



PRUDENTIAL



# Adding more to life

Prudential plc FactFile 2018

# Contents

	Page
<b>At a glance</b>	<b>2</b>
<b>Our business model</b>	<b>4</b>
<b>Our distribution</b>	<b>6</b>
<b>Our businesses and their performance</b>	
Asia	8
United States	10
United Kingdom and Europe	12
Africa	14
<b>Corporate responsibility</b>	<b>15</b>
<b>Our history</b>	<b>19</b>
<b>How to contact us</b>	<b>20</b>



A person wearing a red coat is seen from the side, looking out over a city skyline at night. The city lights are blurred into bokeh. In the foreground, a balcony railing is decorated with white string lights that are also blurred.

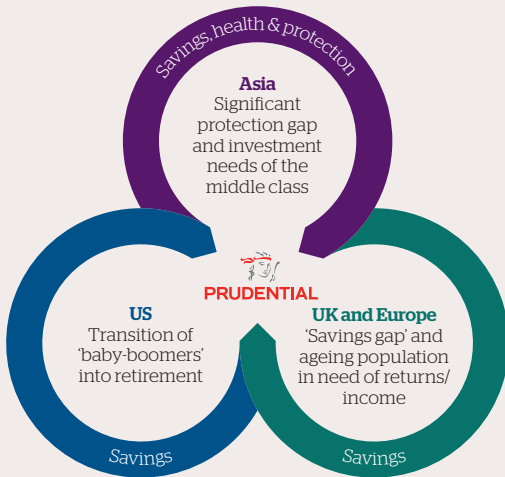
By helping to take the financial risk out of life's big decisions, Prudential creates long-term value for our customers, our shareholders and the communities we serve.

Adding more to life.

# Group at a glance

We meet the long-term savings and protection needs of a growing middle class and ageing population. We focus on three markets – Asia, the US, and the UK and Europe – where the need for our products is strong and growing and we use our capabilities, footprint and scale to meet that need. In recent years, we have expanded into Africa, taking advantage of the emerging demand for our products in the region.

## Our strategy



### We aim to capture three long-term opportunities across our key geographical markets:

- serving the protection and investment needs of the growing middle class in Asia;
- providing asset accumulation and retirement income products to US baby boomers; and
- meeting the savings and retirement needs of an ageing British and continental European population.

We aim to generate attractive returns, enabling us to provide financial security to our customers, invest in growth opportunities and meet our customers' high expectations.

## Asia



### Prudential Corporation Asia

Prudential Corporation Asia has leading insurance and asset management operations across 14 markets and serves the families of the region's high potential economies. We have been operating in Asia for over 90 years and have built high-performing businesses with multi-channel distribution, a product portfolio centred on regular savings and protection, award-winning customer services and a widely recognised brand.

Eastspring Investments is a leading asset manager in Asia and provides investment solutions across a broad range of asset classes.

## Africa

We entered Africa in 2014 to offer products to new customers in one of the fastest-growing regions in the world. We aim to provide products that help our customers to live longer and healthier lives, and save to improve future choices for them and their families.

In March 2018, the Group announced its intention to demerge its UK and Europe businesses (M&G Prudential) from Prudential plc, resulting in two separately listed companies, with different investment characteristics and opportunities. We believe we will be better able to focus on meeting our customers' rapidly evolving needs and to deliver long-term value to investors as two separate businesses.

US



**Jackson**

Jackson provides retirement savings and income strategies aimed at the large number of people approaching retirement in the United States. Jackson's pursuit of excellence in product innovation and distinctive distribution capabilities has helped us forge a solid reputation for meeting the needs of customers. Jackson's variable annuities offer a distinct retirement solution designed to provide a variety of investment choices to help customers pursue their financial goals.

UK and Europe



**M&G Prudential**

M&G Prudential is a leading savings and investments business, ideally positioned to target growing customer demand for financial solutions in the UK and Europe. Our vision is a business built for the customer: simple, efficient, digitally enabled, capital light, fast-growing and above all focused on delivery. The combined business benefits from two strong complementary brands, a world-class investment capability, international distribution and a robust capital position.

£669bn  
total funds under management

+26m  
customers worldwide

# Creating shared value

Our trusted brands and strong distribution channels enable us to understand the growing needs of our customers for long-term savings and financial security, and to design innovative products that meet those needs. By helping to build better lives and stronger communities and to fuel the growth cycle, we create long-term value for both our customers and our shareholders.

## Understanding our markets >

### Asia

- Low life insurance and mutual fund penetration
- Significant health and protection gap
- Growing working age population
- Increasing consumer affluence

### US

- Retiring 'baby boomer' generation
- Large and growing retirement asset pools
- Growing demand for guaranteed income

### UK and Europe

- Ageing population
- Large and growing retirement asset pools
- Growing demand for savings and income

## Driving our business >

### Customers

Customers are at the heart of our strategy. We proactively listen to both new and existing customers to understand and respond to their changing needs. This allows us to propose financial solutions customised for different groups, whether that is young and middle-aged people or those in the retirement phase of life. We are expanding our digital infrastructure to enhance our customer experience.

### Products

We offer solutions for customers as they face the biggest financial challenges of their lives. We consistently develop our product portfolio, designing it around our customers' needs and providing them with peace of mind, whether that be in relation to saving for retirement or insuring against risks of illness, death or critical life events.

### Distribution

Distribution plays a key role in our ability to reach, attract and retain customers in different parts of the world. Building out and diversifying our distribution capabilities, including adding digital tools, helps ensure that we fully capitalise on the opportunities available to us in each of our markets.

### Investment for growth

We focus on strategic investment in long-term opportunities and capabilities to drive future growth and value for our stakeholders. We invest to improve relationships with our customers and distributors, to create innovative products, to improve our operating platforms and to capture new opportunities and build new relationships. We invest in digital capabilities to empower our distributors and improve customer service.

### Risk management

We generate value by selectively taking exposures to risks that are adequately rewarded and that can be appropriately quantified and managed. Balance sheet strength and proactive risk management enable us to make good our promises to our customers and create long-term value for our stakeholders.

Creating value...



Growth

£4,699m

**IFRS operating profit**

+6%<sup>1</sup> on 2016

£3,616m

**New business profit**

+12%<sup>1</sup> on 2016

Cash

£3,640m

**Free surplus generation**

-1%<sup>1</sup> on 2016

Capital

£13.3bn

**Solvency II surplus**

+6%<sup>2</sup> on 2016

1 Growth rates on a constant exchange rate basis.  
2 Growth rates on an actual exchange rate basis.

...for our stakeholders

We create financial benefits for our investors and deliver economic and social benefits for our customers, our employees and the societies in which we operate.



**Customers** Providing financial security and wealth creation.



**Investors** Growing dividends and share price performance enhance shareholder value.



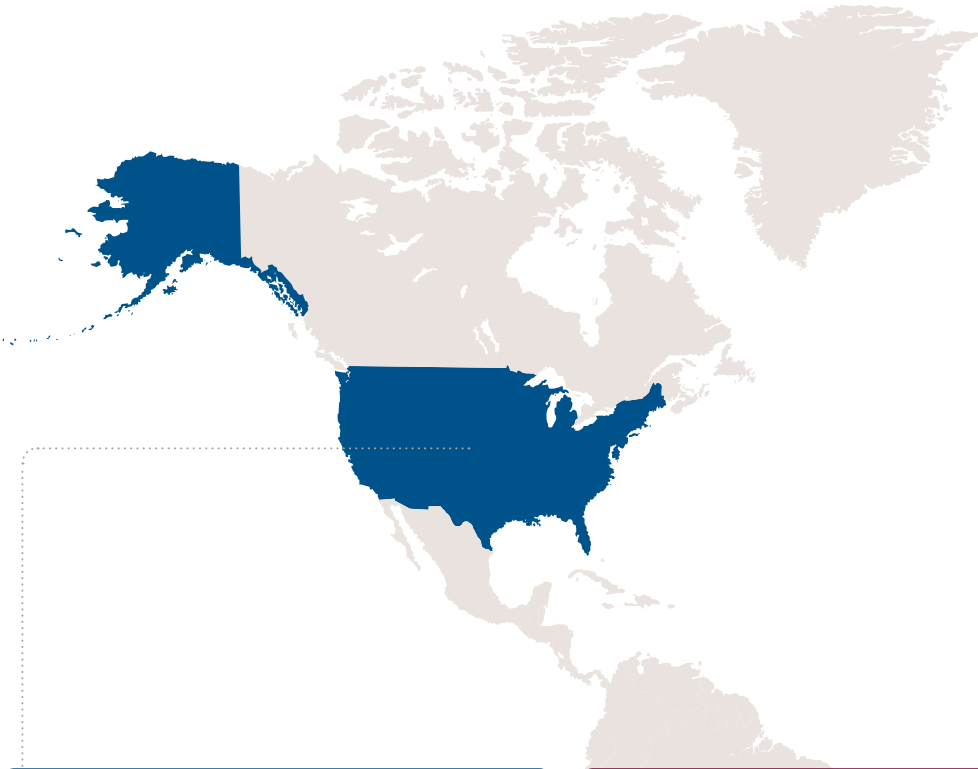
**Employees** Providing an environment with equal opportunities, career potential and rewards enabling us to attract and retain high-quality individuals to deliver our strategy.



**Communities** Supporting communities where we operate, through investment in business and infrastructure, tax revenues and community support activities.

# Our global distribution strength

Our trusted brands and strong distribution channels enable us to understand the diverse needs of our customers, and respond to those needs.



## Jackson

Strength and flexibility of our distribution network gives us a distinctive advantage

**Largest** VA wholesale distribution force in the US<sup>1</sup>

**Most productive** VA wholesale distribution force in the US<sup>1</sup>

**627** broker-dealers' selling agreements covering 226,545 (73%) of total US advisers<sup>2</sup>

**#1** selling variable annuity contract<sup>3</sup> in the independent channel since 2003

## Prudential Africa

Establishing network with market-leading initiatives

**+2,200** agents

**4** exclusive bank partners

Access to **+600** bank branches

**2** mobile bank partners

Approximately **700,000** customers



## M&G Prudential

Diversified distribution model  
underpinned by strong brand

**£351 billion** total assets under management<sup>4</sup>

Products registered in **24** jurisdictions around the world

**+7.2 million** customers

**+300** Prudential Financial Planning partners

## Prudential Corporation Asia

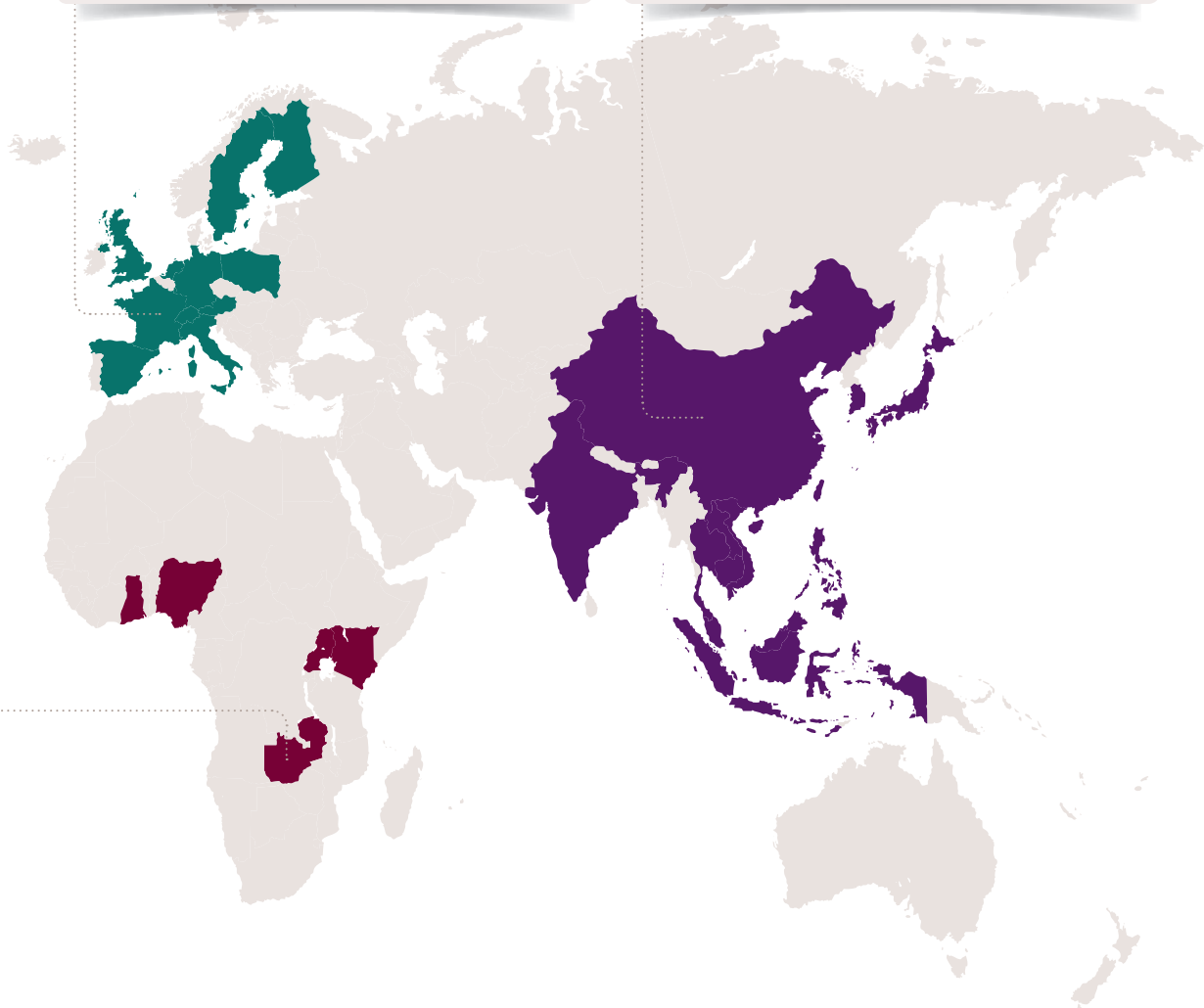
Pan-regional multi-channel network

**+600,000** agents

**Multiple** established bank partnerships

Active in **+10,000** bank branches

Eastspring Investments are present in **10** major Asian markets and distribution offices in US and Europe



### Notes

- 1 Independent research and Market Metrics, a Strategic Insight Business.
- 2 The Cerulli Report Adviser Metrics 2017 and Jackson research.
- 3 ©2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. Morningstar [www.AnnuityIntel.com](http://www.AnnuityIntel.com). Total Sales by Company & by Contract 3Q YTD 2017. Jackson ranks #1 out of 735 VA contracts with reported sales in the Independent Channel in 3Q YTD 2017.
- 4 Represents M&G Prudential asset management external funds under management and internal funds included on the M&G Prudential long-term insurance business balance sheet.

# Asia

There are compelling structural trends that underpin the long-term opportunities for savings and protection across the region, and Prudential is positioned for further growth in these markets.

## 2017 performance highlights

- Continued performance in key metrics: new business profit up 12 per cent<sup>1</sup>, IFRS operating profit up 15 per cent<sup>1</sup> and underlying free surplus generation up 19 per cent<sup>1</sup>
- 2017 financial objectives achieved
- Eastspring total funds under management of £138.9 billion up 18 per cent<sup>2</sup>
- Operating in 77 cities in China with APE sales up 43 per cent<sup>1</sup>
- Eastspring named 'Best Asset Management House' by Asia Asset Management's 2018 Awards

In Asia, the insurance and savings industries are still in their infancy, with average insurance penetration rates at just 2.4 per cent<sup>3</sup>, well below those seen in the UK. 65 per cent of personal wealth in Asia is held in cash or deposits, relative to 14 per cent in the US. There are significant growth opportunities in addressing these concerns, and some key structural trends that will increase the demand for savings and protection in future:

- The growing working population is predicted to increase by over one million per month – between 2015 and 2030 some 178 million people will reach working age;
- The region has significant economic growth potential, with GDP in Asia predicted to increase significantly. Private financial wealth is likely to increase by around US\$4 trillion per annum from 2016, reaching US\$78 trillion by 2021; and
- Mortality and morbidity protection gaps are expanding; as families' wealth increases so does the amount of money they need to sustain their lifestyles in the event of a life-changing event.

Prudential Corporation Asia has all the key attributes for continuing success, starting with a footprint of life insurance and asset management business spanning 14 countries and giving us access to 3.3 billion people. We also have unrivalled expertise in the region, having been in Malaysia since 1924, and pioneered industry developments in the region such as unit-linked products and bancassurance. Our sheer scale is a key competitive advantage with over 600,000 agents, access to more than 10,000 bank branches, 15 million life customers, 24 million life policies currently in force and £139 billion of assets under management.

## Distribution

Prudential Corporation Asia has one of the strongest distribution platforms in the region, with a mix of tied agents and bank partners that enables us to reach a broad range of customers. Our experience is that customers' preference for face-to-face advice and service from a trusted financial adviser is undiminished, and so tied agency and in-branch bank sales staff will remain our primary distribution channels. However, we are making significant investments to ensure we exceed our customers' expectations. For example, in Singapore our agents are now equipped with an electronic point of sale portal that uses the latest developments in biometric authentication, and produces a detailed quote within three minutes. In China, our mobile policy application process has reduced customer on-boarding time from five days to 30 minutes, and policies can be issued within seconds.

We believe bancassurance is an effective way to increase insurance penetration, and Prudential has an excellent track record in growing high-quality business through this channel. We have had a regional relationship with Standard Chartered Bank since 1998 and the ongoing effectiveness of this relationship is evidenced by a 12 per cent growth in APE last year. We have also had great success in securing and activating newer relationships, for example, Thanachart Bank in Thailand grew APE by 17 per cent last year following collaboration on a new regular premium product, and we have recently announced new agreements with Robinsons Bank in the Philippines, Siam Commercial Bank and Shinhan Bank in Indonesia and Vietnam.

## Products

Prudential has a full suite of products that are tailored to meet individual market requirements and customer needs. Our priority is to ensure that customers have



## Adding more to life: Helen, Prudential Hong Kong

'I've always considered good health to be very important to my life. It's great that Prudential offered me access to myDNA Pro, which has given me key insights into my genetic risk profiles.

The first step was to do a DNA test, which showed my body to be sensitive to carbohydrate and fat intake due to my genetic makeup. Based on these findings, the personal health coach I chose as part of the programme helped me set a weight loss goal and plan to maintain a healthier lifestyle, including changing my dietary habits and ensuring I incorporated more cardio workouts into my exercise regime. With these, I have been able to maintain a healthy weight and am now in an overall better shape.

I've been very impressed by the genetics-based recommendations and level of personal guidance provided by the programme. Huge thanks to my coach and Prudential for all the support and motivation.'

appropriate levels of protection, and then support them with their long-term savings objectives.

While we are already one of the leaders in the protection space, continued innovation is essential for our ongoing success. In Hong Kong, we recently launched a popular upgrade to our critical illness product, PRUhealth critical illness multi-care, which provides lifetime multi-claim, lump-sum cover for 113 disease conditions, including three claims for cancer up to a total of 300 per cent of the sum assured.

We are also successfully evolving our product ranges within markets. In Indonesia, we have introduced Hebat, a lower premium investment-linked product at one end of the spectrum for emerging customers, and an 'as charged' medical product at the other end for higher-net-worth customers. In Indonesia and Malaysia, we have been successfully developing Takaful products to provide for the specific needs of Muslim customers.

### Customers

Excellent customer service is a prerequisite for sustained success in the industry and we are continuously driving improvements. For example, in China, we have introduced WeChat e-claims that have reduced the processing time for a seven-day hospitalisation claim from around 18 days to two days; and in Indonesia, we have developed PRUcheers, an analytics-driven business engine that

performs a pre-assessment of claims so that low risk ones can now be turned around in minutes. The turnaround time for medical claims has been reduced by 15 per cent.

In addition to improved processes, customers are increasingly looking for value added services. In Hong Kong, myDNA, a service that provides customised diet and exercise advice supported by an app and based on an individual's genetic profile, is very popular and this has also been rolled out in Vietnam, Malaysia and Singapore. In Malaysia, we have partnered with BP Global for their Doctor2U app, which gives our customers preferential rates on services including online video medical consultations and the option to have a call-out 24/7. In Indonesia, we have the PRUmedical network covering 45 hospitals in 24 cities; our customers receive priority admission and discharge to reduce waiting times, and are also guaranteed rooms.

### Eastspring Investments

Eastspring is well placed for the anticipated growth in Asia's retail mutual fund market. It has one of the largest footprints in Asia, with operations in 10 major markets. Recent developments include a broadening and strengthening of our in house investment teams with some key hires; winning the Best Asset Management House award; new strategic partnerships with BlackRock, Sustainable Growth Advisers and Korea Advanced

Institute of Science and Technology; and enhancing our institutional coverage by adding consultants in Asia and the US. We have also recently received approval of our business licence as an investment management wholly-foreign-owned enterprise in China.

### Investing for growth

Given the compelling opportunities we see in the region, we will continue investing for growth, enhancing our core operations and expanding our distribution reach. We are already one of the leaders in the health space, but we will investigate opportunities to participate more broadly in this area. We will position Eastspring to play a greater role in managing Asia's rising wealth, and we will also expand our presence in China.

#### Notes

- 1 Growth rate on a constant exchange rate basis.
- 2 Growth rate on an actual exchange rate basis.
- 3 Source: Swiss Re Sigma 2015. Insurance penetration calculated as premiums as percentage of GDP. Asia penetration calculated on a weighted population basis.

# United States

Providing an ageing American population with financial strategies for stable retirements.

## 2017 performance highlights

- Cash remittance of £475 million
- Total IFRS operating profit of £2.2 billion – up 3 per cent<sup>1</sup>
- Variable annuity total net inflows of £4.7 billion
- Strong separate account asset growth – up 19 per cent<sup>1</sup> at US\$176.6 billion (£130.5 billion)
- Awarded 'Contact Center World Class FCR Certification' and 'Highest Customer Service for the Financial Industry' awards by The Service Quality Measurement Group, Inc. – the 11th consecutive year of recognition for customer service performance in both categories

The US is the world's largest retirement savings market, with approximately 40 million Americans reaching retirement age over the next decade alone. This transition will trigger the need for an unprecedented shift of trillions of dollars from savings accumulation to retirement income generation.

However, these Americans face challenges in planning for life after work. For many, a financially secure retirement is at risk, due to insufficient accumulation of savings and the current combination of low yields and market volatility. Employer-based pensions are disappearing and government plans are underfunded. Social security was never intended to be a primary retirement solution and today its long-term funding status is in question. Additionally, the life expectancy of an average retiree has significantly increased, lengthening the number of years for which retirement funding is needed.

To overcome these challenges, Americans need and demand retirement strategies that offer them the opportunity to grow and protect the value of their existing assets, as well as the ability to provide guaranteed income that will last throughout their extended lifetimes. Jackson continues to respond to this demand with product innovation and distribution strategies that meet the needs of a growing retirement population, while generating shareholder value.

### Customers and products

Through its distribution partners, Jackson provides products that offer Americans the retirement strategies they need. These products also offer tax deferral, which allows interest and earnings to grow tax-free until withdrawals are made.

Jackson has a proven track record in this market with its market-leading flagship product<sup>2</sup>, Perspective II. Jackson's success has been built on its quick-to-market product innovation, as demonstrated by the

development and launch of Elite Access, our investment-only variable annuity, in 2012. Further demonstrating Jackson's flexibility and manufacturing capabilities, Jackson has launched Perspective Advisory II and Elite Access Advisory to serve advisers and distributors with a preference for advisory products. In November, Jackson launched Private Wealth Shield (PWS), a variable annuity developed specifically for trusts and private banks. To support this new product, Jackson also announced the formation of its Private Wealth & Trust group, a specialised team focused on complex planning, investment management and tax mitigation strategies for high-net-worth and ultra-high net-worth clients.

### Distribution

Jackson distributes products in all 50 states of the US and in the District of Columbia. Operations in the state of New York are conducted through a New York subsidiary. Jackson markets its retail products primarily through advice-based distribution channels, including independent agents, independent broker-dealer firms, regional broker-dealers, wirehouses and banks. For variable annuity sales, Jackson is the leader in the independent broker-dealer, bank and wirehouse channels<sup>3</sup> and second in regional firms<sup>3</sup>.

Jackson's distribution strength also sets us apart from our competitors. Our wholesaling force is the largest<sup>4</sup> in the variable annuity industry, and is instrumental in supporting the independent advisers who help the growing pool of American retirees develop effective retirement strategies. Our wholesalers provide extensive training to thousands of advisers about the range of our products and the investment strategies that are available to support their clients. Based on the latest available data, Jackson is the most productive variable annuity wholesale distribution force in the US<sup>4</sup>.



## Adding more to life: Saundra, Jackson

'My retirement story is about how I want to spend the winter of my life. It's about having fun, enjoying my family, travelling and having the freedom to do the things I want to do, like spending time with my grandson.

My relationship with my financial adviser is a wonderful one. He is like a family member and confidant; easy to work with and establish goals.

I'm very pleased I chose a Jackson annuity. It gives me the confidence I need for my retirement. And to just live my life the way I want to live my life.'

In August 2017, National Planning Holdings, an affiliate of Jackson, announced the sale of the business of the four firms in its independent broker-dealer network to LPL Financial LLC. Jackson has determined its overall strategy did not include being a consolidator in the retail independent broker-dealer space. Rather, our primary strategy is to focus on expanding Jackson's success as the leading manufacturer of retirement income products in the country.

### Regulatory landscape

The industry has continued to manage through an ever-changing regulatory landscape. As a result of the US Department of Labor (DoL) regulatory initiative and the uncertainties regarding the application and implementation of its Fiduciary Duty Rule (Rules), the annuity industry saw continued pressure on sales in 2017. Sales in the variable annuity industry as of the third quarter of 2017 at US\$70.9 billion<sup>2</sup> were down 11 per cent compared with the same period last year. Even with competitors recently offering fixed index annuities with benefits that resemble those of variable annuities, sales of fixed index annuities along with fixed annuity products were lower as of the third quarter of 2017 at 9 per cent and 13 per cent respectively, compared with the same period last year. Total annuity industry sales were down approximately 11 per cent<sup>3</sup> as of the third quarter of 2017.

Regardless of the outcome of the Rules, the regulatory disruption has challenged the industry to review the ways in which investment advice is provided to American investors. Manufacturers will need to have the ability to provide product and system adaptations in order

to support the success of various distribution partners in their delivery of retirement strategies. Because of its strong distribution, leadership in the annuities market, best-in-class service and low-cost efficient operation, Jackson is extremely well positioned to take advantage of this opportunity.

### Investment for growth

With trillions of dollars of adviser-distributed assets across distribution platforms that have not historically been a focus, such as the dually registered investment adviser channel, there is significant opportunity to reach even more American retirees and serve their needs with annuity products going forward. The industry will need to remain flexible and cost-effective in making changes to products, systems and processes. We continue to ensure that we understand and make the necessary adjustments to support the needs and demands of American retirees into the future.

Jackson has implemented changes necessary to meet the requirements of the sections of the fiduciary rules which are effective. Jackson has made, and continues to consider, changes to its product offerings, entered into new selling agreements with advisory providers, and is working with its distributors to support implementation of the Best Interest Contract Exemption or product changes to the extent those become necessary before July 2019.

Jackson's competitive strengths are even more critical during periods of disruption. Our best-in-class distribution team, our agility and success in launching well

designed products, the continued success through many economic cycles of our risk management and hedging programmes and our effective technology platforms and award-winning customer service will provide Americans with the retirement strategies they so desperately need, and will enable us to be positioned to capture additional growth during times of transition and into the future.

### Notes

- 1 Growth rate on a constant exchange rate basis.
- 2 ©2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. Morningstar www.AnnuityIntel.com. Total Sales by Contract 3Q YTD 2017. Jackson's Perspective II for base states ranks #1 and Elite Access for base states ranks #8 for Total VA Sales out of 991 VA contracts with reported sales to Morningstar's quarterly sales survey as of 3Q YTD 2017.
- 3 ©2018 Morningstar Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. Morningstar www.AnnuityIntel.com. Total sales by company and channel 3Q YTD 2017. Jackson ranks #1 out of 25 companies in the Independent NASD channel, #1 out of 19 companies in the Bank channel, #1 out of 14 companies in the Wirehouse channel, and #2 out of 19 companies in the Regional Firms channel.
- 4 Independent research and Market Metrics, a Strategic Insight Business.
- 5 LIMRA/Secure Retirement Institute, US Individual Annuity Participants Report 3Q YTD 2017.

# United Kingdom and Europe

Creating a simple, modern savings and investments business.

## 2017 performance highlights

- Announcement of merger of M&G and Prudential's UK and European business
- Start of major investment programme to improve customer service, accelerate product development and widen customer choice
- Total M&G Prudential assets under management<sup>1</sup> of £351 billion, up 13 per cent
- Net investment inflows to mutual funds and institutional investment strategies of £17.3 billion
- PruFund range reaches £36 billion in customer assets under management, up 46 per cent
- 45 per cent growth in funds under advice from our in-house direct advice service, Prudential Financial Planning, to £5.5 billion

In August 2017, we combined M&G, our international investment management business, with Prudential's UK and European life insurance business to form M&G Prudential. We also announced a major investment programme in the new combined business's infrastructure to improve customer service, accelerate product development and widen customer choice.

M&G Prudential serves two of the world's largest savings and investments markets with asset pools in the UK and Europe of £7 trillion and €14 trillion respectively. Across the region, people increasingly need help to meet their long-term financing goals as responsibility for retirement savings passes from state and employer to the individual. They want easy access to savings and investment solutions, as well as guidance and advice from trusted providers. In addition, persistently low rates of return on bank cash deposits are fuelling demand for investment solutions, whether people are saving for retirement, building a lump sum or protecting their wealth from inflation.

Managing £351 billion of assets<sup>1</sup> for over seven million customers in the UK and internationally, M&G Prudential has investment expertise, scale and financial strength and two well-respected brands. With the substantial investment we will be making over the next five years in transforming the business's operations, including building our digital distribution capability, M&G Prudential is well placed to meet the growing and evolving saving and investment needs of customers across intermediated, institutional and retail direct channels.

### Customers

Serving the long-term interests of our customers is key to the long-term performance of our business. We offer a range of investment and saving propositions to different customer groups:

- In the UK, we manage the savings of direct and intermediated customers through a range of mutual funds. We are also a leading provider of savings and retirement solutions to direct and advised UK customers, with a 19 per cent market share in life and pensions retail investments as at end September 2017. We also have a large book of UK customers who own traditional insurance-based savings products.
- In continental Europe, where we have a leading position in cross-border fund distribution with £44 billion<sup>2</sup> in assets under management, customers in 17 countries are able to access our investment strategies.
- We manage the pension and other long-term savings of millions of people through our relationships with 794 institutional clients, including 70 per cent of the UK's 50 largest pension schemes.

We see significant opportunities for continued revenue growth, including from the synergies available from the combination of our investment management and savings and retirement solutions businesses. We also see an opportunity to offer customers in our existing book of traditional savings products a new set of propositions as their needs evolve.

The expertise of the business in delivering investment outcomes for all of our customers is demonstrated by the scale of our operations. In total, M&G Prudential fund managers invest over £187 billion of assets on behalf of Prudential policyholders, in addition to the £164 billion of assets for customers invested in M&G mutual funds and institutional strategies. This combined investment footprint bolsters our investment solution capabilities, allowing us to build the business



## Adding more to life: Maureen, M&G Prudential

'I was in my early 20s when I started investing with M&G through a monthly savings plan. I found the idea of investing with other people in different companies fascinating. I still do, in fact. I wasn't saving up for anything specific, but I wanted to put my money to work for the future – either for a big purchase, like a home, or just for more financial security.

At the end of the day, money can give you choices. You never know what opportunities or challenges might be around the corner. And not just for yourself – it's great to be able to help your family.

Having grown over the years, my investments with M&G have given me more options in life. Decades on from the first £10 I put into one of their funds, I really value still being an investor.'

around our customers and use our experience and insights to meet their needs.

### Our products

Our aim is to provide our customers with savings and investment solutions which meet their long-term financial needs and goals, in the structure which best suits them. Behind these solutions is a powerful investment engine: a highly skilled team of over 120 fund managers who put our customers' money to work by sourcing investment opportunities globally across a wide spectrum of asset classes, including equities, bonds, credit, real estate and cash across both private and public markets.

Of the total of £351 billion in assets under management<sup>1</sup> across our entire product range, approximately 60 per cent is now invested in multi-asset solutions and strategies, including the market-leading £36 billion PruFund range and the strongly performing £12 billion Episode Allocation range. Our expertise in asset allocation is a key part of our investment capability and has again driven substantial inflows over the last year, as customers across the UK and Europe have continued to seek the diversification and flexibility of a multi-asset solution.

Other products include a range of unit-linked and collective investments, and within our corporate pension portfolio we continue to facilitate a range of auto-enrolment services.

For our savings and retirement customers we offer the PruFund range, which invests in our with-profits fund, the largest in the UK. The with-profits fund aims to smooth

some of the extreme ups and downs of short-term investment performance to provide a more stable return. It has performed well over the past five years: for example, customers in the PruFund Growth Fund have seen growth of 36 per cent since the start of 2013 against benchmark growth of 30 per cent.

For direct investors in the UK and intermediated customers in the UK and internationally, we offer a range of 75 open-ended funds. The range offers a broad choice of asset types, geographies and investment strategies to help achieve a diversified portfolio. Our funds generally aim to deliver a rising income stream, long-term capital growth or a mixture of both, and the vast majority are available in ISA or JISA wrappers to UK direct customers. Almost all of our funds are managed actively for the long term.

For our own life funds as well as for our third-party institutional clients, we continue to deliver innovative and competitive investment strategies. We are leading investors in 'alternative' assets such as commercial real estate debt, infrastructure debt and equity, and direct lending. These private assets are increasingly attractive options for investors looking for a yield to match their long-term pension liabilities, and also provide a valuable source of competitively-priced funding for new housing and infrastructure projects.

Reflecting growing demand from institutional clients for investments which make a positive societal and environmental impact, in 2017 we seeded our first Impact Financing Fund with investment from the Prudential life

business and two third-party investors. The fund is already financing projects including a regeneration scheme, green energy and social housing construction.

### Investment for growth

Over the next five years, we will be investing circa £250 million of shareholders' funds in our business, including a new digital infrastructure which will improve customer service, accelerate product development and increase customer choice. Strategic partnerships, such as the recently announced Tata Consultancy Services partnership to enhance service for our UK savings and retirement customers, are an important part of these plans to improve customer outcomes. With a simpler, more efficient, digitally enabled business, we will respond quicker and better to our customers' needs, offer better value and compete at scale in our markets even more effectively.

#### Notes

- 1 Represents M&G Prudential asset management external funds under management and internal funds included on the M&G Prudential long-term insurance business balance sheet.
- 2 Europe includes AUM in Asia and South Africa.

In March 2018, the Group announced its intention to demerge its UK and Europe businesses (M&G Prudential) from Prudential plc, resulting in two separately listed companies, with different investment characteristics and opportunities. Looking forward, we believe we will be better able to focus on meeting our customers' rapidly evolving needs and to deliver long-term value to investors as two separate businesses.

# Africa

Bringing the benefits of our products to customers across the region.

## 2017 highlights

- Around 700,000 customers
- +2,200 agents
- 4 exclusive bank partners
- Access to +600 bank branches

### Understanding our markets

Sub-Saharan Africa is one of the fastest-growing regions in the world, and as economies develop, people are able to start planning for financial stability.<sup>1</sup> Life insurance helps to make households financially secure, and complements public welfare provision. It also creates high and low-skill employment, including eight low-skilled jobs for every one high-skilled job through agency distribution, and generates knowledge transfer to national employees and regulators.<sup>1</sup>

Prudential has ambitious plans to draw on our experience around the world to build a market-leading insurer serving the growing long-term savings needs of customers in a range of African jurisdictions, creating thousands of high-quality jobs along the way, both for employees and self-employed agents. In 2014, we launched our first African businesses in Ghana and Kenya. In 2015, we launched in Uganda, and in 2016, we opened our fourth African business in Zambia.

We took another step forward in 2017 when we entered Nigeria, Africa's largest economy with a population of over 180 million. We acquired a majority stake in Zenith Life of Nigeria and formed exclusive bancassurance partnerships with Zenith Bank in Nigeria and Ghana. This further demonstrates our commitment to Africa, and our determination to bring the benefits of our products to customers across the region.

### Products

Products currently include educational, farewell, hospital cash plans and term life insurance policies that are primarily sold face-to-face by our agents.

Three new products targeted varying customer needs across our Africa businesses in 2017:

- Prudential Uganda launched Pru Dollar, an Education Savings Plan with premiums and all benefits in US dollars. It allows customers to save for their children's education in a stable currency.
- We rolled out a 'never lapse' feature in Ghana, to address one of the main concerns our customers have – that unforeseen circumstances might lead them to miss premium payments and result in them losing their benefits. This new feature ensures that, beyond the first policy year, the policy will never lapse or become inactive. The feature is due to be rolled out in Kenya, Uganda and Zambia in 2018.
- Prudential Ghana launched Ultimate Farewell Plans, which provide funeral benefits for the whole family and incorporate the 'never lapse' feature.
- Prudential Kenya launched a combination savings and protection product through Platinum Plus Brokers, which distributes the product on a group basis and Gen Africa, which is responsible for fund management.

### Distribution

Prudential Africa now has more than 2,200 agents, and is working with bank partners bringing access to over 600 branches. Our alliances include a recently renewed 15-year bancassurance partnership with Standard Chartered Bank, which includes an agreement to work closely in Africa to deliver best-in-class service to local customers; and long-term exclusive partnerships with Société Générale, Fidelity Bank and CAL Bank in Ghana. Our most recent partner is Zenith Bank, the largest bank in Nigeria, with a network of more than 350 branches, serving over 1.6 million customers.

#### Note

<sup>1</sup> 'Life Insurance Markets in Sub-Saharan Africa: capturing the benefits for economic development' – research by the Overseas Development Institute (ODI), supported by Prudential.



# Building stronger communities

We build stronger communities by delivering products that enable our customers to move ahead in their lives with confidence, and by investing in the real economy to drive the cycle of growth.

## 2017 highlights

- £25 million total community investment
- £500,000 raised through Prudential RideLondon from charity partners and employees
- 96,493 hours volunteered by employees across the Prudential Group
- £412,375 donated by employees through payroll giving across the Group

### Supporting local communities

Our investments in communities are designed to support the communities in which we operate and deepen engagement with colleagues. As such, our community investment programme is linked to our strategy and is focused around four principal areas: social inclusion, education and life skills, disaster preparedness and employee engagement.

We establish long-term relationships with our charity partners to ensure that the projects we support are sustainable, and we work closely with them to ensure that our programmes continuously improve. In addition, we believe it is important to make a contribution to delivering the United Nations' Sustainable Development Goals, and we are supportive of those priorities.

### Cha-Ching – the first global financial education programme

Developed by Prudential, Cha-Ching is the world's only global financial education platform aimed at primary school-aged children. Now in its seventh year, the programme has expanded from its origins in Asia to each of the four continents where the Group does business. In all of the markets where it has been launched it has been very well received, with positive feedback from parents, teachers, children and political stakeholders.

In Asia, the programme reaches households through a multi-distribution platform including Cartoon Network, and through a school contact programme that has reached more than 300,000 children since inception. The standardised Cha-Ching curriculum developed in partnership with Junior Achievement has been well received and rolled out to more than 90,000 students in Indonesia, the Philippines and Malaysia. In 2017, Cha-Ching increased its presence on digital platforms, including

a new smartphone app called the 'Cha-Ching Challenge'.

In the US, the Jackson Charitable Foundation has integrated Cha-Ching videos and lessons into Junior Achievement's third-grade classroom programme, which is funded by the Foundation for six years and is expected to reach approximately 2.7 million students over that time, in 15,000 classrooms annually. The Foundation also partners with Discovery Education to provide free Cha-Ching classroom activities and teacher guides, which will reach more than one million students across the country.

In the UK, working with Young Enterprise, we have developed an online Cha-Ching educational resource for primary school students in England and Wales. The Quality Mark teaching resource is linked to the Personal Finance Education Group's Financial Education Framework and has guidance for teachers on how most effectively to integrate activities into their teaching, as well as activities for its home-learning. Since its launch in late 2016, the resource has been downloaded over 20,000 times in more than 650 schools across the UK.

The online educational resource has also been used to support the roll-out of the Cha-Ching programme across our African markets as part of a financial literacy campaign delivered jointly by Junior Achievement Africa and Prudential Africa employees; and Cha-Ching was launched in Poland in 2015, with 10 films airing on children's TV channels, and a website for children and teachers to use in Polish schools.

### Commitment to social inclusion in the UK through Prudential RideLondon

In the past five years Prudential RideLondon has raised over £50 million for charity and become one of the UK's

largest fundraising events. In 2017, more than 846 charities benefited from riders' fundraising, up from 740 in 2016. Prudential has sponsored the event since its inception in 2013 and, as part of our renewal of the sponsorship in 2016, we refocused support to concentrate on charity and community engagement. The PruGoals programme helps young people to achieve their goals regardless of social or economic background by providing aspirational challenges culminating in taking on the Prudential RideLondon-Surrey 46 mile ride. In 2017, this programme supported 300 disadvantaged young people to take part in the ride. In 2017, Prudential also supported the 'Fixing Challenge', which followed four people hoping to improve their type-2 diabetes, weight issues or weight-related health concerns through taking on the challenge of the Prudential RideLondon-Surrey 100 mile ride and having their journey filmed as part of a new documentary.

## **Successful volunteering programme – Chairman's Challenge**

Chairman's Challenge is our flagship international volunteering programme, bringing together people from across the Group to help in their communities. Colleagues from across the Group give their time and skills to support our global charity partners, including Plan International, HelpAge International and Junior Achievement. The programme continues to appeal to colleagues, with the number of volunteers signing up increasing year-on-year. From its launch in 2006, volunteer numbers have increased by 227 per cent. In 2017, 8,500 colleagues around the world took part, volunteering over 35,000 hours to support 30 projects.

## **Disaster readiness and relief**

As a life insurance and asset management company, our core business is to help protect and reduce the vulnerability of individuals and their families in the face of unfortunate events. Asia Pacific is the world's most disaster-prone region so the Prudence Foundation is working with humanitarian and private sector organisations and governments to help

communities better prepare for disasters and also, when required, provide immediate emergency response and longer-term recovery support.

Prudence Foundation launched its third Safe Steps programme in September 2017. Safe Steps First Aid is in partnership with the International Federation of Red Cross and Red Crescent Societies (IFRC) and National Geographic. It builds on the success of its previous two Safe Steps programmes, which focus on natural disasters and road safety. Safe Steps First Aid provides essential, easy-to-understand first aid information to millions of people throughout Asia.

Prudence Foundation also supports the Safe Schools programme, partnering with Plan International and Save the Children in Cambodia, Indonesia, the Philippines, Thailand and Vietnam. The programme places schools at the heart of building a culture of disaster preparedness within communities. The programme trains students and teachers in key disaster management skills and supports the organisation of disaster simulations and evacuation drills for students and their communities. Since 2013, more than 82,000 students and 33,000 teachers have participated.

Prudential has been a Group-level supporter of Save the Children since 2010 and is one of the Children's Emergency Fund's major supporters. This allows us to act swiftly when disasters occur in any of our markets and provides an instant, effective fundraising mechanism for employees. In 2017, the emergency fund was used 81 times and reached over a million people in 40 countries. This included help for casualties of heavy monsoon rains in India, Bangladesh and Nepal; a mudslide in Sierra Leone; an earthquake in Mexico and hurricanes in the US.

## **Valuing our people**

We strive to foster an environment in which employees can derive meaning and empowerment from their work and feel that they are making an active contribution to the organisation. In addition to the core principle of providing

interesting work and challenging opportunities to engage our people we drive employee engagement through an array of initiatives across our businesses. The success of our engagement efforts has been recognised externally – for example, in 2017 M&G Investments was ranked number one Asset Manager in both the HITC Best Places to Work and the RateMyPlacement Top 100 employers surveys.

Prudential believes that diversity of experience and background is vital to success, and the Board has made D&I one of the strategic objectives for the Company. Our policies and plans support an inclusive culture sensitive to the needs of all employees. We protect our employees against discrimination and provide opportunities for our people regardless of their age, caring responsibilities, disability status, ethnicity, gender, religion, sexual orientation or professional and educational background. We make appropriate disability adjustments as required and provide training and career development opportunities for all. We give full and fair consideration and encouragement to all applicants with suitable aptitude and abilities.

We aspire that over time our senior management, including our Board, better represents the experiences and backgrounds of our customers and stakeholders. We recognise that diversity contributes to effectiveness and is essential for successfully delivering the strategy of an international Group.

We are committed to developing a robust and diverse talent pipeline and increasing representation of women in senior positions in the Group and on the Board. We were among the first cohort of companies to sign the HM Treasury Women in Finance Charter in 2016, and will continue to focus effort toward having 27 per cent women in senior management by the end of 2019.

We are committed to supporting women who aim to return to work after an extended career break. As an example of this commitment, in 2017



## Adding more to life: Prudential Scholarship programme, Zambia

Prudential's scholarship programme in Zambia is run in partnership with the international charity, Camfed, and was endorsed by the Ministry of Education. The programme focuses on educating young girls and people with disabilities in rural Zambia.

Sara is the sixth born in a family of eight children. Having completed primary school and achieved impressive results in her primary leaving examination, she was awarded a place at secondary school, but her parents did not have the money to pay the fees and it looked as if she would have to turn down her place. Fortunately, Sara was awarded a scholarship.

Prudential's support is enabling Sara to take her final school leaving examination, giving her the potential to go on and pursue her dream of becoming a medical professional. She says: 'I encourage Camfed donors to continue supporting other vulnerable children in the same way they have done for me. When I complete my Grade 12, I wish to work in the health sector as a medical personnel by studying for Medicine at the University of Zambia, if possible becoming a surgeon.'

Eastspring Malaysia launched the 'Career Comeback for Women' programme, and in the US, Jackson sponsored a 10-stop national speaking tour focusing on women's empowerment.

### Performance and reward

Our reward arrangements are designed to attract, motivate and retain high-calibre people. Each individual contributes to the success of the Group and is rewarded accordingly. We recognise and reward high performance and are committed to a fair and transparent system of reward. Remuneration is linked to the delivery of business goals and expected behaviours and we ensure that rewards for our people are consistent with our values and do not incentivise inappropriate risk-taking. To enable this, employees are not only regularly assessed on 'what' they have achieved, but also on 'how' they have done so.

There are recognition initiatives running across our businesses, and we also believe in the importance of giving employees the opportunity to benefit from the Group's success through share ownership, operating share plans for employees in the UK and Asia. Of all eligible employees, 59 per cent participate in the Group's UK Sharesave and 25 per cent in the share incentive plans.

### Investing for positive change

As an asset manager and asset owner, we have the ability to affect positive change, indirectly through the direction of our capital and our customers' capital. We allocate our customers' capital into projects that fuel economic growth and improve the quality of people's lives, including through investments in affordable homes, transport programmes that cut commuting times, broadband networks that connect people and power stations that use clean energy. These investments translate into strong, reliable returns for our customers and tangible benefits for the communities we serve. The long-term nature of the promises we make to our customers and clients makes long-term investments in infrastructure an ideal way of ensuring we can afford to meet those promises in full.

In 2017, Eastspring Investments announced a significant step forward in our infrastructure investment capabilities. IFC, part of the World Bank, chose Eastspring as its first Asian partner in a programme that mobilises funds from institutional investors into projects in emerging markets. This US\$500 million partnership will help us scale up our skills in the region. Worldwide, 1.2 billion people still have no access to electricity and 660 million lack a clean source of drinking water. This programme will help

at least some of those people get these basic amenities, while at the same time helping our customers meet their own vital savings needs.

Our investment teams in Asia, Europe and the US are all working hard to invest with a positive purpose. In developed economies, traffic congestion, electricity 'brown-outs' and rural broadband black spots can constrain economic growth and make daily life frustrating. M&G Prudential's new Greenfield Fund will enable our clients to participate in infrastructure projects at an earlier stage than was previously possible, which will translate into stronger returns and more essential projects receiving the funding they need. The UK government in 2017 recognised our skills in this area by appointing M&G Prudential to manage a portion of its £400 million Digital Infrastructure Investment Fund, aimed at kick-starting better broadband connections across the country.

PPMA, our US asset manager, is helping states such as California and Texas meet their ambitious green energy targets and reduce the risk of future power shortfalls, with investments in wind and solar generation. We have also made a recent investment in new storage batteries, which enable consistent power delivery from renewable sources.



## Adding more to life: Jackson, a star performer

In 2017, Jackson was awarded a U.S. Environmental Protection Agency (EPA) Energy Star for a second building on our Lansing campus, demonstrating superior energy efficiency. Commercial buildings that earn EPA's Energy Star certification use an average of 35 per cent less energy than typical buildings. Our new building, 8 Corporate Way, received an Energy Star score of 93 placing it in the top 10 per cent of all similar facilities nationwide.

To earn the Energy Star certification, Jackson created a five-year energy plan that included the installation of new mechanical and electrical building controls to enhance monitoring and control of all systems, improving comfort and efficiency along with advanced lighting controls with occupancy sensors and daylight harvesting to maximise the use of natural light.

Jackson received honourable mention for best commercial project in Michigan State at the 2017 Governor's Energy Excellence Awards. As one of the largest companies in the Greater Lansing area, Jackson's commitment to energy efficiency and environmental conservation sets a positive example for other local companies and organisations and helps bring awareness to this important topic.

## Protecting the environment and managing the risks from climate change

We take a long-term and holistic approach to managing the risks and opportunities posed by climate change and our impact on the environment, and strive to play our part in reducing both our direct and indirect impacts where possible. Our long-term approach includes investing in the low-carbon economy, measuring and improving the environmental performance of our global operations and reducing the impact of our investments on the environment.

In 2017, M&G Prudential joined Climate Action 100+, an initiative bringing together more than 250 global institutional investors to engage with the world's largest corporate greenhouse gas emitters to improve climate-related financial disclosure and curb emissions; and M&G Prudential launched the ESG Global High Yield Bond Fund, which fully integrates ESG factors into its investment process. In February 2018, Eastspring became the third Prudential signatory to the United Nations Principles for Responsible Investment, joining PPMSA and M&G.

As an occupier of approximately 400 properties worldwide, we recognise the

importance of our own internal environmental targets and decarbonisation goals in reducing our direct footprint. In 2017, we decreased our absolute greenhouse gas (GHG) emissions (scope 1 and 2) from our occupied estate and company-owned vehicles by 5 per cent to 70,723 tCO<sub>2</sub>e (2016: 74,315 tCO<sub>2</sub>e). This was driven by consolidation of our property portfolio and continued investment in energy efficiency initiatives through our mechanical and electrical life cycle replacement programmes to ensure that we occupy efficient buildings. 14 per cent of our global electricity consumption is now renewably sourced.

We improved our CDP Climate Change disclosure and were awarded a 'Leadership' ranking of A- (2016: B). We also improved our score in ClimateWise, the insurance sector climate initiative managed by the Cambridge Institute for Sustainability Leadership, achieving 71 per cent (2016: 60 per cent).

In the UK, we successfully transitioned our environmental management system to ISO 14001:2015 and renewed our focus on waste and recycling by collecting our waste coffee grounds for energy recovery by conversion into biofuel. We are also rolling out advanced energy analytics

software across our largest UK properties following a successful trial. In the US, we continue to demonstrate superior energy efficiency with an Energy Star score of 93 for our new corporate office in Lansing, placing it in the top 10 per cent of all similar facilities nationwide. In Asia, we have developed an environmental management framework to review current site performance and identify opportunities for energy and water efficiency improvements for our most significant buildings.

M&G Real Estate, part of M&G Prudential, continues to decarbonise its property estate through continued LED lighting roll-out and its first UK solar photovoltaic installation, covering an area of 3,800 m<sup>2</sup>. It is anticipated the system will generate enough electricity annually to power the equivalent of 68 average UK households, and save 165 tonnes of carbon dioxide.

More detailed information about our corporate responsibility activities and progress in 2017 is available online at [www.prudential.co.uk/responsibility](http://www.prudential.co.uk/responsibility)

# Providing financial security since 1848

Successive generations have looked to Prudential to safeguard their financial security - from industrial workers and their families in Victorian Britain to over 26 million customers worldwide today. Our financial strength, heritage, prudence and focus on our customers' long-term needs ensure that people continue to turn to our trusted brands to help them plan for today and tomorrow.

**1848**  
Prudential is established as Prudential Mutual Assurance, Investment and Loan Association in Hattton Garden, London, offering loans and life assurance to professional people.

**1854**  
Prudential opens the Industrial Department to sell a new type of insurance, Industrial Insurance, to the working classes, for premiums of a penny and upwards.

**1871**  
The Company becomes one of the first in the City to employ women. Calculating machines are also introduced, bringing efficiencies to the processing of an increasing volume of business.

**1879**  
Prudential moves into Holborn Bars, a purpose-built office complex designed by Alfred Waterhouse. The building becomes a London landmark, and remains part of Prudential's property portfolio to this day.

**1912**  
Following the National Insurance Act, Prudential works with the government to run Approved Societies, providing sickness and unemployment benefits to five million people.

**1923**  
Prudential's first overseas life branch is established in India, with the first policy being sold to a tea planter in Assam.

**1924**  
Prudential shares are floated on the London Stock Exchange.

**1949**  
The 'Man from the Pru' advertising campaign is launched.

**1986**  
Prudential acquires Jackson National Life Insurance in the United States.

**1994**  
Prudential Corporation Asia is formed in Hong Kong as a regional head office to expand operations beyond an existing presence in Malaysia, Singapore and Hong Kong.

**1999**  
Prudential acquires M&G, pioneer of unit trusts in the UK and a leading provider of investment products.

**2000**  
Prudential plc is listed on the New York Stock Exchange. Prudential becomes the first UK life insurer to enter the Mainland China market through its joint venture with CITIC Group.

**2010**  
Prudential plc is listed on stock exchanges in Hong Kong and Singapore.

**2014**  
Prudential acquires businesses in Ghana and Kenya, marking its entry into the fast-growing African life insurance industry.

**2017**  
M&G and Prudential UK & Europe combine to form M&G Prudential, a leading savings and investments business ideally positioned to target growing customer demand for comprehensive financial solutions.

**2018**  
Prudential plc announces its intention to demerge its UK and Europe business, M&G Prudential, resulting in two separately listed companies, with different investment characteristics and opportunities.

## Adding more to life: The founding of Prudential

The Prudential Mutual Assurance, Investment and Loan Association was formed on 30 May 1848, in a room at 12 Hattton Garden, London (the premises of Hanslip and Manning solicitors).

The Company's leather-bound Deed of Settlement lists the first shareholders and directors, and outlines the Company's purpose – to offer life assurance and loans to the middle classes. Shareholders including lawyers, doctors, a wine merchant and a number of 'gentlemen' accounted for the first 1,530 shares in the Company.

Prudential's first policies were issued in 1849. The Company's first annual report, published in 1850, stated that:

'the Directors are pleased to think that they might infix habits of Prudence among many individuals', focusing on customers such as 'the clergyman who requires advances for the erection of his parsonage and the officer who seeks the price of his commission'.



[www.prudentialhistory.co.uk](http://www.prudentialhistory.co.uk)

## How to contact us

### **Prudential plc**

Laurence Pountney Hill  
London EC4R 0HH  
Tel +44 (0)20 7220 7588  
[www.prudential.co.uk](http://www.prudential.co.uk)

### **Media enquiries**

Tel +44 (0)20 7548 2776  
[www.prudential.co.uk/contacts/  
media-enquiries](http://www.prudential.co.uk/contacts/media-enquiries)

### **Prudential Corporation Asia**

13th Floor  
One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong  
Tel +852 2918 6300  
[www.prudentialcorporation-asia.com](http://www.prudentialcorporation-asia.com)

### **Jackson National Life Insurance Company**

1 Corporate Way  
Lansing  
Michigan 48951  
USA  
Tel +1 517 381 5500  
[www.jackson.com](http://www.jackson.com)

### **M&G Prudential**

Laurence Pountney Hill  
London EC4R 0HH  
[www.pru.co.uk](http://www.pru.co.uk)  
Tel +44 (0)800 000 000  
[www.mandg.co.uk](http://www.mandg.co.uk)  
Tel +44 (0)800 328 3192

### 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, the timing, costs and successful implementation of the demerger described herein; the future trading value of the shares of Prudential plc and the trading value and liquidity of the to-be-listed M&G Prudential business following such demerger; future market conditions, including fluctuations in interest rates and exchange rates, 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; the political, legal and economic effects of the UK's decision to leave the

European Union; the impact of continuing designation as a Global Systemically Important Insurer or 'G-SII'; the impact of competition, economic uncertainty, inflation and deflation; the effect on Prudential's business and results from, in particular, mortality and morbidity trends, lapse rates and policy renewal rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; the impact of internal projects and other strategic actions failing to meet their objectives; disruption to the availability, confidentiality or integrity of Prudential'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 Prudential and its affiliates operate; 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. 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 the annual report and the 'Risk factors' heading of Prudential's most recent annual report on Form 20-F filed with the US Securities and Exchange Commission. Prudential's most recent annual report and Form 20-F are available on its website at [www.prudential.co.uk](http://www.prudential.co.uk)

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.

All content correct at 31 December 2017.  
For full information on our performance,  
see the Prudential plc Annual Report 2017 at:  
[www.prudential.co.uk/investors/reports/reports/2017](http://www.prudential.co.uk/investors/reports/reports/2017)

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](http://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.

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.

All material used in this leaflet 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 FleishmanHillard Fishburn  
Printed in the UK by CPI Colour

