224	9%

-

Total Life expenses		
(2,372)	(2,138)	(11)%

+/-

DAC adjustments		
186	149	25%

Spread income		
583	613	(5)%

Fee income		
1,279	1,118	14%

Technical and other margin		
2,290	2,064	11%

With-profits		
172	165	4%

Management actions		
188	140	34%

Spread (bps)	131	143	(12)
Average reserves	89.3	85.7	4%

AMF (bps)	156	156	-
Average reserves	164.2	143.5	14%

Margin on revenues	1,138	1,051	8%
Insurance margin	1,152	1,013	14%

Expected returns		
103	124	(17)%

¹ 2016 comparatives restated to exclude Korea Life

IFRS operating profit – sources of earnings

Life insurance - Asia

Source		
HY 2017	HY 2016 ¹ (CER)	+/-
£m except reserves £bn		

Total operating profit		
870	752	16%

=

Total Life income		
2,011	1,752	15%

-

Total Life expenses		
(1,207)	(1,056)	(14)%

+/-

DAC adjustments		
66	56	18%

Spread income		
108	91	19%

Fee income		
103	92	12%

Technical and other margin		
1,714	1,497	14%

With-profits		
30	27	11%

Spread (bps)	136	131	5
Average reserves	15.8	13.9	14%

AMF (bps)	113	112	1
Average reserves	18.2	16.2	12%

Margin on revenues	1,056	965	9%
Insurance margin	658	532	24%

Expected returns		
56	45	24%

¹ 2016 comparatives restated to exclude Korea Life

IFRS operating profit – sources of earnings

Life insurance - US

Source		
HY 2017	HY 2016 (CER)	+/-
£m except reserves £bn		

Total operating profit		
1,079	1,010	7%

=

Total Life income		
2,018	1,897	6%

-

Total Life expenses		
(1,056)	(982)	(8)%

+/-

DAC amortisation		
117	95	23%

Spread income			Fee income			Technical and other margin			Expected returns		
401	426	(6)%	1,145	997	15%	472	456	4%	0	18	(100)%

Spread (bps)	202	217	(15)
Average reserves	39.7	39.2	1%

AMF (bps)	186	188	(2)
Average reserves	123.5	105.8	17%

IFRS operating profit - sources of earnings

Life insurance - UK

Source		
HY 2017	HY 2016	+/-
£m except reserves £bn		

Total operating profit		
480	473	1%

=

Total Life income		
586	575	2%

-

Total Life expenses		
(109)	(100)	(9)%

+/-

DAC adjustments		
3	(2)	-

Spread income		
74	96	(23)%

Fee income		
31	29	7%

Technical and other margin		
104	111	(6)%

Expected returns		
47	61	(23)%

With-profits		
142	138	3%

Spread (bps)	44	59	(15)
Average reserves	33.8	32.6	4%

AMF (bps)	27	27	-
Average reserves	22.5	21.5	5%

Margin on revenues	82	86	(5)%
Insurance margin	22	25	(12)%

Management actions		
188	140	34%

IFRS operating profit – sources of earnings

Asset management

Source		
HY2017	HY2016 (CER)	+/-
£m except average assets £bn		

Asset Management Operating profit ¹		
331	294	13%

M&G			Eastspring Investments		
248	225	10%	83	69	20%

Underlying income		
495	440	13%

Other income ²		
14	14	0%

Total expenses		
(261)	(229)	(14)%

Total income ²		
208	176	18%

Total expenses		
(125)	(107)	(17)%

Average fees ⁴ (bps)	37	36	1
Average assets (£bn)	267.2	243.2	10%

Cost / income ratio ³		
53%	52%	1ppt

Average fees ⁴ (bps)	33	34	(1)
Average assets (£bn)	124.9	103.6	21%

Cost / income ratio ³		
55%	56%	(1)ppt

¹ Excludes PruCap and US asset management business

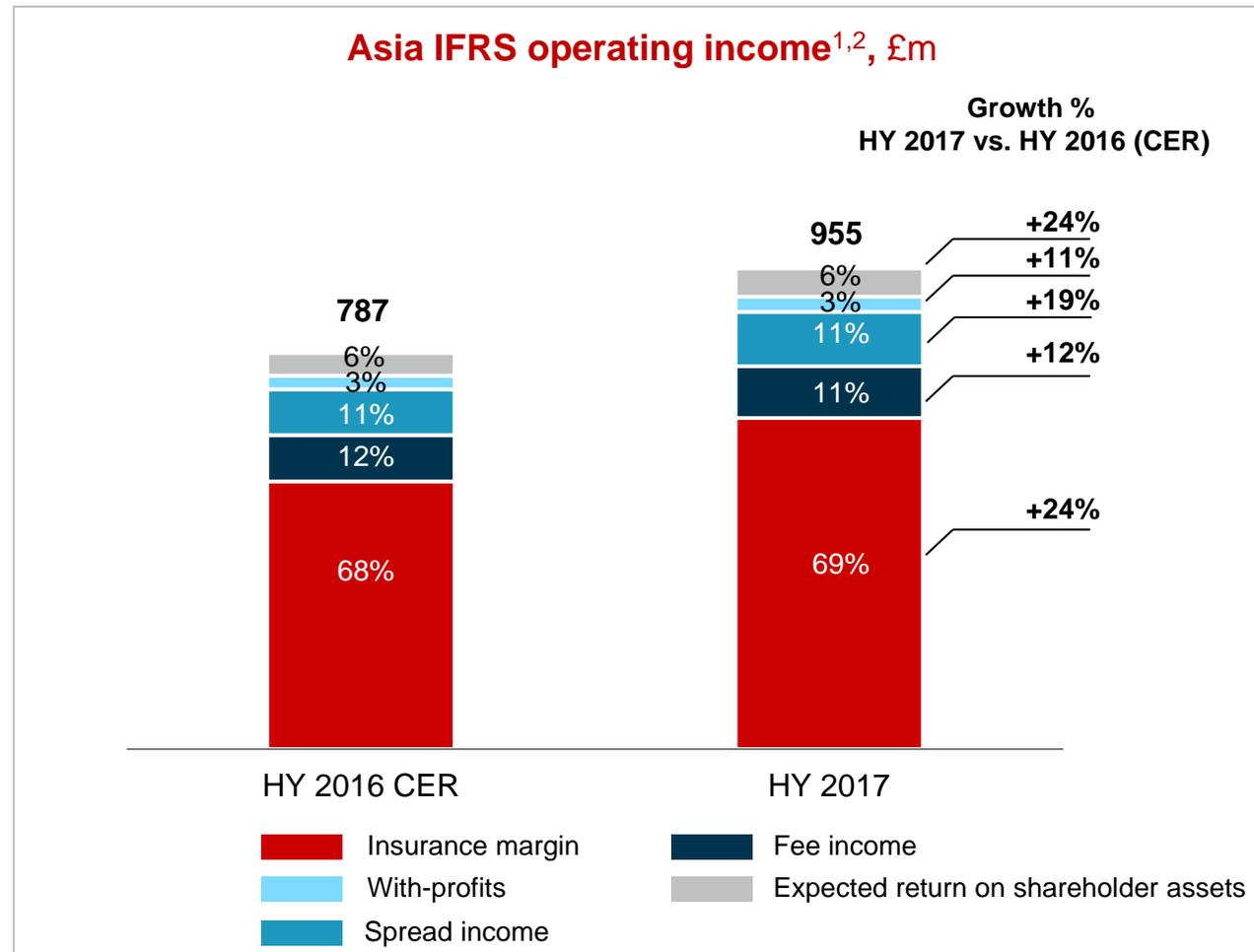
² Includes performance related fees for M&G, carried interest and its share of operating profit from PPMSA and for Eastspring performance related fees

³ Cost/income ratio excludes performance-related fees, carried interest and profit from associate, and for Eastspring, taxes on JV operating profit

⁴ Average fees exclude performance-related fees and M&G's share of operating profit from PPMSA

IFRS operating profit sources of income

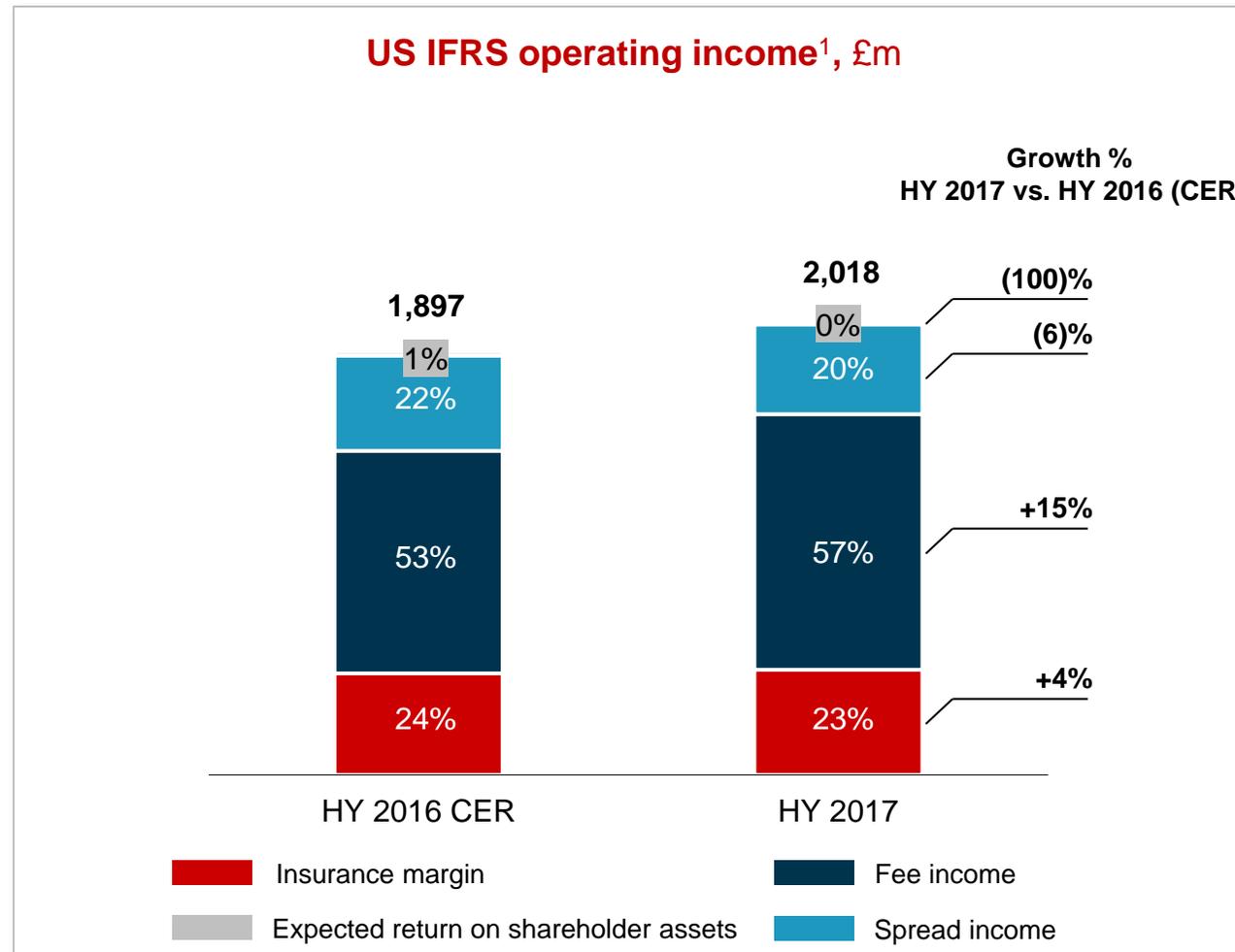
Life insurance - Asia



¹ Excludes margin on revenues, acquisition and administration expenses and DAC adjustments
² 2016 comparatives restated to exclude Korea life

IFRS operating profit sources of income

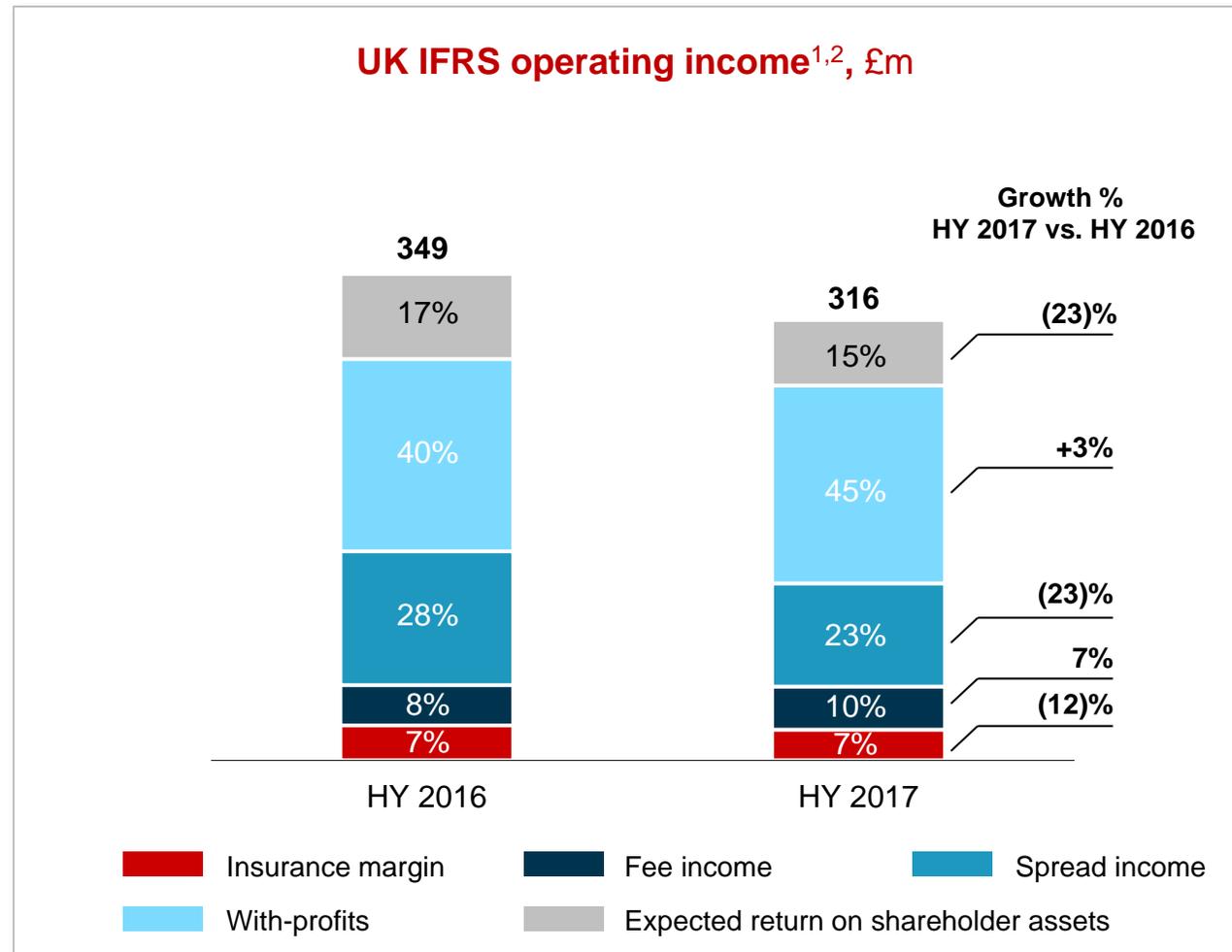
Life insurance - US



¹ Excludes acquisition, administration expenses and DAC amortisation

IFRS operating profit sources of income

Life insurance - UK



¹ Excludes margin on revenues, acquisition and administration expenses and DAC amortisation

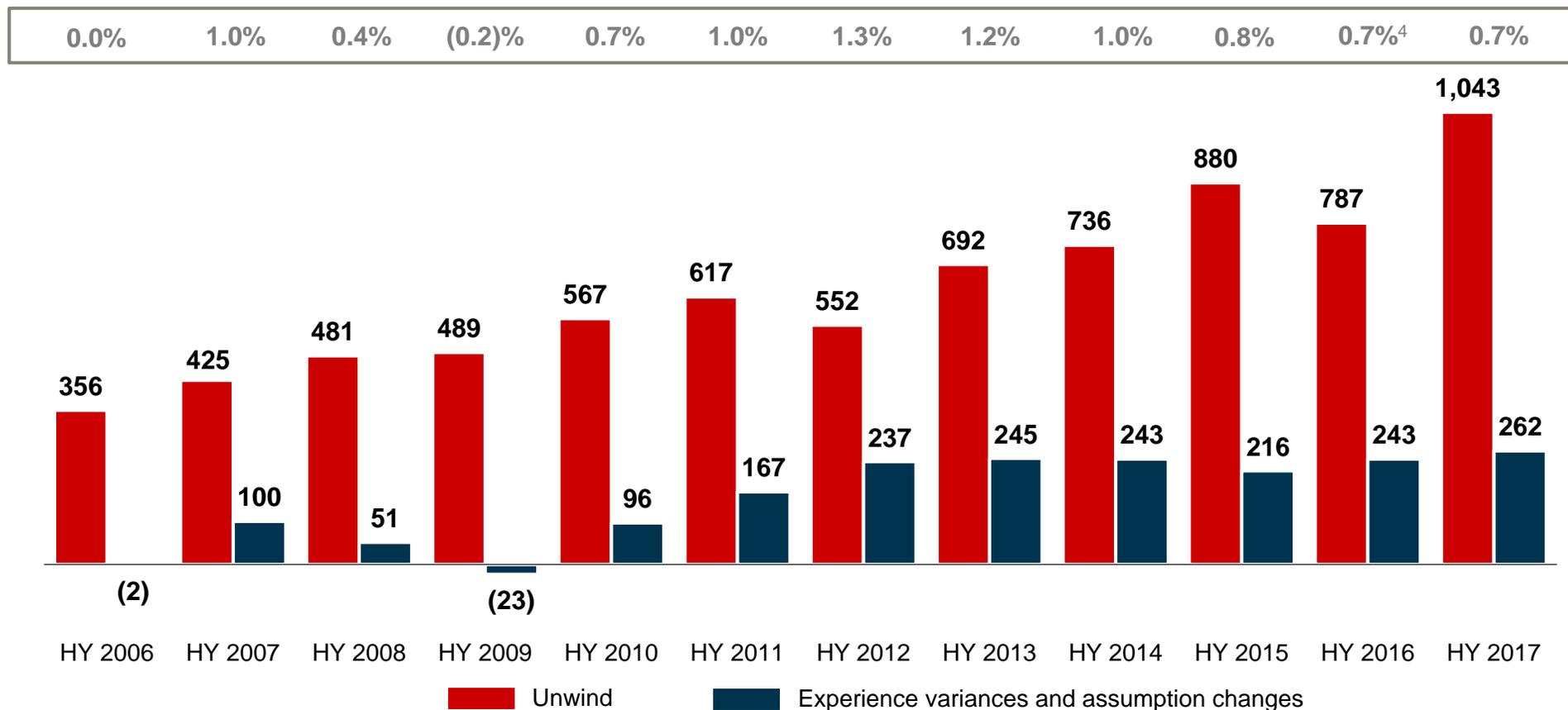
² Excludes earnings from longevity reinsurance and other management actions of £188m (HY2016: £140m)

EEV operating profit

Life operating variances - Group

Group Life operating variances^{1,2,5}, £m

Experience variances and assumption changes % opening EEV³



¹ Excludes Korea, Japan Life and Taiwan agency. HY2014 comparatives have been restated to exclude the contribution from the sold PruHealth and PruProtect businesses. HY2006 to HY2013 comparatives include the results of PruHealth and PruProtect

² Experience variances and assumption changes are shown post development costs from HY14 to HY17 and pre development costs from HY06 to HY13

³ Opening EEV of Life operations, excluding goodwill and restated to exclude Korea life

⁴ Calculated net of £(128)m opening adjustment to Long-term business shareholders' funds arising from the impact of Solvency II for the UK operations at 1 January 2016

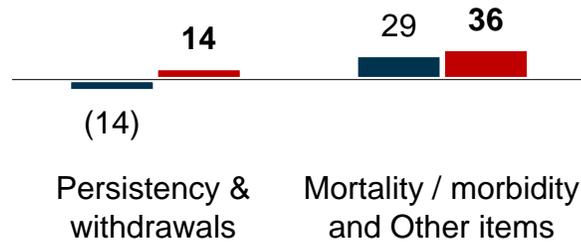
⁵ As reported RER

Note: Unwind & experience variances / assumption changes are on a post tax basis

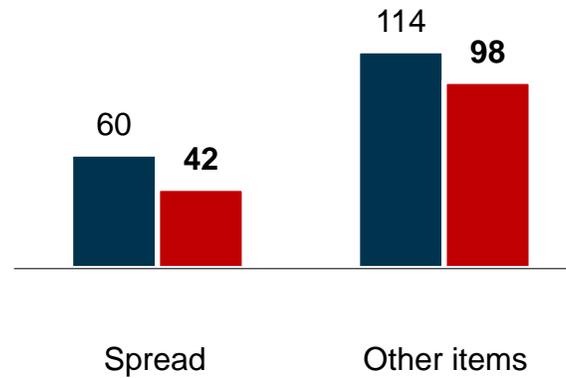
EEV operating profit

In-force performance

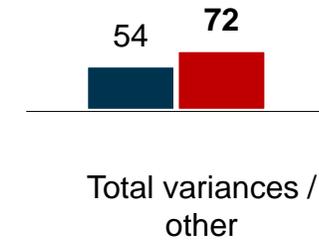
Asia in-force^{1,2}, £549m



US in-force², £452m



UK in-force, £304m



■ HY16 ■ HY17

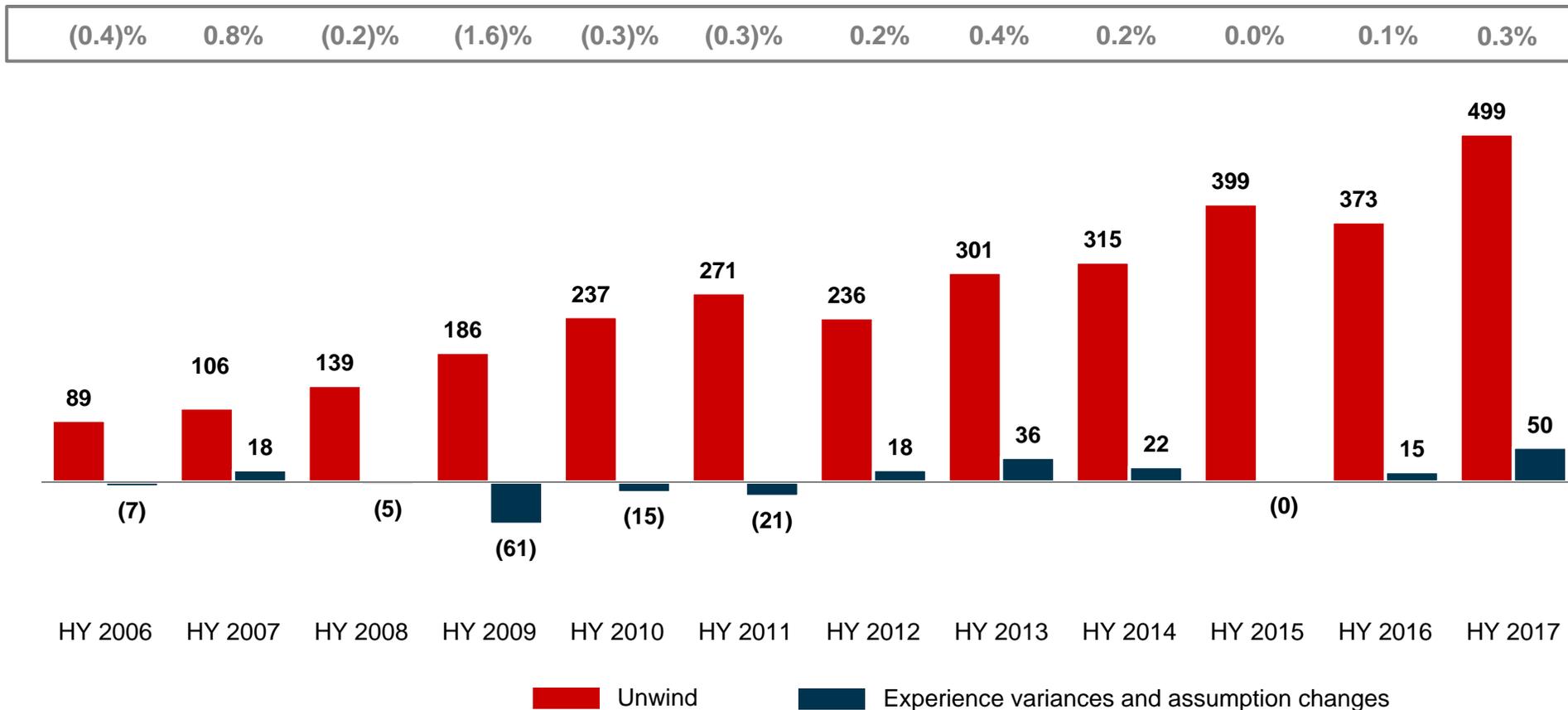
1 Asia In-force shown post development costs
2 As reported RER

EEV operating profit

Life operating variances - Asia

Asia Life operating variances^{1,3}, £m

Experience variances and assumption changes % opening EEV²



¹ Experience variances and assumption changes are shown post development costs from HY14 to HY17 and pre development costs from HY06 to HY13

² Opening EEV of Life operations, excluding goodwill and restated to exclude Korea life

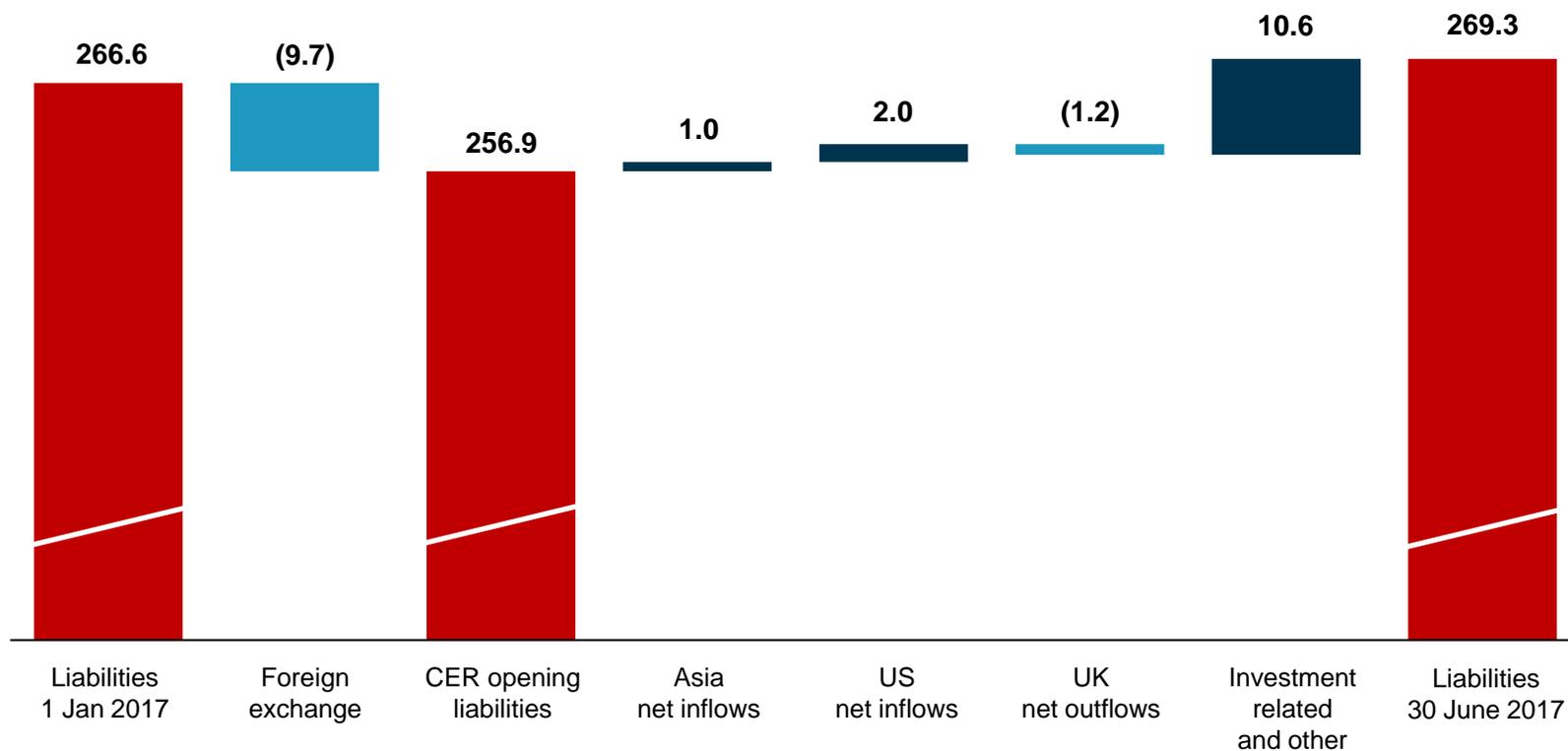
³ As reported RER

Note: Unwind & Experience variances / assumption changes are on a post tax basis and excludes Japan and Korea life

Policyholder liabilities

Shareholder-backed business - Group

Policyholder liabilities^{1,2} roll-forward, £bn



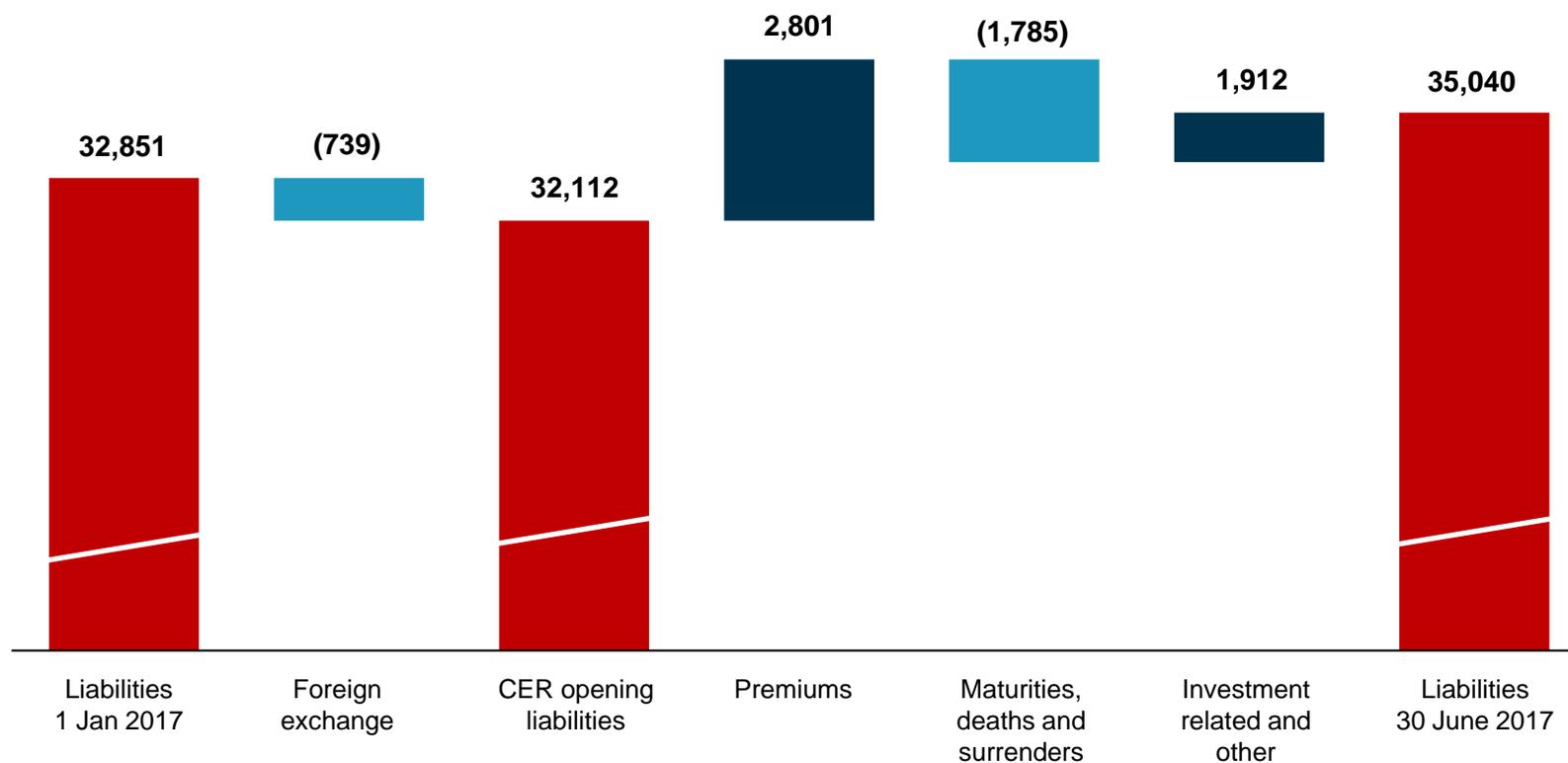
1 Shareholder-backed business.

2 Including net flows of the Group's insurance joint ventures.

Policyholder liabilities

Shareholder-backed business - Asia

Policyholder liabilities roll-forward¹, £m

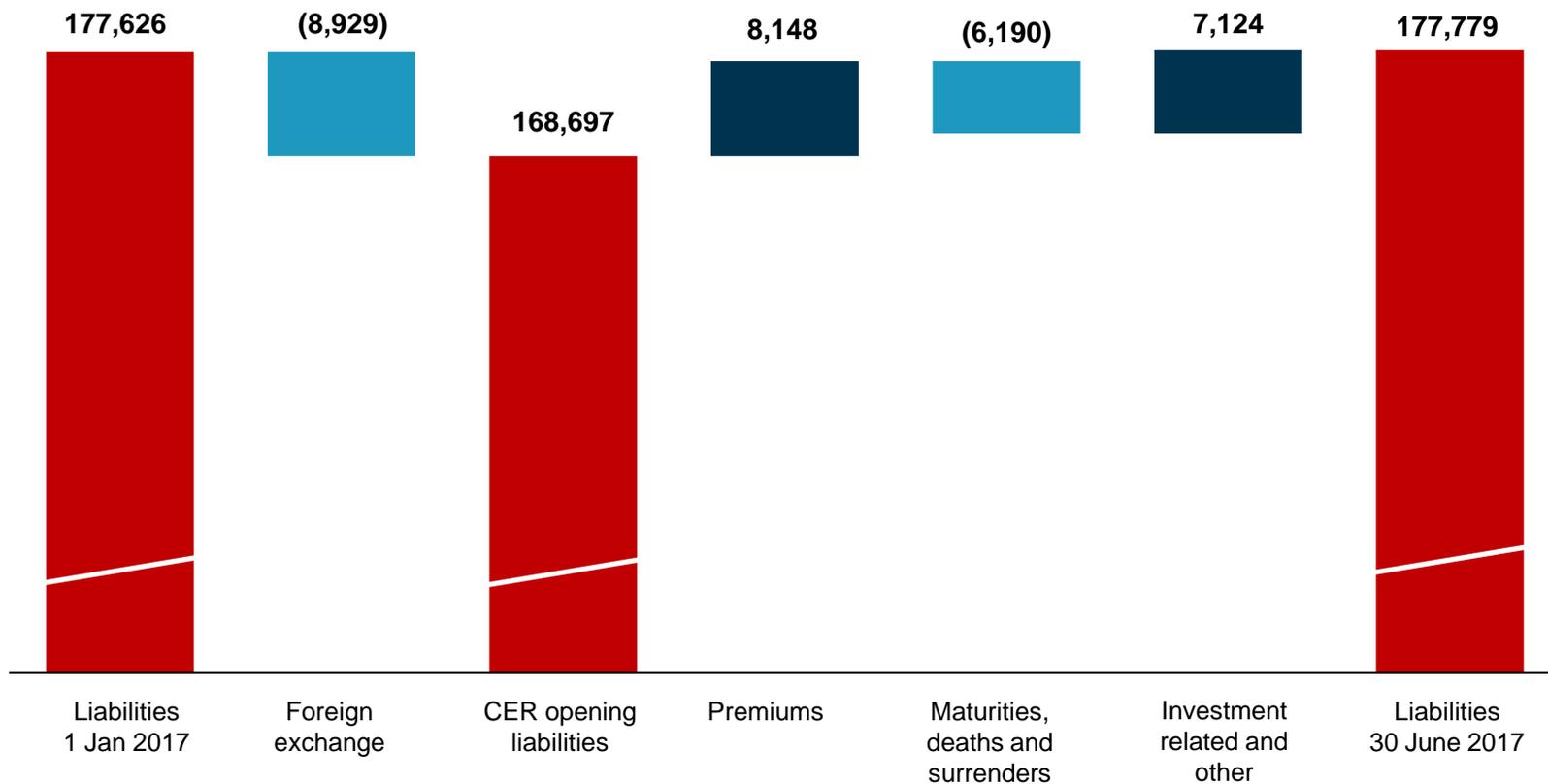


¹ Including net flows of the groups insurance joint ventures

Policyholder liabilities

Shareholder-backed business - US

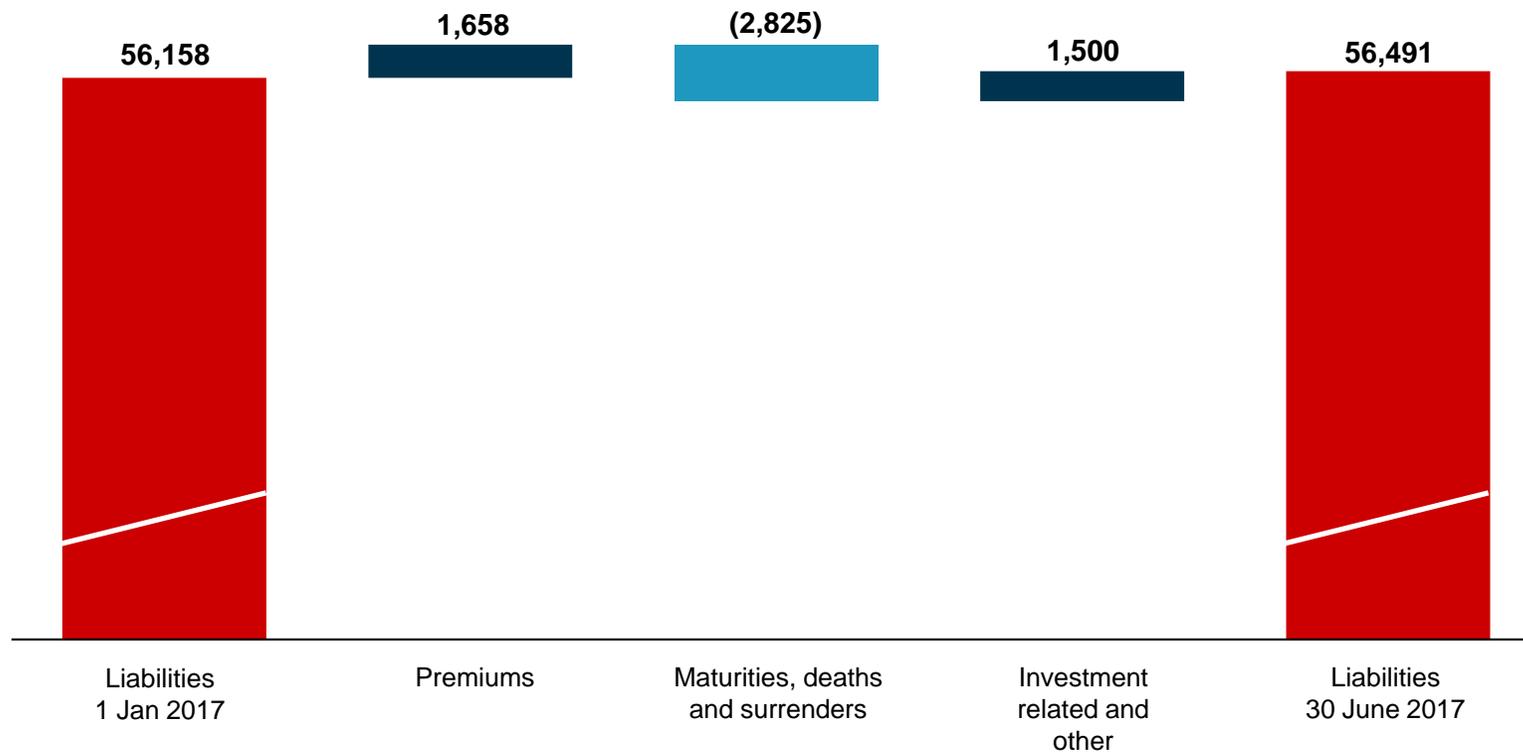
Policyholder liabilities roll-forward, £m



Policyholder liabilities

Shareholder-backed business - UK

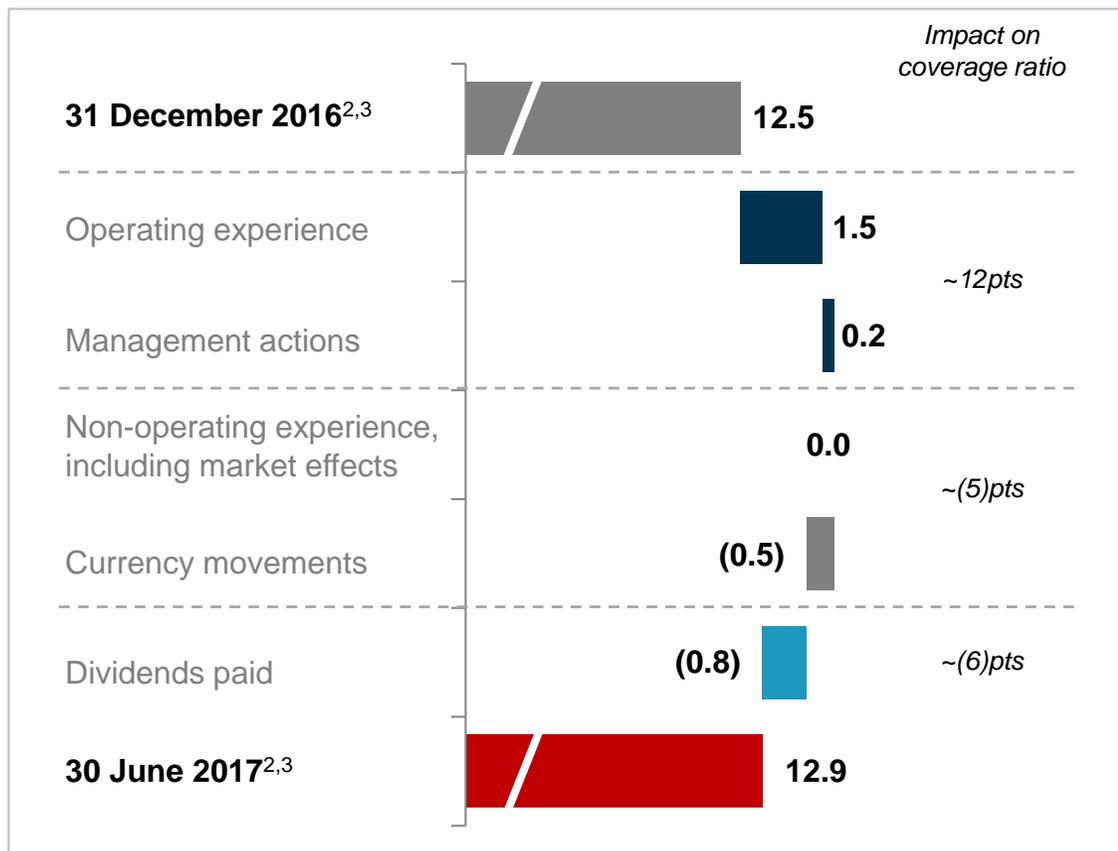
Policyholder liabilities roll-forward, £m



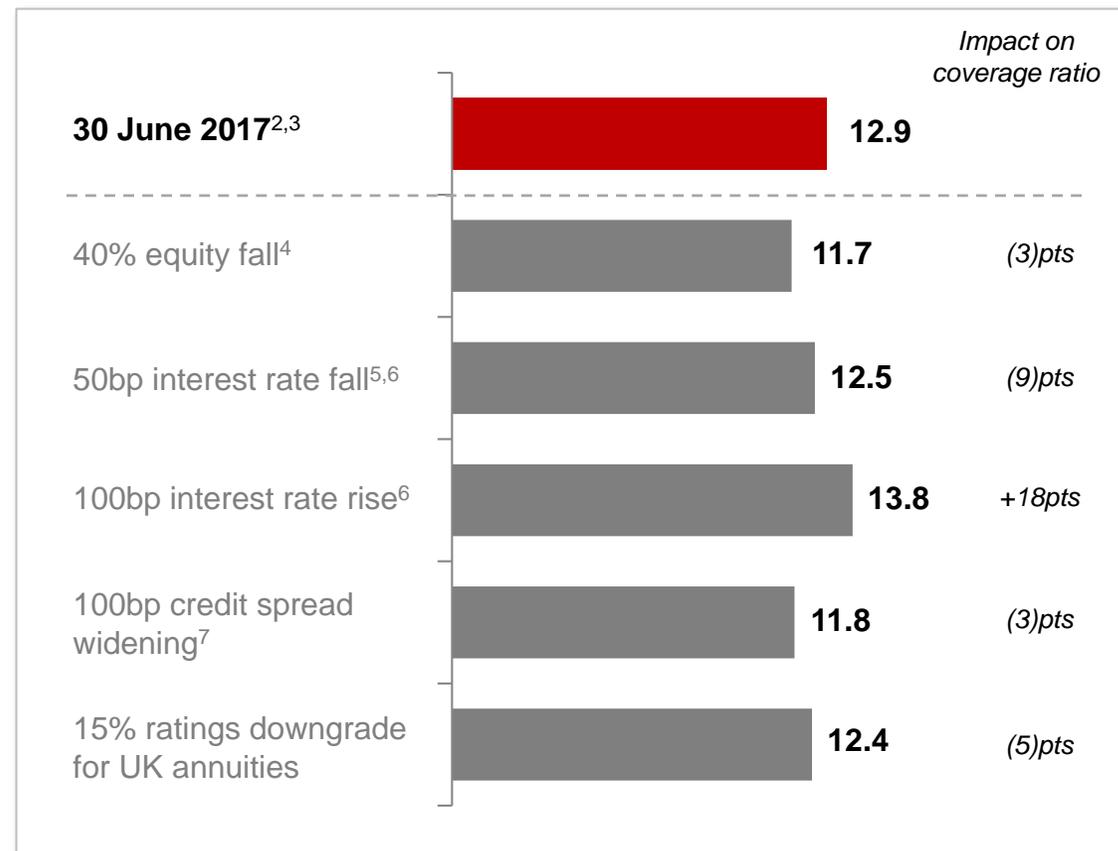
Solvency II

Group capital position and sensitivities

HY17 movement in Solvency II capital^{1,2,3}, £bn



Solvency II surplus estimated sensitivities^{1,2,3}, £bn



1 The Group shareholder position excludes the contribution to the Group SCR and Own Funds of ring fenced With-Profit Funds and staff pension schemes in surplus

2 Before allowing for the 2017 first interim ordinary dividend (FY16: before allowing for the 2016 second interim ordinary dividend)

3 The Group shareholder position includes management's estimate of transitional measures reflecting operating and market conditions at the valuation date. The estimated Group shareholder surplus would increase from £12.9 billion to £13.6 billion at 30 June 2017 if the approved regulatory transitional amount was applied instead (31 December 2016: The estimated Group shareholder surplus would increase from £12.5 billion to £12.9 billion)

4 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

5 Subject to a floor of zero

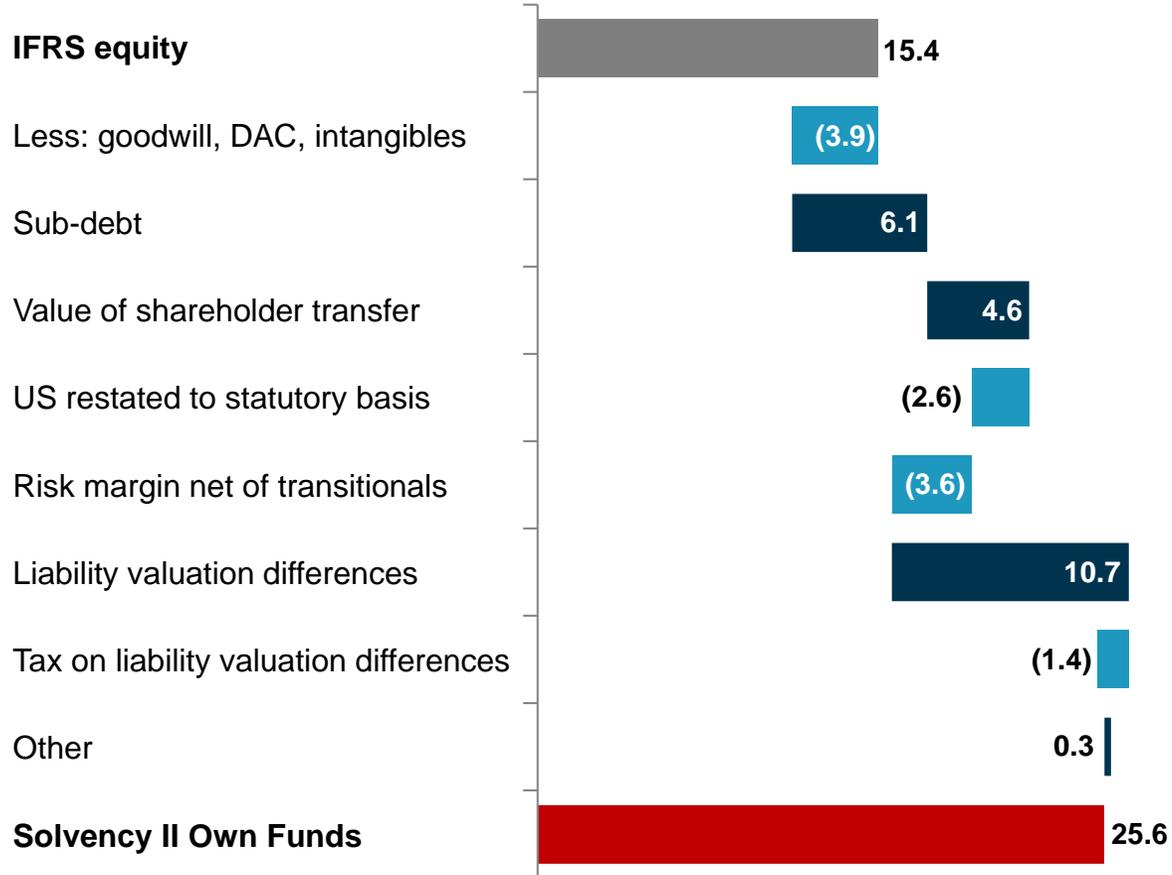
6 Allowing for further transitional recalculation after the interest rate stress

7 US Risk Based Capital solvency position included using a stress of 10 times expected credit defaults

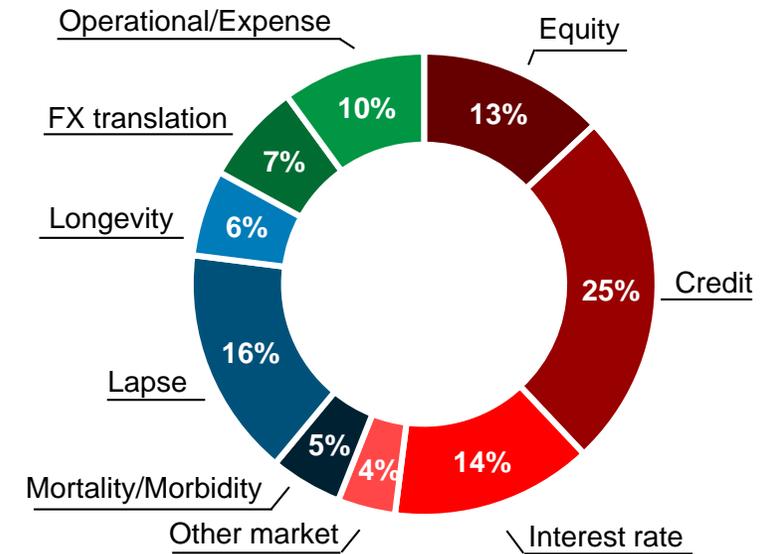
Solvency II

Well-diversified risks

Reconciliation of IFRS equity to Solvency II Own Funds^{1,2,3}, HY17 £bn



SCR by risk type⁴, HY17

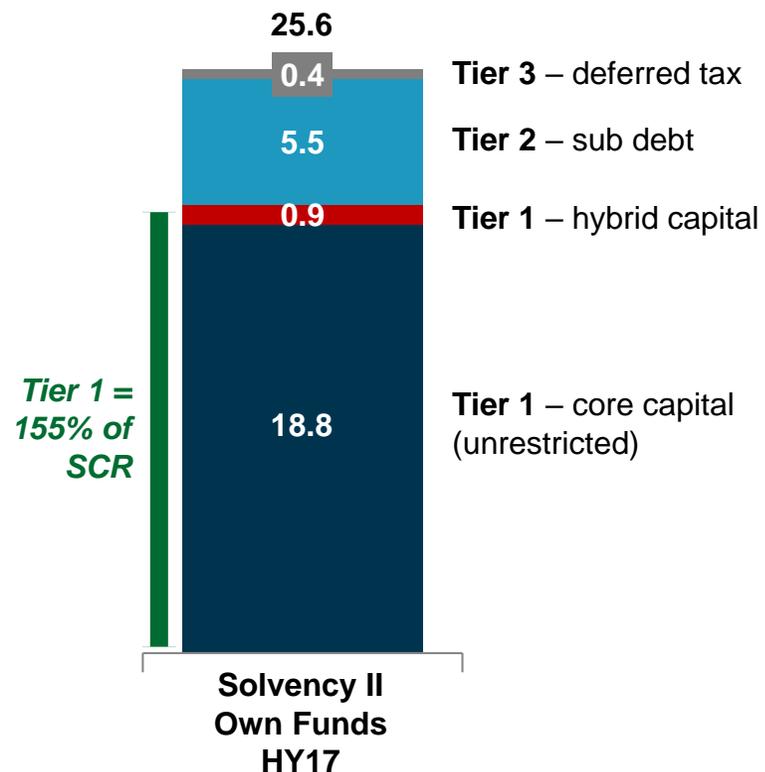


1 The Group Shareholder position excludes the contribution to the Group Own Funds and the Solvency Capital Requirement of ring fenced With-Profit Funds and staff pension schemes in surplus
 2 The Group Shareholder position includes management's estimate of transitional measures reflecting operating and market conditions at the valuation date
 3 Before allowing for the 2017 first interim ordinary dividend
 4 Solvency II undiversified solvency capital requirement

Solvency II

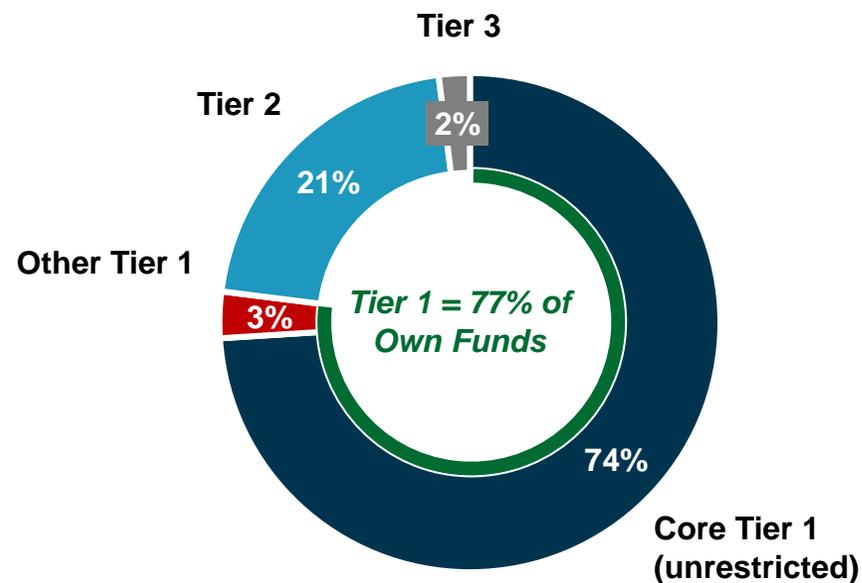
High quality capital

Solvency II Own Funds by capital tier^{1,2}



Share of Solvency II Own Funds by capital tier^{1,2}

HY17, 100% = £25.6bn



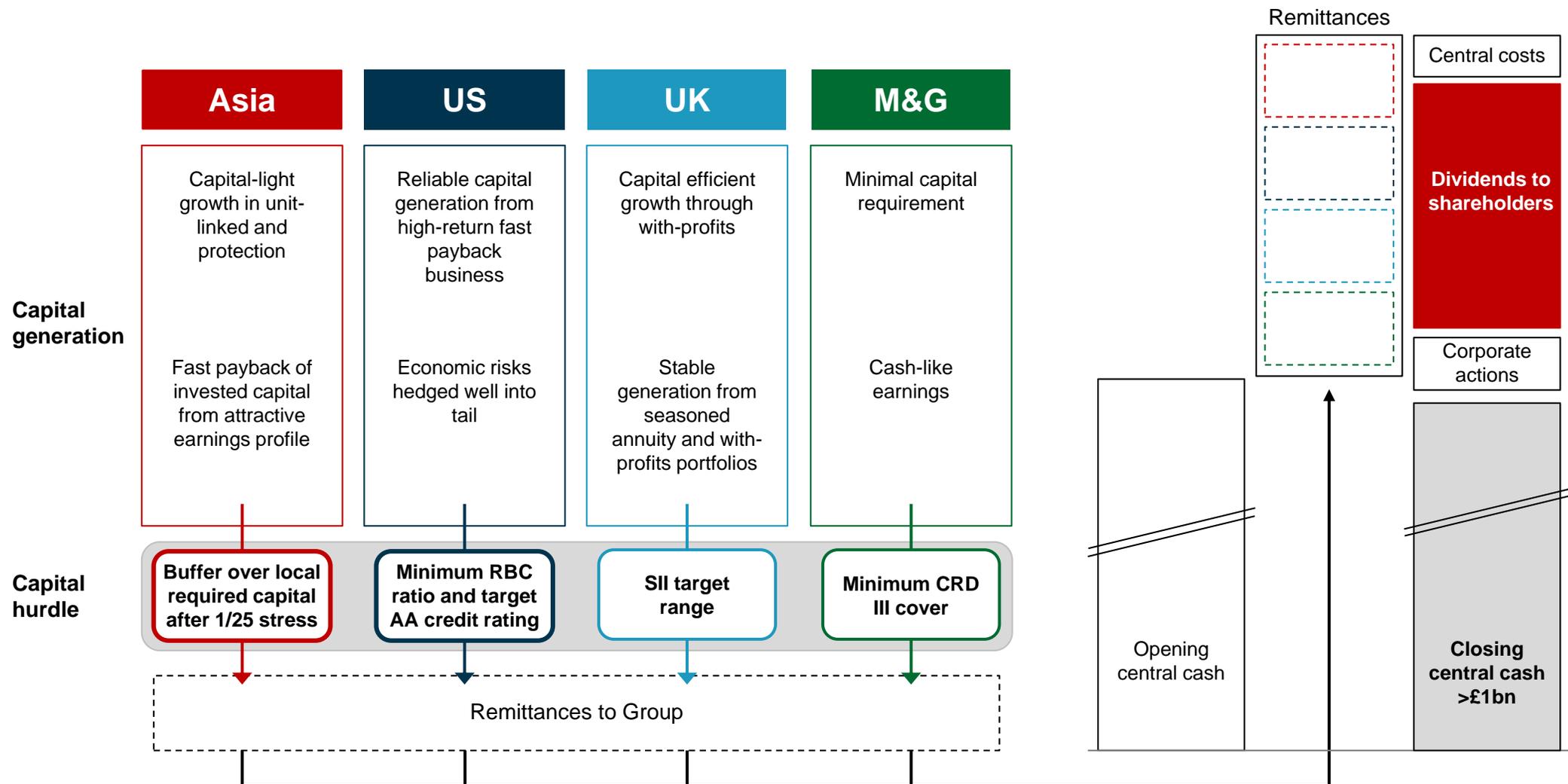
¹ The Group shareholder position excludes the contribution to the Group Own Funds and the Solvency Capital Requirement of ring fenced With-Profit Funds and staff pension schemes in surplus

² The Group shareholder position includes management's estimate of transitional measures reflecting operating and market conditions at the valuation date

³ Before allowing for the 2017 first interim ordinary dividend

Solvency II

Capital dynamics and dividend philosophy



Solvency II

SII treatment of hybrid capital classification

Hybrid capital outstanding, 30 June 2017

Issue Date	Amount	Coupon	Maturity Date	1st Call Date	SII Classification
19-Dec-01	GBP 435m	6.125%	19-Dec-31	None	Tier 2*
23-Jun-03	USD 1,000m	6.50%	Perp	23-Dec-08	Tier 2*
10-Jul-03	EUR 20m	20 yr CMS rate	10-Jul-23	None	Tier 2*
30-Jul-04	USD 250m	6.75%	Perp	23-Sep-09	Tier 1*
12-Jul-05	USD 300m	6.50%	Perp	23-Sep-10	Tier 1*
29-May-09	GBP 400m	11.375%	29-May-39	29-May-19	Tier 2*
21-Jan-11	USD 550m	7.75%	Perp	23-Jun-16	Tier 1*
15-Jan-13	USD 700m	5.25%	Perp	23-Mar-18	Tier 2
16-Dec-13	GBP 700m	5.70%	19-Dec-63	19-Dec-43	Tier 2*
09-Jun-15	GBP 600m	5.00%	20-Jul-55	20-Jul-35	Tier 2
07-Jun-16	USD 1,000m	5.25%	Perp	20-Jul-21	Tier 2
13-Sept-16	USD 725m	4.375%	Perp	20-Oct-21	Tier 2

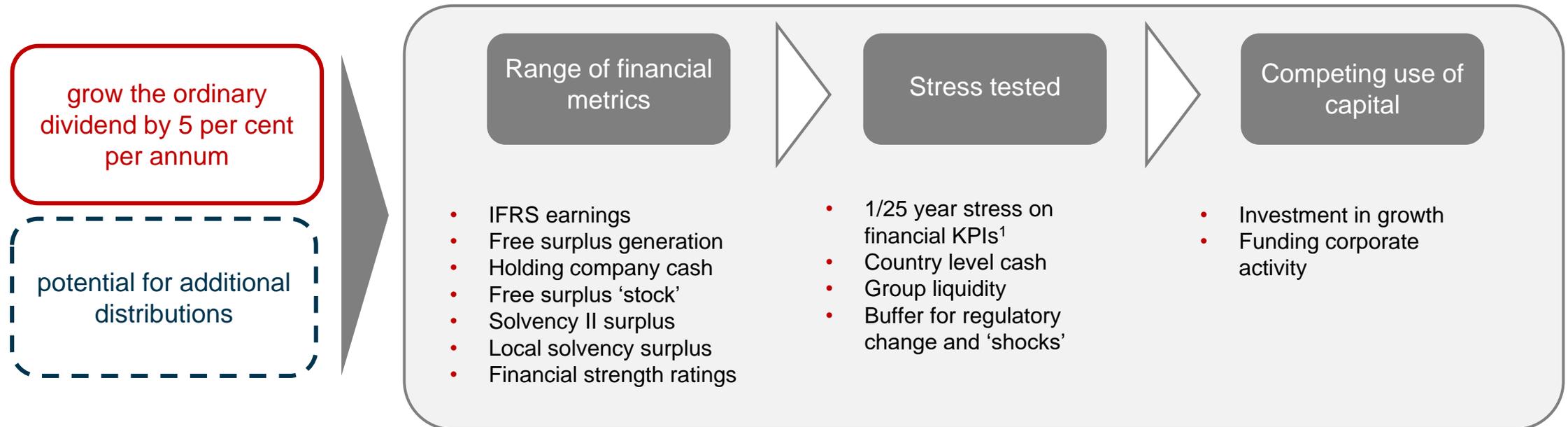
*Grandfathered under Solvency II transitional provisions.

Group

Dividend policy

The Board will maintain its focus on delivering a growing ordinary dividend. In line with this policy, Prudential aims to grow the ordinary dividend by 5 per cent per annum. The potential for additional distributions will continue to be determined after taking into account the Group's financial flexibility across a broad range of financial metrics and our assessment of opportunities to generate attractive returns by investing in specific areas of the business

Assessment of dividend affordability unchanged



¹ 1/25 year stress is equivalent to a Group-wide scenario with movements in all risks including a 29% to 50% fall in equity levels, a 0.4% to 2.8% fall in long-term interest rates and spreads widening by 150bps in A-rated credit and 230bps in BBB-rated credit.

Invested assets

Asset portfolio is high quality and well diversified

Breakdown of invested assets¹, HY17, £bn

	Total Group	PAR funds	Unit linked	Shareholders				Total
				Asia Life	US Life	UK Life	Other	
Debt	170.8	72.6	10.2	12.2	38.0	35.4	2.4	88.0
Equity	210.4	55.8	152.5	1.5	0.3	0.0	0.3	2.1
Property	15.2	13.0	0.6	0.0	0.0	1.6	0.0	1.6
Mortgage	10.5	2.6	0.0	0.2	6.0	1.7	0.0	7.9
Deposits	13.3	9.8	1.4	0.5	0.0	1.3	0.3	2.1
Other loans	6.6	2.2	0.0	0.4	3.5	0.0	0.5	4.4
Other	9.3	6.8	0.0	0.0	1.8	0.5	0.2	2.5
Total	436.1	162.8	164.7	14.8	49.6	40.5	3.7	108.6

Shareholder debt portfolio, HY17, £bn

	Portfolio £bn	No. issuers	Holding by issuer		HY % debt portfolio
			Av. £m	Max £m	
Sovereign debt	14.9	42	355	3,518	1.6%
Corporate debt					
Investment grade	70.4	1,788	39	467	n/a
High yield	2.7	263	10	128	3.1%
	73.1	2,051	36	467	n/a
Oil and gas	3.4	141	24	226	0.5%
Mining	0.7	36	21	104	0.1%
Banks	5.8	195	30	365	0.2%

- Total Group assets of £436.1bn; shareholder exposure of £108.6bn
- Conservative asset mix: ~97% credit portfolio is rated investment grade or sovereign
- No default losses in the US and UK, and minimal impairments across all credit portfolios
- Additional cash and equivalents of £9.9bn, of which shareholder exposure is £4.9bn

¹ Excludes £1.3 billion of investments in joint ventures and associates accounted for using the equity method.

Invested assets

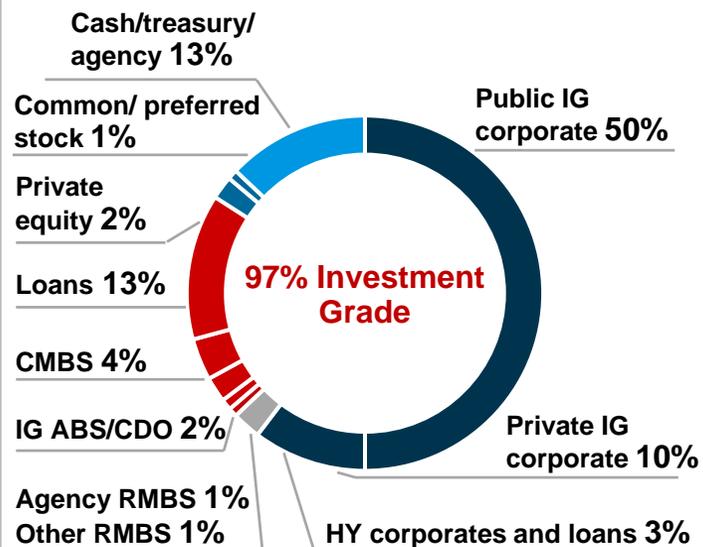
Conservative approach to balance sheet risk

Group shareholder credit portfolio 30 June 2017, £88bn



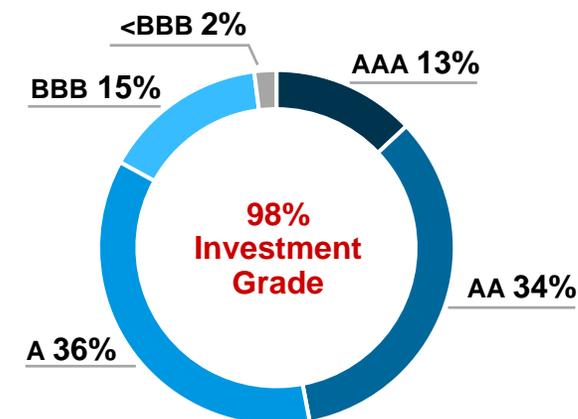
- Conservative asset mix
- No default losses in the US or UK credit portfolios
- Additional cash and equivalents of £4.9bn

Jackson shareholder portfolio¹ 30 June 2017, \$58bn



- Corporate Debt Portfolio²
- 1,064 issuers
 - Average holding £27.7m

UK shareholder credit portfolio² 30 June 2017, £35bn



Strength of the £1.7bn credit reserve

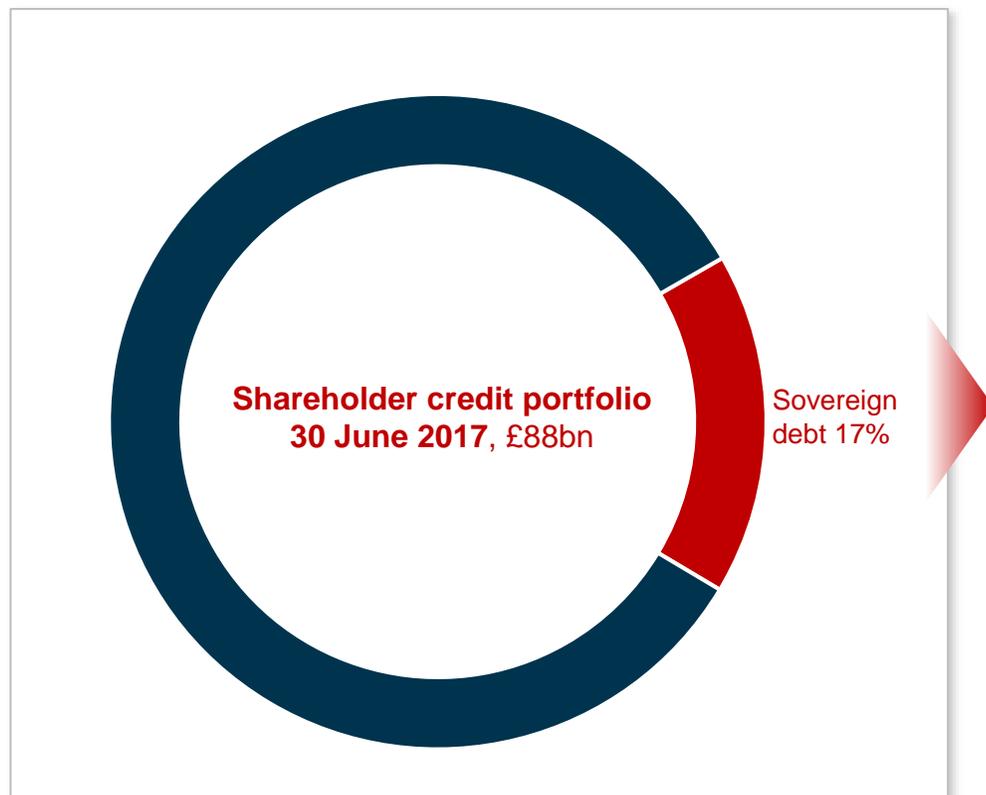
- No defaults of shareholder-backed debt securities
- Allowance for credit risk as at 30 June 2017 of 43 bps (IFRS) in line with prior year³

- Corporate Debt Portfolio
- 529 issuers
 - Average holding £47.8m

¹ Based on Statutory accounting book value
² Based on IFRS accounting market value
³ For UK shareholder-backed business

Invested assets

Group shareholder exposures – sovereign debt



Breakdown of the shareholder credit portfolio, £m

SH sovereign exposures by region & rating¹, £m

	US	UK	Europe	Asia	Other	Total
AAA	-	-	649	148	8	805
AA-BBB	4,959	4,904	195	2,500	70	12,628
Below BBB	-	-	-	1,448	-	1,448
Total	4,959	4,904	844	4,096	78	14,881

Europe by key country, £m

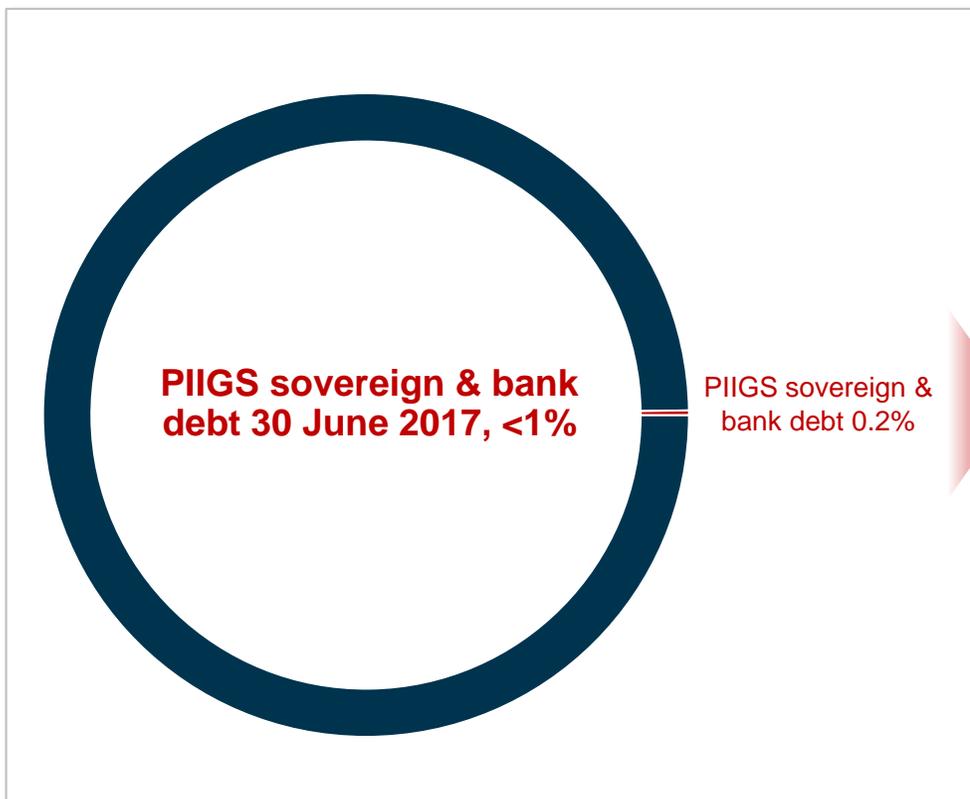
	Germany	France	“PIIGS”	Other	Total
Europe	649	23	90	82	844

	Portugal	Italy	Ireland	Greece	Spain	Total
PIIGS	-	57	-	-	33	90

¹ includes Credit Default Swaps

Invested assets

Total PIIGS sovereign and bank debt



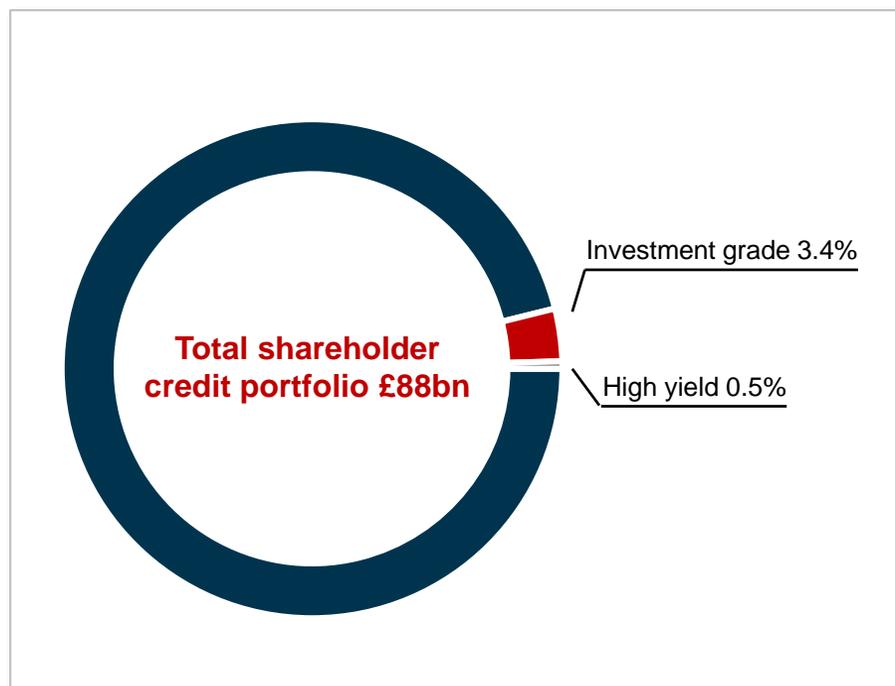
Shareholder invested assets – PIIGS countries as at 30 June 2017, £m

	Sovereign	Institution	Bank debt				Total
			Covered	Senior	Tier II	Tier I	
Portugal	-	Banco Espirito Santo	-	22	-	-	22
Ireland	-	-	-	-	-	-	-
Italy	57	Intesa SanPaolo	-	32	-	-	89
Greece	-	-	-	-	-	-	-
Spain	33	Santander	43	16	-	-	92
Total	90		43	70	-	-	203

Invested assets

Group shareholder exposures – oil and gas sector

Shareholder Oil and Gas credit portfolio £m, 30 June 2017, 3.9%

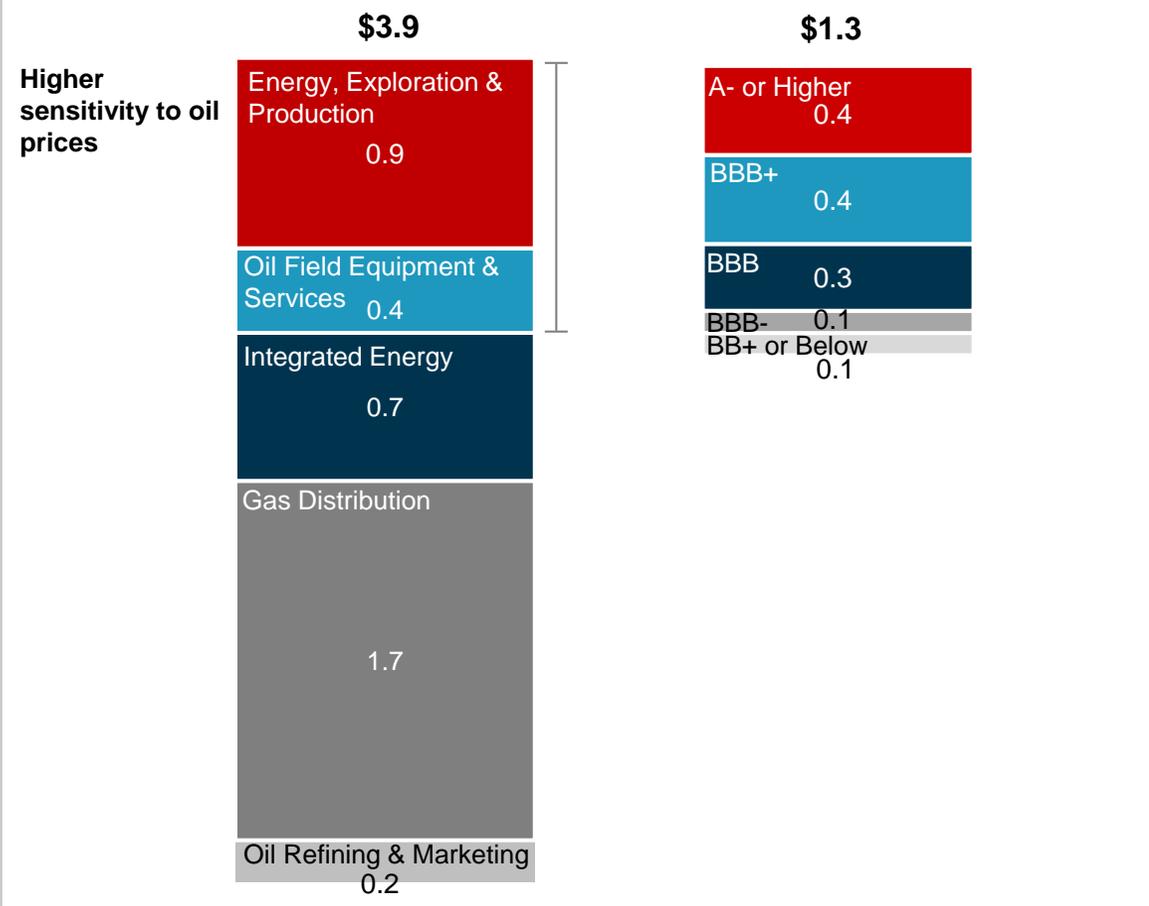


	Exploration & Production	Integrated Oils	Refining & Marketing	Oil & gas Services	Pipeline / Mid-stream	Total (£m)
Investment grade	563	921	278	434	802	2,998
High yield	146	4	4	15	254	423
Total	709	925	282	449	1,056	3,421

Invested assets

US asset quality – energy exposure

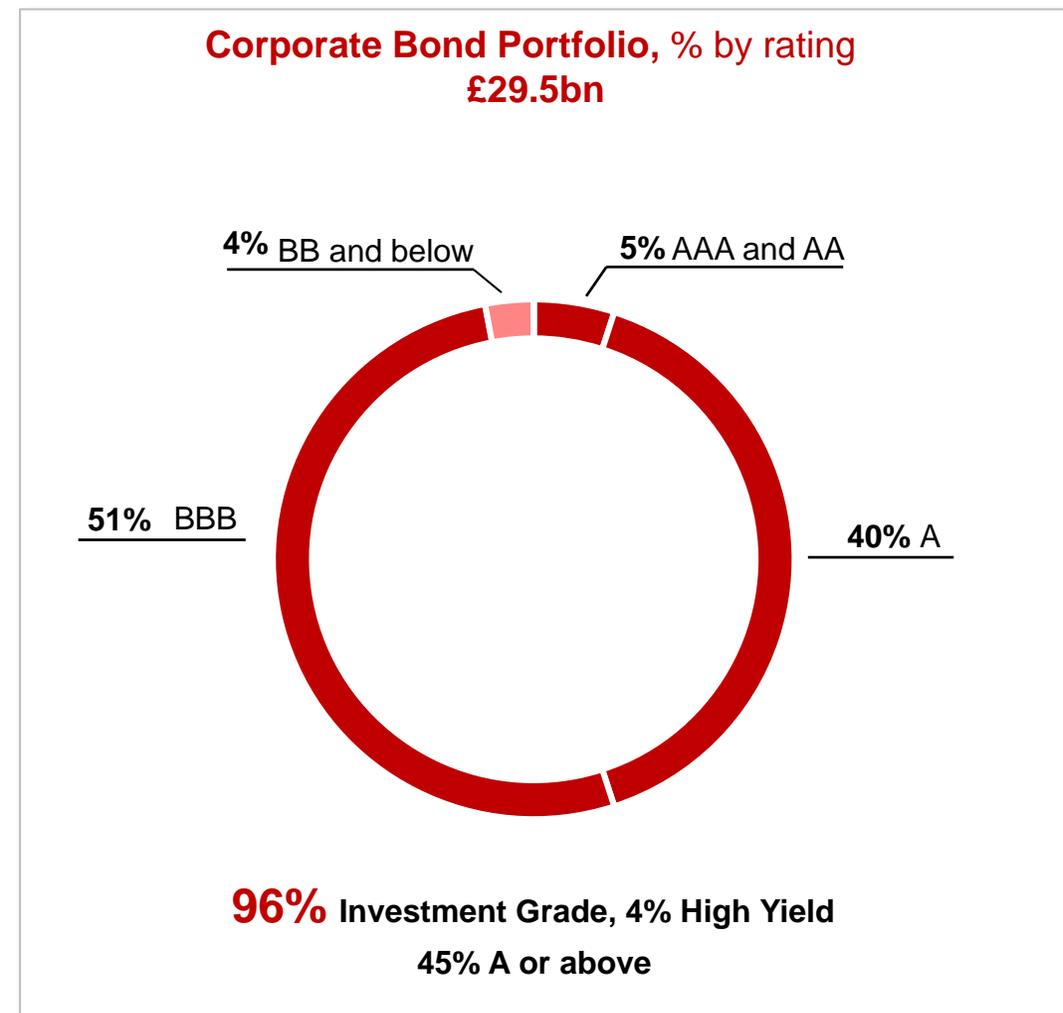
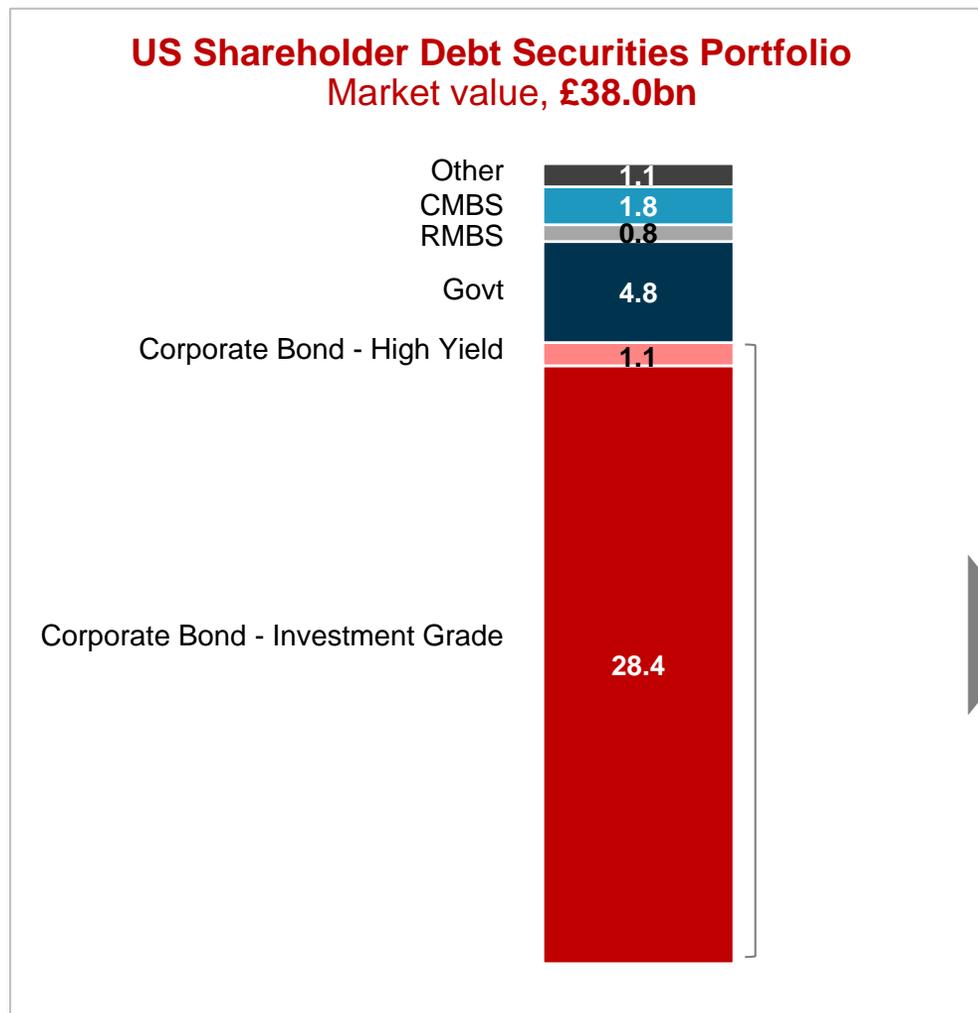
Energy Portfolio by Sub-Sector – Total IFRS Book Value, in billions 30 June 2017



- ▶ Total energy exposure at 30 June, \$3.9bn
 - ▶ Energy exposure is 8% of the fixed maturity portfolio
 - ▶ Average market price was 104.8
 - ▶ Unrealized gain was \$134m
- ▶ The E&P and Oil Field Equipment and Services sub-sectors are the most sensitive to oil prices
 - ▶ Average market price was 104.1
 - ▶ Unrealized gain was \$39m

Invested assets

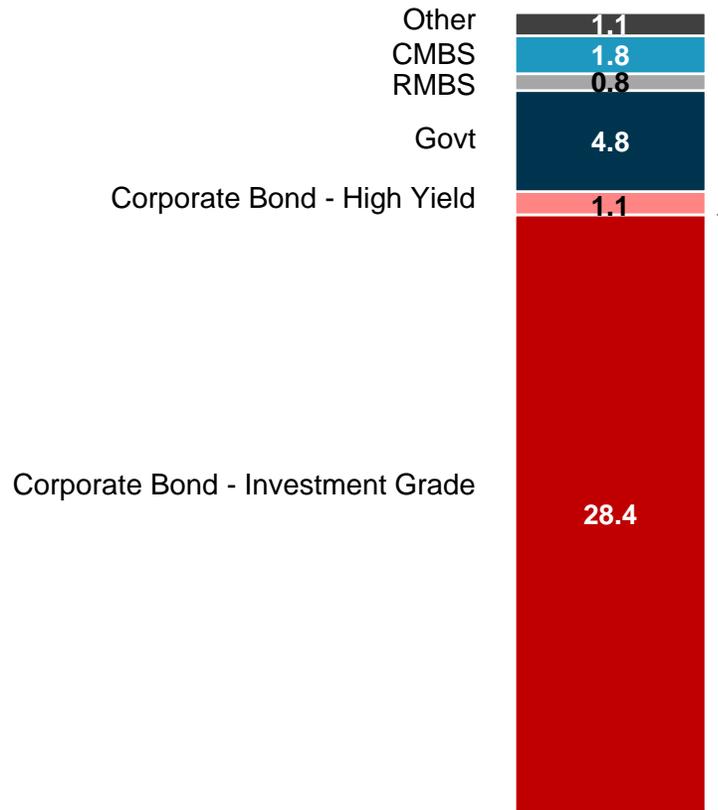
US asset quality – shareholder debt portfolio (1/3)



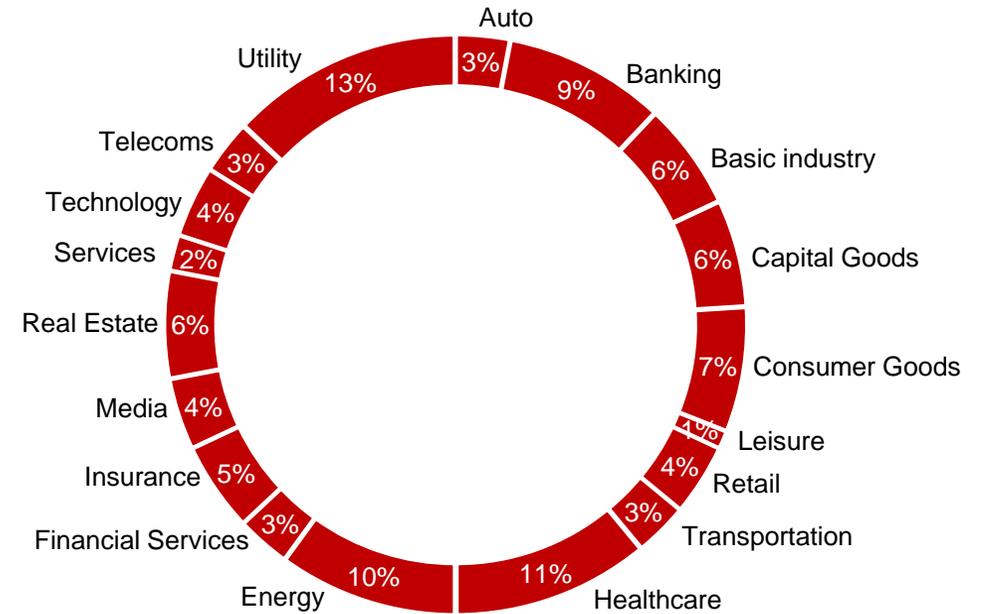
Invested assets

US asset quality – shareholder debt portfolio (2/3)

US Shareholder Debt Securities Portfolio
Market value, £38.0bn

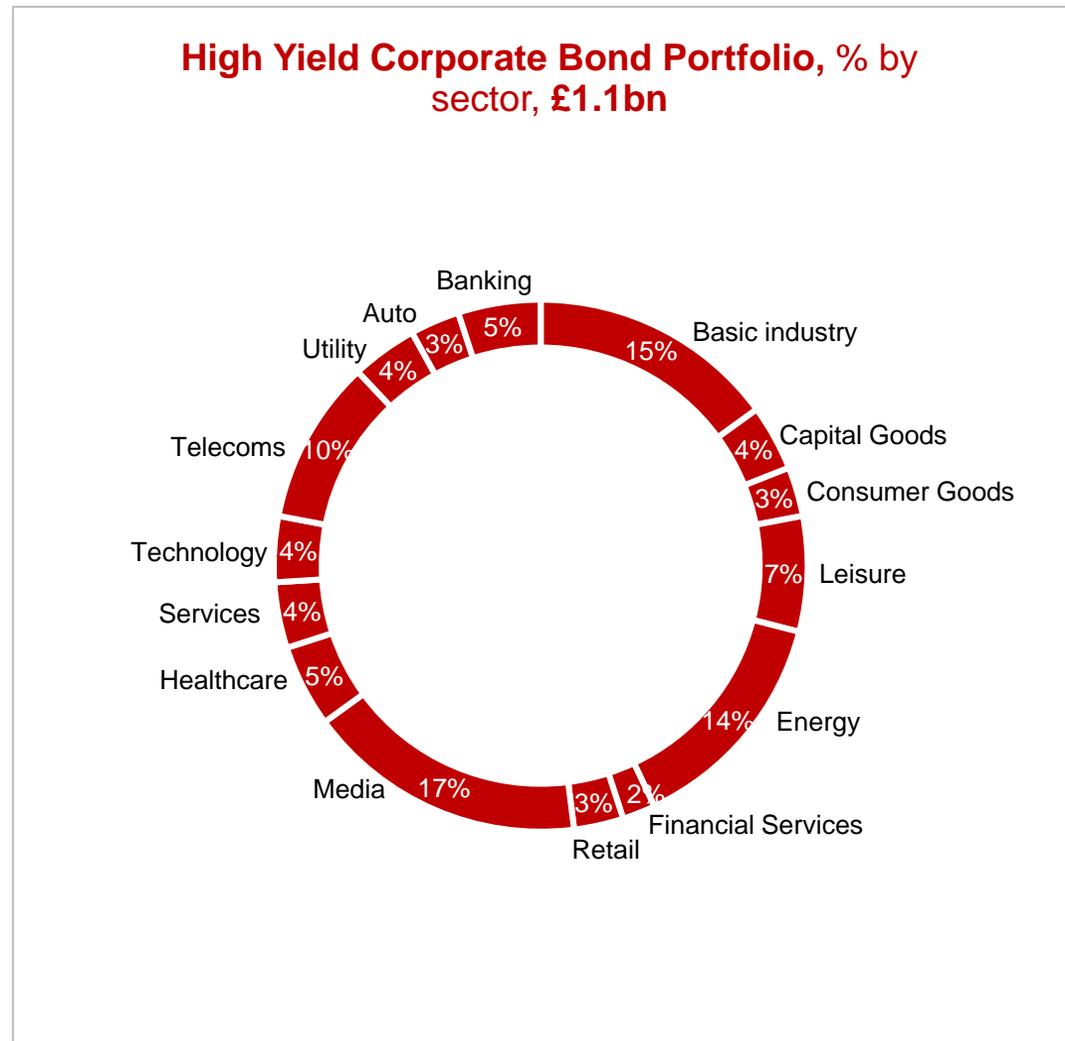
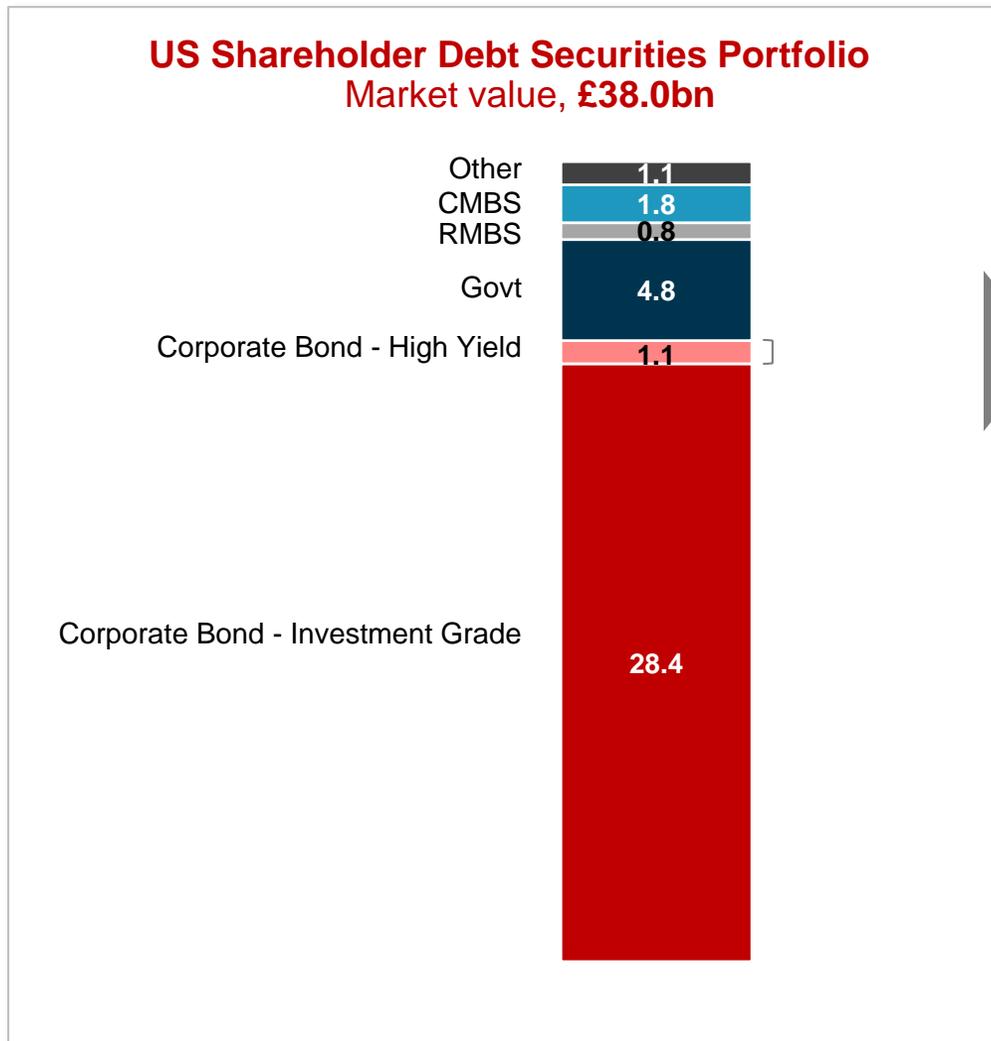


Investment Grade Corporate Bond Portfolio,
% by sector £28.4bn



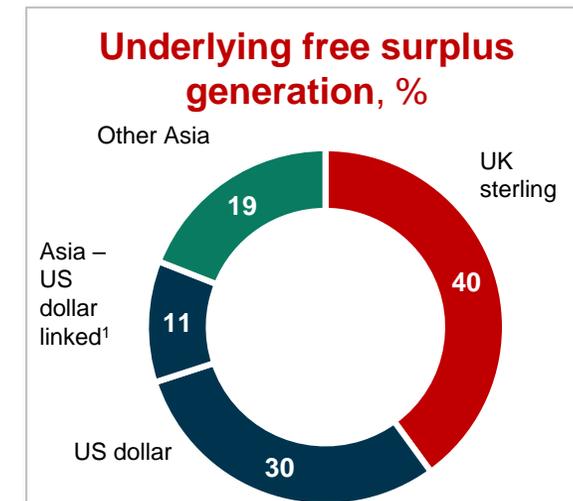
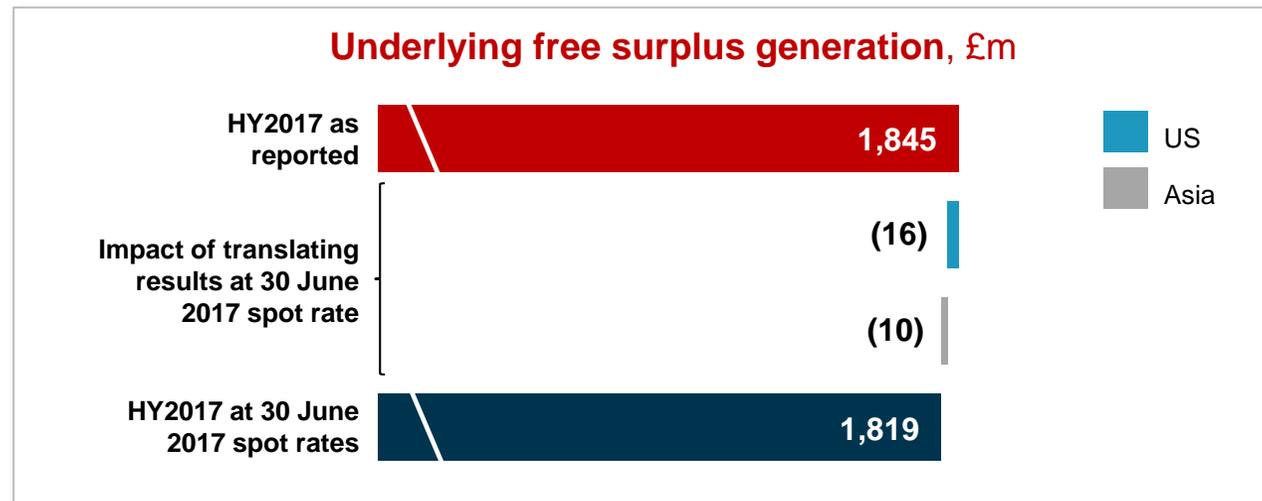
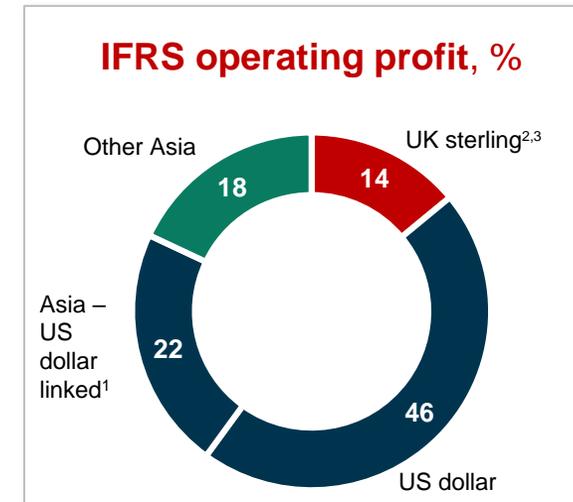
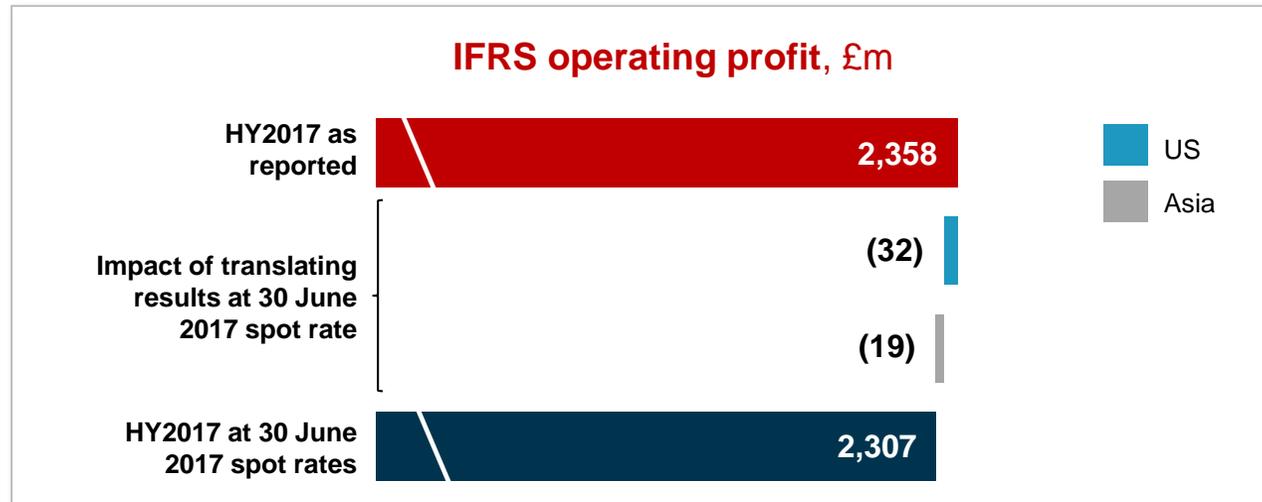
Invested assets

US asset quality – shareholder debt portfolio (3/3)



Currency mix

Currency translation sensitivities



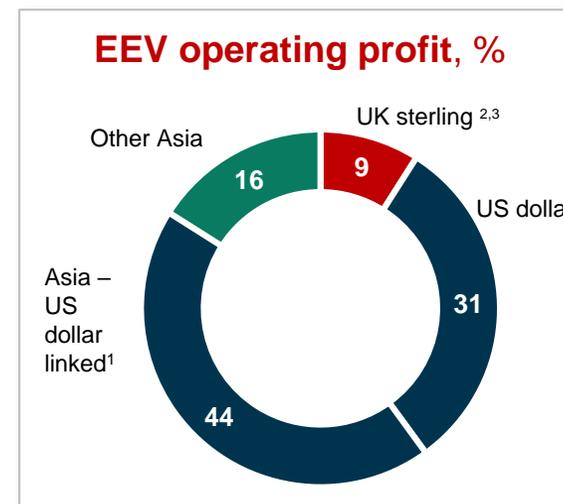
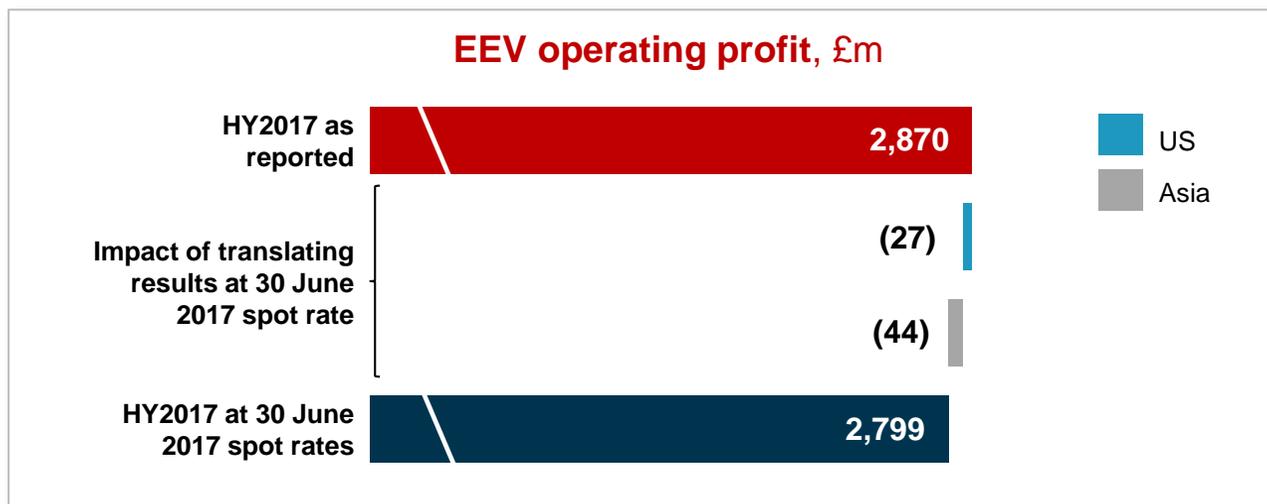
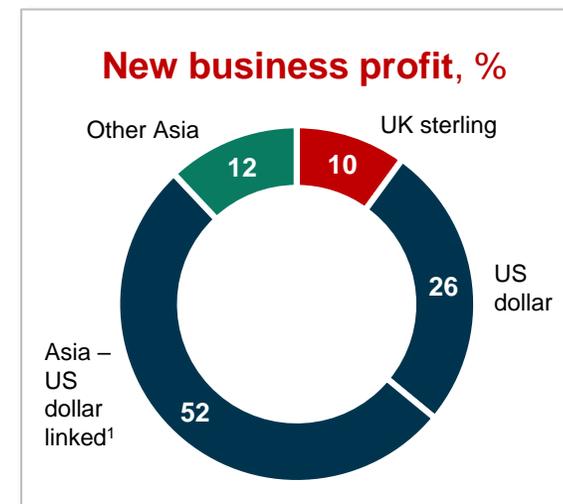
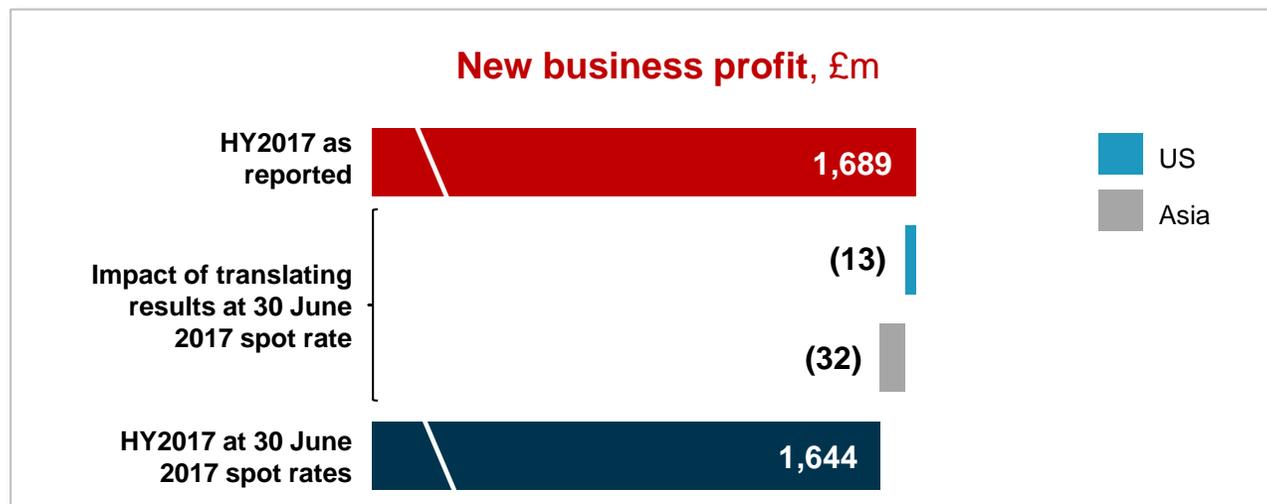
¹ USD linked includes Hong Kong and Vietnam where currencies are pegged to the USD, and Malaysia and Singapore where currencies are managed against a basket of currencies including the USD

² UK sterling includes amounts in respect of UK insurance operations, M&G and central operations. Operating profit for central operations includes amounts for corporate expenditure for Group Head Office as well as Asia Regional Head Office which is incurred in HK dollars

³ Sterling operating profits include all interest payable as sterling denominated, reflecting interest rate currency swaps in place

Currency mix

Currency translation sensitivities



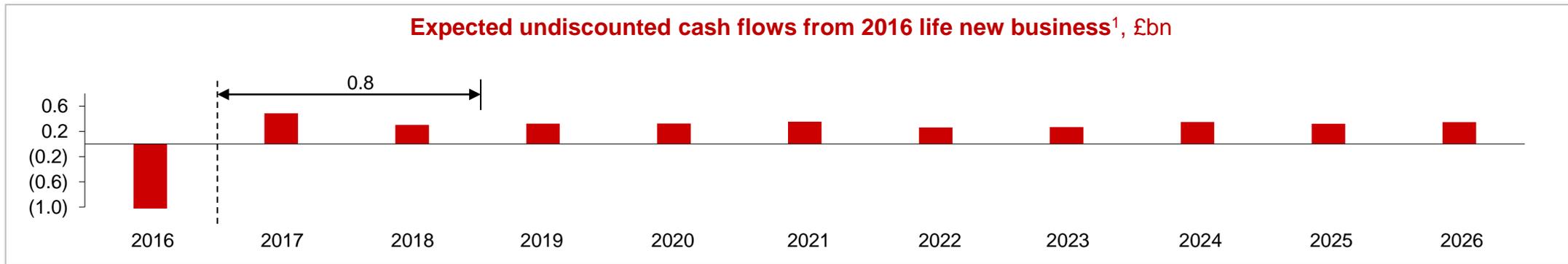
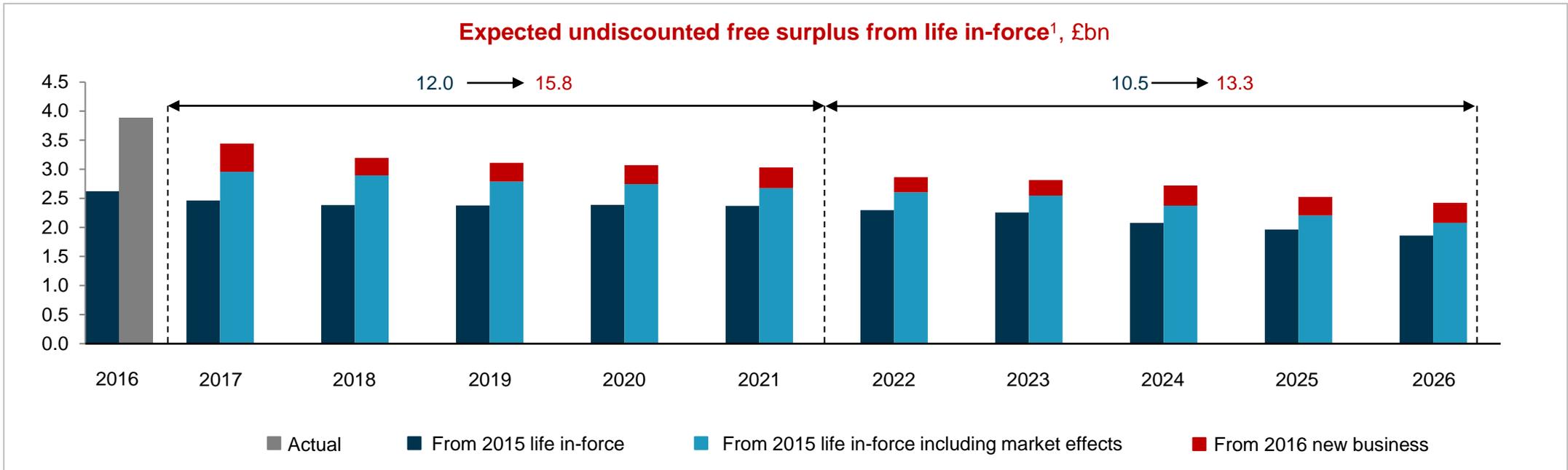
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Future free surplus emergence

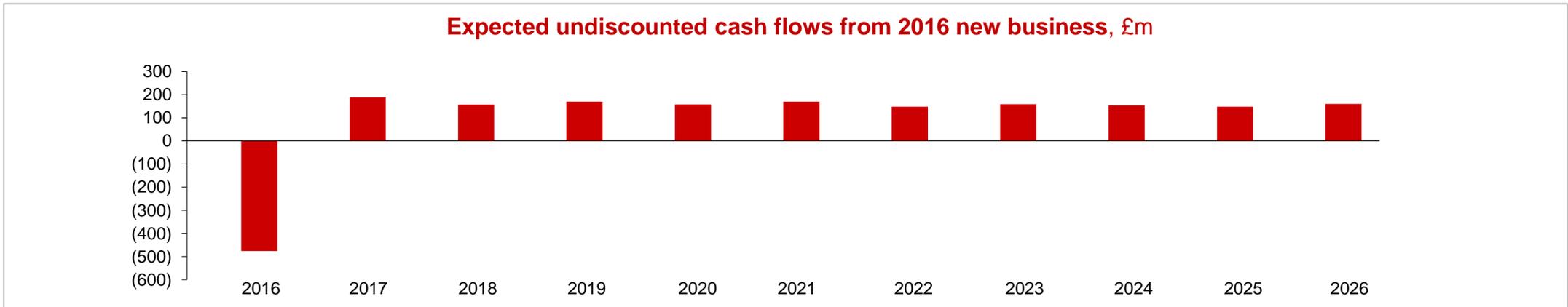
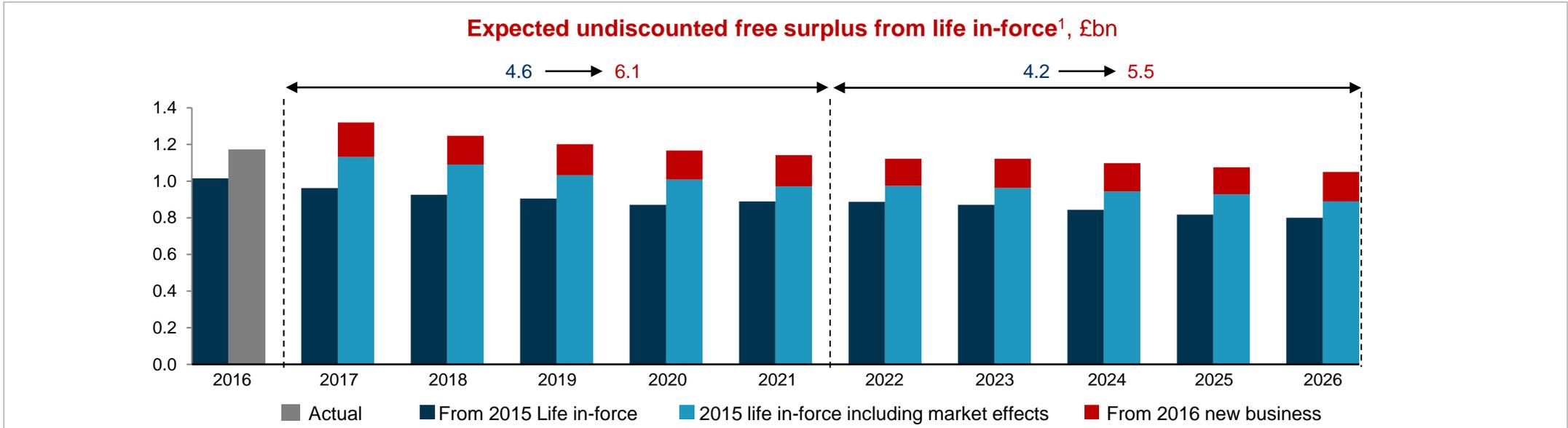
Group



¹ For life business, represents the undiscounted expected transfer of value of in-force business and required capital to free surplus as at FY16

Future free surplus emergence

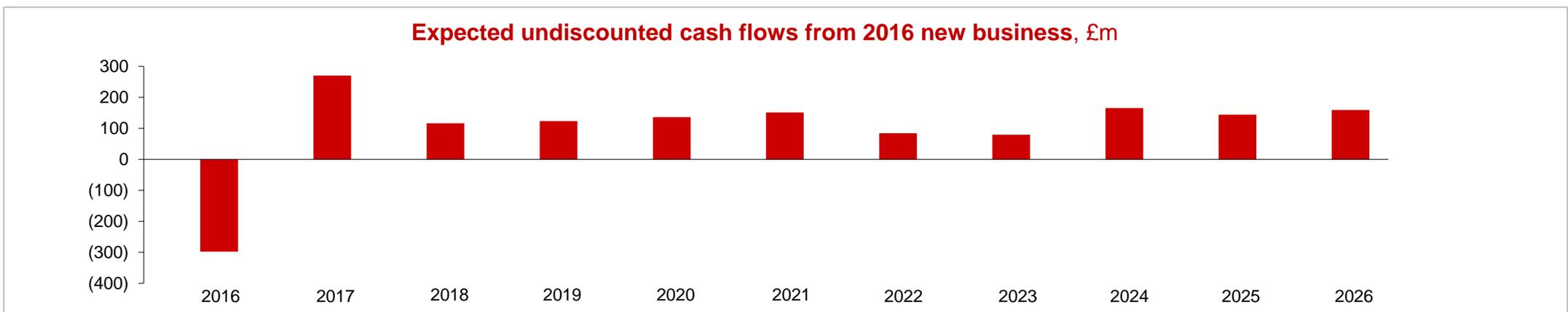
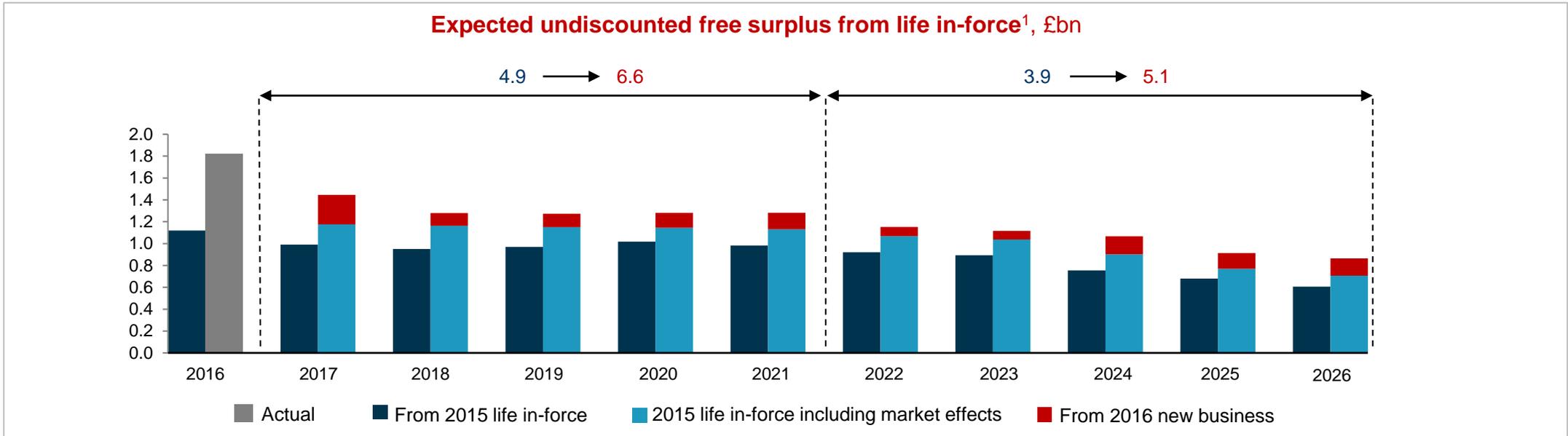
Asia



¹ For life business, represents the undiscounted expected transfer of value of in-force business and required capital to free surplus as at FY16

Future free surplus emergence

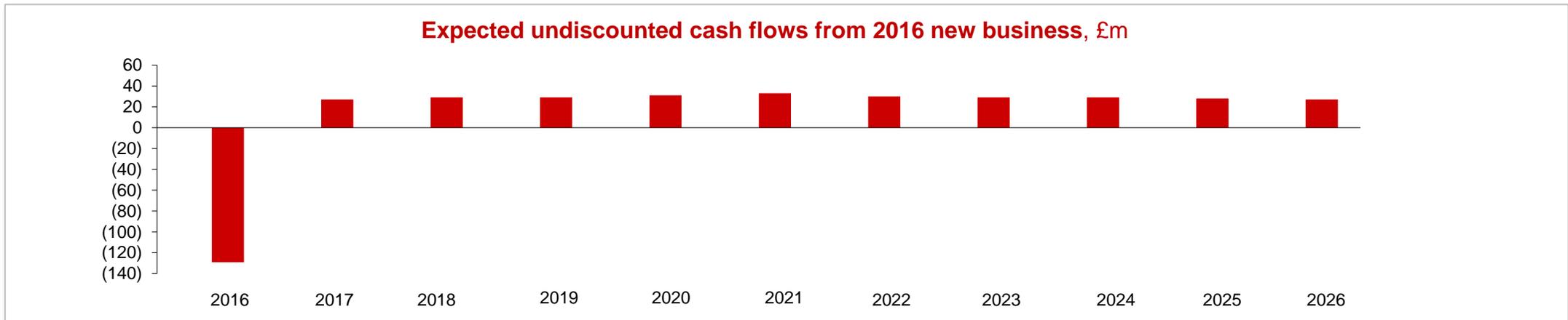
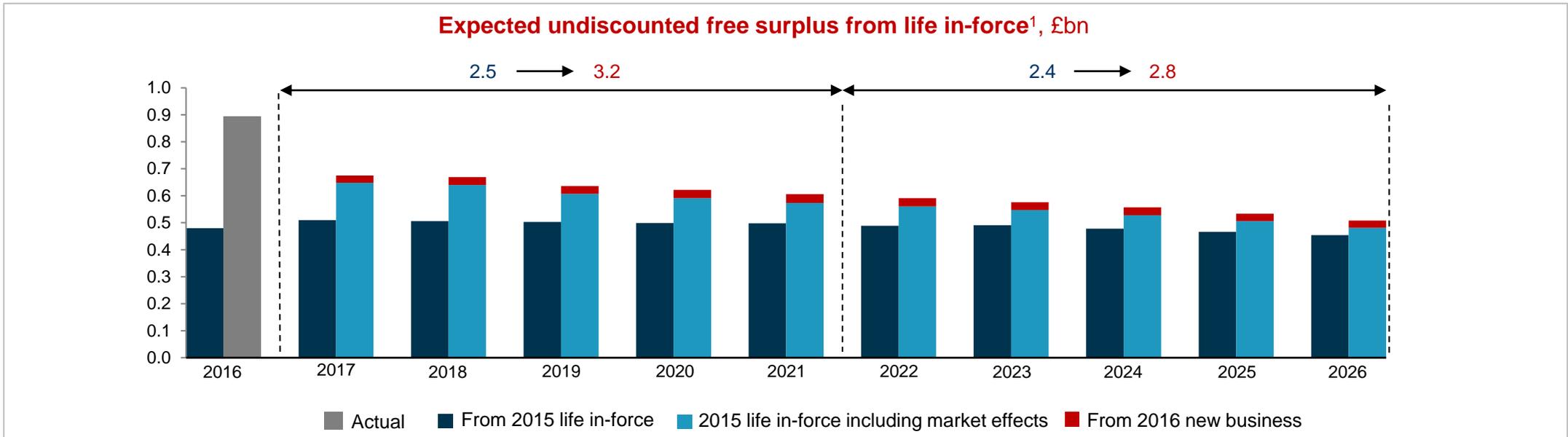
US



¹ For life business, represents the undiscounted expected transfer of value of in-force business and required capital to free surplus as at FY16

Future free surplus emergence

UK



¹ For life business, represents the undiscounted expected transfer of value of in-force business and required capital to free surplus as at FY16

Prudential

Our History

Successive generations have looked to Prudential to safeguard their financial security – from industrial workers and their families in Victorian Britain to around 25 million insurance customers worldwide today. Our financial strength, heritage, prudence and relentless focus on our customers' long-term needs ensure that people continue to turn to our trusted brands to help them plan for today and tomorrow.

- 1848**
Prudential Mutual Assurance Investment and Loan Association is established in London, offering loans and life assurance.
- 1923**
Prudential's first overseas life branch is established in India.
- 1924**
Prudential shares are floated on the London Stock Exchange.
- 1931**
Singapore life insurance business is established.
- 1964**
Prudential establishes a Hong Kong office.
- 1986**
Prudential acquires Jackson, established in 1961, in the United States.
- 1994**
Prudential Corporation Asia is formed in Hong Kong as a regional head office to expand operations throughout Asia.
- 1995**
Prudential enters Indonesia's life insurance market.
- 1997**
Prudential acquires Scottish Amicable Life, founded in 1826.
- 1997**
Prudential enters long-term bancassurance alliance with Standard Chartered Bank in Asia.
- 1999**
Prudential acquires M&G, founded in 1901.
- 2000**
Prudential becomes the first UK life insurer to enter the China market.
- 2010**
Prudential enters into a long-term bancassurance partnership with United Overseas Bank Limited (UOB).
- 2014**
Prudential agrees a new 15-year agreement with Standard Chartered Bank covering 11 markets. Prudential enters the life insurance markets in Kenya and Ghana.
- 2015**
Prudential entered its third African insurance market, with the acquisition of Ugandan company Goldstar Life Assurance
- 2016**
Prudential begins operations in Laos and Zambia, its fifteenth market in Asia and fourth new market in Africa respectively.
- 2017**
Prudential enters Nigeria.

Prudential

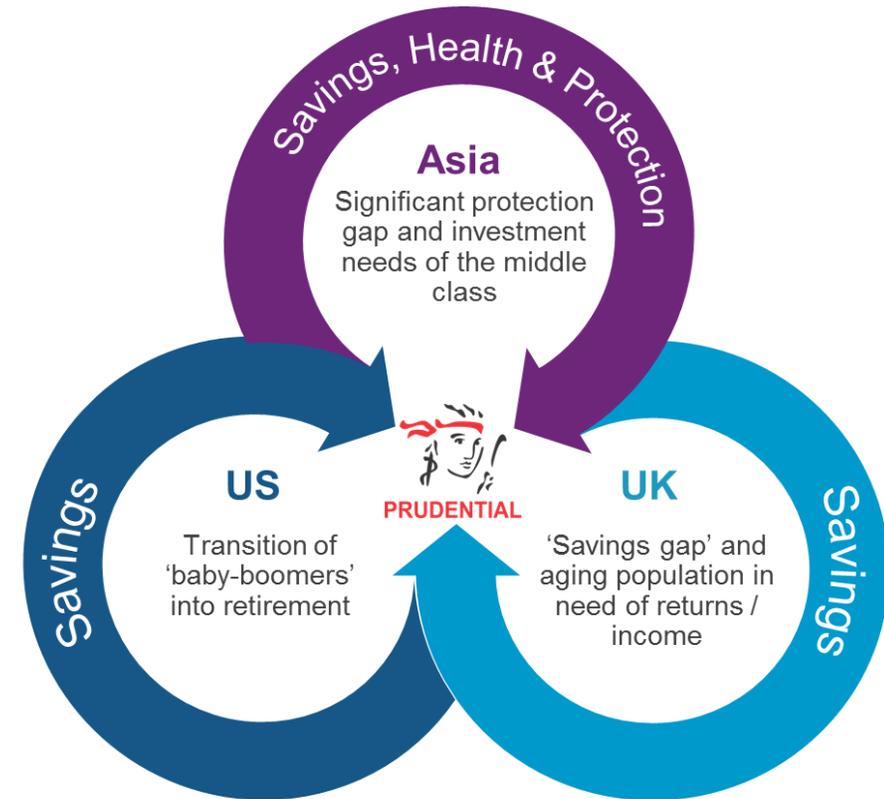
Our strategy at a glance

We meet the long-term savings and protection needs of an increasingly self-reliant population. We focus on three markets – Asia, the US and the UK – where the need for our products is strong and growing and we use our capabilities, footprint and scale to meet that need.

We aim to capture three long-term opportunities across our key geographical markets:

- serving the protection and investment needs of the growing middle class in Asia;
- providing asset accumulation and retirement income products to US baby boomers; and
- meeting the savings and retirement needs of an ageing British population

Together with capturing the scale and diversification benefits of our global presence, we aim to generate attractive returns, enabling us to provide financial security to our customers, invest in growth opportunities and meet our customers' high expectations.



Prudential Strategy

Prudential Corporation Asia

Prudential Corporation Asia has leading insurance and asset management operations across 14 Asian markets and serves the families of the region's high potential economies. We have been operating in Asia for over 90 years and have built high-performing businesses with multichannel distribution, a product portfolio centred on regular savings and protection, award-winning customer services and a widely recognised brand.

Eastspring Investments is a leading asset manager in Asia and provides investment solutions across a broad range of asset classes.

Leading pan-regional franchise **94%+** of APE sales are regular premium

Total funds under management **£131bn**

Prudential UK & Europe

Prudential is a leading provider of savings and retirement income products in the UK. Our particular strength lies in investments that help customers meet their long-term goals, while also protecting them against short-term market fluctuations. We provide long-term savings solutions for UK customers, meeting people's needs through our core strengths in with-profits and retirement, underpinned by our expertise in areas such as longevity, risk management and multi-asset investment.

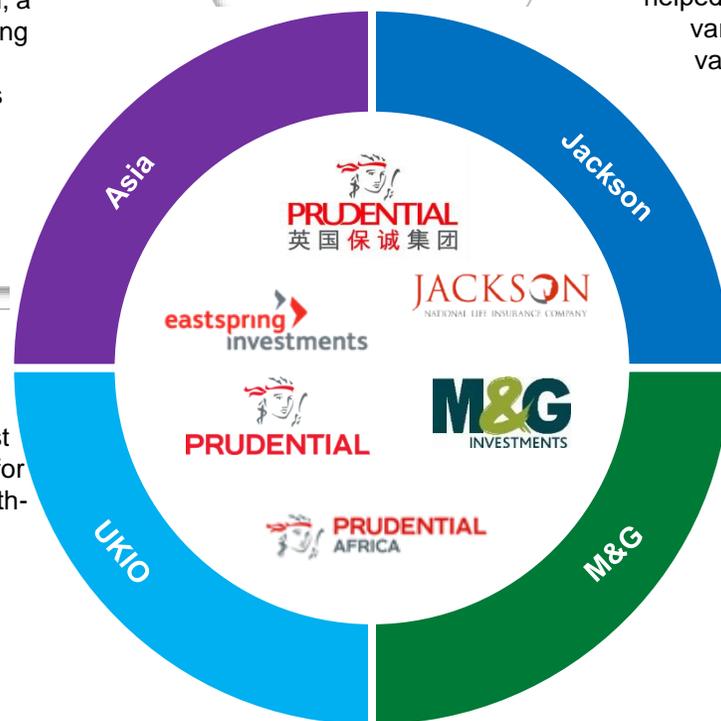
Well recognised brand with strong track record

£126bn invested assets in with-profits funds²

PruFund investment performance growth **+62%** since 2007 (vs +42% in ABI sector comparative)¹

Africa

We entered into Africa in 2014 to offer products to new customers in one of the fastest growing region in the world. We aim to provide products that meet their needs towards saving future expenses such as education for their children and de-risk their financial lives.



Jackson

Jackson provides retirement savings and income strategies aimed at the large number of people approaching retirement in the United States. Jackson's pursuit of excellence in product innovation and distinctive distribution capabilities has helped us forge a solid reputation for meeting the needs of customers. Jackson's variable annuities offer a distinctive retirement solution designed to provide a variety of investment choices to help customers pursue their financial goals.

Premier retirement income player

premium growth since 1995 **8x**

\$162bn of separate account assets, 3x since 2010.

M&G

M&G Investments is an international asset manager with more than 85 years' experience of investing on behalf of individuals and institutions. Our goal is to help our customers prosper by securing long-term returns from their savings. For individual investors, we offer funds across diverse geographies, asset classes and investment strategies aimed at growing their long-term savings or producing regular income. For institutional investors, we offer investment strategies to meet their clients' long-term needs for capital growth or income.

Long-term and conviction-led approach

15 locations across Europe and Asia

External funds under management **£149bn**

Group

Corporate responsibility

Our approach

We create social value through our day-to-day operations, by providing savings, income, investment and protection products and services, to help customers manage uncertainty and build a more secure future. Furthermore we provide the long-term capital that finance businesses, builds infrastructure and fosters economic and social development.

Serving our customers

We aim to provide fair and transparent products that meet our customers' needs.

Valuing our people

We aspire to retain and develop highly engaged employees.

Supporting local communities

We seek to make a positive contribution to our communities through long-term partnerships with charitable organisations that make a real difference.

Protecting the environment

We take responsibility for the environment in which we operate.



£20 million¹

total community investment

83,284 hours¹

volunteered by employees across the Prudential Group

£460,167¹

donated by employees through payroll giving across the Group

¹ Data as disclosed at Full Year 2016

Prudential

Share information and contact details

Share information

London Stock Exchange:	PRU.L
Hong Kong Stock Exchange:	2378
New York Stock Exchange – American Depositary Receipt (ADR)	PUK.N
Singapore Stock Exchange:	K65
Number of issued ordinary shares of five pence each fully paid-up at 30 June 2017	2,585,853,418

Trading information

Country Code	GB
Country of Register	Great Britain (UK)
ISIN	GB0007099541
SEDOL	0709954
Segment	SET1
Normal market size	150000
Sub-sector	Life Assurance

Contact information

Shareholder enquiries

For enquiries about shareholdings, including dividends and lost share certificates, please contact the Company Registrars:

By post

Equiniti Limited, Aspect House
Spencer Road, Lancing
West Sussex BN99 6DA

By telephone

Tel 0871 384 2035
Fax 0871 384 2100
Textel 0871 384 2255
(for hard of hearing)

Prudential plc

Laurence Pountney Hill
London EC4R 0HH
Tel +44 (0)20 7220 7588

Institutional Analyst and Investor enquiries

Tel +44 (0)20 7548 3300
E-mail investor.relations@prudential.co.uk

Media enquiries

Tel +44 (0)20 7548 3559
E-mail media.relations@prudential.co.uk

UK Register Private Shareholder enquiries

Tel 0871 384 2035
International shareholders
Tel +44 (0) 121 415 7026

Irish Branch Register Private Shareholder enquiries

Tel +353 1 553 0050

Hong Kong Branch Register Private Shareholder enquiries

Tel +852 2862 8555

US American Depositary Receipts Holder enquiries

Tel +1 651 453 2128

The Central Depository (Pte) Limited Shareholder enquiries

Tel +65 6535 7511

Glossary

A to I

Term	Description
Actual Exchange Rate (AER)	Actual Exchange Rates are actual historical exchange rates for the specific accounting period. Period average rate is used for the income statement and the closing rates for the balance sheet.
Annual Premium Equivalent (APE)	A common measure of new business sales in the life insurance industry. It is calculated as annualised new recurring premiums plus 10% of single premiums. It gives a broadly comparable measure across companies to allow for differences between regular and single-premium business.
Back book of business	The insurance policies sold in past periods that are still in force, and hence are still recorded on the insurer's balance sheet.
Bonuses	Bonuses refer to the non-guaranteed benefit added to participating life insurance policies and are the way in which policyholders receive their share of the profits of the policies. There are normally two types of bonus; 1) Regular bonus – expected to be added every year during the term of the policy. It is not guaranteed that a regular bonus will be added each year, but once it is added, it cannot be reversed, also known as annual or reversionary bonus; and 2) Final bonus – an additional bonus expected to be paid when policyholders take money from the policies. If investment return has been low over the lifetime of the policy, a final bonus may not be paid. Final bonuses may vary and are not guaranteed.
Constant Exchange Rate (CER)	Prior period Actual Exchange Rate figures restated to remove foreign exchange fluctuation.
Deferred annuities	Annuities or pensions due to be paid from a future date or when the policyholder reaches a specified age.
Deferred Acquisition Costs (DAC)	Expenses of an insurance company which are incurred in connection with the acquisition of new insurance policies or the renewal of existing policies. These typically include commissions paid and the cost of processing proposals.
Free surplus	The market value of assets in the covered business less statutory liabilities less required capital. Effectively these are the free assets available having provided for policyholder liabilities and the required capital to support them
General Account (US)	Excludes separate accounts, i.e. it excludes unit-linked business where investment risk is transferred to policyholders.
Guaranteed Minimum Death Benefit (GMDB)	The basis death benefit offered under VA contracts, which specifies that if the owner dies before annuity income payment begins, the beneficiary will receive a payment equal to the greater of the contract value or purchase payments less withdrawals.
Guaranteed Minimum Withdrawal Benefit (GMWB)	A guarantee in a VA that promises that the owner may make annual withdrawals of a defined amount for the life of the owner or until the total guaranteed amount is recovered, regardless of market performance or the actual account balance.
Guaranteed Investment Contracts (GIC)	Investment contracts between an insurance company and an institutional investor, which provide a stated rate of return on deposits over a specified period of time. They typically provide for partial or total withdrawals at book value if needed for certain liquidity needs of the plan.
In-force	An insurance policy or contract reflected on records that has not expired, matured or otherwise been surrendered or terminated.
Inherited estate	For life insurance proprietary companies, surplus capital available on top of what is necessary to cover policyholders' reasonable expectations. An inherited (orphan) estate is effectively surplus capital on a realistic basis built over time, and not allocated to policyholders or shareholders.

Glossary

J to Z

Term	Description
New business margin	The value of new business on an EEV basis expressed as a percentage of the present value of new business premiums expected to be received from the new business.
New business profit (NBP)	The profits, calculated in accordance with European Embedded Value Principles, from business sold in the financial reporting period under consideration.
New business strain (NBS)	Arises when the early years' premiums under a contract, less the initial expenses, are not sufficient to cover the provision and the required solvency margin that the company needs to set up.
Non – Participating (Non – Par)	A policy where the policyholder is not entitled to a share of the company's profits and surplus. No bonus is paid to the policyholders. Examples of non-participating products include pure risk policies like term insurance or health insurance and unit-linked insurance contracts.
Net worth	Net assets for EEV reporting purposes that reflect the regulatory basis position, sometimes with adjustments to achieve consistency with the IFRS treatment of certain items.
Participating (Par) / With-profits	A life insurance policy where the policyholder participates in the profits of the company which is paid out as bonus to the policyholder. These policies hence have a higher premium compared to non-participating policies. In a particular period if the company does not perform well, the vested bonuses to the policyholders get directly affected.
Reported Exchange Rate (RER)	Actual historical exchange rates for the specific accounting period, being the average rates over the period for the income statement and the closing rates for the balance sheet at the balance sheet date.
Required Capital (RC)	The value of assets attributed to the covered business over and above that required to back liabilities, determined as higher of local solvency, capital requirement from internal risk capital and additional capital required by market standards.
Risk Based Capital (RBC)	An amount of capital based on assessment of risks that the company should hold to protect customers against adverse developments. RBC is usually expressed as a risk – based capital ratio.
Separate Account (US)	Segregated accounting and reporting account held by an insurance company not in or "separate" from its general account. A separate account allows an investor to choose an investment category according to his individual risk tolerance, and desire for performance.
Short – Term Fluctuations (STF)	Reflects the deviation between actual investment returns and expected investment returns over the period. Even though STF are conceptually similar to the operating experience variance, they are reported separately as they are caused by changes in economic conditions which are outside the control of management.
Sources of Earnings (SOE)	Exhibit is an alternative presentation of an income statement with a focus on identifying and quantifying the various sources of IFRS income of a life insurance company.
Takaful products	Insurance products that are compliant with Islamic principles.
Variable Annuity (VA)	Annuity contract whose value fluctuates based on performance of an underlying investment portfolio of funds; benefit payouts will vary based on account value of the contract.
Unallocated surplus	Recorded wholly as a liability and represents the excess of assets over policyholder liabilities for Prudential's with-profit funds. The balance retained in the unallocated surplus represents cumulative income arising on the with-profits business that has not been allocated to policyholders or shareholders.