Solvency matters. Here’s how we stack up:

Our Dublin base – a further safeguard
Dublin is a location with a strict legal and regulatory environment. The company is subject to European Law, having to comply with all European directives and regulations and to meet European solvency margins. As part of the M&G Group, we have additional group standards to comply with over and above Irish requirements.

Solvency II, which was implemented on 1 January 2016 is an EU legislative programme implemented to harmonise the regulatory regime of all 28 Member States. It requires insurance companies to hold Own Funds not less than its Solvency Capital Requirements. As at the end of 2017 our Solvency Cover was 157%.

Under previous solvency regimes, we have also consistently maintained our solvency over and above the limits required.

These are stringent regulations and should provide comfort in the professional nature of Dublin-based insurers. For more information please refer to the AILo* investor protection guide, “Client guide to cross-border investment bonds” and “The UK Adviser’s guide to using cross-border bonds for investment flexibility” and “A summary of the life insurance policyholder protection measures in Guernsey, the Isle of Man, Ireland, Luxembourg and UK for professional advisers”. These can be found at www.AILO.org

*Prudential International is a member of the Association of International Life Offices (AILo). This is trade organisation of international life assurance companies which aims to encourage professionalism and high standards amongst its members through the provision of market, regulatory and tax information and liaison with regulators and local trade associations.
Your clients’ money is in prudent hands

Prudential offers a position of strength and resilience to help safeguard the financial wellbeing of our customers.

Prudential is committed to helping safeguard and promote the financial wellbeing of our customers, with a focus on saving for retirement and providing security in retirement. This commitment has never been more appropriate than in today’s challenging economic climate, which has further highlighted the need for customers and their advisers to consider the financial strength and stability of the organisations that they’ve chosen to look after their finances.

2018 Full-year results for group
Despite challenging market conditions we’ve delivered a strong performance across the M&G Group.

- IFRS* operating profit of £3,013 million, up 7%
- EEV** new business profit of £1,767 million, up 11%

* International Financial Reporting Standards (IFRS) ** European Embedded Value (f)
Providing financial strength, stability and support in today’s economic climate.

**Prudential UK & Europe**
We’ve delivered another good set of financial results in 2018, against a changing distribution landscape.

- **Total APE* sales of £1,516 million**
- **Total new business profit of £352 million**
- **Life IFRS operating profit of £1,634 million**

*Annual Premium Equivalent (APE)

**Strong Performance**
Prudential has delivered another year of positive financial performance across the Group.
Source: M&G Plc Full-year 2018 results.
Financial Strength

Financial Strength has never been more appropriate than in today’s challenging economic climate. Here we evidence our position of strength and resilience.

- Prudential Assurance Company Limited (PAC) is rated A+ (Stable) for financial strength by Standard & Poors, as at August 2018. This is one of the highest ratings currently given to any UK life assurance company.

- The PAC With-Profits Fund is the largest and financially strongest with-profits fund in the UK. Our fund size and strength allows us to invest in a very wide range of asset types and individual companies.

<table>
<thead>
<tr>
<th>Company</th>
<th>Standard &amp; Poor's</th>
<th>Moody's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prudential Assurance Co. Ltd</td>
<td>A+ (Stable)</td>
<td>Aa3 (Stable)</td>
</tr>
<tr>
<td>AEGON (Scottish Equitable plc.)</td>
<td>A+ (Negative)</td>
<td>A3 (Stable)</td>
</tr>
<tr>
<td>Aviva L&amp;P UK Ltd</td>
<td>A+ (Positive)</td>
<td>Aa3 (Stable)</td>
</tr>
<tr>
<td>Canada Life Assurance Co.</td>
<td>AA (Stable)</td>
<td>Aa3 (Stable)</td>
</tr>
<tr>
<td>Legal &amp; General Assurance Society Ltd</td>
<td>AA- (Stable)</td>
<td>Aa3 (Stable)</td>
</tr>
<tr>
<td>Liverpool Victoria Friendly Society Ltd</td>
<td>BBB+ (Stable)</td>
<td>Not Rated</td>
</tr>
<tr>
<td>Royal London Mutual Ins. Society Ltd</td>
<td>A (Stable)#</td>
<td>A2 (Stable)</td>
</tr>
<tr>
<td>Scottish Widows plc.</td>
<td>A (Stable)</td>
<td>A2 (Stable)</td>
</tr>
<tr>
<td>Standard Life Assurance Ltd</td>
<td>A+ (watch neg)</td>
<td>A1 (Negative)</td>
</tr>
<tr>
<td>Zurich Insurance Co. Ltd</td>
<td>AA- (Stable)</td>
<td>Aa3 (Stable)</td>
</tr>
</tbody>
</table>

Source: Financial strength overview, August 2018.
# Refers to Long Term Issuer Default Rating.
M&G Treasury & Investment Office manage a range of funds for Prudential and Prudential International. Whilst their job is to focus on providing asset allocation expertise, in practice their remit is far wider.

Who are M&G Treasury & Investment Office?

- The in-house investment strategists and “manager of managers” for the M&G Group in the UK.
- They are independent of the various underlying asset management businesses within the M&G Group.
- A team of around 80 including experienced investment professionals with expertise in capital market research, investment strategy design, liability management, alternative investments and portfolio management.
- M&G Treasury & Investment Office manages around £170 billion of Prudential’s investment. (Source: M&G Treasury & Investment Office as at June 2018).
- They manage our Prudential With-Profits Fund which is the largest and one of the financially strongest with-profits funds in the UK and has funds under management of £103 billion as at June 2018.

Multi-asset funds have been available and popular with both advisers and their clients for years. In the modern market, with changing regulatory guidance and the Retail Distribution Review, multi-asset funds offer the chance to “outsource” time consuming and costly asset allocation and stock selection work that may simply not be cost efficient for you to carry out for all your clients. This can then allow you to focus on the areas of business where most value can be added – such as understanding and supporting the needs of existing and new clients.

M&G Treasury & Investment Office believe in the importance of asset allocation and the key role that multi-asset funds could provide as an investment solution for many investors. M&G Treasury & Investment Office also believe that asset allocation is a specialist skill which should, to avoid conflicts of interest, exist separately from the other investment activities in any fund.

M&G Treasury & Investment Office approach

M&G Treasury & Investment Office manage our multi-asset funds by adopting a team based approach to reach a consensus “house view”. They then aim to implement that view as consistently as possible whilst working within the specific requirements that are applicable to different funds – for example, appropriate solvency management or staying within agreed risk parameters.

What M&G Treasury & Investment Office multi-asset funds can provide?

<table>
<thead>
<tr>
<th>What benefits these can offer you and your clients?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversification</td>
</tr>
<tr>
<td>Asset allocation expertise</td>
</tr>
<tr>
<td>Governance</td>
</tr>
<tr>
<td>Risk managed solutions</td>
</tr>
<tr>
<td>Asset liability management</td>
</tr>
<tr>
<td>Additional product features</td>
</tr>
</tbody>
</table>
Prudential was founded in 1848 in Hatton Garden, London.

1848

1949

The Man from the Pru advertising campaign is launched.

1986

Acquisition of Jackson National Life in the US. In the same year, Prudence was re-launched as a modern brand image for the Corporation.

1994

Prudential Corporation Asia was formed to develop existing (Malaysia and Singapore) and new businesses in Asia.

1998

Prudential celebrates 150 years of financial service.

1999

Prudential acquires M&G, pioneer of unit trusts in the UK and a leading provider of investment products.
Prudential is listed on stock exchanges in Hong Kong and Singapore.

Prudential Polska is launched in Poland.

2010

Understanding and responding to our customers’ needs is at the heart of our business. It’s something we’ve been doing since 1848. We focus on meeting our customers’ savings, income and protection needs and a disciplined approach to investing in the most profitable growth opportunities.

2013

2018

Prudential are sponsors of RideLondon, the UK’s largest cycling festival. This festival is celebration of health, sport and community which showcases our home city to the world and raises millions of pounds for charity.

Consistent service excellence 2017

Innovation Award Investments 2017

Life & pensions provider 2017

Investment provider & packager 2017
The registered office of Prudential International is in Ireland at Montague House, Adelaide Road Dublin 2.