



Nic Nicandrou Group

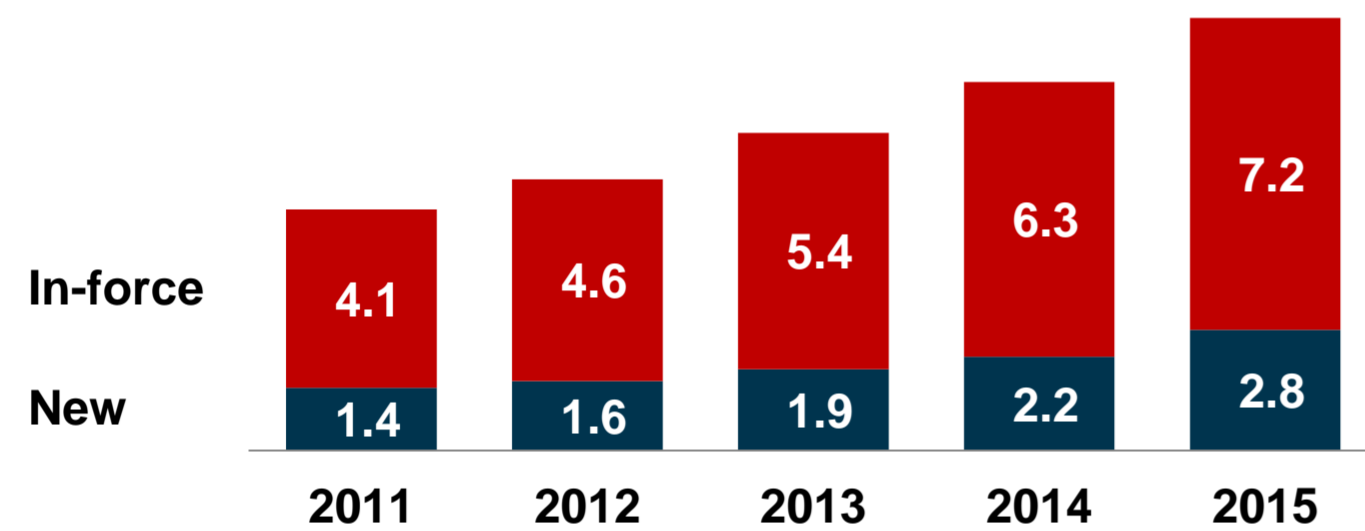
Group

Drivers of high quality earnings, resilient capital and robust balance sheet

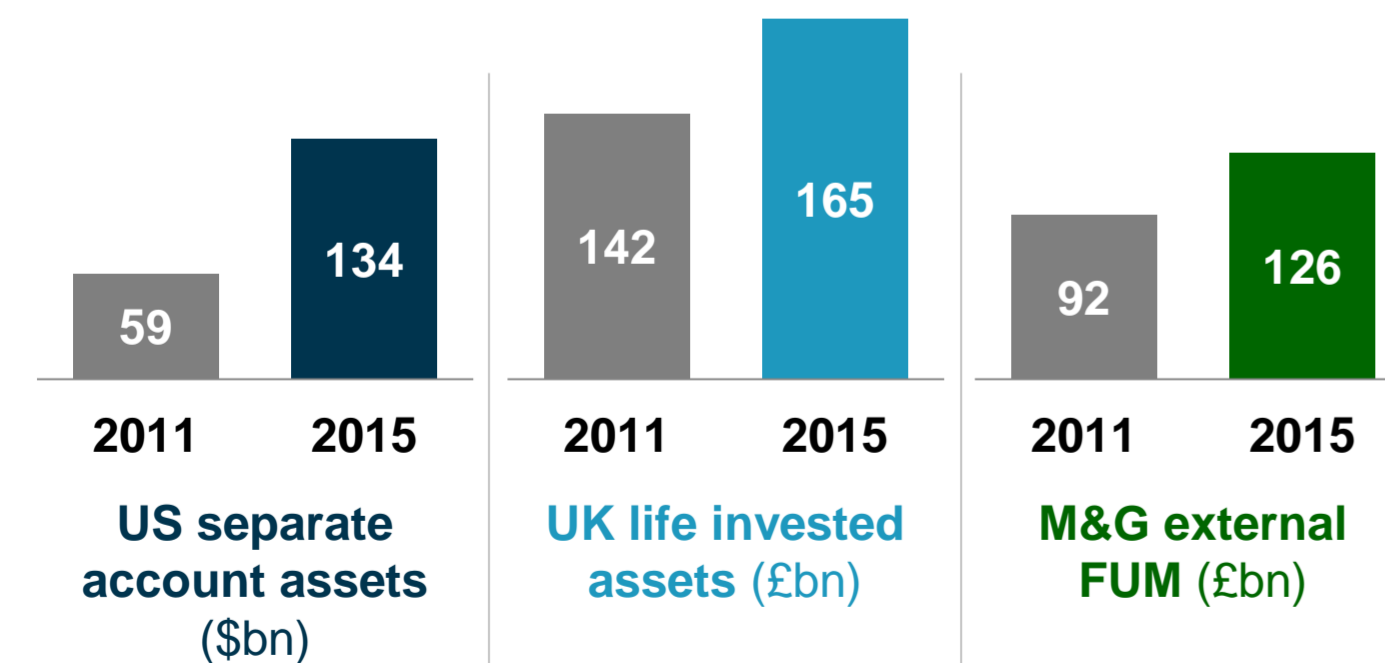


Growing and resilient earnings drivers

Growing Asia premium base



Growing asset base in UK and US



Capital is strong and highly accretive

Solvency II surplus

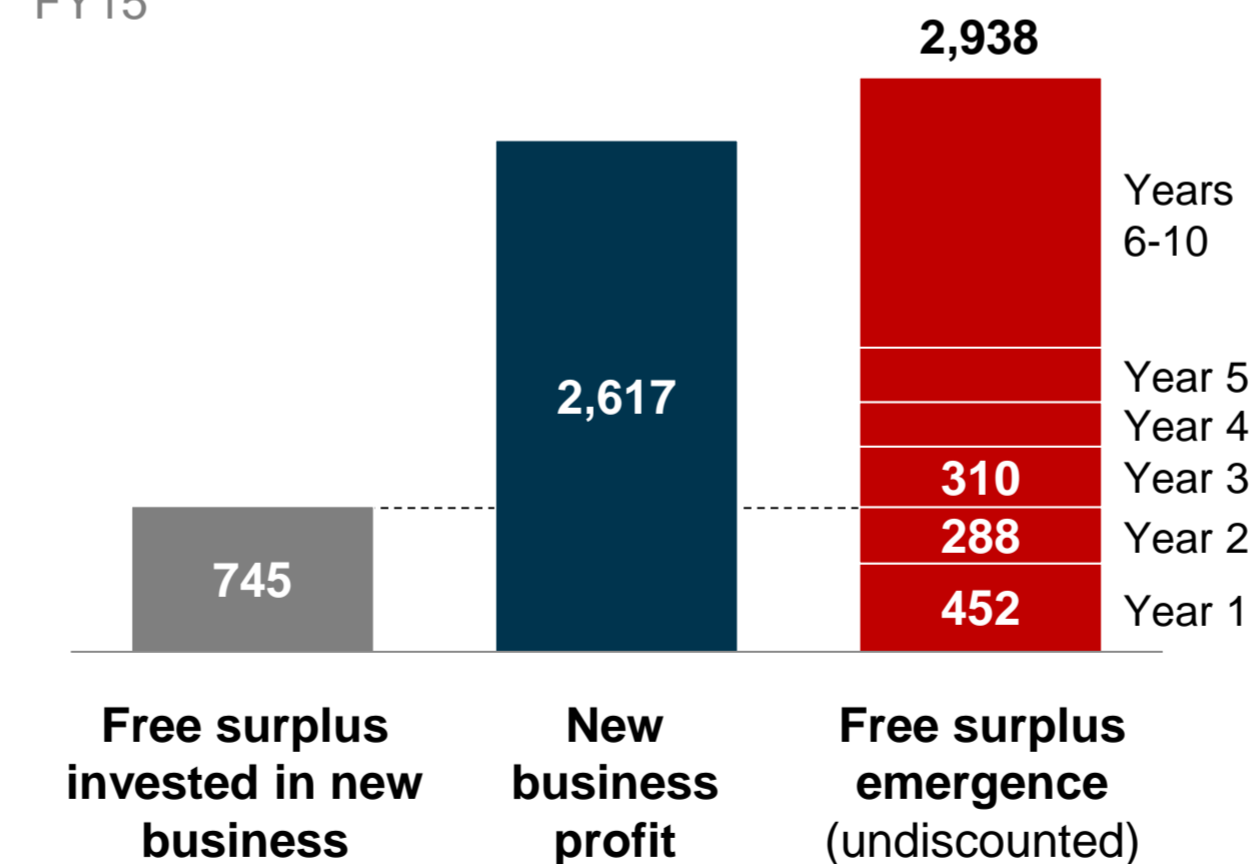
31 October 2016

£11.5bn

189%

Capital velocity

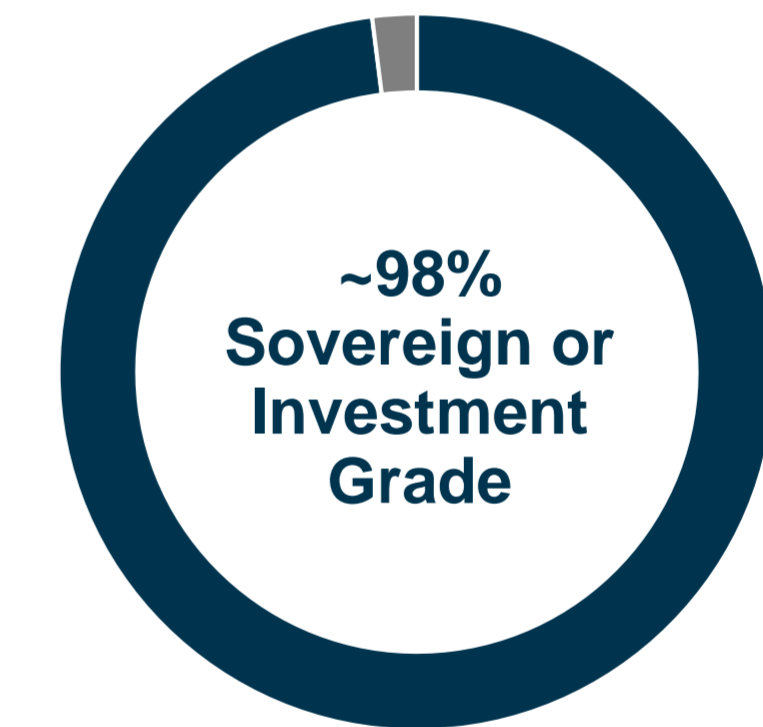
FY15



Defensive and robust balance sheet

Conservative asset portfolio

30 September 2016



Holding company cash

30 June 2016

£2.5bn

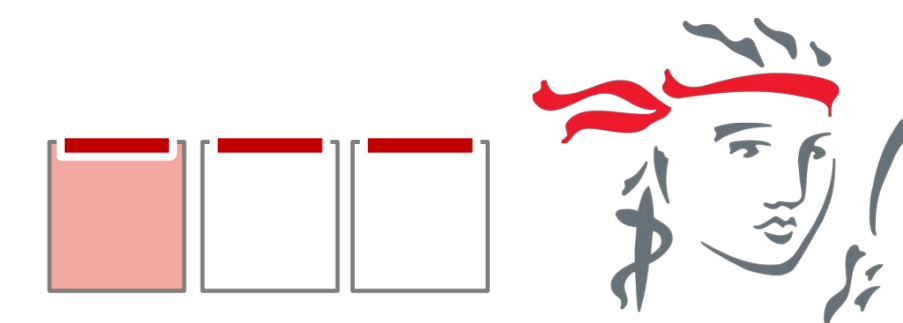
Credit facilities (undrawn)

30 June 2016

£2.6bn

Group

New business profit driven by higher volume and improved mix



New business profit (post-tax)

£m	3Q16 YTD	3Q15 YTD	3Q16 vs 3Q15	
			AER ¹	CER ¹
Asia	1,306	976	+34%	+23%
Jackson	485	557	(13)%	(21)%
UK Retail	179	127	+41%	+41%
Total²	1,970	1,660	+19%	+9%

Movement in new business profit (post-tax) 3Q16 YTD vs 3Q15 YTD

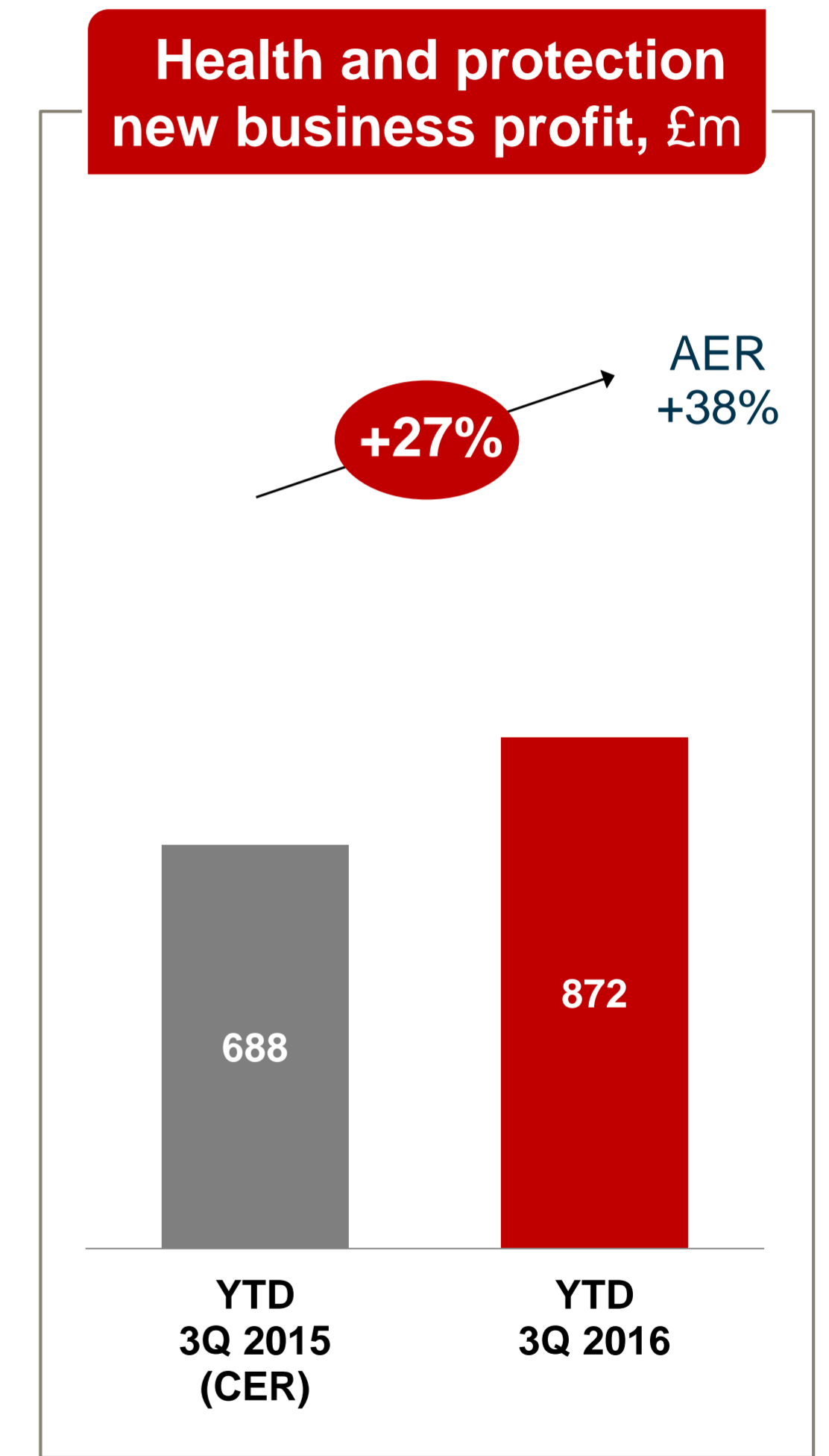
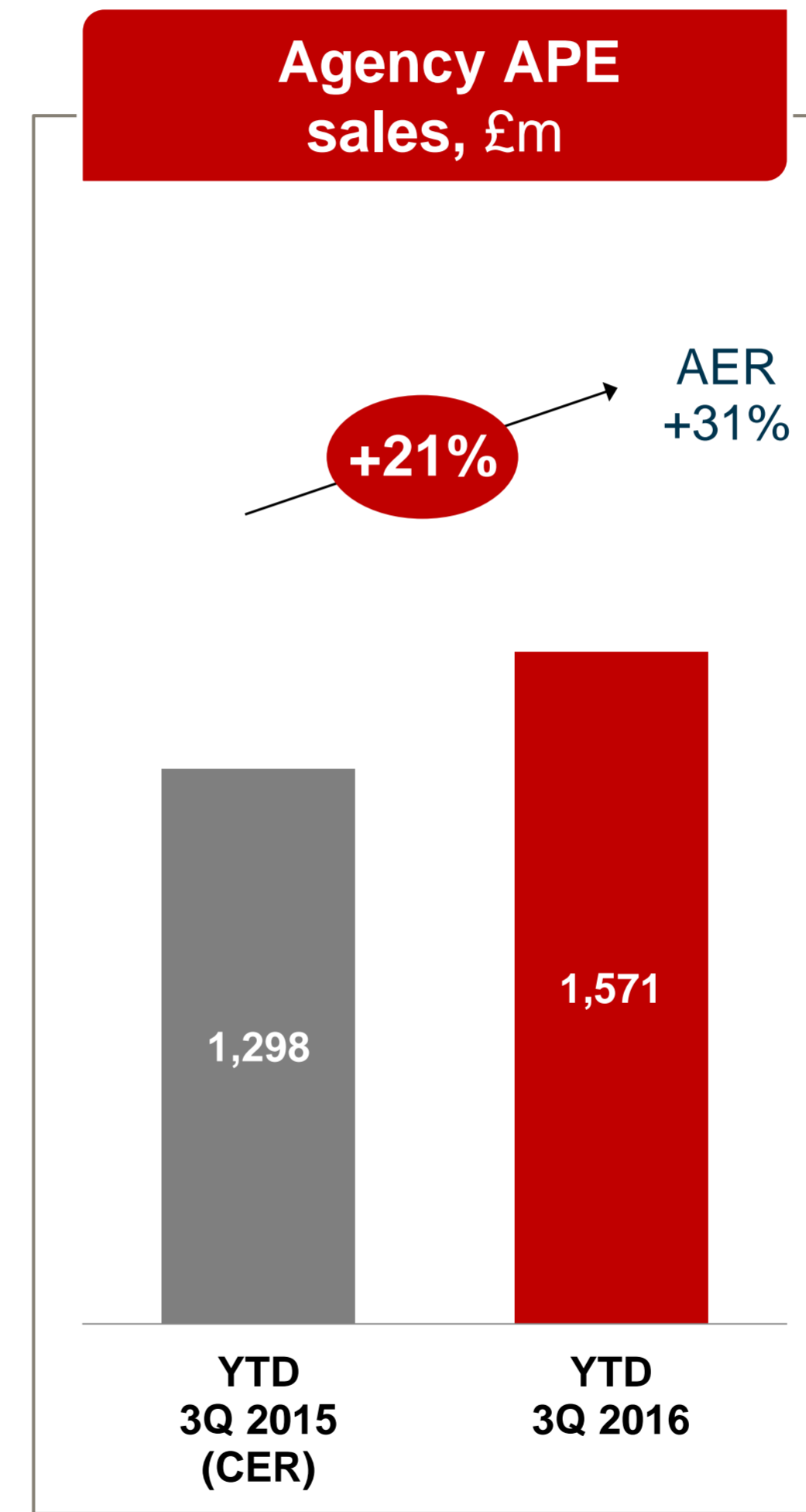
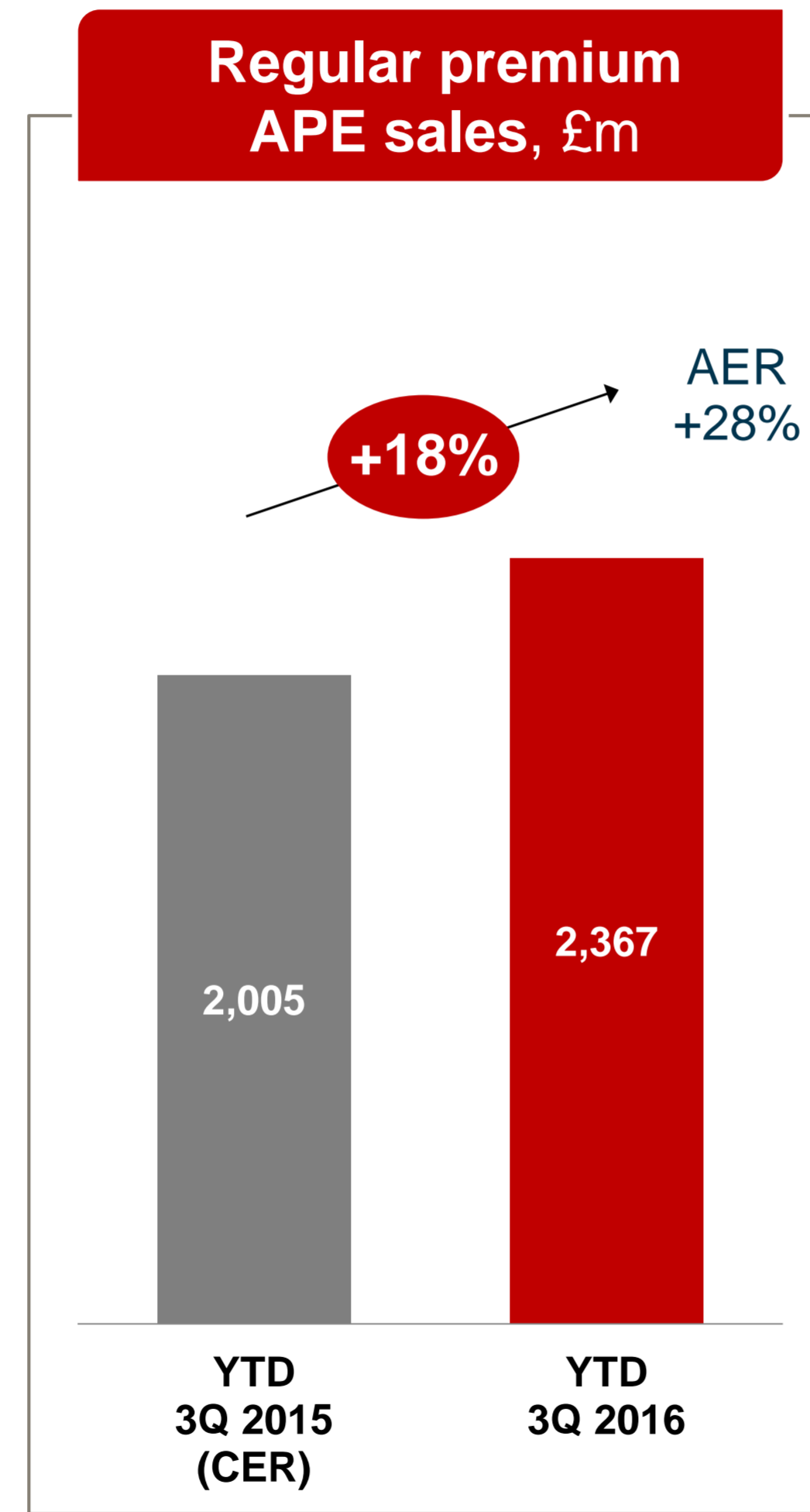
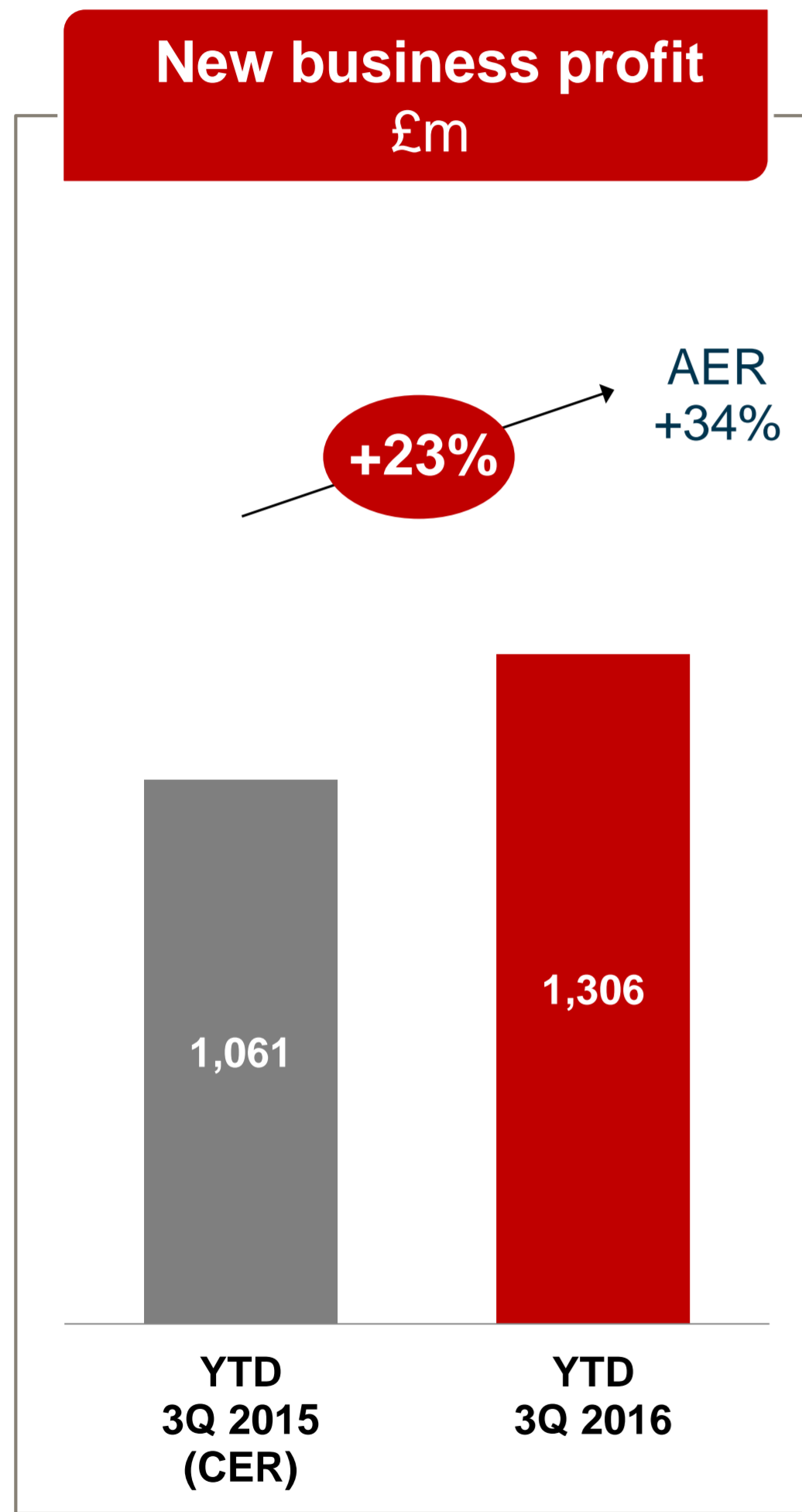
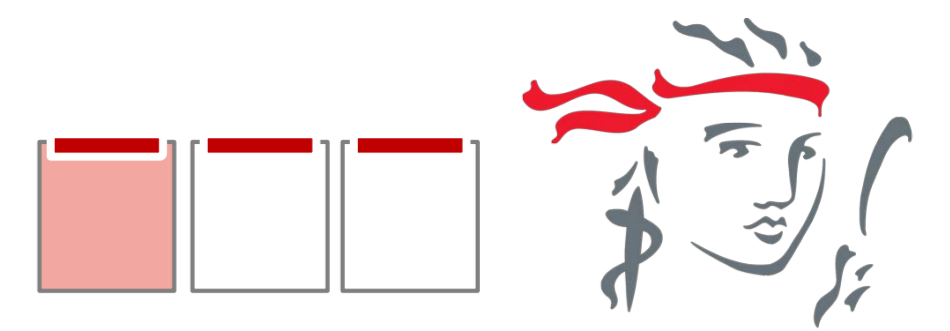
Volume	+£149m	+8%
Economics	£(68)m	(4)%
Mix / pricing / other	+£88m	+5%
CER¹ change	+£169m	+9%

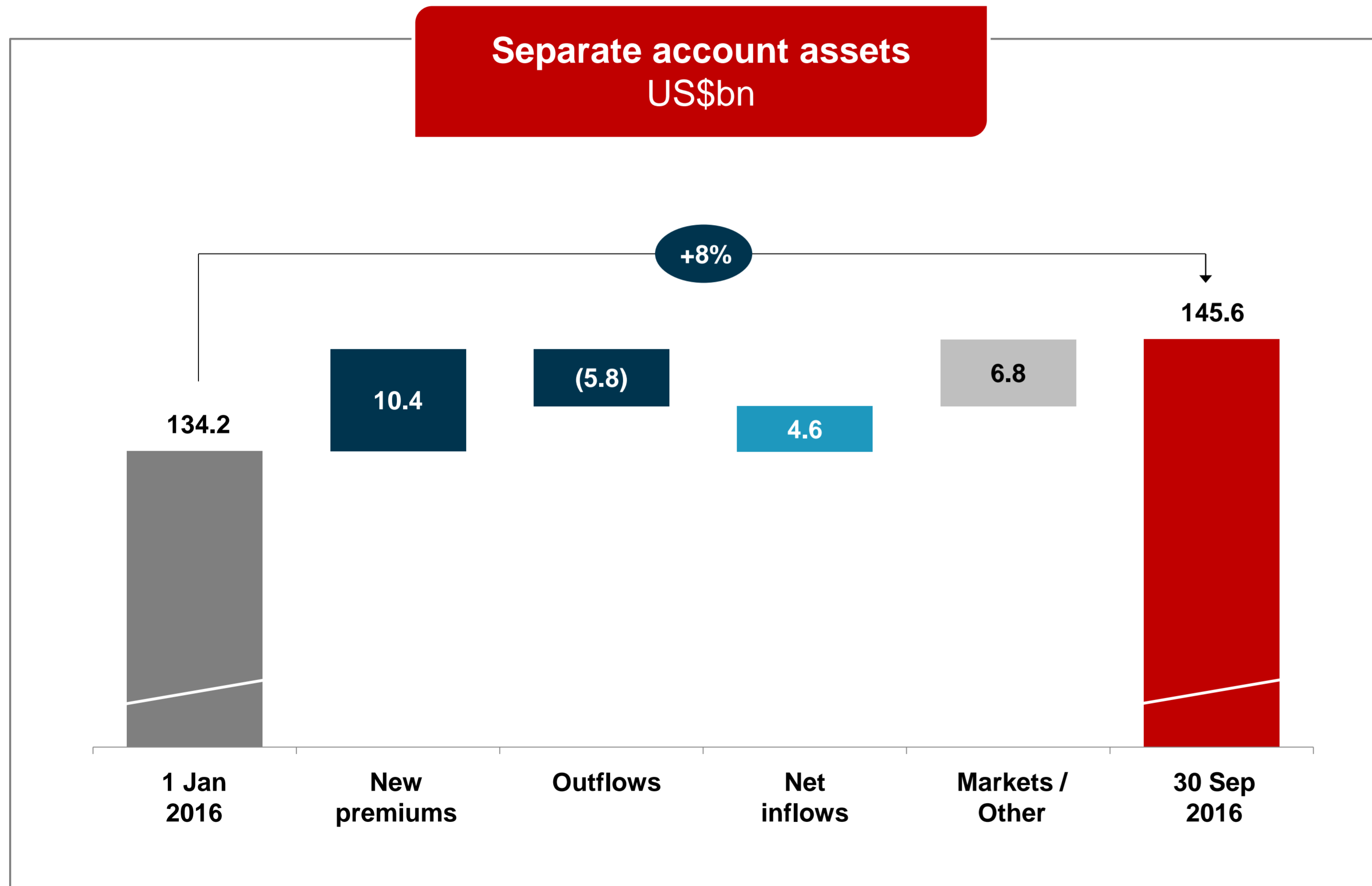
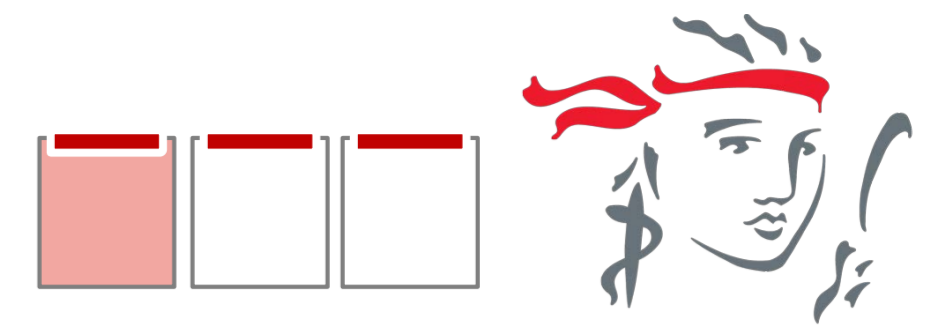
1. AER: actual exchange rates. CER: constant exchange rates

2. Growth rates based on 2015 comparatives excluding UK bulks which contributed new business profit of £104 million in the first nine months of 2015

Asia

Structural drivers of demand and new business performance intact

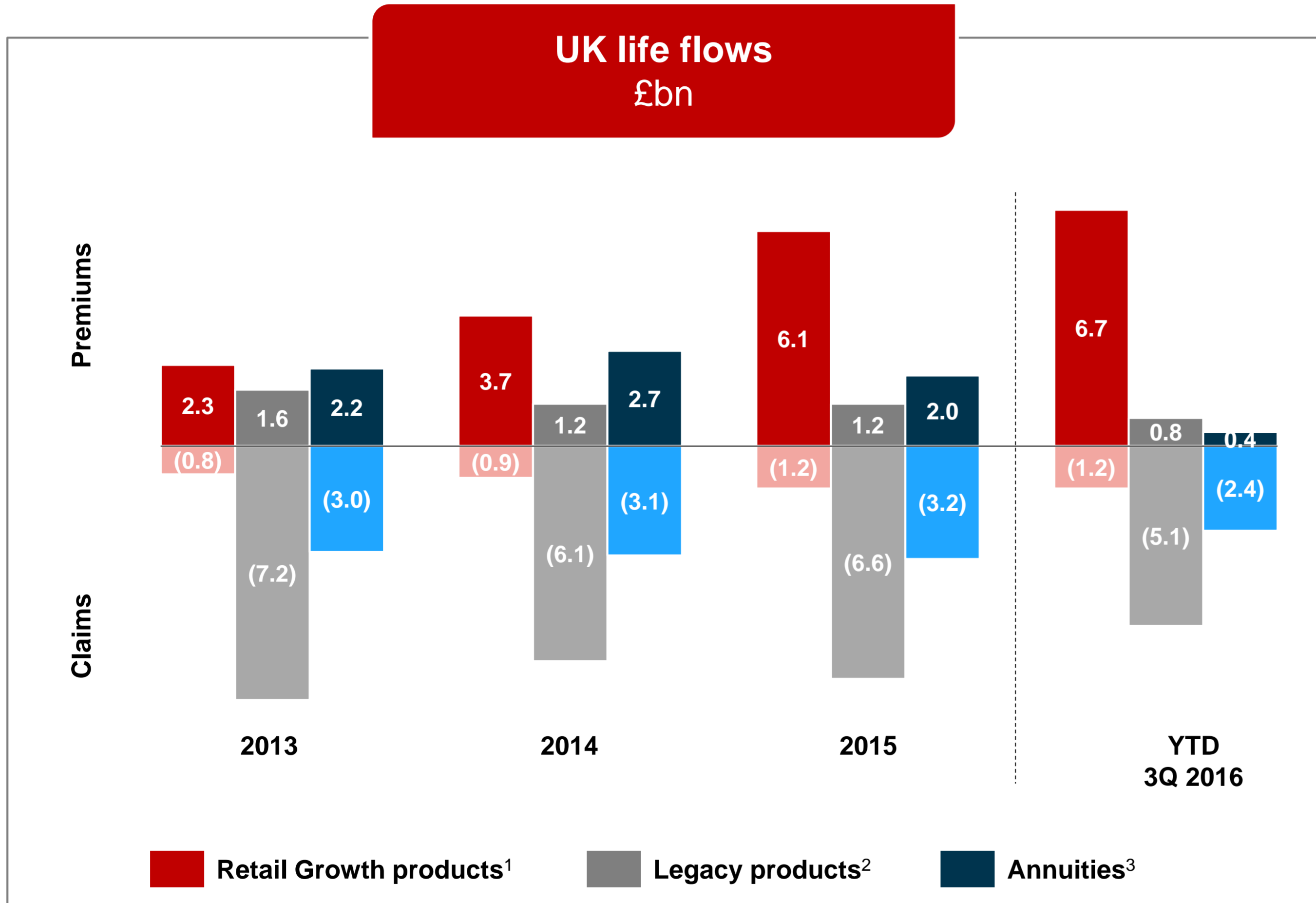
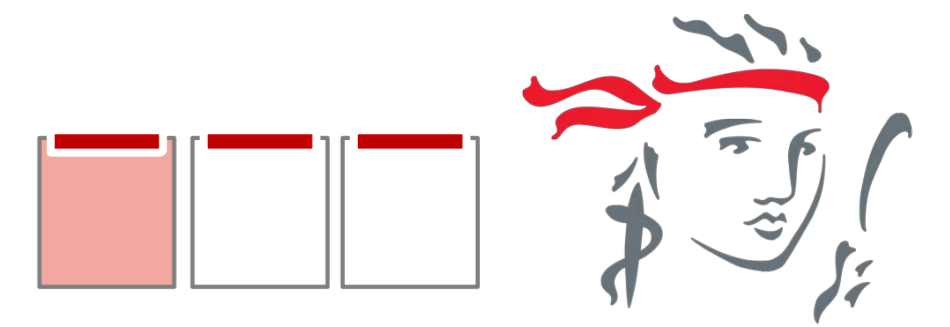




- Variable annuity sales in line with HY16 and sector trends
- Net flows remain positive despite lower sales
- Continue to benefit from positive market effects

UK life

Improved asset gathering capability



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 September 2016

£116bn
invested assets

YTD
Change

+11%

Shareholder backed

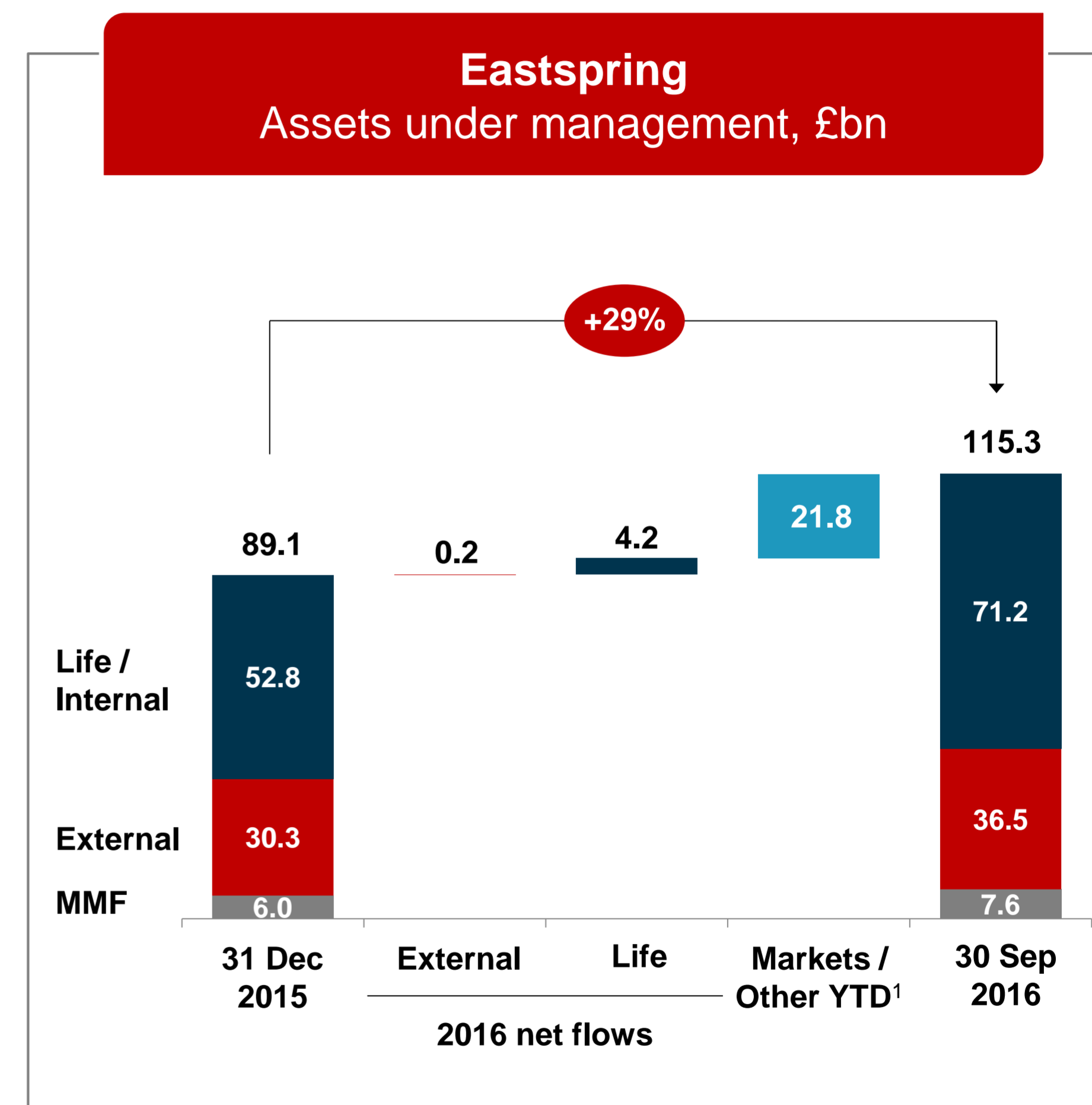
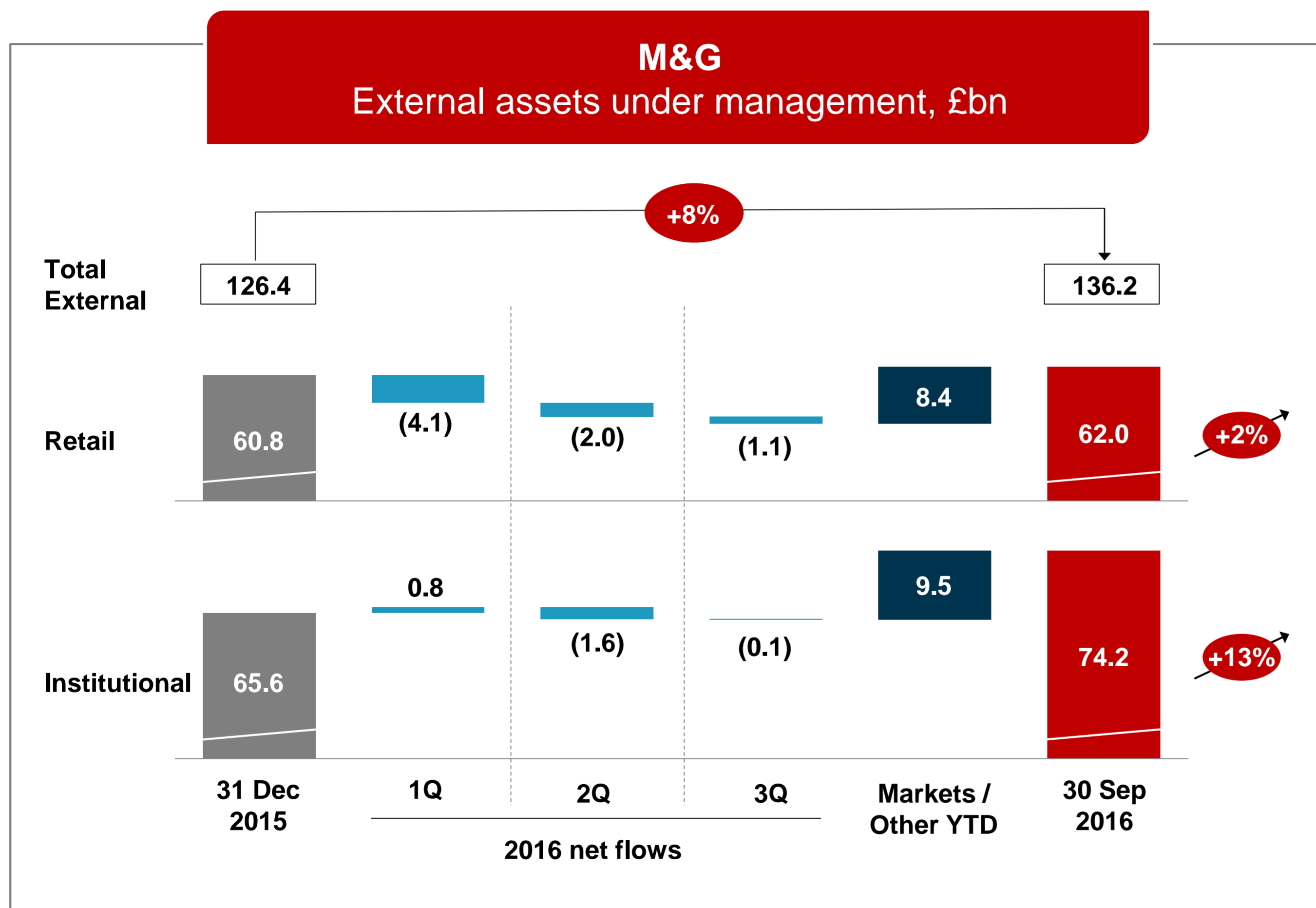
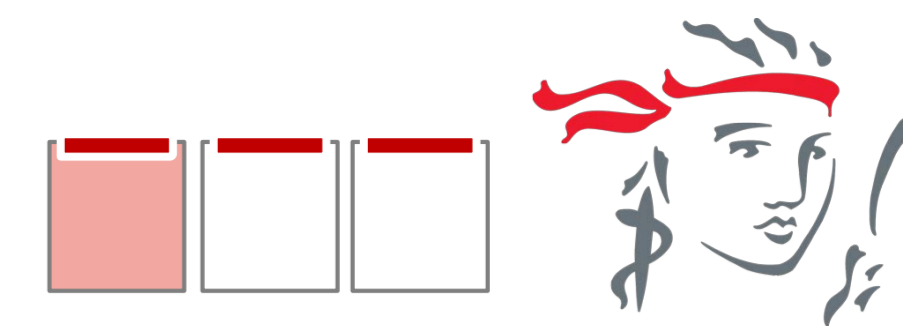
30 September 2016

£64bn
invested assets

+6%

Asset management

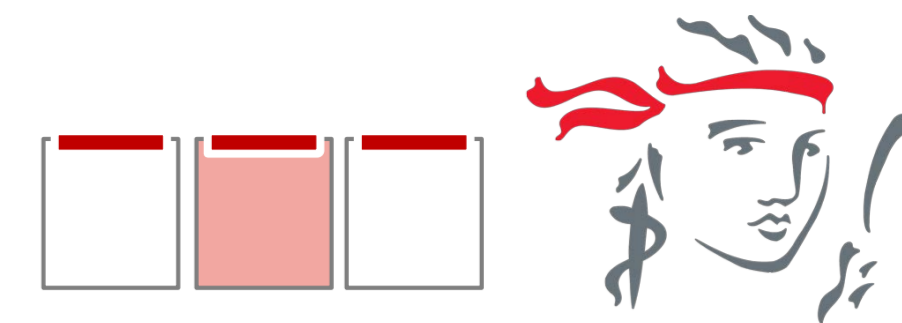
Improved third quarter flows and growing asset base



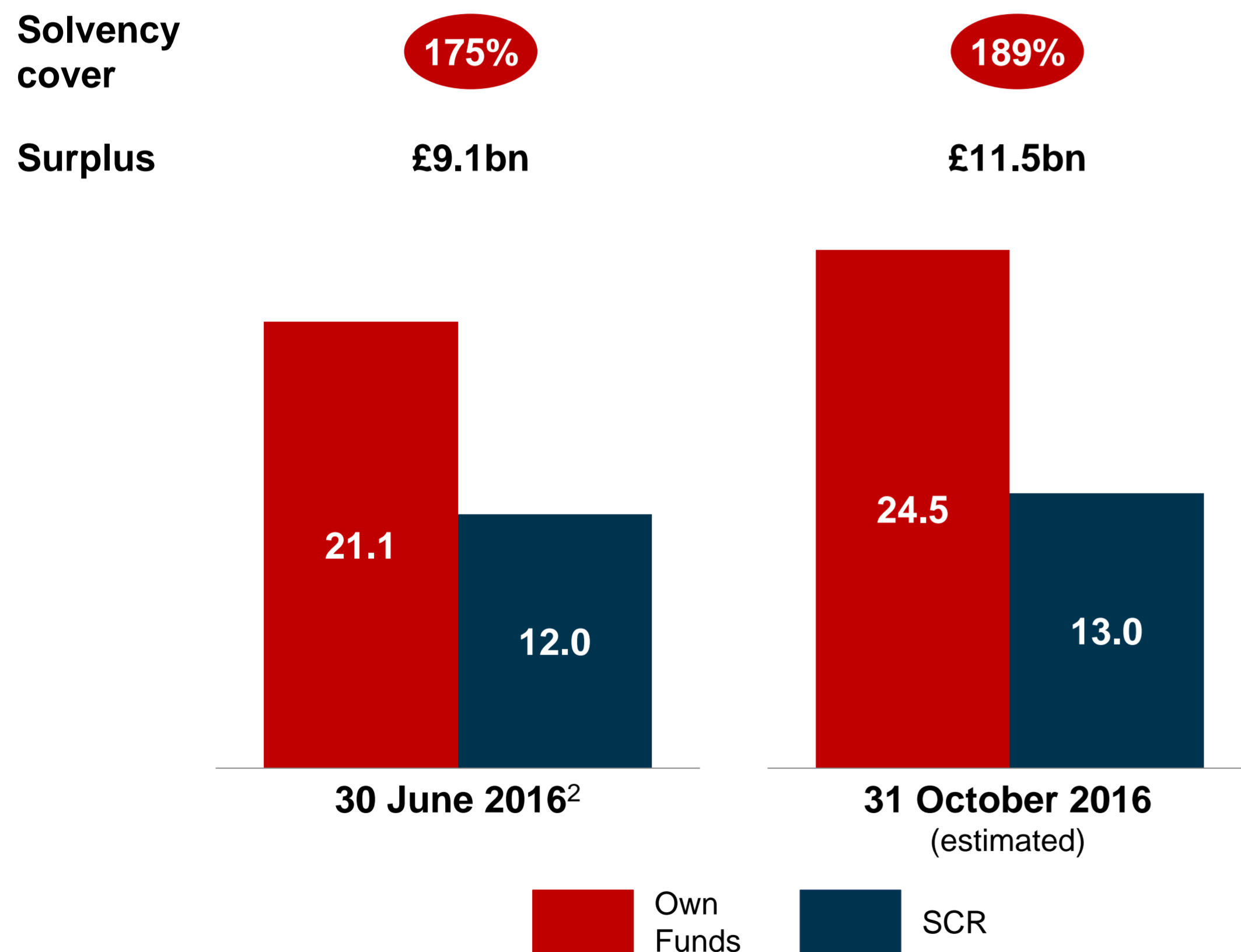
¹ Includes movement in money market funds of £1.6 billion, comprising net inflows of £0.5 billion, currency movements of £0.9 billion and market movements of £0.2 billion

Group

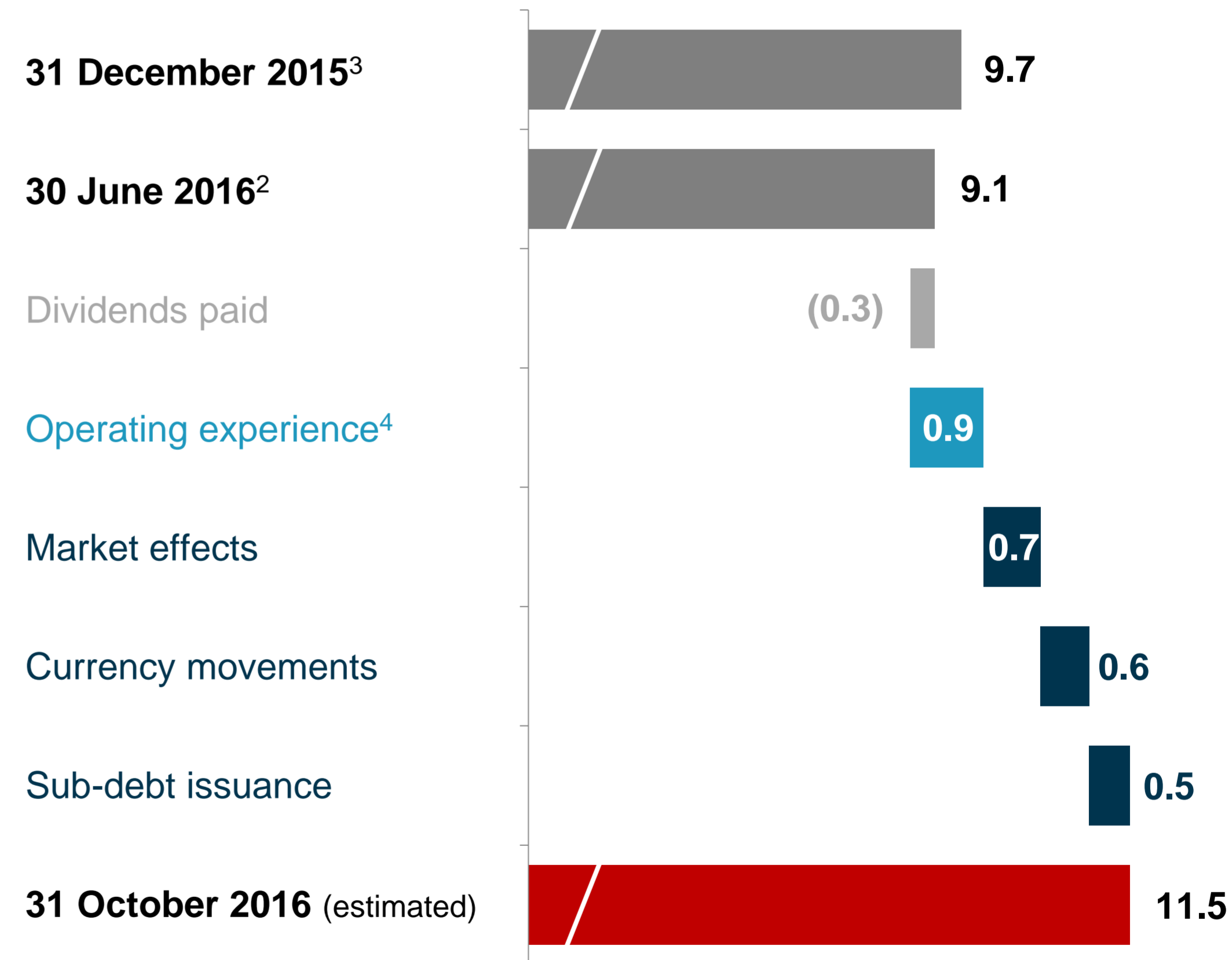
Robust capital position



Solvency II capital position¹ 31 October 2016, £bn



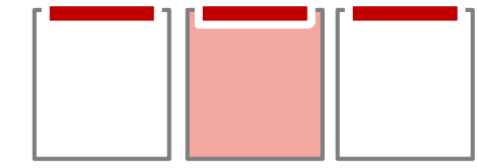
Movement in Solvency II capital¹ 30 June to 31 October 2016, £bn



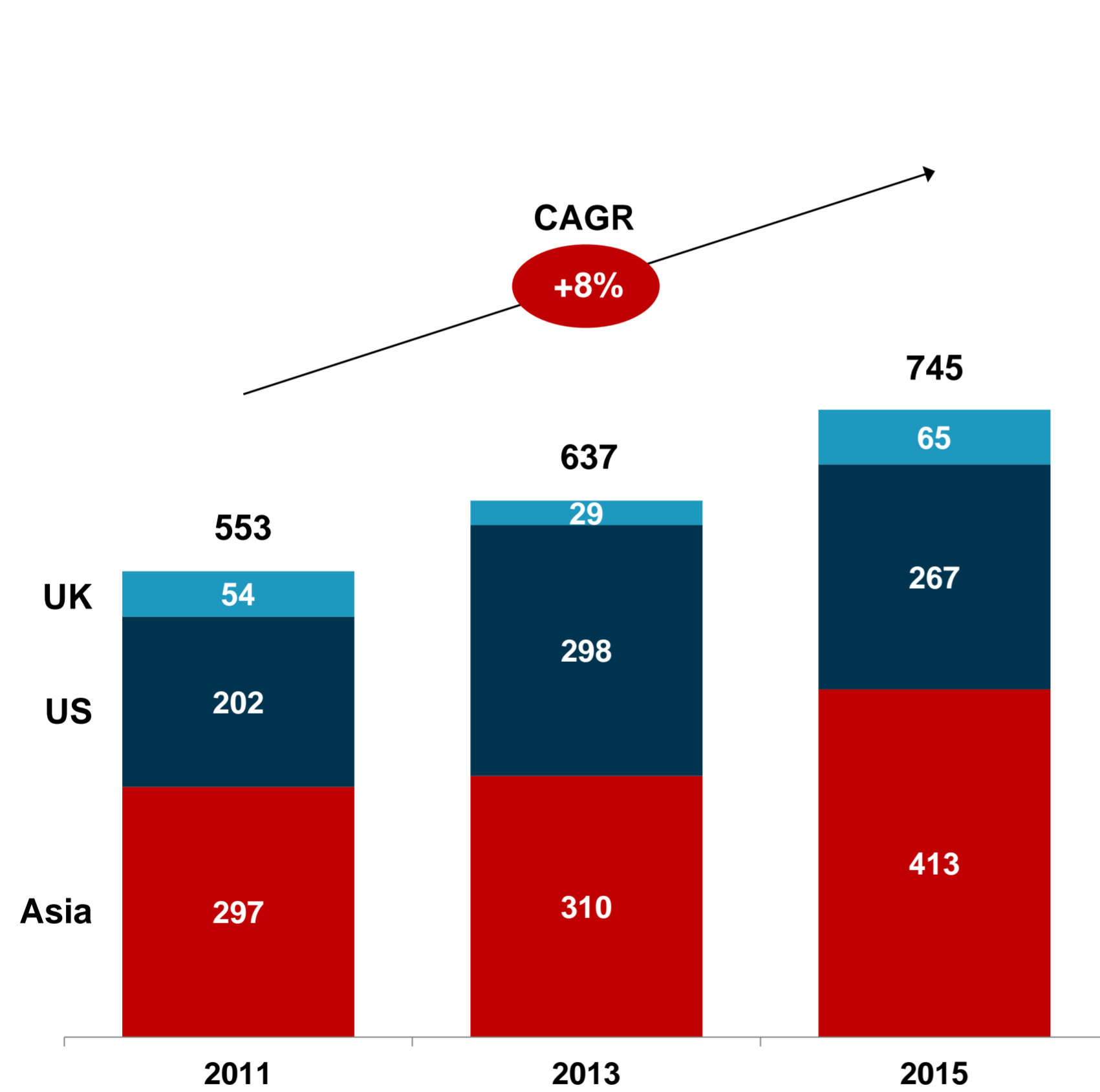
¹ The Group Shareholder position excludes the contribution to the Group SCR and Own Funds of ring fenced With-Profit Funds and staff pension schemes in surplus
² Before allowing for 2016 first interim ordinary dividend
³ Before allowing for 2015 second interim ordinary and special dividends
⁴ Includes £0.2 billion from specific asset and liability management actions taken in the third quarter of 2016 to improve the solvency position of our UK life businesses and further mitigate market risks

Group

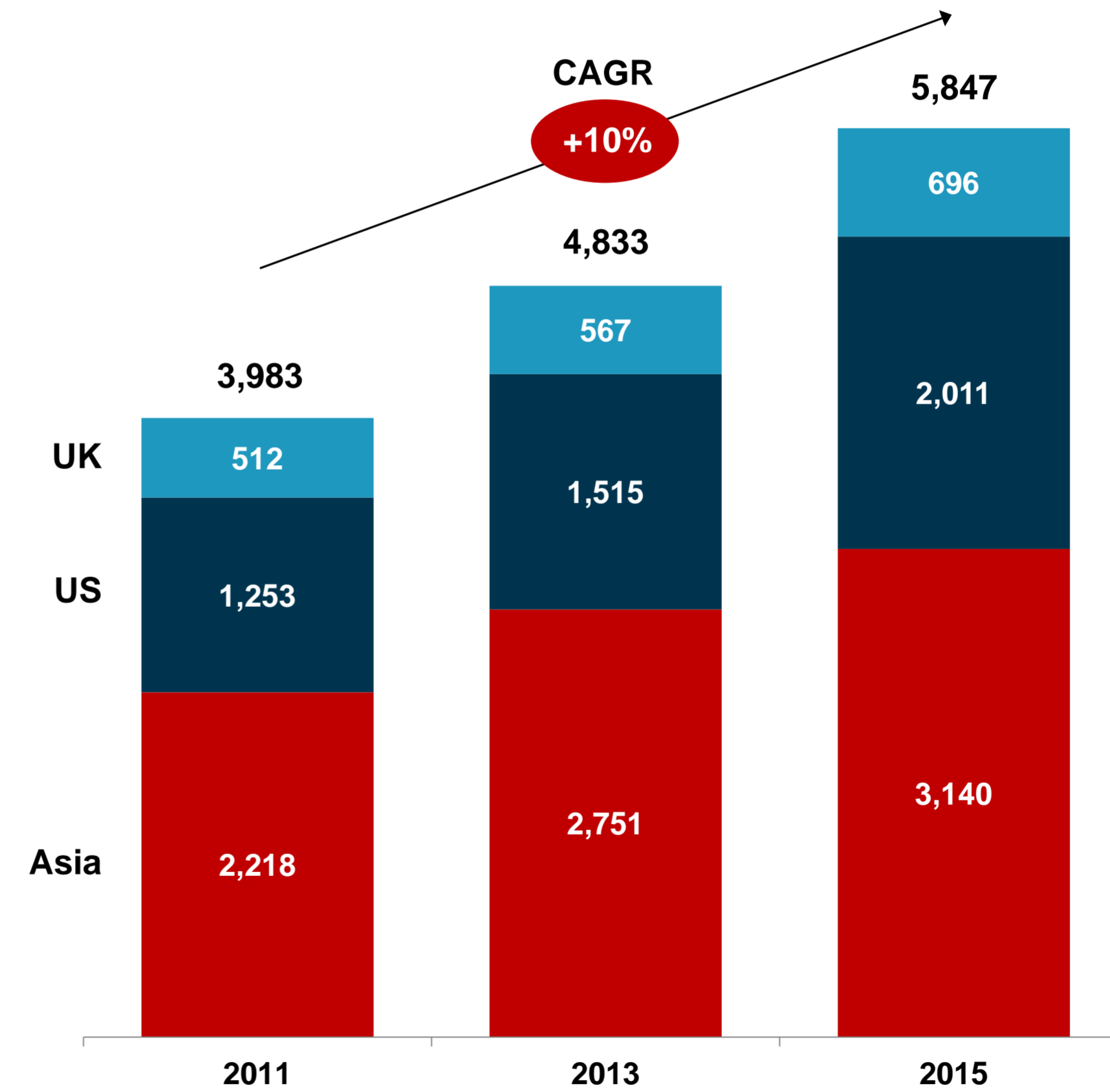
Disciplined capital allocation, directed to highest return opportunities



Free surplus invested in new business
£m



Undiscounted free surplus generation
from new business
Years 1-30, £m

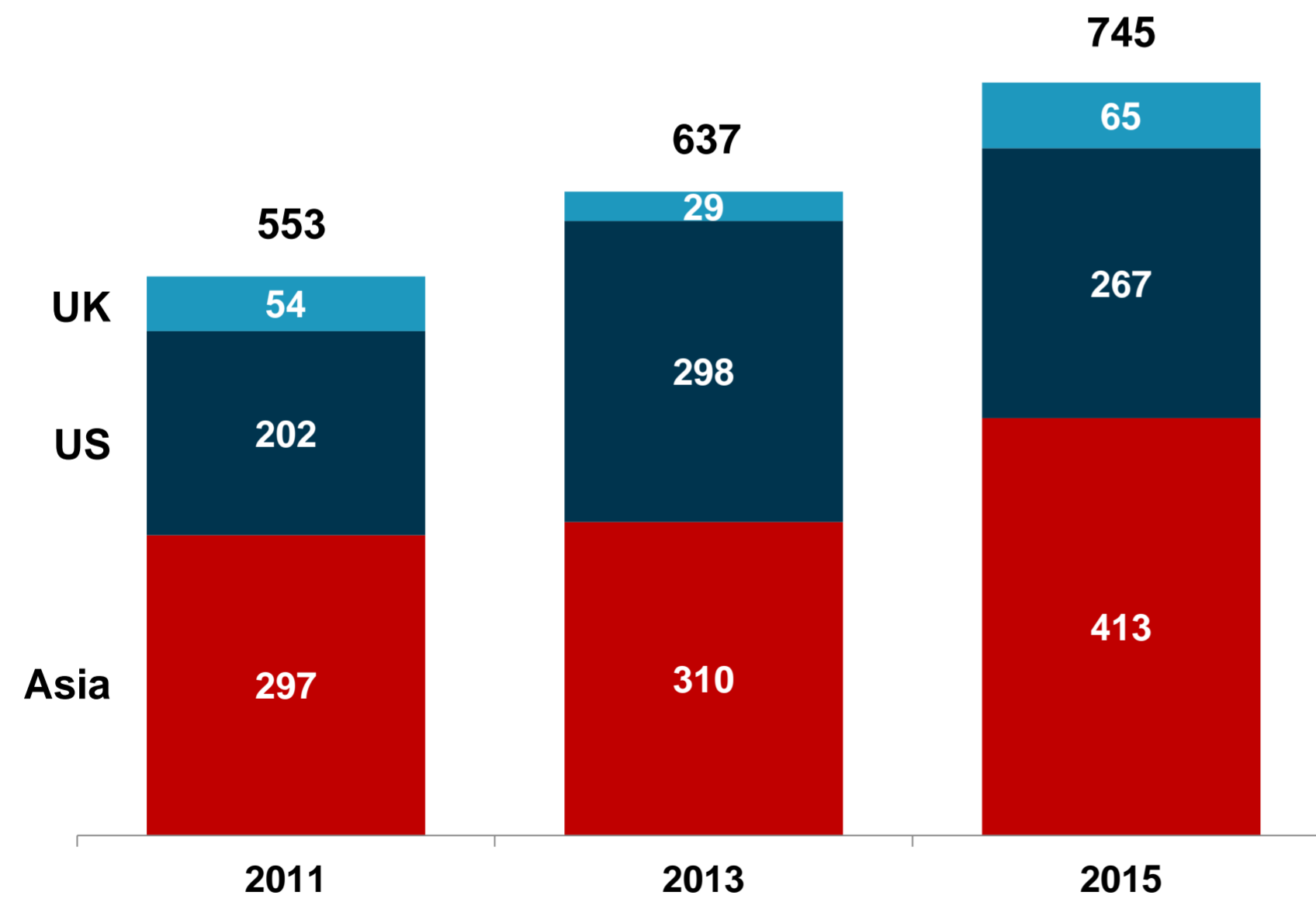


Group

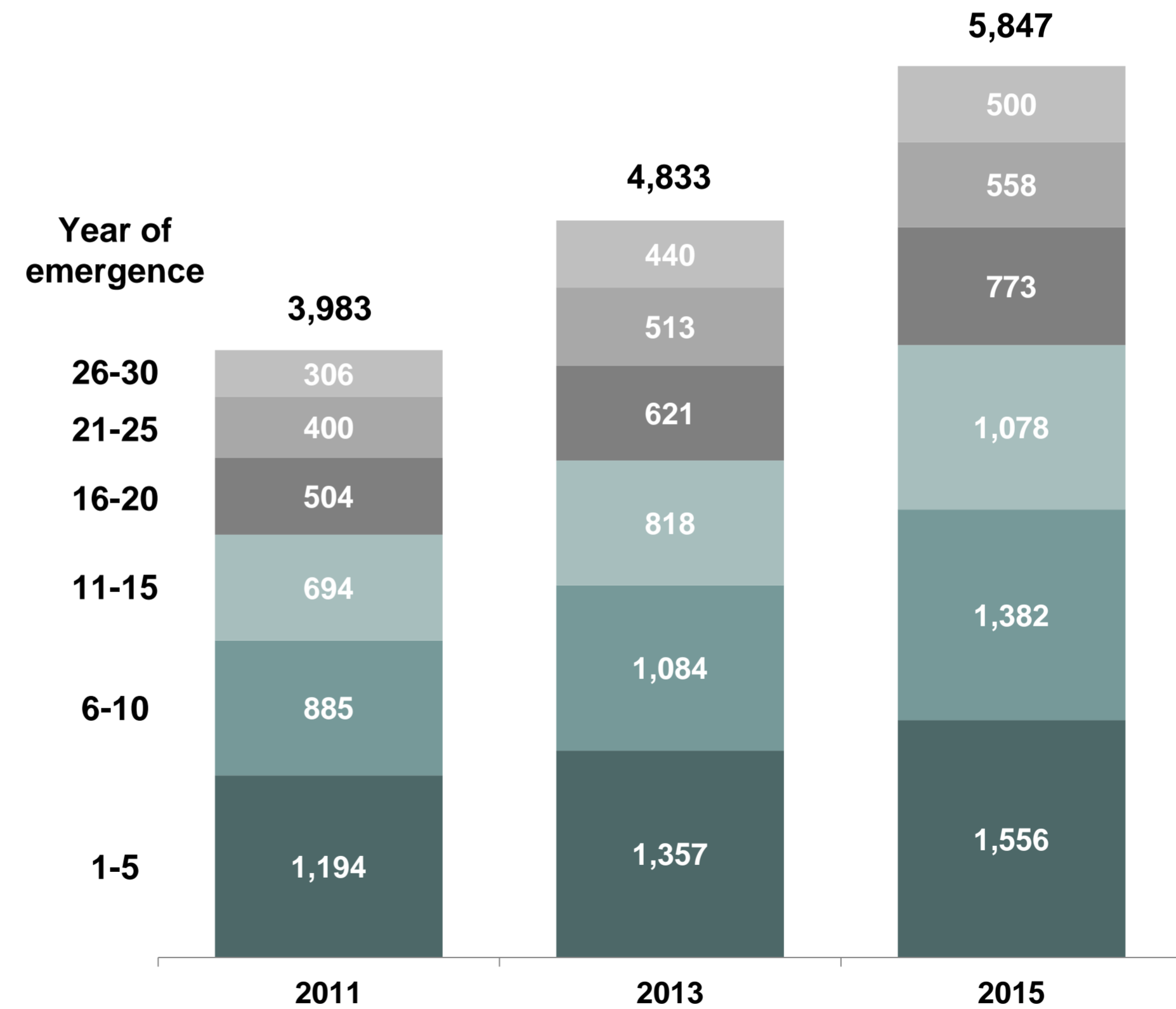
...with fast capital payback



Free surplus invested in new business
£m

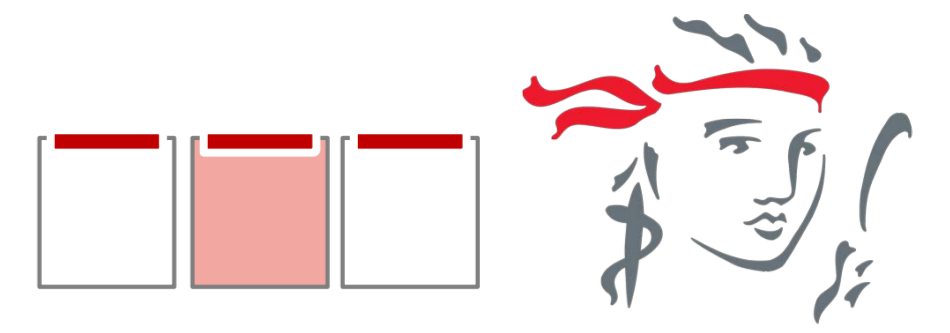


Undiscounted free surplus generation
from new business
Years 1-30, £m

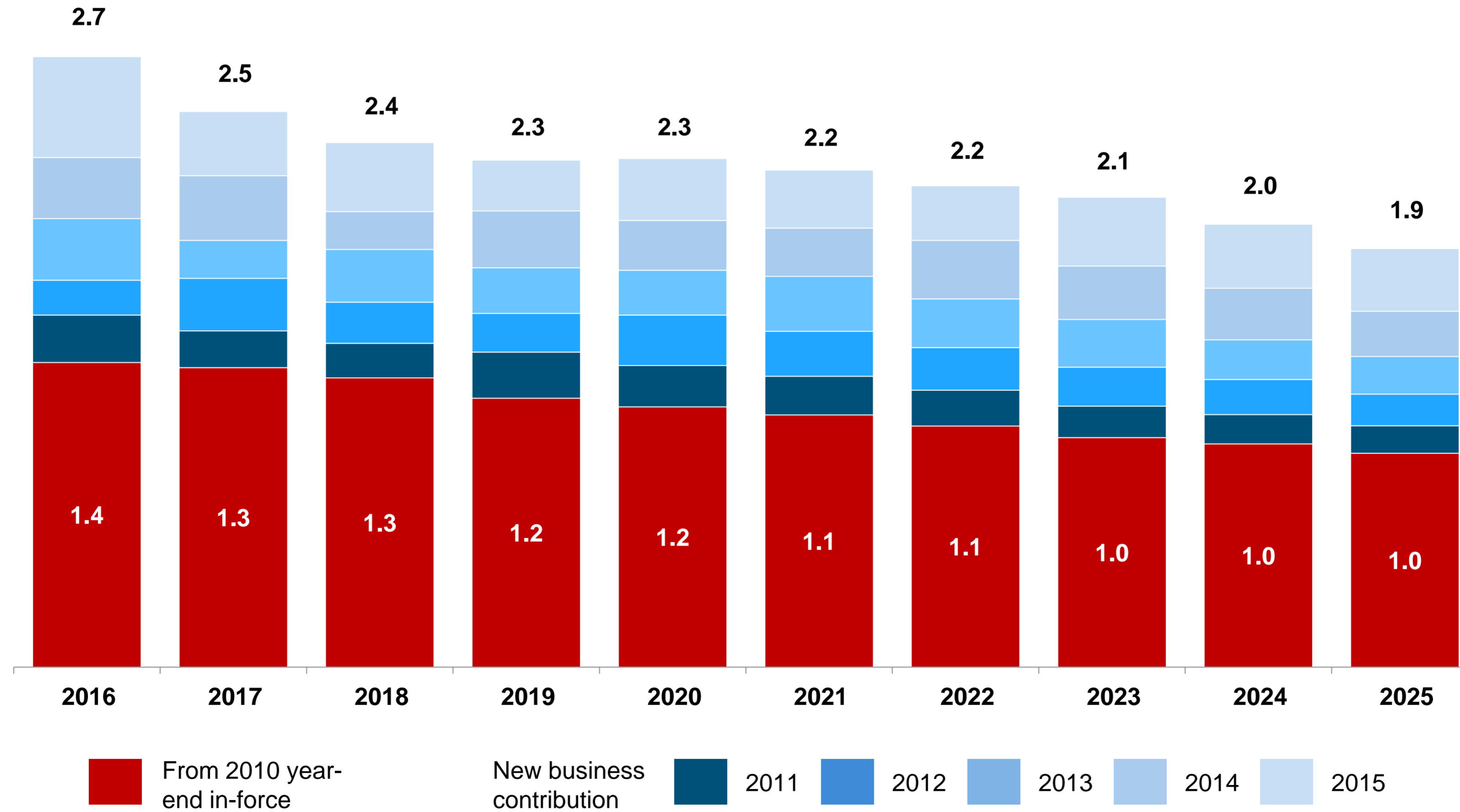


Group

Life free capital generation prospects improve with new business

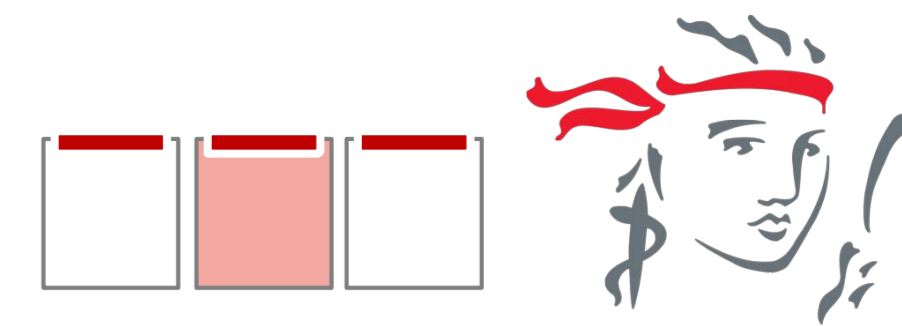


Group expected life free surplus generation, 2016 – 2025, £bn
(undiscounted, before investment in new business)

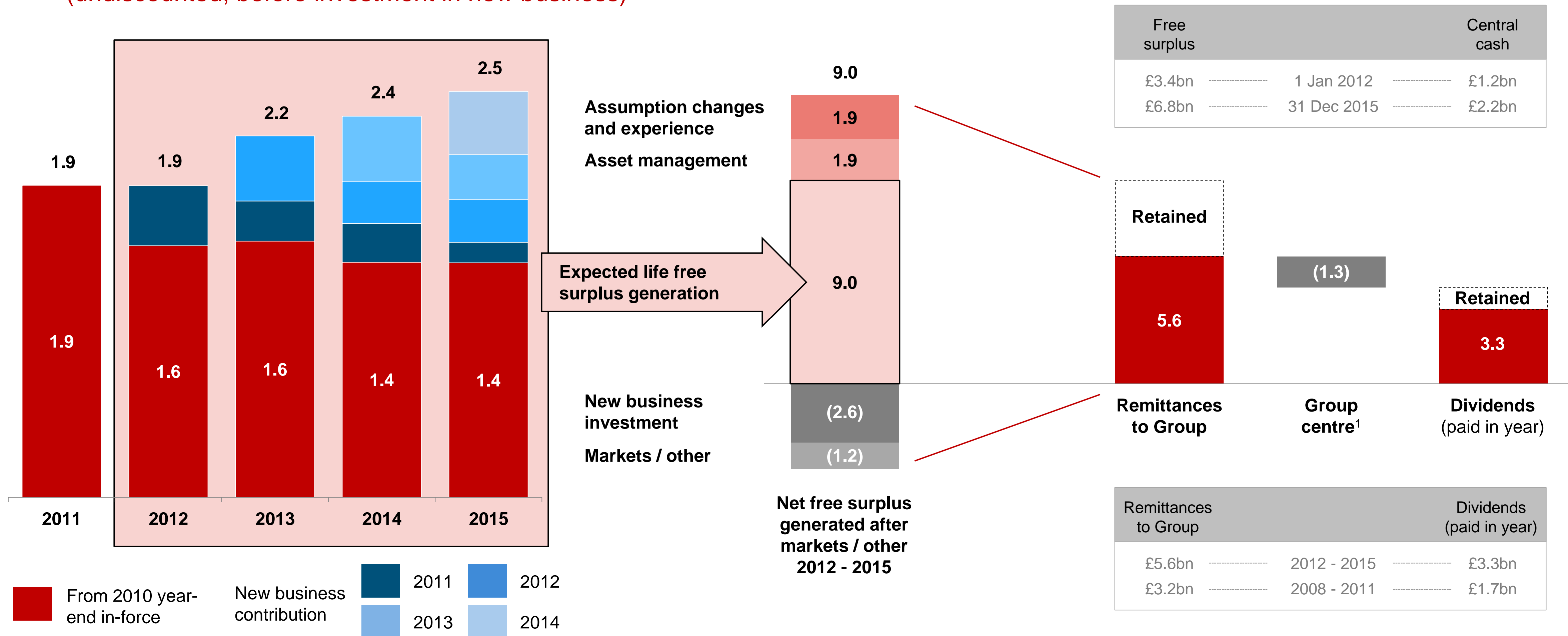


Group

Growing life in-force underpins Group cash generation prospects



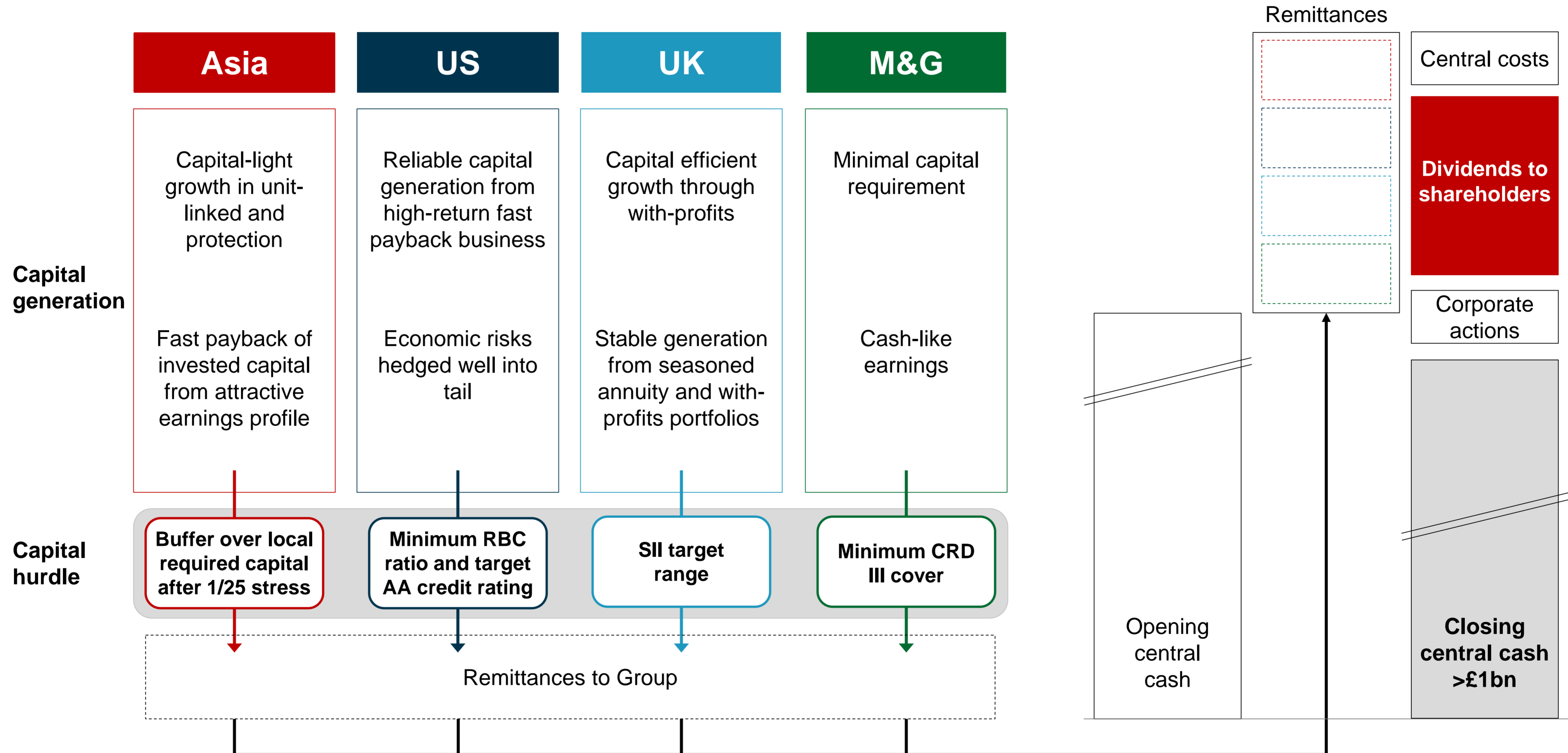
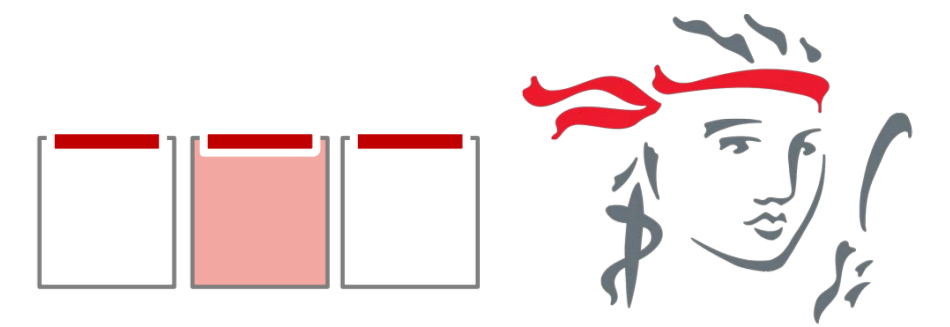
Group expected life free surplus generation, 2012 – 2015, £bn (undiscounted, before investment in new business)



¹ Group movements include interest and central costs (net of tax), corporate transactions, issue and repayment of subordinated debt, currency movements and other non-operating movements

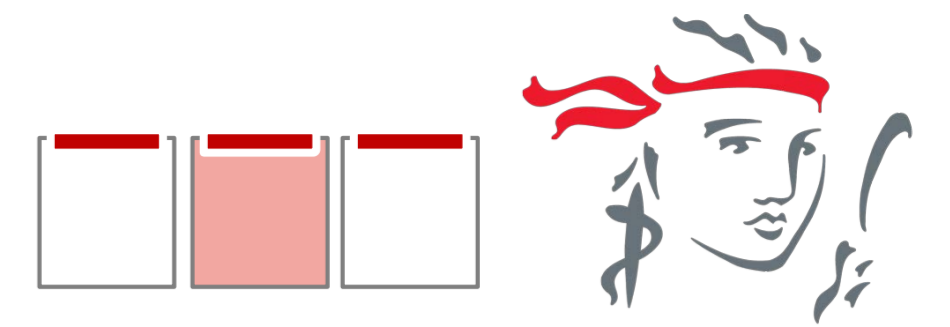
Group

Capital dynamics and dividend philosophy are unchanged



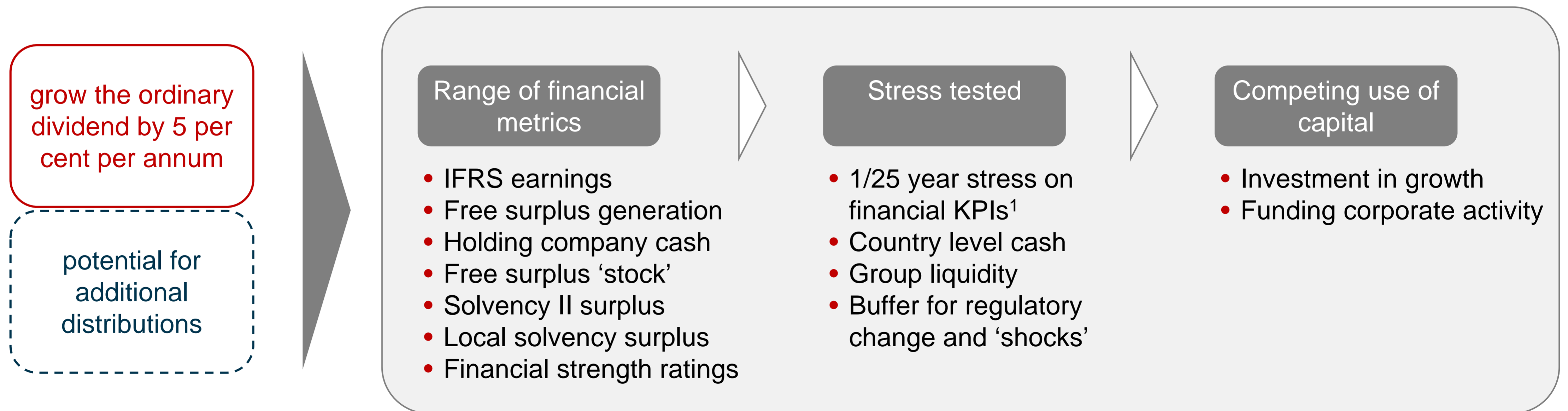
Group

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

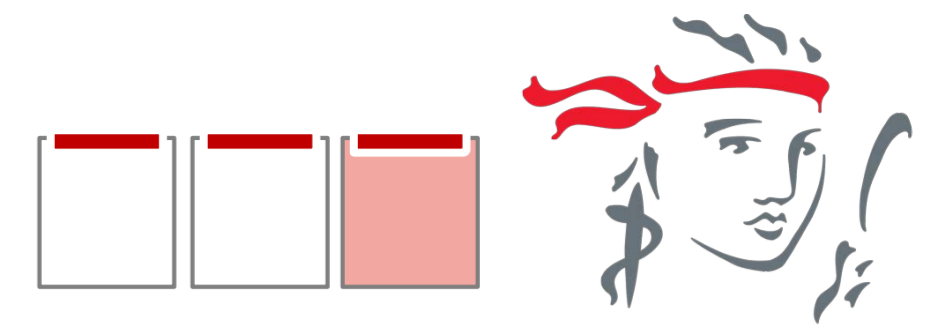
Assessment of dividend affordability unchanged



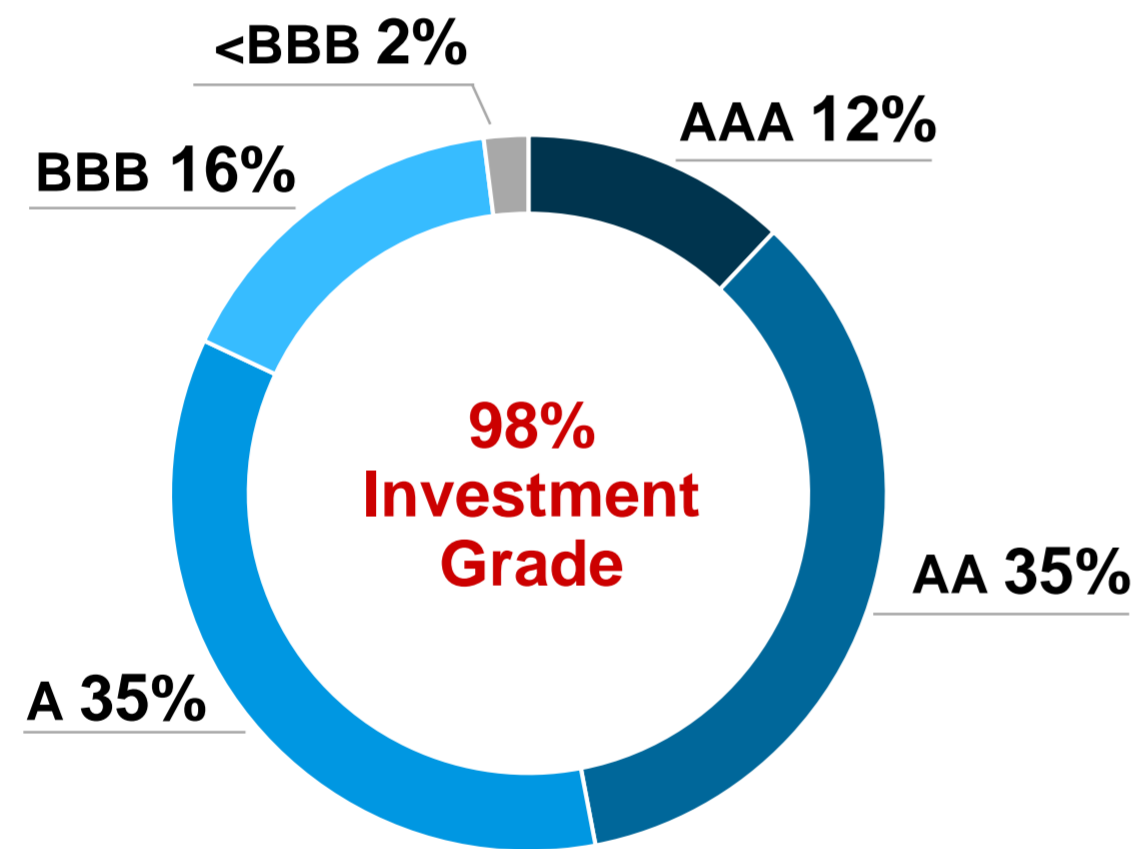
¹ 1/25 year stress is equivalent to a Group-wide scenario with movements in all risks including a 30% to 50% fall in equity levels, a 0.5% to 3.0% fall in long-term interest rates and spreads widening by 140p in A-rated credit and 210p in BBB-rated credit.

Group

Balance sheet remains defensively positioned

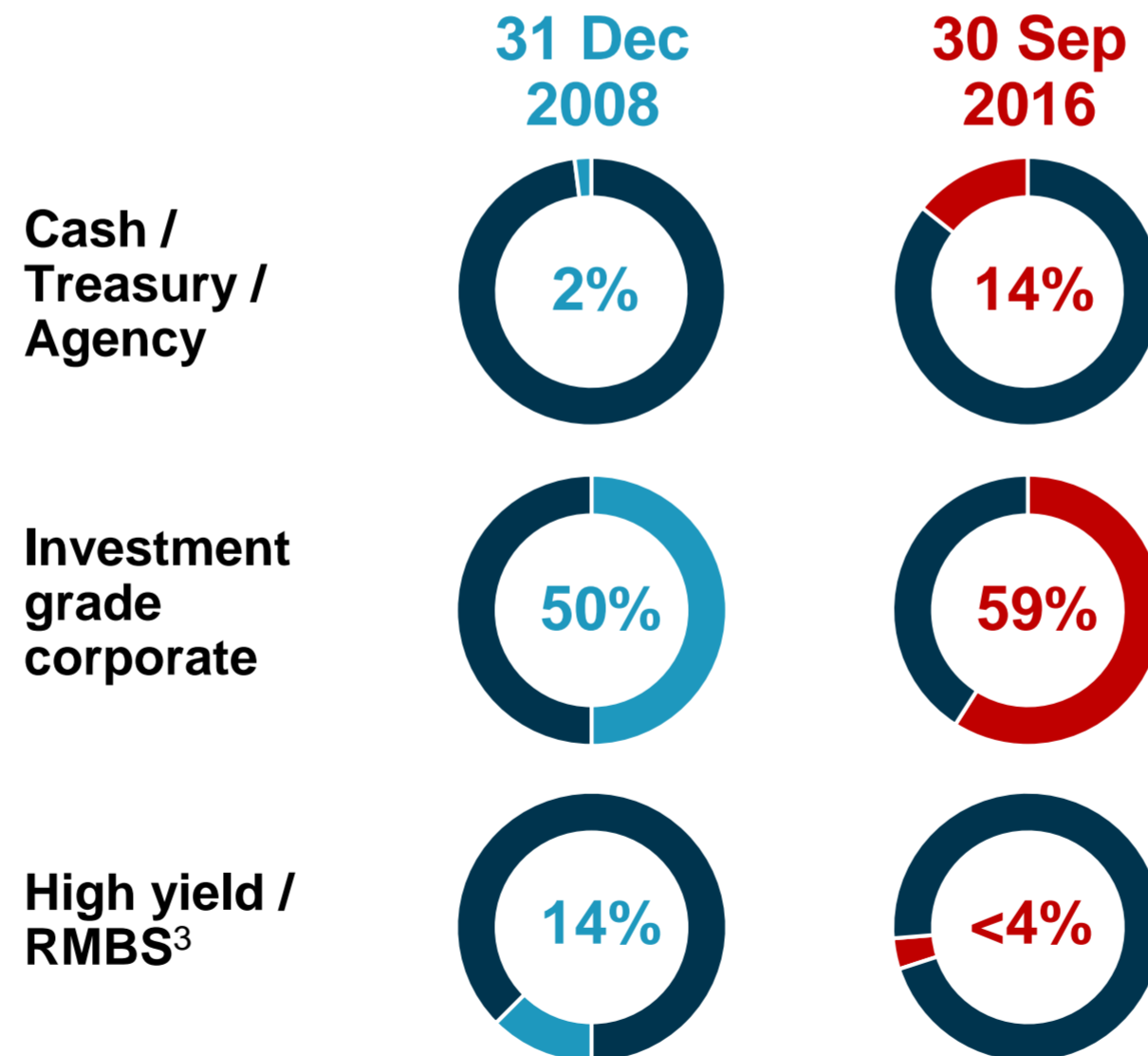


UK shareholder credit portfolio¹ 30 Sep 2016

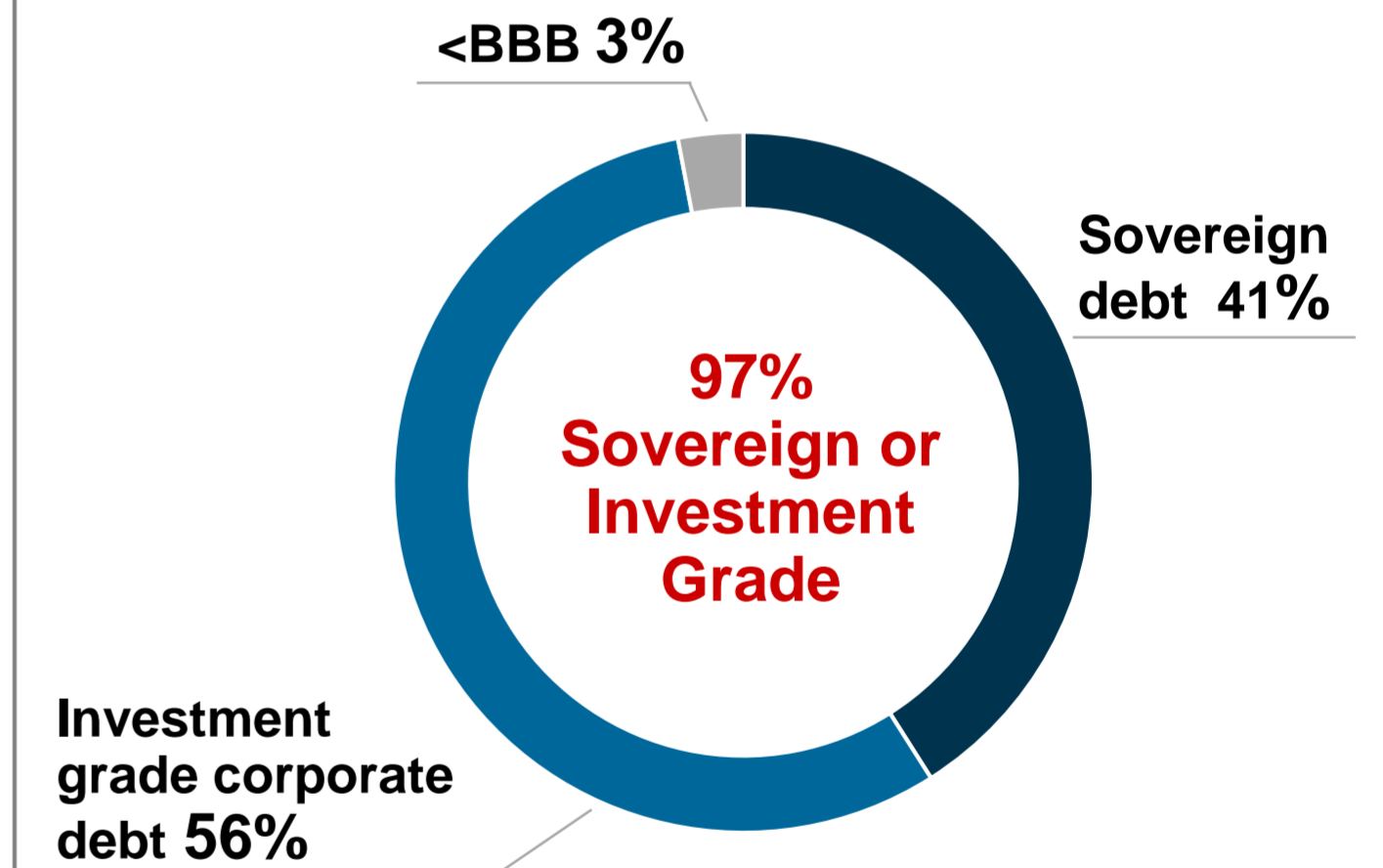


Jackson shareholder portfolio² 30 Sep 2016

Investment grade 98%
Average corporate holding¹ \$49m



Asia shareholder portfolio¹ 30 Sep 2016



¹ Based on IFRS accounting market value

² Based on Statutory accounting book value

³ Excludes Agency RMBS, which represented 1% of the portfolio at 30 September 2016 and 7% of the portfolio at 31 December 2008

Group Summary



- ✓ Q3 life performance extends first half progress
 - Led by double-digit growth in Asia
 - Continued net inflows in US VA
 - Improved asset gathering capability in UK
- ✓ More positive quarter for asset management
- ✓ Balance sheet and solvency robust
- ✓ Dividend philosophy unchanged

¹ Estimated as at 31 October 2016

**Asia new
business profit**

+23%
growth to £1.3bn

**US separate
account AUM**

+8%
growth to \$145.6bn

UK PruFund AUM

+38%
growth to £22.8bn

**M&G
external AUM**

+8%
growth to £136.2bn

**Eastspring
total AUM**

+29%
growth to £115.3bn

**Solvency II
capital¹**

£2.1bn
operating capital generation

£11.5bn
surplus

189%
surplus cover