



# Driving progress together

Financial strength, Simplification, Growth

2024 Half Year Results – 4 September 2024

# M&G plc 2024 Half Year Results

## Forward looking statement

This document may contain certain ‘forward-looking statements’ with respect to M&G plc (M&G) and its affiliates (the Group), its plans, its current goals and expectations relating to future financial condition, performance, results, operating environment, strategy and objectives.

Statements that are not historical facts, including statements about M&G’s beliefs and expectations and including, without limitation, statements containing the words ‘may’, ‘will’, ‘could’, ‘should’, ‘continue’, ‘aims’, ‘estimates’, ‘projects’, ‘believes’, ‘intends’, ‘expects’, ‘plans’, ‘seeks’, ‘outlook’ and ‘anticipates’, and words of similar meaning, are forward-looking statements. These statements are based on plans, estimates and projections which are current as at the time they are made, and therefore persons reading this announcement are cautioned against placing undue reliance on forward-looking statements.

By their nature, forward-looking statements involve inherent assumptions, risk and uncertainty, as they generally relate to future events and circumstances that may not be entirely within M&G’s control. A number of factors could cause M&G’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: changes in domestic and global political, economic and business conditions; market-related conditions and risk, including fluctuations in interest rates and exchange rates, the potential for a sustained low-interest rate environment, corporate liquidity risk and the future trading value of the shares of M&G; investment portfolio-related risks, such as the performance of financial markets generally; legal, regulatory and policy developments, such as, for example, new government initiatives and regulatory measures, including those addressing climate change and broader sustainability-related issues, and broader development of reporting standards; the impact of competition, economic uncertainty, inflation and deflation; the effect on M&G’s business and results from, in particular, mortality and morbidity trends, longevity assumptions, lapse rates and policy renewal rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; the impact of internal projects and other strategic actions, such as transformation programmes, failing to meet their objectives; changes in environmental, social and geopolitical risks and incidents, pandemics and similar events beyond the Group’s control; the Group’s ability along with governments and other stakeholders to measure, manage and mitigate the impacts of climate change and broader sustainability-related issues effectively; the impact of operational risks, including risk associated with third-party arrangements, reliance on third-party distribution channels and disruption to the availability, confidentiality or integrity of M&G’s IT systems (or those of its suppliers); 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 the Group operates; and the impact of legal and regulatory actions, investigations 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.

Any forward-looking statements contained in this document speak only as of the date on which they are made. M&G 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, or other applicable laws and regulations.

This report has been prepared for, and only for, the members of M&G, as a body, and no other persons. M&G, its Directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come, and any such responsibility or liability is expressly disclaimed.



# Progress on Strategic Priorities

Andrea Rossi, Group Chief Executive

# Continuing to move forward in 2024

1

## Financial strength

Reduced debt by £461m and the leverage ratio by 3 ppts to 32%

Improved Solvency II ratio by 7 ppts to 210%, brought ineligible capital to zero

Generated nearly £0.5bn Operating Capital, declared interim DPS of 6.6p

2

## Simplification

Delivered £121m cost savings through the transformation programme

Simplifying operating model by combining Life and Wealth segments

Migrated 3.9m policies, c. 80% of total, to strategic platform solutions

3

## Growth

Continue to grow the Asset Manager internationally, with c. £2bn of net inflows

On-track to complete our first capital-lite BPA transaction by year end

Expect to imminently launch a PruFund-like proposition in the Middle East

# Strong progress across all targets, OCG and cost targets upgraded

	Target	FY 2023	HY 2024	Status
<b>1</b> <b>Financial strength</b>	£2.5bn cumulative OCG over 2022-24	£1.8bn	→ £2.3bn	upgrading target to <b>£2.7bn</b>
	Solvency II leverage ratio < 30%	35%	→ 32%	reduced debt by £461m
<b>2</b> <b>Simplification</b>	£200m cost savings from Transformation <sup>1</sup>	£73m	→ £121m	upgrading target to <b>£220m</b>
	Asset Management CIR Ratio < 70% <sup>2</sup>	79%	→ 77%	improved through cost discipline
<b>3</b> <b>Growth</b>	>50% capital-lite earnings	42%	→ 45%	Asset Mgmt. profits up 9% YoY

Note, all targets are to 2025, except for the Cumulative OCG target which covers the 2022-2024 period. OCG = Operating Capital Generation; CIR = Cost-to-Income  
 1. Refers to the managed cost base; 2. Refers to the Core CIR, which excludes performance fees from the definition of income

# Financial strength

## M&G's leverage compares favourably with peers

### M&G's leverage using internal definition

Nominal value of debt: £2.8bn



**32%**

Shareholder Own Funds: £8.7bn

### M&G's leverage using peers' definition

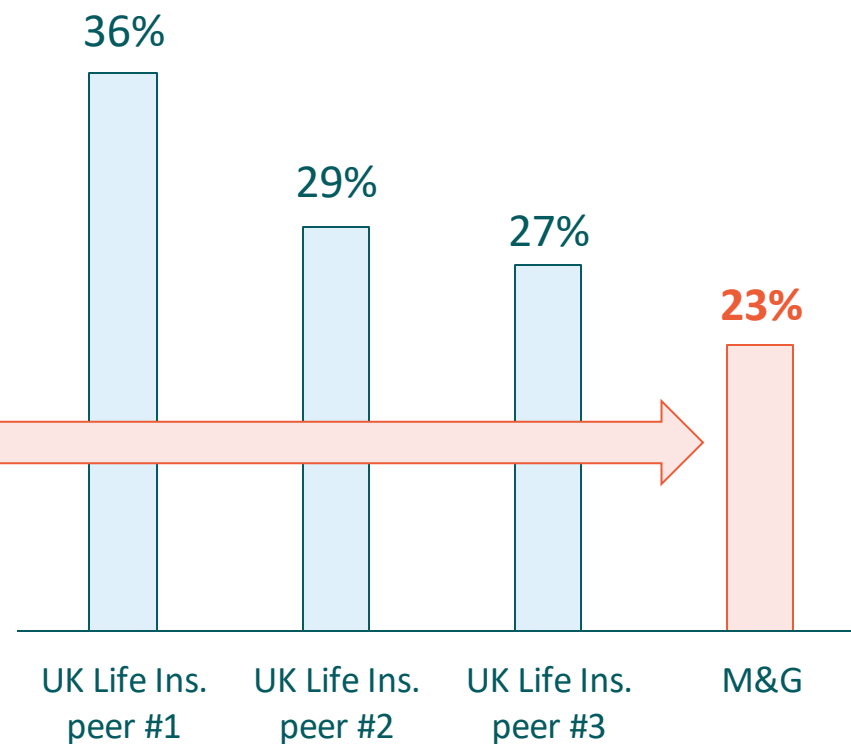
Market value of debt: £2.5bn



**23%**

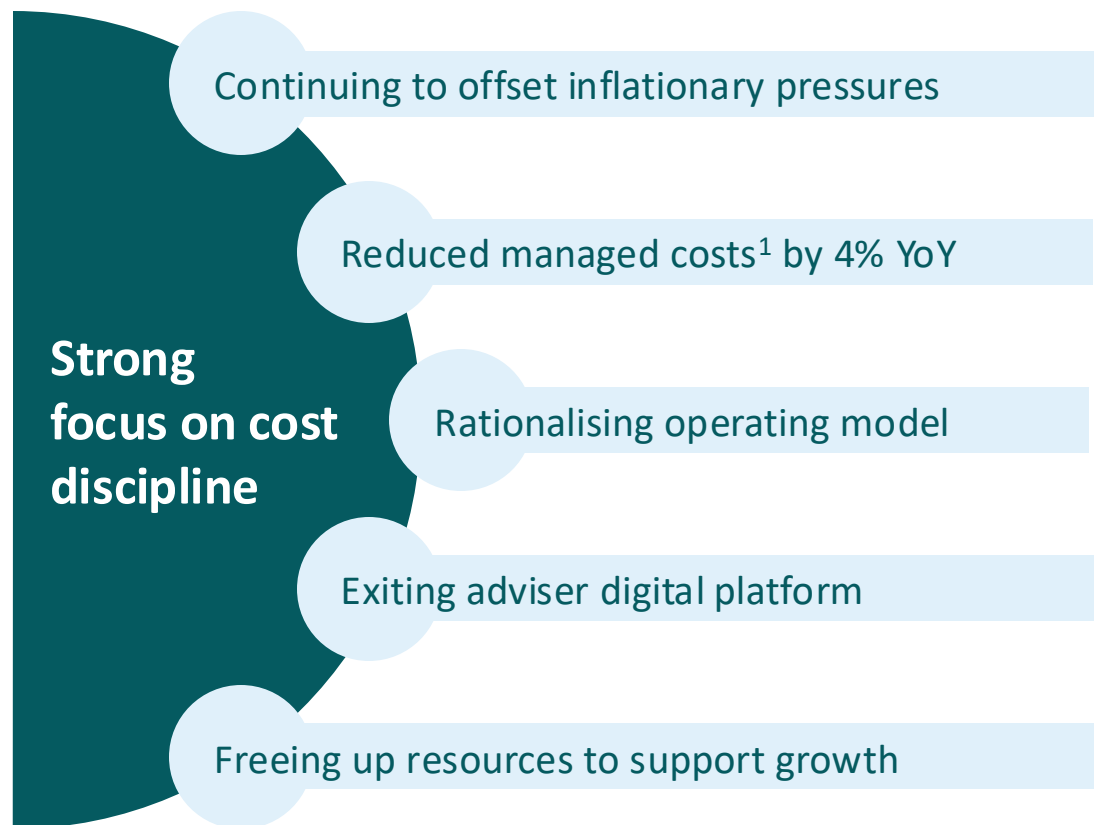
Regulatory Own Funds: £10.8bn

### Solvency II leverage ratio compares favourably on a like-for-like basis

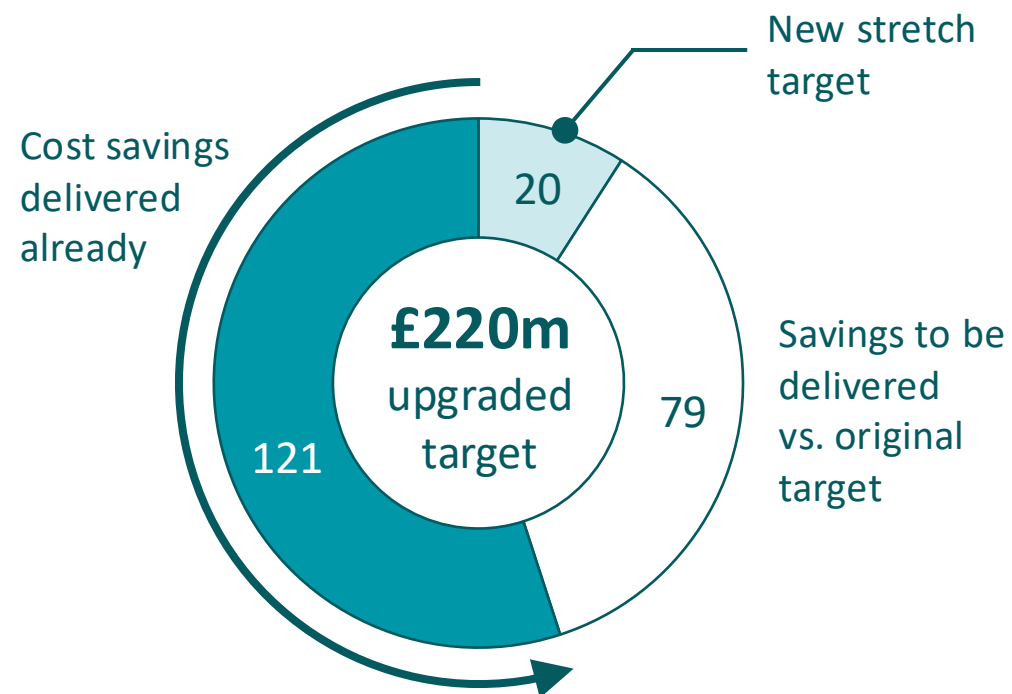


## Simplification

## Strong progress on Transformation programme



### Upgrading cost saving target from £200m to £220m



1. Managed costs defined as 'operational cost relating to the normal running of the business, excluding expenses relating to dividends, financing costs (e.g. interest payments on leases and bank balances, impact of funds revaluations, corporate tax charges) and external asset management expenses incurred by the Group's insurance businesses (e.g. fees to third party fund managers, movements in deferred income / deferred acquisitions costs)'

## Clear priorities across segments

Asset Mgmt

1

Continue to **deliver strong investment performance**

2

Focus on **building presence across international markets**

3

Broaden **private asset capabilities**, including through partnership

Life

1

Strengthen **BPA pricing capabilities** to meet strong client demand

2

Deliver **proof of concept for capital-lite BPAs** to increase new business capacity

3

**Broaden offering** in the UK and internationally to drive more flows into the Group

Wealth

1

Continue to drive cost efficiency and **simplify operating model**

2

**Add PruFund to third party platforms** improving access to the proposition

3

**Complement PruFund with guaranteed offering** being developed by the Life team





# Financial review

Kathryn McLeland, Chief Financial Officer

# Resilient Operating Profit and Capital Generation

## Financial highlights

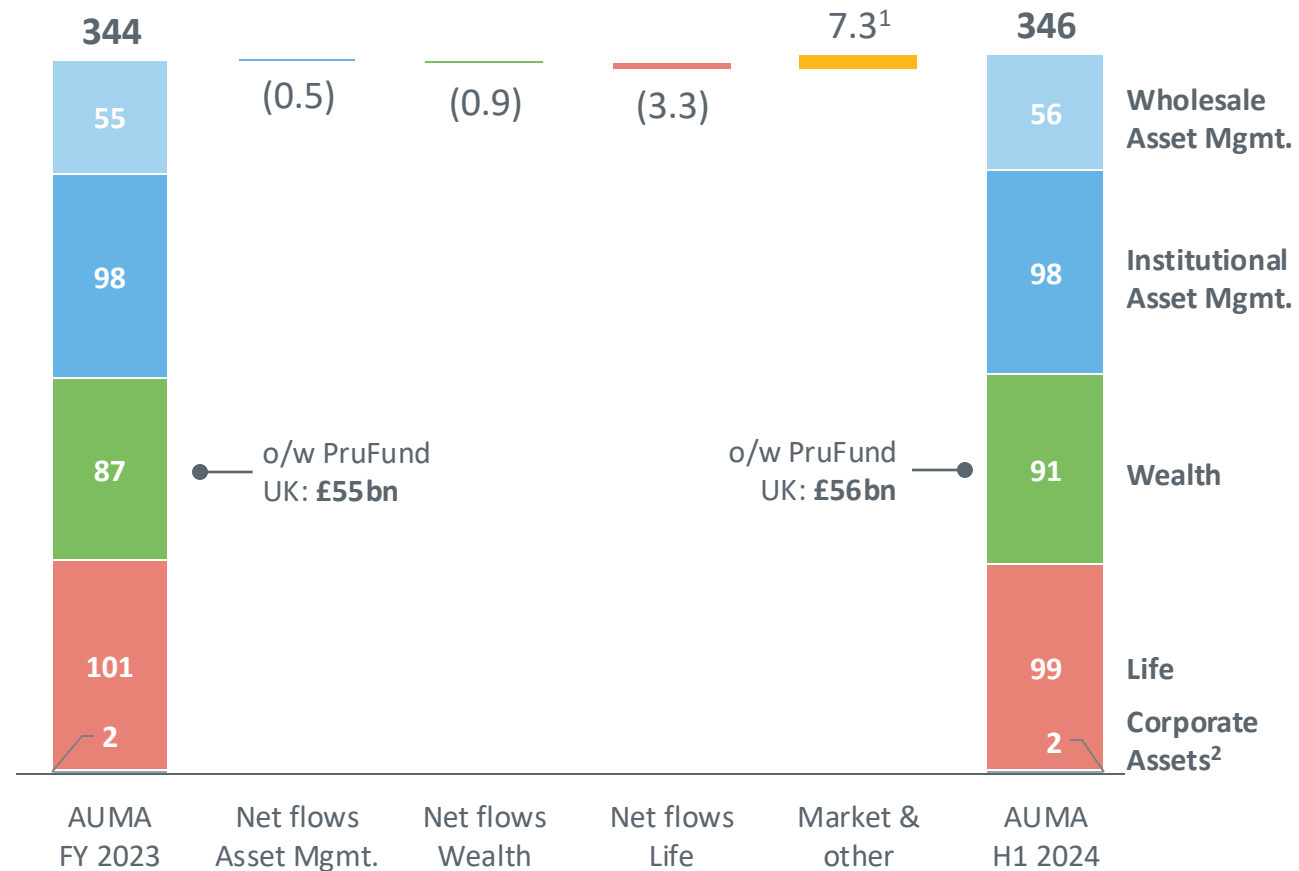
Net client flows <sup>1</sup>	Adjusted Operating Profit	Operating Capital Generation	Shareholder SII coverage ratio
£(1.5)bn	£375m	£486m	210%
<p><b>Mainly due to Wealth</b></p> <ul style="list-style-type: none"><li>• <b>£(0.9)bn net outflows in Wealth</b> of which £(0.5)bn from PruFund UK</li><li>• <b>Resilient flows in Wholesale Asset Mgmt.</b> with improved H2 outlook</li><li>• <b>Institutional £(0.5)bn</b>, with £(2.4)bn in the UK offset by £1.9bn internationally</li></ul>	<p><b>4% lower year-on-year</b></p> <ul style="list-style-type: none"><li>• <b>Asset Management contribution up 9%</b>, positive operating jaws reducing the CIR from 79% to 77%</li><li>• <b>Life and Wealth contribution down 7%</b>, mainly due to lower With-Profits CSM amortisation</li><li>• <b>Stable Corporate Centre</b></li></ul>	<p><b>4% lower year-on-year</b></p> <ul style="list-style-type: none"><li>• <b>Underlying result of £297m</b> reflects steady result in Asset Mgmt. and Corporate Centre, +9% in Wealth, and -23% in Life due to new business strain and lower returns on annuity surplus assets</li><li>• <b>Other Operating Cap Gen of £189m</b> is £36m higher YoY</li></ul>	<p><b>Up 7 ppts on YE 2023</b></p> <ul style="list-style-type: none"><li>• Benefits from the <b>strong operating result</b> of £486m</li><li>• Reflects the <b>£311m 2023 final dividend</b>, and the <b>£450m deleveraging</b>, capital restriction reduced to nil</li><li>• <b>Limited impact from markets</b> +£27m and from Solvency UK Reforms +£53m</li></ul>

1. External net client flows excluding Traditional With-Profits, Shareholder Annuities & Other

# Higher AUMA driven by positive markets

## AUMA, net flows, market and other movements

Movement in AUMA (£bn)



Net client flows (£bn)

	H1 2023	H1 2024	Change
Wholesale Asset Mgmt.	1.3	-	(1.3)
Institutional Asset Mgmt.	(1.4)	(0.5)	+0.9
Wealth	0.6	(0.9)	(1.5)
Europe	0.2	(0.1)	(0.3)
<b>Net client flows<sup>3</sup></b>	<b>0.7</b>	<b>(1.5)</b>	<b>(2.2)</b>

1. Includes £2.0bn from the acquisition of Continuum; 2. Includes Other Asset Management AUMA

3. External net client flows excluding Traditional With-Profits, Shareholder Annuities & Other

# Resilient Operating Profit

## Adjusted Operating Profit by source

(£m)	H1 2023	H1 2024
<b>Asset Management</b>	<b>118</b>	<b>129</b>
Revenues	496	499
Costs	(394)	(388)
Performance fees	11	13
Investment income and minority interest <sup>1</sup>	5	5
<b>Wealth</b>	<b>91</b>	<b>83</b>
PruFund UK	119	96
Platform, Advice and Other Wealth	(28)	(13)
<b>Life</b>	<b>283</b>	<b>263</b>
Traditional With-Profits	129	108
Annuities & Other	150	145
Europe	4	10
<b>Corporate Centre<sup>2</sup></b>	<b>(102)</b>	<b>(100)</b>
<b>Total Adjusted Operating Profits</b>	<b>390</b>	<b>375</b>

- **Asset Management earnings up by c. 9%** year-on-year
  - **Revenues up by c. 1%** due to higher average AUM in the period, partly offset by a small reduction in fee margins from 33 to 32 bps
  - **Costs down by c. 2%** despite ongoing inflationary pressures, thanks to the successful delivery of the transformation programme, with meaningful reductions in contractors, consultant and project spend
  - **Performance fees up by £2m** thanks to a strong contribution from carried interest in our Infrastructure team
- 
- **Wealth contribution down 9%**, due to lower PruFund result
  - **Better commercial performance and reduced costs** in Platform, Advice and Other Wealth partially offset the lower PruFund result
- 
- **Life contribution down 7%** primarily due to Traditional With-Profits
  - The lower Traditional With-Profits result reflects the closed-book nature of this business, and the **lower CSM amortisation rate** flagged at 2023 FY Results
  - Improved contribution from Europe mainly due to **improved cost experience**
- 
- **Corporate Centre improved by £2m** benefitting from higher interest income

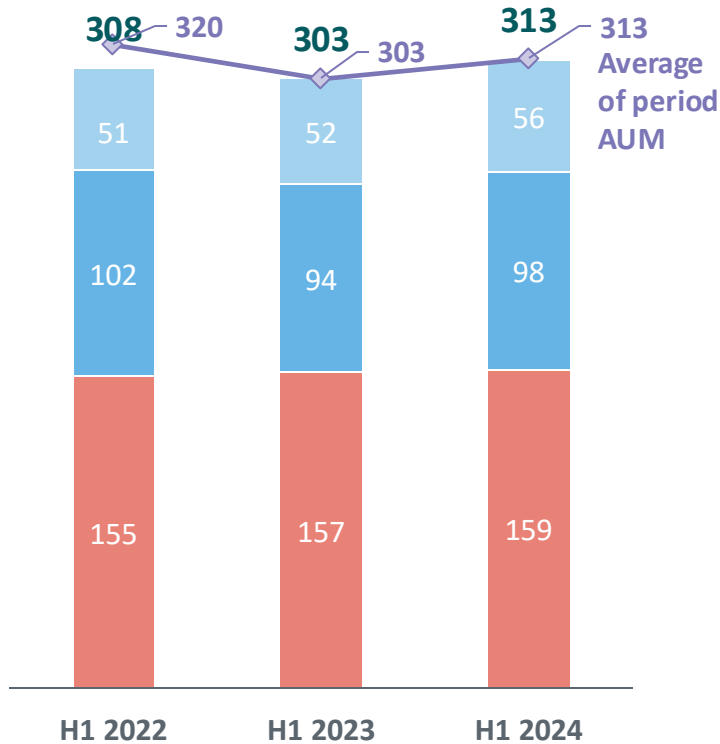
1. M&G is a majority shareholder in its South Africa and Singapore subsidiaries, the revenues and costs from these subsidiaries are fully incorporated in the Asset Mgmt. result. The share of profit attributable to minority shareholders is included in 'minority interest'

2. See slide 33 in the Appendix for additional detail

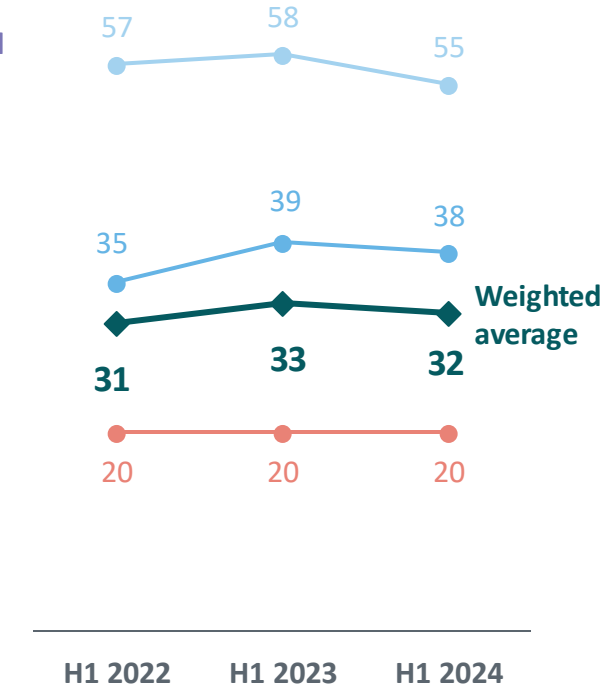
# Asset Management: 9% higher AOP on improved revenues and costs

## Cost Income Ratio excluding performance fees down 2pp to 77%

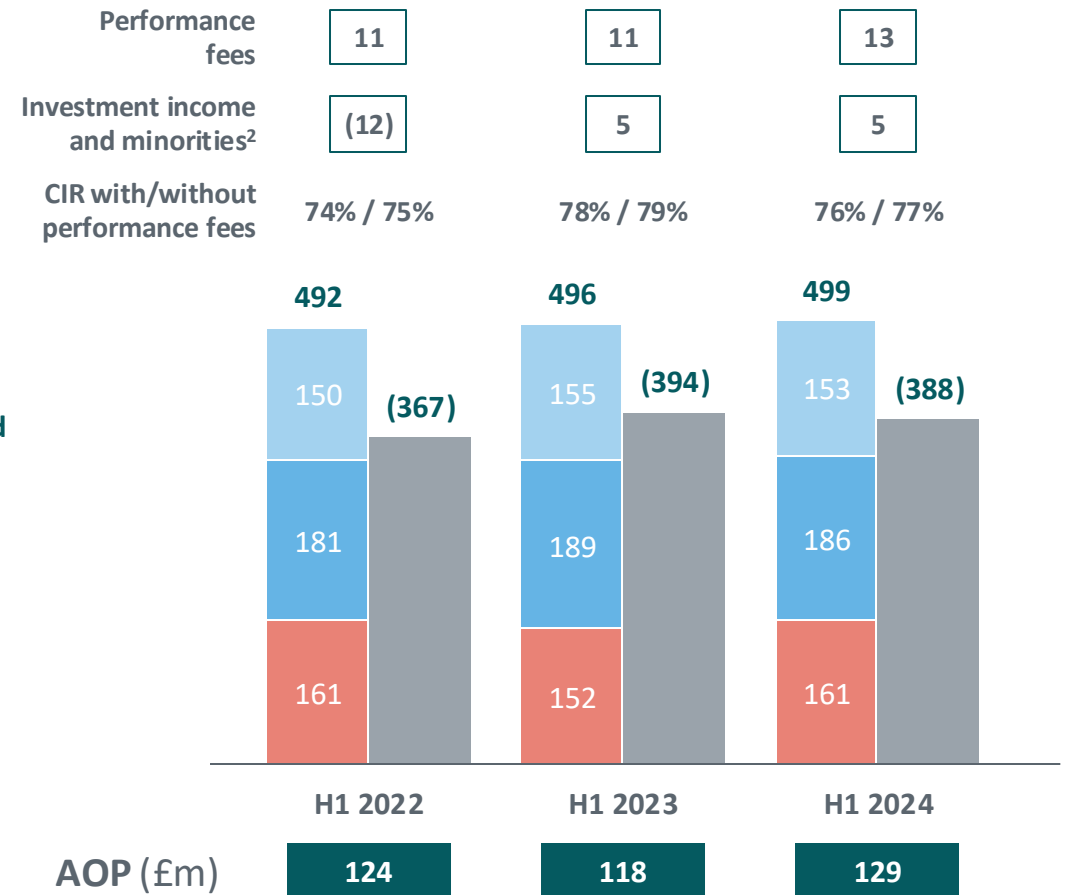
End of period AUM (£bn)



Fee margins<sup>1</sup> (bps)



Revenues and costs (£m)



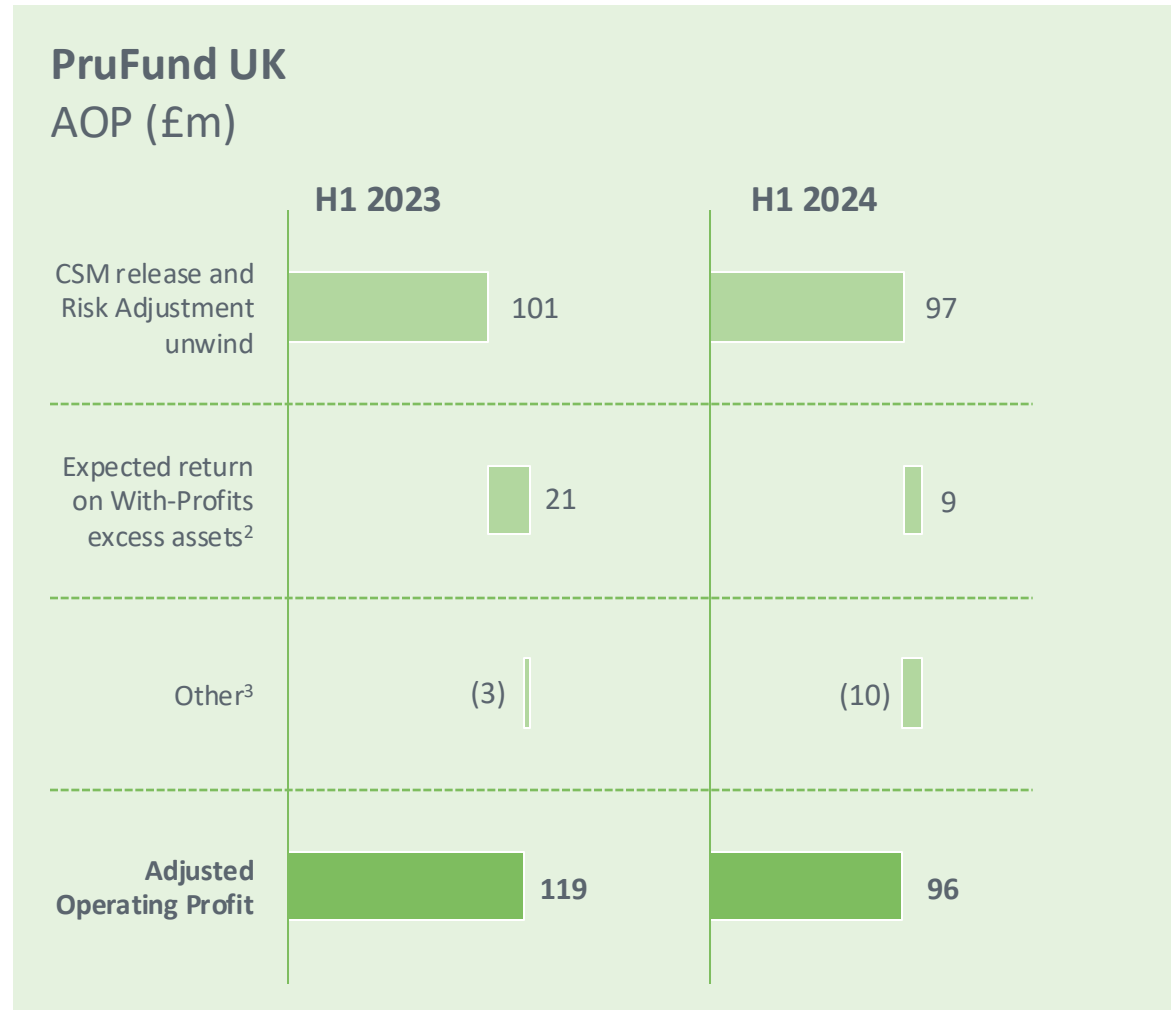
Internal Institutional Wholesale

1. Margin calculated as fee-based Income over average AUMA, excluding Performance fees

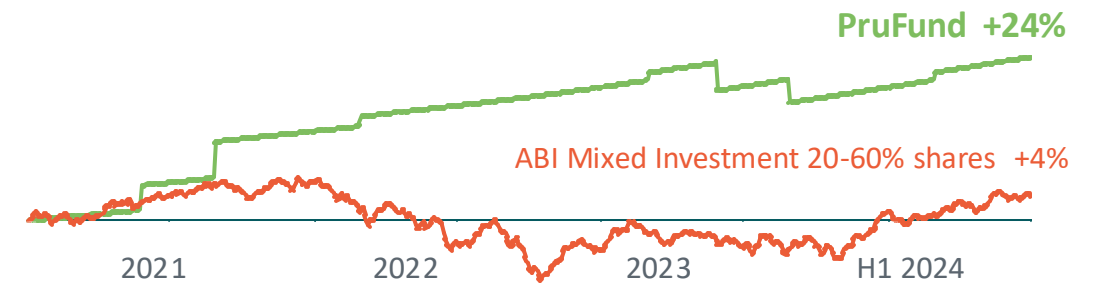
2. M&G is a majority shareholder in its South Africa and Singapore subsidiaries, the revenues and costs from these subsidiaries are fully incorporated in the Asset Mgmt. result. The share of profit attributable to minority shareholders is included in 'minority interest'

# Wealth: Focus on PruFund UK

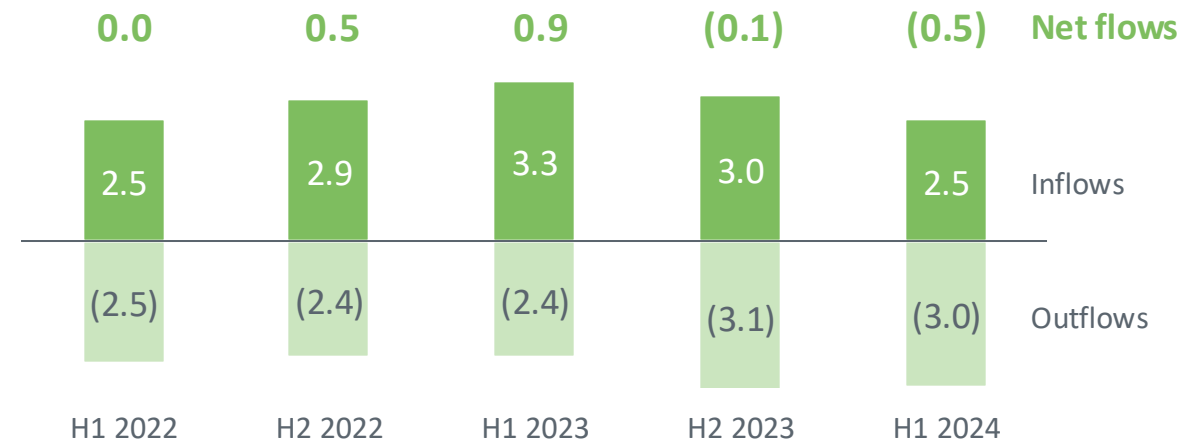
Lower AOP and flows despite strong investment performance



### PruFund Growth net returns<sup>1</sup>



### PruFund UK flows in £bn



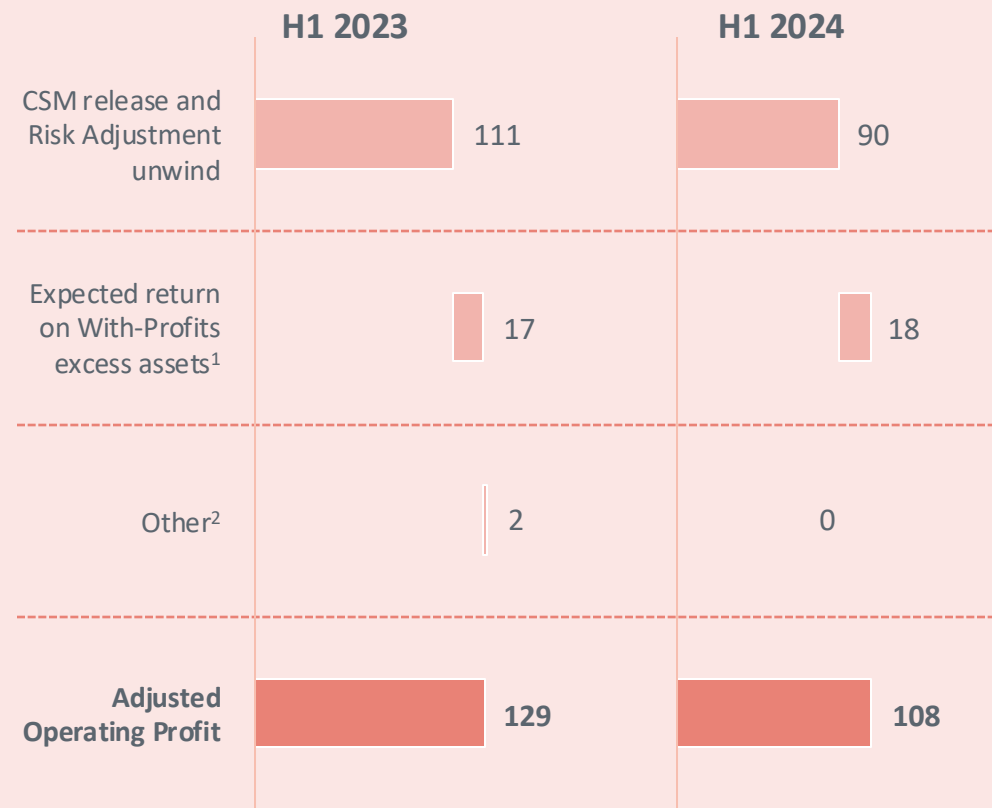
1. PruFund Growth net returns after charges (% returns above capital invested on 31 December 2020). Data shows returns for PruFund Growth within a bond wrapper. These returns are representative of a typical return profile for PruFund Growth clients

2. Refers to the Shareholder share of the With-Profits fund excess assets; 3. Predominantly New Business strain / releases

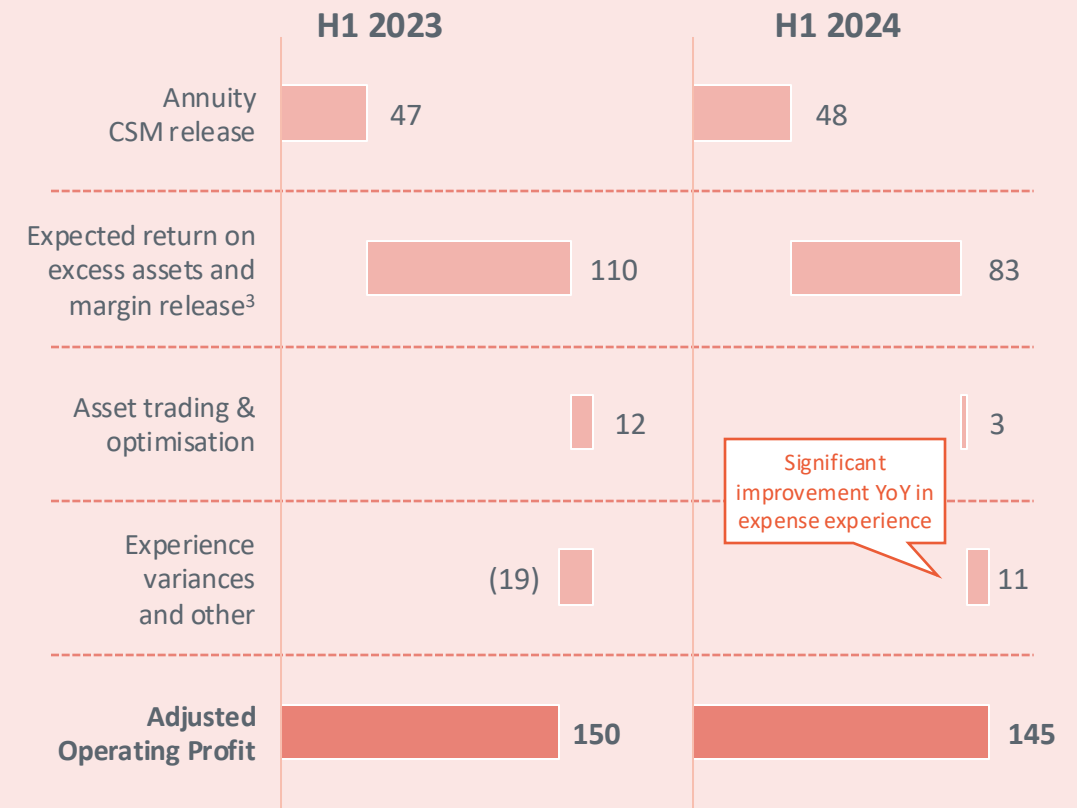
# Life: Traditional With-Profits and Annuities

Lower CSM release in Traditional WP and returns on excess assets in Annuities

## Traditional With-Profits AOP (£m)



## Shareholder Annuities & Other AOP (£m)



1. Refers to the Shareholder share of the With-Profits fund excess assets

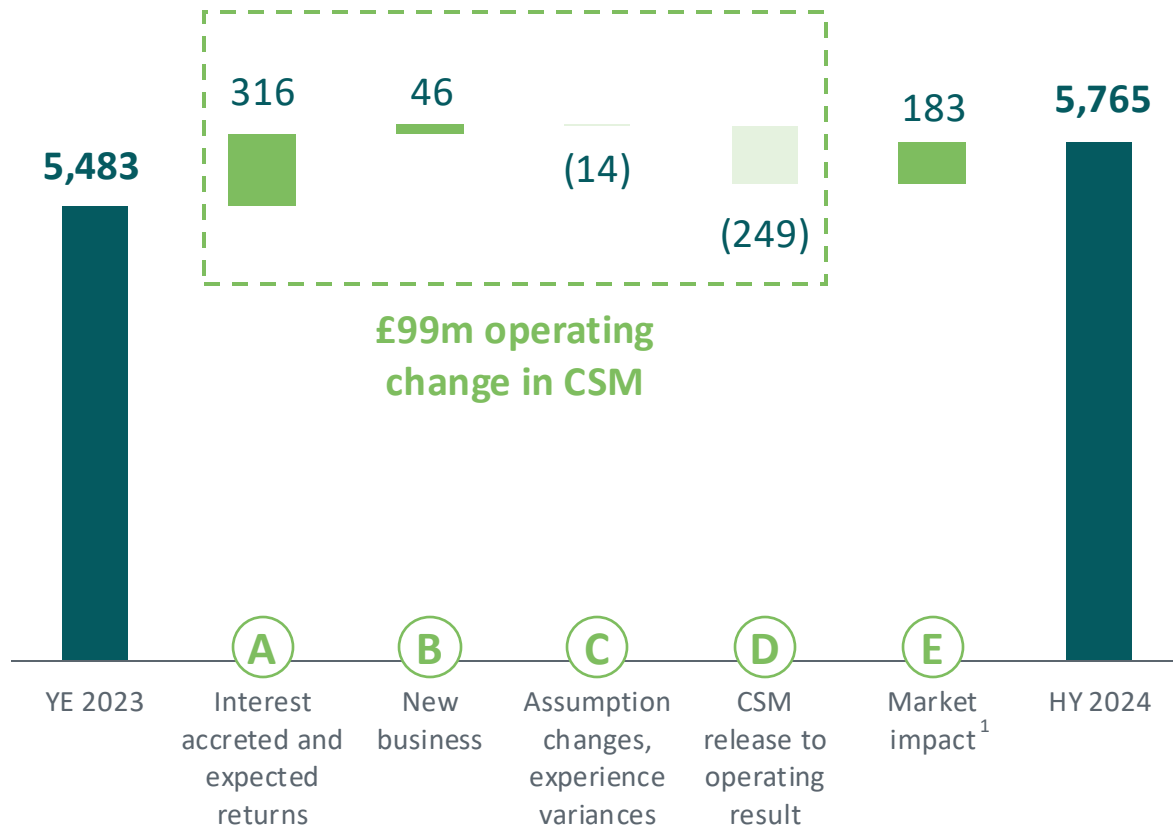
2. Predominantly New Business strain / releases; 3. Risk Adjustment release accounted for £9m in both H1 2023 and H1 2024

# Operating change in CSM of £99m

Closing CSM of £5.8bn shows large and growing stock of discounted future value

## CSM movements

Total (£m)



## CSM movements by product line

£m	YE 2023	A	B	C	D	Op. change in CSM	E	HY 2024
<b>Total</b>	<b>5,483</b>	<b>316</b>	<b>46</b>	<b>(14)</b>	<b>(249)</b>	<b>99</b>	<b>183</b>	<b>5,765</b>
Annuities	1,221	16	6	2	(48)	(24)	(5)	1,192
PruFund	1,614	154	32	(7)	(97)	82	94	1,790
Traditional	1,342	137	0	(1)	(90)	46	90	1,478
Policy-holder	652	-	-	-	-	-	6	658
Other <sup>2</sup>	654	9	8	(8)	(14)	(5)	(2)	647

*With-Profits*

1. Includes CSM release to non-operating result

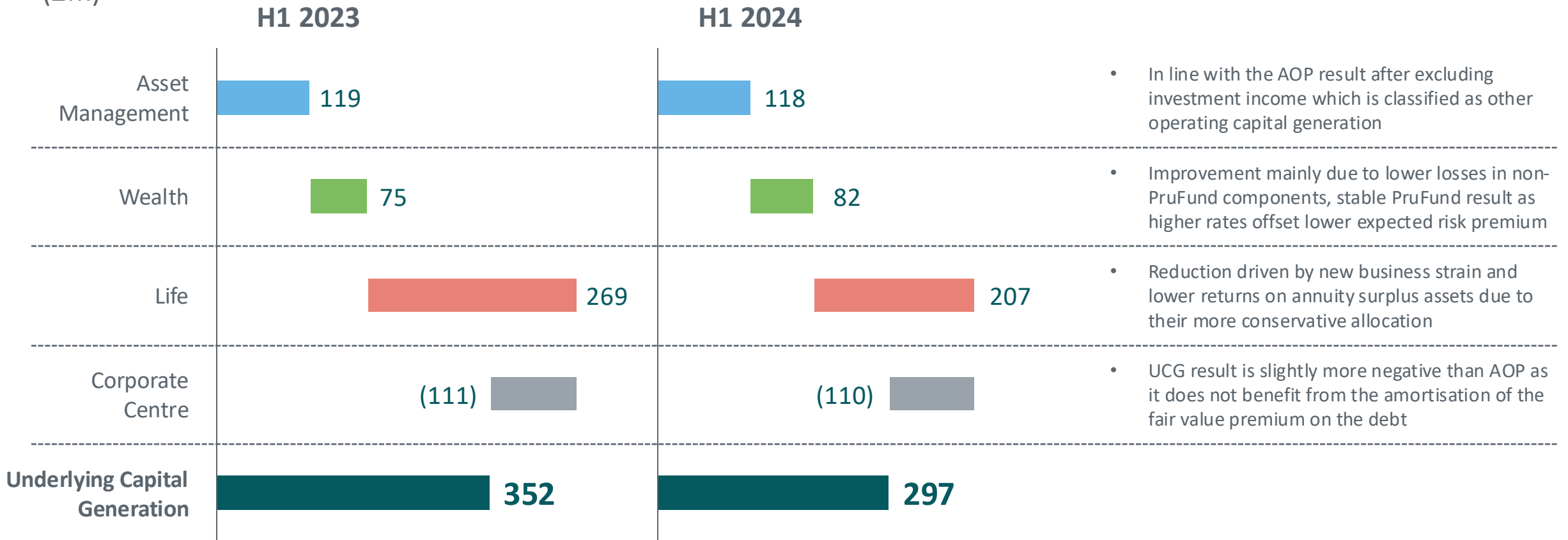
2. Other CSM predominantly relates to M&G Investments future profits from the management of the internal client assets, and to PIA (Irish subsidiary)



# Underlying Capital Generation of £297m

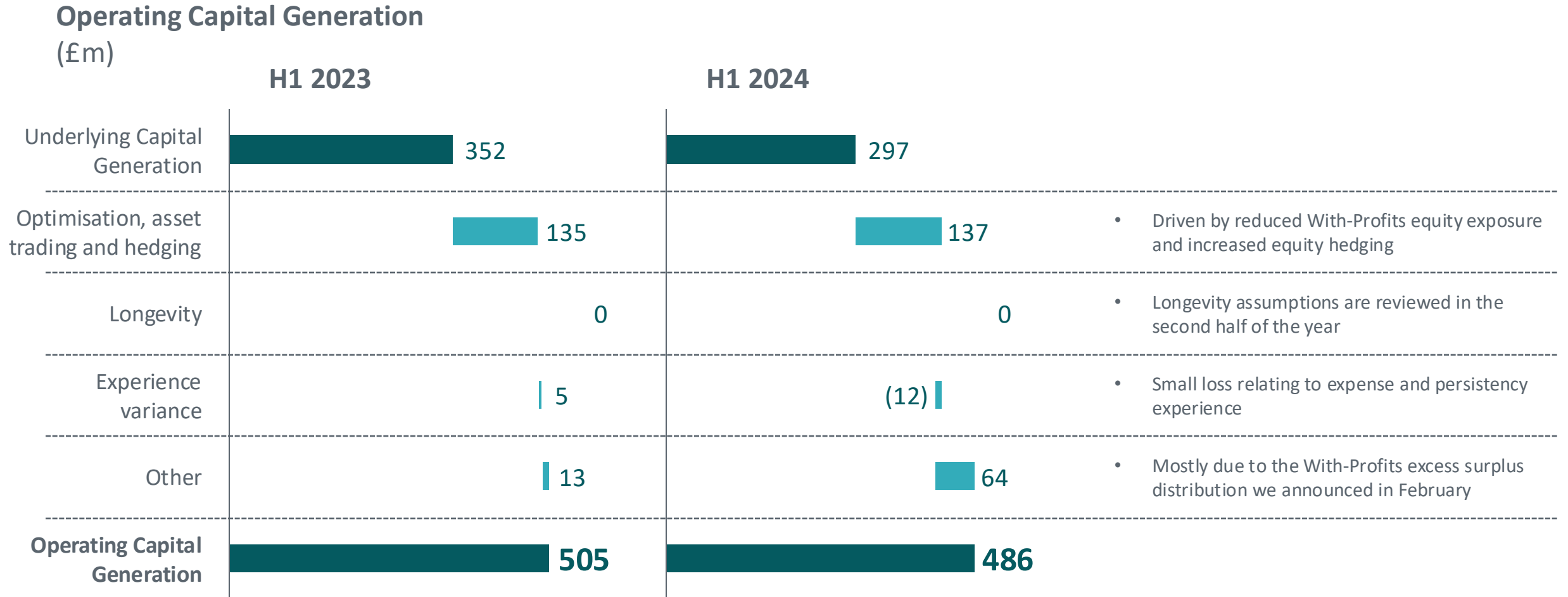
Resilient Asset Mgmt. and Wealth result, Life impacted by new business strain

## Underlying Capital Generation (£m)



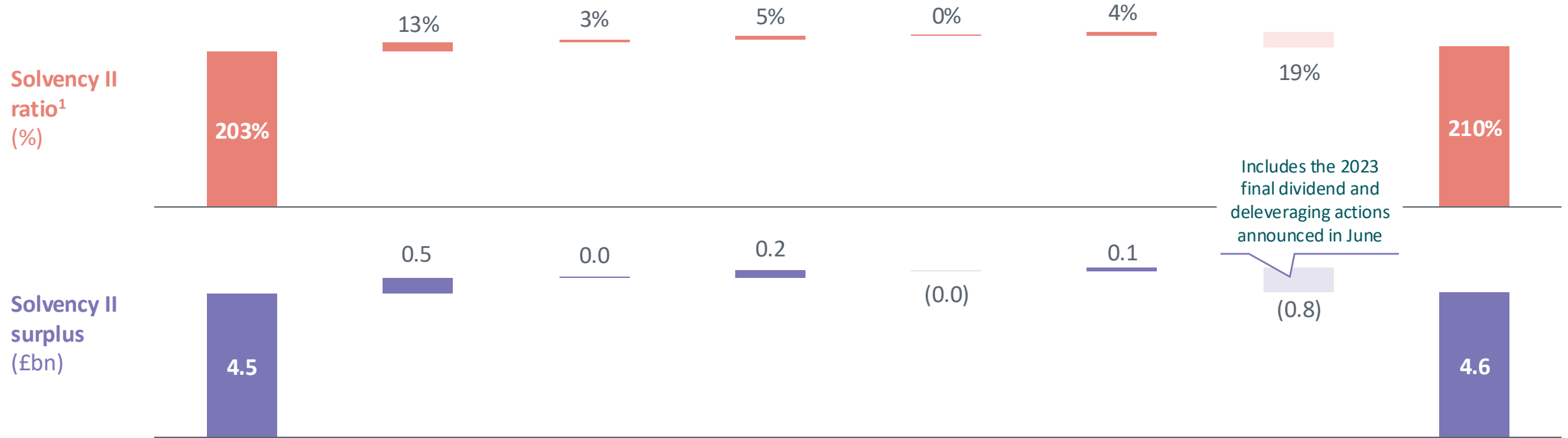
# Operating Capital Generation of £486m

£2.3bn cumulative result since start of 2022



# Strong OCG result and removal of capital restrictions lift SII ratio to 210%

Improved solvency and surplus even after c. £0.8bn of dividend and deleveraging actions



£m	YE 2023	Operating Cap Gen	Market movements	Capital Restrictions	Other movements <sup>2</sup>	Tax	Dividends & capital mov.	HY 2024
Own Funds	8,926	399	(57)	216	(49)	51	(771)	8,714
SCR	(4,402)	87	84	-	28	54	-	(4,148)
<b>Surplus</b>	<b>4,525</b>	<b>486</b>	<b>27</b>	<b>216</b>	<b>(21)</b>	<b>106</b>	<b>(771)</b>	<b>4,566</b>

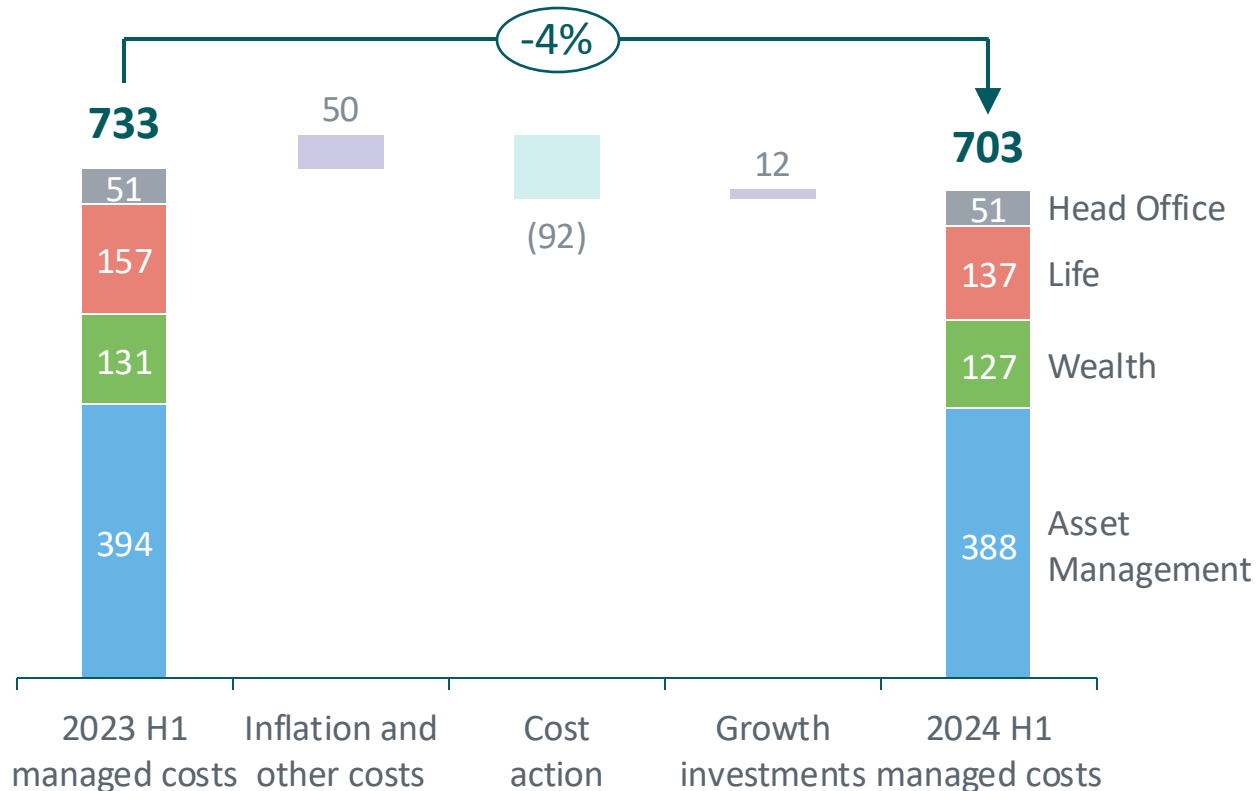
1. Shareholder Solvency II ratio

2. Includes a £53m benefit from the impact of Solvency UK's changes allowing more granular credit risk modelling

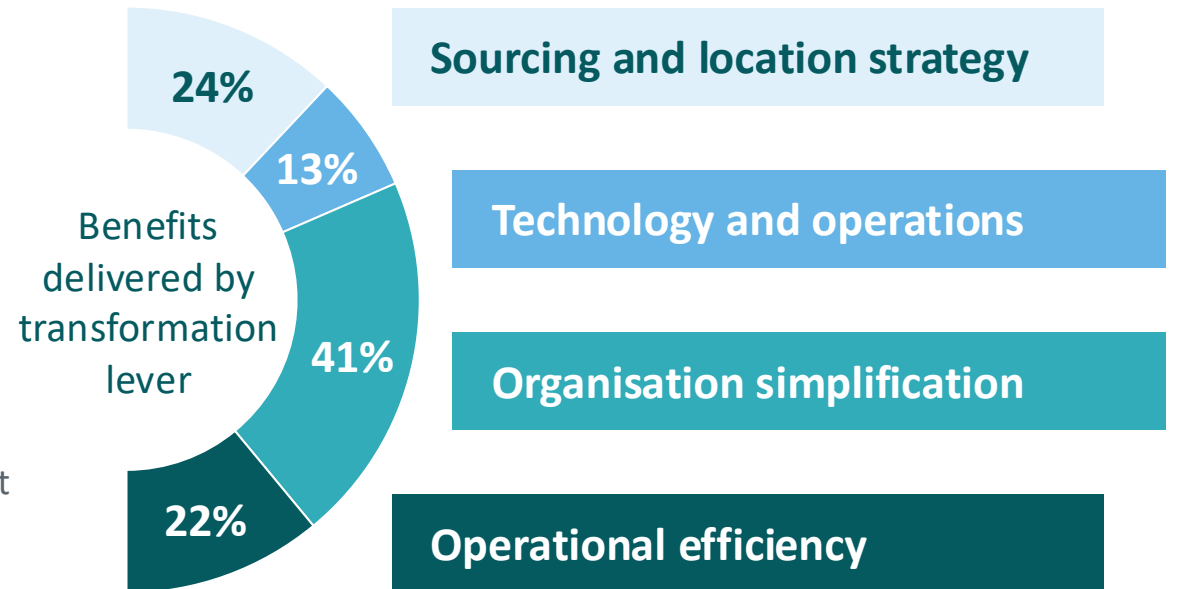
# Managed costs are -4% YoY thanks to simplification efforts

Significant cost action offsetting inflation and freeing up resources to support growth

M&G managed cost base<sup>1</sup>  
comparison H1 2023 vs. H1 2024



Transformation programme  
delivering steady progress



1. Managed costs defined as 'operational cost relating to the normal running of the business, excluding expenses relating to dividends, financing costs (e.g. interest payments on leases and bank balances, impact of funds revaluations, corporate tax charges) and external asset management expenses incurred by the Group's insurance businesses (e.g. fees to third party fund managers, movements in deferred income / deferred acquisitions costs)'

## Key messages:

**1** Resilient asset management flows and improving outlook for the second half

**2** Balanced earnings profile with 9% increase in Asset Management contribution

**3** Strong Operating Capital Generation of £486m, confident in continued delivery

**4** Improved Solvency II ratio to 210% benefitting from a more efficient balance sheet

**5** Reduced managed costs by 4% YoY, continue to focus on cost efficiency and client outcomes



# Business review

Andrea Rossi, Group Chief Executive

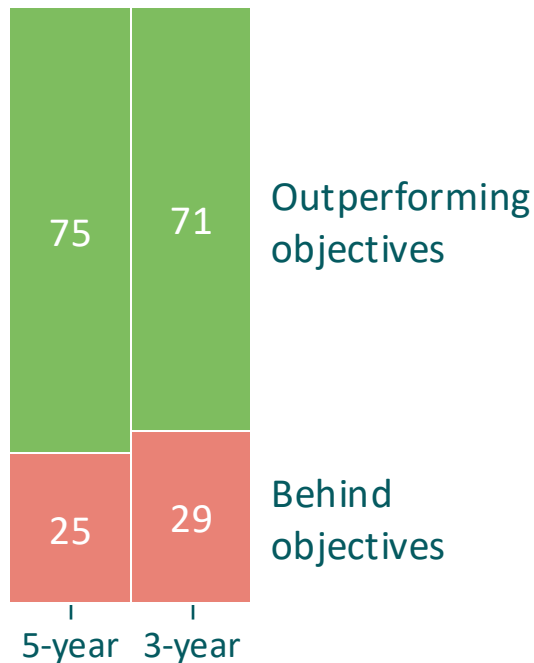
# Asset Mgmt. Continuing to deliver strong investment performance

Expect to capitalise on favourable position as market headwinds start to abate

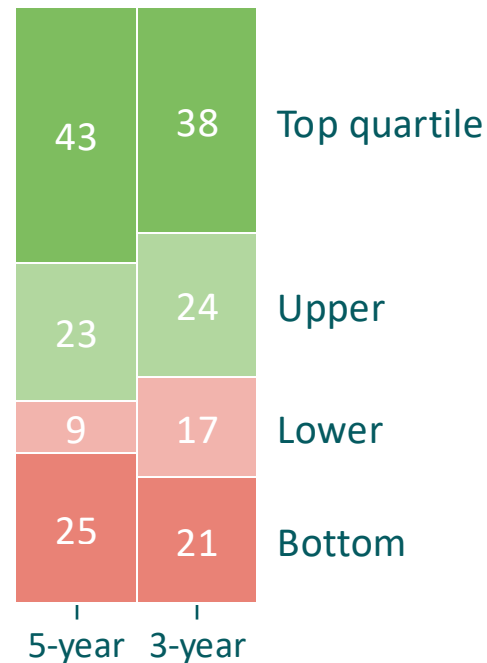
## M&G's investment performance remains strong...

across both Institutional (£98bn) and Wholesale (£56bn)

Institutional funds' performance as % of AUMA<sup>1</sup> (HY2024)



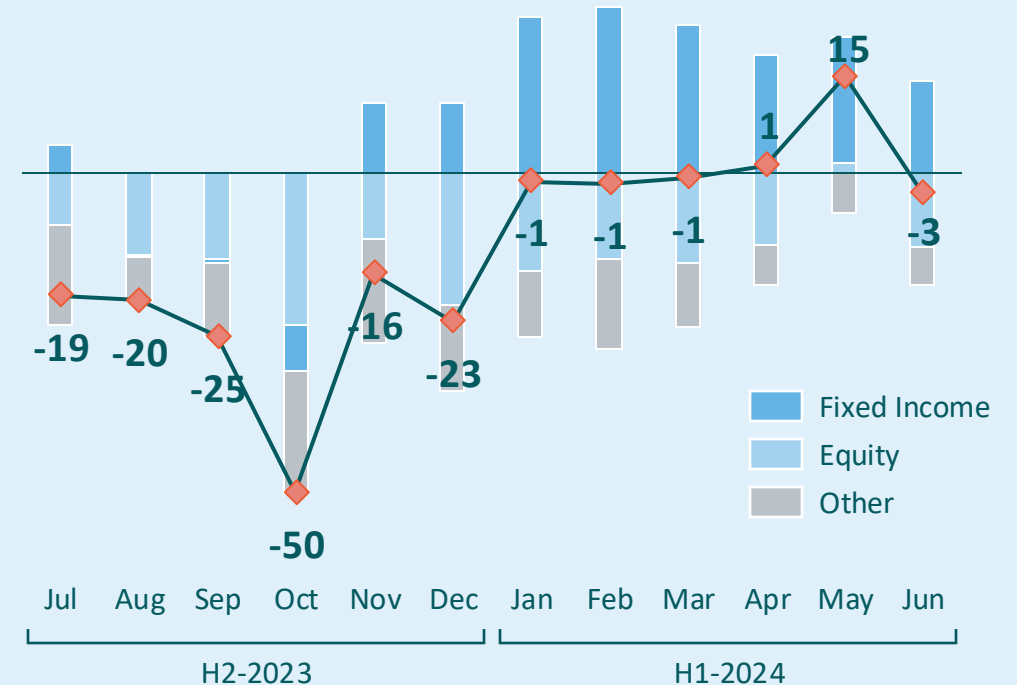
Mutual funds' performance as % of AUMA<sup>2</sup> (HY2024)



## ... while market flows starting to improve

as yields reduce, flows for active funds turning positive

European net flows in EUR bn<sup>3</sup>



Note: Data is correct at time of publication and subject to change. Funds with track record less than specified periods are excluded, as are recently inception, closed, and term funds. Performance is on a total return basis; products are compared to benchmarks as prescribed in prospectus. Data is to Jun-24 or latest available. Past performance is not a guide to future performance. The value of an investment can go down as well as up, customers may not get back the amount they put in. 1. Source M&G plc, performance for segregated and pooled mandates – Excl. Retail, Real Estate and Institutional Buy & Hold mandates, CDOs, Passive mandates and Restructuring. AUMA is net of cross holding, in GBP; 2. Source M&G plc and Morningstar Inc. – Wholesale Asset Mgmt. defined as all unitised products incl. OBCs, SICAVs, and Charitable funds, excludes Investment Solutions mandates. Funds are compared to peer groups for illustration purposes; 3. Source: Morningstar Direct, covers Open Ended funds, excludes ETF, index, Fund of Fund and money market funds

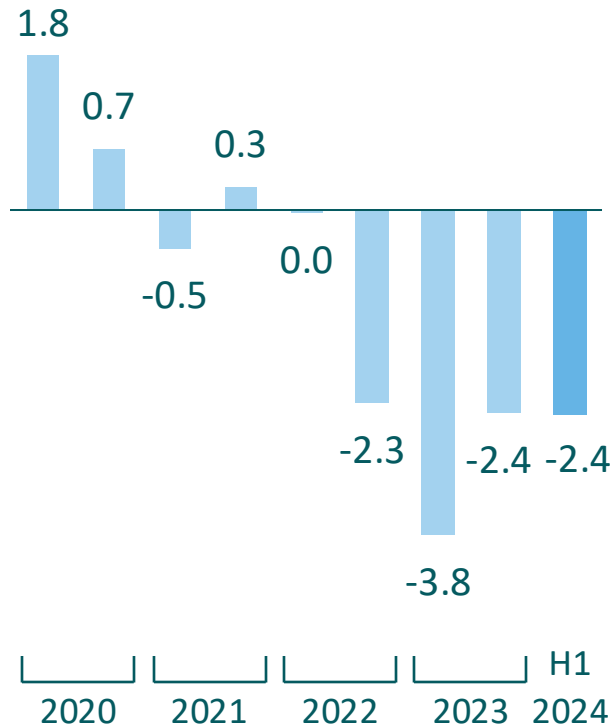
# Asset Mgmt. Internationalising the institutional franchise

Continuing to grow in Europe and Asia, while reducing outflows in the UK

## Institutional UK

Structural headwinds from Defined Benefit pension schemes persist...

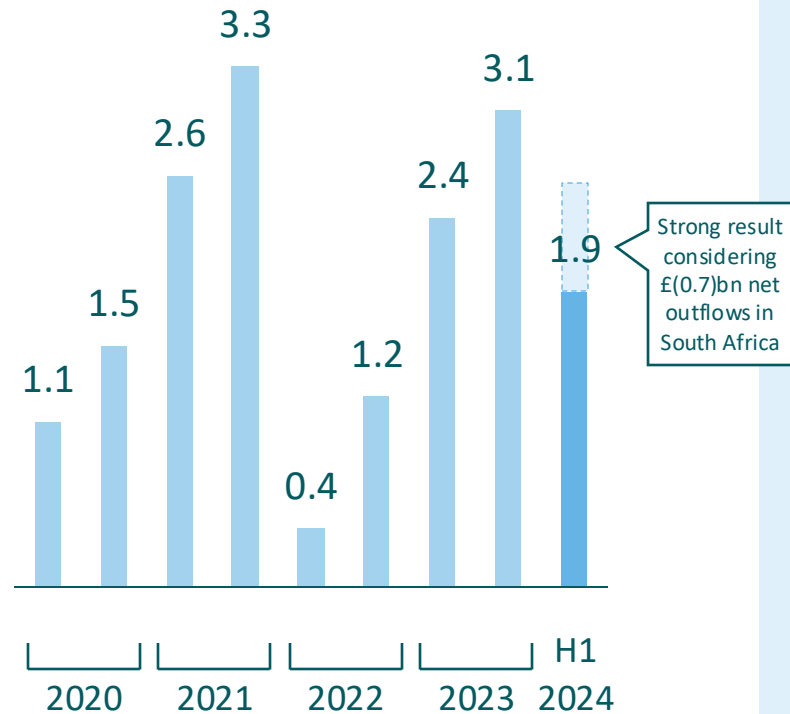
Net flows in £bn



## Institutional international

... but we continue to grow abroad consistently and at scale...

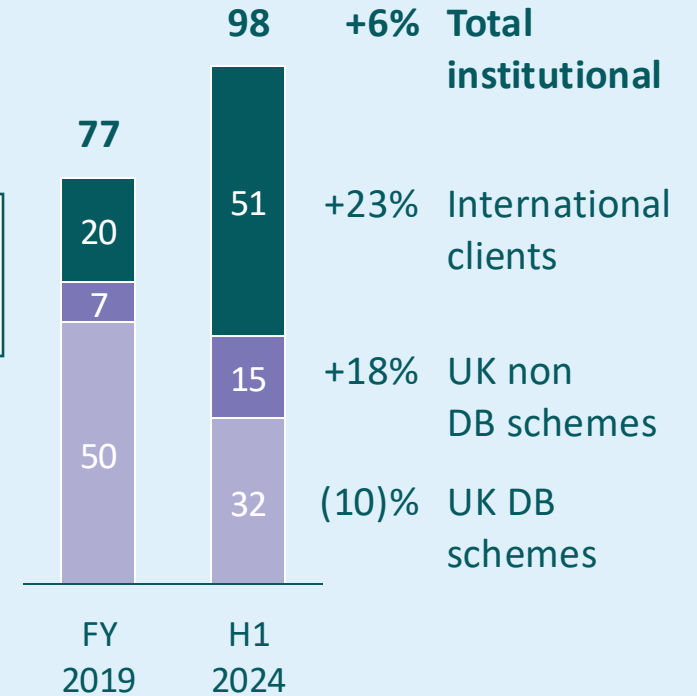
Net flows in £bn



## Increased diversification

... improving the client mix and reducing our reliance on the DB sector

Institutional AUM<sup>1</sup> in £bn



1. The 2019 AUM figures do not include £4.1bn of South Africa AUM as these operations were not yet consolidated in the broader Group results



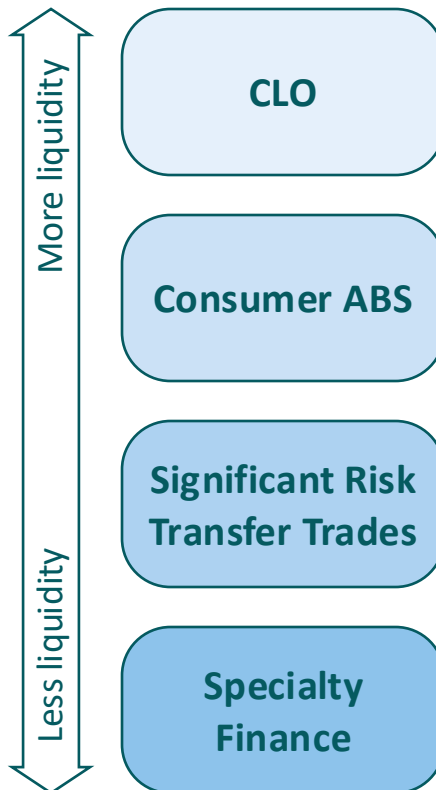
# Asset Mgmt. Capitalising on M&G's strong position in Structured Credit

A growing £7bn franchise within our broader Private and Structured Credit offering

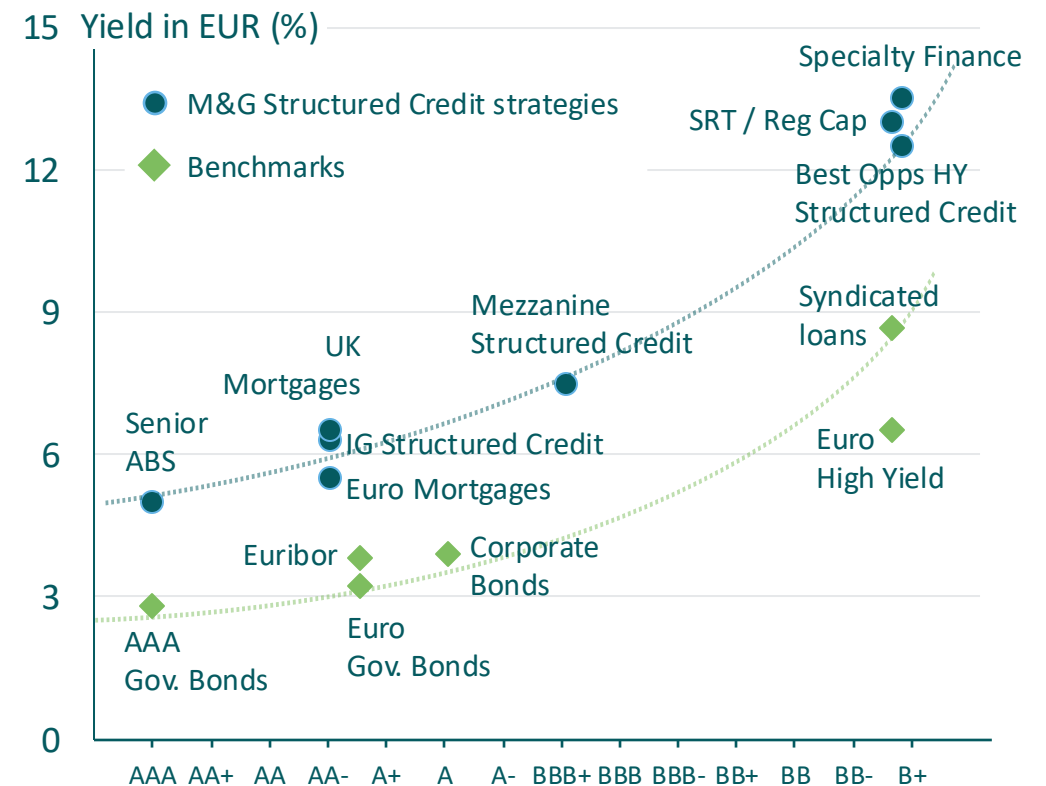
## 20+ years of investment innovation

- 2003** Launch of M&G's first ABS portfolios
- 2008** Launch of best Opportunities Structured Credit Fund
- 2018** First multi-client Specialty Finance Fund
- 2019** First dedicated Significant Risk Transfer Fund
- 2022** Second Specialty Finance Fund
- 2024** SRT Fund II on track to hit €750m- €1bn capital target

## A broad and compelling offering



## Consistent track record of strong long-term performance across IG and HY



# Life Growth opportunity structured across three business areas

Dedicated leadership, and significant operational progress year-to-date

## Ambition and core focus

## Dedicated leadership

## Operational progress



**Corporate**

**Scale presence in the UK market** through both traditional BPAs and innovative capital-lite structures



**Kerrigan Procter**

- Onboarded three new schemes
- Scaled capacity of pricing team
- Expect to close first capital-lite transaction by end of year



**Individual**

**Address needs of UK retail clients** for investment growth, smoothed returns and guaranteed income through the With-Profits Fund



**Anusha Mittal**

- Advanced negotiations to launch PruFund on 3<sup>rd</sup> party platforms
- Developing Fixed-Term Annuity product to complement PruFund



**International**

**Internationalise the With-Profits Fund** and PruFund franchise through strategic distribution partnerships



**Matt Robinson**

- Imminent launch of PruFund-like product in the Middle East
- Increased sales of our Polish subsidiary by +34% year-on-year

# Life The With-Profits Fund as key writer of insurance business

Meeting customers income and savings needs through capital-lite solutions

## The With-Profits Fund engine...

Exceptional financial strength

**429%**  
SII ratio

**£6.8bn**  
surplus capital

Significant firepower and appetite to deploy capital

Market leading scale and diversification

**£129bn**  
AUMA

## ... powering all business areas within Life...



**Corporate**



**Individual**



**International**

## ... to meet a wider range of customer needs

With-Profits bulk purchase annuities

PruFund, fixed-term and lifetime individual annuities

Guaranteed PruFund-like proposition

# Wealth Simplifying business and operating model

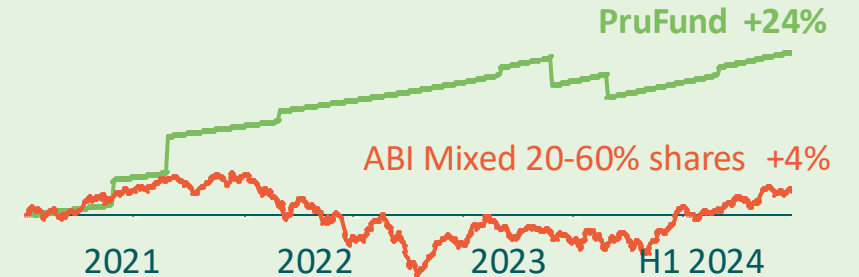
Priority remains to drive greater efficiencies and flows into the Group

## Focusing Wealth and aligning it with the Life segment ...

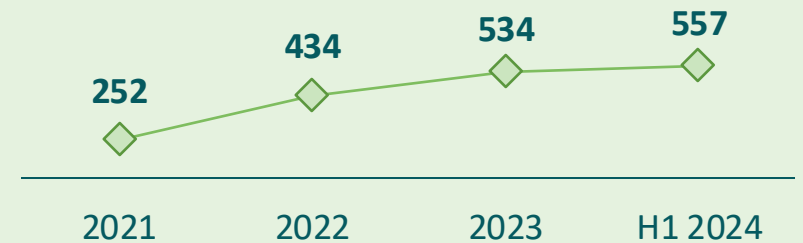
- Already closed subscale D2C offering
- In the process of exiting adviser digital platform
- Ongoing focus to improve profitability
- Designing joint proposition for UK retail customers
- Combining investing, smoothing and guarantees

## ... while continuing to focus on client outcomes and on improving access to PruFund

**1** Investment performance<sup>1</sup> remains strong



**2** Restricted advice network is growing



**3** Driving flows on adviser platforms

c. £250m net inflows on platform since launch in 2023

Delivering tech solution to launch on additional platforms

1. PruFund Growth net returns after charges (% returns above capital invested on 31 December 2020). Data shows returns for PruFund Growth within a bond wrapper. These returns are representative of a typical return profile for PruFund Growth clients

# Shifting focus from leverage to sustainable business growth

## Financial Strength and flexibility

- Deployed £450m reducing nominal outstanding debt by £461m
- Brought capital restrictions to 0, improving balance sheet efficiency
- Expect to achieve Solvency II leverage target through Own Funds growth

Targeting leverage ratio of 30% or less by 2025

## Investments in the business

- Exploring small and selective bolt-ons and team lift-outs in Private Markets
- Expanding the scope and reach of the transformation programme
- Organically adding Asset Management and Life capabilities

Targeted investments to support growth and simplification

Financial strength and flexibility

Attractive dividends

Investments in the business

Capital returns

Stable or increasing DPS; aim to gradually grow over time

Remain committed to return any excess capital over time

## Key messages:

1

**Financial Strength:** 210% Solvency II coverage ratio and lowest leverage since listing

2

**Simplification:** Meaningful progress on the transformation programme and cost take-out

3

**Growth:** Positioning the Group for capital-lite growth, including within Life Insurance

4

**Targets:** Upgraded capital generation and cost targets, reduced leverage by £461m

5

**Capital management:** Shifting focus from leverage to sustainable business growth



# Appendix

Additional financial information

# Adjusted Operating Profit

## From Adjusted Operating Profits to IFRS Profit After Tax

(£m)		H1 2023	H1 2024
Asset Management	Revenues	496	499
	Cost	(394)	(388)
	Performance fees	11	13
	Investment income and minority interest <sup>1</sup>	5	5
	<b>Total Asset Management AOP</b>	<b>118</b>	<b>129</b>
Wealth	PruFund UK	119	96
	Platform and Advice	(19)	(9)
	Other Wealth	(9)	(4)
	<b>Total Wealth AOP</b>	<b>91</b>	<b>83</b>
Life	Traditional With-Profits	129	108
	Shareholder Annuities & Other	150	145
	Europe	4	10
	<b>Total Life AOP</b>	<b>283</b>	<b>263</b>
Corp. Centre	Head Office <sup>2</sup>	(23)	(21)
	Debt interest cost	(80)	(79)
	<b>Total Corporate Centre AOP</b>	<b>(102)</b>	<b>(100)</b>
<b>Adjusted Operating Profit before tax</b>		<b>390</b>	<b>375</b>
Short-term fluctuations in investment returns		(177)	(284)
Mismatches arising on application of IFRS 17		(40)	(119)
Restructuring and other costs		(74)	(29)
Amortisation of intangible assets		(6)	(19)
IFRS profit attributable to non-controlling interests		8	8
Profit on disposal of business and corporate transactions		-	11
<b>IFRS Profit/(Loss) before tax attributable to equity holders</b>		<b>101</b>	<b>(57)</b>
Tax		(26)	1
<b>IFRS Profit/(Loss) after tax attributable to equity holders</b>		<b>75</b>	<b>(56)</b>

1. M&G is a majority shareholder in its South Africa and Singapore subsidiaries, the revenues and costs from these subsidiaries are fully incorporated in the Asset Mgmt. result. The share of profit attributable to minority shareholders is included in 'minority interest'

2. Includes 'Head Office Expenses', 'Investment and other income on Hold Co assets'



# Adjusted Operating Profit

## Additional details

(£m)	H1 2023	H1 2024
<b>Asset Management</b>		
Revenues	496	499
Costs	(394)	(388)
Performance fees	11	13
<b>Investment income and minority interest<sup>1</sup></b>	<b>5</b>	<b>5</b>
<b>Total Asset Management AOP</b>	<b>118</b>	<b>129</b>

<b>Wealth</b>		
<b>Total Wealth AOP</b>	<b>91</b>	<b>83</b>

<b>Life</b>		
<b>Total Life AOP</b>	<b>283</b>	<b>263</b>

<b>Corporate Centre</b>		
Head Office	(22)	(21)
Debt interest cost	(80)	(79)
<b>Total Corporate Centre AOP</b>	<b>(102)</b>	<b>(100)</b>

	H1 2023	H1 2024
Investment income	13	13
Minority interest <sup>1</sup>	(8)	(8)
<b>Total</b>	<b>5</b>	<b>5</b>

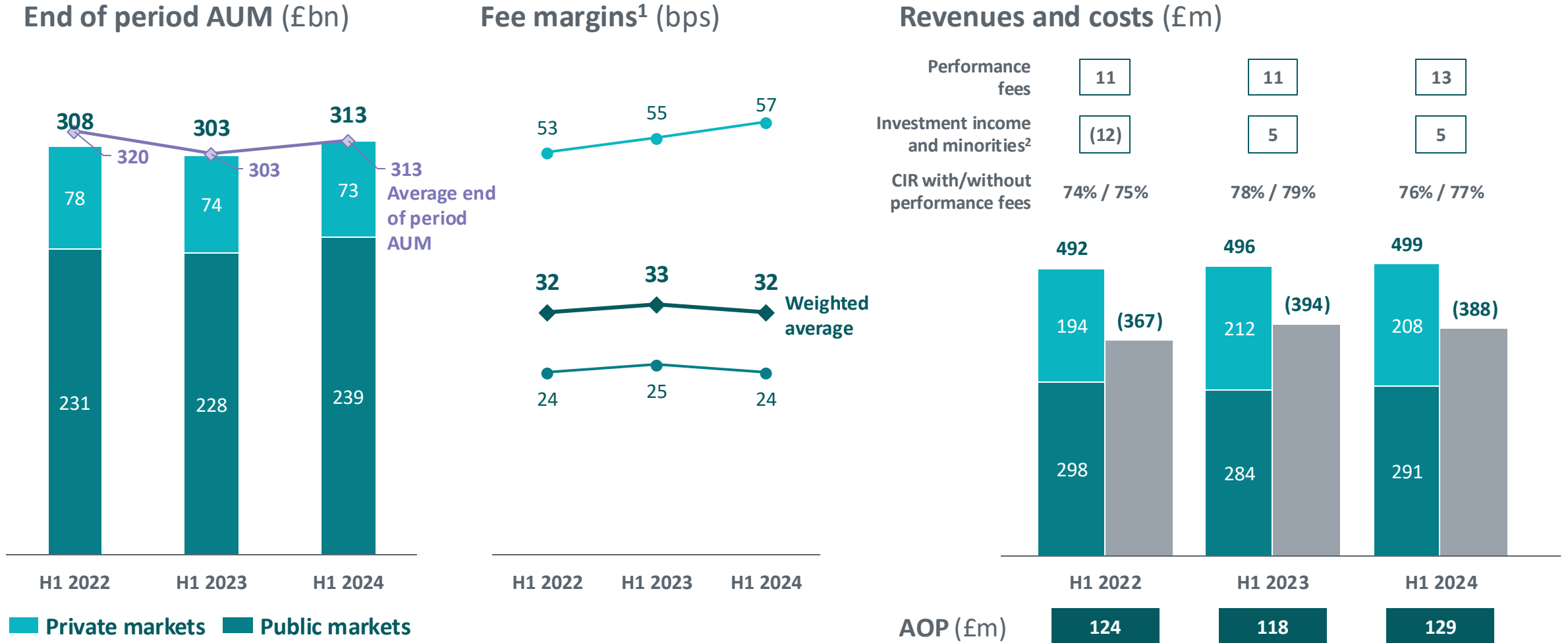
	H1 2023	H1 2024
Head Office expenses	(52)	(52)
Investment and other income on Hold Co assets	30	31
<b>Total</b>	<b>(22)</b>	<b>(21)</b>

	H1 2023	H1 2024
Subordinated debt interest cost	(94)	(94)
Amortisation fair value premium	14	15
<b>Total</b>	<b>(80)</b>	<b>(79)</b>

1. M&G is a majority shareholder in its South Africa and Singapore subsidiaries, the revenues and costs from these subsidiaries are fully incorporated in the Asset Mgmt. result. The share of profit attributable to minority shareholders is included in 'minority interest'

# Adjusted Operating Profit

## Asset Management result by asset class



1. Margin calculated as fee-based Income over average AUMA, excluding Performance fees

2. M&G is a majority shareholder in its South Africa and Singapore subsidiaries, the revenues and costs from these subsidiaries are fully incorporated in the Asset Mgmt. result. The share of profit attributable to minority shareholders is included in 'minority interest'

# Key drivers of CSM movements

## PruFund, Traditional With-Profits, and Annuities

	PruFund		Traditional WP Shareholder		Traditional WP Policyholder		Annuities		Other <sup>1</sup>	
	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024
<b>Opening CSM</b>	<b>1,666</b>	<b>1,614</b>	<b>1,466</b>	<b>1,342</b>	<b>664</b>	<b>652</b>	<b>1,206</b>	<b>1,221</b>	<b>714</b>	<b>654</b>
Interest accreted	62	66	66	71	-	-	14	16	8	9
Expected returns	86	88	92	66	-	-	-	-	-	-
New Business	52	32	-	-	-	-	3	6	15	8
Ass. changes, experience variances	(22)	(7)	8	(1)	-	-	29	2	9	(8)
CSM release to operating result	(101)	(97)	(111)	(90)	-	-	(47)	(48)	(12)	(14)
CSM release to non-operating result	(3)	(13)	4	(15)	(32)	(33)	-	-	(29)	(24)
Market impact	(29)	107	(83)	105	38	39	-	(5)	31	22
<b>Closing CSM</b>	<b>1,711</b>	<b>1,790</b>	<b>1,442</b>	<b>1,478</b>	<b>670</b>	<b>658</b>	<b>1,205</b>	<b>1,192</b>	<b>737</b>	<b>647</b>

1. Other CSM predominantly relates to M&G Investments future profits from the management of the internal client assets, and to PIA (Irish subsidiary)

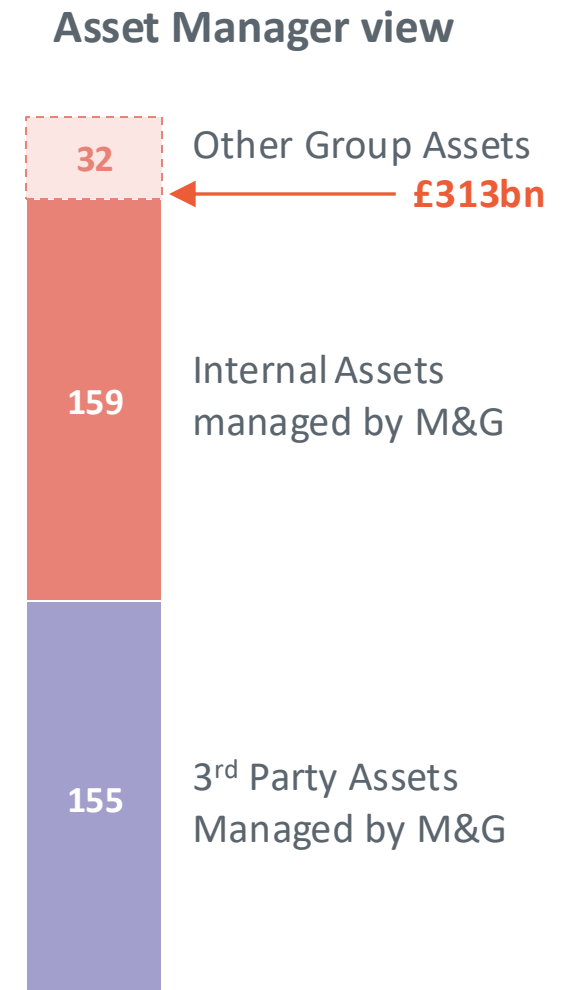
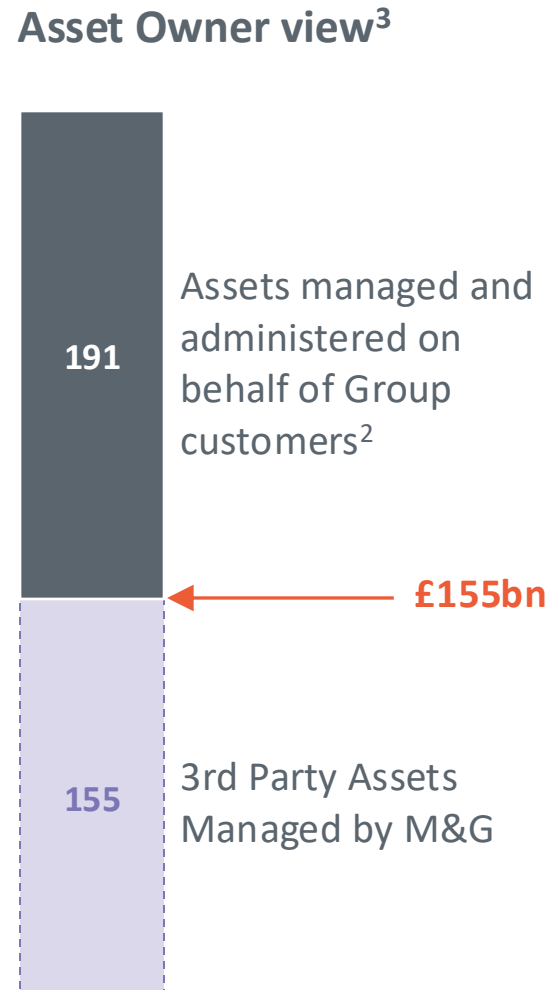
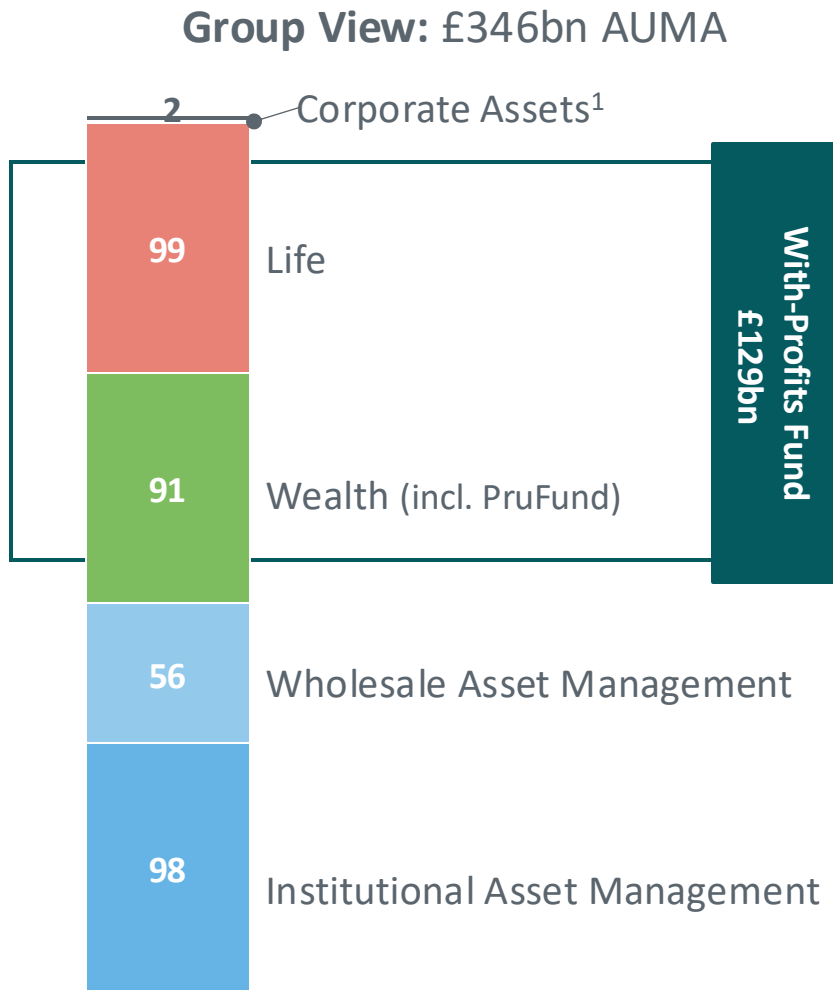
# Operating Capital Generation

(£m)	H1 2023			H1 2024		
	Own Funds	SCR	Total	Own Funds	SCR	Total
<b>Asset Management</b>	<b>101</b>	<b>18</b>	<b>119</b>	<b>118</b>	<b>0</b>	<b>118</b>
PruFund UK	156	(53)	102	108	(24)	84
- of which: In-force	115	3	118	99	20	119
- of which: New business	40	(56)	(16)	9	(44)	(35)
Platform and Advice	(19)	1	(17)	(6)	3	(3)
Other Wealth	(8)	(1)	(10)	2	(1)	1
<b>Wealth</b>	<b>128</b>	<b>(53)</b>	<b>75</b>	<b>104</b>	<b>(22)</b>	<b>82</b>
With-Profits	87	8	96	78	16	94
Shareholder Annuities & other	146	7	153	104	(12)	92
Europe	28	(7)	20	23	(2)	21
<b>Life</b>	<b>261</b>	<b>8</b>	<b>269</b>	<b>205</b>	<b>2</b>	<b>207</b>
Debt Interest Cost	(94)	0	(94)	(94)	0	(94)
Head Office Cost	(26)	10	(16)	(210)	5	(16)
<b>Corporate Centre</b>	<b>(120)</b>	<b>10</b>	<b>(111)</b>	<b>(115)</b>	<b>5</b>	<b>(110)</b>
<b>Total Underlying Capital Generation</b>	<b>370</b>	<b>(18)</b>	<b>352</b>	<b>312</b>	<b>(15)</b>	<b>297</b>
Other Asset Management Capital Generation	(0)	(5)	(5)	1	0	1
Other Wealth Capital Generation	(26)	82	56	40	62	102
Other Life Capital Generation	74	34	108	46	41	87
Other Corporate Centre Capital Generation	(7)	2	(5)	(1)	0	(1)
<b>Total Operating Capital Generation</b>	<b>410</b>	<b>96</b>	<b>505</b>	<b>398</b>	<b>88</b>	<b>486</b>

# Assets Under Management and Administration

Our asset base as an Asset Owner and an Asset Manager

More details on the following page

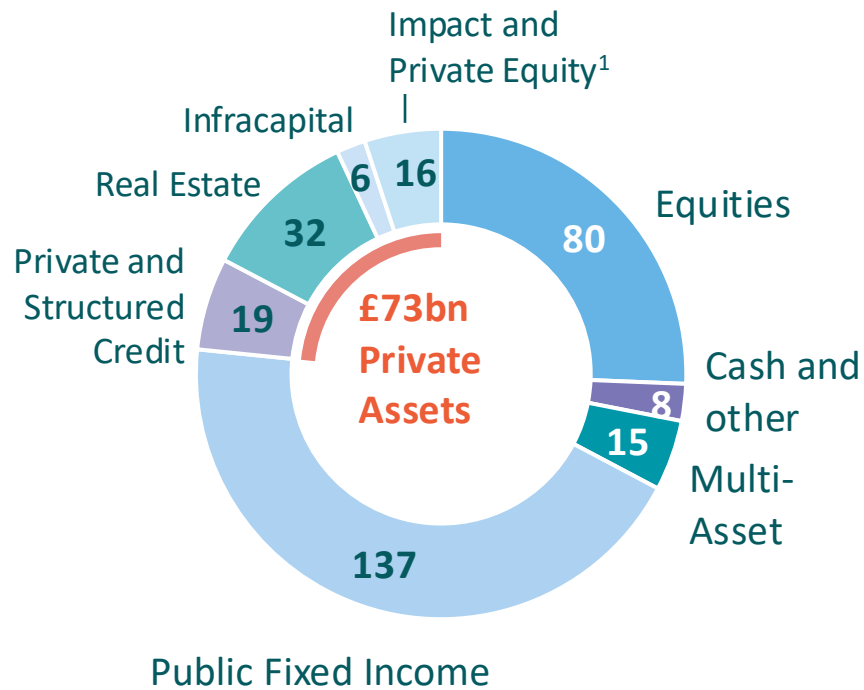


1. Includes £1.0bn Other Asset Management AUMA; 2. Includes M&G Direct Assets Under Management and PAC (Prudential Assurance Company), Wealth and Corporate Assets Under Administration; 3. Includes £17.1bn of assets under advice.

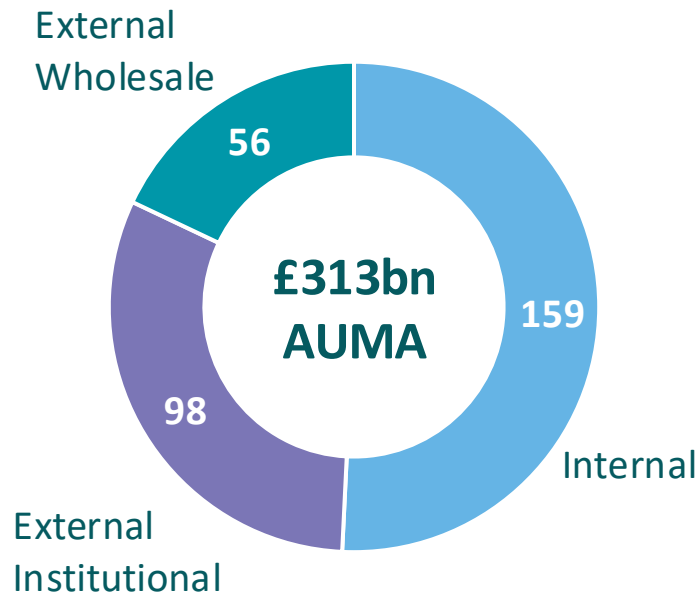
# Assets Under Management and Administration

Asset Management view split by asset class, client, and geography

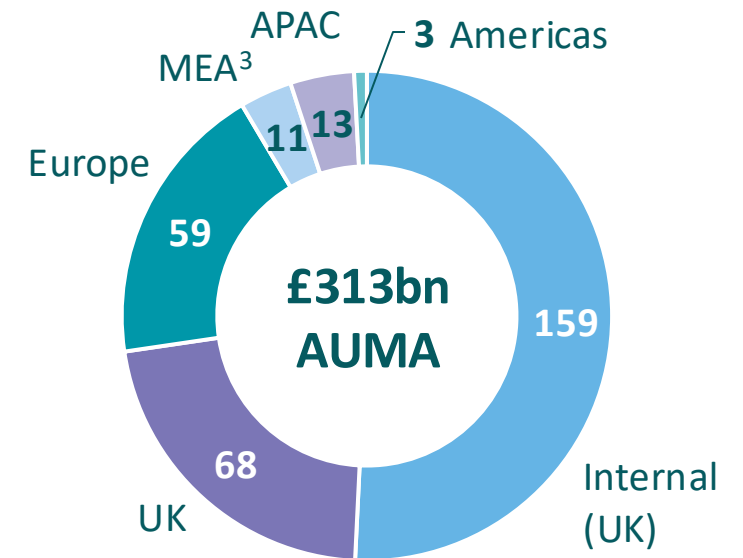
**Diversified capabilities**  
strong scale in private assets



**A successful external franchise**  
and a supportive internal client



**Established footprint<sup>2</sup>**  
with opportunity to grow



1. Includes responsAbility; 2. Shows AUMA split by client domicile; 3. Middle East and Africa

# Assets Under Management and Administration

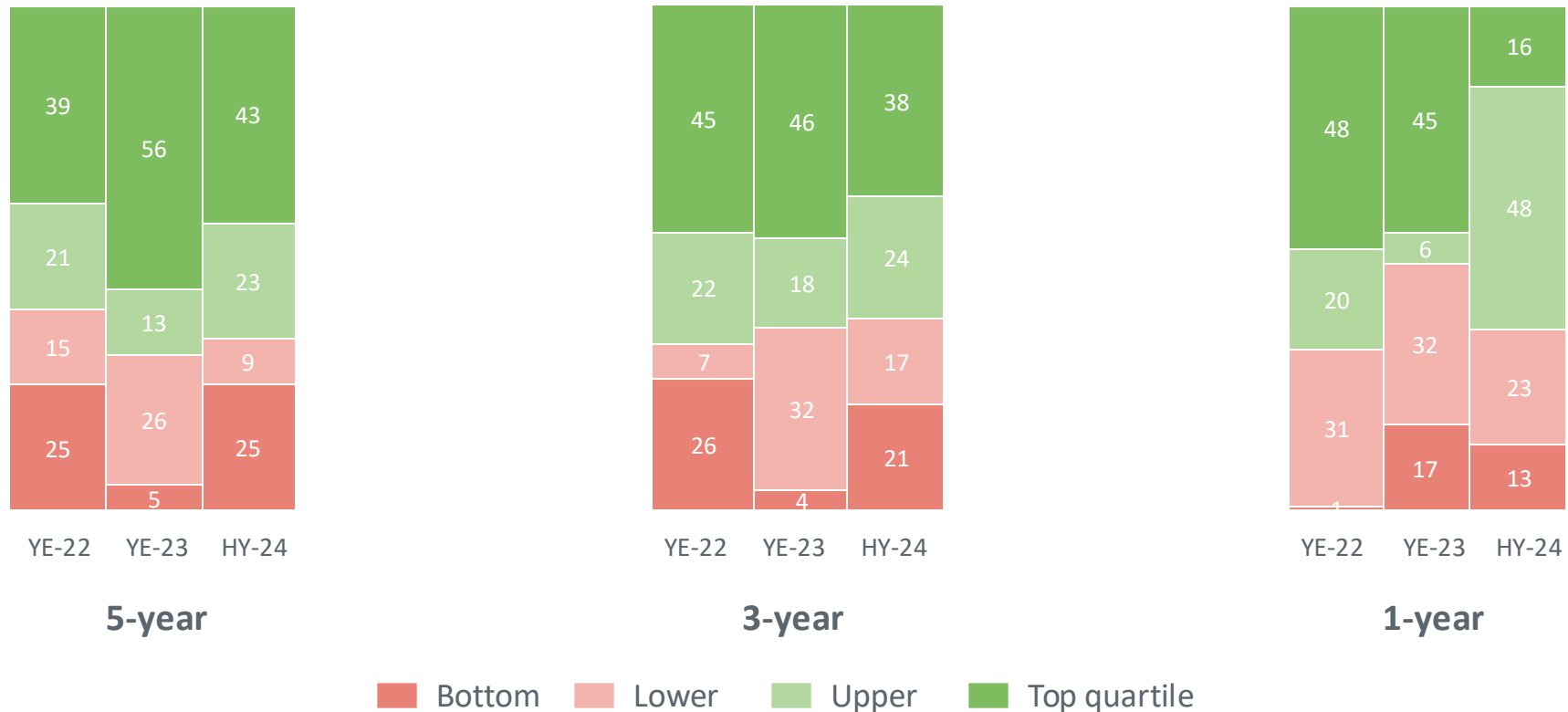
## Group wide flows, market and other movements – YE 2022 to H1 2024

(£bn)		YE 2022	Inflows	Outflows	Net client flows	Market / Other	H1 2023	Inflows	Outflows	Net client flows	Market / Other	YE 2023	Inflows	Outflows	Net client flows	Market / Other	H1 2024
		Asset Management	Institutional	99.2	7.4	(8.8)	(1.4)	(3.8)	94.0	7.4	(6.7)	0.7	3.5	98.2	6.8	(7.3)	(0.5)
Wholesale	53.9		9.2	(7.9)	1.3	(2.9)	52.3	9.1	(8.9)	0.2	2.5	55.0	9.5	(9.5)	-	1.1	56.1
Other <sup>1</sup>	1.1		-	-	-	-	1.1	-	-	-	(0.1)	1.0	-	-	-	-	1.0
<b>Total Asset Mgmt.</b>	<b>154.2</b>		<b>16.6</b>	<b>(16.7)</b>	<b>(0.1)</b>	<b>(6.7)</b>	<b>147.4</b>	<b>16.5</b>	<b>(15.6)</b>	<b>0.9</b>	<b>5.9</b>	<b>154.2</b>	<b>16.3</b>	<b>(16.8)</b>	<b>(0.5)</b>	<b>1.2</b>	<b>154.9</b>
Wealth	<i>of which: PruFund UK</i>	52.3	3.3	(2.4)	0.9	0.3	53.5	3	(3)	-	1.3	54.8	2.5	(3.0)	(0.5)	2.1	56.4
	<b>Total Wealth</b>	<b>83.4</b>	<b>4.6</b>	<b>(4.0)</b>	<b>0.6</b>	<b>0.6</b>	<b>84.6</b>	<b>4.4</b>	<b>(4.8)</b>	<b>(0.4)</b>	<b>2.9</b>	<b>87.1</b>	<b>4.1</b>	<b>(5.0)</b>	<b>(0.9)</b>	<b>5.0</b>	<b>91.2</b>
Life	<i>of which: Sh. Annuities</i>	15.4	-	(0.5)	(0.5)	(0.3)	14.6	0.7	(0.6)	0.1	1.1	15.8	0.3	(0.5)	(0.2)	(0.4)	15.2
	<i>of which: Traditional WP</i>	67.5	0.1	(2.4)	(2.3)	0.7	65.9	0.2	(2.1)	(1.9)	1	65.0	0.1	(2.4)	(2.3)	1.0	63.7
	<i>of which: Europe</i>	6.0	0.5	(0.3)	0.2	0.1	6.3	0.2	(0.3)	(0.1)	0.2	6.4	0.3	(0.4)	(0.1)	0.2	6.5
	<b>Total Life</b>	<b>103.0</b>	<b>0.9</b>	<b>(3.9)</b>	<b>(3.0)</b>	<b>(0.6)</b>	<b>99.4</b>	<b>1.3</b>	<b>(4)</b>	<b>(2.7)</b>	<b>4.2</b>	<b>100.9</b>	<b>1.0</b>	<b>(4.3)</b>	<b>(3.3)</b>	<b>1.3</b>	<b>98.9</b>
	Corporate Assets	1.4	-	-	-	-	1.4	-	-	-	(0.1)	1.3	-	-	-	(0.2)	1.1
<b>Group Total</b>		<b>342.0</b>	<b>22.1</b>	<b>(24.6)</b>	<b>(2.5)</b>	<b>(6.7)</b>	<b>332.8</b>	<b>22.2</b>	<b>(24.4)</b>	<b>(2.2)</b>	<b>12.9</b>	<b>343.5</b>	<b>21.4</b>	<b>(26.1)</b>	<b>(4.7)</b>	<b>7.3</b>	<b>346.1</b>

# Wholesale Asset Management

## Mutual funds performance

Mutual funds performance as of YE 2022, YE 2023 and YE 2024  
(as % of AUMA)





# Wholesale Asset Management

## Largest SICAV and OEIC mutual funds

				AUMA and Flows (£bn)					
RANK by AUMA	PRODUCT	ASSET CLASS	FUND	YE 2023	SALE	REDEMPTION	NET FLOWS	MARKET/ OTHER	H1 2024
1	OEIC + SICAV	Bonds	Optimal Income	9.69	1.52	(1.69)	(0.17)	(0.24)	9.28
2	OEIC + SICAV	Equities	Global Dividend	4.69	0.35	(0.78)	(0.43)	0.39	4.66
3	OEIC + SICAV	Equities	Japan	2.83	1.44	(0.41)	1.03	0.23	4.09
4	OEIC + SICAV	Equities	Global Themes	2.84	0.09	(0.23)	(0.14)	0.06	2.76
5	OEIC + SICAV	Bonds	Emerging Markets Bond	2.62	0.44	(0.74)	(0.30)	(0.02)	2.30
6	OEIC + SICAV	Bonds	Global Floating Rate High Yield	1.77	0.55	(0.30)	0.25	0.03	2.06
7	SICAV only	Equities	Global Listed Infrastructure	2.28	0.21	(0.55)	(0.34)	(0.03)	1.91
8	OEIC + SICAV	Multi Asset	Dynamic Allocation	1.80	0.10	(0.24)	(0.15)	0.01	1.67
9	OEIC + SICAV	Equities	European Strategic Value	1.44	0.26	(0.36)	(0.10)	0.13	1.48
10	SICAV only	Bonds	Corporate Bond	1.26	0.10	(0.12)	(0.02)	(0.01)	1.23

# Wholesale Asset Management

## Largest SICAV mutual funds

				AUMA and Flows (£bn)					
RANK by AUMA	PRODUCT	ASSET CLASS	FUND	YE 2023	SALE	REDEMPTION	NET FLOWS	MARKET/ OTHER	H1 2024
1	SICAV	Bonds	Optimal Income	<b>8.29</b>	1.31	(1.45)	<b>(0.14)</b>	(0.23)	<b>7.91</b>
2	SICAV	Equities	Global Dividend	<b>2.59</b>	0.21	(0.39)	<b>(0.18)</b>	0.22	<b>2.63</b>
3	SICAV	Bonds	Global Floating Rate High Yield	<b>1.54</b>	0.50	(0.24)	<b>0.25</b>	0.02	<b>1.81</b>
4	SICAV	Multi Asset	Dynamic Allocation	<b>1.80</b>	0.10	(0.24)	<b>(0.15)</b>	0.01	<b>1.67</b>
5	SICAV	Equities	European Strategic Value	<b>1.44</b>	0.26	(0.36)	<b>(0.10)</b>	0.13	<b>1.48</b>
6	SICAV	Equities	Global Listed Infrastructure	<b>1.77</b>	0.12	(0.42)	<b>(0.30)</b>	(0.02)	<b>1.45</b>
7	SICAV	Bonds	Emerging Markets Bond	<b>1.21</b>	0.15	(0.36)	<b>(0.21)</b>	(0.00)	<b>1.00</b>
8	SICAV	Multi Asset	Income Allocation	<b>0.83</b>	0.09	(0.15)	<b>(0.06)</b>	(0.01)	<b>0.76</b>
9	SICAV	Equities	Japan	<b>0.55</b>	0.26	(0.10)	<b>0.16</b>	0.04	<b>0.75</b>
10	SICAV	Equities	Global Themes	<b>0.53</b>	0.05	(0.09)	<b>(0.03)</b>	0.01	<b>0.51</b>

# Wholesale Asset Management

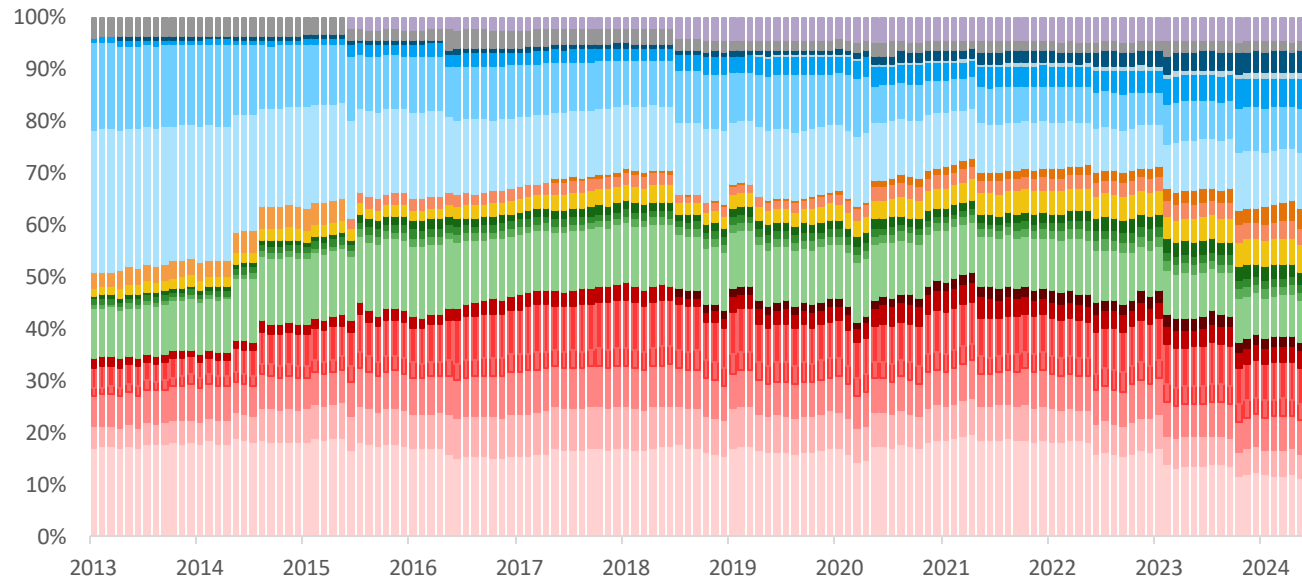
## Largest OEIC mutual funds

				AUMA and Flows (£bn)					
RANK by AUMA	PRODUCT	ASSET CLASS	FUND	YE 2023	SALE	REDEMPTION	NET FLOWS	MARKET/ OTHER	H1 2024
1	OEIC	Equities	Japan	<b>2.28</b>	1.18	(0.31)	<b>0.87</b>	0.19	<b>3.34</b>
2	OEIC	Equities	Global Themes	<b>2.31</b>	0.04	(0.14)	<b>(0.10)</b>	0.05	<b>2.25</b>
3	OEIC	Equities	Global Dividend	<b>2.10</b>	0.14	(0.39)	<b>(0.25)</b>	0.17	<b>2.02</b>
4	OEIC	Bonds	Optimal Income	<b>1.40</b>	0.21	(0.24)	<b>(0.03)</b>	(0.00)	<b>1.37</b>
5	OEIC	Bonds	Emerging Markets Bond	<b>1.42</b>	0.28	(0.38)	<b>(0.09)</b>	(0.02)	<b>1.31</b>
6	OEIC	Bonds	Corporate Bond	<b>1.26</b>	0.10	(0.12)	<b>(0.02)</b>	(0.01)	<b>1.23</b>
7	OEIC	Bonds	Strategic Corporate Bond	<b>1.10</b>	0.25	(0.13)	<b>0.12</b>	(0.00)	<b>1.22</b>
8	OEIC	Equities	Recovery	<b>0.89</b>	0.01	(0.08)	<b>(0.07)</b>	0.05	<b>0.87</b>
9	OEIC	Bonds	UK Inflation Linked Corporate Bond	<b>0.94</b>	0.07	(0.17)	<b>(0.10)</b>	0.00	<b>0.84</b>
10	OEIC	Bonds	Global Macro Bond	<b>1.11</b>	0.11	(0.33)	<b>(0.22)</b>	(0.06)	<b>0.83</b>

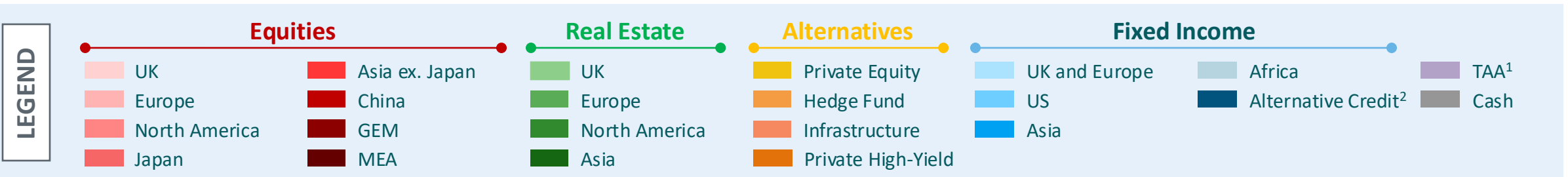
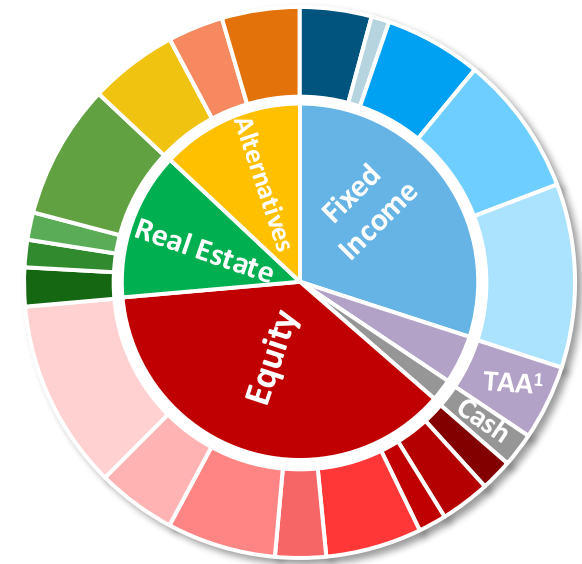
# With-Profits Fund

## Strategic Asset Allocation

Asset allocation evolution between 2013 and H1 2024



Asset allocation as of 30 June 2024

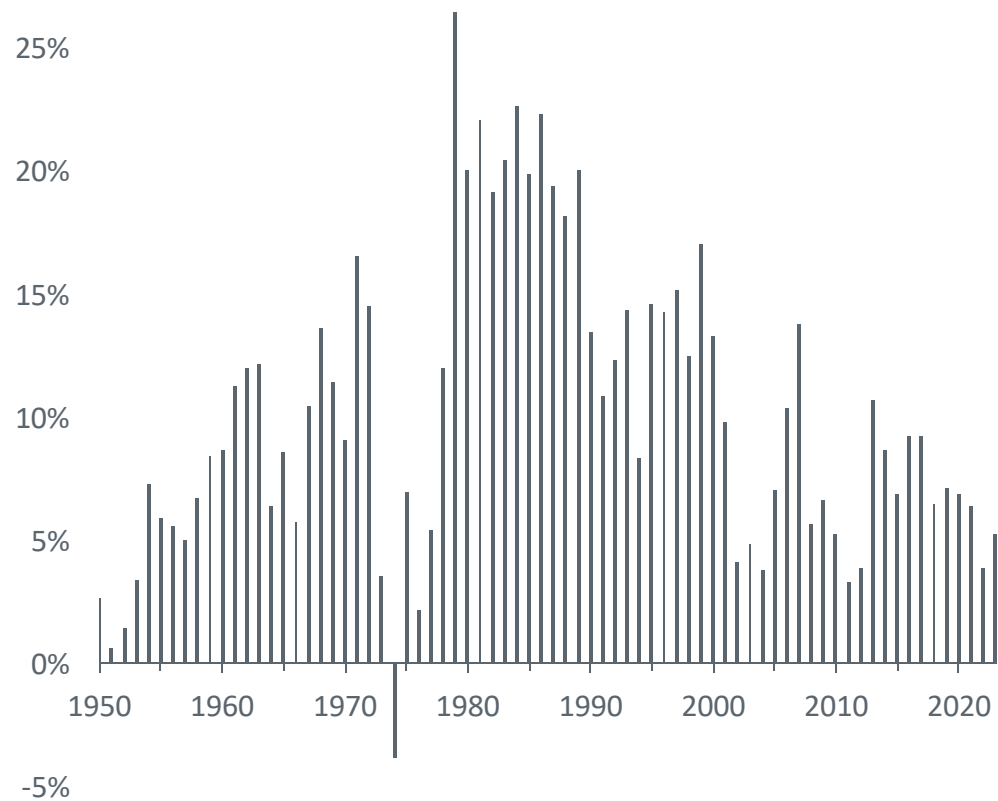


1. Tactical Asset Allocation mandate; 2. Includes: Emerging Market, Convertibles, Bridge Loans, Global High-Yield  
Source: Allocation as of 30 June 2024 for OBMG, the largest of the funds within the With-Profits sub fund

# With-Profits Fund

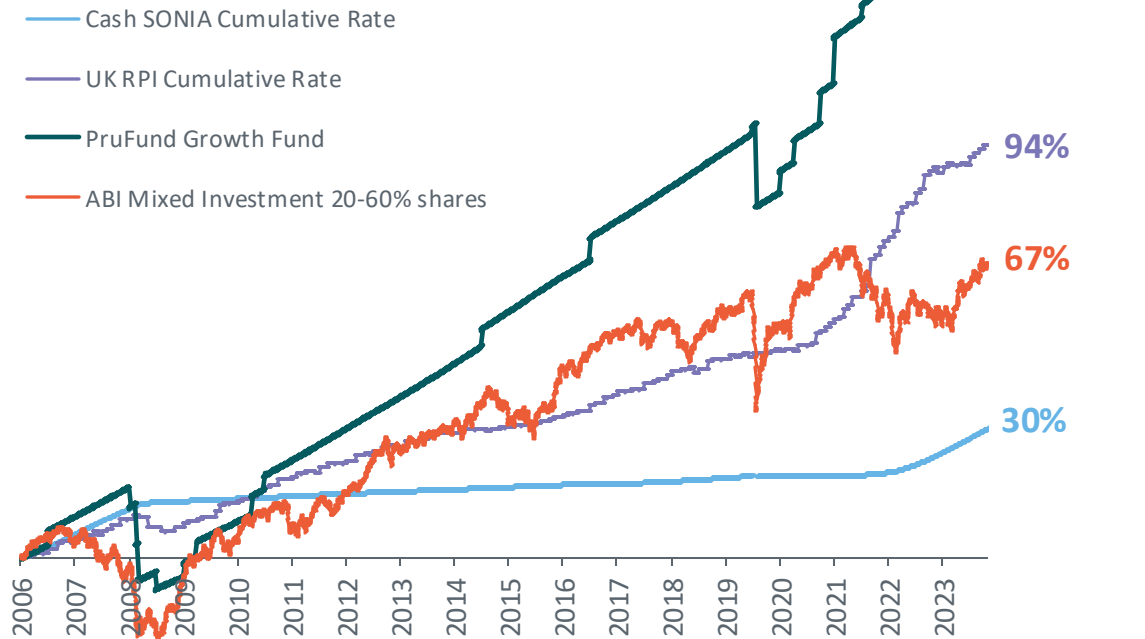
## Historical returns

### Annualised 5-year rolling returns<sup>1</sup>



### PruFund Growth returns vs. peers

PruFund Growth returns after charges  
(% returns above capital invested)<sup>2</sup>



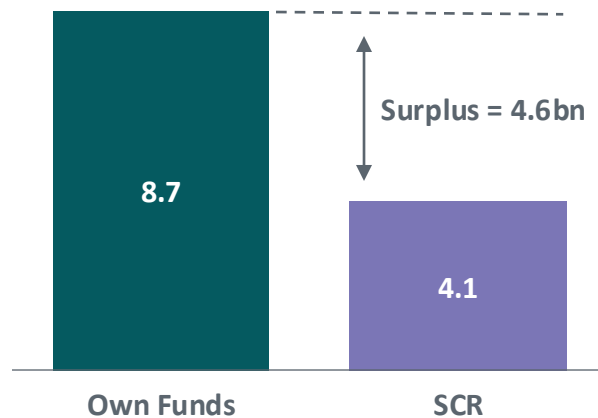
1. Data shows OBMG returns; OBMG is the largest of the funds within the With-Profits sub fund, backing PruFund Growth Fund – Past performance is not a guide to future performance. The value of an investment can go down as well as up and so customers may not get back the amount they put in  
2. PruFund Growth net returns after charges. Data shows returns for PruFund Growth within a bond wrapper. These returns are representative of a typical return profile for PruFund Growth clients

# Solvency II

## M&G Group position

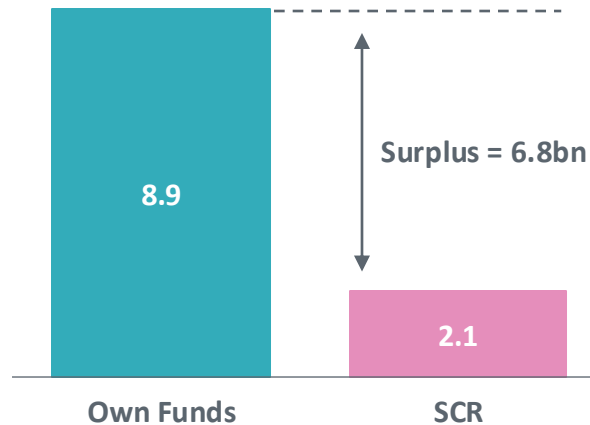
H1 2024 (£bn)

### Shareholder view



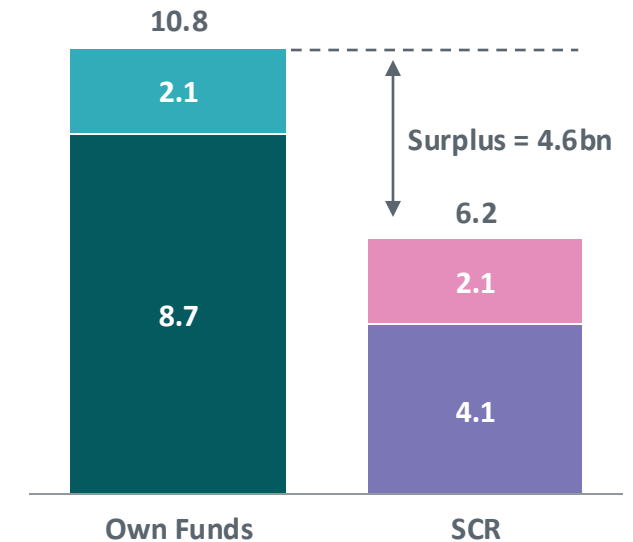
Solvency ratio 210%

### With-Profits Fund view



Solvency ratio 429%

### Regulatory view

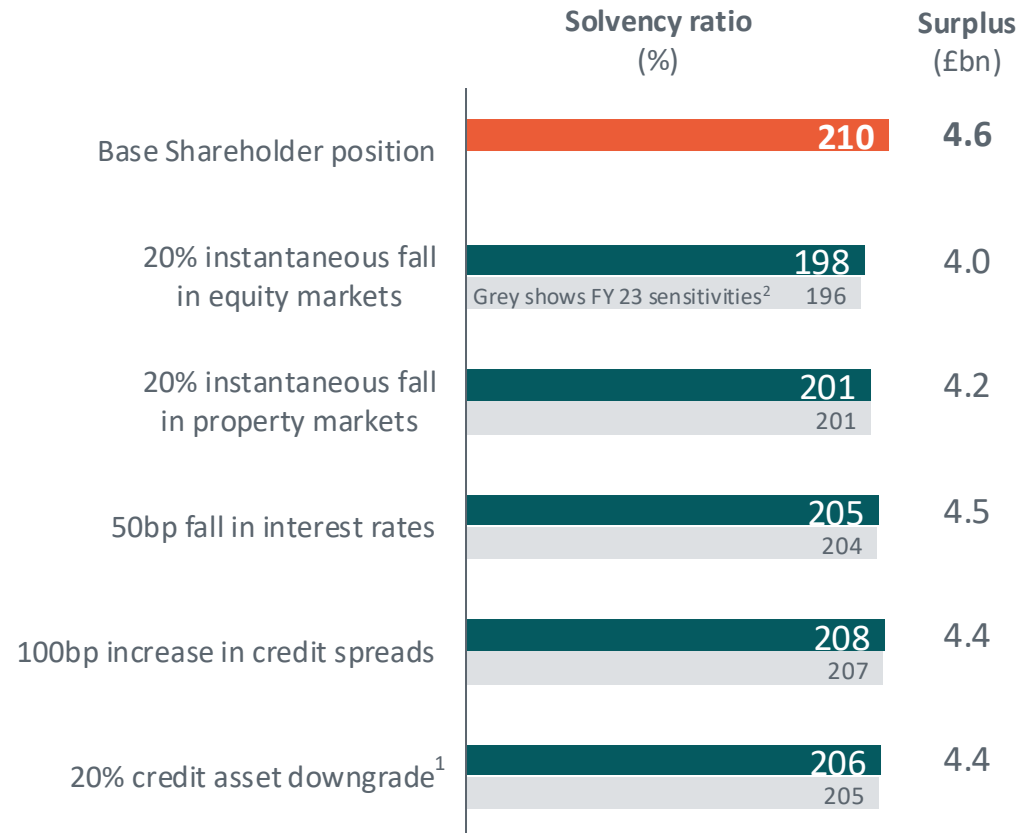


Solvency ratio 173%

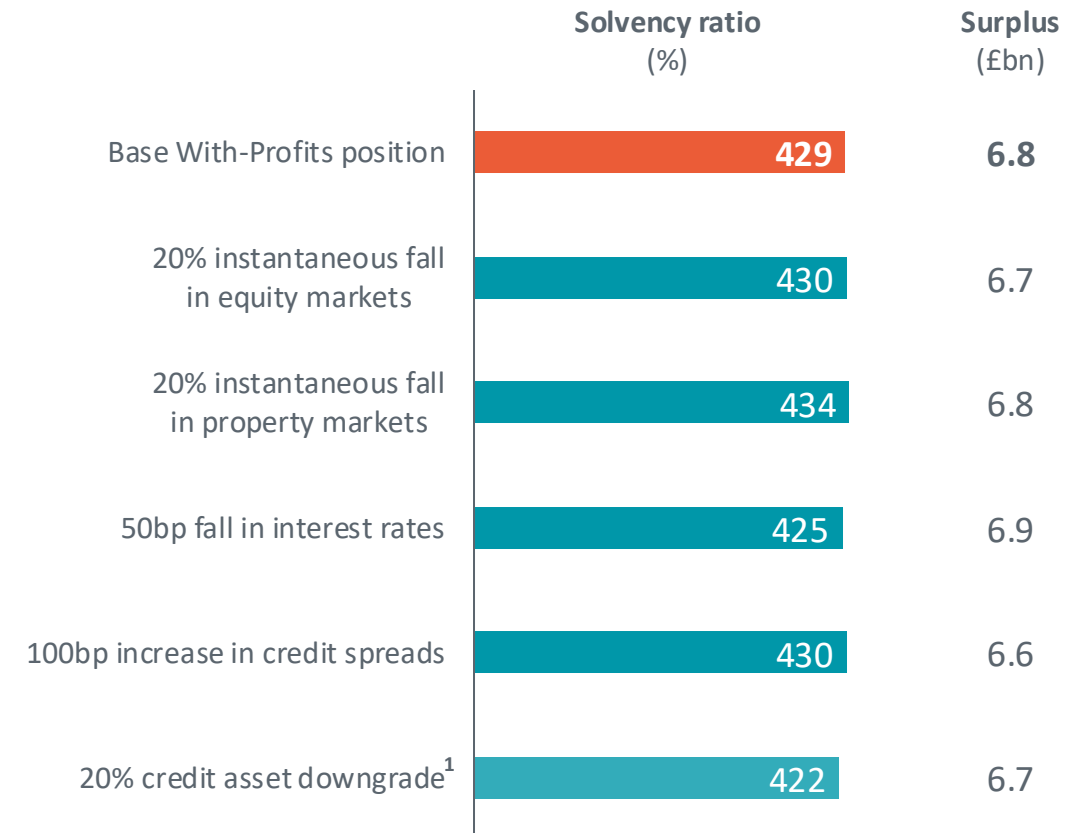
# Solvency II

## Sensitivities and estimated impact on % ratio and surplus

### Shareholder Solvency II market sensitivities HY 2024



### With-Profits Solvency II market sensitivities HY 2024



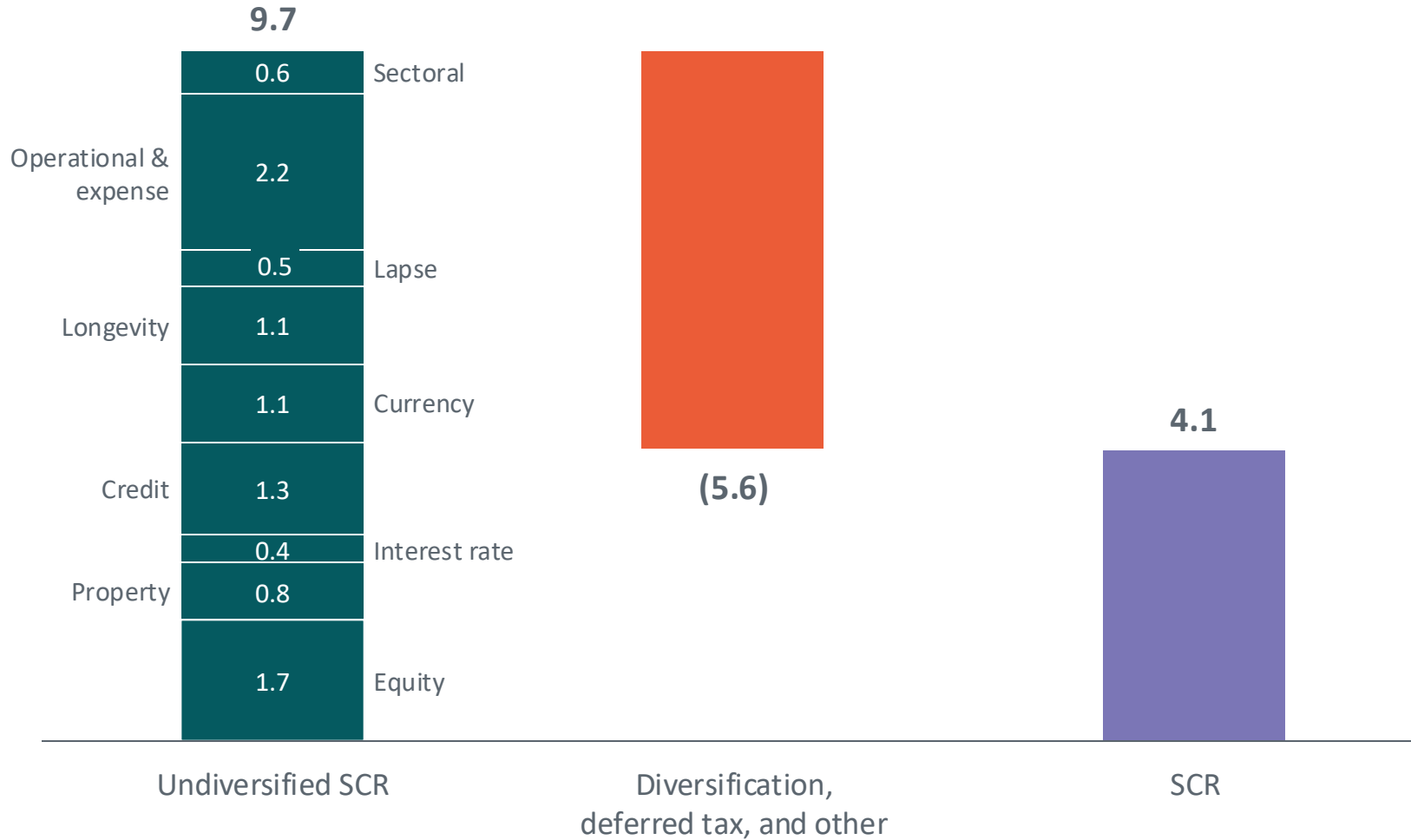
Note: Sensitivities assume recalculation of Transitional Measures on Technical Provisions (TMTP)

1. Average impact of one full letter downgrade across 20% of assets exposed to credit risk; 2. The numbers in grey show the FY 23 sensitivities rebased using the base HY 24 solvency II position

# Solvency II

## Breakdown of the Shareholder SCR by risk type

H1 2024  
(£bn)

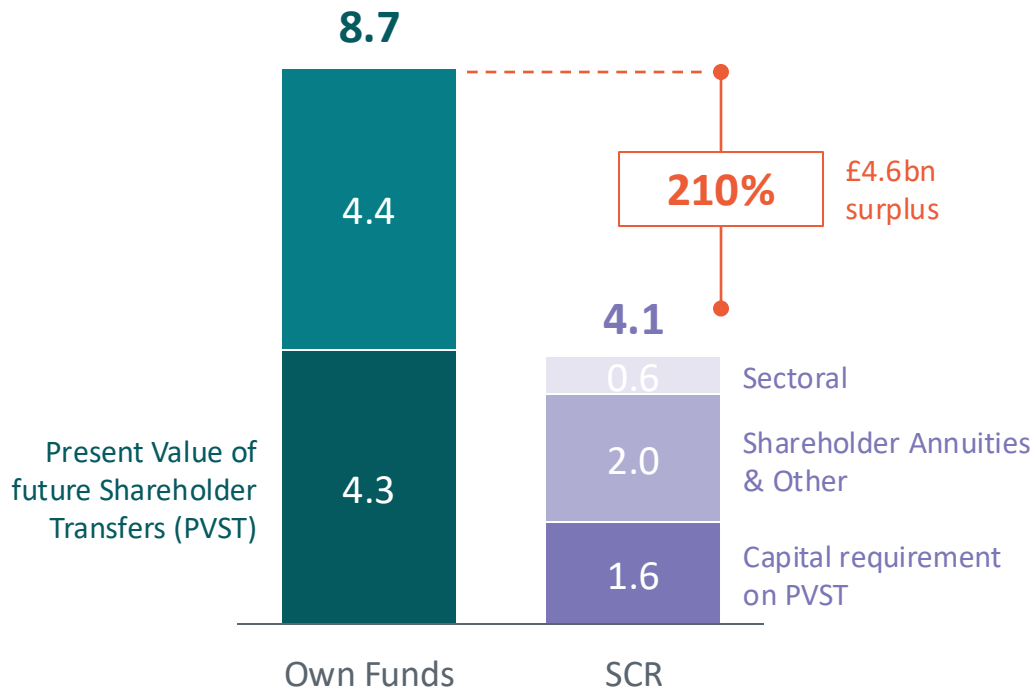




# Solvency II coverage and leverage ratio

Leverage shown also on a IFRS17 basis

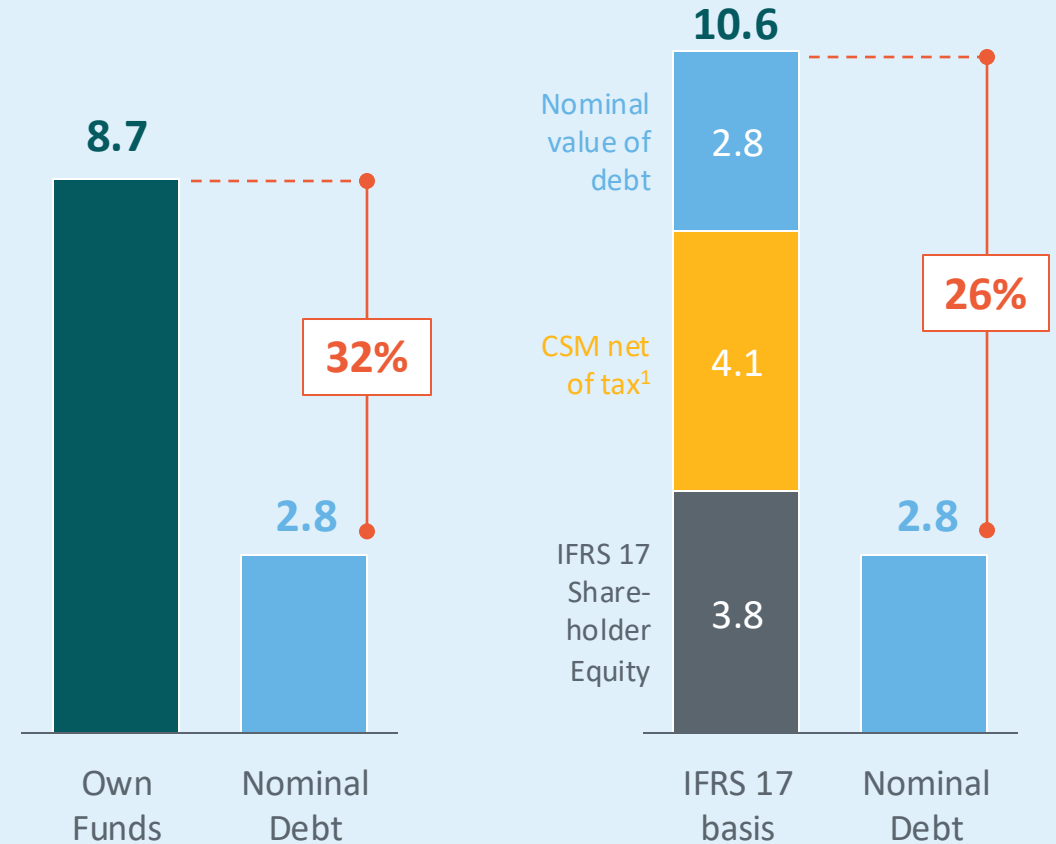
## Solvency II coverage ratio HY 2024



## Leverage ratio HY 2024

### Solvency II

### IFRS 17



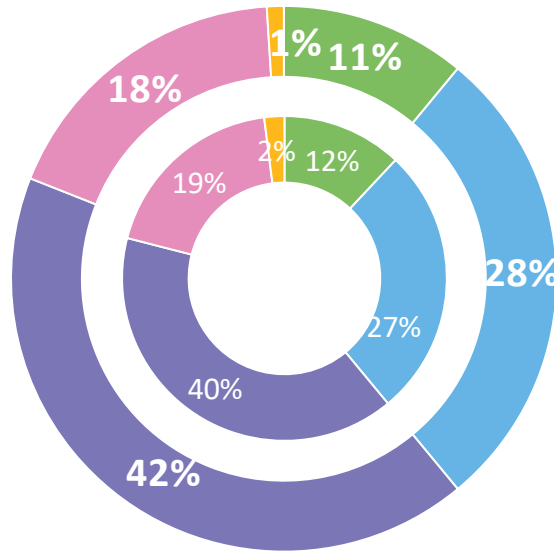
1. Only shows the CSM attributable to Shareholders

# Credit quality of the Shareholder Annuity book remains very strong

99% of the £13bn<sup>1</sup> assets is investment grade

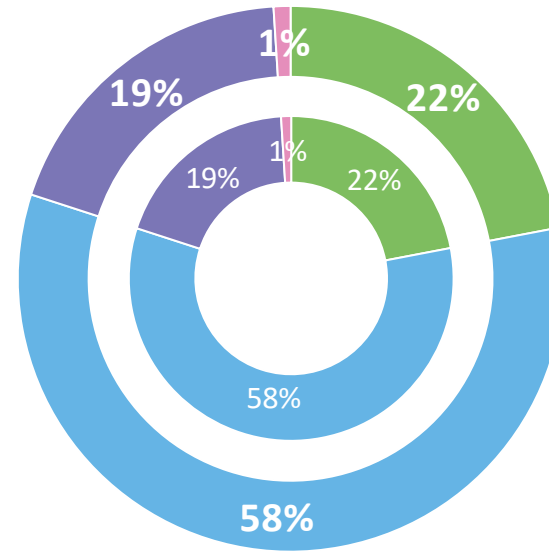
## Breakdown by rating

Outer circle shows H1-24, inner YE-23



## Breakdown by capital ranking

Outer circle shows H1-24, inner YE-23



- Our diversified and actively managed Annuity portfolio continued to perform resiliently
- Asset profile remains strong and conservatively positioned; 99% is investment grade, and 80% invested in risk free<sup>2</sup> or secured assets
- Rating migrations resulted in a very low level of downgrades and net upgrade experience year to date

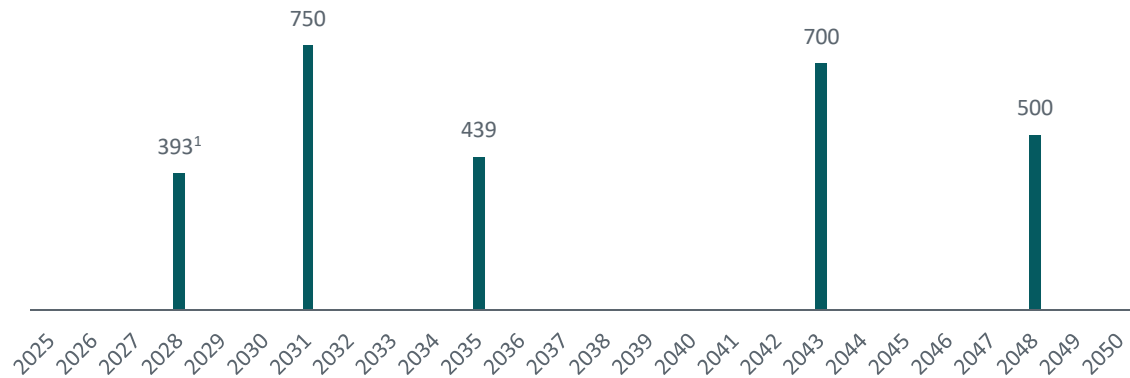
1. M&G Investments data. Cash and cash equivalents, derivatives and junior notes/property residual values have been excluded from this analysis. All data as of 30 June 2024  
 2. Risk Free category includes securities which are classified as 'credit capital exempt' in the internal capital modelling, primarily UK government / guaranteed and supranational debt

# Financial debt structure

## Subordinated debt (all Tier 2)

ISIN	Currency	Nominal	Coupon	Issue Date	Maturity Date	Call Date
XS1888930150	USD	500	6.500%	2018	2048	2028
XS1888920276	GBP	750	5.625%	2018	2051	2031
XS1243995302	GBP	439	5.560%	2015	2055	2035
XS1003373047	GBP	700	6.340%	2013	2063	2043
XS1888925747	GBP	500	6.250%	2018	2068	2048

Call date profile (£m)



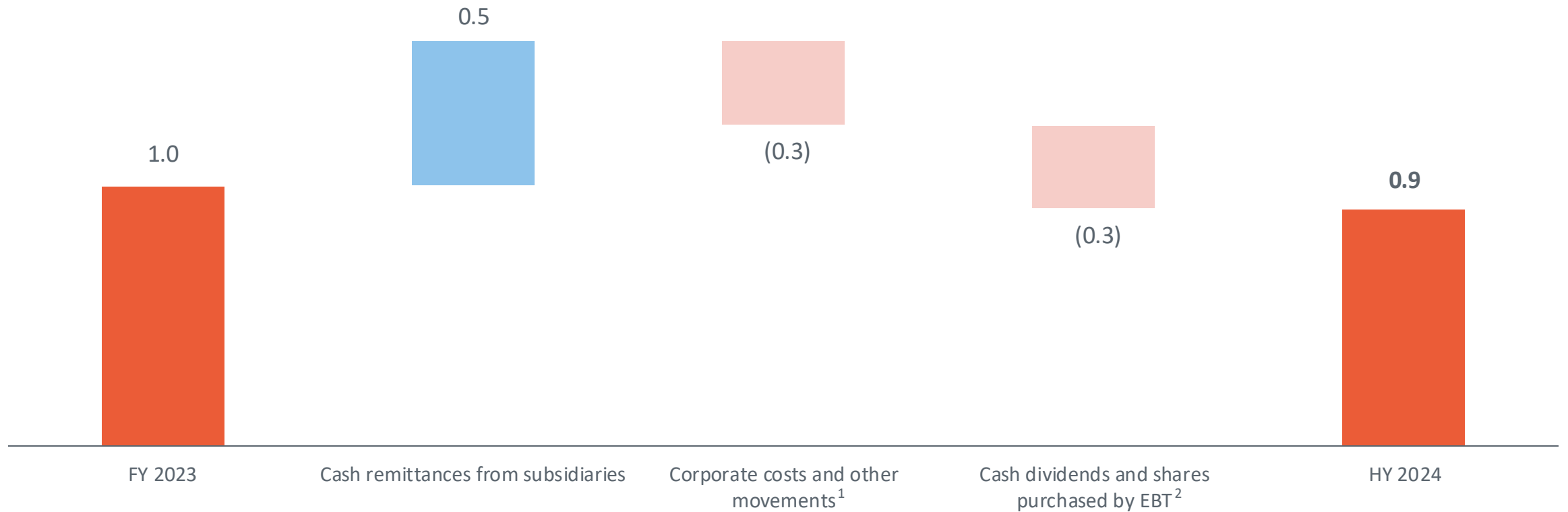
1. Based on USD / GBP exchange rate as of 30 June 2024

Ratings	Financial Strength	Issuer Default	Outlook
<b>S&amp;P Global Ratings</b>	A+	A	Stable
<b>MOODY'S</b>	A1	A3	Stable
<b>FitchRatings</b>	AA-	A+	Stable

# Parent company liquidity

## Cash and liquid assets at £0.9bn

### Parent company cash and liquid assets H1 2024 (£bn)



1. Includes repurchase of £161m of 5.56% sterling fixed rate subordinated notes for a consideration of £150m

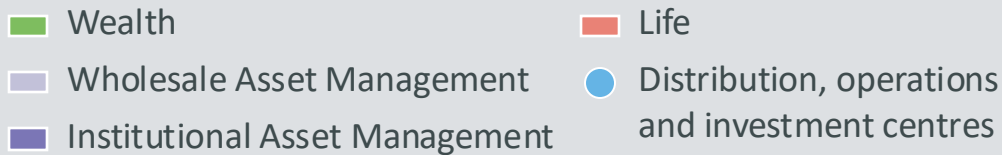
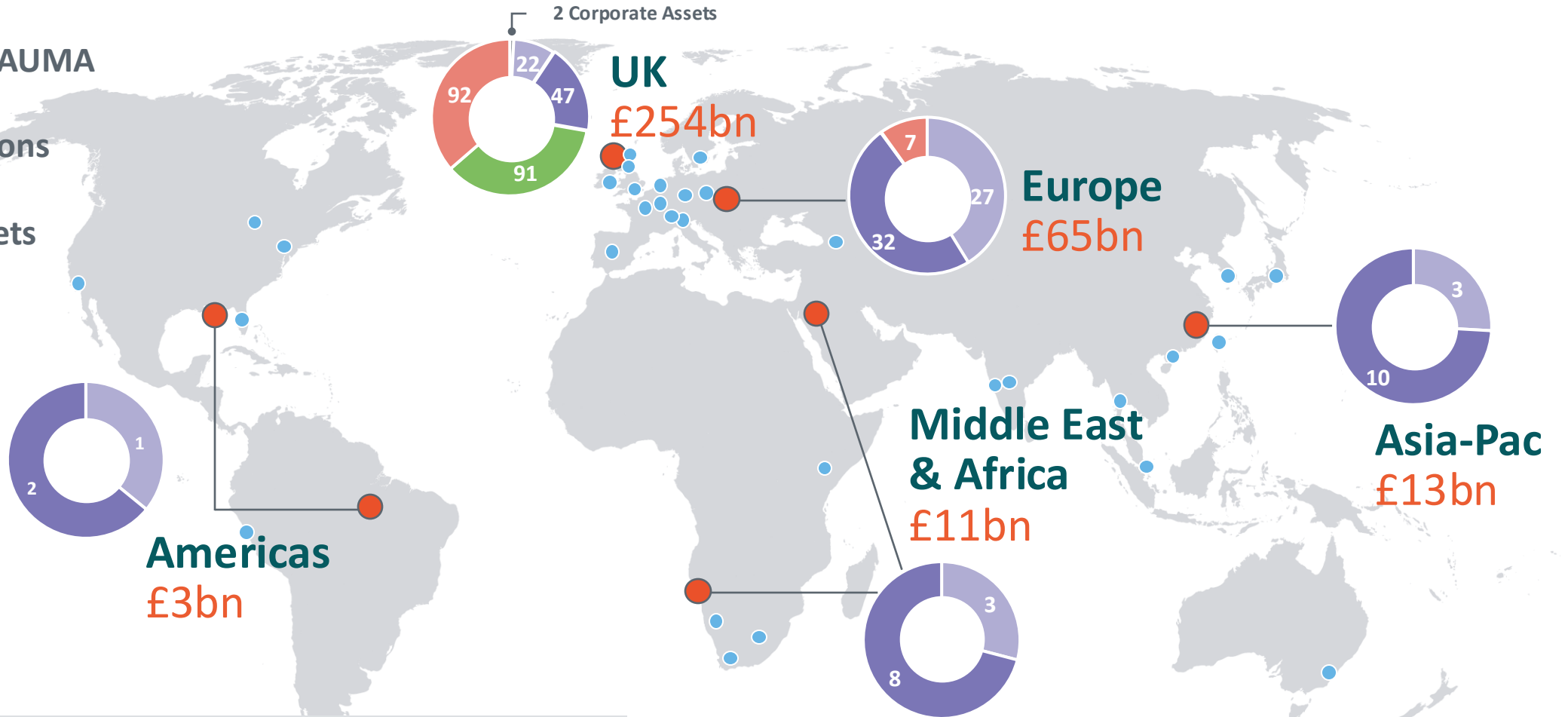
2. Cash dividends paid to equity holders of £311m

# Our international footprint

£346bn AUMA

38 locations

26 markets



Note: All AUMA figures refer to position as of HY 2024, based on the country of the underlying client. The number of locations and markets is as at FY 2023

# Investor Relations contacts

**Luca Gagliardi**

**Director of Investor Relations**



+44 (0)20 8162 7301  
+44 (0)752 559 7694



luca.gagliardi@mandg.com

**Simran Parmar**

**Head of Investor Relations - Equity**



+44 (0)20 8162 0956  
+44 (0)738 500 6763



simran.parmar@mandg.com

**Maria Baines**

**Investor Relations Event Manager**



+44 (0)20 8162 6122  
+44 (0)781 020 3731



maria.baines@mandg.com

**Amrita Jairaj**

**Investor Relations Senior Manager**



+44 (0)20 3977 1923



amrita.jairaj@mandg.com