For Every Life,
For Every Future

PRUDENTIAL

Prudential plc
Capital management update

23 June 2024

2378.HK
PRU.L

Forward-looking statements

This presentation contains 'forward-looking statements' with respect to certain of Prudential's (and its wholly and jointly owned businesses') plans and its goals and expectations relating to future financial condition, performance, results, strategy and objectives. Statements that are not historical facts, including statements about Prudential's (and its wholly and jointly owned businesses') beliefs and expectations and including, without limitation, commitments, ambitions and targets, including those related to sustainability (including ESG and climate-related matters), and statements containing the words 'may', 'will', 'should', 'continue', 'aims', 'estimates', 'projects', 'believes', 'intends', 'expects', 'plans', 'seeks' and 'anticipates', and words of similar meaning, are forward-looking statements. These statements are based on plans, estimates and projections as at the time they are made, and therefore undue reliance should not be placed on them. By their nature, all forward-looking statements involve risk and uncertainty.

A number of important factors could cause actual future financial condition or performance or other indicated results to differ materially from those indicated in any forward-looking statement. Such factors include, but are not limited to:

- Current and future market conditions, including fluctuations in interest rates and exchange rates, inflation (including resulting interest rate rises), sustained high or low interest rate environments, the performance of financial and credit markets generally and the impact of economic uncertainty, slowdown or contraction (including as a result of the Russia-Ukraine conflict, conflict in the Middle East, and related or other geopolitical tensions and conflicts), which may also impact policyholder behaviour and reduce product affordability;
- Asset valuation impacts from the transition to a lower carbon economy;
- Derivative instruments not effectively mitigating any exposures;
- Global political uncertainties, including the potential for increased friction in cross-border trade and the exercise of laws, regulations and executive powers to restrict trade, financial transactions, capital movements and/or investment;
- The longer-term impacts of Covid-19, including macro-economic impacts on financial market volatility and global economic activity and impacts on sales, claims (including those related to treatments deferred during the pandemic), assumptions and increased product lapses;
- The policies and actions of regulatory authorities, including, in particular, the policies and actions of the Hong Kong Insurance Authority, as Prudential's Group-wide supervisor, as well as the degree and pace of regulatory changes and new government initiatives generally;
- The impact on Prudential of systemic risk and other group supervision policy standards adopted by the International Association of Insurance Supervisors, given Prudential's designation as an Internationally Active Insurance Group;
- The physical, social, morbidity/health and financial impacts of climate change and global health crises, which may impact Prudential's business, investments, operations and its duties owed to customers;
- Legal, policy and regulatory developments in response to climate change and broader sustainability-related issues, including the development of regulations and standards and interpretations such as those relating to sustainability (including ESG and climate-related reporting), disclosures and product labelling and their interpretations (which may conflict and create misrepresentation risks);
- The collective ability of governments, policymakers, the Group, industry and other stakeholders to implement and adhere to commitments on mitigation of climate change and broader sustainability-related issues effectively (including not appropriately considering the interests of all Prudential's stakeholders or failing to maintain high standards of corporate governance and responsible business practices);
- The impact of competition and fast-paced technological change;
- The effect on Prudential's business and results from mortality and morbidity trends, lapse rates and policy renewal rates;
- The timing, impact and other uncertainties of future acquisitions or combinations within relevant industries;
- The impact of internal transformation projects and other strategic actions failing to meet their objectives or adversely impacting the Group's operations or employees;
- The availability and effectiveness of reinsurance for Prudential's businesses;
- The risk that Prudential's operational resilience (or that of its suppliers and partners) may prove to be inadequate, including in relation to operational disruption due to external events;
- Disruption to the availability, confidentiality or integrity of Prudential's information technology, digital systems and data (or those of its suppliers and partners) including the Pulse platform;
- The increased non-financial and financial risks and uncertainties associated with operating joint ventures with independent partners, particularly where joint ventures are not controlled by Prudential;
- The impact of changes in capital, solvency standards, accounting standards or relevant regulatory frameworks, and tax and other legislation and regulations in the jurisdictions in which Prudential and its affiliates operate; and
- The impact of legal and regulatory actions, investigations and disputes.

These factors are not exhaustive. Prudential operates in a continually changing business environment with new risks emerging from time to time that it may be unable to predict or that it currently does not expect to have a material adverse effect on its business. In addition, these and other important factors may, for example, result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. Further discussion of these and other important factors that could cause actual future financial condition or performance to differ, possibly materially, from those anticipated in Prudential's forward-looking statements can be found under the 'Risk Factors' heading of Prudential's 2023 Annual Report and any subsequent filing Prudential makes with the US Securities and Exchange Commission, including any subsequent Annual Report on Form 20-F.

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

Prudential may also make or disclose written and/or oral forward-looking statements in reports filed with or furnished to the US Securities and Exchange Commission, the UK Financial Conduct Authority, the Hong Kong Stock Exchange and other regulatory authorities, as well as in its annual report and accounts to shareholders, periodic financial reports to shareholders, proxy statements, offering circulars, registration statements, prospectuses, prospectus supplements, press releases and other written materials and in oral statements made by directors, officers or employees of Prudential to third parties, including financial analysts. All such forward-looking statements are qualified in their entirety by reference to the factors discussed under the 'Risk Factors' heading of Prudential's 2023 Annual Report any subsequent filing Prudential makes with the US Securities and Exchange Commission, including any subsequent Annual Report on Form 20-F.

Delivering growth in value and cash returns

For Every Life, For Every Future | PRUDENTIAL

- Strategic progress, balance sheet strength and clarification of Rating Agency IFRS17 CSM treatment allows for capital management update
- US$2bn share buyback programme announced[1]
- Strong capital base to fund organic growth and continue to invest in enhancing our capabilities
- No change to dividend policy and 2024 expected annual dividend growth of 7-9%
- Progress towards our 2027 financial objectives[2] increases the potential for further cash returns to shareholders

1. The implementation of the proposed share buyback programme will be in accordance with the relevant shareholder approval obtained at the 2024 AGM, and subsequently with the terms of any similar approval (if obtained) at the 2025 AGM. The terms of the proposed share buyback programme are set out in further detail in the RNS released today.
2. 15 to 20% CAGR for new business profit from 2022 – 2027, Double-digit CAGR for Operating Free Surplus. Generation from 2022 – 2027. These objectives assume exchange rates at December 2022 and economic assumptions made by Prudential in calculating the EEV basis supplementary information for the year ended 31 December 2022, and are based on regulatory and solvency regimes applicable across the Group at the time the objectives were set. The objectives assume that existing EEV and Free Surplus methodology at December 2022 will be applicable over the period.

Disciplined capital allocation driving compounding growth

For Every Life, For Every Future | PRUDENTIAL

Resilient capital position	• GWS shareholder regulatory capital: target resilient capital buffers of at least 150% of GPCR[1] • Leverage: maintain total leverage consistent with AA financial strength rating
Profitable new business	• Prioritise investment in profitable new business • Aggregate portfolio IRRs >25%[2] and payback periods <4 years
Investment in enhancing capabilities	• ~US$1bn in customer, distribution, health + technology and data
Ordinary dividend	• Dividend policy retains link to Group OFSG • 2024 expected annual dividend growth 7-9%
Strategic inorganic investments	• New banca distribution, partnerships supporting health ambitions, JVs & associates • Investment decisions judged against the alternative of returning surplus capital to shareholders
Return of capital	• Over the medium term, taking into account opportunities to reinvest at appropriate returns and allowing for market conditions, capital will be returned to shareholders

1. Prudential applies the Insurance (Group Capital) Rules set out in the GWS Framework to determine group regulatory capital requirements (both minimum and prescribed levels). GWS capital resources over the prescribed capital requirement attributable to shareholder business.
2. Based on new business written in FY2023 (on an aggregate portfolio of products basis)

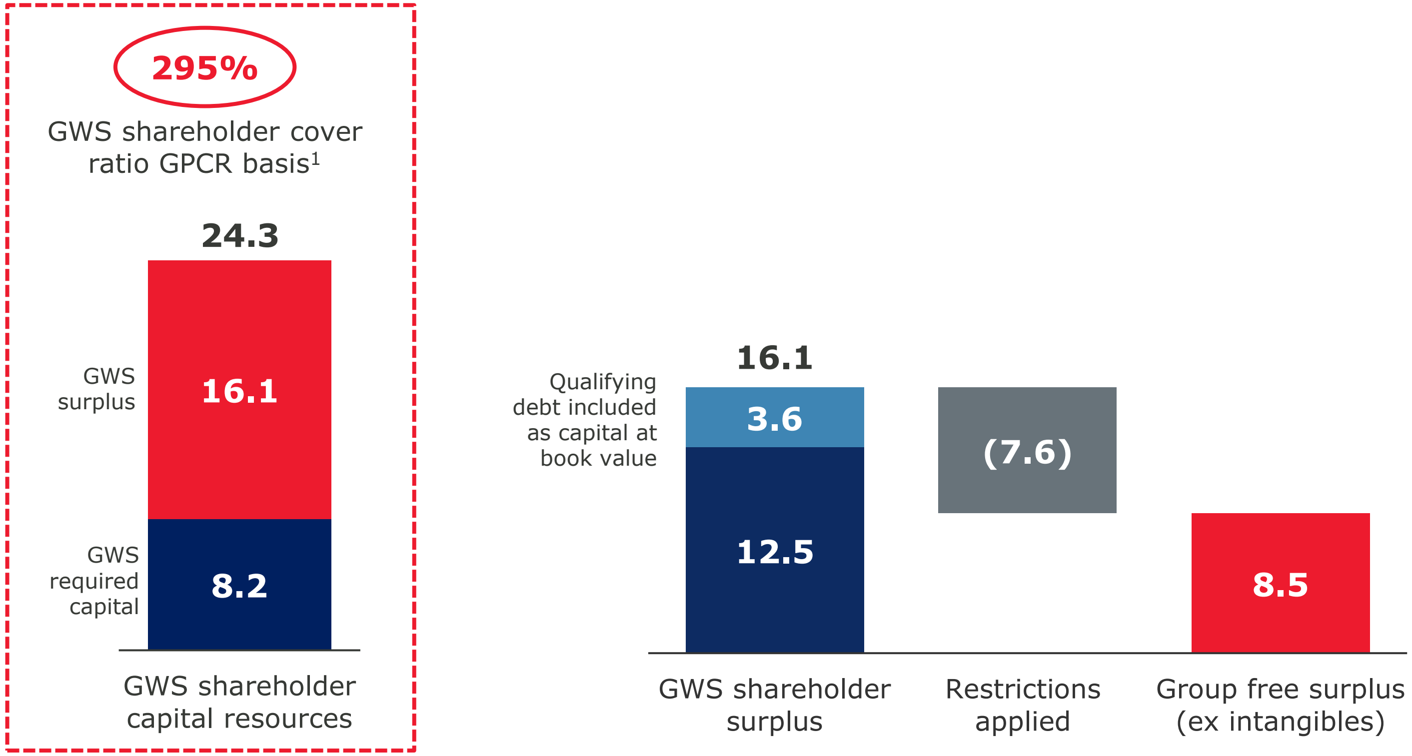
Regulatory capital and free surplus ratio

For Every Life, For Every Future

PRUDENTIAL

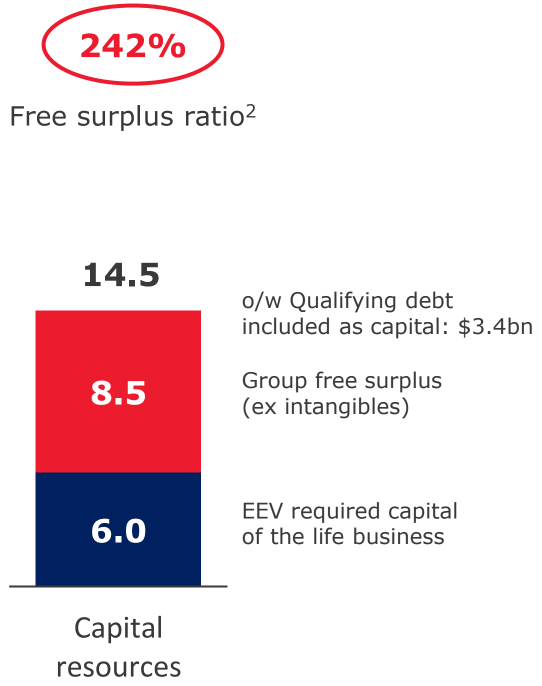
Reconciliation of GWS surplus[1] to free surplus (ex intangibles)

31 December 2023, US$bn



Free surplus ratio

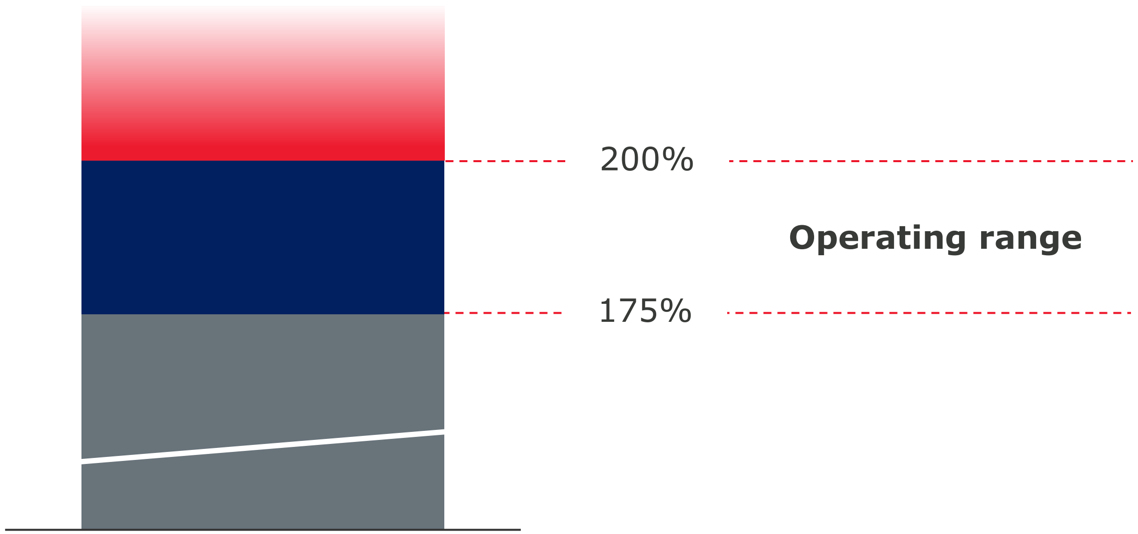
31 December 2023, US$bn



1. Prudential applies the Insurance (Group Capital) Rules set out in the GWS Framework to determine group regulatory capital requirements (both minimum and prescribed levels). GWS capital resources over the prescribed capital requirement attributable to shareholder business. Before allowing for the 2023 second cash interim dividend.
2. Free surplus ratio is calculated as group free surplus excluding intangibles plus the EEV required capital of the life business, divided by the EEV required capital for the life business.

Free surplus ratio operating range

Free surplus ratio[1]



- Operating range of 175-200%:
  - Absorb severe but plausible stress scenarios
  - Retain flexibility to accelerate growth
- If the free surplus ratio is above the operating range over the medium term, and taking into account opportunities to reinvest at appropriate returns and allowing for market conditions, capital will be returned to shareholders

1. Free surplus ratio is calculated as group free surplus excluding intangibles plus the EEV required capital of the life business, divided by the EEV required capital of the life business.

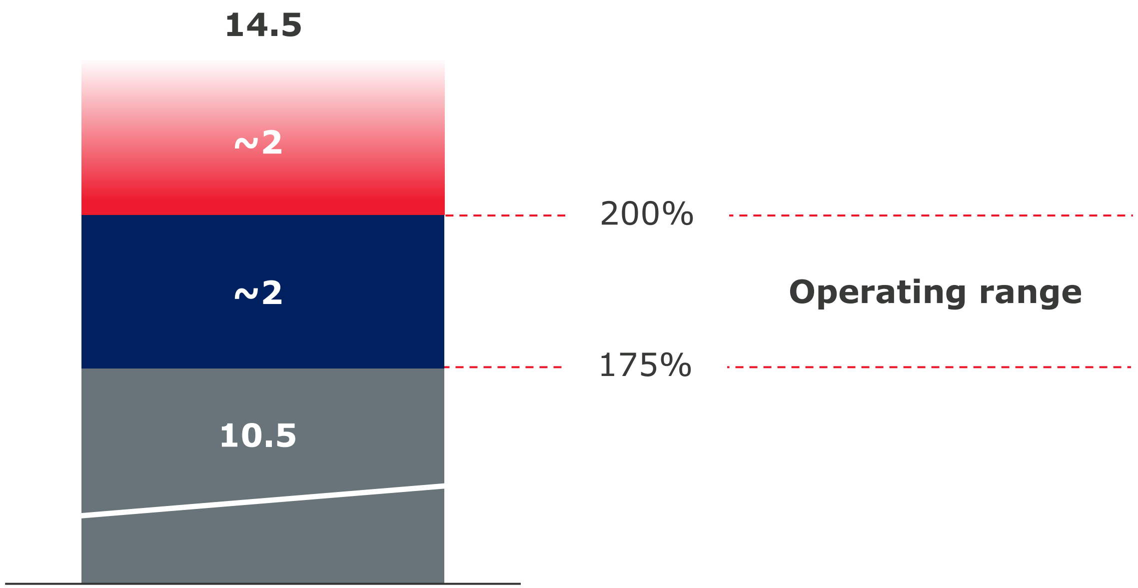
Capital management discipline

For Every Life, For Every Future

PRUDENTIAL

31 December 2023, US$bn

Capital resources[1] **Free surplus ratio**[2]



US$ **2** bn

Buyback

- Start in June 2024
- To be completed no later than mid 2026
- London line[3] only

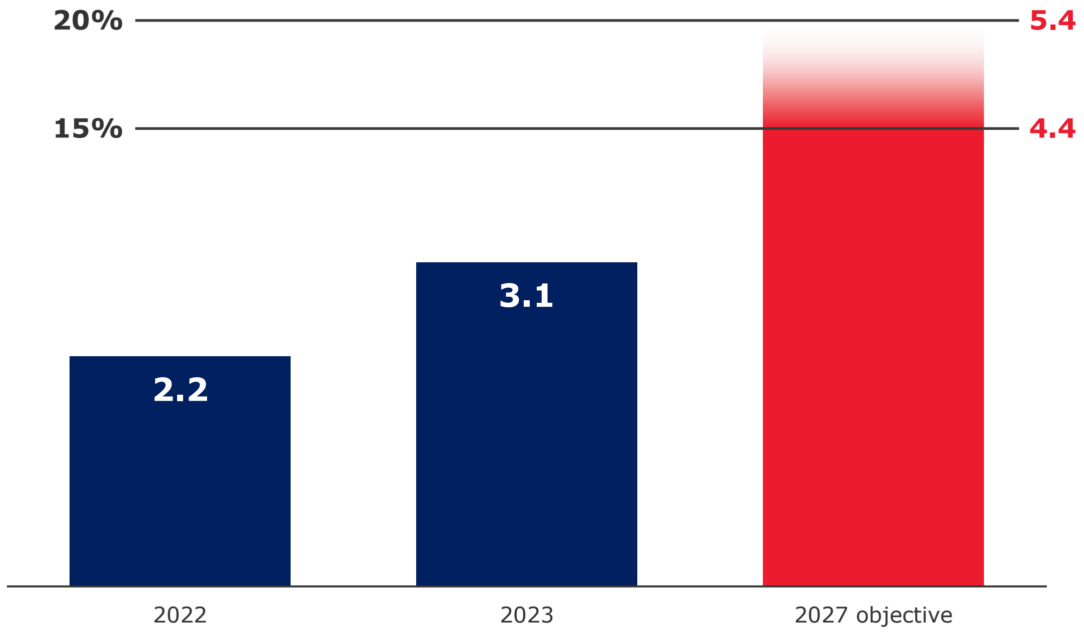
1. Group free surplus excluding intangibles plus the EEV required capital of the life business.
2. Free surplus ratio is calculated as group free surplus excluding intangibles plus the EEV required capital of the life business, divided by the EEV required capital of the life business.
3. To be executed on the London Stock Exchange and other venues that will be treated as being bought back on the London Stock Exchange.

Increasing potential for further cash returns

New business profit

2022-2027, US$bn

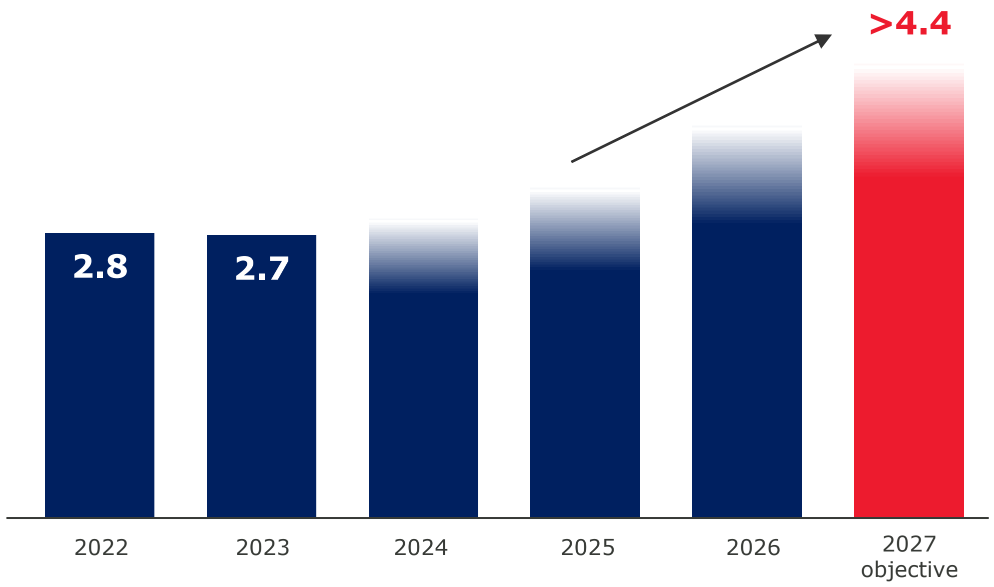
Objective: CAGR 2022-27: 15-20%[1]



Gross OFSG

Indicative trajectory, 2022-2027, US$bn

Objective: Double-digit CAGR Gross OFSG 2022-2027[1,2]



1. Assumes average exchange rates of 2022 and economic assumptions made by Prudential in calculating the EEV basis supplementary information for the year ended 31 December 2022, and are based on regulatory and solvency regimes applicable across the Group at the time the objectives were set. Assumes that the existing EEV and Free Surplus methodology at December 2022 will be applicable over the period.
2. Gross OFSG is the operating free surplus generated from in-force insurance business which represents amounts emerging from the in-force business during the year before deducting amounts reinvested in writing new business and excludes non-operating items. For asset management businesses, it equates to post-tax operating profit for the year.

Delivering growth in value and cash returns

For Every Life, For Every Future

PRUDENTIAL

Growth in value

15-20%

NBP CAGR 2022-27[1]

Growth in capital generation

US$**4.4+**bn

Gross OFSG, 2027[1,2]

Capacity to further accelerate growth

Increasing potential for further cash returns

US$**2**bn **buyback**[3] **to be completed no later than mid 2026 + ordinary dividend**

1. Assumes average exchange rates of 2022 and economic assumptions made by Prudential in calculating the EEV basis supplementary information for the year ended 31 December 2022, and are based on regulatory and solvency regimes applicable across the Group at the time the objectives were set. Assumes that the existing EEV and Free Surplus methodology at December 2022 will be applicable over the period.
2. Gross OFSG is the operating free surplus generated from in-force insurance business which represents amounts emerging from the in-force business during the year before deducting amounts reinvested in writing new business and excludes non-operating items. For asset management businesses, it equates to post-tax operating profit for the year.
3. The terms of the proposed share buyback programme will be in accordance with the relevant shareholder approval obtained at the 2024 AGM, and subsequently with the terms of any similar approval to be obtained at the 2025 AGM