Prudential plc

September 2018

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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.

Prudential plc

Prudential
Group history

Providing financial security since	**1848**	**Life insurance customers worldwide**	**26m**	**Total funds under management**	**£664bn**

2014 – Prudential enters its first **African** life insurance market

2000 – The first UK life insurer to enter the **China** market

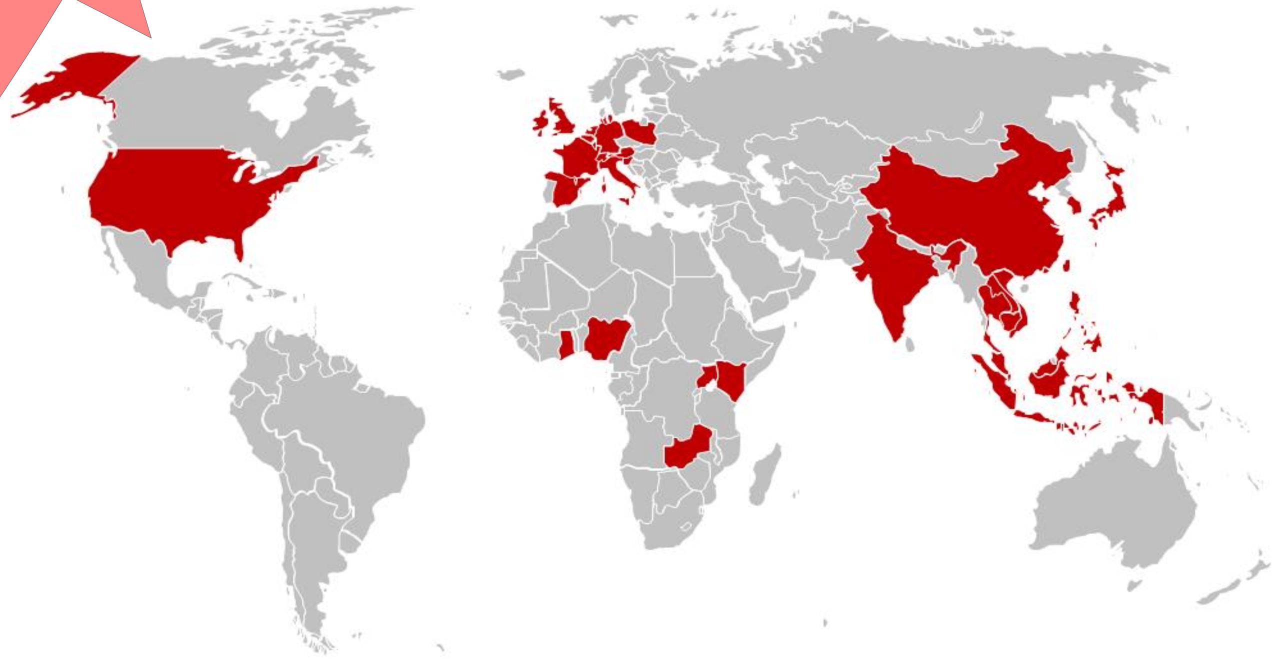
1999 – Prudential acquires **M&G**, founded in 1931

1994 – **PCA** is formed in Hong Kong as a regional head office

1986 – Prudential acquires **Jackson** established in 1961, in the US

1923 – Prudential's first overseas life branch is established in **India**

Established **1848**



Group HY18 results
Key financial highlights

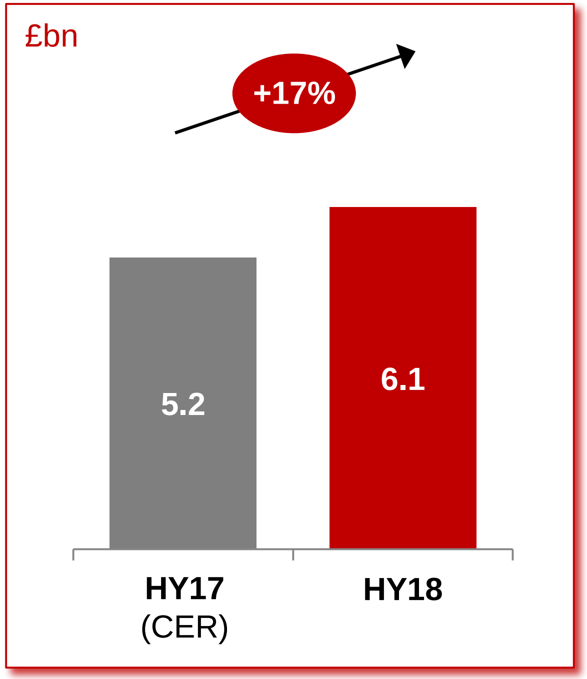
	£m	HY17	HY18	HY18 vs HY17 AER[1]	HY18 vs HY17 CER[1]
Growth	IFRS operating profit	2,358	2,405	+2%	+9%
	New business profit	1,689	1,767	+5%	+13%
	EEV operating profit	2,870	3,443	+20%	+29%
Cash	Free surplus generation	1,840	1,863	+1%	+6%
	Remittances	1,230	1,111	(10)%	n/a
	First interim ordinary dividend per share (pence)	14.50	15.67	+8%	n/a

		FY17	HY18	HY18 vs FY17	
Capital	Solvency II cover ratio[2,3] (%)	202	209	+7pts	n/a
	EEV per share (pence)[4]	1,728	1,830	+6%	n/a

1 AER: Actual exchange rates. CER: Constant exchange rates
2 Before allowing for the 2018 first interim ordinary dividend (FY17: before allowing for the 2017 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 solvency positions include management's estimates of UK transitional measures reflecting operating and market conditions at each valuation date. An application to recalculate the transitional measures as at 31 December 2017 was approved by the Prudential Regulation Authority
4 Includes goodwill

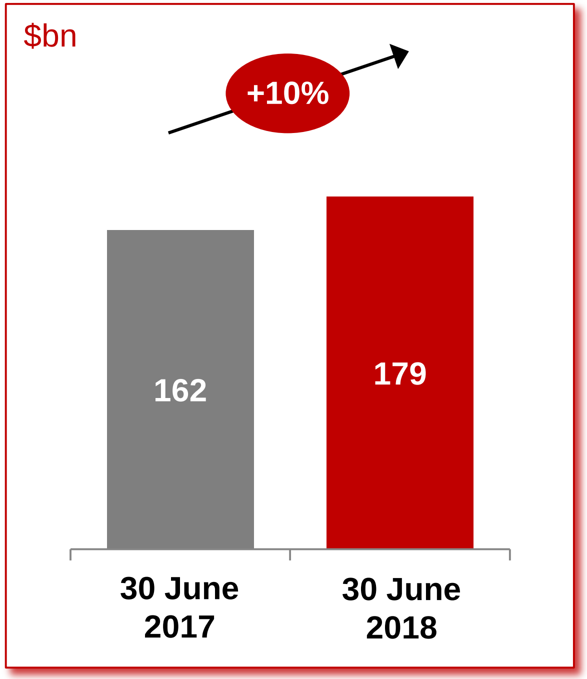
Group
Key drivers of Group financial performance

Asia
Renewal premium income



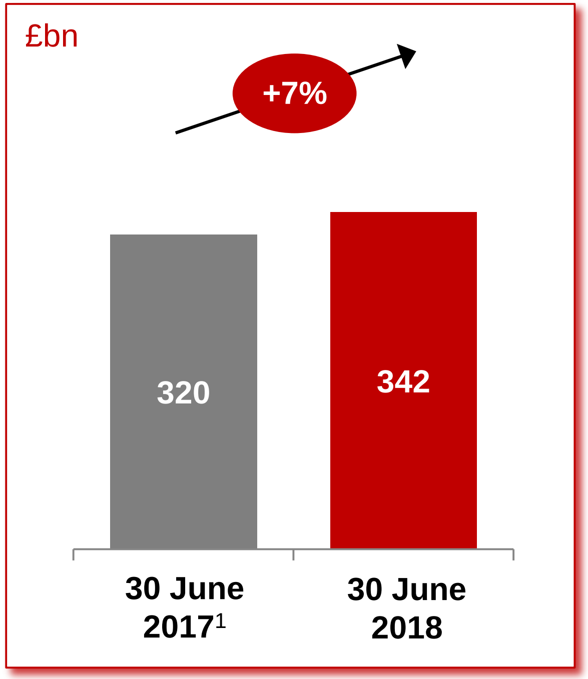
High quality and compounding

US
Statutory separate account assets



Consistent long-term performance

M&GP
Funds under management

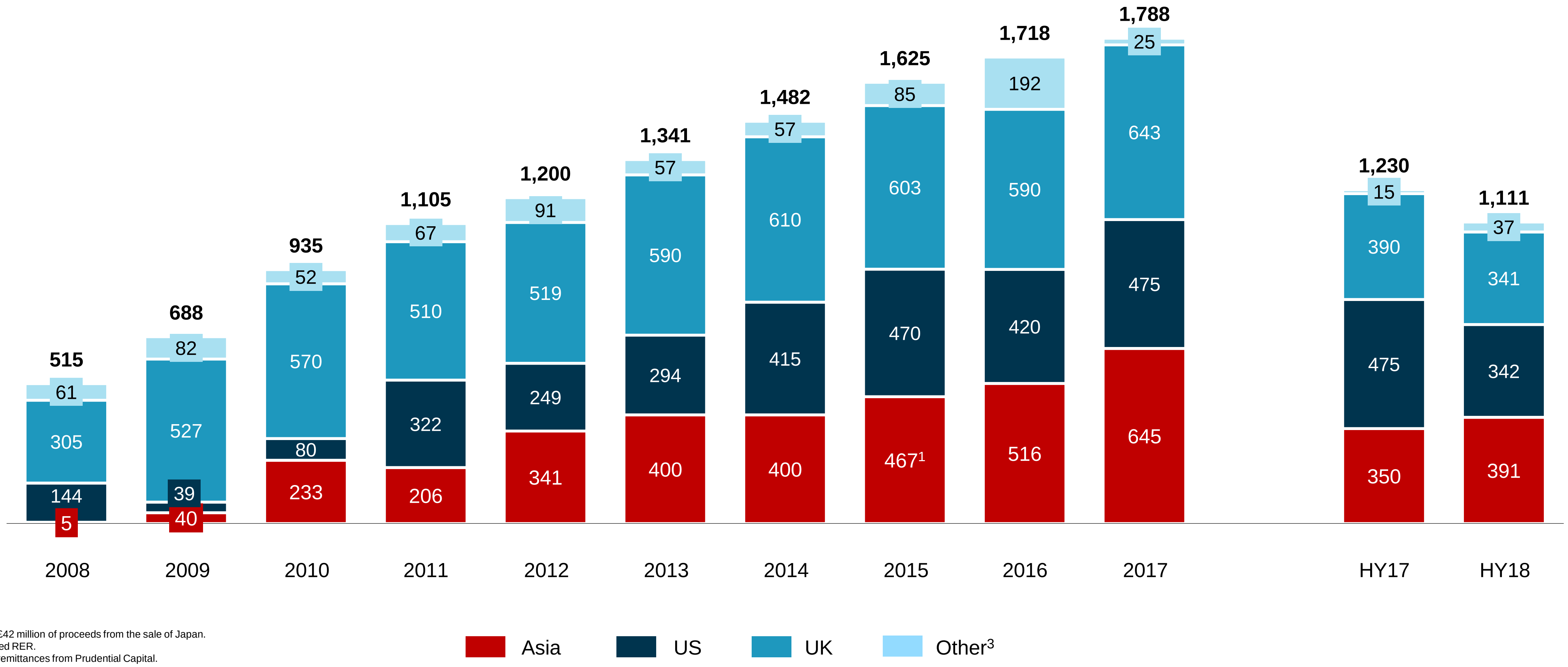


Highly differentiated product set

1 Adjusted to exclude £12 billion of assets related to the annuity liabilities reinsured to Rothesay Life in March 2018.

Group
Cash remittances

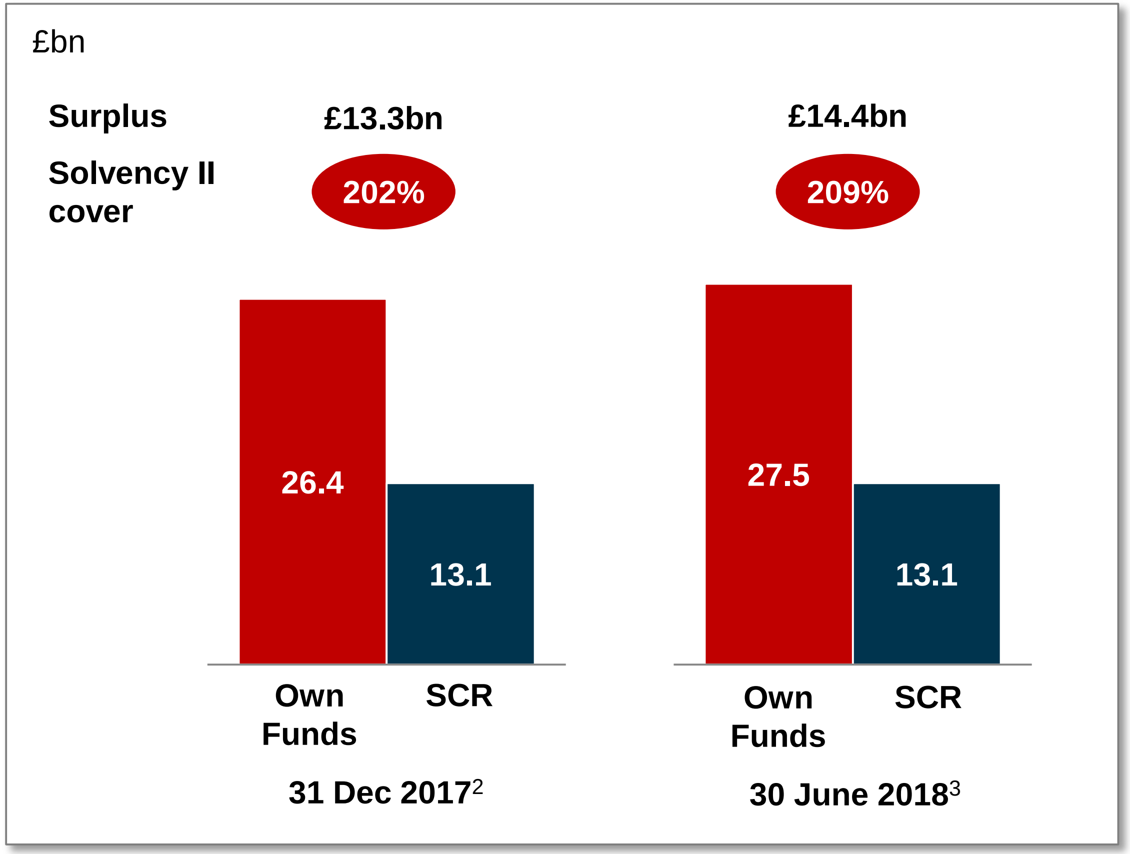
Business unit net remittances[2], £m



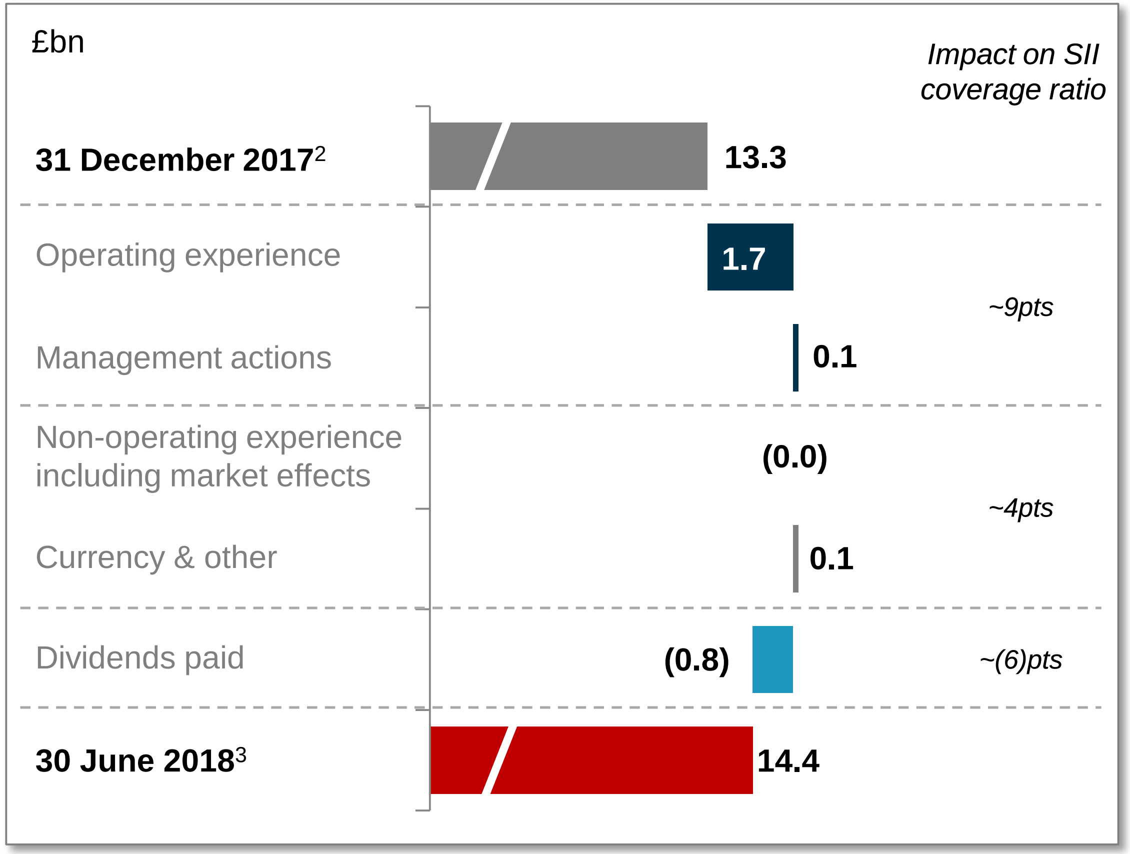
1. Includes £42 million of proceeds from the sale of Japan.
2. As reported RER.
3. Includes remittances from Prudential Capital.

Solvency II
Robust solvency capital position

Group Shareholder Solvency II capital position[1]



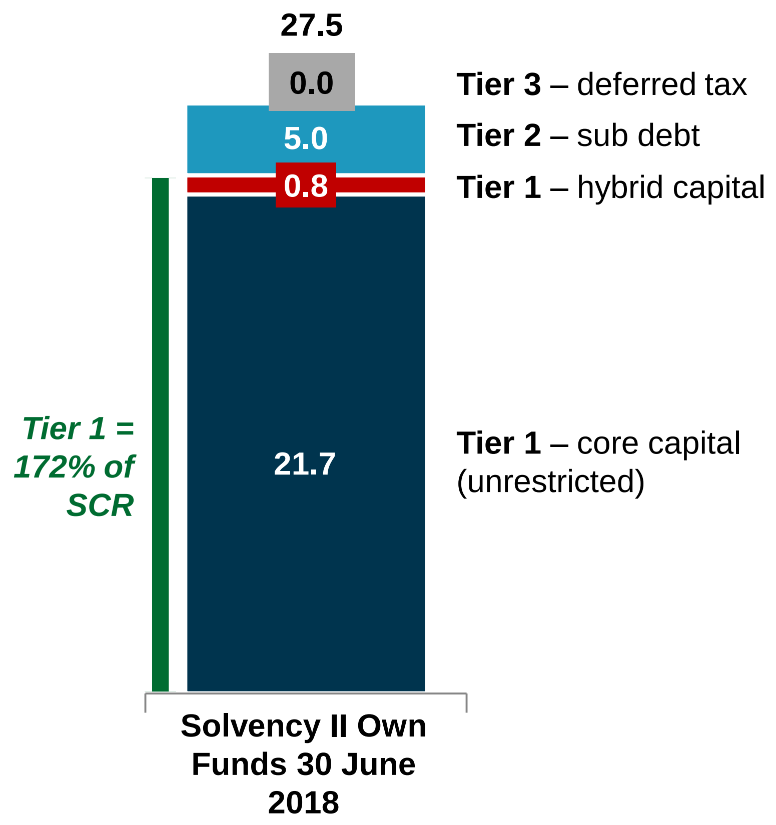
HY18 movement in Solvency II capital[1]



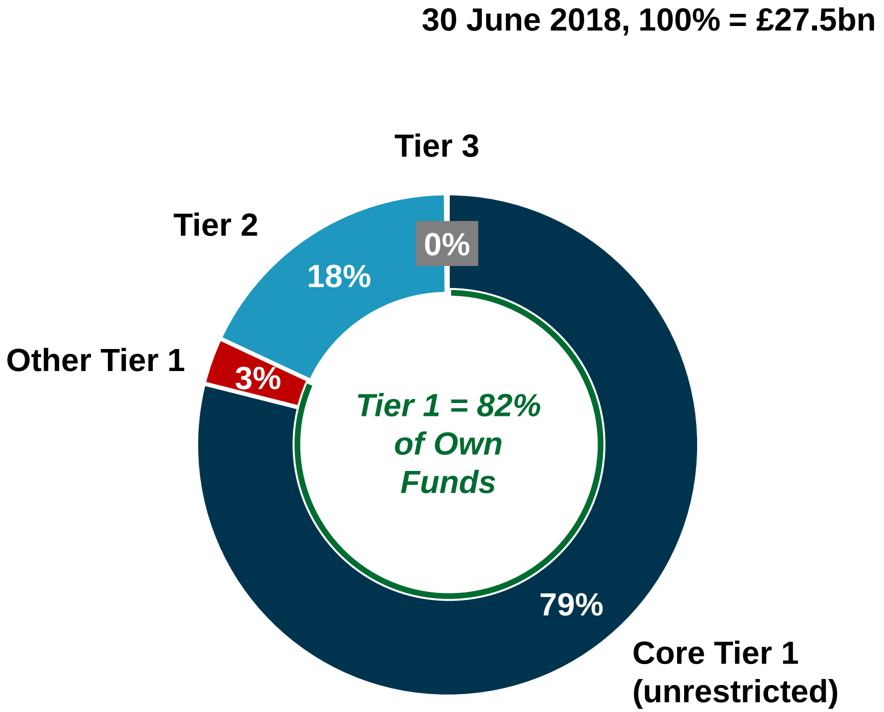
1 The Group Shareholder position excludes the contribution to the Group Own Funds and the Solvency Capital Requirement of ring-fenced with-profit funds and staff pension schemes in surplus. The solvency positions include management's estimates of UK transitional measures reflecting operating and market conditions at each valuation date. An application to recalculate the transitional measures as at 31 December 2017 has been approved by the Prudential Regulation Authority
2 Before allowing for the 2017 second interim ordinary dividend
3 Before allowing for the 2018 first interim ordinary dividend

Solvency II
Capital quality

Solvency II Own Funds by capital tier[1,2,3]



Share of Solvency II Own Funds by capital tier[1,2,3]



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 2018 first interim ordinary dividend.

PRUDENTIAL

Solvency II
Estimated sensitivities

Solvency II surplus estimated sensitivities[1,2]

			Impact on solvency ratio
HY18 estimated surplus	**£14.4bn**	**209%**	
40% equity fall[3]	£11.1bn	189%	(20)%
50bp interest rate fall[4,5]	£13.5bn	196%	(13)%
100bp interest rate rise[5]	£15.2bn	227%	+18%
100bp credit spread widening[6]	£12.7bn	199%	(10)%
15% ratings downgrade to UK&E annuities	£14.1bn	207%	(2)%

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. The solvency positions include management's estimates of UK transitional measures reflecting operating and market conditions at each valuation date. An application to recalculate the transitional measures as at 31 March 2018 was approved by the Prudential Regulation Authority. The estimated Group shareholder surplus would increase from £14.4 billion to £14.6 billion at 30 June 2018 if the approved regulatory transitional amount was applied instead.
2 Before allowing for 2018 first interim ordinary dividend.
3 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.
4 Subject to a floor of zero for Asia and US interest rates
5 Allowing for further transitional recalculation after the interest rate stress
6 US Risk Based Capital solvency position included using a stress test of 10 times expected credit defaults

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Group
Credit and financial strength ratings

	Rating Type	S&P	Moody's	Fitch
Debt				
Prudential plc	LT Senior	A	A2	A-
	LT Subordinated	-	A3	-
	Junior Subordinated	BBB+	Baa1	BBB
	ST Senior	A-1	P-1	F1
Jackson National Life Insurance Company	LT Senior	AA-	NR	NR
Financial Strength				
Prudential Assurance Company (PAC)		A+	Aa3	AA-
Jackson National Life Insurance Company		AA-	A1	AA-
Jackson National Life Insurance Company of New York		AA-	A1	AA-
Prudential Assurance Co. Singapore (Pte.) Ltd		AA-	NR	NR

Notes:

Ratings current as at 17 September 2018 for rated entities and existing debt. All ratings are on stable outlook.

Other rating agencies such as AM Best also assign ratings to Prudential entities.

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Demerger of M&G Prudential

Group

Intention to demerge M&G Prudential from Prudential plc

Better alignment

Different investment opportunities

Enhanced execution

Greater agility & increased speed in execution

Value creation

Enhancing long-term value

Demerger of M&G Prudential

Target structure: distinct investment prospects

Prudential plc

- Prudential Corporation Asia
- Prudential Africa
- Jackson National

CEO: Mike Wells
HQ: London
Premium Listing: LSE
Other Listings: Hong Kong (Primary), Singapore, New York

M&G Prudential

- Prudential Assurance Company
- M&G Investments

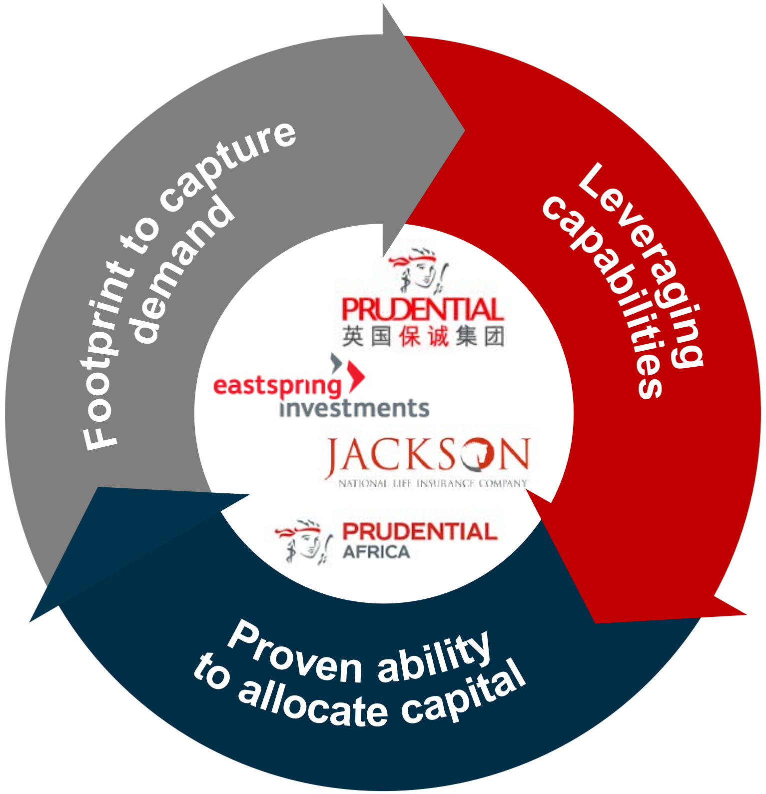
CEO: John Foley
HQ: London
Premium Listing: LSE

Group
Separation process – next steps

Achieved to date

	Achieved to date
Debt management	✓ Rating agency engagement ✓ EMTN Prospectus ✓ Bondholder engagement
Finalise and implement **operating models**	✓ Established M&G Prudential Holdco ✓ Change in control processes progressing
Unwind inter-group linkages including Hong Kong transfer	✓ Interlinkages identified and scoped ✓ HK transfer on track ✓ Change in control processes progressing
Part VII transfer of UK annuity business being sold	✓ Liabilities reinsured to Rothesay Life ✓ Part VII process on track
Shareholder and regulatory approvals	✓ Ongoing engagement with stakeholders ✓ HK IA Group-wide supervisor for Prudential plc post demerger ✓ PRA continues Group-wide supervision of M&G Prudential

Prudential plc
A winning combination



Opportunity

- Asia: Significant protection gap and investment need
- US: Largest life insurance market and 40m Americans about to reach retirement age
- Africa: One of the most underserved markets and >50% of global population growth to 2050

Diversification

- By stage of customer life cycle and business development
- By risk characteristics
- By product and geography

Synergies

- Global scale and operating profile, a partner of choice
- Enhanced capability to deliver differentiated products
- Opportunity to leverage experience and expertise

M&G Prudential

M&G Prudential
Background and opportunity

M&G INVESTMENTS

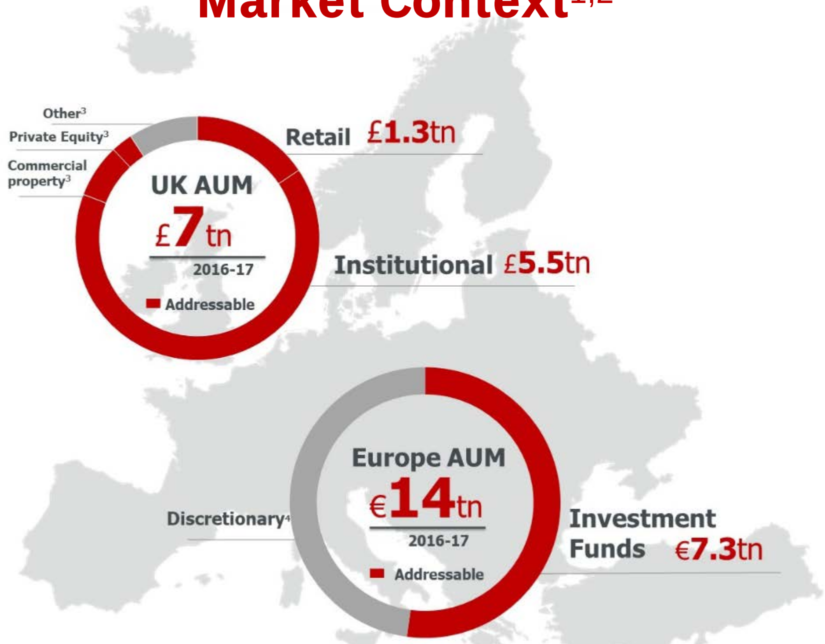
Established **1931**	International asset manager with more than 85 years' experience
	Offer funds across diverse geographies, asset classes and investment strategies
Acquired **1999**	Provides investment strategies to meet Institutional clients' long-term needs

M&G Prudential

PRUDENTIAL

	Leading provider of savings and retirement income products
Established **1848**	Core strengths in with-profits and retirement
	Expertise in areas such as longevity, risk management and multi-asset investment

Market Context[1,2]



Market trends

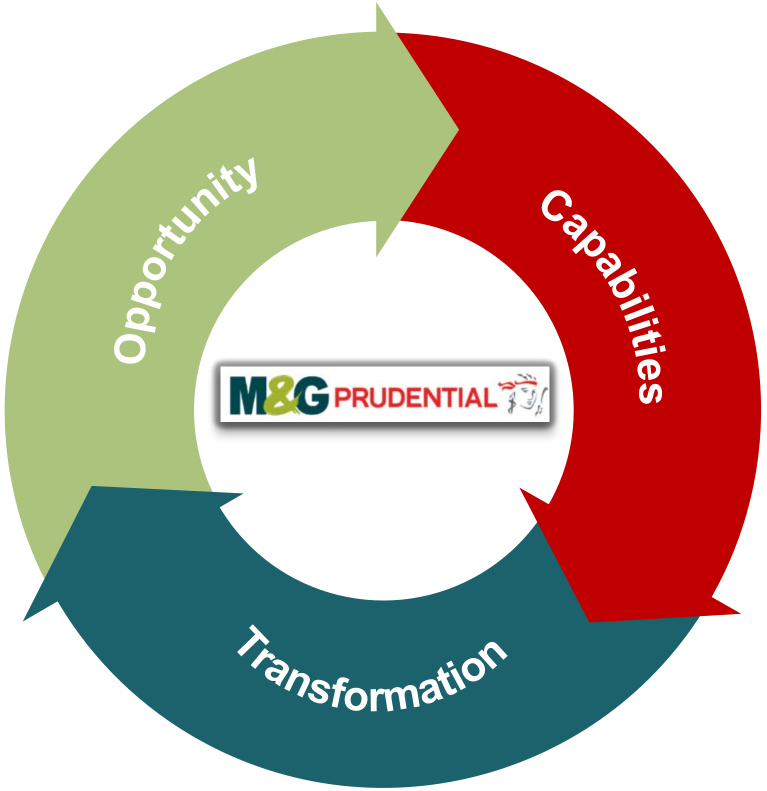
- Self-reliance for savings, investment and retirement
- Convergent insurance and asset management business models
- Customer demand for one stop shop solutions from trusted, scale players

1. Source: The Investment Association – Asset management in the UK 2016-2017.
2. Source: EFAMA Asset Management report, data as at 2015.
3. UK AUM consists of Commercial Property, Private Equity and Other of £1.5tn. European AUM consists of Discretionary of €6.7tn.
4. Discretionary includes mandates and could be included within M&G Institutional addressable market.

M&G Prudential

A leading European Savings and Investments business

- Strong demographic demand drivers
- Broad range of distribution channels
- Two strong brands with c.7m customers



- Provider of differentiated investment solutions
- Leading capabilities in multi-asset and private assets
- Ability to offer smoothed solutions using the with-profits estate

- Investing in transformation to create a scalable, digital operating model
- Combining capabilities across the value chain
- Track record of major change initiatives and product launches

M&G Prudential
Operational performance

Investment performance

PruFund Performance[1] **+84%**

(ABI comparator +53%[1])

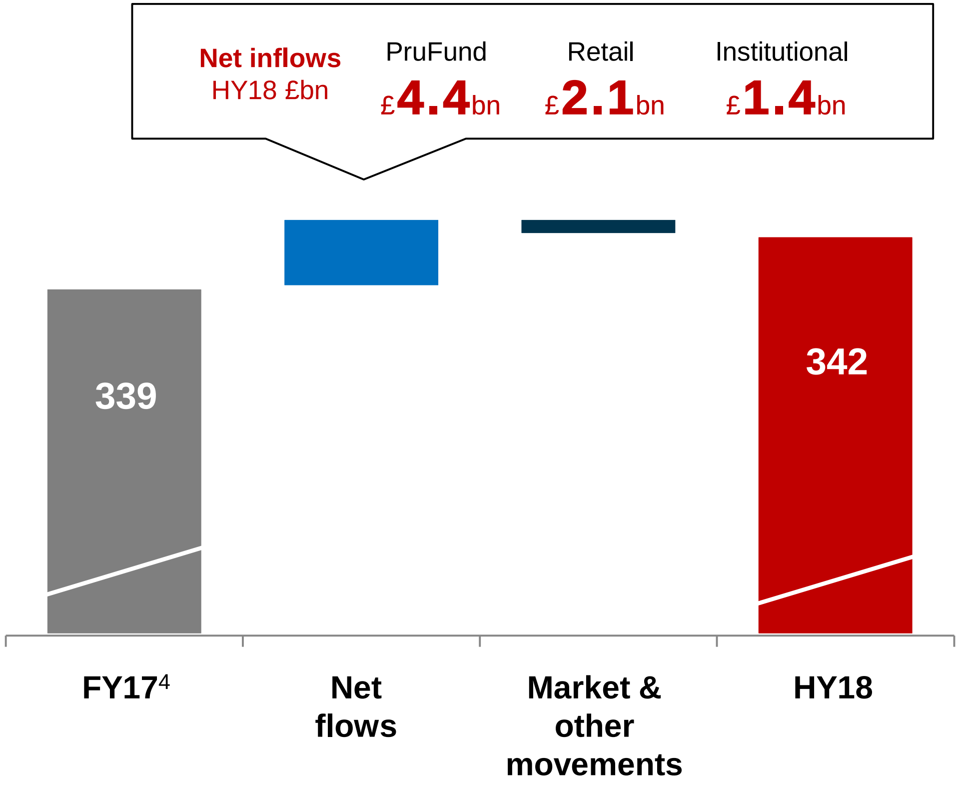
M&G Retail Performance[2] **+71%**

(% of AUM above median)

M&G Institutional Performance[3] **+95%**

(% of AUM outperforming benchmark)

Funds under management, £bn



1 Performance of PruFund Growth from September 2006 to 30 June 2018. ABI Mixed Investment 20 per cent – 60 per cent shares (performance is net of charge). PruFund returns are also net of charge (0.65 per cent).
2 On a 3 year view to June 2018. Performance quartile ranking based on ranking of the fund's representative share class, net of fees, within their respective Investment Association of Morningstar sectors. Closed funds excluded. Total mutual fund AUM as at 30 June 2018 was £78.4bn, representing 23% of the total M&G Prudential AUM. 3 year figures represent £78.2bn AUM, Performance figures in GBP, bid to bid, net income reinvested. Source: M&G Prudential, IA and Morningstar Inc. combined UK and Pan-European peer groups as at 30 June 2018.
3 Institutional mandates actively managed against a benchmark, on a gross of fees basis. Represents £31bn (15%) of total Institutional AUM, including internal AUM, as at end of June 2018.
4 Adjusted to exclude £12 billion of assets related to the annuity liabilities reinsured to Rothesay Life in March 2018.

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M&G Prudential
Products and customers

		AUM (HY18)	Customers	
UK customers	Investment funds	£34bn	170k direct customers	• Top 5 in UK retail funds[1] • Active management offering with strong performance • Distributed through wholesale channels
UK customers	PruFund	£40bn	450k customers	• Range of consumer-focused retirement/savings wrappers • PruFund investment proposition • Distributed through intermediaries and direct channels
UK customers	Traditional products	£136bn	6m customers	• Large, individual and corporate closed book • Resilient cash flows • Loyal customers, looking for help into retirement
European customers		£46bn[2]	Leading cross-border fund sales	• Strong growth, with further potential • Establishing Luxembourg HQ and SICAV range • Complemented by Prudential's European businesses
Institutions		£86bn	876 clients	• Large and growing • High quality clients • Differentiated investment capabilities
		£342bn	7m individual customers	

1. Source: The Investment Association, March 2018.
2. Europe includes AUM in Asia and South Africa.

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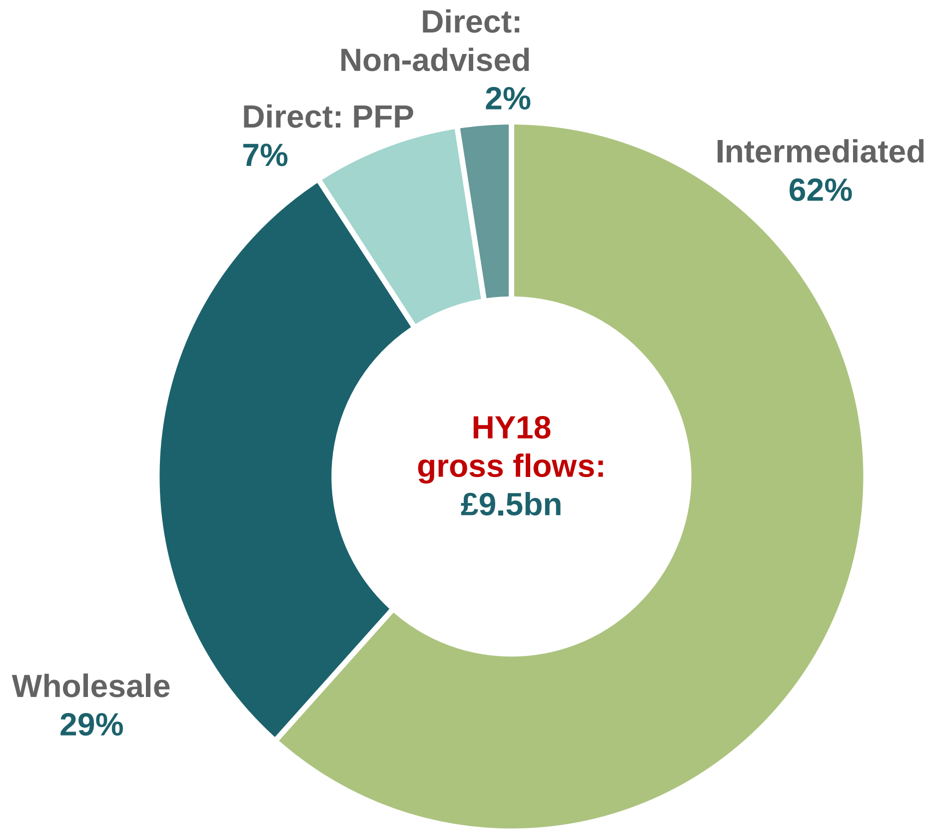
M&G Prudential
Distribution capabilities

Distribution channel
(UK Customers)

Wholesale	Advisers via platforms, wealth managers and banks	Individual funds within adviser portfolios
Intermediary	Working directly with Independent and Restricted advisers	Customer solutions for advisers leveraging unique investment capability
Direct to customer	Prudential UK & M&G Advised (PFP)	Customer solutions addressing financial needs

Channel Mix
(UK Customers, 30 June 2018)



PRUDENTIAL

M&G Prudential
Merger and transformation

Ambition

2021-22

Scalable, fast and flexible

2019-20

Platform for growth

2017

Launch of merger and transformation

Merger and transformation on track to deliver **£145m pa of shareholder cost reduction** by 2022

Progress to date

In-force modernisation

Partnership with TCS
- Projected transfer of 6m policies
- Migration of legacy systems to a single platform

Shared services

Integrated functions
- IT, Risk and Legal, HR functions now integrated at M&G Prudential level

Investment operating model

Common scalable platform
- Aladdin live across M&G Prudential
- M&G and PPMG operations consolidated
- Outsourcing of Life fund accounting

Adviser platform

Rapid adoption of digital[1]
- Adviser platform over £10bn of AuA within 24 months
- 95% of adviser new business now submitted online

1 Retirement Account business only.

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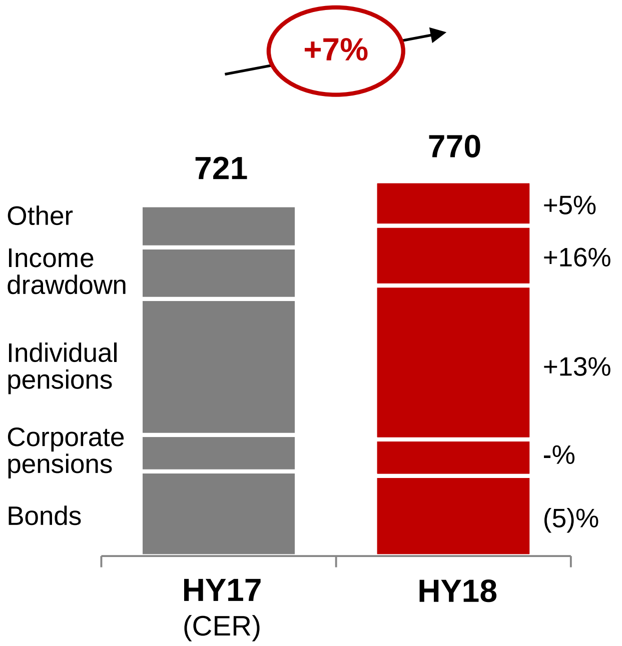
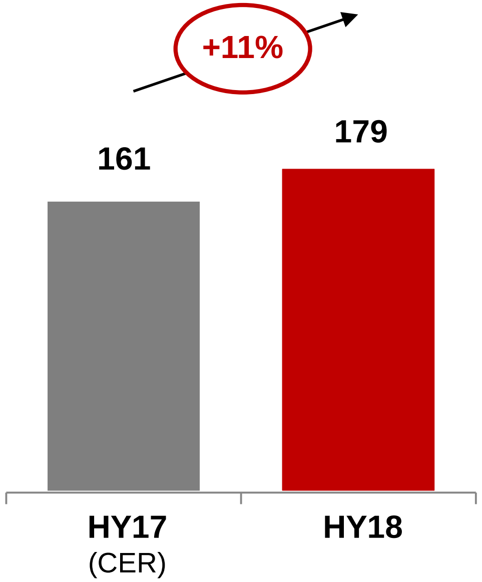
M&G Prudential
Key financials in HY18 – new business

APE sales, £m

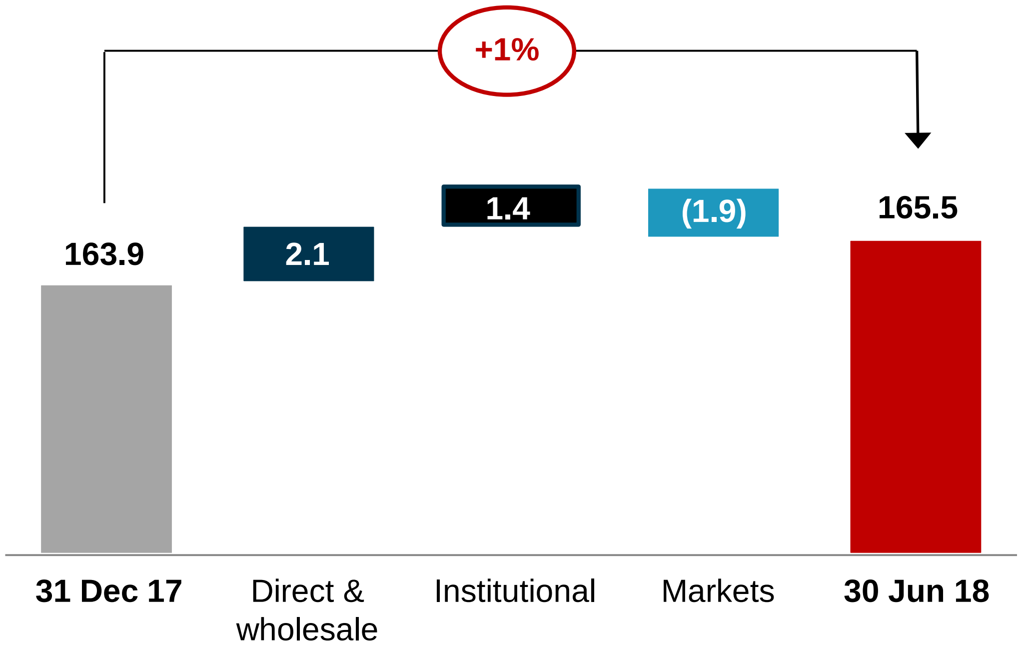


New business profit, £m



- Growth continues to be driven by sales of income drawdown and individual pensions
- PruFund APE up +7%, underpinning net inflows of £4.4bn and FUM of £40bn at 30 Jun 18 (31 Dec 17: £36bn)

M&G external FUM, £bn

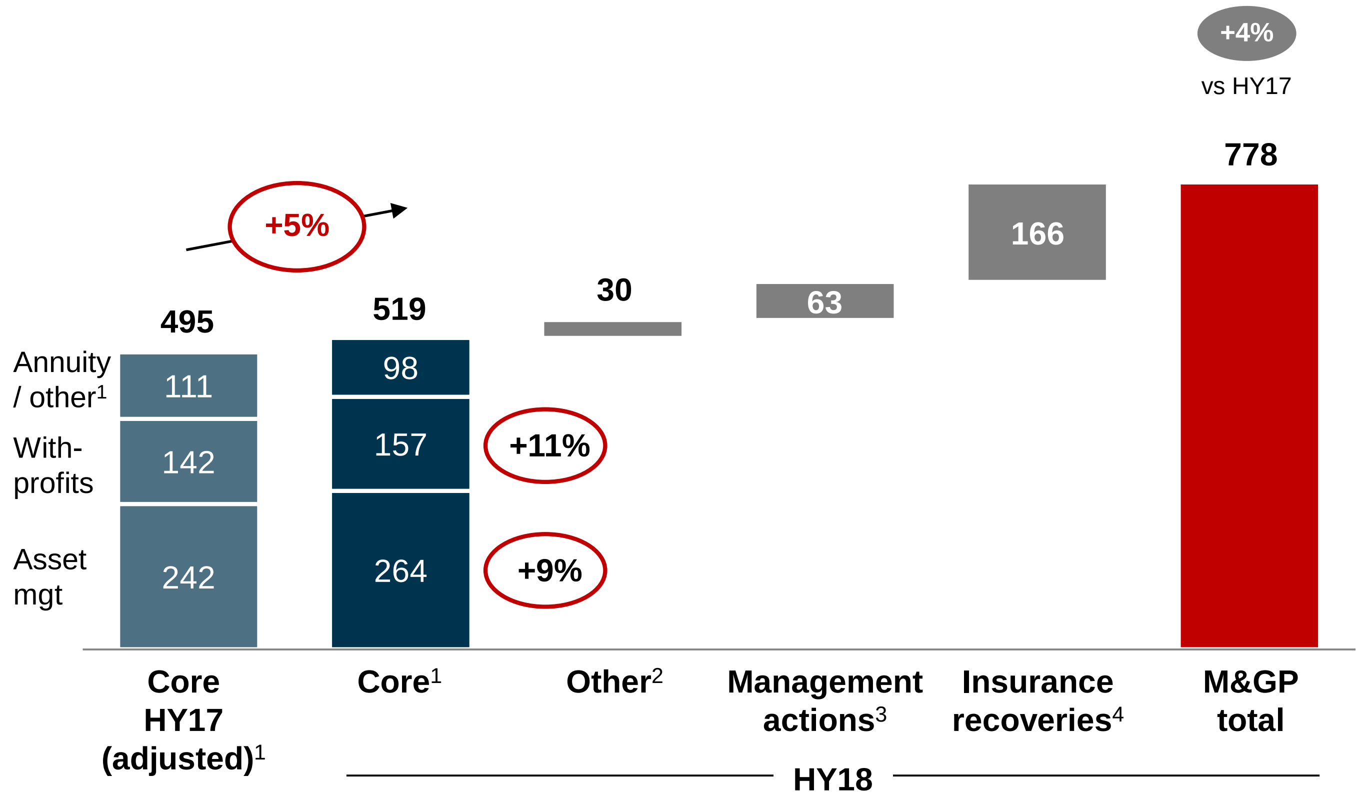


- Direct & wholesale inflows centred on European businesses
- Strong institutional flows from infrastructure and illiquid strategies
- External FUM now 58% of total FUM (HY17: 53%)[1]

1 Represents M&G external FUM as a percentage of M&G total FUM.

M&G Prudential
Key financials in HY18 – IFRS operating profit

IFRS operating profit, £m



Life

- PruFund contribution of £25m, up +25%
- Reduction in annuity earnings in line with expectations following sale of £12bn annuity book

Asset management

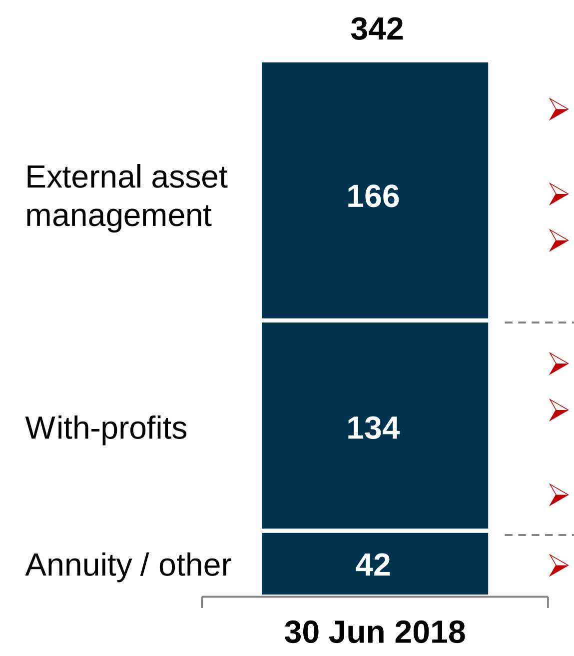
- Average total FUM up +7%, driven by 2H17 performance-driven asset appreciation
- Closing external FUM up +1% since YE17 as positive flows were offset by negative markets
- Revenue margin 39bp (HY17 37bp)[5]
- Cost income ratio 54% (HY17 53%)[6]

1 In March 2018, M&G Prudential announced the sale of £12.0 billion (as at 31 December 2017) of its shareholder annuity portfolio to Rothesay Life, with the liabilities reinsured to Rothesay Life on 14 March 2018. As previously disclosed, the UK annuity business sold contributed around £140m towards UK life insurance core IFRS operating profit before tax in 2017. To provide a meaningful comparison between HY18 and HY17, HY17 has been adjusted down on a pro-rata basis to represent a like-for-like contribution of £35 million from this source for the first 3 months of the period.
2 Other includes M&G performance-related fees of £8 million, profits from new individual annuities of £3 million and general insurance commission of £19 million.
3 Management actions relate to asset and liability management actions of £63 million (HY17 £157 million) to improve the solvency position of our UK life business and further mitigate market risk, with nil longevity reinsurance transactions (HY17 £31 million).
4 Insurance recoveries of costs associated with undertaking a review of past annuity sales (HY17 nil).
5 Revenue margin represents operating income before performance related fees as a proportion of the related funds under management. Half year figures have been annualised by multiplying by two. Monthly closing internal and external funds managed by the respective entity have been used to derive the average. Any funds held by the Group's insurance operations that are managed by third parties outside the Prudential Group are excluded from these amounts.
6 Cost/income ratio represents cost as a percentage of operating income before performance related fees.

M&G Prudential
Seasoned sources of earnings

Funds under management

£bn



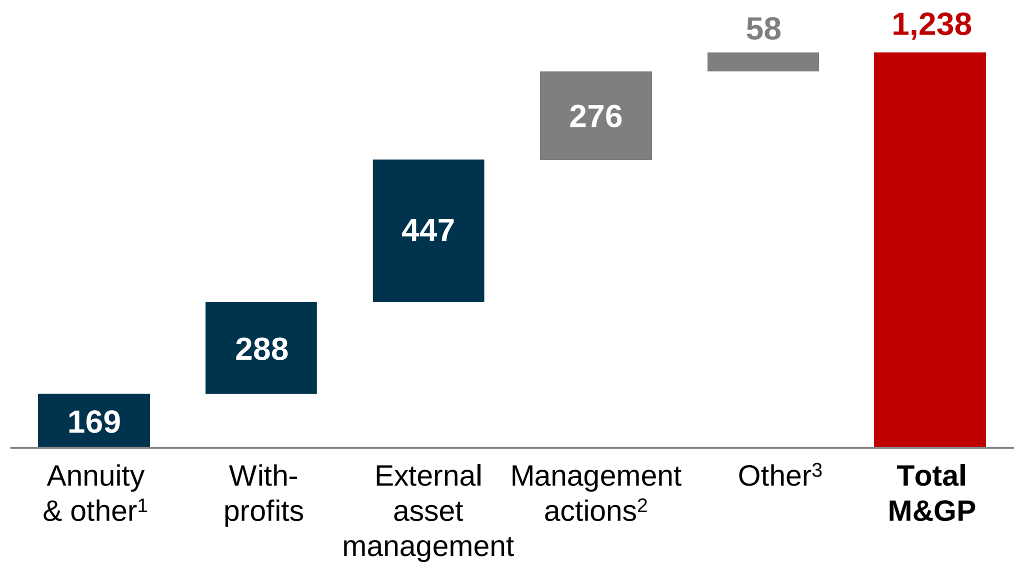
- Recent growth driven by European and Institutional
- Strong cash conversion
- Diversified across multiple funds and sources of assets

- Well-seasoned portfolio
- Smoothed profitability reduces earnings volatility
- Growing PruFund contribution

- Highly predictable earnings

M&GP IFRS operating profit, £m

FY17 IFRS operating profit adjusted to exclude £12bn UK annuity sale[1]



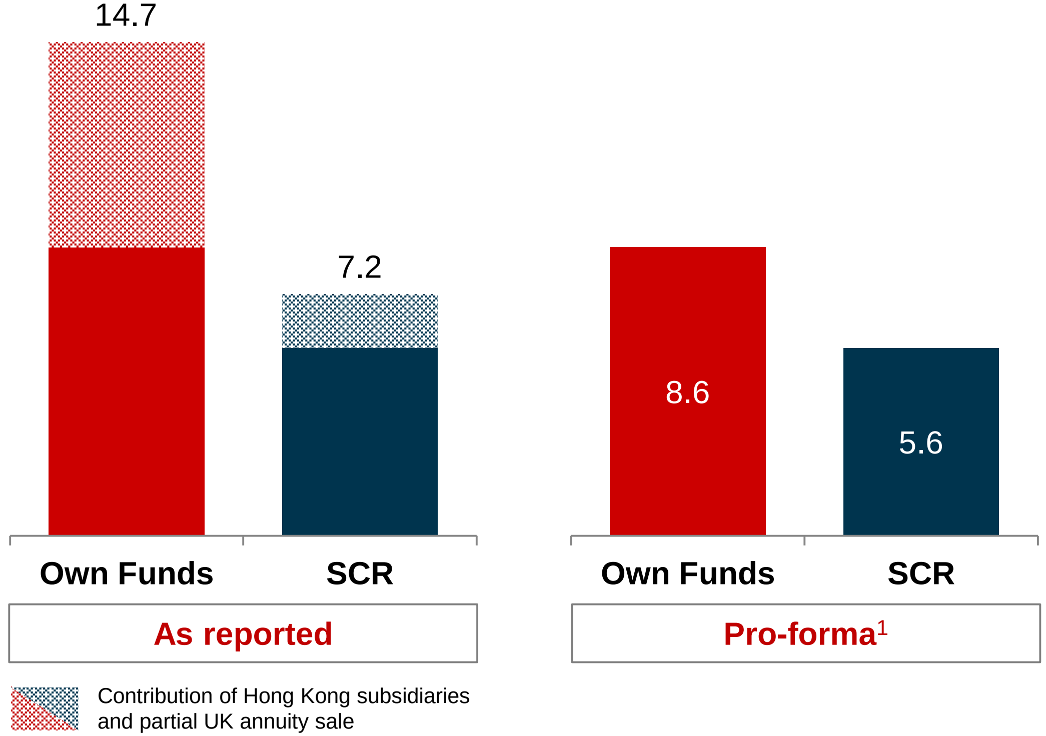
- Mature, stable portfolios
- High degree of earnings visibility
- Strong conversion to cash
- \+ Merger and transformation benefits

1 In March 2018, M&G Prudential announced the sale of £12.0 billion (as at 31 December 2017) of its shareholder annuity portfolio to Rothesay Life, with the liabilities reinsured to Rothesay Life on 14 March 2018. As previously disclosed, the UK annuity business sold contributed around £140m towards UK life insurance core IFRS operating profit before tax in 2017, which has been excluded from the analysis above.
2 Management actions relate to asset and liability management actions of £245 million to improve the solvency position of our UK life business and further mitigate market risk, with longevity reinsurance transactions of £31 million.
3 Other includes M&G performance-related fees of £53m, a benefit of £204 million from changes in mortality assumptions, a provision of £(225) million relating to a review of past annuity sales, profits from new individual annuities of £9 million and general insurance commission of £17 million.

M&G Prudential
Solvency II capital position

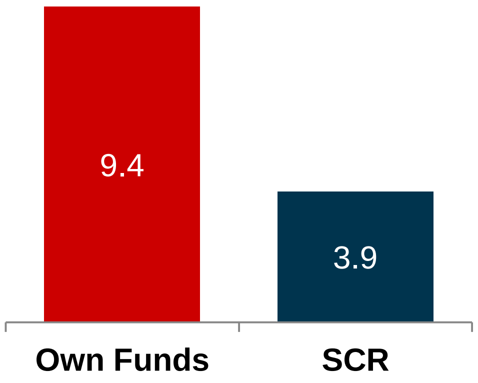
UK shareholder Solvency II capital position, £bn
30 Jun 2018, £bn

Surplus	**£7.5bn**	**£3.0bn**
Solvency II cover	**203%**	**153%**



UK with-profits Solvency II capital position, £bn
30 Jun 2018, £bn

Surplus	**£5.5bn**
Solvency II cover	**244%**



1. Represents the estimated impact on The Prudential Assurance Company Limited's shareholder Solvency II capital position from the transfer of Prudential plc's Hong Kong subsidiaries to Prudential Corporation Asia Limited, and completion of the partial sale of the UK annuity portfolio by a Part VII transfer, as if both had been completed on 30 June 2018. The resulting pro-forma position has been calculated based on information and assumptions at 30 June 2018 and therefore, does not necessarily represent the actual Solvency II capital position which will result following completion of the transactions.

M&G Prudential
Capital structure expectations

Approach to capital management

- Buffer over regulatory solvency requirements to meet risk appetite
- Committed to strong credit ratings
- Retain sufficient financial flexibility and liquidity for stress scenarios

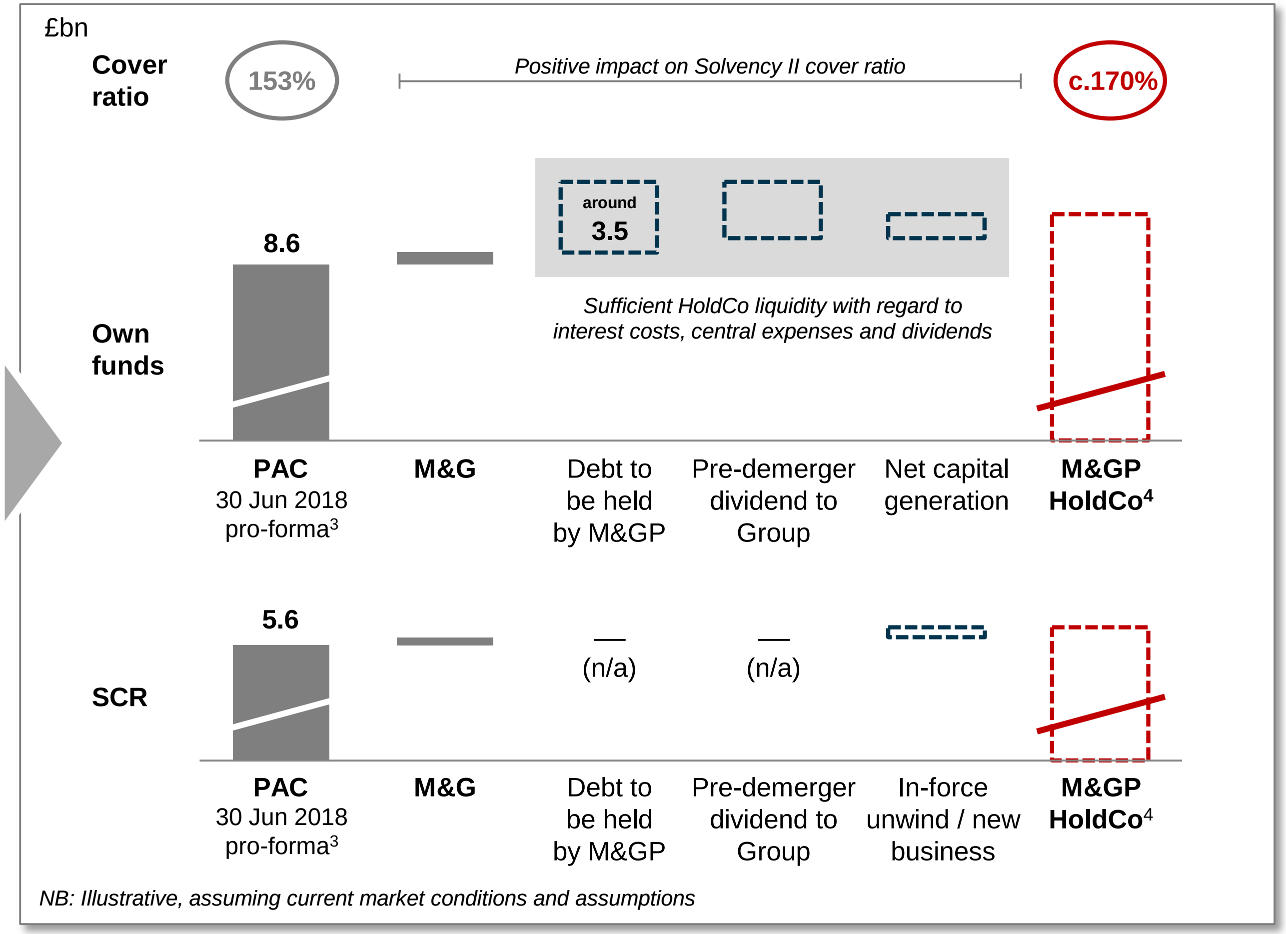
Debt rebalancing

- M&GP currently expected to hold around £3.5bn of subordinated debt
- M&GP pre-demerger dividend to Group would enable Group to partially redeem existing Plc debt[2]
- Debt to be held by M&GP expected to exceed UK pre-demerger dividend to Group

Pro-forma Solvency II capital position at demerger

- M&GP Solvency II surplus includes PAC and M&G solo entity surplus and sub-debt held at M&GP HoldCo
- Assumes completion of UK annuity sale and HK legal transfer to PCA
- Allows for operating capital generation before demerger
- Assumes completion of debt management and pre-demerger dividend to Group

M&G Prudential Solvency II capital position at demerger



1 At 30 June 2018, the Group's core structural borrowings were £6,367 million and borrowings from short-term securities programmes were £1,209 million (together totalling £7,576 million).
2 Current expectation is that debt rebalancing and new debt issued will result in an increase in Prudential plc aggregate debt which is not expected to be material.
3 The pro-forma estimate assumes that the partial sale of the UK annuity portfolio and the transfer of Prudential plc's Hong Kong subsidiaries to Asia had both been completed as at 30 June 2018.
4 At the time of the demerger, Prudential expects the shareholder Solvency II ratio of M&G Prudential to be around 170 per cent, with M&G Prudential holding around £3.5 billion of subordinated debt. This expectation is subject to the M&G Prudential capital risk appetite being approved by the Board of the ultimate holding company of M&G Prudential, once fully constituted to include independent non-executive directors, and reflects the current operating environment and economic conditions, material changes in which may lead to a different outcome

Proposed transaction

Proposed transaction
Instrument and tranche details

Issuer	Prudential plc
Offering	GBP[•] [•]% RegS 33NC13 Tier 2 Notes | GBP[•] [•]% RegS 50NC30 Tier 2 Notes | USD[•] [•]% RegS 30NC10 Tier 2 Notes
Issue Date	[•] 2018
Issuer Ratings	A2 stable (Moody's) / A stable (S&P) / A- stable (Fitch)
Issue Ratings (expected)	Prudential expects the three tranches of Tier 2 subordinated debt to be rated A3 (Moody's) / BBB (S&P) / BBB (Fitch)
Status & Subordination	Direct, unsecured and subordinated obligations of the Issuer, which rank subordinated to Senior Creditors, at least pari passu with all other obligations which constitute Tier 2 capital and in priority to all obligations which constitute Tier 1 Capital and holders of all classes of share capital
Maturity / First Call Date	[•] October 2051/ [•] October 2031 | [•] October 2068 / [•] October 2048 | [•] October 2048 / [•] October 2028
Interest Payments	GBP and USD tranches: [•]% per annum payable semi-annually in arrear on [•] April and [•] October in each year until the first call date. After the first call date: GBP tranches reset every 5 years to the then current 5-year UK Gilt + initial credit spread over UK Gilt + 100 bps step up | USD tranche resets every 5 years to the then current 5-year US Treasury + initial credit spread over US Treasury + 100 bps step up , each payable semi-annually in arrear on [•] April and [•] October in each year
Interest Deferral	• Optional deferral on any Interest Payment Date (provided no Regulatory Event has occurred and has been subsisting for 180 days as at the date on which notice is given) subject to 6-month dividend pusher on any class of share capital • Mandatory deferral if Solvency Condition is not satisfied or Solvency Capital Requirement or Minimum Capital Requirement is not met
Arrears of Interest	• Cumulative, non-compounding • May be paid in whole or in part at any time, and must be paid (in full) upon redemption or purchase of the Notes or commencement of winding-up of the Issuer (subject to the subordination provisions referred to above, the Solvency Condition, the Solvency Capital Requirement and the Minimum Capital Requirement)
Issuer Optional Substitution	• Optional substitution of any Subsidiary of the Issuer (a "**New M&G Prudential HoldCo**") in place of the Issuer as principal debtor, subject to conditions as further described in the terms. The issuer shall not be entitled to exercise any rights arising as a result of a Tax Event or Regulatory Event which occur as a result of the substitution. • **New M&G Prudential HoldCo** shall be: (A) a Holding Company of M&G Prudential; and (B) incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, the United Kingdom
Issuer Call Option	Optional redemption in whole (but not in part) at par on the First Call Date and every Interest Payment Date thereafter
Special Event Redemption, Substitution or Variation	• Optional redemption in whole (but not in part) at par at any time upon the occurrence of a Tax Event (additional amounts, loss of deductibility), Regulatory Event or Rating Event, but not before the 5th anniversary of the Issue Date unless replaced by a new issuance of capital of the same or higher quality than the Notes • Permitted substitution (in whole but not in part) or variation at any time into Qualifying Tier 2 Capital upon the occurrence of a Tax Event or Regulatory Event
Conditions to Redemption and Purchase	Prior approval of the PRA (or consent in the form of a waiver or otherwise), compliance with the Regulatory Capital Requirement, satisfaction of the Solvency Condition, compliance with the Solvency Capital Requirement and Minimum Capital Requirement and no Insolvent Insurer Winding-up
Denominations / Listing	GBP100,000 + GBP1,000 | GBP100,000 + GBP1,000 | USD200,000 + USD1,000 / All tranches London Stock Exchange listed
Documentation	RegS Bearer Notes, issued pursuant to the Issuer's £10bn Medium Term Note Programme dated 12 June 2018 and supplemented on 17 September 2018
Governing Law	English
Use of Proceeds	To facilitate the rebalancing of the Issuer's debt prior to the demerger of M&G Prudential

Appendix

Group
Summary

- ✓ Delivery of high quality profitable growth, while demonstrating progress towards separation
- ✓ PCA focus on high quality growth, and developing capabilities
- ✓ Jackson demonstrating capital resilience, and success in building advisory capability
- ✓ M&G Prudential delivering balanced earnings growth and strategic progress

PRUDENTIAL

Group
Headline results

Growth
+13%

HY2018 New business profit vs HY2017 CER[1]

Cash
£1.9bn

HY2018 Net free surplus generation

Embedded value
£47bn

HY2018 Embedded value +6% vs FY2017 AER[2]

Earnings
£2.4bn

HY2018 IFRS operating profit

Dividend
+8%

Growth on prior year to 15.67 pence per share[3]

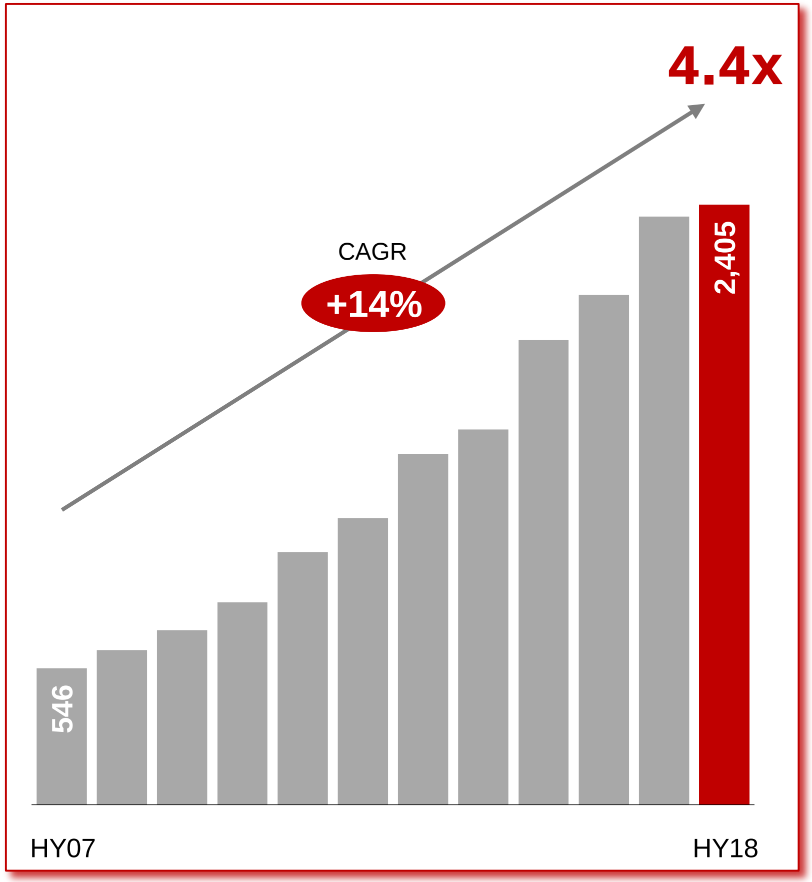
Capital
209%

HY2018 Solvency II ratio

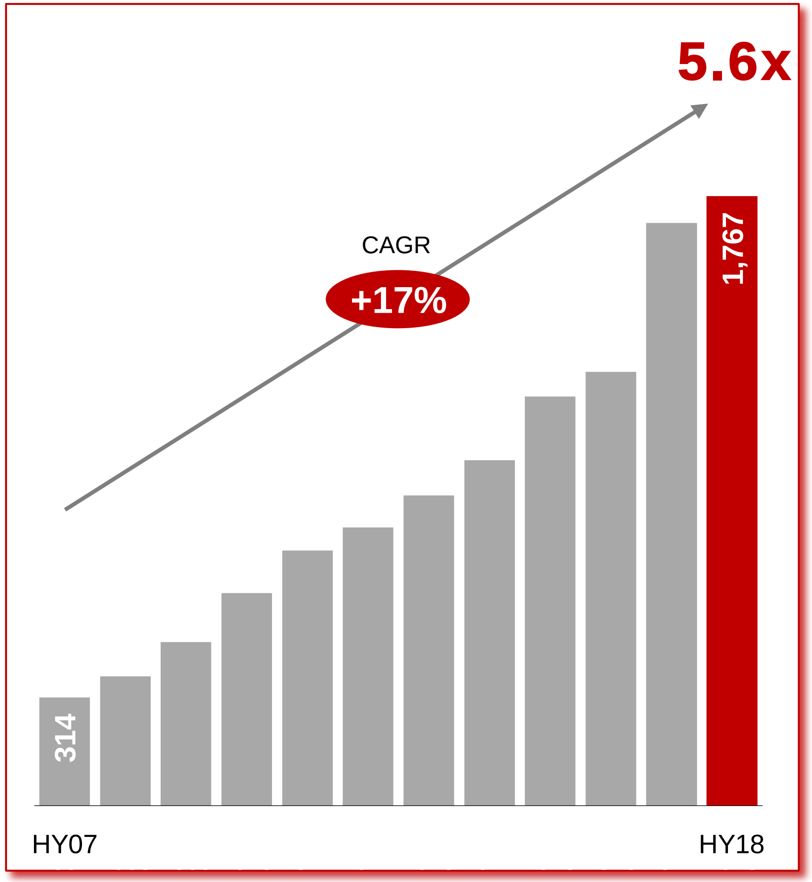
1 Defined as constant exchange rate.
2 Defined as actual exchange rate.
3 First interim ordinary dividend.

Group
Long-term track record

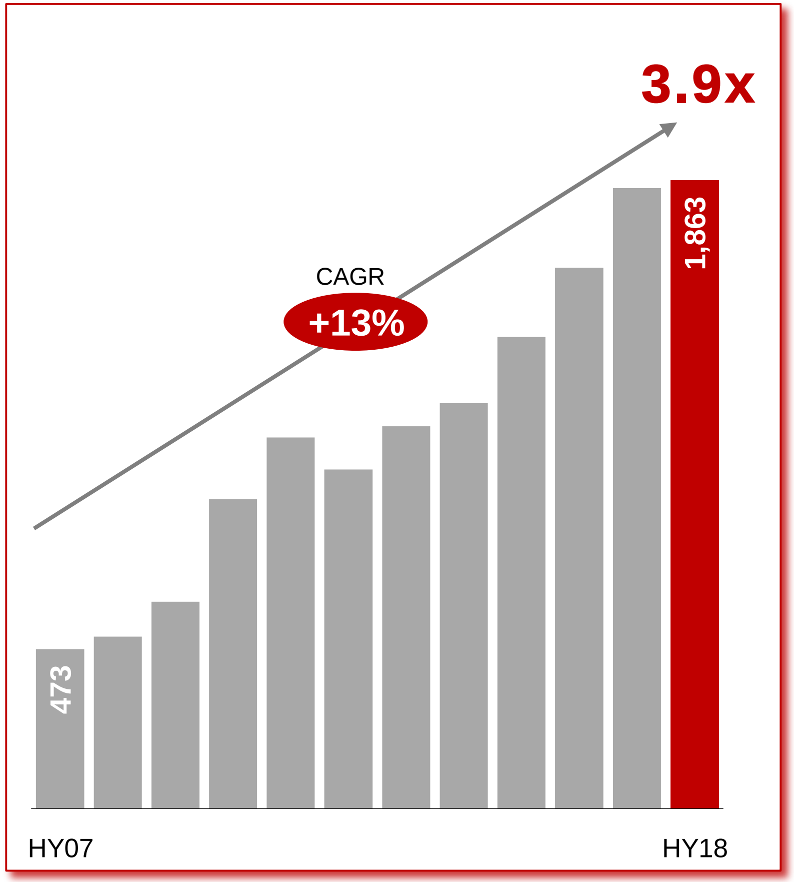
IFRS operating profit[1,2], £m



New business profit[1,2,3], £m



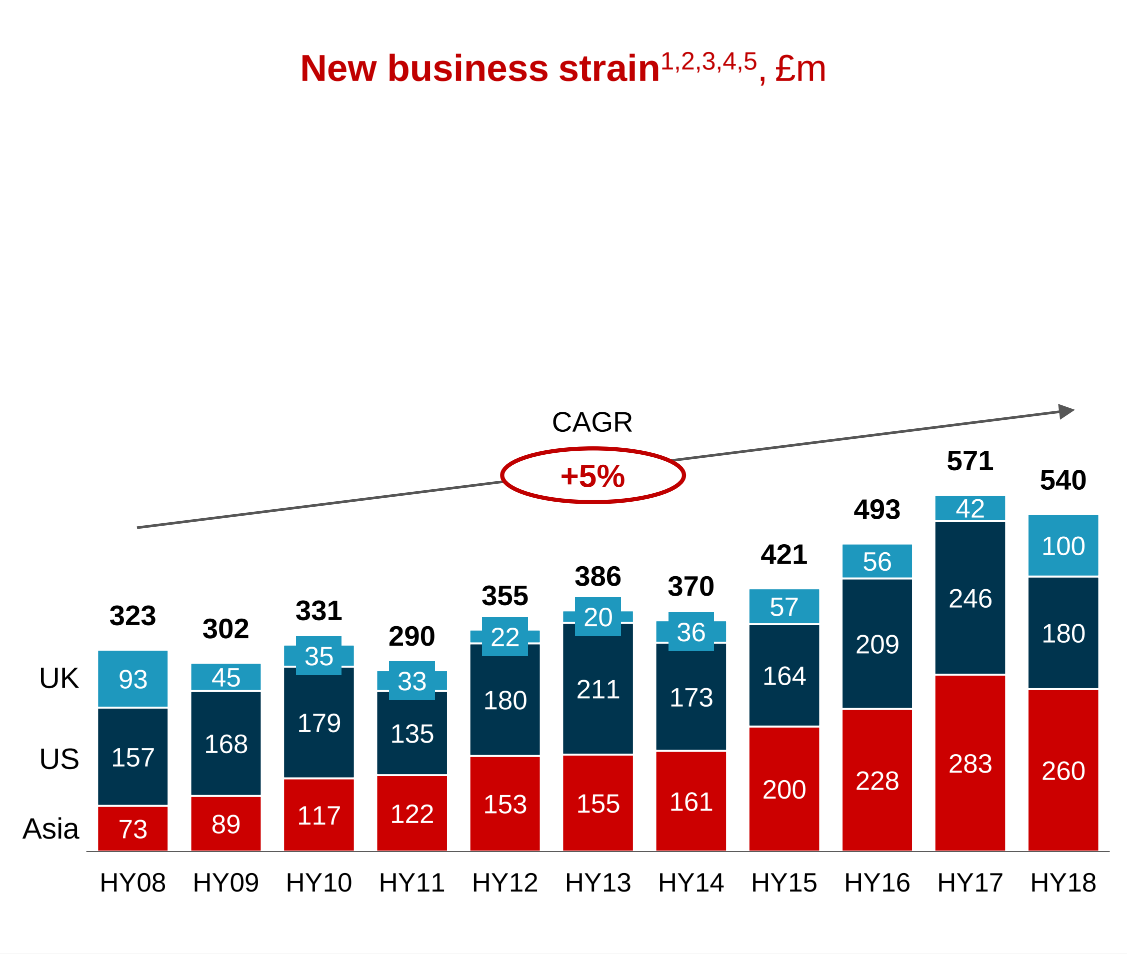
Free surplus generation[1,2,3,4], £m

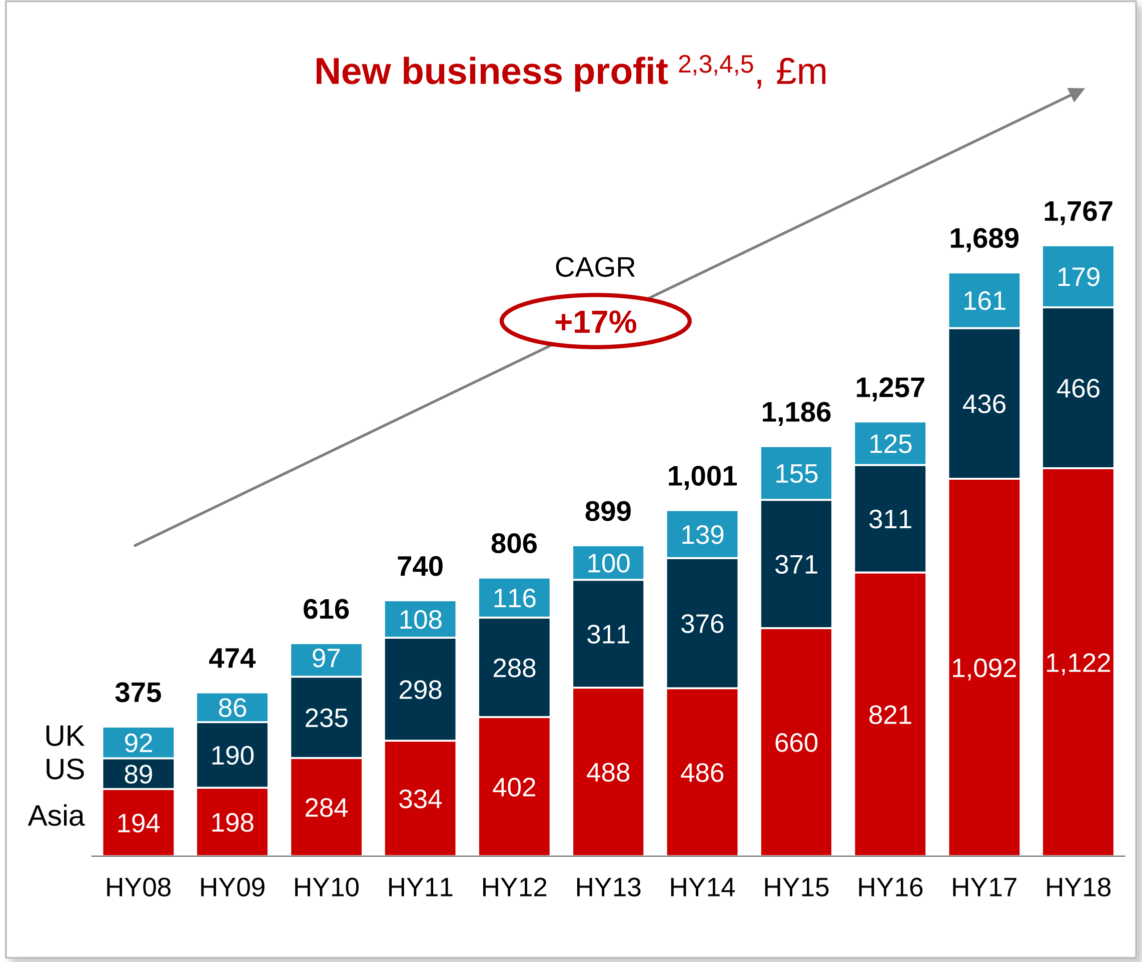


1 Comparatives have been stated on an actual exchange rate basis.
2 Comparatives are adjusted for new and amended accounting standards and excludes Korea Life, Japan and Taiwan agency. HY2014 comparatives have also been restated to exclude the contribution from the sold PruHealth and PruProtect businesses. HY2008 to HY2013 comparatives include the results of PruHealth and PruProtect.
3 On a post tax basis.
4 Note HY2012 – HY2017 excludes contribution from Prudential Capital. HY2011 and prior includes contribution from Prudential Capital.

Group

Disciplined capital allocation



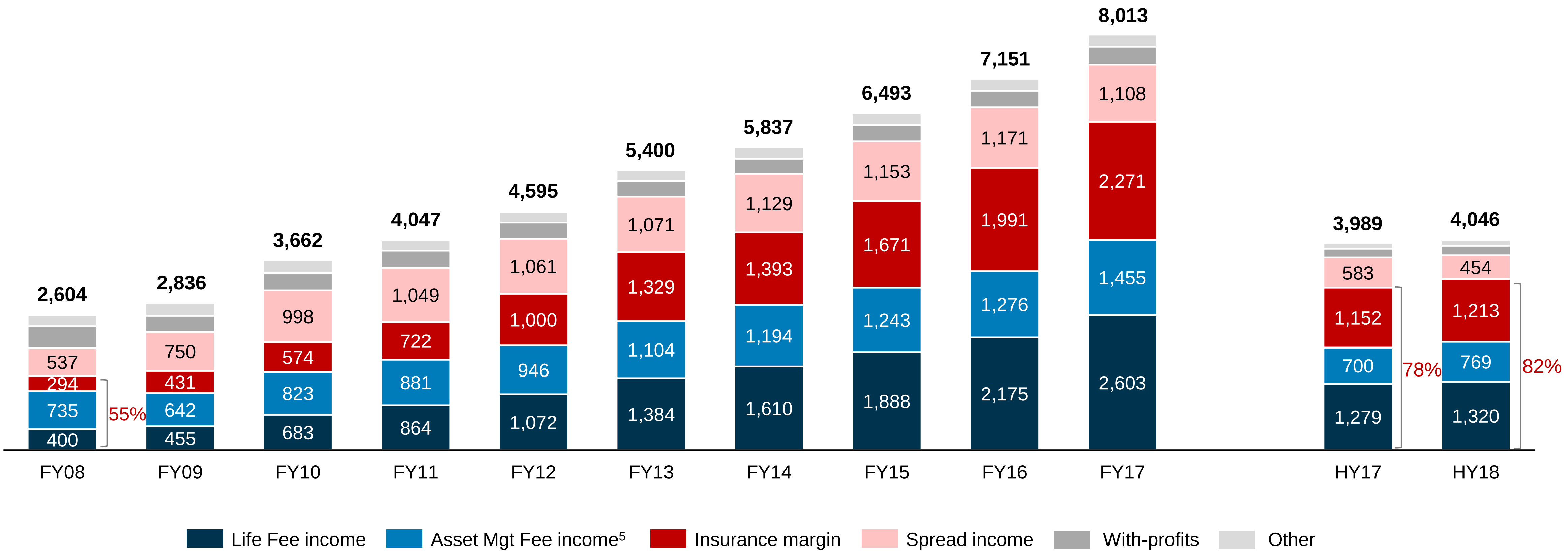


1. Free surplus invested in new business.
2. On a post tax basis.
3. Excludes Korea Life, Japan Life and Taiwan agency. HY2014 comparatives have been restated to exclude the contribution from the sold PruHealth and PruProtect businesses. HY2008 to HY2013 comparatives include the results of PruHealth and PruProtect.
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.

PRUDENTIAL

Group
Growth in high quality earnings

Sources of IFRS operating income[1,2,3,4,5], £m

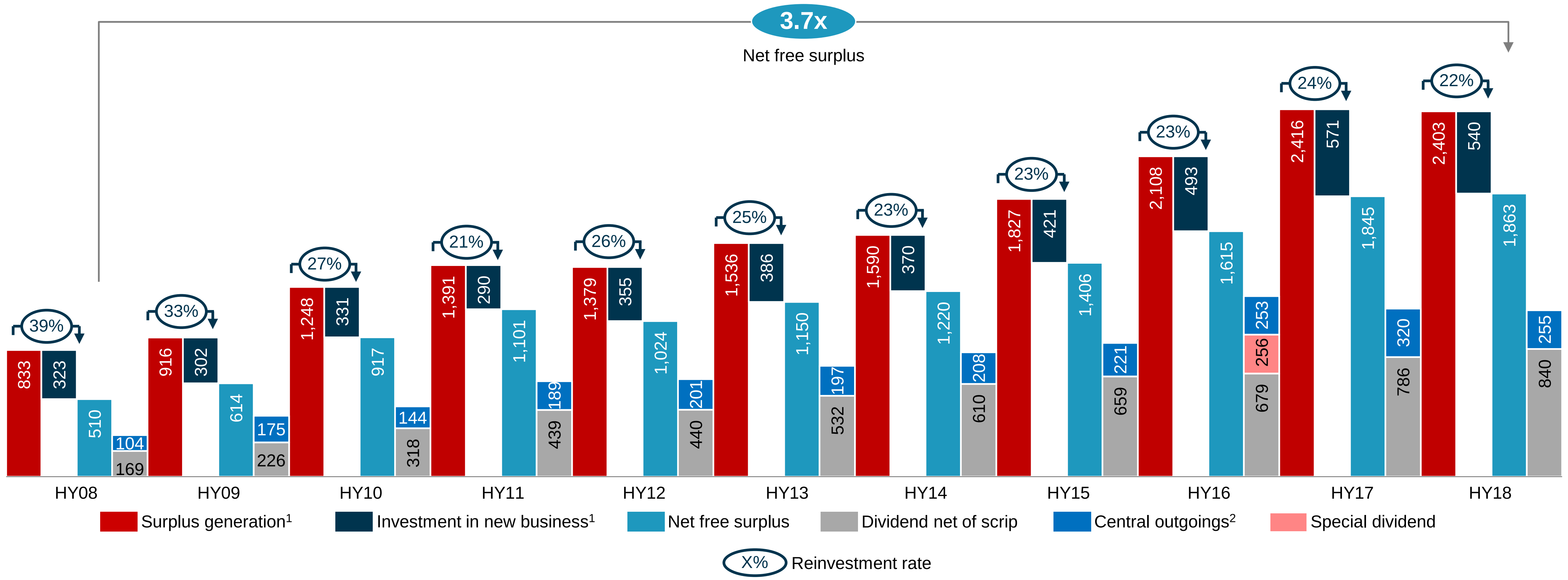


1. Comparatives adjusted for new and amended accounting standards.
2. Comparatives have been stated on an actual exchange rate basis.
3. Excludes Japan Life, Taiwan agency, Korea Life and NPH Holdings. FY14 comparatives have been restated to exclude the contribution from the sold PruHealth and PruProtect businesses. FY08 to FY13 comparatives include the results of PruHealth and PruProtect.
4. Excludes other management actions to improve solvency of HY18: £63m (HY17: £157m), insurance recoveries in respect of costs associated with the review of past annuity sales of HY18: £166mn (HY17: nil), and HY17 excludes longevity reinsurance transactions of £31m.
5. Excludes contribution from Prudential Capital. All historic comparatives have been restated to exclude the contribution from Prudential Capital.

PRUDENTIAL

Group
Free surplus generation

Free surplus[3,4] and dividend, £m



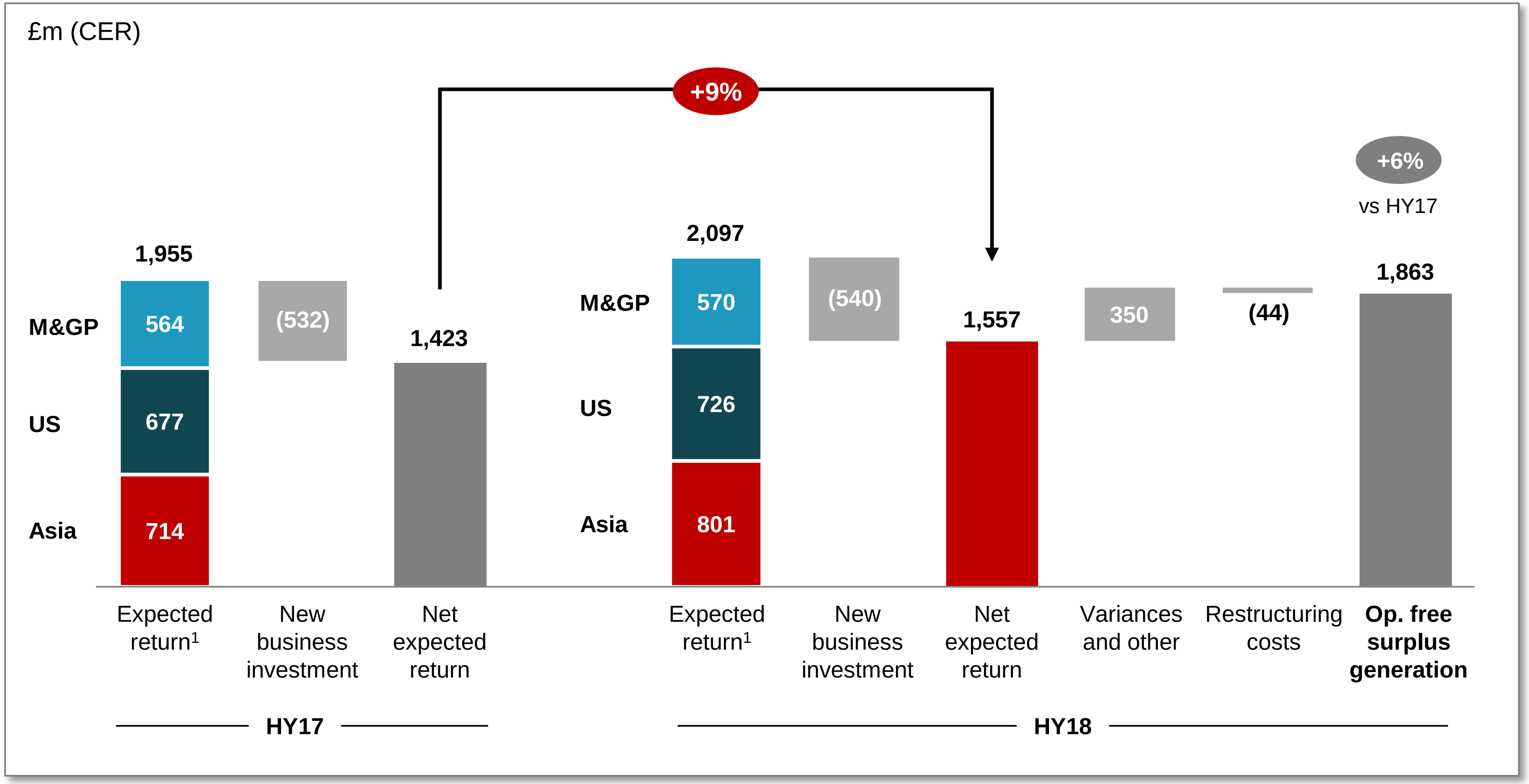
1. Excludes Korea Life, Japan Life and Taiwan agency. HY2014 comparatives have been restated to exclude the contribution from the sold PruHealth and PruProtect businesses. HY2008 to HY2013 comparatives include the results of PruHealth and PruProtect.
2. Central outgoings includes RHO costs.
3. Results 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.
4. Comparatives have been stated on an actual exchange rate basis.

PRUDENTIAL

Group free surplus generation

Growing contributions from in-force life portfolios and asset management

Operating free surplus generation



Variances include:

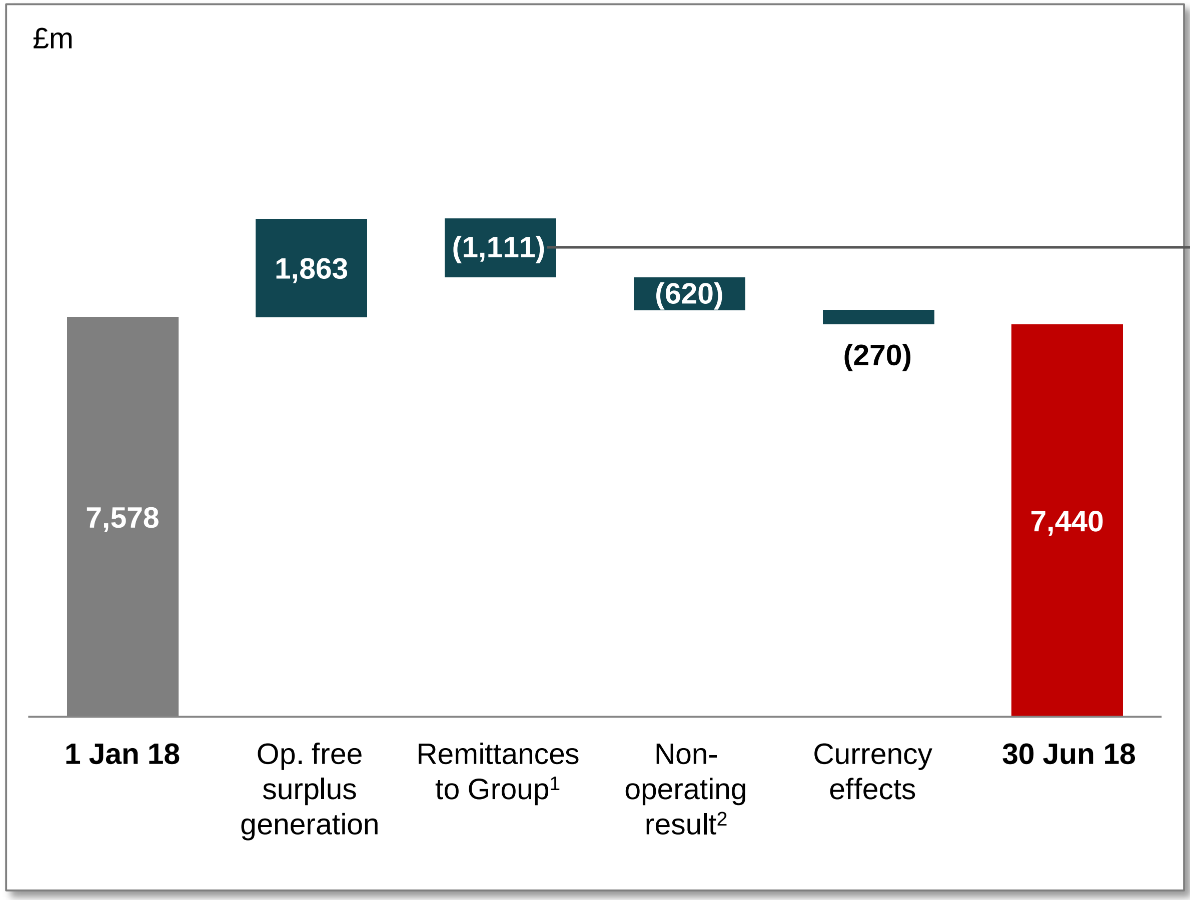
- UK management actions of £54m and insurance recoveries of £138m[2]
- Favourable mortality and morbidity experience in Asia
- Positive spread experience and amortisation[3] in the US

1 For life: expected transfer from in-force to free surplus and expected return on opening free surplus; for asset management and other: post-tax IFRS profit for the period.
2 Variances stated on a post-tax basis
3 Amortisation relates to interest-related realised gains and losses

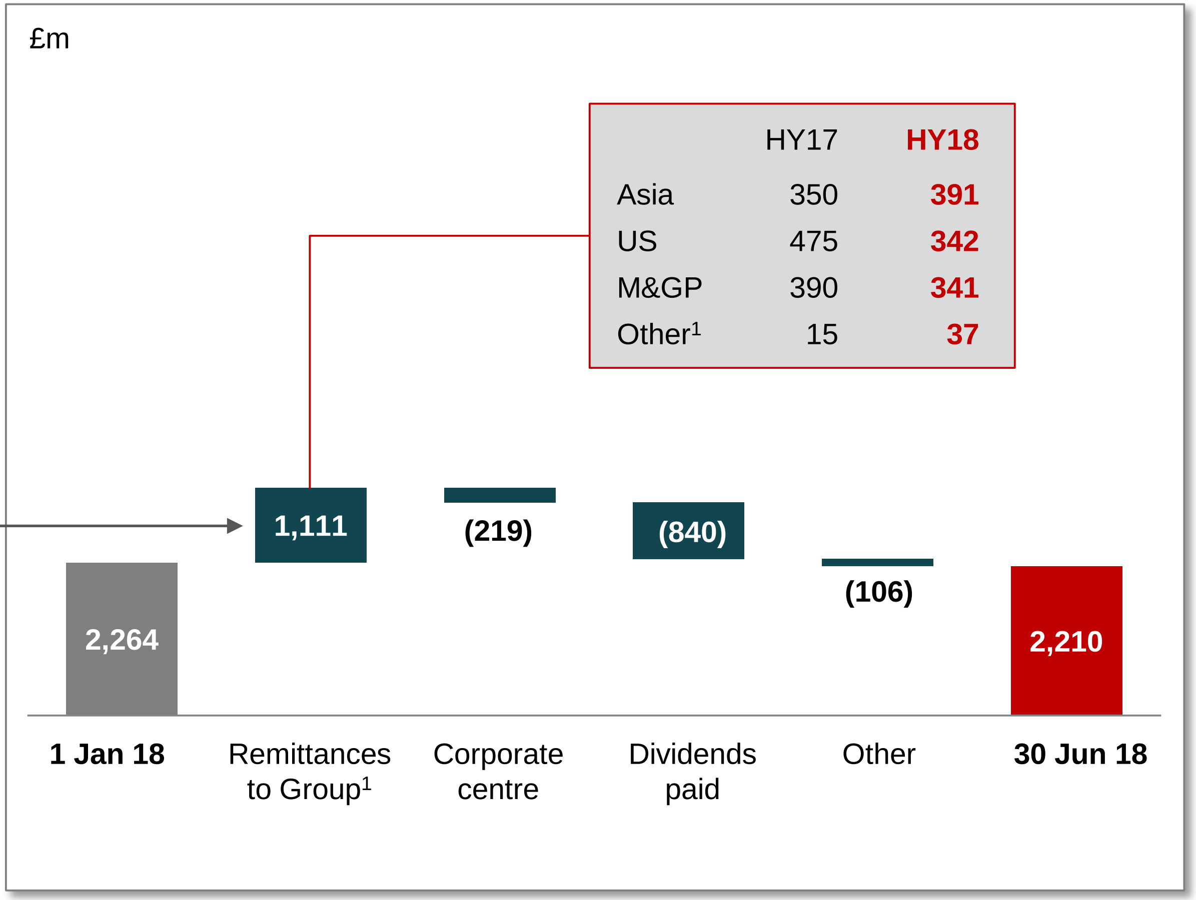
Holding company cash

Strong liquidity position

Movement in life and asset management free surplus



Movement in holding company cash



1 Includes Prudential Capital remittances of £37 million in HY18.
2 Includes short-term fluctuations representing losses on bond portfolios in Asia, lower than expected returns on with-profits funds in the UK and Asia, and hedging losses in the US.

PRUDENTIAL

Group
Solvency II treatment of hybrid capital classification

Hybrid capital outstanding, 30 June 2018

Issue Date	Amount	Coupon	Maturity Date	1st Call Date	SII Classification
19-Dec-01	GBP 435m	6.125%	19-Dec-31	None	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
24-Oct-17	USD 750m	4.875%	Perp	20-Jan-23	Tier 2

*Grandfathered under Solvency II transitional provisions until 31 December 2025.

Equity shareholders' funds

Operating profit remains key driver of growth

HY18, £m	IFRS	EEV
Operating profit after tax	**1,976**	**3,443**
Loss on corporate actions	(570)	(412)
Investment variance and other	(51)	(64)
Net income	**1,355**	**2,967**
Unrealised loss on AFS	(908)	n/a
Currency movements	69	523
Dividend	(840)	(840)
Other movements	119	95
Change in shareholders' equity	**(205)**	**2,745**
Opening shareholders' equity	16,087	44,698
Closing shareholders' equity	**15,882**	**47,443**

IFRS

Operating profit
- Includes M&G Prudential merger and transformation costs of £41m
- Debt costs down £27m due to net debt redeemed in 2017

Corporate actions
- Includes £513m loss arising on reinsurance of the UK annuity portfolio sold to Rothesay Life

Investment variance and other
- Investment variance represents unrealised negative marks on Asia and UK fixed income securities, offsetting positive marks in the US, mainly driven by the beneficial impact of higher yields

Available-for-sale securities
- Higher yields resulted in US AFS securities moving from a net unrealised gain to a modest net unrealised loss position of £247m

EEV

Currency movements
- FX gains driven by USD movements on Hong Kong and US shareholders' funds

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. The dividend policy will remain unchanged through the separation period.

Aim: grow the ordinary dividend by 5 per cent per annum

Potential for additional distributions

Assessment of dividend affordability unchanged

Range of financial metrics

- IFRS earnings
- Free surplus generation
- Holding company cash
- Free surplus 'stock'
- Solvency II surplus
- Local solvency surplus
- Financial strength ratings

Stress tested

- 1/25 year stress on financial KPIs[1]
- Country level cash
- Group liquidity
- Buffer for regulatory change and 'shocks'

Competing use of capital

- Investment in growth
- Funding corporate activity

1. 1/25 year stress is equivalent to a Group-wide scenario with movements in all risks including a fall in equity levels, a fall in long-term interest rates and spreads widening in both 'A' rated and 'BBB' rated credit.

Group
Custodians of capital, active portfolio managers, focus on quality

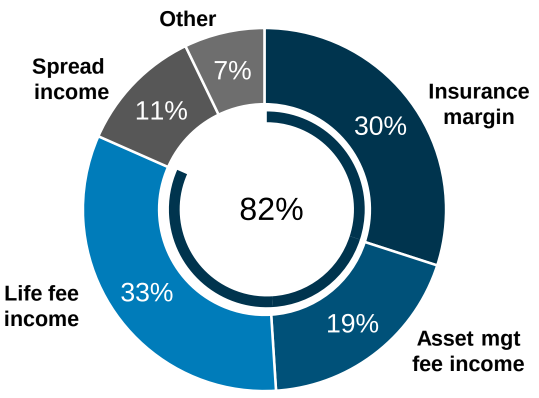
Active portfolio management

- UOB
- US Realic
- US Elite Access
- Thanachart
- Entered Cambodia
- SCB
- Entered Africa
- Stopped writing UK annuities
- Japan sale
- Entered Laos
- Korea sale
- NPH sale
- M&GP merger and transformation
- Asia banca relationships
- Sale of £12bn of UK annuity portfolio
- M&GP intention to demerge from plc
- TMB Asset Mgt
- SCB banca in Ghana
- Babylon

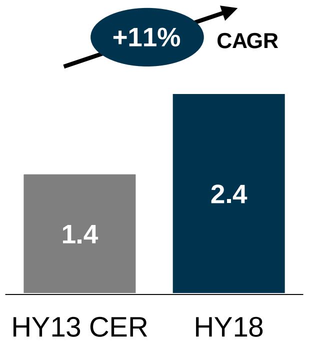
Well positioned to deliver

Group

Earnings quality[1]



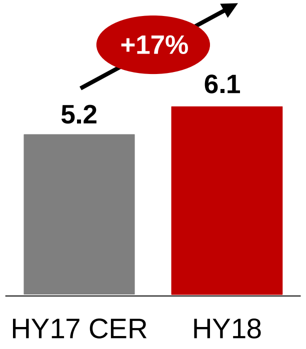
Growing IFRS operating profit, £bn



High quality resilient portfolio

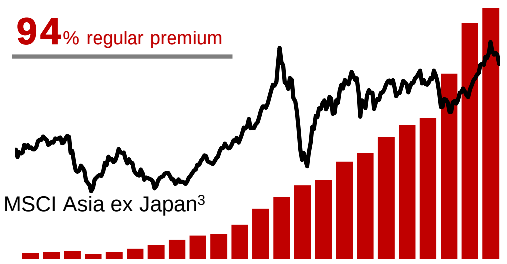
Asia

Growing in-force

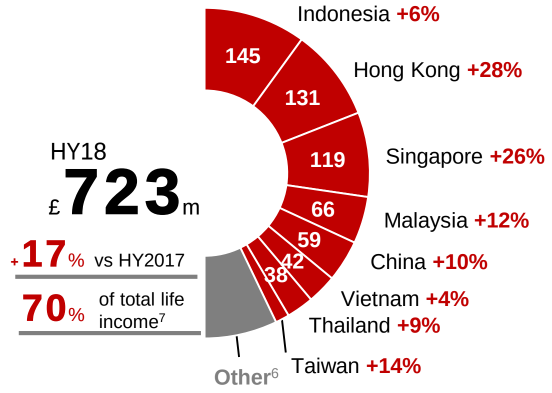


Renewal premium income[4], £bn

Recurring premiums[2]



Diversification



Insurance margin[5], £m

1 Sources of earnings based on HY18 income by revenue source and excludes £(18)m of share of related tax charges from joint ventures and associates, £63m of management actions to improve solvency and £166m of insurance recoveries of costs associated with undertaking a review of past annuity sales.
2 Represented by regular premium APE
3 Source: Datastream.
4 Represents gross earned premiums for contracts in second and subsequent years, comprising Asia segment IFRS gross earned premium less gross earned premiums relating to new regular and single premiums, plus renewal premiums from joint ventures.
5 Comparatives have been stated on a constant exchange rate basis.
6 Other includes the Philippines, India, Cambodia, Laos and non-recurrent items.
7 Total life income includes insurance income, fee income, with profits income and expected returns on shareholder assets and excludes margin on revenues.

PRUDENTIAL

Group invested assets
Asset portfolio

Breakdown of invested assets[1,2], 30 June 2018, £bn

	Total Group	PAR funds	Unit linked	Shareholder-backed				
				Asia Life	US Life	UK Life	Other	Total
Debt	**160.3**	**76.0**	**10.3**	**13.5**	**36.1**	**22.1**	**2.3**	**74.0**
Equity	229.7	64.3	163.2	1.6	0.3	0.0	0.3	2.2
Property	17.6	15.3	0.6	0.0	0.0	1.7	0.0	1.7
Mortgage	10.4	2.3	0.0	0.2	6.3	1.7	0.0	8.1
Deposits	12.4	9.1	1.7	0.5	0.0	0.8	0.3	1.6
Other loans	6.5	2.4	0.0	0.4	3.5	0.0	0.1	4.0
Other	11.0	7.8	0.0	0.8	1.7	0.5	0.3	3.3
Total	**447.9**	**177.2**	**175.8**	**17.0**	**47.9**	**26.8**	**3.2**	**94.9**

Shareholder debt portfolio, 30 June 2018, £bn

	Portfolio £bn	No. issuers	Holding by issuer		High yield % debt portfolio
			Av. £m	Max £m	
Sovereign debt	**14.4**	**45**	**320**	**3,388**	**2.4%**
Corporate debt					
Investment grade	57.6	1,194	48	340	n/a
High yield	2.0	811	2	500	2.7%
	59.6	**2,005**	**30**	**500**	**n/a**

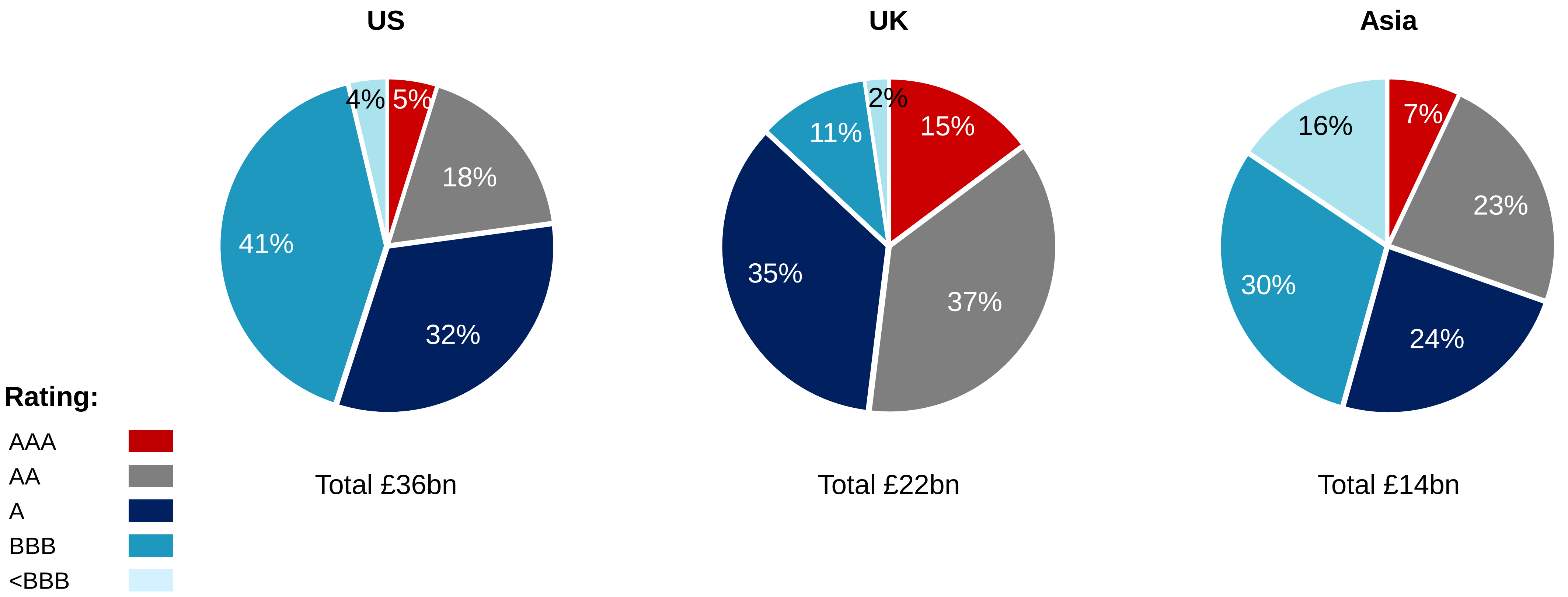
- Conservative asset mix: ~97% credit portfolio is rated investment grade or sovereign
- Minimal default losses, and minimal impairments across all credit portfolios
- Additional cash and equivalents of £8.4bn, of which shareholder exposure is £4.8bn

1. Includes £1.6 billion of investments in joint ventures and associates accounted for using the equity method.
2. Subject to rounding.

PRUDENTIAL

Group invested assets
Shareholder total debt securities

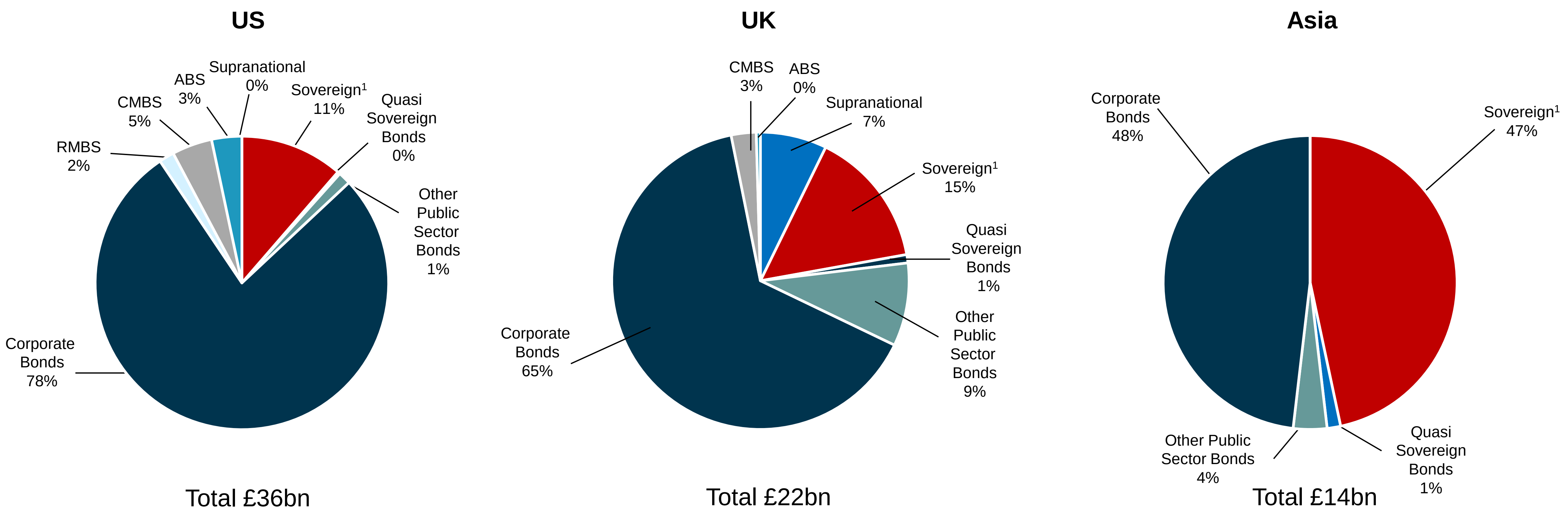
By credit rating[1,2], 30 June 2018



1. Pie charts exclude other operations totalling £2.3bn, of which 31% AAA, 56% AA, 8% A, 2% BBB and 3% BB or below.
2. Based on hierarchy of Standard and Poor's Moody's and Fitch, where available and if unavailable, other rating agencies or internal ratings have been used.

Group invested assets
Shareholder total debt securities

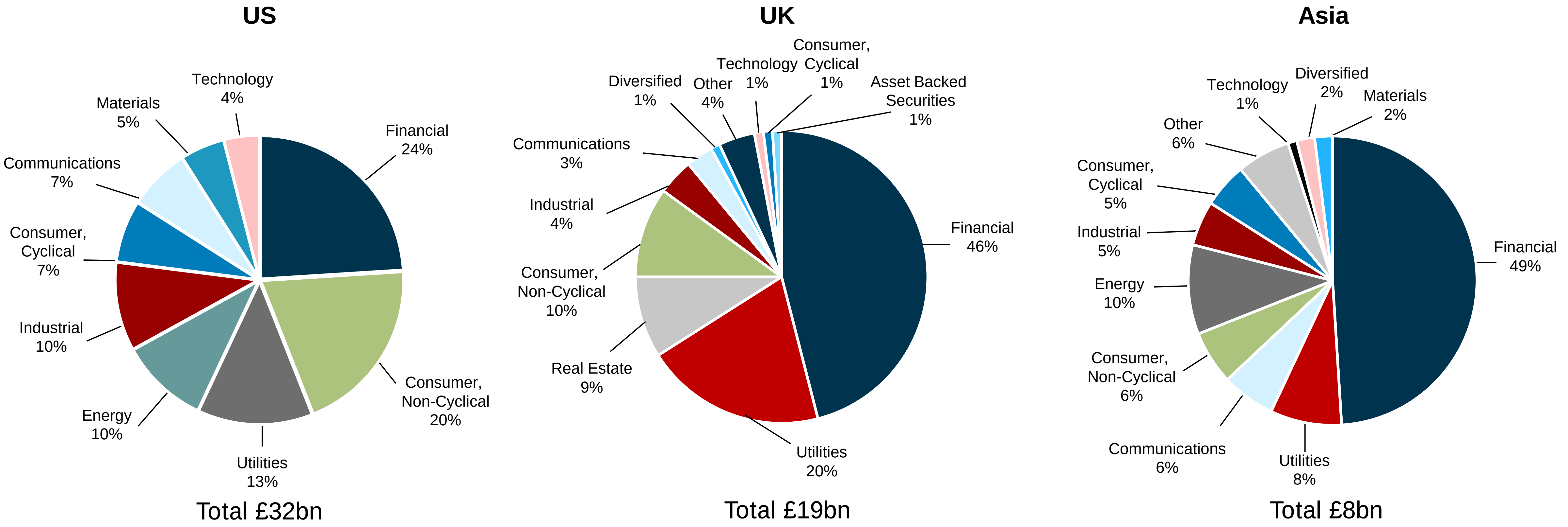
By asset type[1,2], 30 June 2018



1. Sovereign includes OEICS.
2. Pie charts exclude £2.3bn of debt securities within other operations.

Group invested assets
Shareholder-backed corporate debt securities

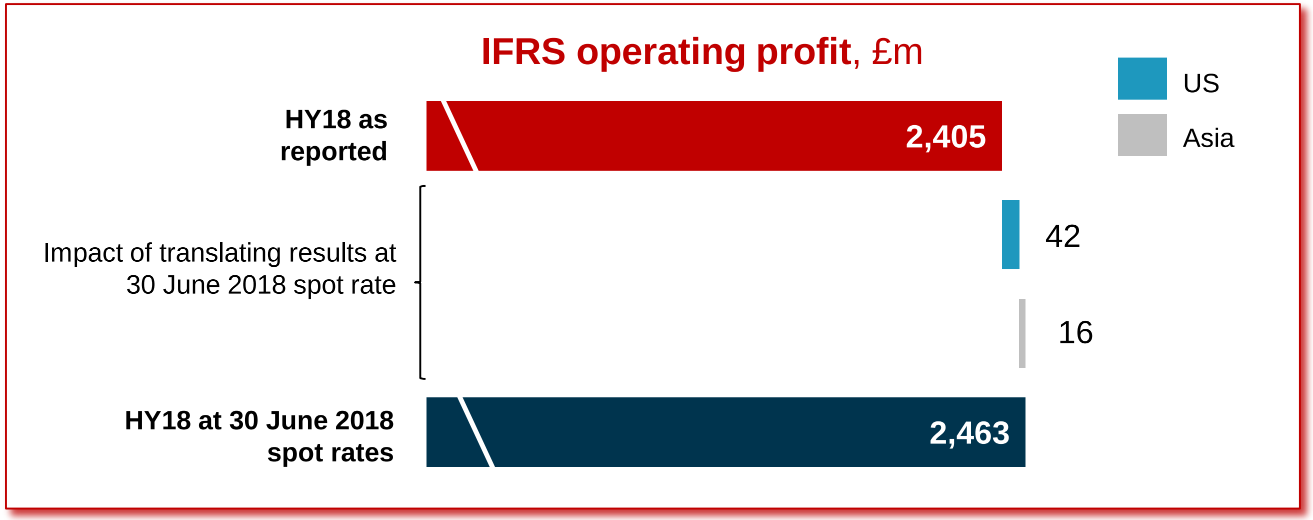
By sector[1,2], 30 June 2018

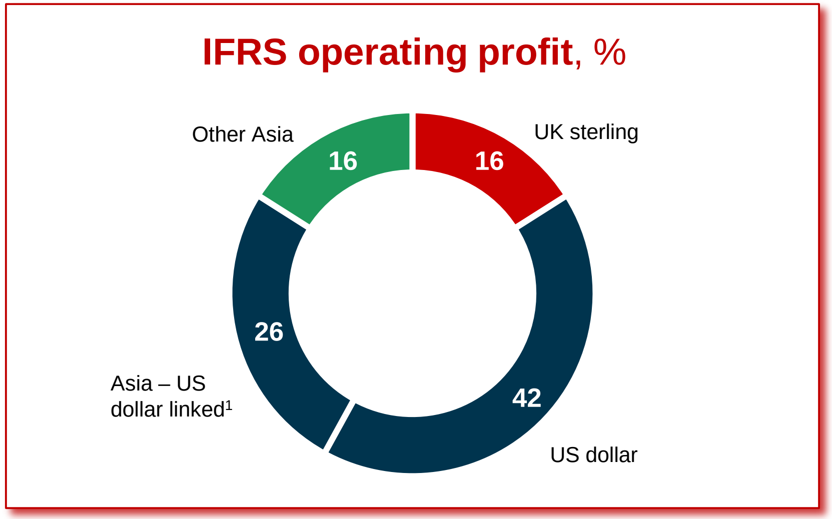


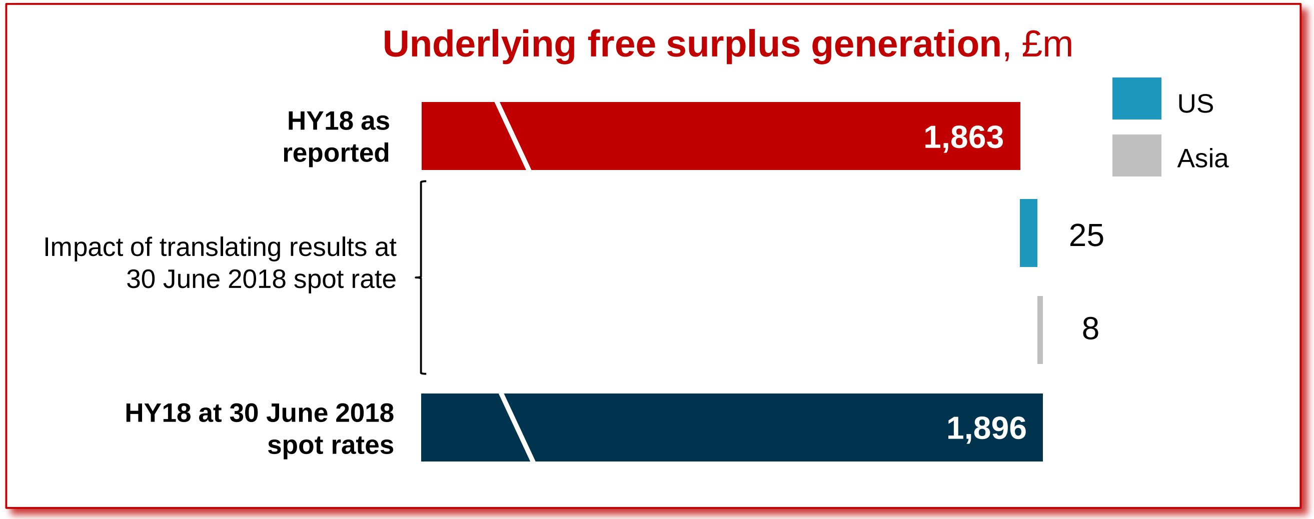
1. Source of segmentation (in order) Bloomberg Sector, Bloomberg Group and Merrill Lynch. Anything that cannot be identified from the 3 sources noted is classified as other. Pie charts above exclude debt securities from other operations.
2. Pie charts exclude £2.3bn of debt securities within other operations.

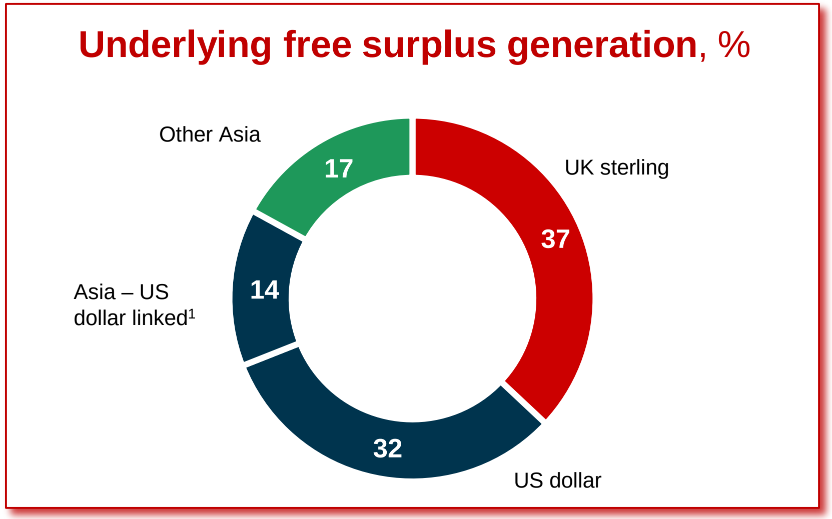
PRUDENTIAL

Group currency mix
Translation sensitivities







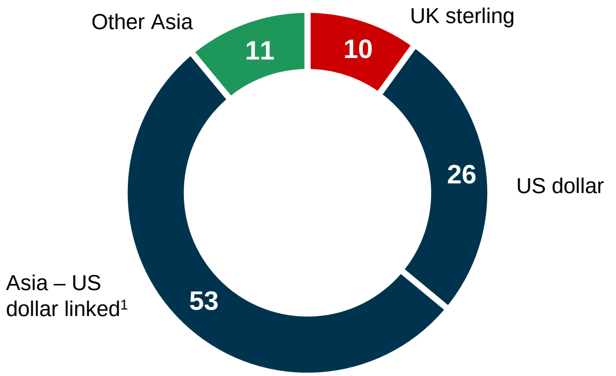


1. US dollar linked comprise the Hong Kong and Vietnam operations where the currencies are pegged to the US dollar and the Malaysia and Singapore operations where the currencies are managed against a basket of currencies including the US dollar.

Group currency mix
Translation sensitivities

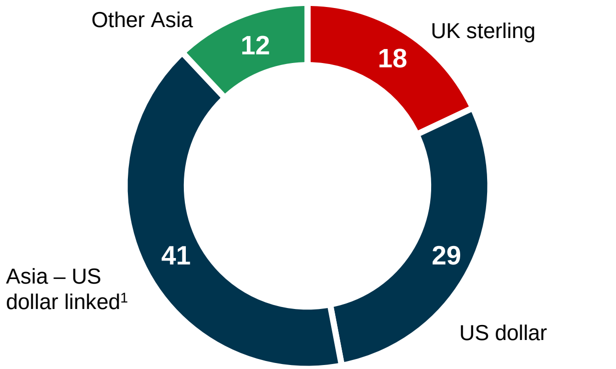
New business profit, £m

New business profit, %



EEV operating profit, £m

EEV operating profit, %

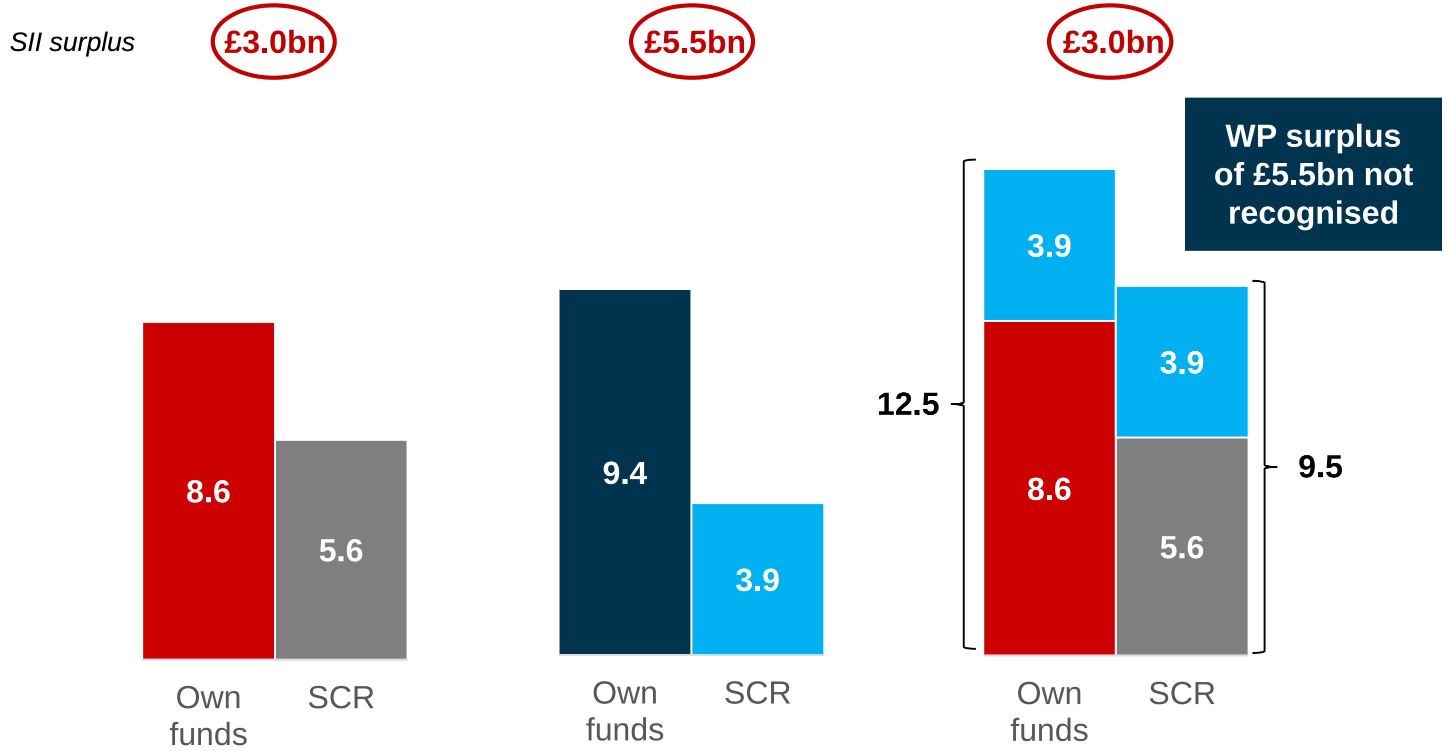


1. US dollar linked comprise the Hong Kong and Vietnam operations where the currencies are pegged to the US dollar and the Malaysia and Singapore operations where the currencies are managed against a basket of currencies including the US dollar.

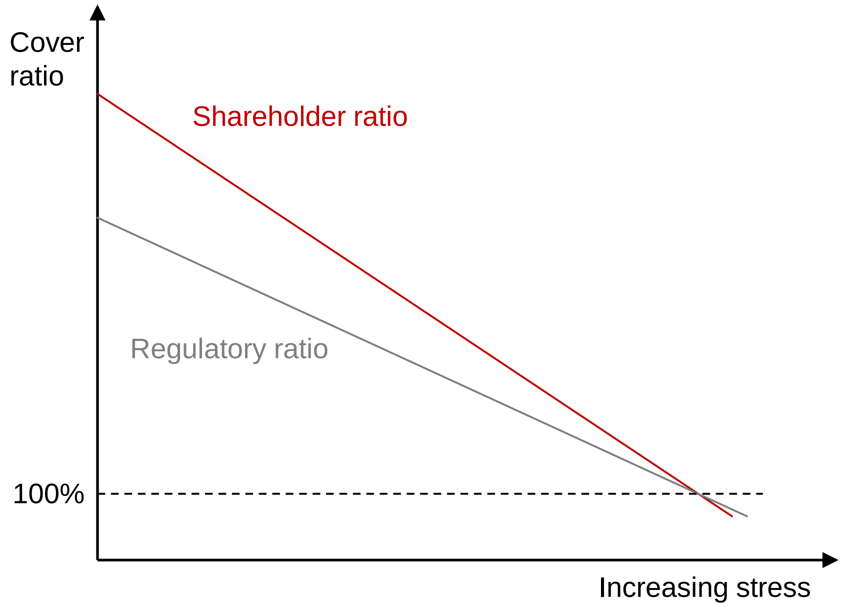
UK
Calculation of Solvency II regulatory capital ratio

Solvency II cover ratio
As at 30 Jun 2018, %

PAC Ltd Estimated pro-forma[1] | **With-profits** | **Regulatory** Estimated pro-forma[1]



Illustrative impact of stress events
Movement in Solvency II cover ratio



1. The proforma estimate assumes that the partial sale of the UK annuity portfolio and the transfer of Prudential plc's Hong Kong subsidiaries to Asia had both completed as at 31 December 2017. The estimated proforma impact of both of these actions as at 31 December 2017 is to reduce the PAC solvency II surplus from £6.1bn to £2.8bn

PRUDENTIAL

Asia
High quality, diversified growth

Double-digit growth across key metrics

New business profit[1]	+11%
IFRS operating profit[1]	+14%
Free surplus generation[1]	+14%

New business profit

Broad-based	High quality
8 Countries with double digit growth	H&P NBP[1] +19%
Agency[1] +11%	H&P 70% of NBP
Banca[1] +14%	NBP Margin 65%

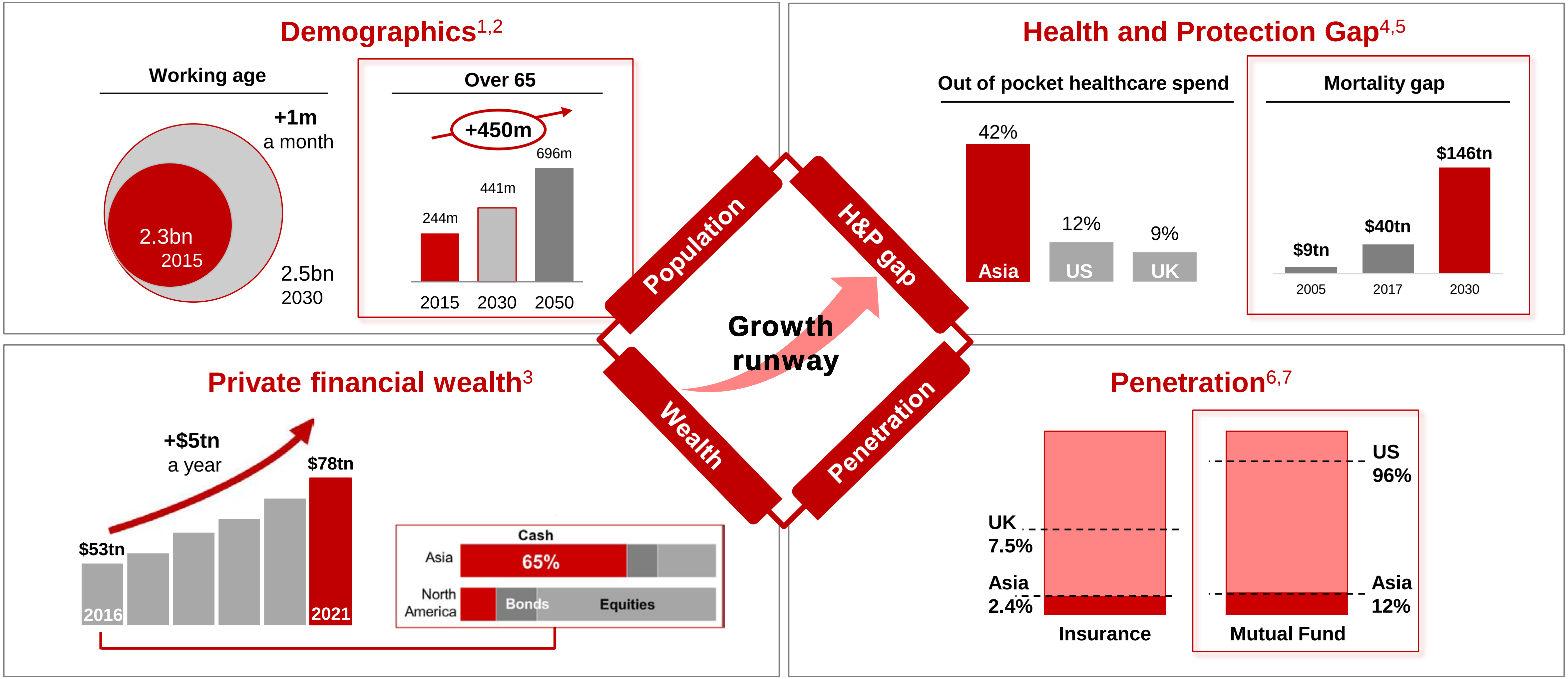
IFRS operating profit

- >£1bn for the first time at HY
- 6 Life markets with double digit growth
- +13% Eastspring

1 Growth rates indicate variances against prior year on a constant exchange rate basis.

Asia

Significant long term growth opportunity



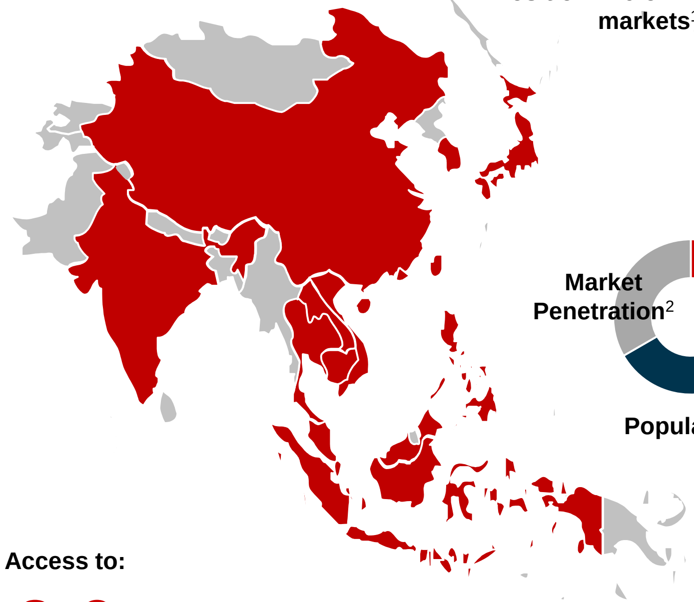
1 United Nations, Department of Economic and Social Affairs, Population Division (2015). World Population Prospects: The 2015 Revision, DVD Edition.15.
2 Working age population: 15-64 years.
3 Source: BCG Global Wealth 2017. Navigating the New Client Landscape.
4 World Health Organisation - Global Health Observatory data repository (2013). Out of pocket as % of Total Health Expenditure. Asia calculated as average out of pocket .
5 Source: Swiss Re Mortality protection gap in Asia 2018. Numbers are based on PCA footprint and use per capita income of working population as the base unit to calculate the size of the gap.
6 Insurance penetration source Swiss Re Sigma 2015. Insurance penetration calculated as premiums in % of GDP. Asia penetration calculated on a weighted population basis.
7 Investment Company Institute, industry associations and Lipper.

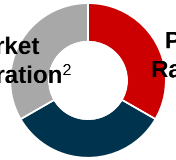
Asia
Leading pan-regional franchise

Pru Asia footprint

15m
Pru life customers

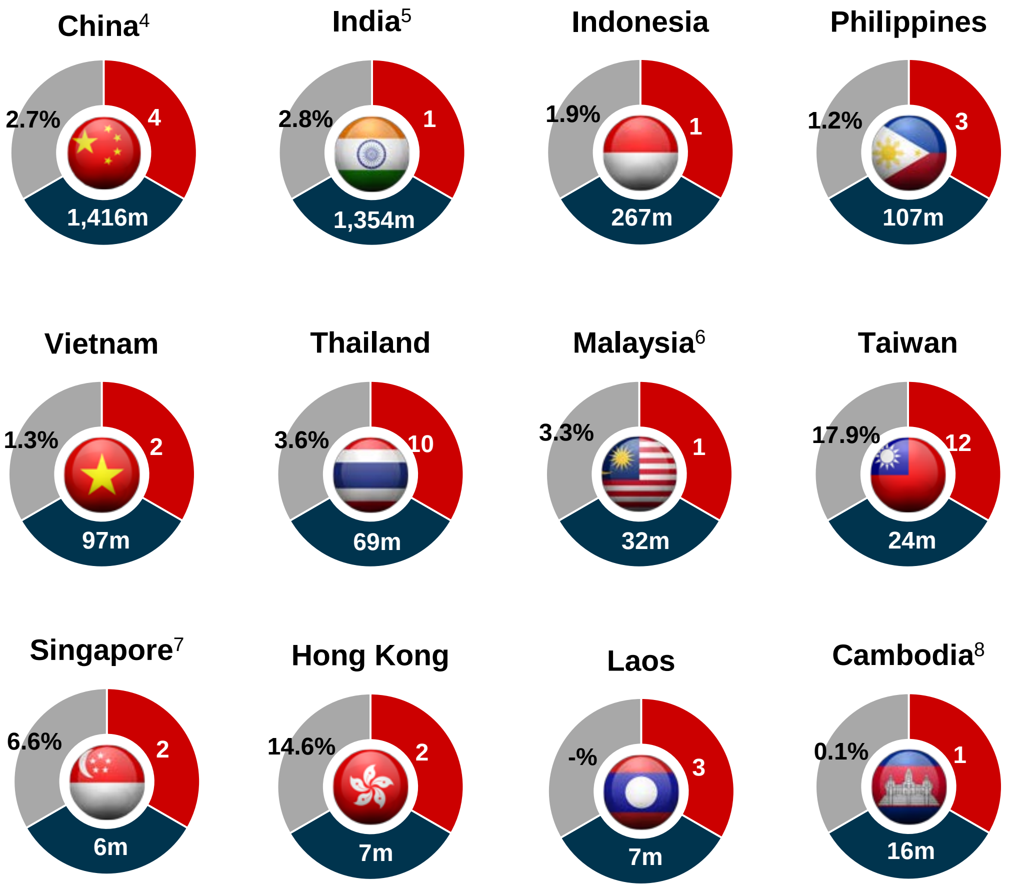
Top 3
Position in 9 of 12 markets[1]





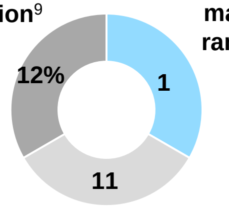
Access to:
3.6bn
Population

Life portfolio



Asset Management

eastspring investments
A member of Prudential plc (UK)



Eastspring Asian country presence[11]

Market leading pan regional Asian Retail Fund Manager[10]

1 Top 3 in 9 of 12 countries. As per Group's FY2017 disclosures.
Source: Based on formal (Competitors' results release, local regulators and insurance associations) and informal (industry exchange) market share data. Ranking based on new business (APE or weighted FYP depending on the availability of data).
2 Market penetration: Swiss Re – based on insurance premiums as a percentage of GDP in 2017 (estimated).
3 United Nations, Department of Economic and Social Affairs, Population Division, World Population Prospects 2017 Revision.
4 Ranking amongst foreign JVs.
5 Ranking amongst private players, share among all players on a fiscal year basis excluding Group business.
6 Excludes Group business.
7 Singapore includes onshore only, excluding Eldershield and DPS.
8 First year gross premiums.
9 Source: Investment Company Institute, industry associations and Lipper as of Q116. Datastream as of Jun 2016.
10 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.
11 Eastspring has a presence in 11 markets across the region following its recent entry into Thailand in July; the completion of this transaction is subject to local regulatory approval. Sales offices in UK, US and Luxembourg.

Asia
Improving our capability set

- PRODUCTS
- DISTRIBUTION
- CUSTOMERS
- DIGITAL
- PEOPLE
- BRAND

Enhance the core[1]

- **6 new** bancassurance partnerships
- ROBINSONSBANK, SCB, SHINHAN, OCBC NISP, 招商银行 CHINA MERCHANTS BANK, VIETBANK
- MDRT >8,000 qualifiers
- Digitising business: PRUONE EXPRESS, PRUforce
- Initiated **fasttrack** *trade* – PRUDENTIAL, StarHub, ft fasttrack trade
- **Launched Opus** distinctive HNW proposition
- **63%** E submissions; **55%** Auto-underwritten
- **Chatbot** technology (agents & customers)

Create 'best-in-class' health capability[1]

- H&P NBP **up 19%**; H&P **70%** of total NBP
- **Over 90,000** units – myDNA
- **Exclusive Asia partnership** – babylon: AI powered digital health service
- **Expanded PRUmedical network** 54 hospitals in 28 cities
- **Jet Claims** AI-based auto-assess & review
- DOCTOR2U: Healthcare at fingertips
- Medical repricing for **>1m customers**

Accelerate Eastspring[1]

- **Establishing WFOE** and approval for QDLP quota
- **SGA partnership** – access to Global & US Growth strategies (SGA Sustainable Growth Advisers)
- **Acquisition** of **TMB** Asset Management, with £10bn of AUM
- Agreement to deploy **$500m** - emerging market infrastructure (IFC)
- Asia **Fund House of the Year** in 3 of the last 4 years[2] (Best of the Best Awards 2018, Asia Asset Management)
- **Successfully implementing** aladdin by BlackRock

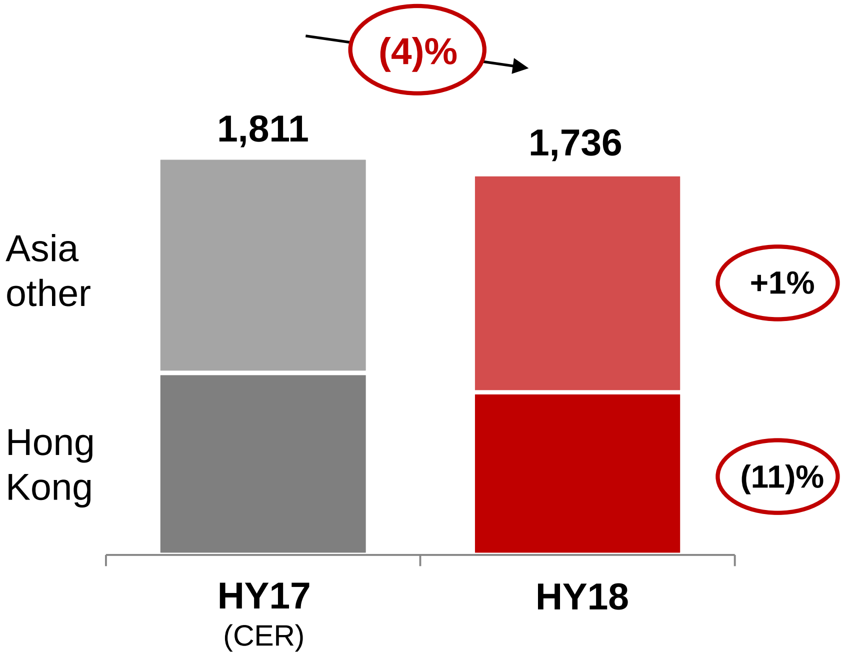
Expand presence in China[1]

- **Granted licence** to offer tax-deferred pension policies
- Bank distribution: **>4000** branches **& 1000** wholesalers
- Regulatory approval for establishment of **new branch** in **Hunan**
- NBP **up 15%**; **98%** regular premium; **Retention ratio c.90%**
- **SARMRA**[3] (85.75%) **#1** in industry
- Operating in **18** branches, **77** cities[4]
- Access to around **70%** of the population. With **>1m** customers

1 Capability statistics shown as at HY2018 or earlier depending on the availability of data.
2 Asian Investor (2015, 2017 and 2018).
3 Solvency Aligned Risk Management Requirements and Assessment (SARMRA)
4 Number of branches and cities excludes Hunan

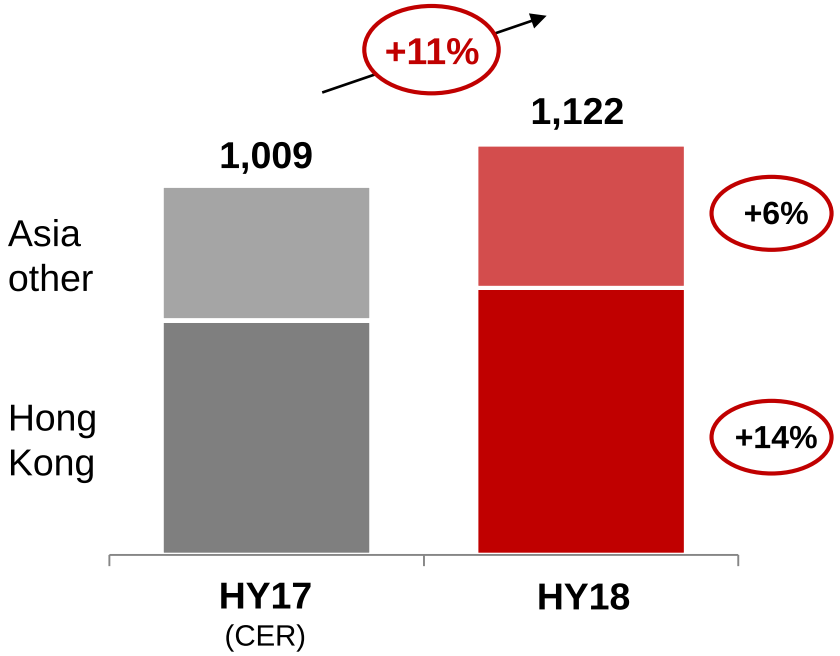
Asia
Key financials in HY18 – new business

APE sales, £m



- Continued focus on high quality growth with emphasis on H&P, which accounts for 28% of total APE sales (HY17 27%)
- Sales performance improved in Q2, including double-digit year-on-year growth in China (+21%) and Hong Kong (+13%)
- Hong Kong APE: H&P mix of 25% (+2ppts)

New business profit, £m

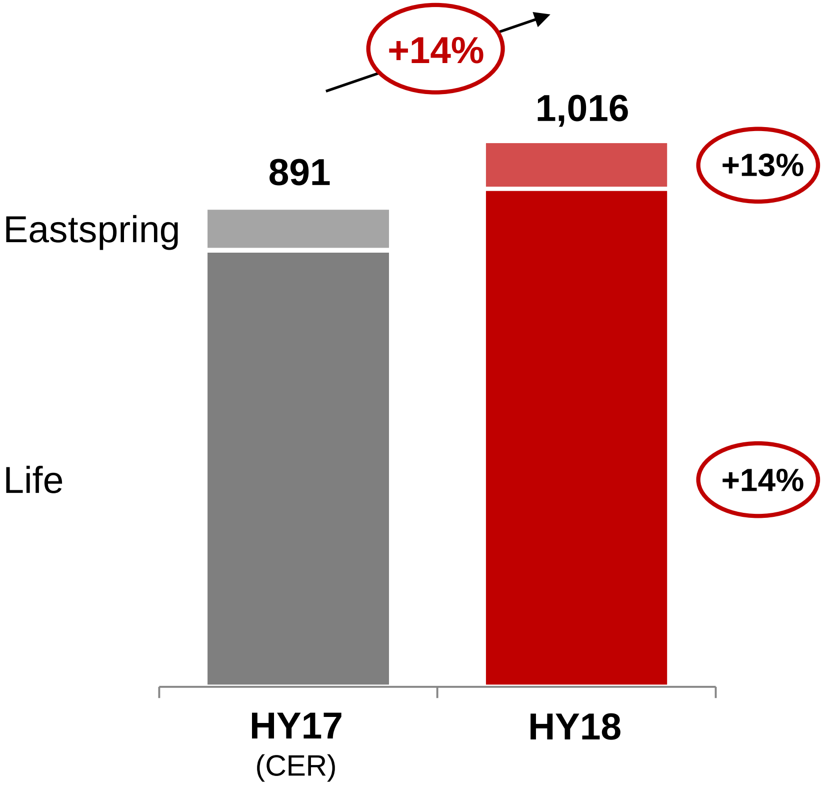


- Ongoing prioritisation of higher margin H&P: NBP from H&P up +19%, and representing 70% of total NBP
- Positive effects of product actions in Singapore and Hong Kong
- Economic effects broadly neutral overall, although headwind from 100bp rise in Indonesia yields[1] since 30 June 2017

1 Relates to 10 year government bonds.

Asia
Key financials in HY18 – IFRS operating profit

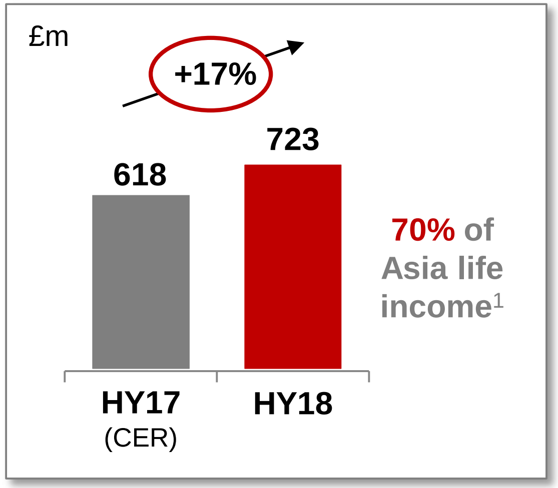
IFRS operating profit, £m



Life

- Broad growth, with 6 markets reporting double-digit growth
- Benefits from increasing scale and compounding effects
- Increasing mix of high quality insurance margin, up 17%
  - Reflects strategic focus on H&P
  - Underpins earnings resilience in more volatile markets as insensitive to investment movements

Insurance margin



70% of Asia life income[1]

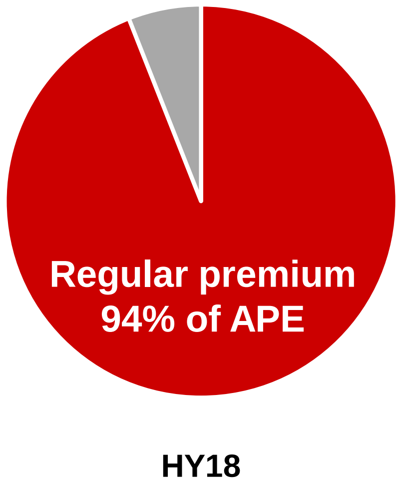
Eastspring

- Average total FUM up +13% (CER), driven by inflows and 2H17 investment performance
- Closing total FUM £138.2bn (YE17 £138.9bn), with inflows offset by negative markets[2]
- Revenue margin 31bp (HY17 32bp)[3]
- Cost income ratio 54% (HY17 55%)[4]

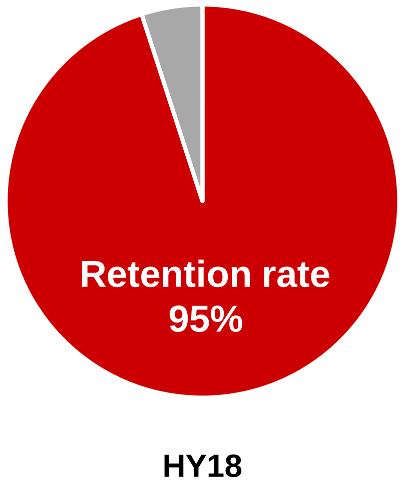
1 Asia life income includes insurance income, fee income, with profits income and expected returns on shareholder assets and excludes margin on revenues.
2 Total net flows of £3.0 billion, representing outflows of £0.9 billion from external business, inflows of £3.2 billion from internal life business and inflows of £0.7 billion from money market funds. Closing total FUM for YE17 is stated on reported exchange rate basis.
3 Revenue margin represents operating income before performance related fees as a proportion of the related funds under management. Half year figures have been annualised by multiplying by two. Monthly closing internal and external funds managed by the respective entity have been used to derive the average. Any funds held by the Group's insurance operations that are managed by third parties outside the Prudential Group are excluded from these amounts. HY17 is stated on a constant exchange rate basis.
4 Cost/income ratio represents cost as a percentage of operating income before performance related fees. HY17 is stated on a constant exchange rate basis.

Asia
Focus on high quality compounding growth

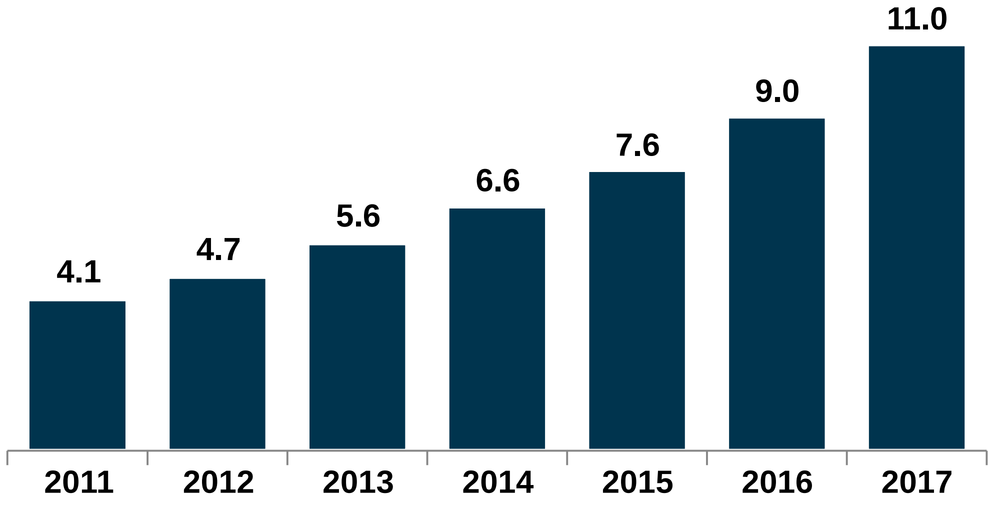
Regular premium



Retention rate[1]



Renewal premium income[2], £bn (CER)



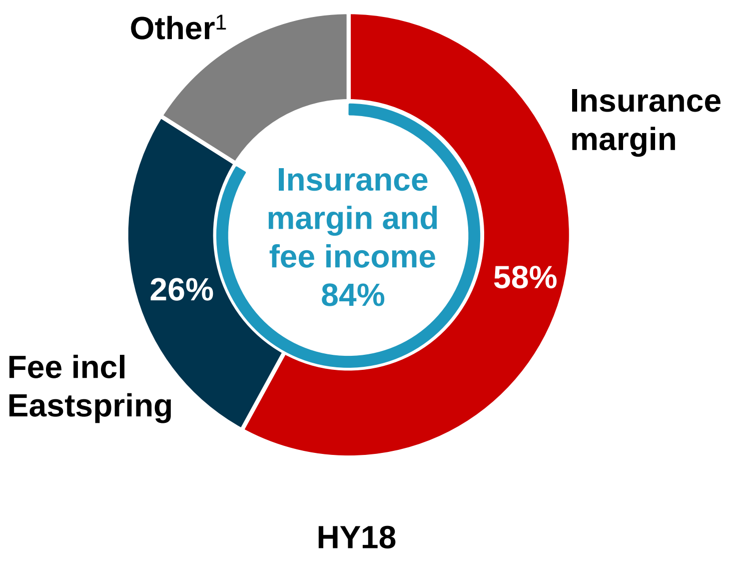
1 Stated for PCA excluding India.
2 All comparatives restated to exclude Korea Life.

PRUDENTIAL

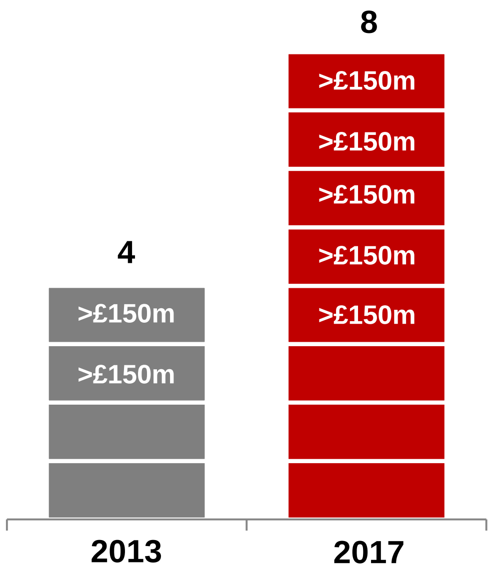
Asia
Driving increasing scale and portfolio diversification

Sources of IFRS operating income

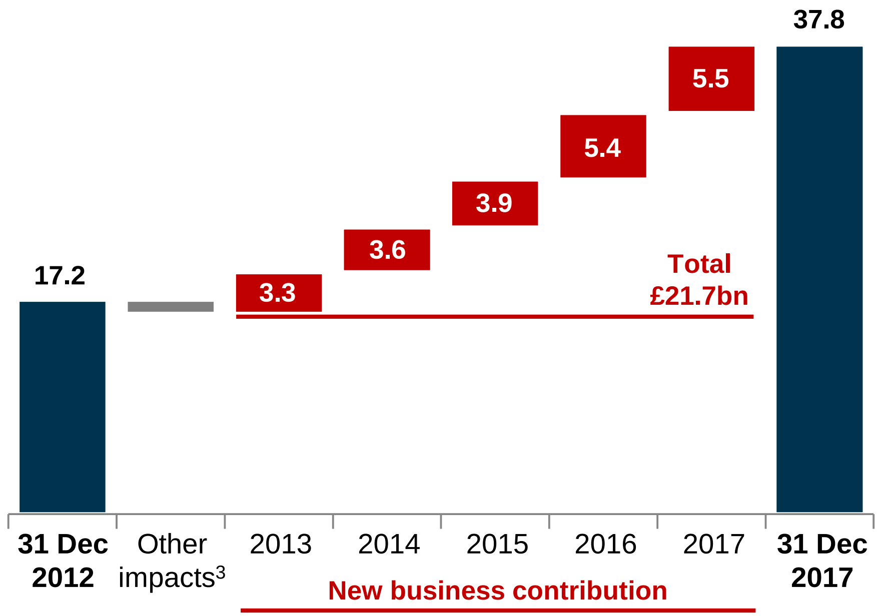
100% = £1,247m



Businesses with annual IFRS operating profit >£75m



Stock of expected future cash generation[2], £bn



1 Comprises spread income, with-profits and expected return on shareholder assets.
2 40 year projection of cash flows expected to emerge into free surplus from the life value of in-force and associated required capital, undiscounted.
3 Includes unwind of expected free surplus emergence, currency effects, net experience variances, operating assumption changes and expected free surplus generation in the years 2053 to 2057 which are not included in the initial 40 year projections made at the end of each year from 2012 to 2016.

PRUDENTIAL

Asia

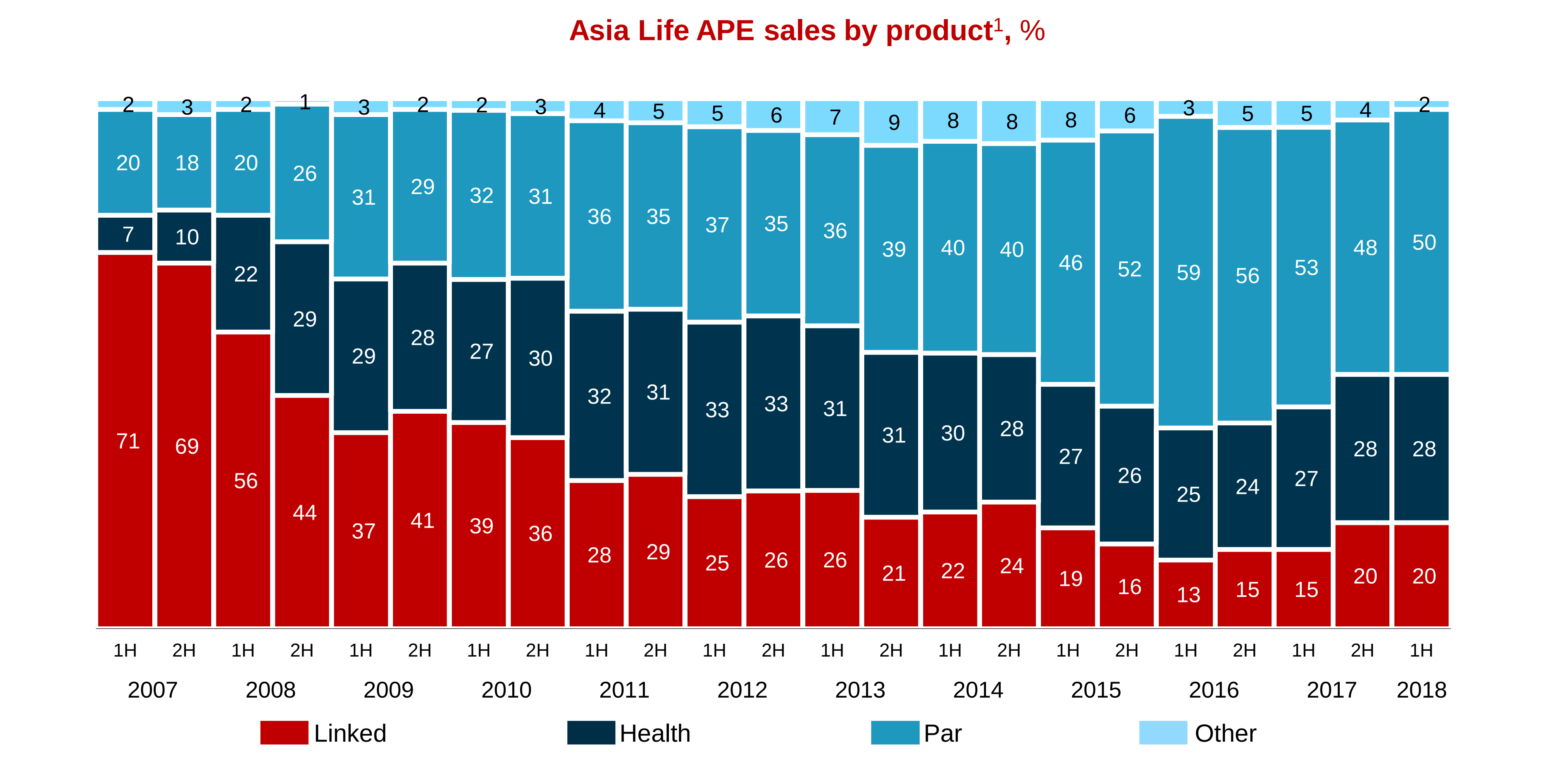
Favourable structural dynamics

	Population[2] (m)	Market penetration[3] (%)	GDP[1] ($bn)	GDP growth[1] (%)
Cambodia (2013)	16	0.1%	24	6.9%
China (2000)	1,416	2.7%	14,093	6.6%
Hong Kong (1964)	7	14.6%	365	3.6%
India (2000)	1,354	2.8%	2,848	7.4%
Indonesia (1995)	267	1.9%	1,075	5.3%
Laos (2015)	7	-	18	6.8%
Malaysia (1924)	32	3.3%	365	5.3%
Philippines (1996)	107	1.2%	332	6.7%
Singapore (1931)	6	6.6%	350	2.9%
Taiwan (1999)	24	17.9%	613	1.9%
Thailand (1995)	69	3.6%	484	3.9%
Vietnam (1999)	97	1.3%	241	6.6%

(YYYY) Operations start date

1. Source: IMF 2018 forecast data. Published April 2018.
2. United Nations, Department of Economic and Social Affairs, Population Division, World Population Prospects 2017 Revision.
3. Market penetration: Swiss Re (Sigma) – based on insurance premiums as a percentage of GDP in 2017 (estimated).

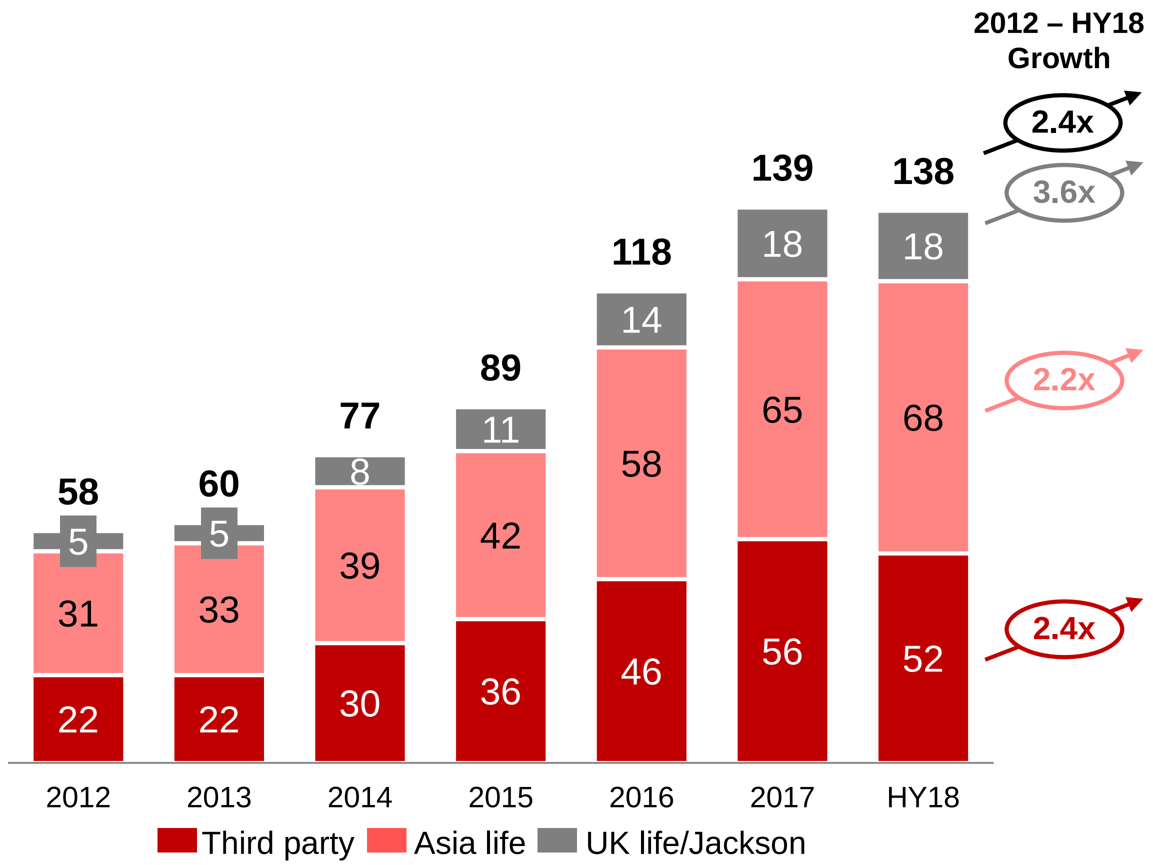
Asia
Product mix



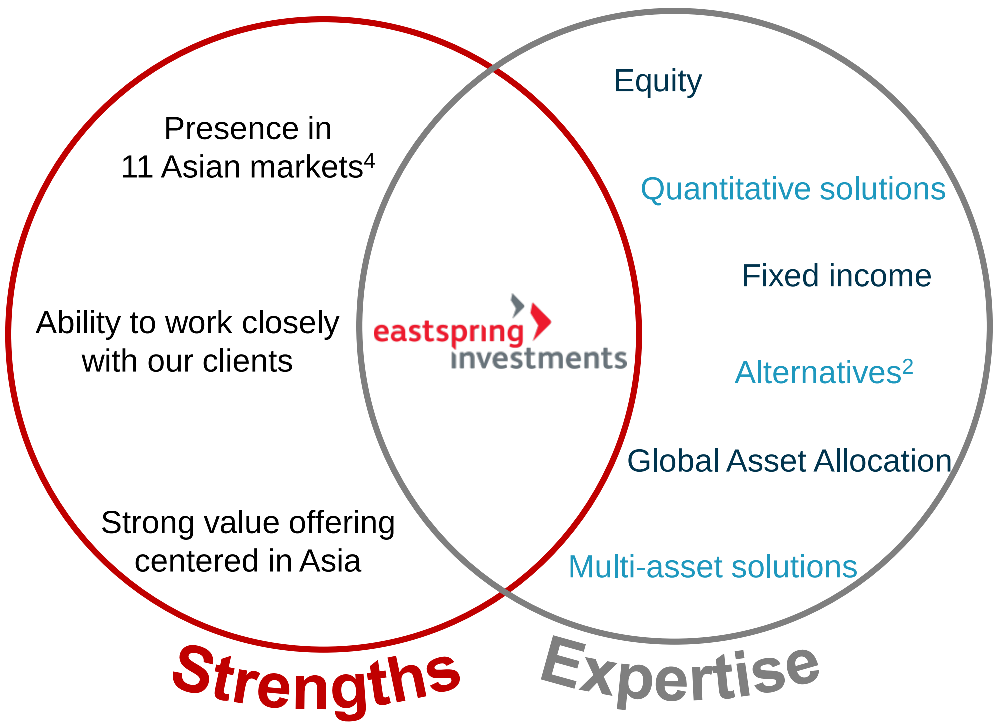
1. All comparatives restated to exclude Korea Life.

Eastspring Investments

Funds under management[1,3], £bn



Capabilities



Established
Developing

1. As reported (RER).
2. Infrastructure, private equity, syndicated loans.
3. Eastspring funds under management presented includes Money Market Funds (MMF).
4. Eastspring has a presence in 11 markets across the region following its recent entry into Thailand in July; the completion of this transaction is subject to local regulatory approval.

PRUDENTIAL

US
Differentiated product structure, health of portfolio

Superior product structure

Product structure

- ➢ Withdrawal benefit
- ➢ Investment freedom
- ➢ Over 100 fund choices

How we operate

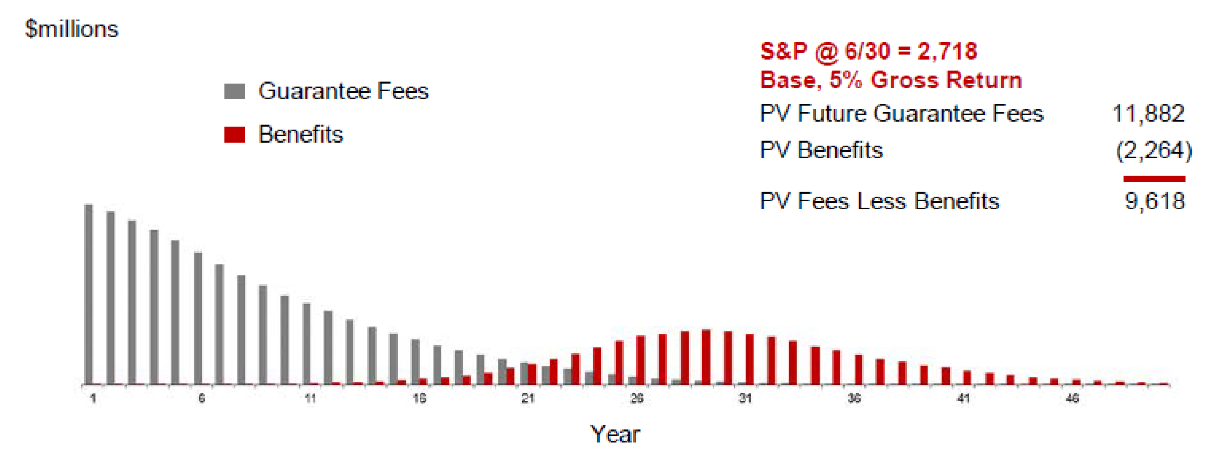
- ➢ Price for economics
- ➢ Fund choice due diligence
- ➢ Disciplined risk management

Effective hedging strategy

- ➢ Focused on economics – accept associated accounting volatility
- ➢ Macro hedging approach – recognising natural offsets
- ➢ Focus on tails and large market moves
- ➢ High level of hedge effectiveness

Healthy in-force portfolio

Jackson unhedged GMWB cash flow exposure[1], as at 30 June 2018



1 Based on scenario where the S&P level as at 30 June 2018 was 2,718, and have assumed 5% gross returns. Includes guarantee fees only. Ignores guarantee fees collected to date as well as reserves.

PRUDENTIAL

US

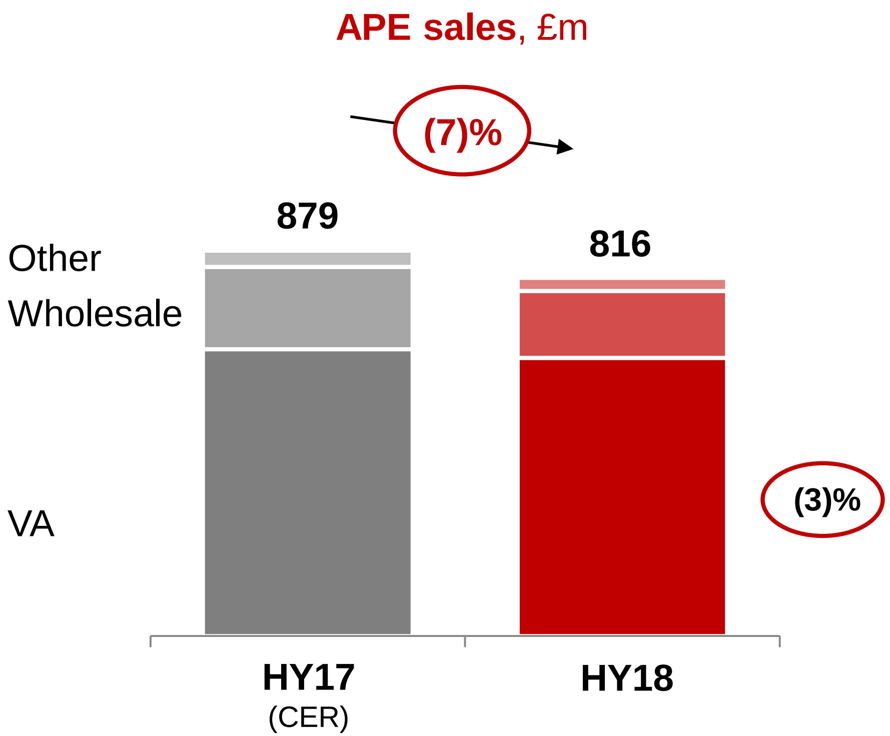
Well positioned with capabilities to capture significant opportunity

Retirement opportunity[1,2]

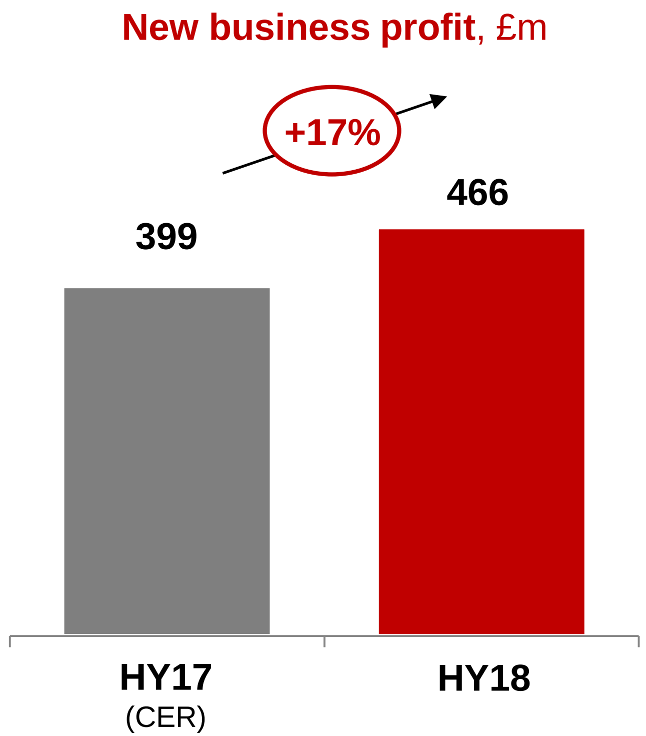
- **Leading cost efficient player**
  (32bps vs industry average 61bps)
- **Market leading fund performance**
  (31 funds with 7% or greater 3 year annualised performance)
- **Largest and most productive wholesaling force**
- **Proven capability in product innovation**
  (Elite Access, Perspective Advisory II, Elite Access Advisory)
- **Key role in Alliance for Lifetime Income**

1 The 2017 Cerulli reports, IRI Fact Book, Federal Reserve – 2016 Survey of Consumer Finances.
2 U.S. Census Bureau, Population Division, 2014 estimate of population. Generations as defined by Pew Research Center, 2014.

US
Key financials in HY18 – new business



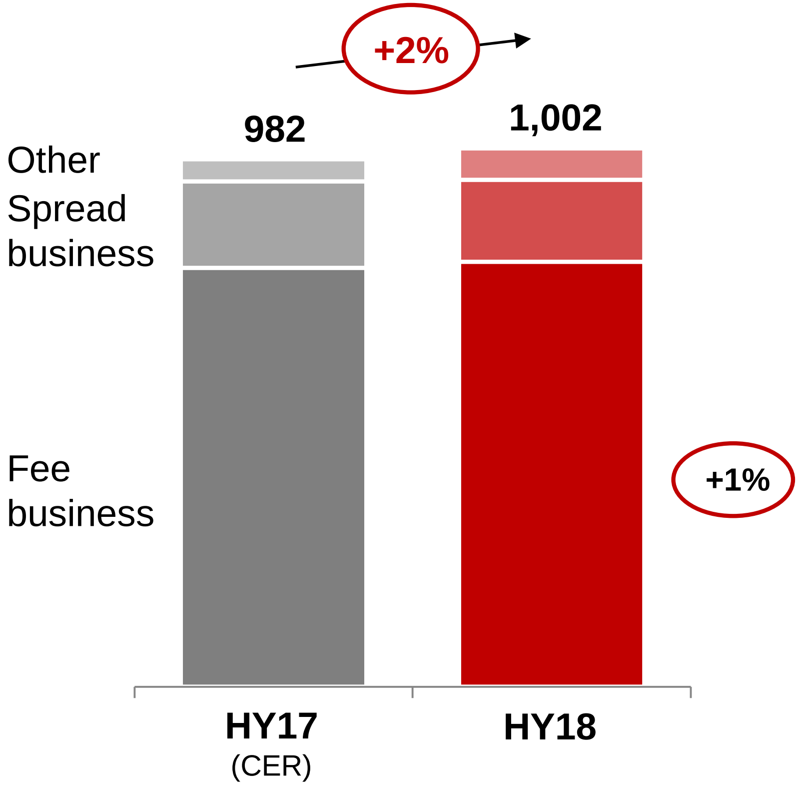
- VA (ex-Elite Access) sales down 2%
- Continued positive momentum in advisory sales – selling agreements up to 150 (113 at YE17)



- NBP benefit from reduction in corporate tax rate vs HY17
- Higher interest rates positive for new business margin

US
Key financials in HY18 – IFRS operating profit

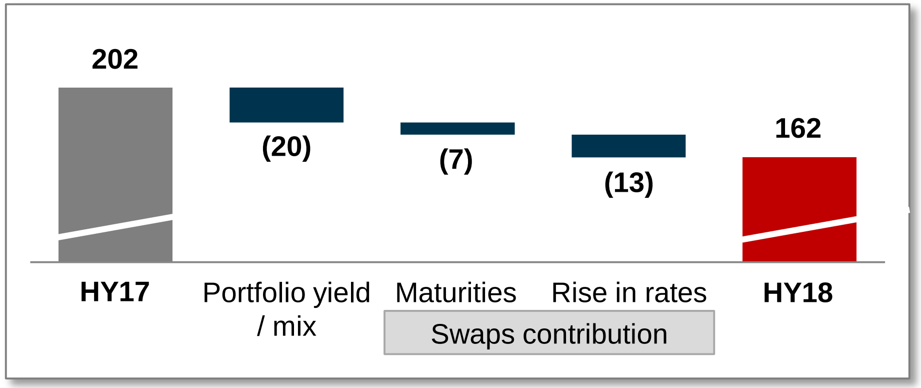
IFRS operating profit, £m



- **Fee** income growth of 13% on higher asset balances
  - Average separate account assets +15%, fee margin 182bp (HY17 185bp)
  - Offset by higher asset-based commission and lower level of positive DAC adjustments, which mainly reflects elimination of 2015 equity returns from mean reversion calculation

- **Spread** income decline driven by lower investment yields and reduced contribution from swaps

Spread margin, bp



US
Jackson statutory capital position

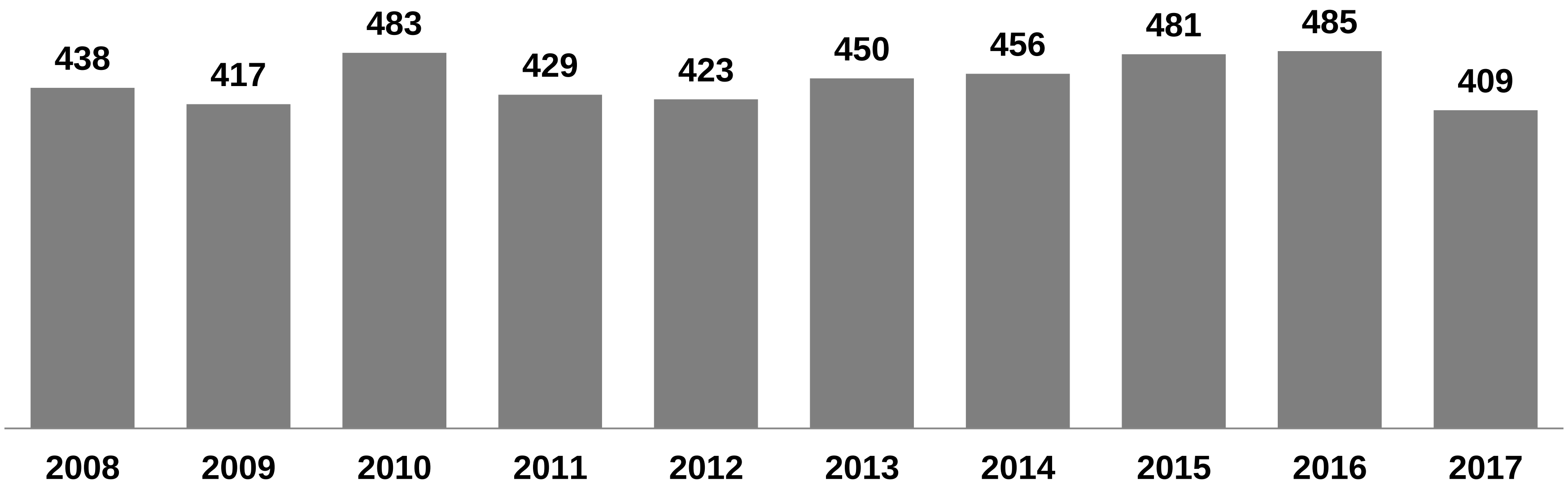
	Jackson Total Adjusted Capital $bn
31 December 2017	**4.3**
Operating profit	0.4
Reserves net of hedging and other effects	0.4
Dividend	(0.5)
30 June 2018	**4.6**

- Hedging programme continues to effectively mitigate risks
- Earned guarantee fees of 125 bps per annum
- Equity allocations remain below our 83% pricing assumption
- Total adjusted capital excludes:
  - Gains on interest rate swaps: $75m net of tax at 30 June 2018 (31 December 2017: gain of $480m)

US
Delivery and resilience

Resilient capital and dividend upstream

$4.9bn Cash remitted[1]



RBC ratio (%)

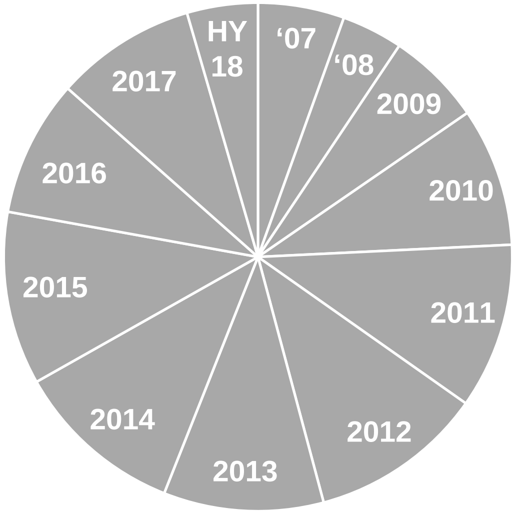
1 Cumulative remittances to Group since 2008.

US
Disciplined management

Jackson
VA sales[1] by year written, 2007 - 2018

%

100% = total VA sales of $166bn

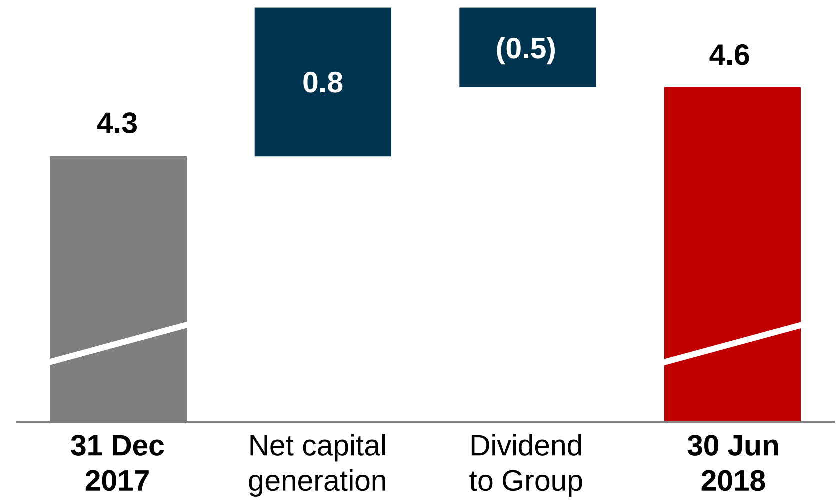


Sales volumes well diversified by year

Jackson
Statutory capital

$bn

HY18 movement in statutory Total Adjusted Capital



- Underlying capital generation supports dividend to Group
- Well protected through recent heightened market volatility
- Statutory regime understates capital position through restrictions on DTA and CSV floor on reserves[2]
- Estimated RBC ratio at 30 June 2018 is in excess of YE17 position (409%) after absorbing 35ppt impact of tax reform[3]

1 Excludes Elite Access sales
2 CSV = cash surrender value
3 In June 2018, the National Association of Insurance Commissioners (NAIC) formally approved changes to RBC capital factors that reflect the December 2017 US tax reform, increasing the level of required risk-based capital, with no impact on total adjusted capital.

US
Segmentation of opportunity

US Adviser Distributed Assets[1] ($tn)

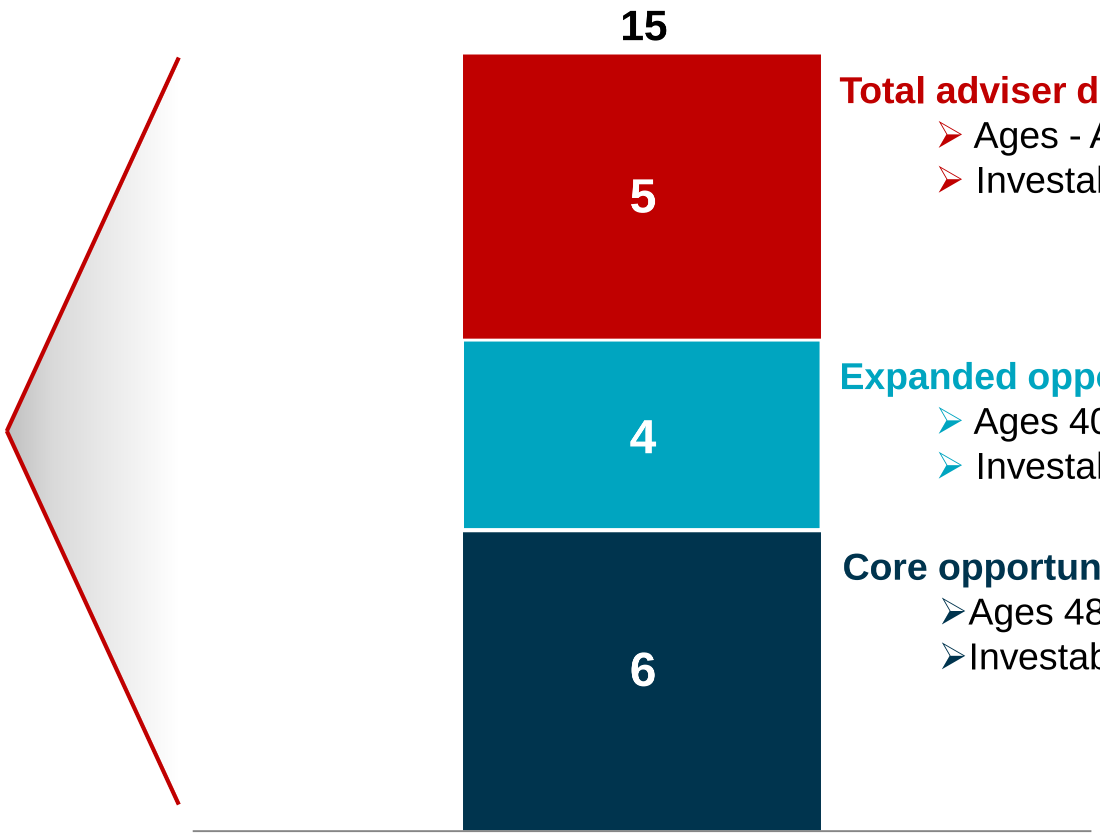
Investable assets:

Includes (financial assets):

- Mutual funds
- Checking accounts
- Managed accounts
- Defined Contribution

Excludes:

- Real estate
- Business interests
- Vehicles



Total adviser distributed assets

- Ages - All
- Investable Assets – All levels

Expanded opportunity

- Ages 40 – 80
- Investable Assets of $100k - $5m

Core opportunity

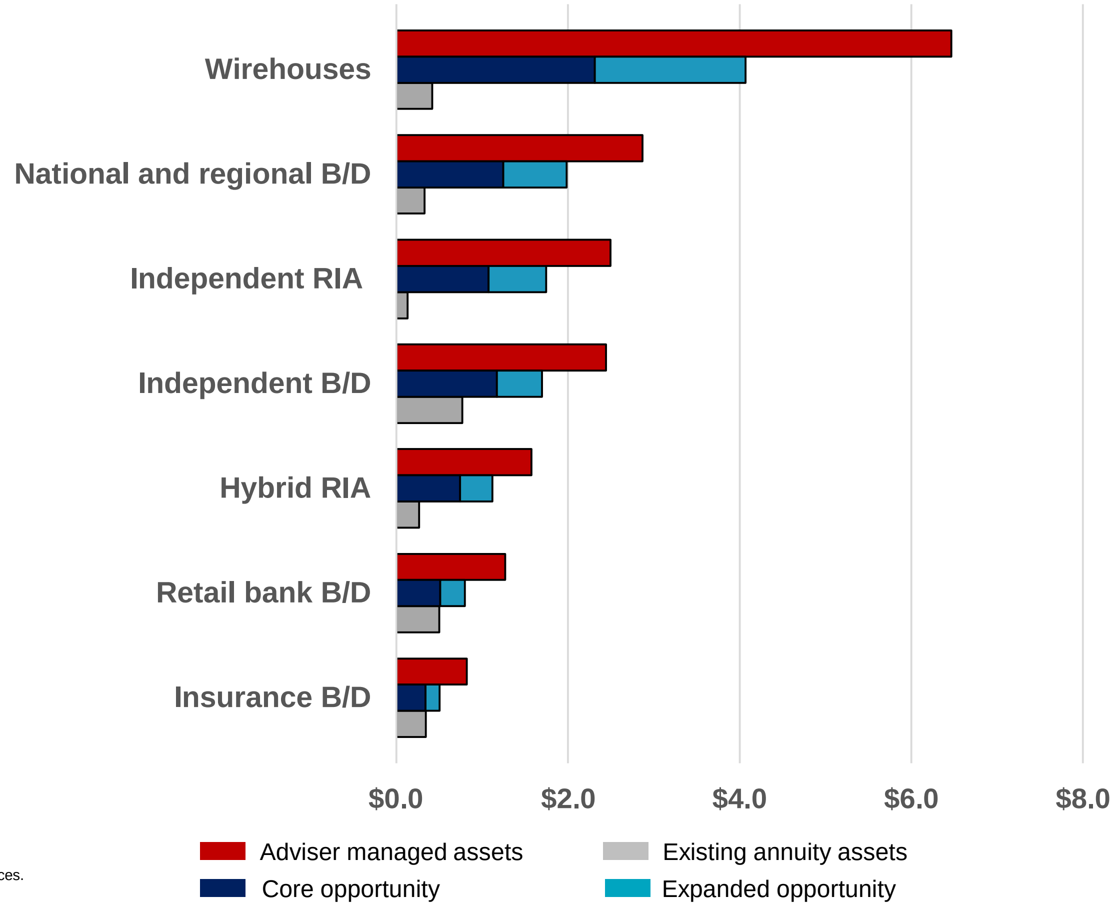
- Ages 48 – 72
- Investable Assets of $100k - $2m

(All values net of existing annuity assets)

1. The 2017 Cerulli reports, IRI Fact Book, Federal Reserve – 2016 Survey of Consumer Finances.

US
Opportunity by channel

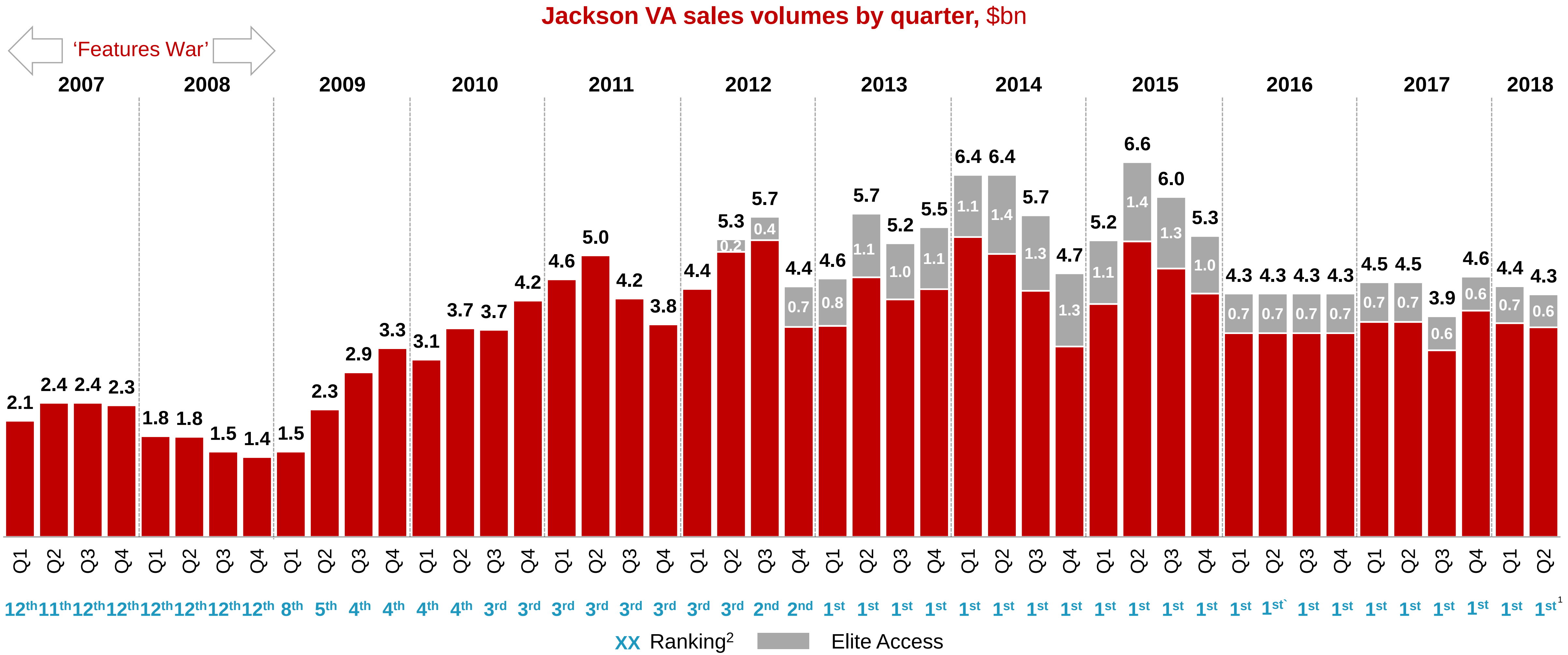
US Adviser Distributed Assets[1] ($tn)



Channel	Adviser count ('000)	Assets 5 year CAGR
Wirehouses	47.0	5.4%
National and regional B/D	40.4	7.9%
Independent RIA	37.0	11.7%
Independent B/D	60.1	8.7%
Hybrid RIA	27.4	10.7%
Retail bank B/D	22.7	9.2%
Insurance B/D	76.7	10.6%

1. The 2017 Cerulli reports, IRI Fact Book, Federal Reserve – 2016 Survey of Consumer Finances.

US
Variable annuity volumes

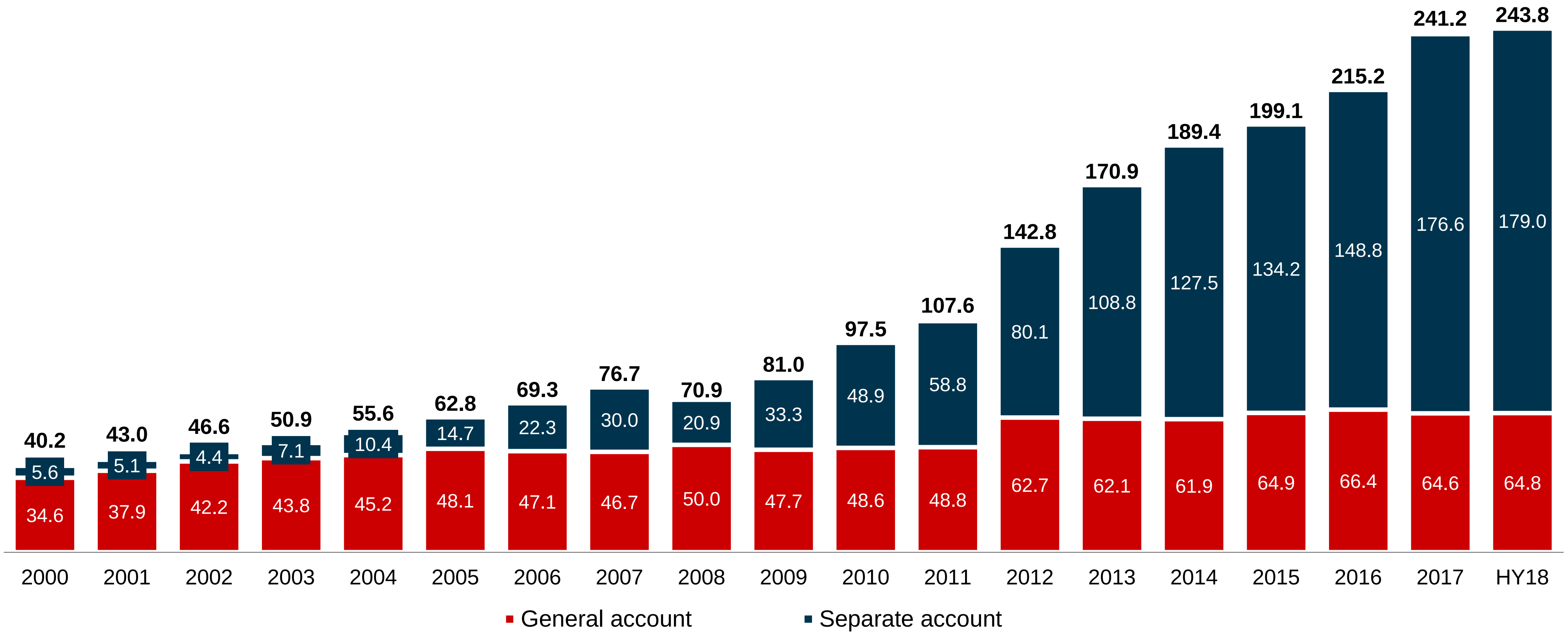


1. Estimated.
2. Morningstar Annuity Research Center.

PRUDENTIAL

US
Asset growth

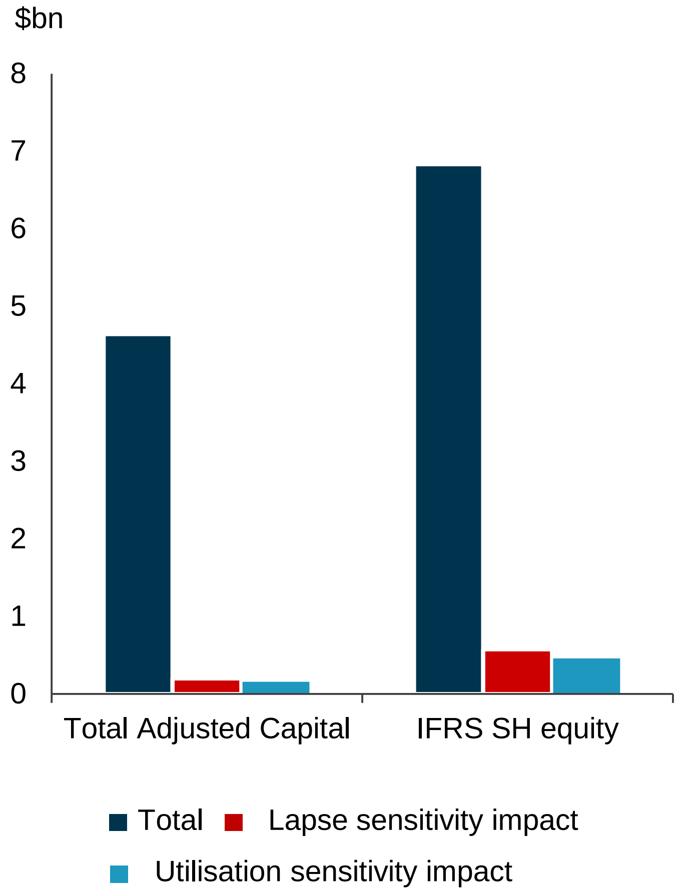
Jackson growth in statutory admitted assets, $bn



PRUDENTIAL

US
GMWB policyholder behaviour sensitivities

Jackson GMWB policyholder behaviour sensitivities, 30 June 2018



- 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 less than 2.4% for utilising policyholders (subject to lapse cap of 1.5% when funds are significantly depleted)
  - Utilisation - Lifetime GMWB utilisation assumptions at attained ages 65+ are 53-92% (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 two-thirds of the assumed levels, resulting in ultimate lapse rates of approximately 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).

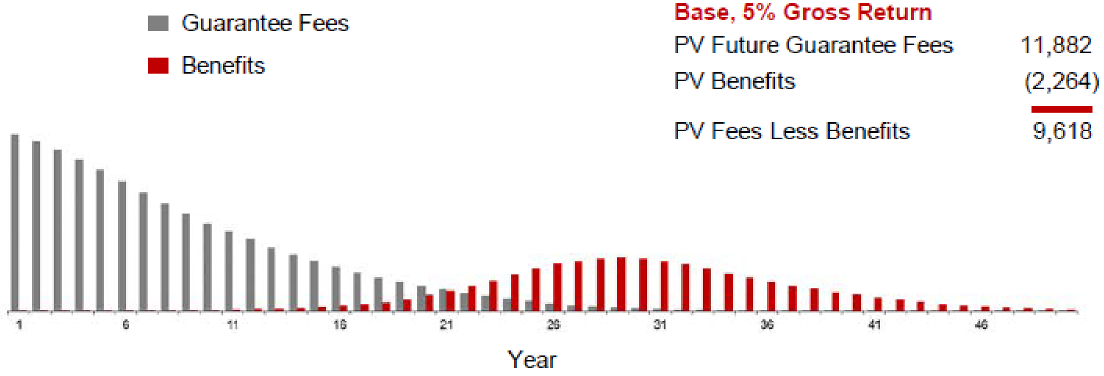
US
Unhedged economic profile of GMWB guarantees

Jackson unhedged GMWB cash flow exposure, 30 June 2018

$millions

S&P @ 6/30 = 2,718
Base, 5% Gross Return

PV Future Guarantee Fees	11,882
PV Benefits	(2,264)
PV Fees Less Benefits	9,618

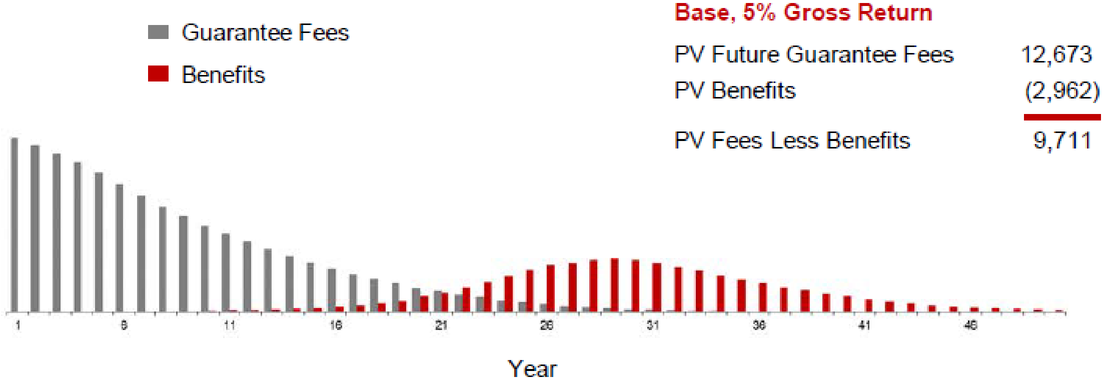


- Includes guarantee fees only
- Uses prudent best estimate assumptions (AG43, C3P2)
- 5% gross return is well below historical average market return
- Ignores guarantee fees collected to date as well as reserves
- PV of future GMWB fees exceeds PV of benefits over a wide range of market shocks
- Negative cash flow is far into future even in bad scenarios
- No material strain on liquidity in any given year
- Under the base scenario, the net PV increased by $95m from YE17 to 2Q18. If we include the full VA cash flows in the analysis, the base scenario net PV remained generally consistent with YE17.

$millions

-100 bps Rate Shock
Base, 5% Gross Return

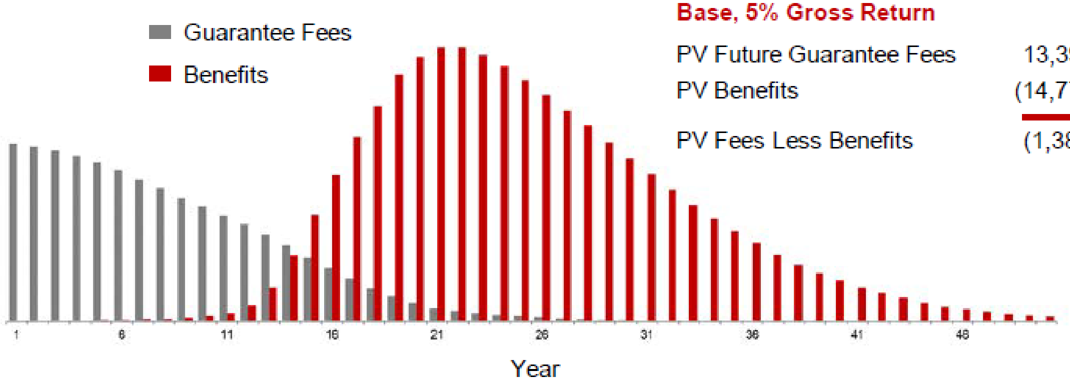
PV Future Guarantee Fees	12,673
PV Benefits	(2,962)
PV Fees Less Benefits	9,711



$millions

Down 40% S&P Shock (S&P = 1,631)
Base, 5% Gross Return

PV Future Guarantee Fees	13,392
PV Benefits	(14,774)
PV Fees Less Benefits	(1,382)



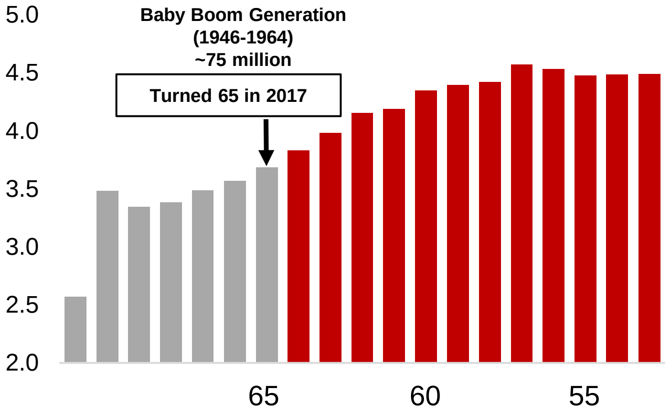
PRUDENTIAL

US

US retirement opportunity

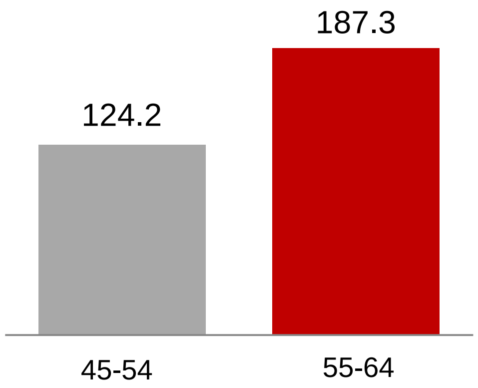
Retirement wave

Baby Boomer population by age[1]



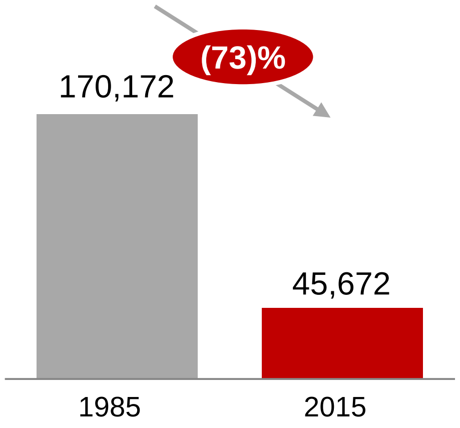
Under-saved

Median Net Worth[2] ($ thousands)



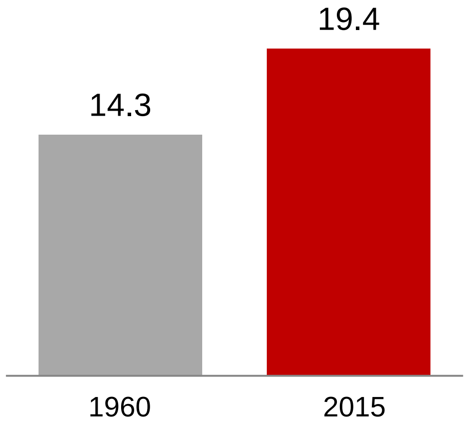
Declining pensions

of defined benefit pension plans[3]



Increased longevity

Life expectancy at 65[4] (years)



Jackson National Life

- **Market leading** retirement income provider
- **6.8x** premium growth since 1995
- **4 million** life customers

1. U.S. Census Bureau, Population Division, 2014 estimate of population. Generations as defined by Pew Research Center, 2014.
2. 2016 Federal Reserve Board's Triennial Survey of Consumer Finances.
3. U.S department of Labor, "Private Pension Plan Bulletin Historical Tables and Graphs 1975 – 2015." February 2018.
4. U.S. Department of Health and Human Services, "Health, United States 2016".

Africa
Regional footprint

1 billion people

Population of Sub-Saharan Africa[1]

2.7 billion people

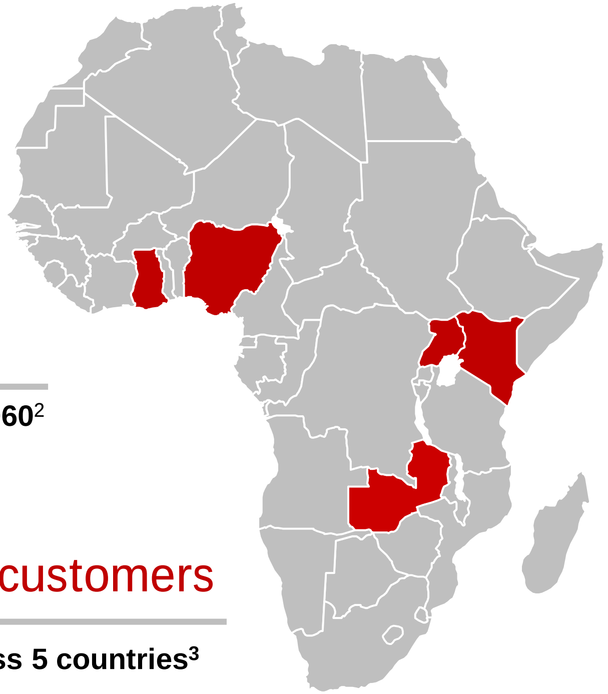
Population forecast by 2060[2]

~400 thousand Prudential customers

Across 5 countries[3]

£18 million of APE sales

HY18



Ghana 2014
- Acquisition of Express Life
- 2015: Distribution partnership with Société Générale
- 2015: Distribution partnership with Fidelity Bank
- 2016: Distribution partnership with CAL Bank
- 2018: Distribution partnership with Standard Chartered

Kenya 2014
- Acquisition of Shield Assurance

Uganda 2015
- Acquisition of Goldstar Life Assurance

Zambia 2016
- Acquisition of Professional Life Assurance

Nigeria 2017
- Acquisition of majority stake in Zenith Life of Nigeria
- 2017: Distribution partnership with Zenith Bank

1. Source: "World Population Prospects: The 2017 Revision". As of 2015.
2. Source: The World Bank. '7 facts about population in Sub-Saharan Africa', 2015.
3. Excludes micro insurance customers.

PRUDENTIAL