Section 4

Additional information

Risk factors

A number of factors (risk factors) affect Prudential's operating results and financial condition and, accordingly, the trading price of its shares. The risk factors mentioned below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. The information given is as of the date of this document, is not updated, and any forward looking statements are made subject to the reservations specified under 'Forward-looking statements' at the end of this document.

Prudential's approaches to managing risks are explained in the 'Business review' section under 'Risk and capital management'.

Risks relating to Prudential's business

Prudential's businesses are inherently subject to market fluctuations and general economic conditions

Prudential's businesses are inherently subject to market fluctuations and general economic conditions. Uncertainty or negative trends in international economic and investment climates could adversely affect Prudential's business and profitability. Since 2008, Prudential has operated against a challenging background of periods of significant volatility in global capital and equity markets, interest rates and liquidity, and widespread economic uncertainty. Government interest rates also remain at or near historic lows in the US, the UK and some Asian countries in which Prudential operates. These factors have, at times during this period, had a material adverse effect on Prudential's business and profitability.

In the future, the adverse effects of such factors would be felt principally through the following items:

- Investment impairments or reduced investment returns, which could impair Prudential's ability to write significant volumes of new business and would have a negative impact on its assets under management and profit;
- Higher credit defaults and wider credit and liquidity spreads resulting in realised and unrealised credit losses;
- Prudential in the normal course of business enters into a variety of transactions with counterparties, including derivative transactions. Failure of any of these counterparties to discharge their obligations, or where adequate collateral is not in place, could have an adverse impact on Prudential's results; and
- Estimates of the value of financial instruments being difficult because, in certain illiquid or closed markets, determining the value at which financial instruments can be realised is highly subjective. Processes to ascertain value and estimates of value require substantial elements of judgement, assumptions and estimates (which may change over time). Increased illiquidity also adds to uncertainty over the accessibility of financial resources and may reduce capital resources as valuations decline.

Global financial markets have experienced, and continue to experience, significant uncertainty brought on, in particular, by concerns over European and US sovereign debt, as well as concerns about a general slowing of global demand reflecting a continued lack of confidence among consumers, companies and governments. Upheavals in the financial markets may affect general levels of economic activity, employment and customer behaviour. For example, insurers may experience an elevated incidence of claims, lapses, or surrenders of policies, and some policyholders may choose to defer or stop paying insurance premiums. The demand for insurance products may also be adversely affected. If sustained, this environment is likely to have a negative impact on the insurance sector over time and may consequently have a negative impact on Prudential's business and profitability. New challenges related to market fluctuations and general economic conditions may continue to emerge.

For some non-unit-linked investment products, in particular those written in some of the Group's Asian operations, it may not be possible to hold assets which will provide cash flows to match those relating to policyholder liabilities. This is particularly true in those countries where bond markets are not developed and in certain markets where regulated surrender values are set with reference to the interest rate environment prevailing at the time of policy issue. This results in a mismatch due to the duration and uncertainty of the liability cash flows and the lack of sufficient assets of a suitable duration. While this residual asset/liability mismatch risk can be managed, it cannot be eliminated. Where interest rates in these markets remain lower than interest rates used to calculate surrender values over a sustained period, this could have an adverse impact on Prudential's reported profit.

In the US, fluctuations in prevailing interest rates can affect results from Jackson which has a significant spread-based business, with the majority of its assets invested in fixed income securities. In particular, fixed annuities and stable value products written by Jackson expose Prudential to the risk that changes in interest rates, which are not fully reflected in the interest rates credited to customers, will reduce spread. The spread is the difference between the rate of return Jackson is able to earn on the assets backing the policyholders' liabilities and the amounts that are credited to policyholders in the form of benefit increases, subject to minimum crediting rates. Declines in spread from these products or other spread businesses that Jackson conducts could have a material impact on its businesses or results of operations.

Jackson also writes a significant amount of variable annuities that offer capital or income protection guarantees. The value of these guarantees is affected by market factors including interest rates, equity levels, bond spreads and volatility. There could be market circumstances where the derivatives that Jackson enters into to hedge its market risks may not fully cover its exposures under the guarantees. The cost of the guarantees that remain unhedged will also affect Prudential's results.

A significant part of the profit from Prudential's UK insurance operations is related to bonuses for policyholders declared on with-profits products, which are broadly based on historical and current rates of return on equity, real estate and fixed income securities, as well as Prudential's expectations of future investment returns. This profit could be lower in a sustained low interest rate environment.

Prudential is subject to the risk of potential sovereign debt credit deterioration owing to the amounts of sovereign debt obligations held in its investment portfolio

Prudential is subject to the risk of potential sovereign debt credit deterioration on the amounts of sovereign debt obligations, principally for UK, other European, US and Asian countries held in its investment portfolio. In recent years, rating agencies have downgraded the sovereign debt of some Continental European countries, the UK and the US. There is a risk of further downgrades for these countries. For some European countries, the risk of default has also increased. Investing in such instruments creates exposure to the direct or indirect consequences of political, social or economic changes (including changes in governments, heads of states or monarchs) in the countries in which the issuers are located and the creditworthiness of the sovereign. Investment in sovereign debt obligations involves risks not present in debt obligations of corporate issuers. In addition, the issuer of the debt or the governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or pay interest when due in accordance with the terms of such debt, and Prudential may have limited recourse to compel payment in the event of a default. A sovereign debtor's willingness or ability to repay principal and to pay interest in a timely manner may be affected by, among other factors, its cash flow situation, its relations with its central bank, the extent of its foreign currency reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the sovereign debtor's policy toward local and international lenders, and the political constraints to which the sovereign debtor may be subject. Periods of economic uncertainty may affect the volatility of market prices of sovereign debt to a greater extent than the volatility inherent in debt obligations of other types of issuers. If a sovereign were to default on its obligations, this could have a material adverse effect on Prudential's financial condition and results of operations.

Prudential is subject to the risk of exchange rate fluctuations owing to the geographical diversity of its businesses

Due to the geographical diversity of Prudential's businesses, Prudential is subject to the risk of exchange rate fluctuations. Prudential's operations in the US and Asia, which represent a significant proportion of operating profit based on longer-term investment returns and shareholders' funds, generally write policies and invest in assets denominated in local currency. Although this practice limits the effect of exchange rate fluctuations on local operating results, it can lead to significant fluctuations in Prudential's consolidated financial statements upon translation of results into pounds sterling. The currency exposure relating to the translation of reported earnings is not currently separately managed. The impact of gains or losses on currency translations is recorded as a component of shareholders' funds within other comprehensive income. Consequently, this could impact on Prudential's gearing ratios (defined as debt over debt plus shareholders' funds).

Prudential conducts its businesses subject to regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies and interpretations and any accounting standards in the markets in which it operates

Changes in government policy, legislation (including tax) or regulatory interpretation applying to companies in the financial services and insurance industries in any of the markets in which Prudential operates, which in some circumstances may be applied retrospectively, may adversely affect Prudential's product range, distribution channels, profitability, capital requirements and, consequently, reported results and financing requirements. Also, regulators in jurisdictions in which Prudential operates may change the level of capital required to be held by individual businesses, or could introduce possible changes in the regulatory framework for pension arrangements and policies, the regulation of selling practices and solvency requirements. Furthermore, as a result of interventions by governments in response to recent financial and global economic conditions, it is widely expected that there will continue to be a substantial increase in government regulation and supervision of the financial services industry, including the possibility of higher capital requirements, restrictions on certain types of transaction structure and enhanced supervisory powers.

Current EU directives, including the EU Insurance Groups Directive (IGD) require EU financial services groups to demonstrate net aggregate surplus capital in excess of solvency requirements at the group level in respect of shareholder-owned entities. The test is a continuous requirement, so that Prudential needs to maintain a higher amount of regulatory capital at the group level than otherwise necessary in respect of some of its individual businesses to accommodate, for example, short-term movements in global foreign exchange rates, interest rates, deterioration in credit quality and equity markets. The EU is also developing a regulatory framework for insurance companies, referred to as 'Solvency II'. The approach is based on the concept of three pillars. Pillar 1 consists of the quantitative requirements, for example, the amount of capital an insurer should hold. Pillar 2 sets out requirements for the governance and risk management of insurers, as well as for the effective supervision of insurers. Pillar 3 focuses on disclosure and transparency requirements.

The Solvency II Directive covers valuation, the treatment of insurance groups, the definition of capital and the overall level of capital requirements. A key aspect of Solvency II is that the assessment of risks and capital requirements are intended to be aligned more closely with economic capital methodologies, and may allow Prudential to make use of its internal economic capital models, if approved by the Prudential Regulation Authority (PRA). The Solvency II Directive was formally approved by the Economic and Financial Affairs Council in November 2009. Representatives from the European Parliament, the European Commission and the Council of the European Union are currently discussing the Omnibus II Directive which, once approved, will amend certain aspects of the original Solvency II Directive. In addition, the European Commission is continuing to develop the detailed rules that will complement the high-level principles of the Solvency II Directive, referred to as 'implementing measures'. The Omnibus II Directive is not currently scheduled to be finalised before late 2013, while the implementing measures cannot be finalised until after Omnibus II is finalised. There is significant uncertainty regarding the final outcome of this process. In particular, the Solvency II rules relating to the determination of the liability discount rate and the treatment of the US business remain unclear. As a result there is a risk that the effect of the measures finally adopted could be adverse for Prudential, including potentially a significant increase in capital required to support its business and that Prudential may be placed at a competitive disadvantage to other European and non-European financial services groups.

Currently there are also a number of other global regulatory developments which could impact the way in which Prudential is supervised in its many jurisdictions. These include the Dodd-Frank Act in the US, the work of the Financial Stability Board (FSB) on Global Systemically Important Insurers (G-SIIs) and the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) being developed by the International Association of Insurance Supervisors (IAIS).

Risk factors continued

The Dodd-Frank Act represents a comprehensive overhaul of the financial services industry within the United States that, among other reforms to financial services entities, products and markets, may subject financial institutions designated as systematically important to heightened prudential and other requirements intended to prevent or mitigate the impact of future disruptions in the US financial system. The full impact of the Dodd-Frank Act on Prudential's businesses is not currently clear, as many of its provisions have a delayed effectiveness and/or require rule making or other actions by various US regulators over the coming years.

In July 2013, the FSB announced the initial list of nine insurance groups that have been designated as G-SIIs. This list included Prudential, as well as a number of its competitors. The designation as a G-SII is likely to lead to additional policy measures being applied to the designated group. Based on a policy framework released by the IAIS concurrently with the initial list, these additional policy measures will include enhanced group-wide supervision, which is intended to commence immediately and which will include the development by July 2014 of a Systemic Risk Management Plan (SRMP) under supervisory oversight and implementation thereafter; recovery and resolution planning requirements (RRP); and higher loss absorption (HLA) capacity, for conducting non-traditional and non-insurance activities. As a foundation for HLA requirements, backstop capital requirements (ie loss absorption (LA) requirements) for all group activities will first be finalised. Prudential is monitoring the development of, and the potential impact of, the framework of policy measures and engaging with the PRA on the implications of this designation. The IAIS currently expects to finalise LA and HLA proposals in 2014 and 2015 respectively. Implementation of the regime is likely to be phased in over a period of years, with LA expected to be introduced between 2015 and 2019 and HLA not applied to G-SIIs until 2019.

ComFrame is also being developed by the IAIS to provide common global requirements for the supervision of insurance groups. The framework is designed to develop common principles for supervision and so may increase the focus of regulators in some jurisdictions. It is also currently expected that some prescriptive requirements, including group capital requirements, will be included in the framework. A revised draft ComFrame proposal is expected in October 2013.

Various jurisdictions in which Prudential operates have created investor compensation schemes that require mandatory contributions from market participants in some instances in the event of a failure of a market participant. As a major participant in the majority of its chosen markets, circumstances could arise where Prudential, along with other companies, may be required to make such contributions.

The Group's accounts are prepared in accordance with current International Financial Reporting Standards (IFRS) applicable to the insurance industry. The International Accounting Standards Board (IASB) introduced a framework that it described as Phase I, which permitted insurers to continue to use the statutory basis of accounting for insurance assets and liabilities that existed in their jurisdictions prior to January 2005. In July 2010, the IASB published its first Exposure Draft for its Phase II on insurance accounting, which would introduce significant changes to the statutory reporting of insurance entities that prepare accounts according to IFRS. A revised Exposure Draft was issued in June 2013. It remains uncertain whether the proposals in the Exposure Draft will become the final IASB standard. The timing of the changes taking effect is uncertain but not expected to be before 2018.

Any changes or modification of IFRS accounting policies may require a change in the future results or a restatement of reported results.

The resolution of several issues affecting the financial services industry could have a negative impact on Prudential's reported results or on its relations with current and potential customers

Prudential is, and in the future may be, subject to legal and regulatory actions in the ordinary course of its business, both in the UK and internationally. These actions could involve a review of business sold in the past under acceptable market practices at the time, such as the requirement in the UK to provide redress to certain past purchasers of pension and mortgage endowment policies, changes to the tax regime affecting products and regulatory reviews on products sold and industry practices, including, in the latter case, businesses it has closed.

Regulators are increasingly interested in the approach that product providers use to select third party distributors and to monitor the appropriateness of sales made by them. In some cases, product providers can be held responsible for the deficiencies of third-party distributors.

In the US, federal and state regulators have focused on, and continue to devote substantial attention to, the mutual fund, fixed index annuity and insurance product industries. This focus includes new regulations in respect of the suitability of sales of certain products. As a result of publicity relating to widespread perceptions of industry abuses, there have been numerous regulatory inquiries and proposals for legislative and regulatory reforms.

In Asia, regulatory regimes are developing at different speeds, driven by a combination of global factors and local considerations. There is a risk that new requirements are introduced that challenge current practices, or are retrospectively applied to sales made prior to their introduction.

Litigation, disputes and regulatory investigations may adversely affect Prudential's profitability and financial condition

Prudential is, and may be in the future, subject to legal actions, disputes and regulatory investigations in various contexts, including in the ordinary course of its insurance, investment management and other business operations. These legal actions, disputes and investigations may relate to aspects of Prudential's businesses and operations that are specific to Prudential, or that are common to companies that operate in Prudential's markets. Legal actions and disputes may arise under contracts, regulations (including tax) or from a course of conduct taken by Prudential, and may be class actions. Although Prudential believes that it has adequately provided in all material aspects for the costs of litigation and regulatory matters, no assurance can be provided that such provisions are sufficient. Given the large or indeterminate amounts of damages sometimes sought, other sanctions that might be applicable and the inherent unpredictability of litigation and disputes, it is possible that an adverse outcome could, from time to time, have an adverse effect on Prudential's reputation, results of operations or cash flows.

Prudential's businesses are conducted in highly competitive environments with developing demographic trends and continued profitability depends on management's ability to respond to these pressures and trends

The markets for financial services in the UK, US and Asia are highly competitive, with several factors affecting Prudential's ability to sell its products and continued profitability, including price and yields offered, financial strength and ratings, range of product lines and product quality, brand strength and name recognition, investment management performance, historical bonus levels, developing demographic trends and customer appetite for certain savings products. In some of its markets, Prudential faces competitors that are larger, have greater financial resources or a greater market share, offer a broader range of products or have higher bonus rates or claims-paying ratios. Further, heightened competition for talented and skilled employees and agents with local experience, particularly in Asia, may limit Prudential's potential to grow its business as quickly as planned.

In Asia, the Group's principal competitors in the region are international financial companies, including Allianz, AXA, ING, AIA and Manulife. In a number of markets, local companies have a very significant market presence.

Within the UK, Prudential's principal competitors in the life market include many of the major retail financial services companies including, in particular, Aviva, Legal & General, Lloyds Banking Group and Standard Life.

Jackson's competitors in the US include major stock and mutual insurance companies, mutual fund organisations, banks and other financial services companies such as AIG, AXA Financial Inc., Hartford Life Inc., Prudential Financial, Lincoln National, MetLife and TIAA-CREF.

Prudential believes competition will intensify across all regions in response to consumer demand, technological advances, the impact of consolidation, regulatory actions and other factors. Prudential's ability to generate an appropriate return depends significantly upon its capacity to anticipate and respond appropriately to these competitive pressures.

Downgrades in Prudential's financial strength and credit ratings could significantly impact its competitive position and hurt its relationships with creditors or trading counterparties

Prudential's financial strength and credit ratings, which are used by the market to measure its ability to meet policyholder obligations, are an important factor affecting public confidence in most of Prudential's products, and as a result its competitiveness. Downgrades in Prudential's ratings, as a result of, for example, decreased profitability, increased costs, increased indebtedness or other concerns, could have an adverse effect on its ability to market products, retain current policyholders, and on the Group's financial flexibility. In addition, the interest rates Prudential pays on its borrowings are affected by its debt credit ratings, which are in place to measure the Group's ability to meet its contractual obligations.

Prudential's long-term senior debt is rated as A2 by Moody's, A+ by Standard & Poor's and A by Fitch. These ratings have a stable outlook.

Prudential's short-term debt is rated as P-1 by Moody's, A-1 by Standard & Poor's and F1 by Fitch.

The Prudential Assurance Company Limited's financial strength is rated Aa2 by Moody's, AA by Standard & Poor's and AA by Fitch. These ratings have a stable outlook.

Jackson's financial strength is rated AA by Standard & Poor's and Fitch, A1 by Moody's, and A+ by AM Best. These ratings have a stable outlook.

In addition, changes in methodologies and criteria used by rating agencies could result in downgrades that do not reflect changes in the general economic conditions or Prudential's financial condition.

Adverse experience in the operational risks inherent in Prudential's business could have a negative impact on its results of operations

Operational risks are present in all of Prudential's businesses, including the risk of direct or indirect loss resulting from inadequate or failed internal and external processes, systems and human error or from external events. Prudential's business is dependent on processing a large number of complex transactions across numerous and diverse products, and is subject to a number of different legal and regulatory regimes. Further, because of the long-term nature of much of the Group's business, accurate records have to be maintained for significant periods. These factors, among others, result in significant reliance on and require significant investment in information technology, compliance and other systems, personnel and processes. In addition, Prudential outsources several operations, including a significant part of its UK back office and customer-facing functions, as well as a number of IT functions, resulting in reliance upon the operational processing performance of its outsourcing partners.

Although Prudential's systems and processes incorporate controls designed to manage and mitigate the operational risks associated with its activities, there can be no assurance that such controls will always be effective. For example, although the business has not experienced a material failure or breach in relation to IT systems and processes to date, failures or breaches of this sort, including a cyber-security attack, could harm its ability to perform necessary business functions and hurt its relationships with its business partners and customers. Similarly, any weakness in the administration systems or actuarial reserving processes could have an impact on its results of operations during the effective period. Prudential has not experienced or identified any operational risks in its systems or processes during the first half of 2013, which have subsequently caused, or are expected to cause, a significant negative impact on its results of operations.

Adverse experience relative to the assumptions used in pricing products and reporting business results could significantly affect Prudential's results of operations

Prudential needs to make assumptions about a number of factors in determining the pricing of its products, setting reserves, for reporting its capital levels and the results of its long-term business operations. For example, the assumption that Prudential makes about future expected levels of mortality is particularly relevant for its UK annuity business. In exchange for a premium equal to the capital value of their accumulated pension fund,

Risk factors continued

pension annuity policyholders receive a guaranteed payment, usually monthly, for as long as they are alive. Prudential conducts rigorous research into longevity risk, using data from its substantial annuitant portfolio. As part of its pension annuity pricing and reserving policy, Prudential's UK business assumes that current rates of mortality continuously improve over time at levels based on adjusted data and models from the Continuous Mortality Investigations (CMI) as published by the Institute and Faculty of Actuaries. If mortality improvement rates significantly exceed the improvement assumed, Prudential's results of operations could be adversely affected.

A further example is the assumption that Prudential makes about future expected levels of the rates of early termination of products by its customers (persistency). This is particularly relevant to its lines of business other than its UK annuity business. Prudential's persistency assumptions reflect recent past experience for each relevant line of business. Any expected deterioration in future persistency is also reflected in the assumption. If actual levels of future persistency are significantly lower than assumed (that is, policy termination rates are significantly higher than assumed), the Group's results of operations could be adversely affected.

Another example is the impact of epidemics and other effects that cause a large number of deaths. Significant influenza epidemics have occurred three times in the last century, but the likelihood, timing, or the severity of future epidemics cannot be predicted. The effectiveness of external parties, including governmental and non-governmental organisations, in combating the spread and severity of any epidemics could have a material impact on the Group's loss experience.

In common with other life insurers, the profitability of the Group's businesses depends on a mix of factors including mortality and morbidity levels and trends, policy surrender rates, investment performance and impairments, unit cost of administration and new business acquisition expense.

As a holding company, Prudential is dependent upon its subsidiaries to cover operating expenses and dividend payments

The Group's insurance and investment management operations are generally conducted through direct and indirect subsidiaries.

As a holding company, Prudential's principal sources of funds are remittances from subsidiaries, shareholder-backed funds, the shareholder transfer from long-term funds and any amounts that may be raised through the issuance of equity, debt and commercial paper. Certain of the subsidiaries are restricted by applicable insurance, foreign exchange and tax laws, rules and regulations that can limit the payment of dividends, which in some circumstances could limit the ability to pay dividends to shareholders or to make available funds held in certain subsidiaries to cover operating expenses of other members of the Group.

Prudential operates in a number of markets through joint ventures and other arrangements with third parties (including in China and India), involving certain risks that Prudential does not face with respect to its consolidated subsidiaries

Prudential operates, and in certain markets is required by local regulation to operate, through joint ventures (including in China and India). For the Group's joint venture operations, management control is exercised jointly with the venture participants. The level of control exercisable by the Group depends on the terms of the joint venture agreements, in particular, the allocation of control among, and continued co-operation between, the joint venture participants. Prudential may face financial, reputational and other exposure (including regulatory censure) in the event that any of its joint venture partners fails to meet its obligations under the joint venture, encounters financial difficulty, or fails to comply with local regulation or international standards such as those for the prevention of financial crime. In addition, a significant proportion of the Group's product distribution is carried out through arrangements with third parties not controlled by Prudential and is dependent upon continuation of these relationships. A temporary or permanent disruption to these distribution arrangements or material failure in controls (such as those for the prevention of financial crime) could adversely affect the results of operations of Prudential.

Prudential's Articles of Association contain an exclusive jurisdiction provision

Under Prudential's Articles of Association, certain legal proceedings may only be brought in the courts of England and Wales. This applies to legal proceedings by a shareholder (in its capacity as such) against Prudential and/or its directors and/or its professional service providers. It also applies to legal proceedings between Prudential and its directors and/or Prudential and Prudential's professional service providers that arise in connection with legal proceedings between the shareholder and such professional service provider. This provision could make it difficult for US and other non-UK shareholders to enforce their shareholder rights.

Changes in tax legislation may result in adverse tax consequences

Tax rules, including those relating to the insurance industry, and their interpretation, may change, possibly with retrospective effect, in any of the jurisdictions in which Prudential operates. Significant tax disputes with tax authorities, and any change in the tax status of any member of the Group or in taxation legislation or its scope or interpretation could affect Prudential's financial condition and results of operations.

Corporate governance

Hong Kong listing obligations

The directors confirm that the Company has complied with the Corporate Governance Code issued by the Hong Kong Stock Exchange throughout the reporting period, other than in respect of the Terms of Reference of the Remuneration Committee as regards making recommendations to the Board in respect of the remuneration of the non-executive directors. It would be inconsistent with the principles of the UK Corporate Governance Code for the Remuneration Committee to be involved in setting the fees of non-executive directors.

The directors also confirm that the half year results have been reviewed by the Group Audit Committee.

The Company confirms that it has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than required by the Hong Kong Listing Rules. Confirmation has been sought from each director that they have complied with the Prudential Share Dealing Rules throughout the period.

Going concern

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue their operations for the foreseeable future and, therefore, consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

The UK's Financial Reporting Council (FRC) has published guidance concerning directors' considerations of the Company as a going concern, in particular the guidance pertaining to half year statements. The directors have addressed all relevant procedures and considerations as outlined in the FRC's guidance document.

The Company's business activities, together with the factors likely to affect its future development, successful performance and position in the current economic climate, are set out in the Business review.

In this context, the directors have considered liquidity risk, capital and related sensitivities, which are discussed in the Risk and capital management section of the Business review. Specifically, in making their going concern assessment, the directors have considered:

- The Group capital position;
- The Group's capital commitments;
- The market risk and liquidity profile of the Group's assets and liabilities;
- The maturity profile of the Group's core and operational borrowings;
- Various liquidity stress scenarios; and
- The capital and liquidity positions of its subsidiaries.

The Group's IFRS financial statements include cash flow details in the 'Condensed consolidated statement of cash flows' and borrowings information in notes S and T.

Significant shareholdings

As at 30 June 2013, Prudential had received notifications in accordance with the Disclosure and Transparency Rules, from the following companies, disclosing their direct or indirect interests in 3 per cent or more of Prudential's issued ordinary share capital:

Shareholder	Interest
Legal and General Group Plc	3.99%
Norges Bank	4.03%
BlackRock, Inc	5.08%
Capital Group Companies, Inc.	9.99%

In addition, further notification was received from Capital Group Companies, Inc. of an increase in their interest to 10.12 per cent in the period up to the date of this report.

Disclosure of interests of directors

The following table sets out the share options held by the directors in the UK Saving Related Share Option Scheme (SAYE) as at the end of the period. No other directors held shares in any other option scheme.

	Date of grant	Exercise price	Market price at 30 June 2013	Exercise period Beginning	Exercise period End	Number of options Beginning of period	Granted	Exercised	Cancelled	Forfeited	Lapsed	End of period
John Foley	25 Apr 08	551	1075	01 Jun 13	29 Nov 13	2,953	–	2,953	–	–	–	–
Tidjane Thiam	16 Sep 11	465.8666	1075	01 Dec 14	29 May 15	965	–	–	–	–	–	965
Nic Nicandrou	16 Sep 11	465.8666	1075	01 Dec 16	31 May 17	3,268	–	–	–	–	–	3,268
Rob Devey	16 Sep 11	465.8666	1075	01 Dec 16	31 May 17	3,268	–	–	–	–	–	3,268

Directors' shareholdings

The Company and its directors, chief executives and shareholders have been granted a partial exemption from the disclosure requirements under Part XV of the SFO. As a result of this exemption, directors, chief executives and shareholders do not have an obligation under the SFO to notify the Company of shareholding interests, and the Company is not required to maintain a register of directors' and chief executives' interests under section 352 of the SFO, nor a register of interests of substantial shareholders under section 336 of the SFO. The Company is, however, required to file with the Hong Kong Stock Exchange any disclosure of interests notified to it in the United Kingdom.

The following table sets out the interests of directors in the issued share capital of Prudential including the interests of persons connected with directors for the purposes of DTR 3.1.2 of the Disclosure and Transparency Rules, as at the end of the period. This includes shares acquired under the Share Incentive Plan, and deferred annual bonus awards and interests in shares awarded on appointment as detailed in the table on other share awards on page 203.

	1 Jan 2013 Total beneficial interest (number of shares)	30 Jun 2013 Number of shares owned outright	30 Jun 2013 Number of shares subject to deferral	30 Jun 2013 Total beneficial interest (number of shares)	30 Jun 2013 Number of shares subject to performance conditions
Keki Dadiseth (note 1)	32,196	–	–	–	–
Howard Davies	3,192	8,248	–	8,248	–
Rob Devey	275,443	72,846	118,206	191,052	445,748
John Foley	323,235	157,178	82,196	239,374	483,765
Michael Garrett	39,233	39,233	–	39,233	–
Ann Godbehere	15,914	15,914	–	15,914	–
Alistair Johnston	5,000	10,000	–	10,000	–
Paul Manduca	2,500	42,500	–	42,500	–
Michael McLintock	682,733	295,905	156,631	452,536	142,283
Kaikhushru Nargolwala	16,000	50,000	–	50,000	–
Nic Nicandrou	350,858	164,610	137,072	301,682	460,412
Anthony Nightingale (note 2)	–	15,000	–	15,000	–
Philip Remnant (note 3)	–	2,100	–	2,100	–
Alice Schroeder (note 4)	–	2,000	–	2,000	–
Barry Stowe (note 5)	511,231	248,780	151,118	399,898	499,090
Tidjane Thiam	923,839	458,565	430,587	889,152	1,243,213
Lord Turnbull	16,624	16,624	–	16,624	–
Mike Wells (note 6)	591,808	127,998	275,580	403,578	1,208,278

Notes

1 Keki Dadiseth retired from the Board on 1 May 2013.

2 Anthony Nightingale was appointed to the Board on 1 June 2013.

3 Philip Remnant was appointed to the Board on 1 January 2013.

4 Alice Schroeder was appointed to the Board on 10 June 2013. For the 30 June 2013 figure, her beneficial interest in shares is made up of 1,000 ADRs (representing 2,000 ordinary shares).

5 For the 1 January 2013 figure, part of Barry Stowe's beneficial interest in shares is made up of 207,963 ADRs (representing 415,926 ordinary shares) and 95,305 ordinary shares, (8,513.73 of these ADRs are held within an investment account which secures premium financing for a life assurance policy). For the 30 June 2013 figure, the beneficial interest in shares is made up of 199,449 ADRs (representing 399,898 ordinary shares).

6 For the 31 December 2012 figure, Mike Wells' beneficial interest in shares is made up of 295,904 ADRs (representing 591,808 ordinary shares). For the 30 June 2013 figure, his beneficial interest in shares is made up of 201,789 (representing 403,578 ordinary shares). In the table above, the figure for shares subject to performance conditions includes the maximum number of shares (150 per cent of the original number awarded) which may be released to Mike Wells under the JNL Performance Share Plan. This maximum number of shares may be released if stretch performance targets are achieved.

Directors' outstanding long-term incentive awards

Share-based long-term incentive awards

The section below sets out the outstanding share awards under the Prudential Long-Term Incentive Plan, Group Performance Share Plan and the awards made under additional long-term plans for the executive directors with regional responsibilities.

Plan name	Year of award	Conditional share awards outstanding at 1 Jan 2013 (number of shares)	Conditional awards in 2013 (number of shares)	Market price at date of award (pence)	Dividend equivalents on vested shares (number of shares released) (note 2)	Rights exercised in 2013	Rights lapsed in 2013	Conditional share awards outstanding at 30 Jun 2013 (number of shares)	Date of end of performance period
Rob Devey									
GPSP	2010	104,089		568.5	11,772	104,089		–	31 Dec 12
BUPP	2010	104,089		568.5	11,772	104,089		–	31 Dec 12
GPSP	2011	76,242		733.5				76,242	31 Dec 13
BUPP	2011	76,242		733.5				76,242	31 Dec 13
GPSP	2012	88,273		678				88,273	31 Dec 14
BUPP	2012	88,273		678				88,273	31 Dec 14
PLTIP	2013		116,718	1203				116,718	31 Dec 15
		537,208	116,718		23,544	208,178		445,748	
John Foley									
GPSP	2011	152,484		733.5				152,484	31 Dec 13
GPSP	2012	199,433		678				199,433	31 Dec 14
PLTIP	2013		131,848	1203				131,848	31 Dec 15
		351,917	131,848					483,765	
Michael McLintock									
GPSP	2010	66,238		568.5	7,490	66,238		–	31 Dec 12
GPSP	2011	48,517		733.5				48,517	31 Dec 13
GPSP	2012	47,079		678				47,079	31 Dec 14
PLTIP	2013		46,687	1203				46,687	31 Dec 15
		161,834	46,687		7,490	66,238		142,283	
Nic Nicandrou									
GPSP	2010	208,179		568.5	23,548	208,179		–	31 Dec 12
GPSP	2011	152,484		733.5				152,484	31 Dec 13
GPSP	2012	185,374		678				185,374	31 Dec 14
PLTIP	2013		122,554	1203				122,554	31 Dec 15
		546,037	122,554		23,548	208,179		460,412	
Barry Stowe (note 1)									
GPSP	2010	129,076		568.5	14,522	129,076		–	31 Dec 12
BUPP	2010	129,076		568.5	13,824	122,880	6,196	–	31 Dec 12
GPSP	2011	88,270		733.5				88,270	31 Dec 13
BUPP	2011	88,270		733.5				88,270	31 Dec 13
GPSP	2012	95,642		678				95,642	31 Dec 14
BUPP	2012	95,642		678				95,642	31 Dec 14
PLTIP	2013		131,266	1203				131,266	31 Dec 15
		625,976	131,266		28,346	251,956	6,196	499,090	

Disclosure of interests of directors continued

Share-based long-term incentive awards continued

Plan name	Year of award	Conditional share awards outstanding at 1 Jan 2013 (number of shares)	Conditional awards in 2013 (number of shares)	Market price at date of award (pence)	Dividend equivalents on vested shares (number of shares released) (note 2)	Rights exercised in 2013	Rights lapsed in 2013	Conditional share awards outstanding at 30 Jun 2013 (number of shares)	Date of end of performance period
Tidjane Thiam									
GPSP	2010	510,986		568.5	57,806	510,986		–	31 Dec 12
GPSP	2011	374,279		733.5				374,279	31 Dec 13
GPSP	2012	523,103		678				523,103	31 Dec 14
PLTIP	2013		345,831	1203				345,831	31 Dec 15
		1,408,368	345,831		57,806	510,986		1,243,213	
Mike Wells (notes 1 & 3)									
JNL PSP	2009	218,100		455.5		218,100		–	31 Dec 12
JNL PSP	2010	141,000		568.5				141,000	31 Dec 13
GPSP	2011	197,648		733.5				197,648	31 Dec 13
BUPP	2011	197,648		733.5				197,648	31 Dec 13
GPSP	2012	199,256		678				199,256	31 Dec 14
BUPP	2012	199,256		678				199,256	31 Dec 14
PLTIP	2013		273,470	1203				273,470	31 Dec 15
		1,152,908	273,470			218,100		1,208,278	

Notes

1 The awards for Barry Stowe and Mike Wells were made in ADRs (1 ADR = 2 Prudential plc shares). The figures in the table are represented in terms of Prudential plc shares.

2 In 2010, a scrip dividend equivalent, and in 2011, 2012 and 2013 a DRIP dividend equivalent, were accumulated on these awards.

3 The table above reflects the maximum number of shares (150 per cent of the original number awarded) which may be released to Mike Wells under the JNL Performance Share Plan. This maximum number of shares may be released if stretch performance targets are achieved.

Other share awards

The table below sets out the share awards that have been made to executive directors under their appointment terms and those deferred from annual incentive plan payouts. The number of shares is calculated using the average share price over the three business days commencing on the day of the announcement of the Group's annual financial results for the relevant year. For the awards from the 2012 annual incentives, made in 2013, the average share price was 1,124.17 pence.

	Year of grant	Conditional share awards outstanding at 1 Jan 2013 (number of shares)	Conditionally awarded in 2013 (number of shares)	Dividends accumulated in 2013 (number of shares) (note 2)	Shares released in 2013 (number of shares)	Conditional share awards outstanding at 30 Jun 2013 (number of shares)	Date of end of restricted period	Date of release	Market price at date of award (pence)	Market price at date of vesting or release (pence)
Rob Devey										
Deferred 2009 annual incentive award	2010	29,755			29,755	–	31 Dec 12	02 Apr 13	552.5	1,083
Deferred 2010 annual incentive award	2011	48,349		845		49,194	31 Dec 13		721.5	
Deferred 2011 annual incentive award	2012	42,593		744		43,337	31 Dec 14		750	
Deferred 2012 annual incentive award	2013		25,234	441		25,675	31 Dec 15		1,055	
		120,697	25,234	2,030	29,755	118,206				
John Foley										
Deferred 2011 annual incentive award	2012	46,057		805		46,862	31 Dec 14		750	
Deferred 2012 annual incentive award	2013		34,727	607		35,334	31 Dec 15		1,055	
		46,057	34,727	1,412	–	82,196				
Michael McLintock										
Deferred 2009 annual incentive award	2010	77,493			77,493	–	31 Dec 12	02 Apr 13	552.5	1,083
Deferred 2010 annual incentive award	2011	80,753		1,411		82,164	31 Dec 13		721.5	
Deferred 2011 annual incentive award	2012	37,284		651		37,935	31 Dec 14		750	
Deferred 2012 annual incentive award	2013		35,905	627		36,532	31 Dec 15		1,055	
		195,530	35,905	2,689	77,493	156,631				

Disclosure of interests of directors continued

Other share awards continued

	Year of grant	Conditional share awards outstanding at 1 Jan 2013 (number of shares)	Conditionally awarded in 2013 (number of shares)	Dividends accumulated in 2013 (number of shares) (note 2)	Shares released in 2013 (number of shares)	Conditional share awards outstanding at 30 Jun 2013 (number of shares)	Date of end of restricted period	Date of release	Market price at date of award (pence)	Market price at date of vesting or release (pence)
Nic Nicandrou										
Deferred 2009 annual incentive award	2010	27,276			27,276	–	31 Dec 12	02 Apr 13	552.5	1,083
Deferred 2010 annual incentive award	2011	49,862		871		50,733	31 Dec 13		721.5	
Deferred 2011 annual incentive award	2012	45,060		787		45,847	31 Dec 14		750	
Deferred 2012 annual incentive award	2013		38,836	679		39,515	31 Dec 15		1,055	
		122,198	38,836	2,337	27,276	136,095				
Barry Stowe (note 1)										
Deferred 2009 annual incentive award	2010	40,474			40,474	–	31 Dec 12	02 Apr 13	552.5	1,083
Deferred 2010 annual incentive award	2011	58,314		1,034		59,348	31 Dec 13		721.5	
Deferred 2011 annual incentive award	2012	52,446		930		53,376	31 Dec 14		750	
Deferred 2012 annual incentive award	2013		37,726	668		38,394	31 Dec 15		1,055	
		151,234	37,726	2,632	40,474	151,118				
Tidjane Thiam										
Deferred 2009 annual incentive award	2010	65,482			65,482	–	31 Dec 12	02 Apr 13	552.5	1,083
Deferred 2010 annual incentive award	2011	229,515		4,013		233,528	31 Dec 13		721.5	
Deferred 2011 annual incentive award	2012	104,719		1,831		106,550	31 Dec 14		750	
Deferred 2012 annual incentive award	2013		88,954	1,555		90,509	31 Dec 15		1,055	
		399,716	88,954	7,399	65,482	430,587				

	Year of grant	Conditional share awards outstanding at 1 Jan 2013 (number of shares)	Conditionally awarded in 2013 (number of shares)	Dividends accumulated in 2013 (number of shares) (note 2)	Shares released in 2013 (number of shares)	Conditional share awards outstanding at 30 Jun 2013 (number of shares)	Date of end of restricted period	Date of release	Market price at date of award (pence)	Market price at date of vesting or release (pence)
Mike Wells (note 1)										
2009 After Tax Deferral Program award (note 3)	2010	32,250			32,250	–	15 Mar 13	15 Mar 13	520	1,154
Deferred 2010 Group Deferred Bonus Plan award	2011	94,080		1,668		95,748	31 Dec 13		721.5	
Deferred 2011 annual incentive award	2012	96,336		1,708		98,044	31 Dec 14		750	
Deferred 2012 annual incentive award	2013		80,364	1,424		81,788	31 Dec 15		1,055	
		222,666	80,364	4,800	32,250	275,580				

Notes
1 The Deferred Share Awards in 2010, 2011, 2012 and 2013 for Barry Stowe and Mike Wells were made in ADRs (1 ADR = 2 Prudential plc shares). The figures in the table are represented in terms of Prudential plc shares.
2 In 2010, a scrip dividend equivalent, and in 2011, 2012 and 2013 a DRIP dividend equivalent, were accumulated on these awards.
3 This award attracts dividends in the form of cash rather than shares.

Shares acquired under the Share Incentive Plan

	Year of initial grant	Share Incentive Plan awards held in Trust at 1 Jan 2013 (number of shares)	Partnership shares accumulated in 2013 (number of shares)	Matching shares accumulated in 2013 (number of shares)	Dividend shares accumulated in 2013 (number of shares)	Share Incentive Plan awards held in Trust at 30 Jun 2013 (number of shares)
Nic Nicandrou						
Shares held in Trust	2010	869	73	18	17	977

Note
1 The table above provides information about shares purchased under the SIP together with Matching shares (awarded on a 1:4 basis) and dividend shares. The total number of shares will only be released if Nic Nicandrou remains in employment for five years.

Cash-settled long-term incentive awards

This information has been prepared in line with the reporting requirements of the Hong Kong Stock Exchange and sets out executive directors' outstanding share awards and share options. For details of the cash-settled long-term incentive awards held by some executive directors, please see our Annual Report.

Shareholder information

Dividends

2013 interim date	Shareholders registered on the main UK and Irish branch register	Shareholders registered on the Hong Kong branch register	Holders of US American Depository Receipts	Shareholders with ordinary shares standing to the credit of their CDP securities accounts
Ex dividend date	21 August 2013	22 August 2013	21 August 2013	21 August 2013
Record date	23 August 2013	23 August 2013	23 August 2013	23 August 2013
Payment of 2013 interim dividend	26 September 2013	26 September 2013	On or about 4 October 2013	On or about 3 October 2013

Shareholder enquiries

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

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

By telephone
Tel: 0871 384 2035
Fax: 0871 384 2100
Textel: 0871 384 2255
(for the hard of hearing)

Calls to 0871 numbers are charged at 8p per minute plus network extras. Lines are open from 8.30am to 5.30pm (UK), Monday to Friday.

International shareholders
tel: +44 (0)121 415 7026

Dividend mandates

Shareholders may find it convenient to have their dividends paid directly to their bank or building society account. If you wish to take advantage of this facility, please call Equiniti and request a Cash Dividend Mandate form. Alternatively, you may download a form from www.prudential.co.uk/prudential-plc/investors/shareholder_services/forms

Cash dividend alternative

The Company has a Dividend Re-investment Plan (DRIP). Shareholders who have elected for the DRIP will automatically receive shares for all future dividends in respect of which a DRIP alternative is offered. The election may be cancelled at any time by the shareholder. Further details of the DRIP and the timetable are available on the Company's website at www.prudential.co.uk/prudential-plc/investors

Electronic communications

Shareholders are encouraged to elect to receive shareholder documents electronically by registering with Shareview at www.shareview.co.uk This will save on printing and distribution costs, and create environmental benefits. Shareholders who have registered, will be sent an email notification whenever shareholder documents are available on the Company's website and a link will be provided to that information. When registering, you will need your shareholder reference number which can be found on your share certificate or proxy form. The option to receive shareholder documents electronically is not available to shareholders holding shares through The Central Depository (Pte) Limited (CDP). Please contact Equiniti if you require any assistance or further information.

Share dealing services

The Company's Registrars, Equiniti, offer a postal dealing facility for buying and selling Prudential plc ordinary shares – please see the Equiniti address opposite or telephone 0871 384 2248. They also offer a telephone and internet dealing service, Shareview, which provides a simple and convenient way of selling Prudential plc shares. For telephone sales call 0871 384 2780 between 8.30am and 4.30pm, Monday to Friday, and for internet sales log on to www.shareview.co.uk/dealing

ShareGift

Shareholders who have only a small number of shares, the value of which makes them uneconomic to sell, may wish to consider donating them to ShareGift (Registered Charity 1052686). The relevant share transfer form may be obtained from our website www.prudential.co.uk/prudential-plc/investors/shareholder_services/forms or from Equiniti. Further information about ShareGift may be obtained on +44 (0)20 7930 3737 or from www.ShareGift.org There are no implications for capital gains tax purposes (no gain or loss) on gifts of shares to charity and it is also possible to obtain income tax relief.

Irish branch register

The Company operates a branch register for shareholders in Ireland. All enquiries regarding Irish branch register accounts should be directed to Capita Registrars (Ireland) Limited, PO Box 7117, Dublin 2. Telephone: + 353 1 553 0050

Hong Kong branch register

The Company operates a branch register for shareholders in Hong Kong. All enquiries regarding Hong Kong branch register accounts should be directed to Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
Telephone: +852 2862 8555

Singapore shareholder enquiries

Shareholders who have shares standing to the credit of their securities accounts with CDP in Singapore may refer queries to the CDP at 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807. Telephone: +65 6535 7511. Enquiries regarding shares held in Depository Agent Sub-accounts should be directed to your Depository Agent or broker.

American Depositary Receipts (ADRs)

The Company's ordinary shares are listed on the New York Stock Exchange in the form of American Depositary Shares, evidenced by ADRs and traded under the symbol PUK. Each American Depositary Share represents two ordinary shares. All enquiries regarding ADR holder accounts should be directed to JP Morgan, the authorised depositary bank, at JP Morgan Chase & Co, PO Box 64504, St. Paul, MN 55164-0504, USA.
Telephone: +1 800 990 1135
or from outside the US: +1 651 453 2128 or log on to www.adr.com

How to contact us

Prudential plc
Laurence Pountney Hill
London EC4R 0HH
Tel: +44 (0)20 7220 7588
www.prudential.co.uk

Paul Manduca
Chairman

Tidjane Thiam
Group Chief Executive

Nic Nicandrou
Chief Financial Officer

John Foley
Group Investment Director

Pierre-Olivier Bouée
Group Chief Risk Officer

Margaret Coltman
Group General Counsel

Peter Goerke
Group Human Resources Director

John Murray
Group Communications Director

Prudential UK & Europe
3 Sheldon Square
London W2 6PR
Tel: +44 (0)800 000 000
www.pru.co.uk

Jackie Hunt
Chief Executive

M&G
Laurence Pountney Hill
London EC4R 0HH
Tel: +44 (0)20 7626 4588
www.mandg.co.uk

Michael McLintock
Chief Executive

Prudential Corporation Asia
13th Floor
One International Finance Centre
1 Harbour View Street
Central
Hong Kong
Tel: +852 2918 6300
www.prudentialcorporation-asia.com

Barry Stowe
Chief Executive

Jackson National Life Insurance Company
1 Corporate Way
Lansing
Michigan 48951
USA
Tel: +1 517 381 5500
www.jackson.com

Mike Wells
President & Chief Executive Officer

Institutional Analyst and Investor Enquiries
Tel: +44 (0)20 7548 3300
E-mail: investor.relations@prudential.co.uk

UK Register Private Shareholder Enquiries
Tel: 0871 384 2035
International shareholders
Tel: +44 (0)121 415 7026

Irish Branch Register Private Shareholder Enquiries
Tel: +353 1 553 0050

Hong Kong Branch Register Private Shareholder Enquiries
Tel: +852 2862 8555

The Central Depository (Pte) Limited Shareholder Enquiries
Tel: +65 6535 7511

American Depository Receipts Holder Enquiries
Tel: +1 651 453 2128

Media Enquiries
Tel: +44 (0)20 7548 2776
E-mail: media.relations@prudential.co.uk

Prudential public limited company
Incorporated and registered in England and Wales

Registered office
Laurence Pountney Hill
London EC4R 0HH
Registered number 1397169

www.prudential.co.uk

Prudential plc is a holding company, subsidiaries of which are authorised and regulated, as applicable, by the Prudential Regulation Authority and the Financial Conduct Authority. The Prudential Regulation Authority and the Financial Conduct Authority replaced the Financial Services Authority on 1 April 2013.

Forward-looking statements

This document may contain 'forward-looking statements' with respect to certain of Prudential's plans and its goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements that are not historical facts, including statements about Prudential's beliefs and expectations and including, without limitation, 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 Prudential's 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, future market conditions, including fluctuations in interest rates and exchange rates and the potential for a sustained low-interest rate environment, and the performance of financial markets generally; the policies and actions of regulatory authorities including, for example, new government initiatives related to the financial crisis and the effect of the European Union's 'Solvency II' requirements on Prudential's capital maintenance requirements; the impact of designation as a global systemically important insurer; the impact of competition, economic growth, inflation and deflation; experience in particular with regard to 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 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 actions and disputes. 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 Prudential's actual future financial condition or performance or other indicated results to differ, possibly materially, from those anticipated in Prudential's forward-looking statements can be found under the 'Risk factors' heading in this document.

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.

Printed on Amadeus 75 Matt, a paper made from 75 per cent recycled post-consumer waste and 25 per cent fibre sourced from fully sustainable forests; and Amadeus 100 White Offset which is made from 100 per cent recycled post-consumer waste.

All material used in this report has been independently certified according to the rules of the Forest Stewardship Council (FSC). All pulps used are elemental chlorine free, and the inks used are vegetable oil based. The manufacturing mills and the printer are registered to the Environmental Management System ISO 14001 and are FSC chain-of-custody certified.

Designed by Further™

Printed in the UK by CPI Colour

Prudential public limited company
Incorporated and registered in
England and Wales

Registered office
Laurence Pountney Hill
London EC4R 0HH
Registered number 1397169

www.prudential.co.uk

Prudential plc is a holding company,
subsidiaries of which are authorised
and regulated, as applicable, by the
Prudential Regulation Authority
and the Financial Conduct Authority.