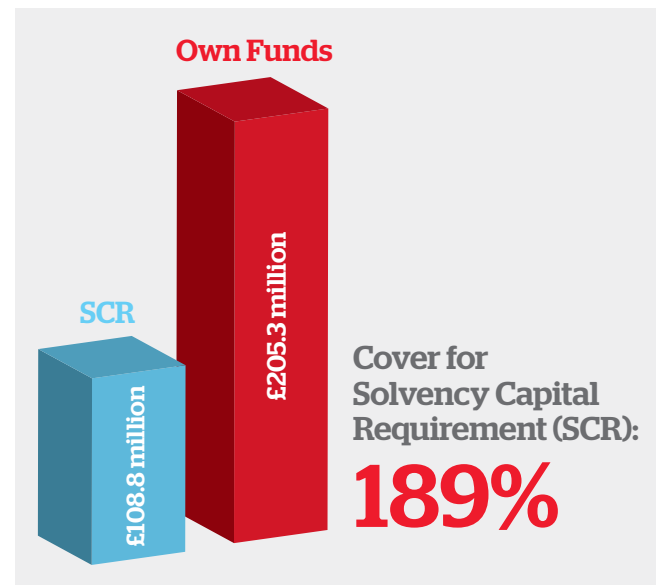


# Prudential International

Prudential International benefits from the financial and investment strength provided by the Prudential Group and provides financial solutions to customers who want to combine the benefits of investing in an offshore environment with the reassurance of a name they can trust.

Solvency matters. Here's how we stack up:



Source: Prudential International, 31 December 2016

**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 Prudential 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 2016 our Solvency Cover was 189%.

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 Offshore Bonds" and "IFA Guide to Offshore Bonds" 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](http://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.

## 2016 Full-year results for group

Despite challenging market conditions we've delivered a strong performance across the Prudential Group.

**up 7%**

IFRS\* operating profit of £4,256 million, up 7%

**up 18%**

EEV\*\* new business profit of £3,088 million, up 18%

\* International Financial Reporting Standards (IFRS) \*\* European Embedded Value (f)

# Providing financial strength, stability and support in today's economic climate.

## Prudential UK & Europe

We delivered another good set of financial results in 2016, against a changing distribution landscape.

**Total APE\* sales of £1,160 million**

**Total new business profit of £268 million**

**Life IFRS operating profit of £799 million**

## Strong Performance

Prudential has delivered a strong financial performance in 2016, in a year that has seen continued low interest, marketing volatility and dramatic political change.

Source: Prudential Plc Full year 2016 results.

\* Annual Premium Equivalent (APE)

# 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 AA (stable) for financial strength by Standard & Poors, as at April 2017. This is one of the highest ratings currently given to any UK life assurance company.
- ▶ The PAC With-Profits Fund is one of the largest and financially strongest with-profits funds in the UK. Our fund size and strength allows us to invest in a very wide range of asset types and individual companies.

Company	Standard & Poor's	Moody's
<b>Prudential Assurance Co. Ltd</b>	<b>AA (Stable)</b>	<b>Aa3 (Negative)</b>
AEGON (Scottish Equitable plc.)	A+ (Negative)	A3 (Negative)
Aviva L&P UK Ltd	A+ (Stable)	A1 (Stable)
Canada Life Assurance Co.	AA (Stable)	Aa3 (Stable)
Legal & General Assurance Society Ltd	AA- (Stable)	Aa3 (Negative)
Liverpool Victoria Friendly Society Ltd	BBB+ (Stable)	Not Rated
MetLife Europe Ltd	A+ (Stable)	A3 <sup>1</sup> (Stable)
Royal London Mutual Ins. Society Ltd	A (Stable)	A2 (Negative)
Scottish Widows plc.	A (Negative)	A2 (Stable)
Old Mutual Wealth Life Assurance Ltd	Not Rated	A2 (Negative)
Standard Life Assurance Ltd	A+ (Stable)	A1 (Stable)
Zurich Insurance Co. Ltd	AA- (Stable)	Aa3 (Stable)
SEB Group	A+ (Stable)	Aa3 (Stable)

Source: Financial strength overview, April 2017. <sup>1</sup> Refers to MetLife Inc.

# Prudential Portfolio Management Group Ltd (PPMG)

PPMG 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 PPMG?

- › The in-house investment strategists and "manager of managers" for the Prudential Group in the UK.
- › They are independent of the various underlying asset management businesses within the Prudential 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.
- › PPMG manages around £180 billion of Prudential's investment. (Source: PPMG as at December 2016).
- › 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 £91 billion as at December 2016.

Multi-asset funds have been available and popular with both adviser 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.

PPMG believe in the importance of asset allocation and the key role that multi-asset funds could provide as an investment solution for many investors'. PPMG 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.

## PPMG approach

PPMG 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 PPMG multi-asset funds can provide?	What benefits these can offer you and your clients?
Diversification	The benefit of spreading risk through a range of assets can be a fundamental investment starting point for many. As a global company we offer expertise in investing in assets around the world.
Asset allocation expertise	Our specialist and dedicated asset allocation knowledge can offer the solution for you to "outsource" this time consuming and resource heavy work.
Governance	A key focus for the regulator. Having the time to review and understand each part of the investment management process, on a regular and comprehensive basis for funds that invest globally, can be very difficult. We offer funds that include governance controls from either internal or independent third party experts.
Risk managed solutions	Working within risk targets, for example with our range of Dynamic Portfolios and Dynamic Focused Portfolios* and then aiming to maximise potential return within those parameters, means a fund manager does not "chase" performance and provides funds that stay true to their original risk profile.
Asset liability management	Funds, such as With-Profits, come with controls and independent reviews in respect of their financial strength and how liabilities are managed. The fund manager can then work within these parameters, whilst the investor knows these are being monitored for them.
Additional product features	Not all clients are the same, and a range of choices (such as smoothing mechanisms, guarantees and other product features) gives more choice in meeting different clients needs.

\* M&G Investment Management Ltd, part of the Prudential Group, are the investment managers for the CF Prudential Dynamic and Dynamic Focused Portfolios. They make the relevant adjustments to the portfolios based on PPMG's recommendations.

Prudential was **founded**  
**in 1848** in Hatton  
Garden, London.

**1848**

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

**1986**

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

**1994**

**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.

**1949**

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

# 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.



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.

2010

Prudential Polska is launched in Poland

2017

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

2013





**[www.prudential-international.co.uk](http://www.prudential-international.co.uk)**

The registered office of Prudential International is in Ireland at Montague House, Adelaide Road, Dublin 2. Prudential International is a marketing name of Prudential International Assurance plc, a life assurance company operating from Ireland. Registration No. 209956. Telephone number + 353 1 476 5000. Prudential International Assurance plc is authorised by the Central Bank of Ireland.