

# Prudential

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## Insurance giant Prudential to complete £7bn demerger in fourth quarter

Britain's biggest insurer, Prudential PLC (LON:PRU), expects to complete the £7bn demerger of its UK business in the fourth quarter of this year.

Chief executive Mike Wells confirmed last spring that he planned to separate the UK business, which will be called M&G PLC, from the group's operations in the US and Asia.

"We believe that the demerger will enable both businesses to maximise their potential performance," said Wells on Wednesday.

"Both will have experienced management teams better able to focus on their strategic priorities and distinct investment prospects, as well as improved allocation of resources and greater flexibility in execution."

READ: Prudential profits rise more than expected as it makes 'continued progress' with M&G demerger

Confirmation of the completion date came in Prudential's half-year results, in which it reported a 14% jump in operating profits.

Excluding the soon-to-be-demerged UK business, operating profit climbed to £2.02bn in the six months ended 30 June, up from £1.67bn a year earlier.

Growth once again came from Asia, where Prudential has tapped into the growing demand for insurance products among the expanding and increasingly affluent population.

Operating profit in that side of the business climbed 14%, while new business profit was up 10%.

Over in the US, where Prudential owns the Jackson National Life retirement business, operating profits were also up by 14%.

'Positive performance'

"We have delivered a positive performance in the first half of 2019," said CEO Wells. "The group's performance has again been driven by our Asian business, where we have delivered double-digit growth across our key metrics.

"We are benefiting from growing demand for health, protection and savings across the region and we are constantly improving our access to this demand by innovating in new value-added services, distribution and digitalisation of the customer journey."

He added: "In the US, Jackson's operating profit<sup>1</sup> increased by 14 per cent<sup>2</sup>, largely due to lower amortisation of deferred acquisition costs resulting from the strong equity market performance in the period. With greater clarity in key consumer regulations emerging, we intend to accelerate our process of diversifying our business, while retaining our longstanding discipline in terms of risk management."

**Price:** £15.10

**Market Cap:** £398.56 m

### 1 Year Share Price Graph



### Share Information

**Code:** PRU

**Listing:** LSE

**52 week High Low**  
1819.5 1299.5

**Sector:** Financial Services

**Website:** www.prudential.com

### Company Synopsis:

Prudential Financial companies serve individual and institutional customers worldwide and include The Prudential Insurance Company of America, one of the largest life insurance companies in the U. S.

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Shares were up 0.1% to 1,498p on Wednesday morning.

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