



Driving progress together

Financial strength, Simplification, Growth

2023 Full Year Results – 21 March 2024

M&G plc 2023 Full Year Results

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Results for the comparative period have been marked as restated to reflect the retrospective application of IFRS 17, 'Insurance Contracts' and IFRS 9, 'Financial Instruments' from 1 January 2023, as outlined in Note 1.2.1.

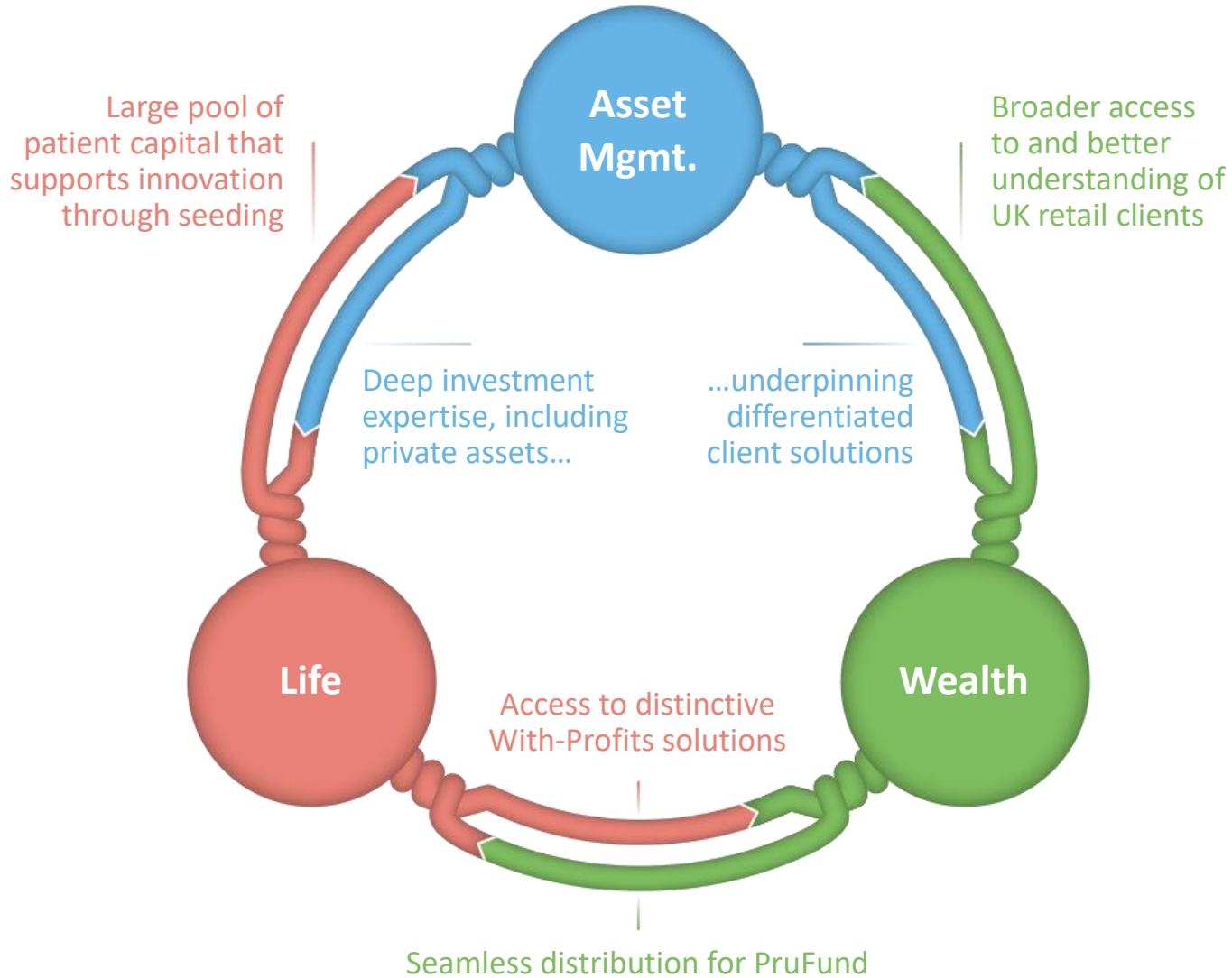
Notes: Where relevant, historical figures have been restated to include the results of entities acquired prior to the demerger as if those entities had always been combined, in line with merger accounting principles. Throughout this presentation, totals in tables and charts may not sum as a result of rounding.



Business review

Andrea Rossi, Group Chief Executive

We are leveraging our business model...



... to deliver on our priorities

- 1 Financial strength**
Disciplined approach to capital management
- 2 Simplification**
A more efficient and client focused organisation
- 3 Growth**
Building on our strengths, expanding internationally

Good progress achieved in 2023

1

Financial strength

Increased Operating Profits by +28% and Capital Generation by +21%

Improved Solvency II ratio by 4 ppts to 203% despite adverse market impact

2023 total DPS of 19.7p, remain focused on deleveraging

2

Simplification

Executing new operating model, positive momentum across all Business Units

Delivered £73m savings, keeping the cost base flat while investing for growth

Improved client service, reducing outstanding complaints by 75%¹

3

Growth

Achieved Asset Mgmt. net inflows of £0.8bn building on a resilient H1

Improved Wealth PruFund sales by +17% reaching £6.3bn

Re-entered the BPA market, sales of £0.9bn in the last nine months

Moving forward on our financial targets

1 Financial strength

| | Targets | | | Status | |
|--|-----------------------------|---|-------------------------------|--|--|
| 2022-24 cumulative Operating Cap. Gen. | £1.8bn in 2022-23 | → | £2.5bn cum. by 2024 | Continued strong delivery in 2023 | |
| Solvency II leverage ratio | 35% 2023 YE | → | <30% by 2025 | Focused on £300m bond callable in July | |

2 Simplification

| | | | | | |
|--|-----------------------------|---|---------------------------|--|--|
| Cost savings from transformation ¹ | £73m 2023 benefit | → | £200m by 2025 | Strong start, 2023 exit run-rate of £90m adds confidence | |
| Asset Management Cost-to-Income Ratio ² | 79% 2023 | → | <70% by 2025 | Market headwinds in 2023, taking action to improve in 2024 | |

3 Growth

| | | | | | |
|---|--------------------|---|---------------------------|--|--|
| Earnings from Asset Management and Wealth | 42% 2023 | → | >50% by 2025 | AOP +28% YoY, focus on Asset Management contribution | |
|---|--------------------|---|---------------------------|--|--|

Note: AOP = Adjusted Operating Profit
 1. Refers to the managed cost base; 2. Refers to the Core CIR, which excludes performance fees from the definition of income

Clear areas of focus for 2024

1 Financial strength



Continue with balanced and **disciplined capital allocation**



Reduce leverage towards our medium-term target

2 Simplification



Continue to **offset inflation** by proactively managing costs



Tackle Asset Mgmt. CIR and improve quality of spend to support growth

3 Growth

Asset Mgmt.

1

Continue to deliver **strong investment performance**

2

Achieve positive operating jaws through growth

3

Strengthen distribution to **drive international growth**

Growth

Life

1

Stabilise the run-off of the annuity book

2

Further **build on the partnership** with the With-Profits Fund

3

Broaden proposition powered by the With-Profits partnership

Wealth

1

Focus strategy on where we can add most value

2

Scale advice business and broaden distribution

3

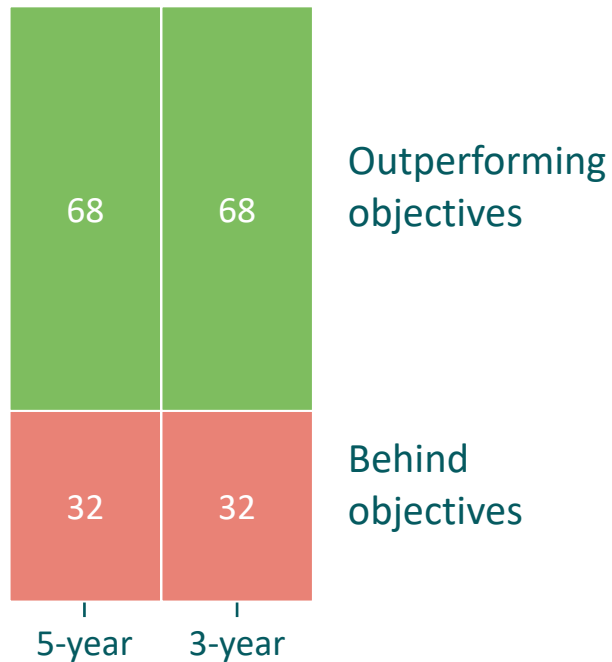
Deliver the right solutions to meet a wider set of needs

Asset Mgmt. Continue to deliver strong investment performance

High-quality client outcomes continues to be a key priority

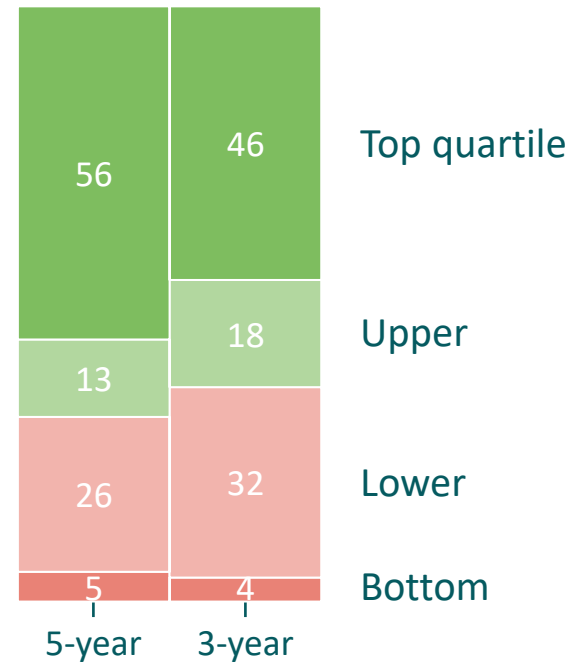
Institutional Asset Mgmt. £98bn AUMA

Institutional funds performance
as % of AUMA¹ (YE2023)



Wholesale Asset Mgmt. £55bn AUMA

Mutual funds performance
as % of AUMA² (YE2023)



Building momentum on performance and proposition

Strong investment performance positions us well for 2024 despite persistent macro volatility

Institutional Fixed Income range outperforming benchmarks over any time period from 3 to 20 years

Almost 80% of our Wholesale SICAV range is compliant with SFDR art. 8 and art. 9

Fund range has been expanded (Asia FI, Global Corporate bonds, and Global AI) as well as new structures introduced (ELTIF)

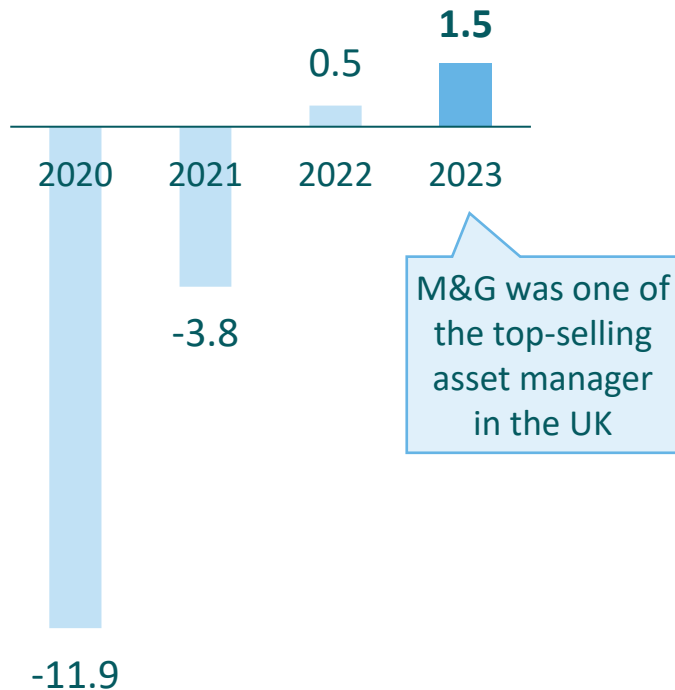
Note: Data is correct at time of publication and subject to change. Funds with track record less than specified periods are excluded, as are recently inception, closed, and term funds. Performance is on a total return basis; products are compared to benchmarks as prescribed in prospectus. Data is to Dec-23 or latest available. Past performance is not a guide to future performance. The value of an investment can go down as well as up, customers may not get back the amount they put in.
 1. Source M&G plc, performance for segregated and pooled mandates – Excl. Retail, Real Estate and Institutional Buy & Hold mandates, CDOs, Passive mandates and Restructuring. AUMA is net of cross holding, in GBP
 2. Source M&G plc and Morningstar Inc. – Wholesale Asset Mgmt. defined as all unitised products incl. OEICs, SICAVs, and Charitable funds, excludes Investment Solutions mandates. Funds are compared to peer groups for illustration purposes.

Asset Mgmt. Achieve positive operating jaws through growth

Absorbed UK Institutional headwinds, well placed in Wholesale and internationally

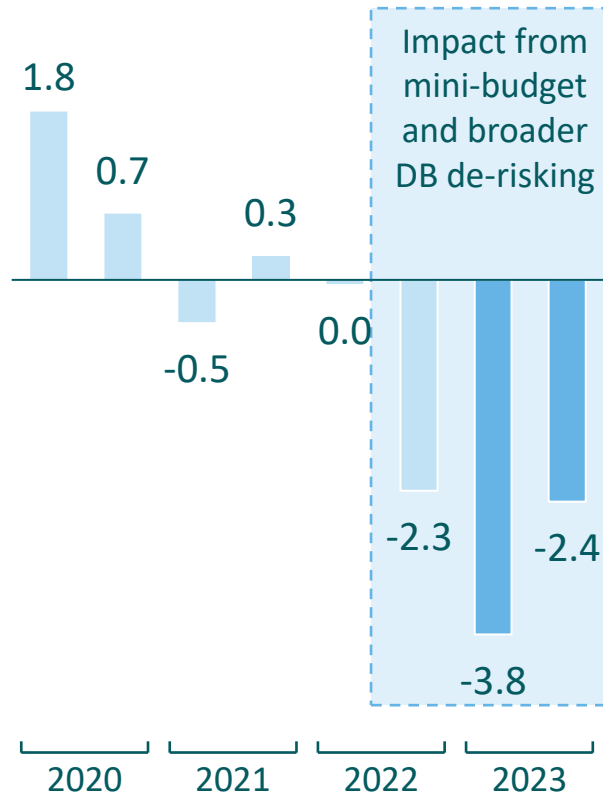
Wholesale

Turned around flows in one of the toughest operating environment possible



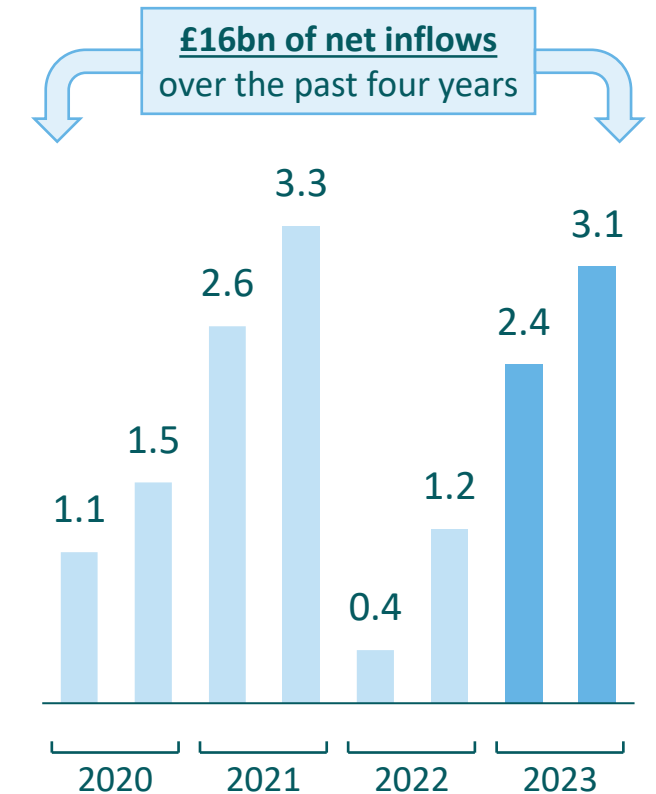
Institutional UK

Improving outlook as negative impact from 2022 mini-budget has been absorbed



Institutional international

Winning business abroad at scale and consistently through the cycle

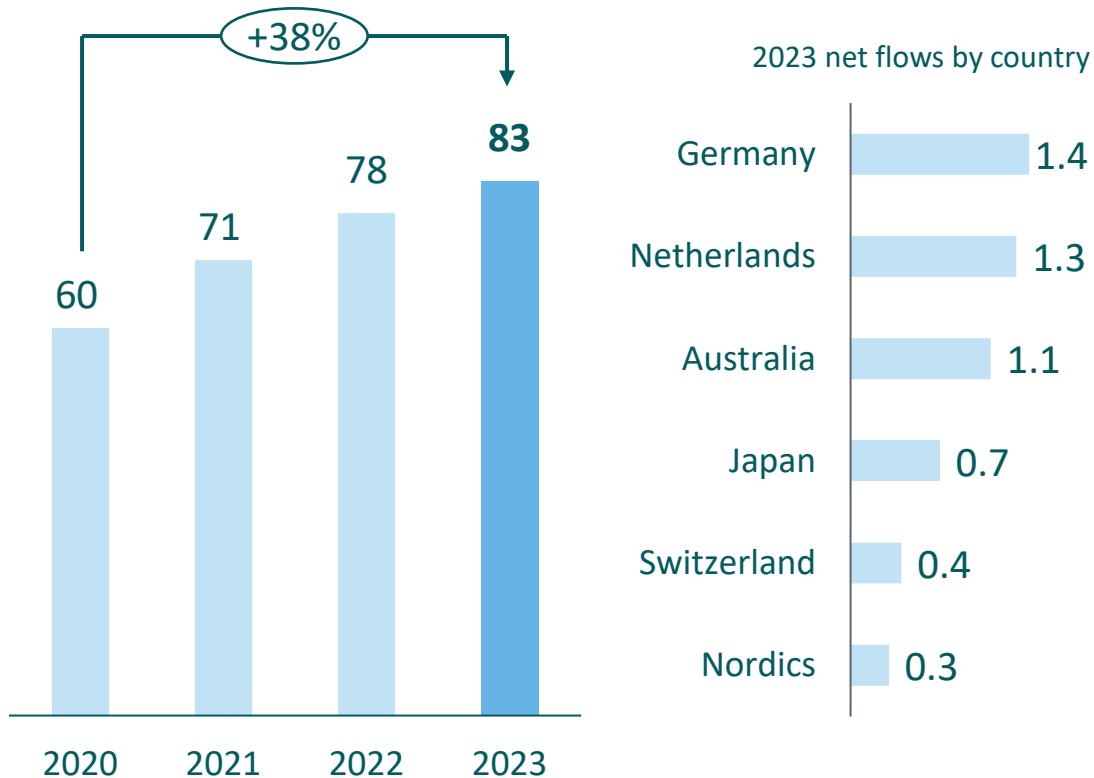


Asset Mgmt. Strengthen distribution to drive international growth

Investing in and upgrading teams in Europe and Asia

Scaling international presence...

International AUM and 2023 wins by geography



... while building a strong distribution team

New distribution staff dedicated to international markets



Head of France
internal promotion



Head of Global Banks
formerly at Natixis



Head of Nordics
internal promotion



Asia regional head
formerly at Schroders



Head of Institutional EMEA
internal promotion



Head of Japan
formerly at Schroders



Head of Institutional Italy
formerly at Amundi



Head of Korea
formerly at Lazard



Head of Institutional Switzerland
formerly at DWS



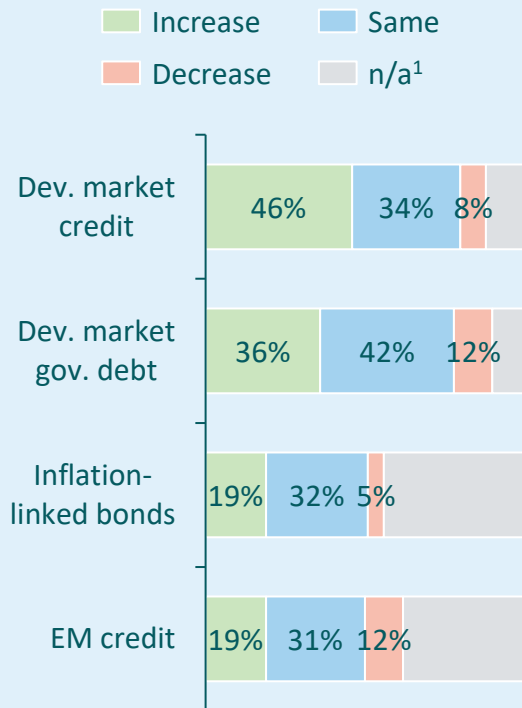
Head of Taiwan
formerly at Eastspring

Asset Mgmt. Public Fixed Income case study – £139bn AUMA

2024 expected to offer significant growth opportunities

Strong expected demand for Public FI

2024 Asset Owners expected change in allocation by asset class:



M&G: the House of Bonds...

Selection of awards won in 2023



FI Manager of the Year (over €100bn), Wealth and Asset Mgmt. Awards, MoneyAge



FI Manager of the Year (over €100bn), Insurance Asset Management Awards



European FI Manager of the Year (over €100bn), Funds Europe Awards



Investment Manager of the Year, Professional Pensions UK Pensions Awards

... delivering strong performance...

The 10% Club: Several of our flagship funds delivered returns of 10%+ in 2023

M&G Optimal Income Fund, flexible fund investing in government and corporate debt

M&G Total Return Credit Investment Fund, absolute return approach to global credit

M&G Global Floating Rate High Yield Fund, high yield with interest rate protection

M&G Emerging Market Bond Fund, blend of hard / local currency and corporate debt

... and continuing to grow the business

Reach

Offering one of the broadest product ranges in the market, across strategies and styles

Integration

Continuing to grow and develop our overseas investment centres in Chicago and Singapore

Innovation

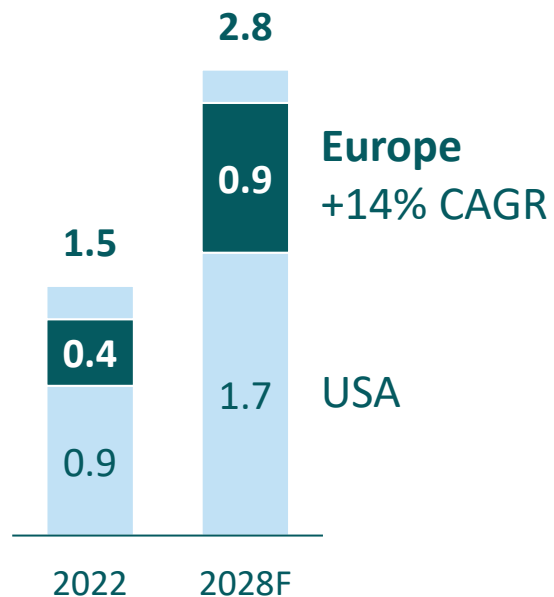
Significant pipeline of new fund launches, including specialist Global, US, Asian and sustainable strategies

Asset Mgmt. Private Credit case study – £29bn AUMA

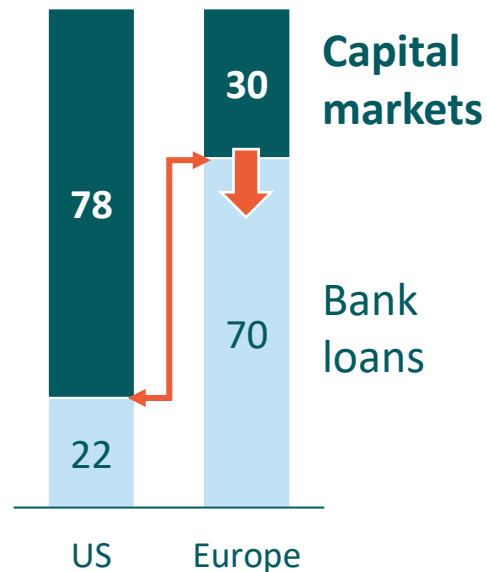
Private asset capabilities are a key underpin of our Asset Management success

Private Credit market is expected to grow strongly, particularly in Europe...

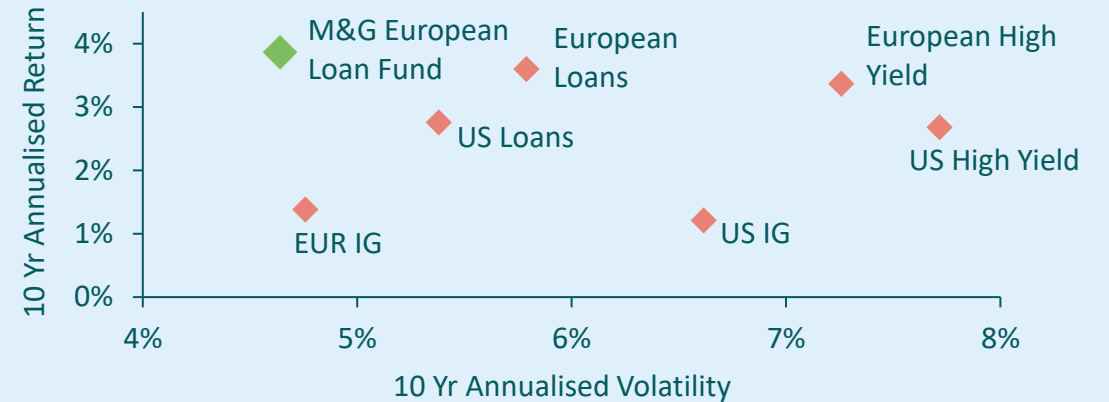
Market AUM forecast to reach \$2.8tn by 2028, Europe expected to be the fastest growing segment



Europe over-reliant on banks, US shows opportunity to increase use of capital markets in Europe¹



... We are well placed to win thanks to strong performance and innovation track record²



Selected examples of solution driven innovation:

- First pooled loan fund in Europe in 2005, now over EUR2bn with internal AUM of EUR192m
- First open-ended private debt ELTIF in the market in Q4 2023, seeded with strategic internal investment of c. EUR700m
- Launch of SFDR Art. 8 CLO 2.0 programme in 2023, with a EUR400m first fund, expanding our sustainability credentials
- Plan to launch a Senior Direct Lending Fund in 2024

1. Sources of funding in proportion; 2. Chart shows European Leveraged Loans = CS WELLI, US Leveraged Loans = CS US LLI, European High Yield = HPIC, US High Yield = H0A0, EUR IG = ER00, US IG = COA0 as at 30 December 2023 in EUR terms; M&G European Loan Fund Class C EUR Gross of Fees
Source: Eurostat, AFME, SIFMA, Preqin, Bain Insights – Why PE is targeting individual investors 2023

Life Stabilise the run-off of the annuity book

Disciplined and selective approach to capital deployment

Progress so far and main targets for new business

- Key milestones** Set-up team and completed 3 deals for a total £0.9bn
- Target volumes** £1.0bn to £1.5bn p.a. to offset run-off of existing book
- Target IRR** Mid-teens, to be achieved across deals¹

Additional considerations on new business

1

Private Assets

- Appetite for schemes with private assets
- Key differentiator to win new business
- Strong expertise of our Asset Manager

2

Credit risk

- Sales expected to offset in-force run-off
- Expect no material increase to credit risk
- Will retain conservative asset allocation

3

Longevity

- Aim to optimise returns / cost of capital
- Flexible approach to reinsurance
- Decided on a case-by-case basis

1. Assuming 100% SCR coverage

Life Further build on the partnership with the With-Profits Fund

M&G is the operating and investment partner of the WPF

What the With-Profit Fund is built on...



One of the **best capitalised** insurance balance sheets in Europe



Alignment of interests with economics shared 90-10 between clients and M&G



Strong **independent governance**, and financial management



... and how it stands out

Outstanding financial strength
403% Solvency II ratio and £7.2bn surplus capital

Strong service ethos
putting the client and its needs at the core of product development

Very long-term view of capital
with the desire to deploy it and underwrite insurance risk

What it gives to the Group

- Almost **£500m of direct contribution** to earnings¹
- **c. £300m of Asset Management fees**²
- **Seed capital** and access to differentiated solutions



What the Group gives to it

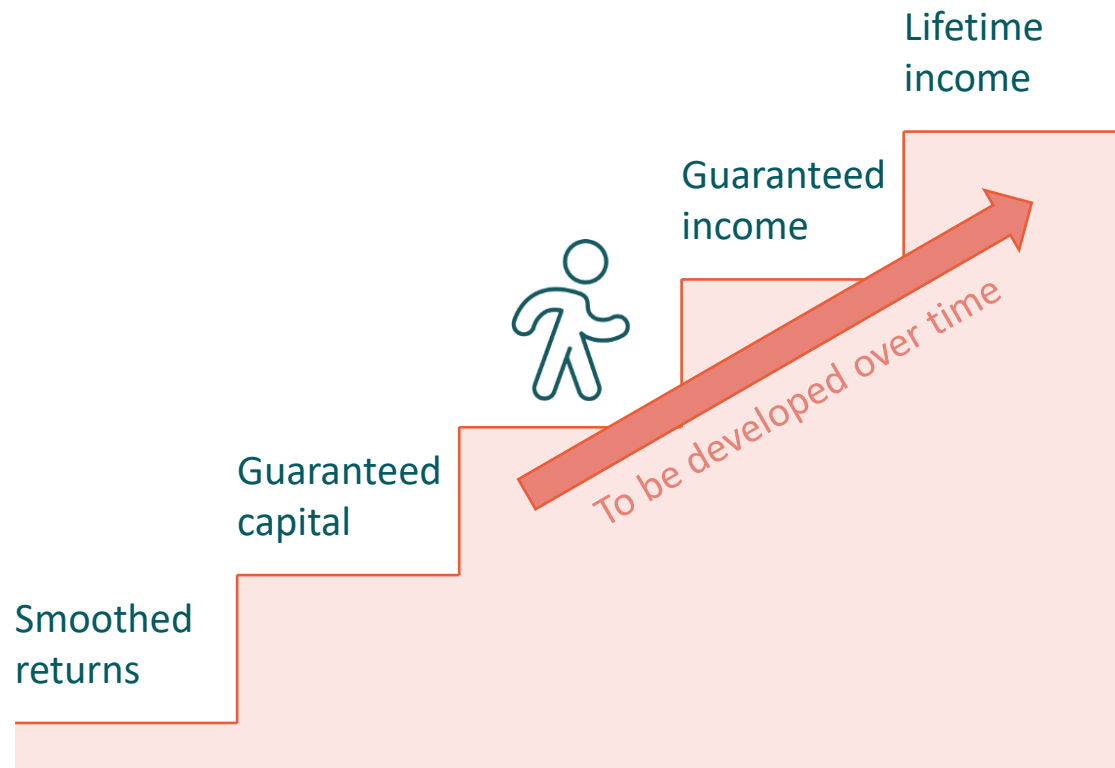
- **Investment expertise**, including in private assets
- **Distribution, execution and admin capabilities**
- Management and absorption of **operational risk**

Life Broaden proposition powered by the With-Profits partnership

Examples of how we could deliver growth serving individual and corporate clients

Individual Life and Pensions

Opportunities to complement and expand existing PruFund offering



Corporate Risks

Support Defined Benefit schemes with differentiated solutions

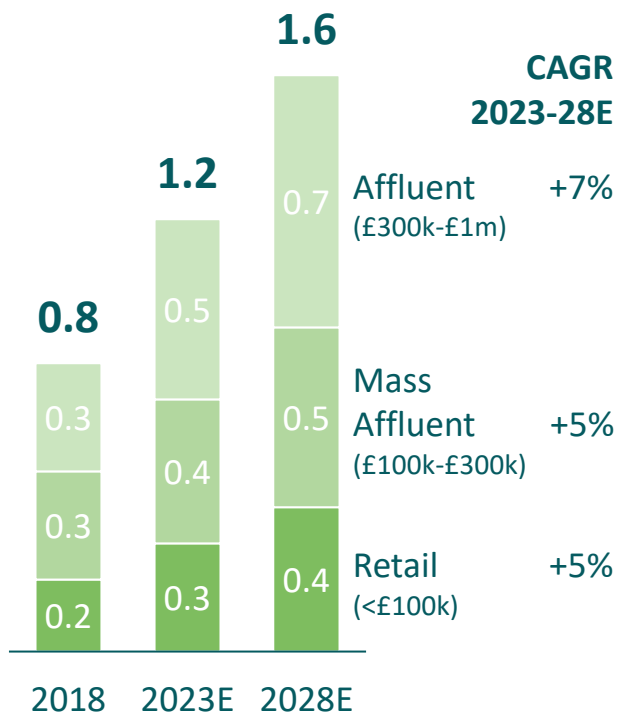
| 1 Live solution | 2 Ramp-up phase | 3 Being developed |
|--|----------------------------------|-------------------------------------|
| Bulk-purchase annuities | Capital lite solutions | Insured With-Profits CDI |
| Traditional buy-in/out transactions | Risk-sharing with scheme sponsor | Guaranteed cashflows with WP upside |
| Completed three deals, strong pipeline | Strong near term opportunity | Product development ongoing |

Wealth Target market is large and expected to grow

Clients are looking for advice and multi-asset solutions

Growing market supported by structural trends

UK AUM by client segment (in £tn) and expected annual growth rate



CLIENT NEEDS

- Accessible advice
- Help planning for life events
- Access to multi-asset and smoothed solutions

We have got what it takes to succeed

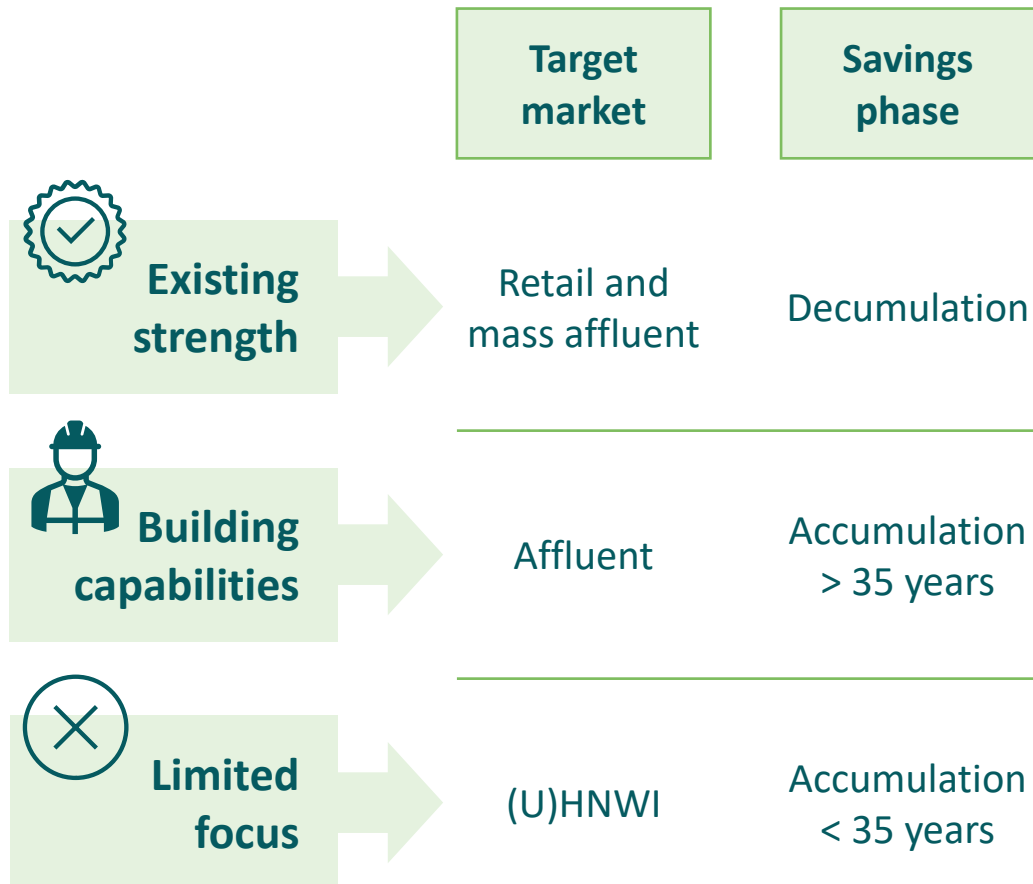
Foundations we can build on to deliver value to clients



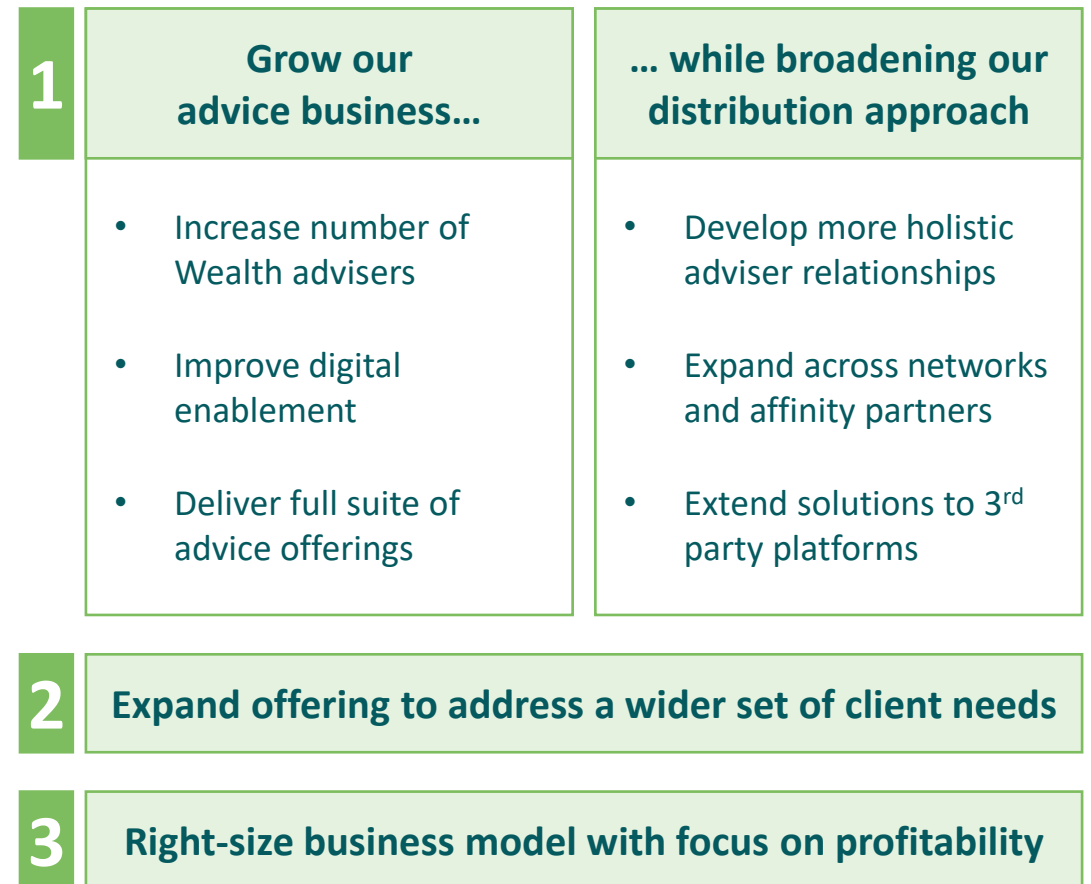
Wealth Focus strategy on where we can add most value

Clarity on target market and strategic priorities to drive flows into the wider Group

A clear view of our expanded target market...



... as well as of our strategic priorities



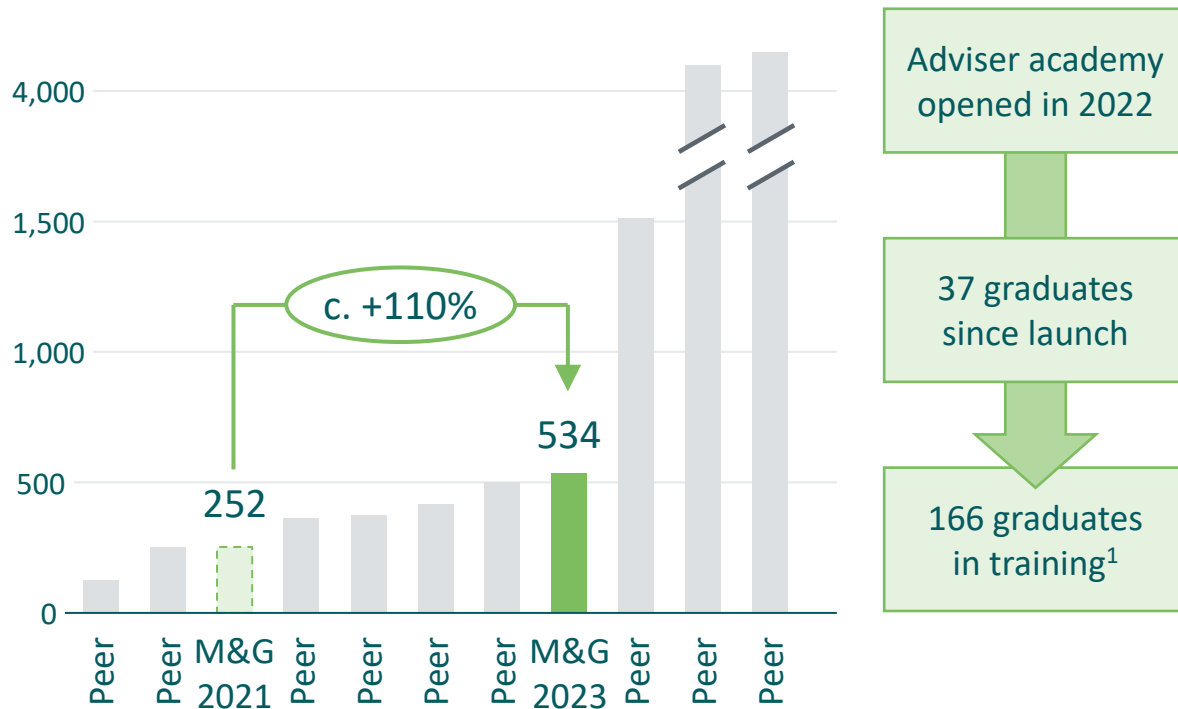
Wealth Scaling Advice business will help meet a wider set of client needs

Academy and clarity of proposition key drivers for success

We run a large and rapidly growing adviser business

Expect our adviser academy to be a key driver of future growth

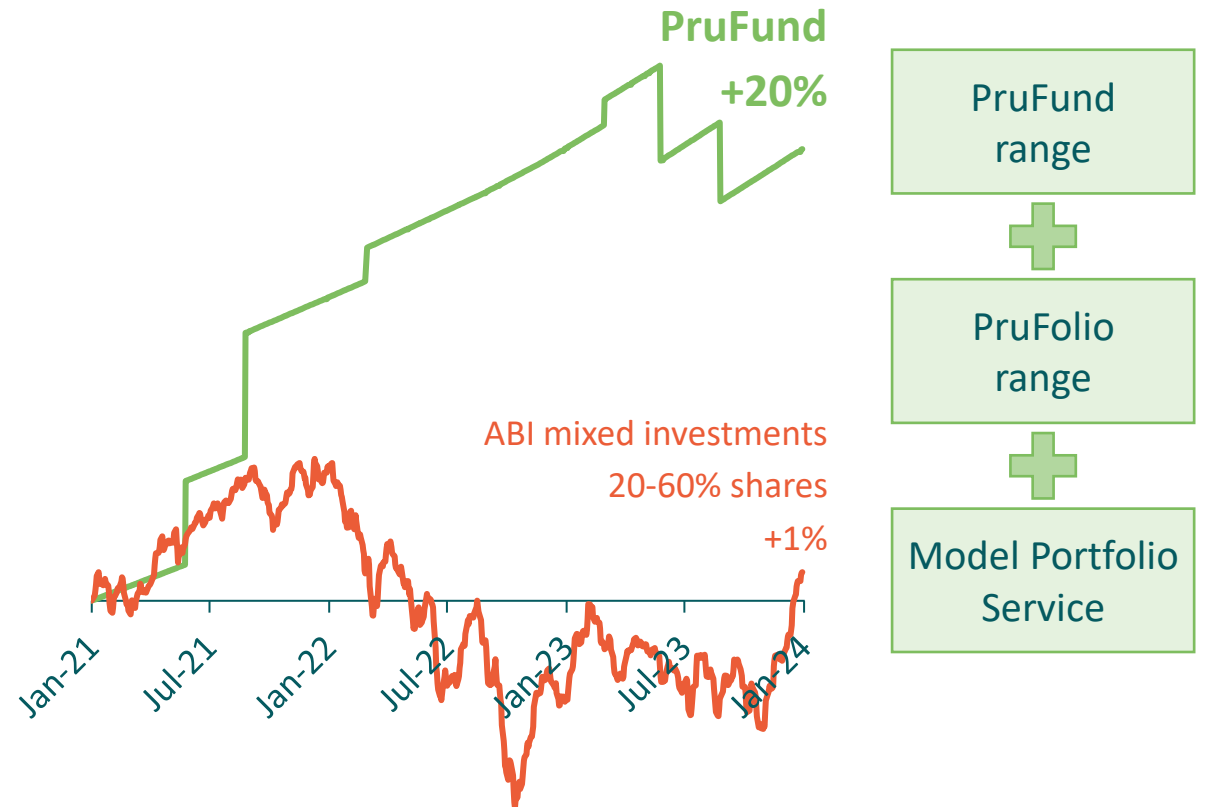
UK's largest networks by adviser count



... and offer a broad range of investment solutions

PruFund as the anchor of our smoothed and multi-asset offering

PruFund Growth net returns²



1. As of January 2024

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

Key messages: Financial Strength, Simplification, Growth

1 Positive net client flows¹, including turnaround of Institutional Asset Management

2 Well positioned to continue growing across Business Units despite persistent market volatility

3 Taking decisive action on costs, keeping cost base flat while investing to support growth

4 Transforming M&G to drive client outcomes and become a more efficient business

5 Continued strong financial delivery with AOP +28% and OCG +21% year-on-year



Financial review

Kathryn McLeland, Chief Financial Officer

Continued strong momentum on Flows, Operating Profit and Capital

Financial highlights

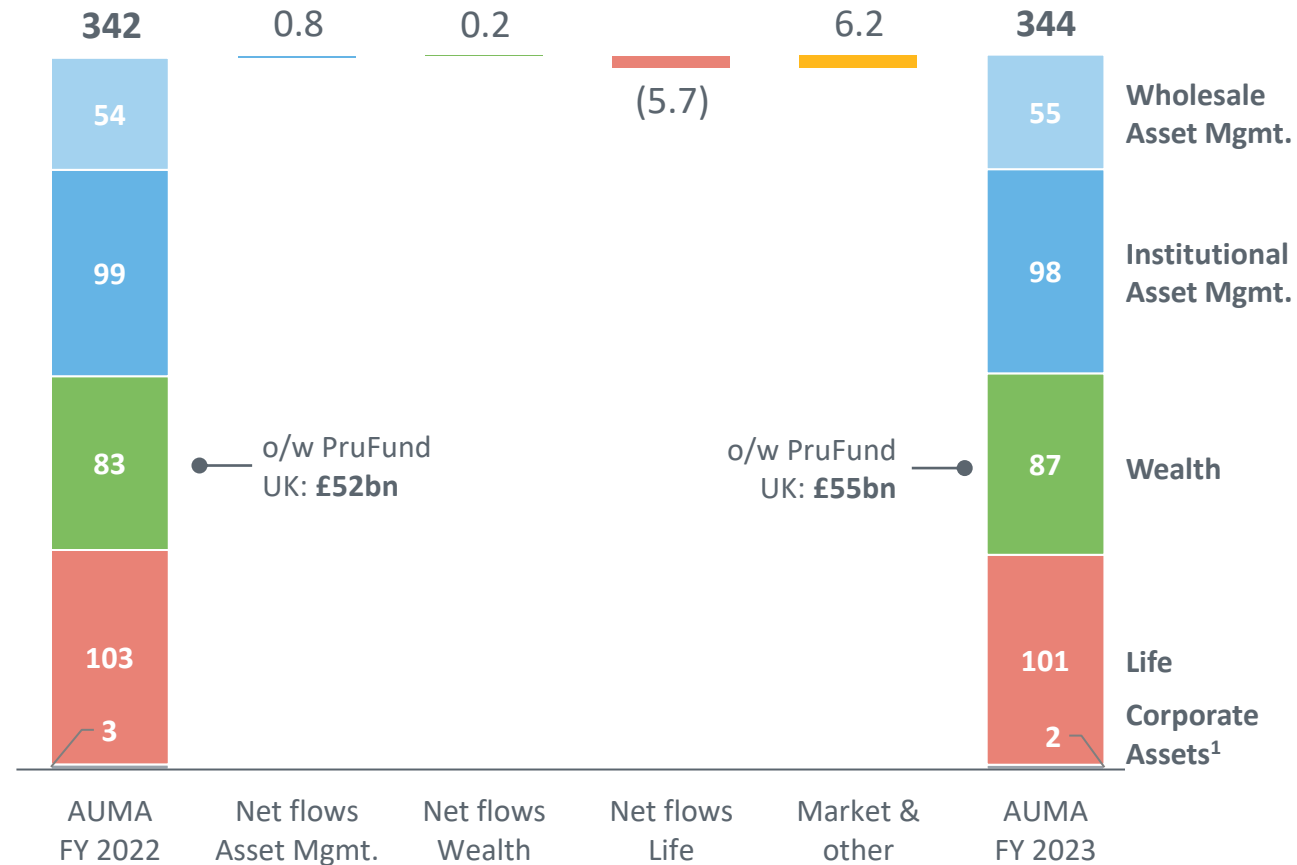
| Net client flows ¹ | Adjusted Operating Profit | Operating Capital Generation | Shareholder SII coverage ratio |
|--|---|--|---|
| <p>£1.1bn</p> | <p>£797m</p> | <p>£996m</p> | <p>203%</p> |
| <p>3rd straight year of net inflows</p> <ul style="list-style-type: none"> • Strong Wholesale Asset Management net inflows of £1.5bn despite challenging market environment • Turnaround in Institutional, H2 net inflows of £0.7bn • 17% increase in PruFund sales in Wealth, leading to £0.9bn net inflows | <p>Up 28% on 2022</p> <ul style="list-style-type: none"> • Resilient Asset Mgmt. contribution despite revenue pressure from lower avg. AUM for the period • +27% in Life and +14% in Wealth AOP contribution • £46m improvement to Corporate Centre result due to higher interest income | <p>Up 21% YoY</p> <ul style="list-style-type: none"> • Strong Underlying Cap Gen up 20% YoY, benefitting from improved Wealth and Life contribution • Higher Other Operating Cap Gen of £244m, mainly due to changes to the With-Profits Fund's SAA² and improved capital model calibrations | <p>Up 4 pts on YE 2022</p> <ul style="list-style-type: none"> • Benefits from the strong operating result of £996m • Includes a £(216)m capital restriction to Own Funds • Impacted by £(508)m adverse market movements • Takes into account 2023 dividend payments of £462m |

1. External net client flows excluding Traditional With-Profits, Shareholder Annuities & Other; 2. Strategic Asset Allocation

£1.0bn improvement in Asset Management flows

AUMA, net flows, market and other movements

Movement in AUMA (£bn)



Net client flows (£bn)

| | 2022 | 2023 | Change |
|-------------------------------------|------------|------------|-------------|
| Wholesale Asset Mgmt. | 0.5 | 1.5 | +1.0 |
| Institutional Asset Mgmt. | (0.7) | (0.7) | - |
| Wealth | 0.2 | 0.2 | - |
| Europe | 0.2 | 0.1 | (0.1) |
| Net client flows² | 0.2 | 1.1 | +0.9 |

1. Includes Other Asset Management AUMA

2. Excluding Traditional With-Profits, Shareholder Annuities & Other

Operating profits up by 28% Year-on-Year

Adjusted Operating Profit by source

| (£m) | 2022 | 2023 |
|--|--------------|--------------|
| Asset Management | 264 | 242 |
| Revenues | 995 | 995 |
| Costs | (763) | (791) |
| Performance fees | 56 | 30 |
| Investment income and minority interest ¹ | (24) | 8 |
| Wealth | 158 | 180 |
| <i>o/w PruFund UK</i> | 190 | 228 |
| Life | 460 | 586 |
| Traditional With-Profits | 200 | 263 |
| Annuities & Other | 241 | 326 |
| Europe | 19 | (3) |
| Corporate Centre² | (257) | (211) |
| Total Adjusted Operating Profits | 625 | 797 |

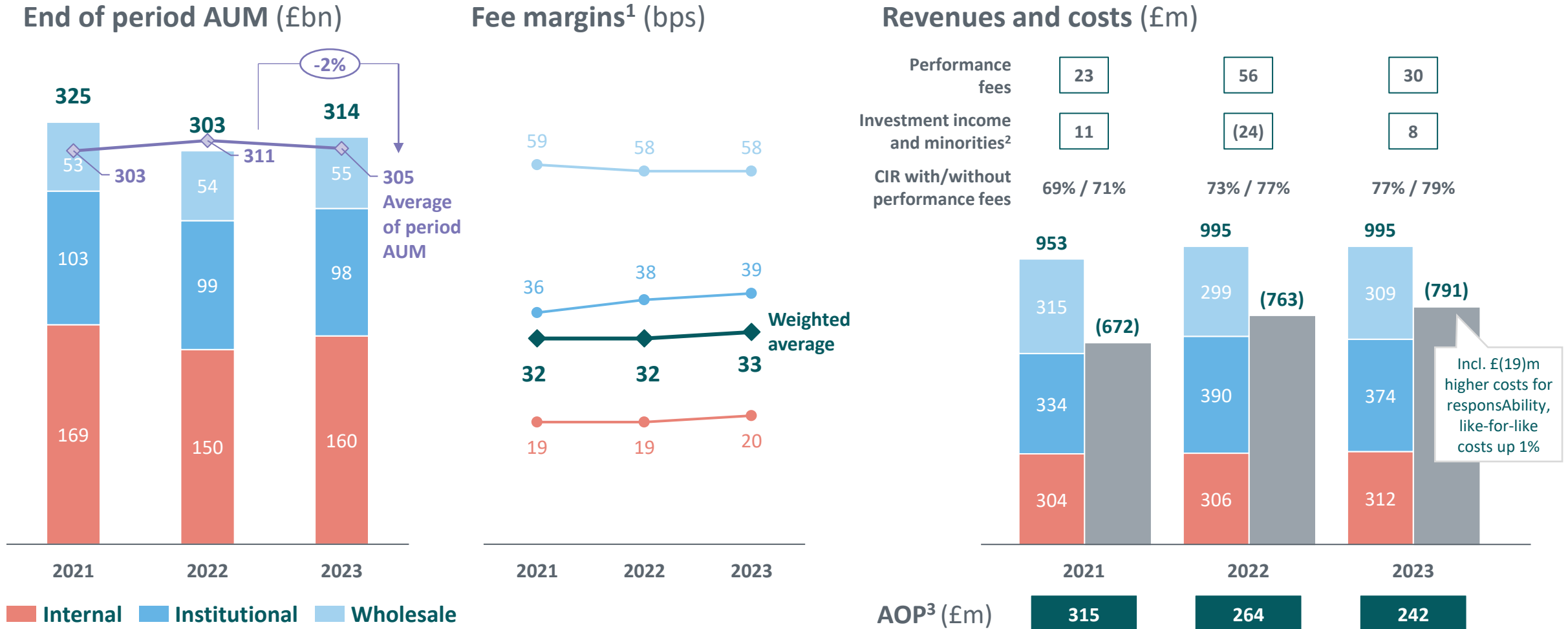
- On a like-for-like basis³, **Asset Management revenues are down 2%** due to lower average AUM in the period due to the timing of market movements
 - Average **revenue fee margin improved from 32 to 33 bps**
 - On a like-for-like basis³, **costs are up by only 1%** thanks to proactive management action offsetting inflationary pressures
 - Performance fees down £26m YoY as the record result of 2022 did not repeat
 - Investment income up meaningfully – from £(5)m to £24m – while minority interests remained largely unchanged – from £(19)m to £(16)m
-
- Wealth contribution up by 14% year-on-year, with higher PruFund results offsetting higher losses in Platform, Advice and Other Wealth
-
- Life contribution up by 27% year-on-year, with improved results across Traditional With-Profits and Annuities offsetting a small loss in Europe
 - Traditional With-Profits benefitted from a larger CSM release (due to a higher opening balance) and better expected returns on excess assets (higher rates)
 - Annuities improvement primarily due to £92m higher return on excess assets
-
- Corporate Centre benefitted from an **increase in Treasury income from £13m to £57m** due to higher rates and better investment returns

1. M&G is a majority shareholder in joint ventures in South Africa and Singapore, therefore the revenues and costs from the JVs are fully incorporated in the Asset Management results. The share of profits attributable to minority shareholders is included in the 'minority interest' line;

2. See slide 41 in the Appendix for additional details; 3. responsAbility was consolidated in July 2022, thus the 2023 Asset Management result includes £20m higher Revenues and £(19)m higher Costs due to the timing of the acquisition

Asset Management: Resilient revenues and fee margins

Like-for-like costs up only 1% despite inflationary environment



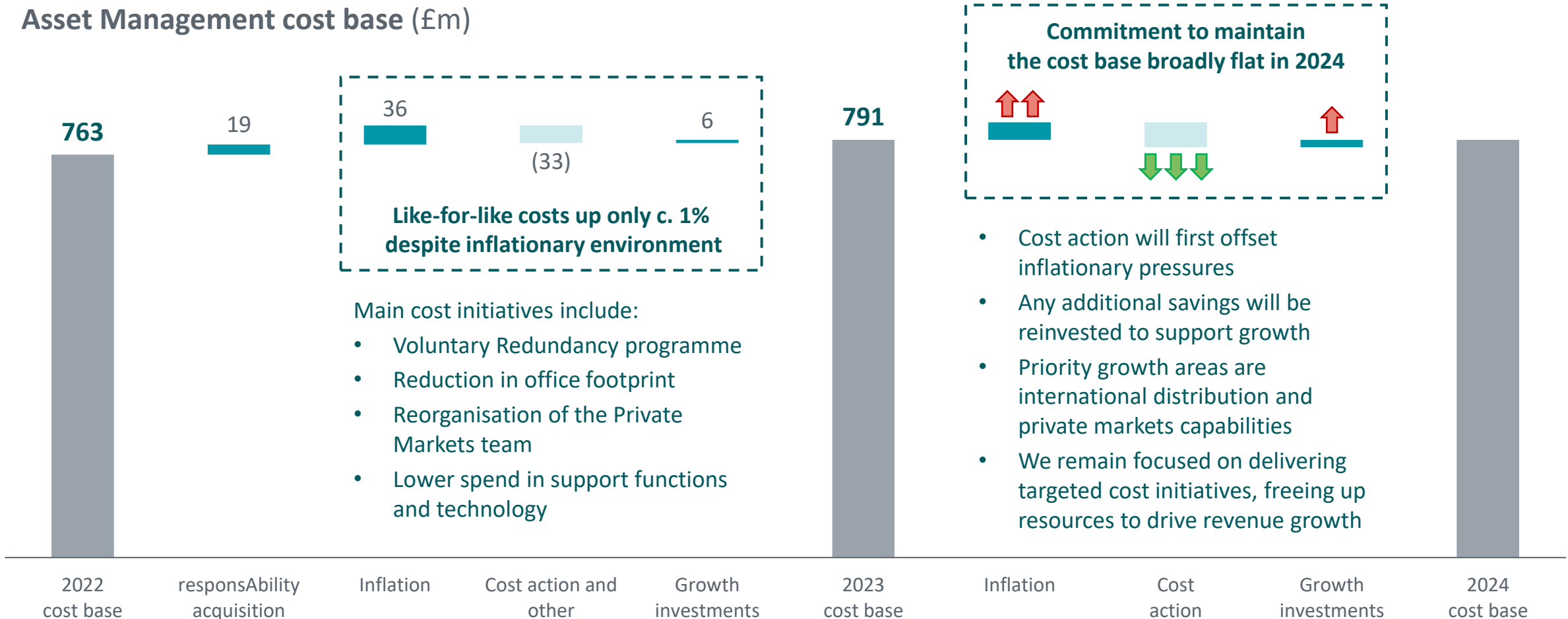
1. Margin calculated as fee based Income over average AUMA, excluding Performance fees;

2. M&G is a majority shareholder in joint ventures in South Africa and Singapore, therefore the revenues and costs from the JVs are fully incorporated in the Asset Mgmt. result. The share of profits attributable to minority shareholders is included in the 'minority interest' line; 3. Adjusted Operating Profits

Asset Management: Taking action to control cost base

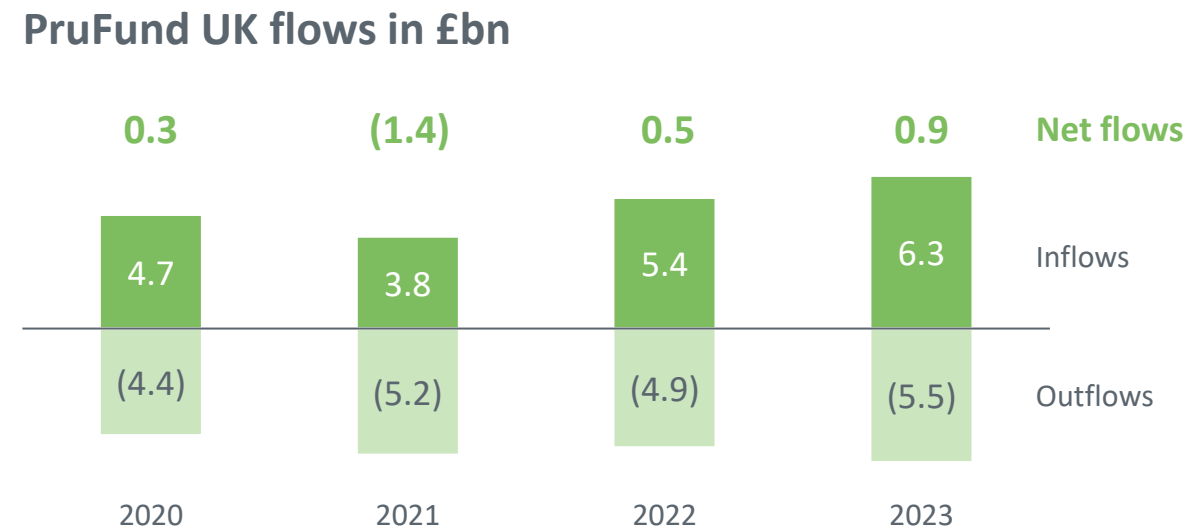
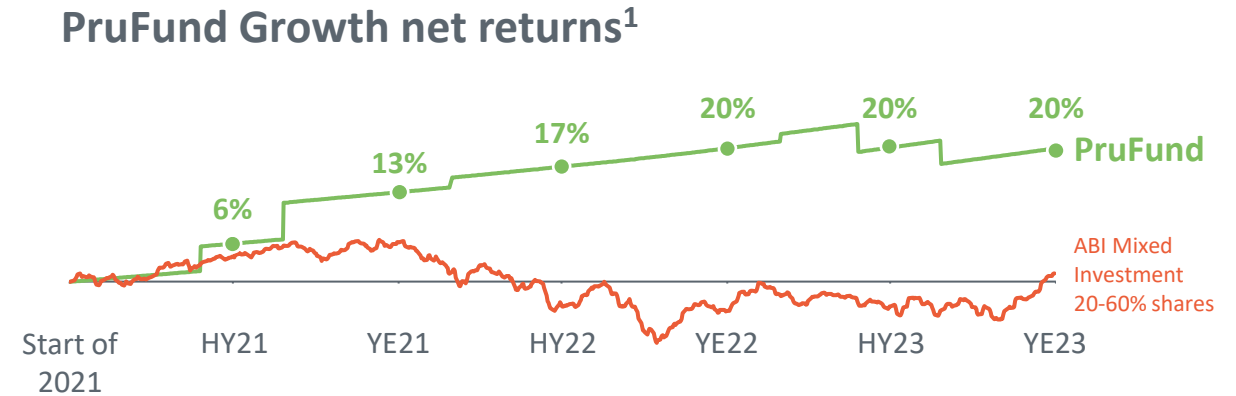
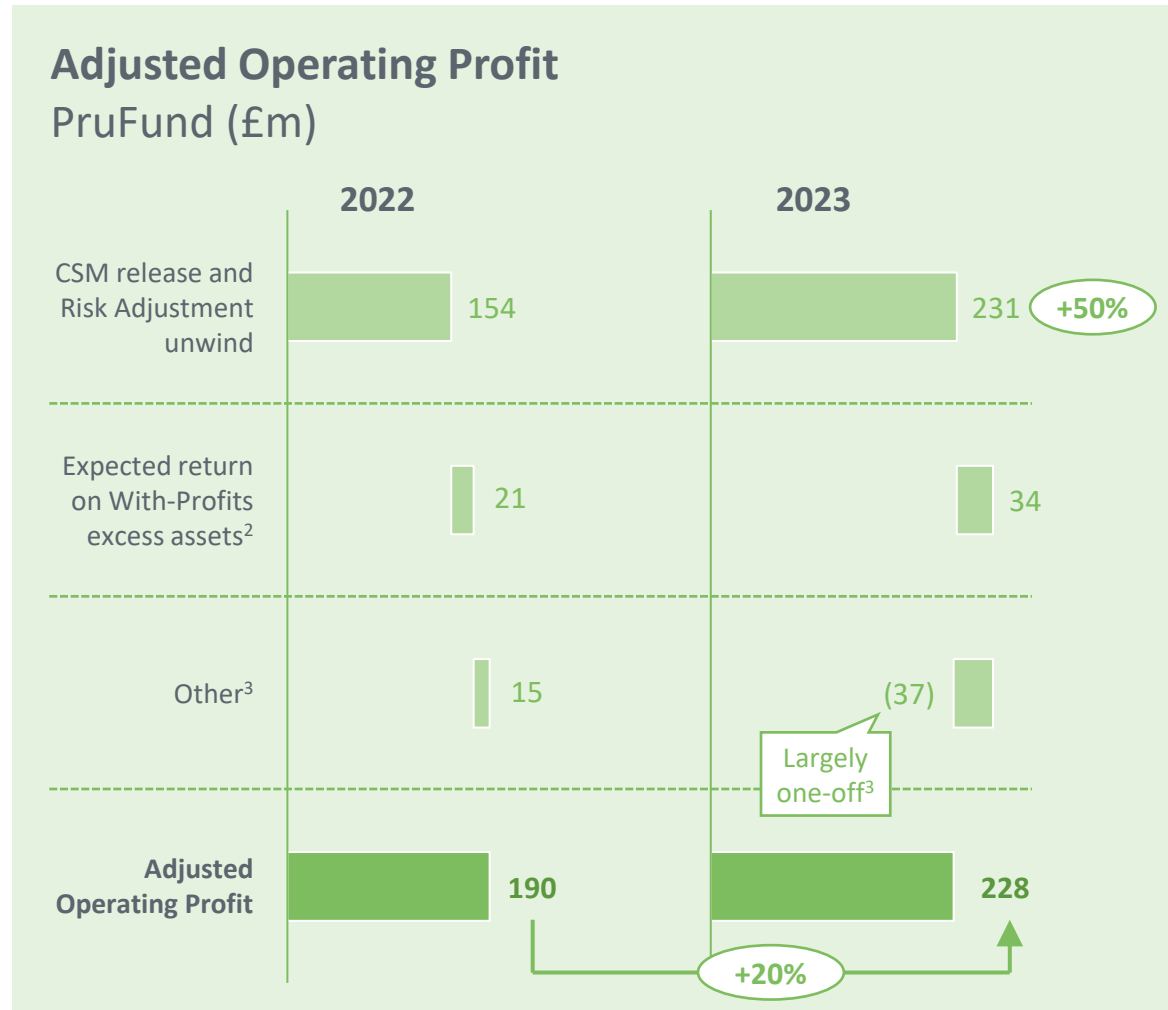
Focus on improving quality of spend, freeing up resources to support growth

Asset Management cost base (£m)



Wealth: Focus on PruFund UK

Earnings up 20%, continued strong investment performance

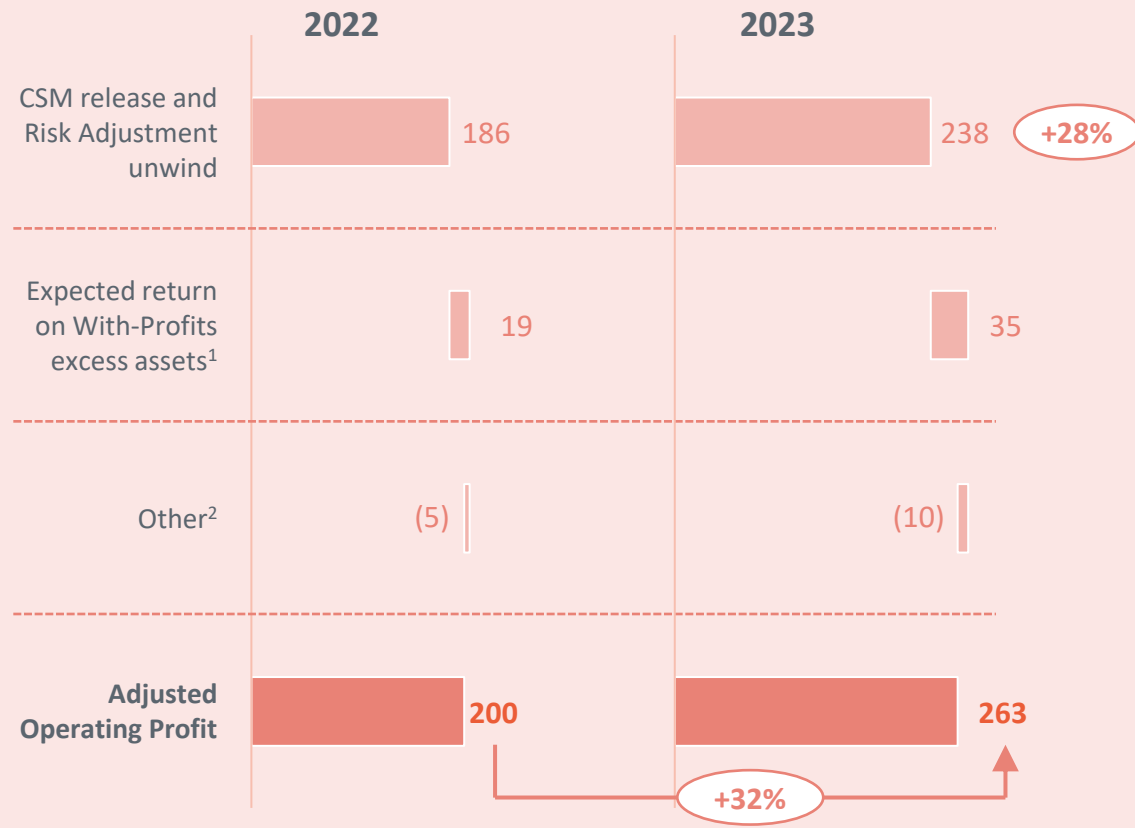


1. PruFund Growth net returns after charges (% returns above capital invested at 31 December 2020). Data shows returns for PruFund Growth within a bond wrapper. These returns are representative of a typical return profile for PruFund Growth clients; 2. Refers to the Shareholder share of the With-Profits fund excess assets; 3. Typically mostly New Business strain / releases, 2023 result includes a £20m one-off impact from an arrangement between PAC's shareholder fund and the With-Profits fund in relation to the shareholder transfers expected to emerge from PruFund business written to 31 December 2022

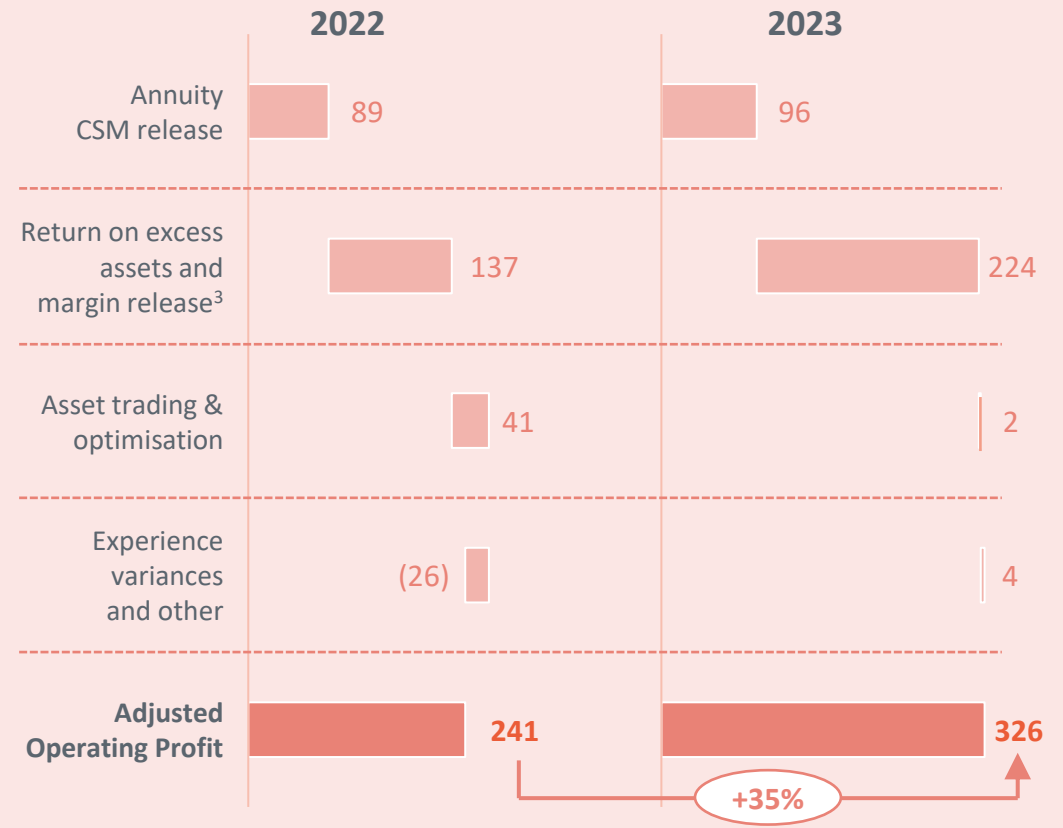
Life: Traditional With-Profits and Annuities

Earnings up due to higher CSM release and returns on excess assets

Adjusted Operating Profit Traditional With-Profits (£m)



Adjusted Operating Profit Shareholder Annuities & Other (£m)



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

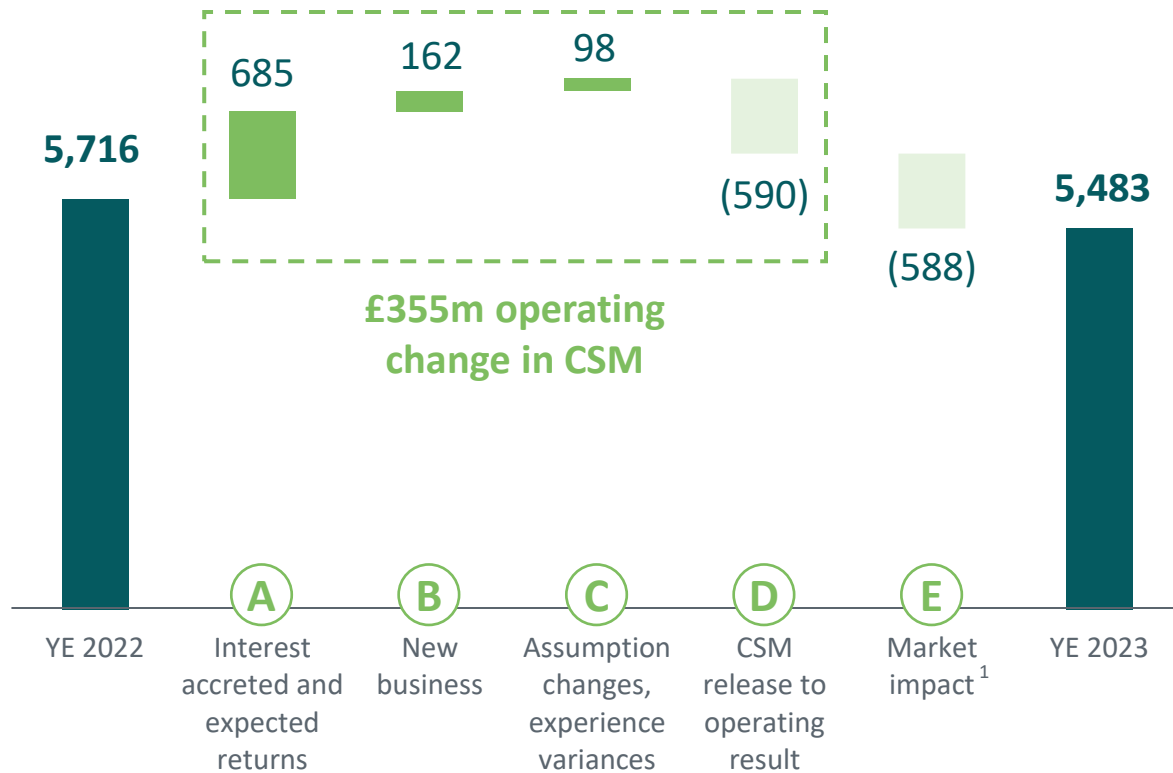
2. Predominantly New Business strain / releases; 3. Risk Adjustment release accounted for £24m in 2022 and £19m in 2023

Operating change in CSM of £355m

Closing total CSM of £5.5bn shows large discounted future value

CSM movements

Total (£m)



1. Includes CSM release to non-operating result

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

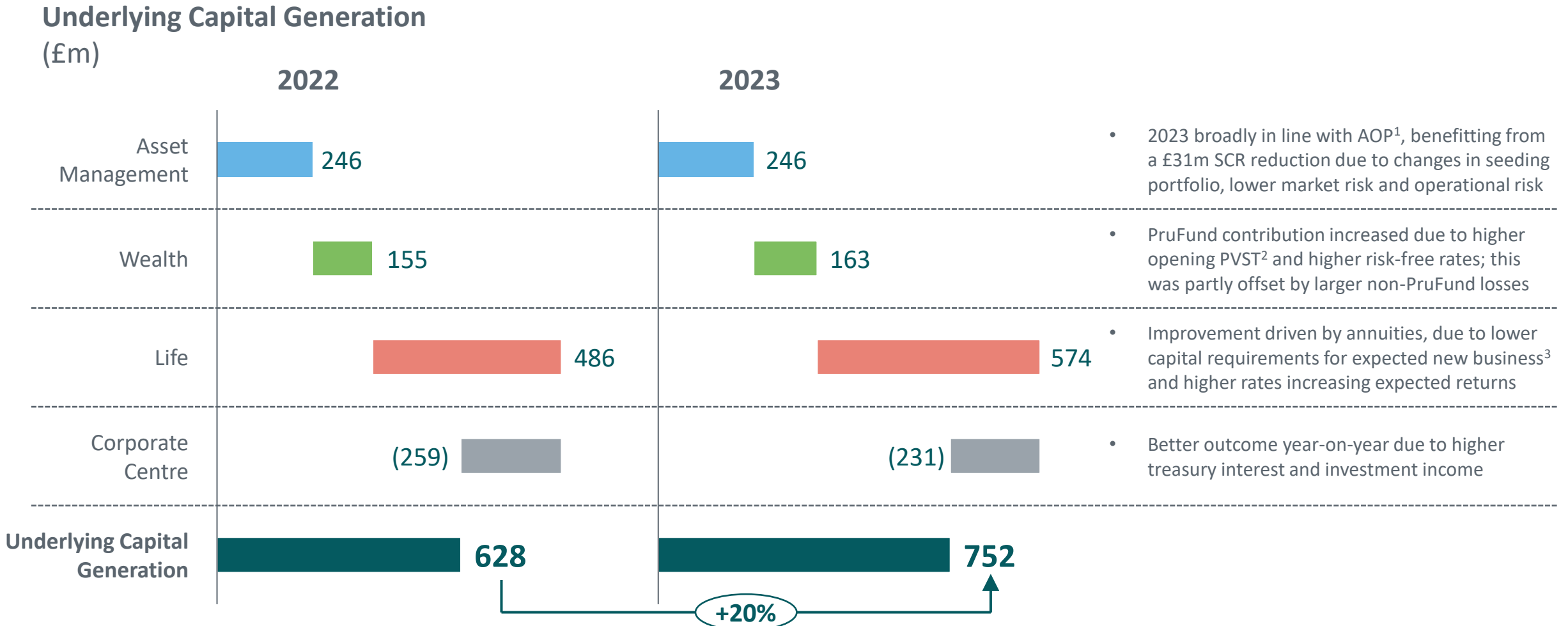
CSM movements by product line

| £m | YE 2022 | (A) | (B) | (C) | (D) | Op. change in CSM | (E) | YE 2023 |
|--------------------|--------------|-----|-----|-----|-------|-------------------|--------------|--------------|
| Total | 5,716 | 685 | 162 | 98 | (590) | 355 | (588) | 5,483 |
| Annuities | 1,206 | 30 | 42 | 60 | (96) | 36 | (21) | 1,221 |
| PruFund | 1,666 | 330 | 94 | 37 | (231) | 230 | (282) | 1,614 |
| Traditional | 1,466 | 309 | 0 | (4) | (238) | 67 | (191) | 1,342 |
| Policy-holder | 664 | - | - | - | - | - | (12) | 652 |
| Other ² | 714 | 16 | 26 | 5 | (25) | 22 | (82) | 654 |

With-Profits

Underlying Capital Generation of £752m

Continued strong result, 20% higher than 2022

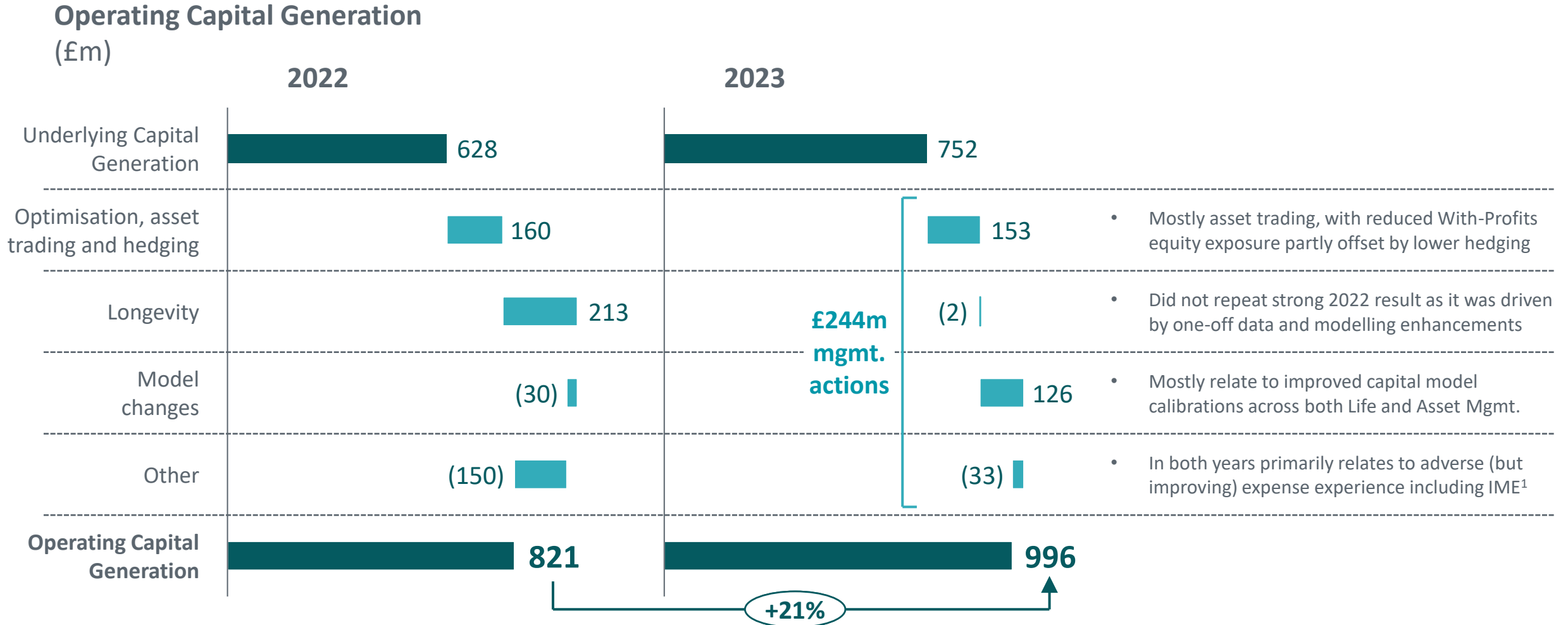


1. Adjusted Operating Profits; 2. Present Value of Future Shareholder Transfers

3. 2022 result includes a £(60)m impact for the set-up of capital requirements for the expected value of 1 year of future new business; in 2023 these capital requirements were lowered to £(46)m leading to a £14m positive impact

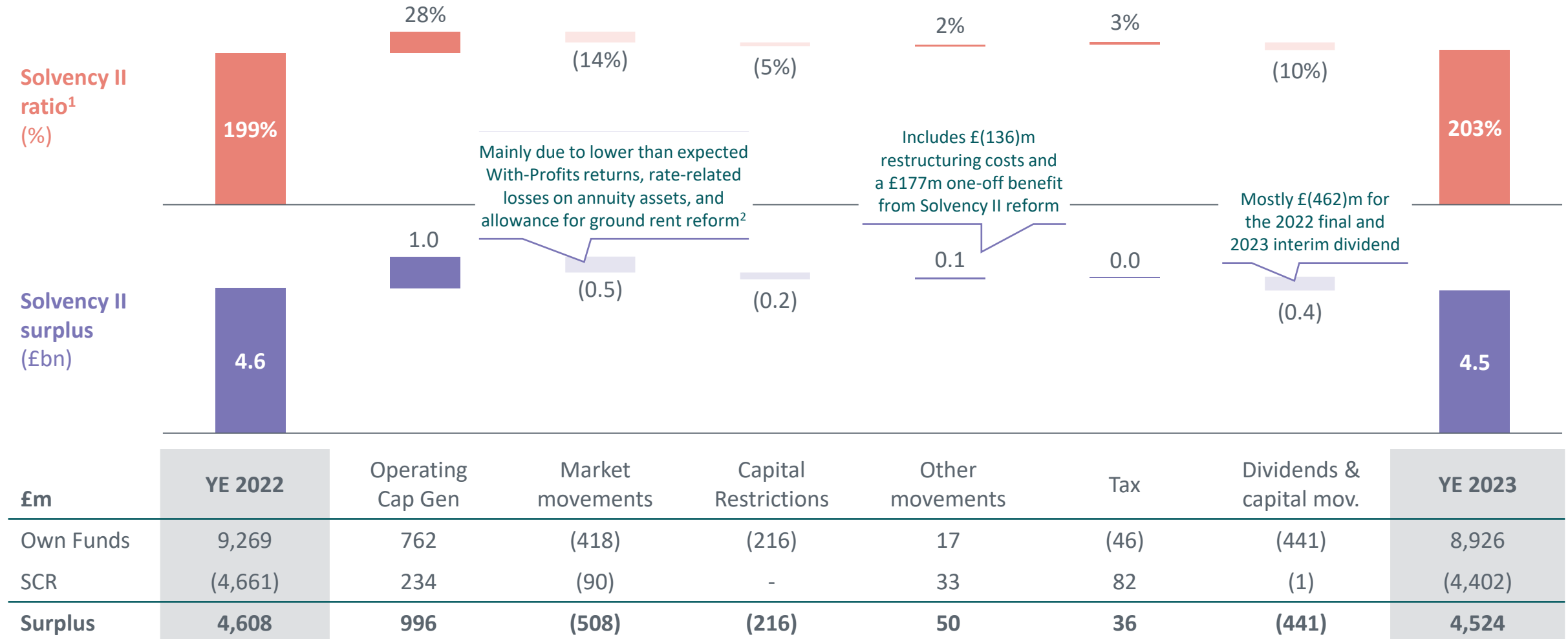
Operating Capital Generation of £996m

£1.8bn two-year cumulative result, 2023 result 21% higher year-on-year



OCG result underpins solvency ratio increase to 203%

Improved coverage ratio despite adverse impact from markets and capital restrictions

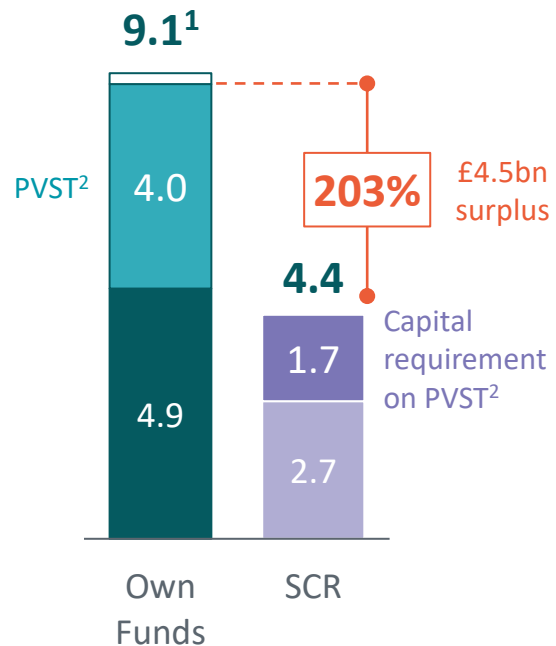


1. Shareholder Solvency II ratio; 2. For additional information, please see page 23 in the 2023 Annual Report

Strong Solvency II coverage ratio and stable leverage ratio

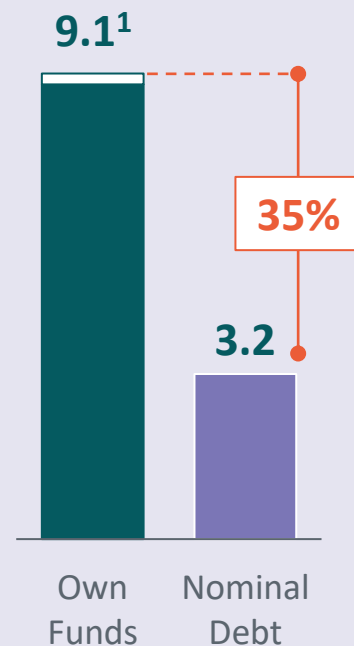
Remain focused on reducing leverage, £300m bond callable in July

YE 2023 Solvency II ratio

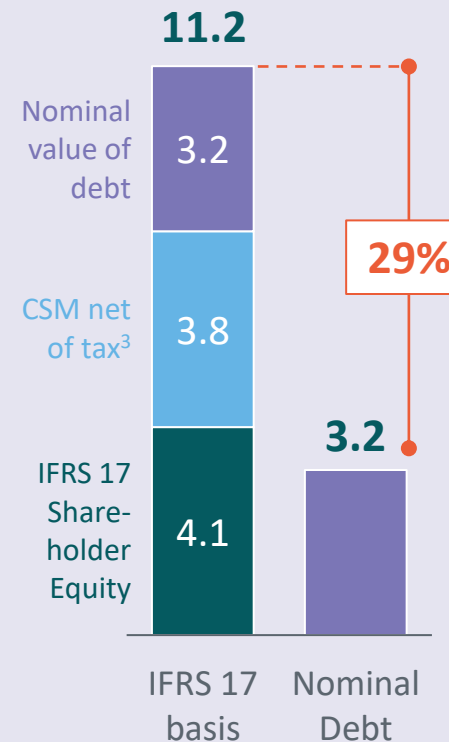


YE 2023 Leverage ratio

Solvency II basis



IFRS 17 basis



We are committed to reduce the Solvency II leverage ratio to <30% by 2025⁴

At the same level of Own Funds, this would require a reduction in debt greater than the amount callable in July 2024

Subordinated debt structure

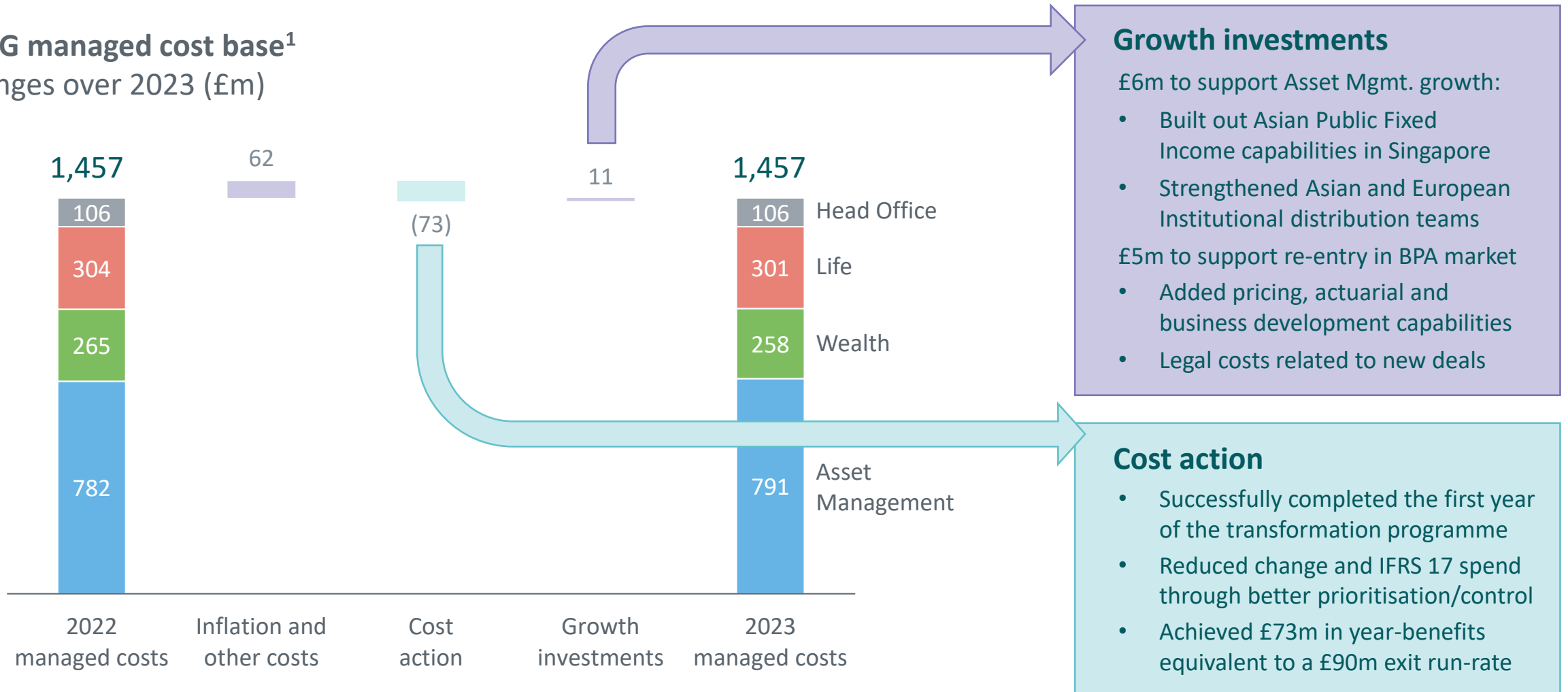
| Tranche | Coupon | Call Date |
|---------|--------|-----------|
| £300m | 3.875% | 2024 |
| \$500m | 6.500% | 2028 |
| £750m | 5.625% | 2031 |
| £600m | 5.560% | 2035 |
| £700m | 6.340% | 2043 |
| £500m | 6.250% | 2048 |

1. Gross of £216m eligible Own Funds restriction; 2. Present Value of Future Shareholder Transfers
3. Only shows the CSM attributable to Shareholders; 4. Assumes neither positive nor negative impact from markets on level of Solvency II Own Funds

2023 managed costs flat YoY thanks to simplification efforts

Significant cost action offset inflation and freed-up resources to support growth

M&G managed cost base¹
changes over 2023 (£m)

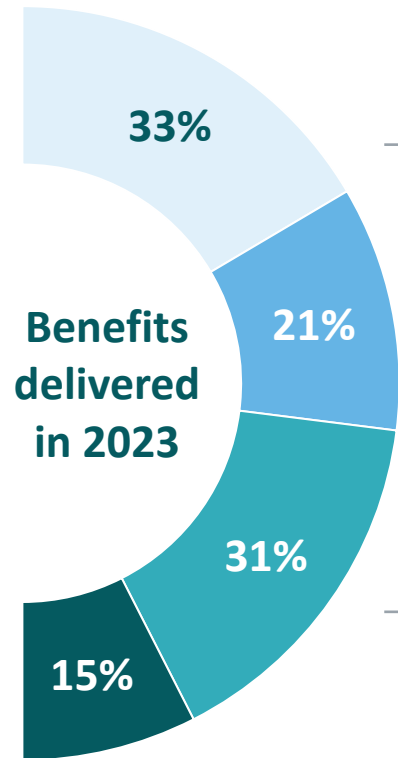


1. Managed costs defined as 'operational cost relating to the normal running of the business, excluding expenses relating to dividends, financing costs (e.g. interest payments on leases and bank balances, impact of funds revaluations, corporate tax charges) and external asset management expenses incurred by the Group's insurance businesses (e.g. fees to third party fund managers, movements in deferred income / deferred acquisitions costs)'; 2022 baseline includes a £26m adjustment to reflect the full year impact of responsAbility, Sandringham, Moneyfarm and TCF acquisitions

Transformation programme delivering across four key levers

£73m in-year cost benefit including reduction in change spend

Transformation benefits by lever



Examples of 2023 achievements

Sourcing and location strategy

- Reduced UK office spend by 15%
- Outsourced technology operations
- Transferred 50 roles to India as we transfer more Finance and Tech activities there

Technology and operations

- Simplified technology estate, with 180 applications decommissioned (c. 10% of total)
- Optimised tech infrastructure, migrating onto cloud, reducing ongoing operational costs

Organisation simplification

- Restructured Private Markets team
- Flattened structure of Tech team
- Consolidated Finance activities in Centres of Excellence

Operational efficiency

- Reduced consultancy and contractor spend by 11%, building cost efficient internal capabilities
- Optimising market data spend
- Right-sized central support functions

2024 - 2025 priorities

- Further optimise footprint in high-cost locations and technology operations
- Continue to expand India team as we identify new activities for transfer
- Further rationalise technology estate through decommissioning
- Increase automation of actuarial and valuation modelling
- Drive TOM implementation focusing on synergies and Centres of Excellence
- Continue embedding risk management activities in first line operations
- Achieve total reduction in consultancy and contractor spend of 35%
- Improve efficiency of marketing and market data spend

Committed to our existing capital management framework

Financial strength and debt management are the main priority for 2024

Financial Strength and flexibility

- Strong Solvency II ratio of 203%, despite lower rates at end of year
- Remain focused on reducing leverage, £300m bond callable in July
- Upstreaming cash resources to parent company as appropriate

Targeting leverage ratio of 30% or less by 2025

Investments in the business

- Delivering steady progress on transformation programme
- Organically adding Asset Management and Life capabilities
- Exploring small and selective bolt-ons and team lift-outs in Private Markets

Targeted investments to support growth and simplification

Financial strength and flexibility

Attractive dividends

Investments in the business

Capital returns

Stable or increasing, 2023 total DPS of 19.7p

Remain committed to return any excess capital over time

Key messages

1

Positive net client flows¹ for the third year in a row despite persisting market volatility

2

28% higher earnings, strong and balanced contribution across Asset Management, Wealth and Life

3

21% higher Operating Capital Generation, benefitting from strong underlying result

4

Improved Solvency II ratio to 203% and clear focus on deleveraging

5

Strong cost discipline, £73 million reduction in 2023, committed to broadly flat Asset Mgmt. costs



Wrap up

Our priorities and targets

Priorities



1. Refers to the managed cost base; 2. Refers to the Core CIR, which excludes performance fees from the definition of income

Targets

£2.5bn Operating Capital
Generation over 2022-24

Leverage ratio
<30% by 2025

£200m cost savings¹ and Asset
Management CIR <70% by 2025²

>50% earnings from Asset
Management and Wealth by 2025



Appendix

Additional financial information

Adjusted Operating Profit

From Adjusted Operating Profits to IFRS Profit After Tax

| (£m) | | 2022 | 2023 |
|---|--|----------------|--------------|
| Asset Management | AM Revenues | 995 | 995 |
| | AM Cost | (763) | (791) |
| | Performance fees | 56 | 30 |
| | Investment income and minority interest ¹ | (24) | 8 |
| | Total Asset Management AOP | 264 | 242 |
| Wealth | PruFund UK | 190 | 228 |
| | Platform and Advice | (24) | (32) |
| | Other Wealth | (8) | (16) |
| | Total Wealth AOP | 158 | 180 |
| Life | Traditional With-Profits | 200 | 263 |
| | Shareholder Annuities & Other | 241 | 326 |
| | Europe | 19 | (3) |
| | Total Life AOP | 460 | 586 |
| Corp. Centre | Head Office ² | (94) | (49) |
| | Debt interest cost | (164) | (162) |
| | Total Corporate Centre AOP | (257) | (211) |
| Adjusted Operating Profit before tax | | 625 | 797 |
| Short-term fluctuations in investment returns | | (2,858) | (171) |
| Mismatches arising on application of IFRS 17 | | (244) | (41) |
| Restructuring and other costs | | (147) | (141) |
| Amortisation of intangible assets | | (35) | (39) |
| IFRS profit attributable to non-controlling interests | | 19 | 16 |
| IFRS Profit/(Loss) before tax attributable to equity holders | | (2,640) | 421 |
| Tax | | 585 | (112) |
| IFRS Profit/(Loss) after tax attributable to equity holders | | (2,055) | 309 |

1. Includes share of profit from joint venture and associates; 2. Includes 'Head Office Expenses', 'Investment and other income on Hold Co assets'

Adjusted Operating Profit

IFRS 17 technical modelling guidance

Wealth

PruFund CSM release to the operating result expected to reduce year-on-year due to:

- 3% lower opening CSM, due to adverse market impact in 2023
- Lower CSM expected rate of returns due changes in the Strategic Asset Allocation¹ of the With-Profits Fund
- Lower CSM amortisation rate due to improved persistency assumptions

Losses in Advice, Platform and Other, expected to gradually reduce over time

Life

Traditional With-Profits CSM release to the operating result expected to reduce year-on-year due to:

- 8% lower opening CSM, due to adverse markets and run-off of the book
- Lower CSM expected rate of returns (same dynamic as per PruFund)
- Lower CSM amortisation rate (same dynamic as per PruFund)

Annuities return on excess assets expected to reduce year-on-year across AOP and Underlying Cap Gen due to:

- Reduction in excess assets due to upstream dividends, and
- Reduction in the rate of return, as illiquid assets previously backing the excess have been used to back liabilities related to new business

1. In 2023, the With-Profits Fund reduced its exposure to Equities, largely replacing it with Fixed Income assets which over the long-term offer lower expected returns

Adjusted Operating Profit

Additional details

| (£m) | 2022 | 2023 |
|--|-------------|------------|
| Asset Management | | |
| AM Revenues | 995 | 995 |
| AM Costs | (763) | (791) |
| Performance fees | 56 | 30 |
| Investment income and minority interest¹ | (24) | 8 |
| Total Asset Management AOP | 264 | 242 |

| | | |
|-------------------------|------------|------------|
| Wealth | | |
| Total Wealth AOP | 158 | 180 |

| | | |
|-----------------------|------------|------------|
| Life | | |
| Total Life AOP | 460 | 586 |

| | | |
|-----------------------------------|--------------|--------------|
| Corporate Centre | | |
| Head Office² | (94) | (49) |
| Debt interest cost | (164) | (162) |
| Total Corporate Centre AOP | (257) | (211) |

| | 2022 | 2023 |
|--------------------------------|-------------|----------|
| Investment income | (5) | 24 |
| Minority interest ¹ | (19) | (16) |
| Total | (24) | 8 |

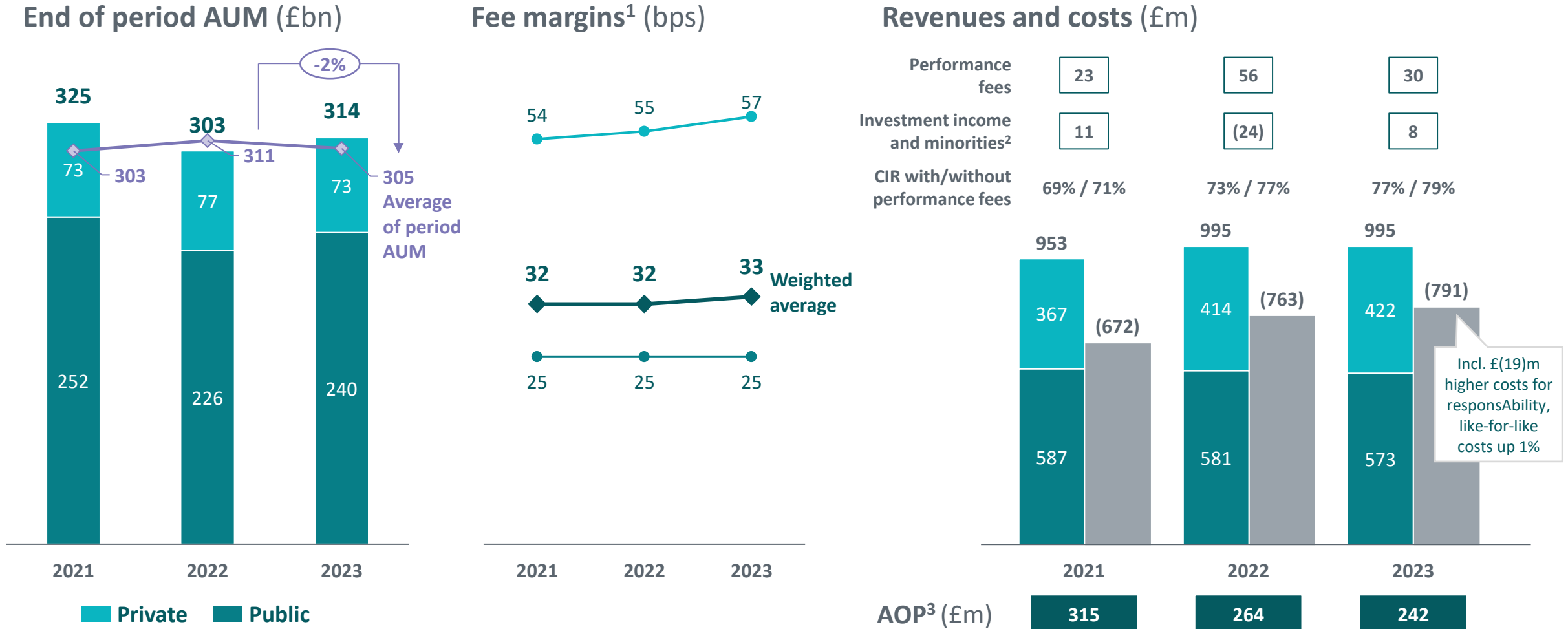
| | 2022 | 2023 |
|---|-------------|-------------|
| Head Office expenses | (106) | (106) |
| Investment and other income on Hold Co assets | 13 | 57 |
| Total | (94) | (49) |

| | 2022 | 2023 |
|---------------------------------|--------------|--------------|
| Subordinated debt interest cost | (190) | (191) |
| Amortisation fair value premium | 26 | 29 |
| Total | (164) | (162) |

1. Includes share of profit from joint venture and associates; 2. Includes 'Head Office Expenses', 'Investment and other income on Hold Co assets'

Adjusted Operating Profit

Asset Management result by asset class



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

2. M&G is a majority shareholder in joint ventures in South Africa and Singapore, therefore the revenues and costs from the JVs are fully incorporated in the Asset Mgmt. result. The share of profits attributable to minority shareholders is included in the 'minority interest' line; 3. Adjusted Operating Profits

Key drivers of CSM movements

Annuities, PruFund and Traditional With-Profits

| | PruFund | | Traditional WP Shareholder | | Traditional WP Policyholder | | Annuities | | Other ¹ | |
|-------------------------------------|--------------|--------------|----------------------------|--------------|-----------------------------|------------|--------------|--------------|--------------------|------------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Opening CSM | 1,331 | 1,666 | 1,201 | 1,466 | 635 | 664 | 1,171 | 1,206 | 696 | 714 |
| Interest accreted | 20 | 128 | 28 | 142 | - | - | 24 | 30 | 4 | 16 |
| Expected returns | 166 | 202 | 229 | 167 | - | - | - | - | - | - |
| New Business | 18 | 94 | - | 0 | - | - | 6 | 42 | 18 | 26 |
| Ass. changes, experience variances | 4 | 37 | (48) | (4) | - | - | 94 | 60 | 20 | 5 |
| CSM release to operating result | (154) | (231) | (186) | (238) | - | - | (89) | (96) | (25) | (25) |
| CSM release to non-operating result | (33) | 27 | (38) | 48 | (64) | (66) | - | - | (61) | (45) |
| Market impact | 314 | (309) | 280 | (239) | 93 | 54 | - | (21) | 62 | (37) |
| Closing CSM | 1,666 | 1,614 | 1,466 | 1,342 | 664 | 652 | 1,206 | 1,221 | 714 | 654 |

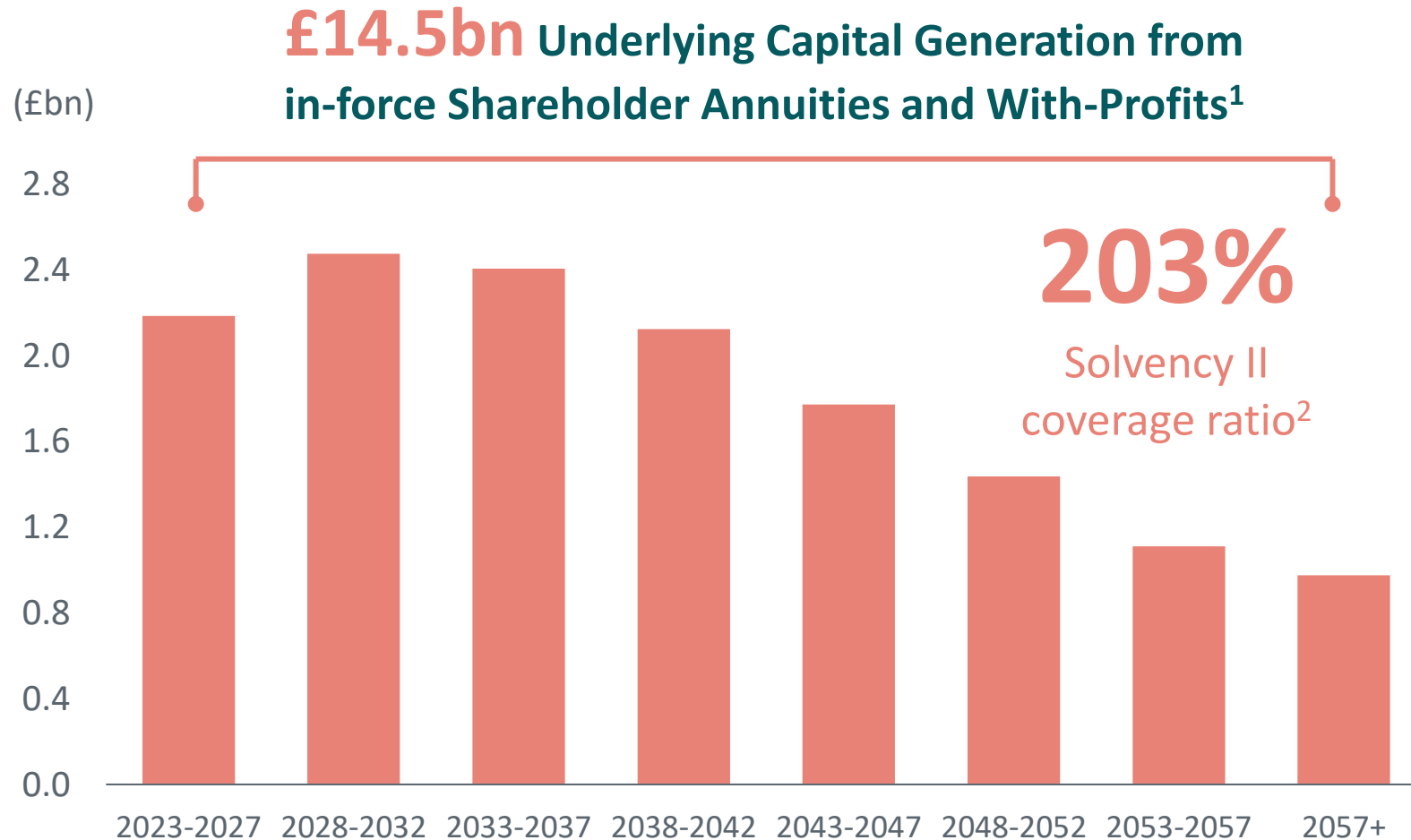
1. Other CSM predominantly relates to M&G Investments future profits from the management of the internal client assets, and to PIA (Irish subsidiary)

Operating Capital Generation

| (£m) | 2022 | | | 2023 | | |
|--|--------------|-------------|--------------|--------------|-------------|--------------|
| | Own Funds | SCR | Total | Own Funds | SCR | Total |
| Asset Management | 268 | (22) | 246 | 215 | 31 | 246 |
| PruFund UK | 233 | (53) | 179 | 305 | (98) | 207 |
| - of which: In-force | 187 | 29 | 216 | 223 | 6 | 229 |
| - of which: New business | 46 | (82) | (36) | 82 | (104) | (22) |
| Platform and Advice | (21) | (4) | (25) | (31) | 2 | (29) |
| Other Wealth | 2 | (2) | 0 | (13) | (2) | (15) |
| Wealth | 214 | (59) | 155 | 261 | (98) | 163 |
| With-Profits | 138 | 54 | 192 | 165 | 17 | 182 |
| Shareholder Annuities & other | 201 | 50 | 251 | 332 | 18 | 350 |
| Europe | 43 | 0 | 43 | 50 | (8) | 42 |
| Life | 382 | 104 | 486 | 547 | 27 | 574 |
| Debt Interest Cost | (190) | 0 | (190) | (189) | 0 | (189) |
| Head Office Cost | (77) | 8 | (69) | (48) | 6 | (41) |
| Corporate Centre | (267) | 8 | (259) | (237) | 6 | (231) |
| Total Underlying Capital Generation | 597 | 30 | 628 | 786 | (34) | 752 |
| Other Asset Management Capital Generation | 7 | (40) | (33) | 15 | 35 | 50 |
| Other Wealth Capital Generation | 101 | 26 | 127 | (82) | 164 | 82 |
| Other Life Capital Generation | 87 | (20) | 67 | 59 | 88 | 147 |
| Other Corporate Centre Capital Generation | (1) | 33 | 32 | (17) | (18) | (35) |
| Total Operating Capital Generation | 791 | 29 | 821 | 761 | 235 | 996 |

Underlying Cap Gen, expected contribution from in-force insurance policies

Resilient capital generation and balance sheet



Continued focus on Management actions levers available:

Model changes

Non-market assumptions

Asset trading

ALM optimisation

Hedging

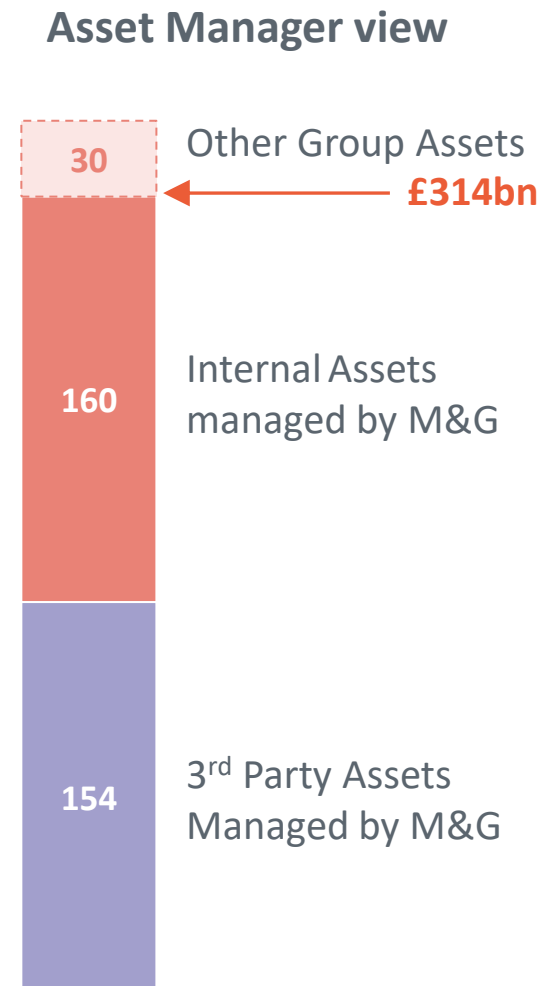
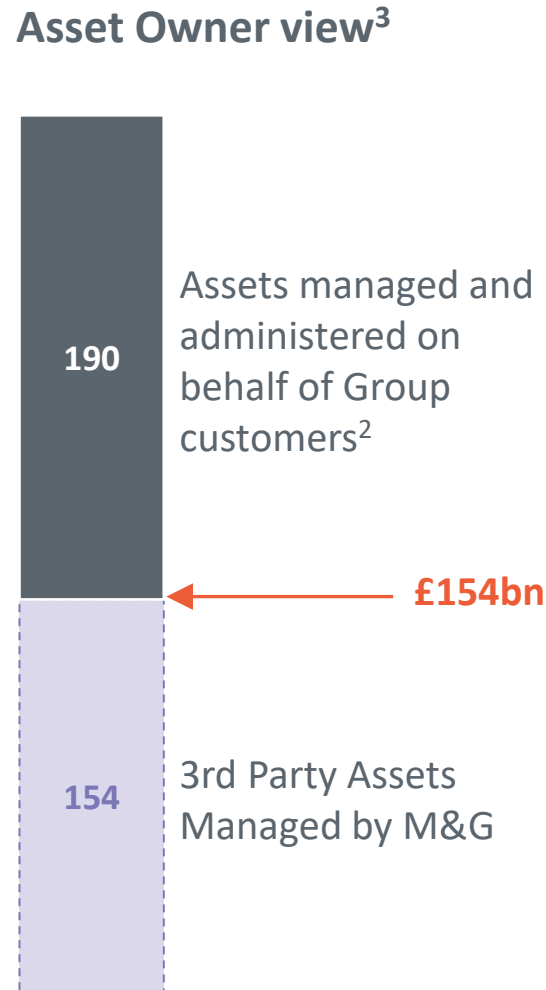
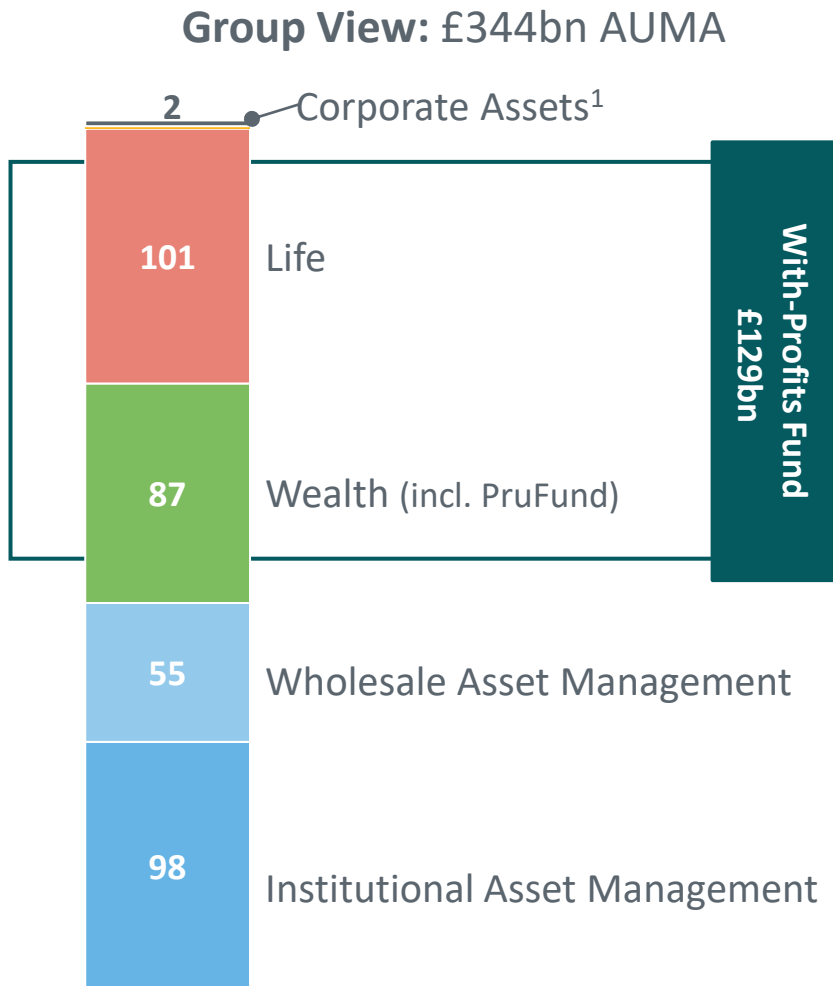
1. Underlying Capital Generation, net of tax and run-off of hedge programmes; cumulative undiscounted total based on in-force Shareholder Annuities and With-Profits business and reflecting economic conditions as of 31 December 2023; excludes new business and management actions

2. Refers to M&G plc Solvency II coverage ratio

Assets Under Management and Administration

Our asset base as an Asset Owner and an Asset Manager

More details on the following page

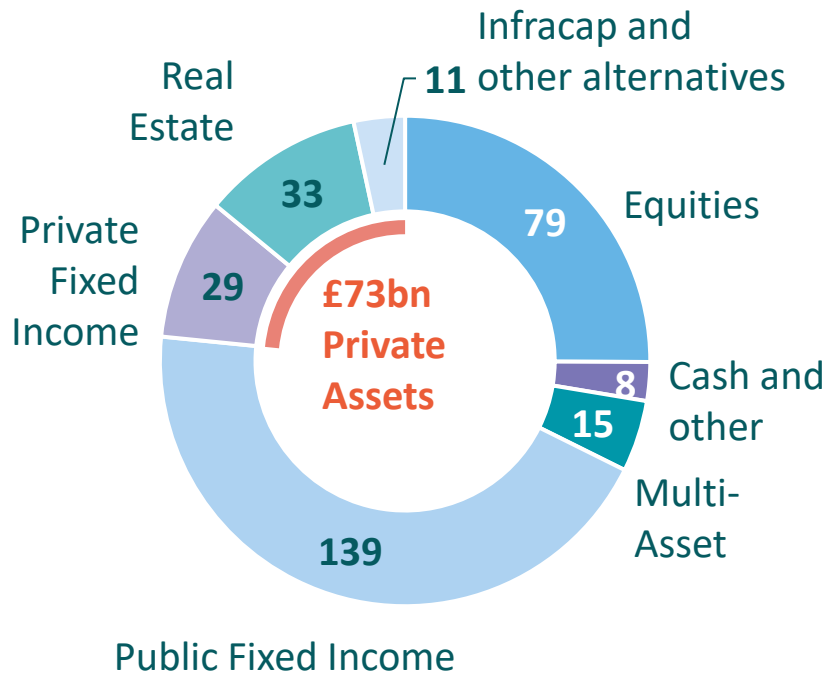


1. Includes £1.0bn Other Asset Management AUMA; 2. Includes M&G Direct Assets Under Management and PAC (Prudential Assurance Company), Wealth and Corporate Assets Under Administration; 3. Includes £14.1bn of assets under advice.

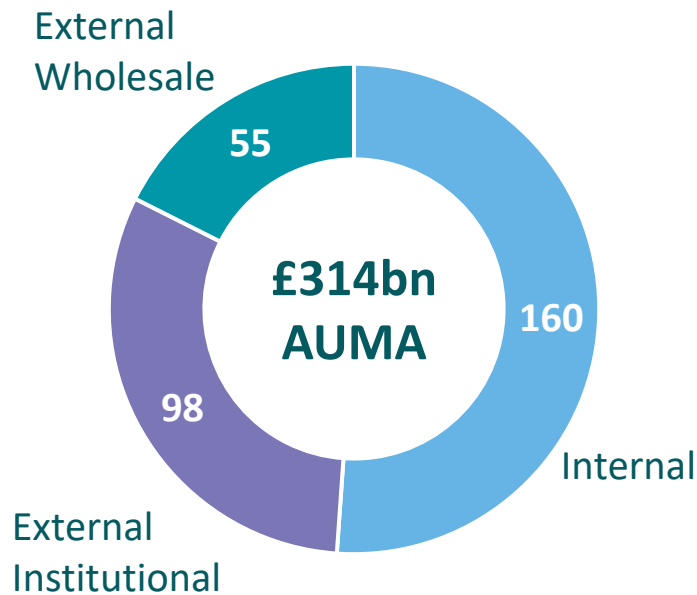
Assets Under Management and Administration

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

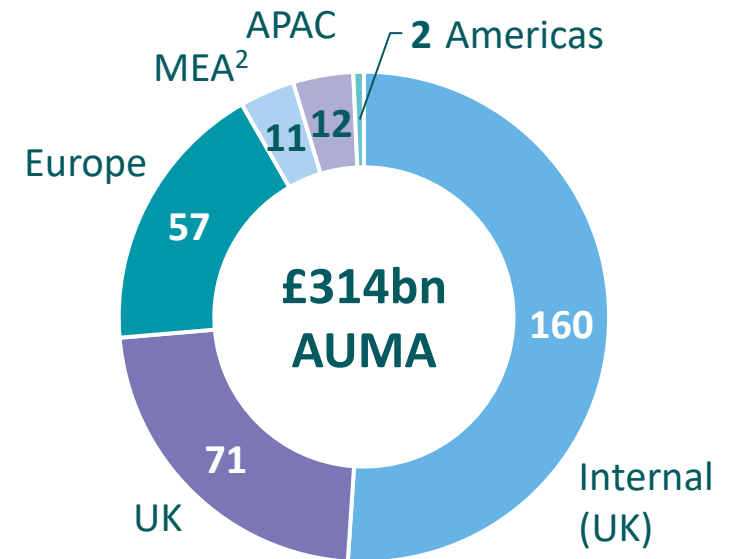
Diversified capabilities
strong scale in private assets



A successful external franchise
and a supportive internal client



Established footprint¹
with opportunity to grow



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

Assets Under Management and Administration

Group wide flows, market and other movements – YE 2021 to YE 2023

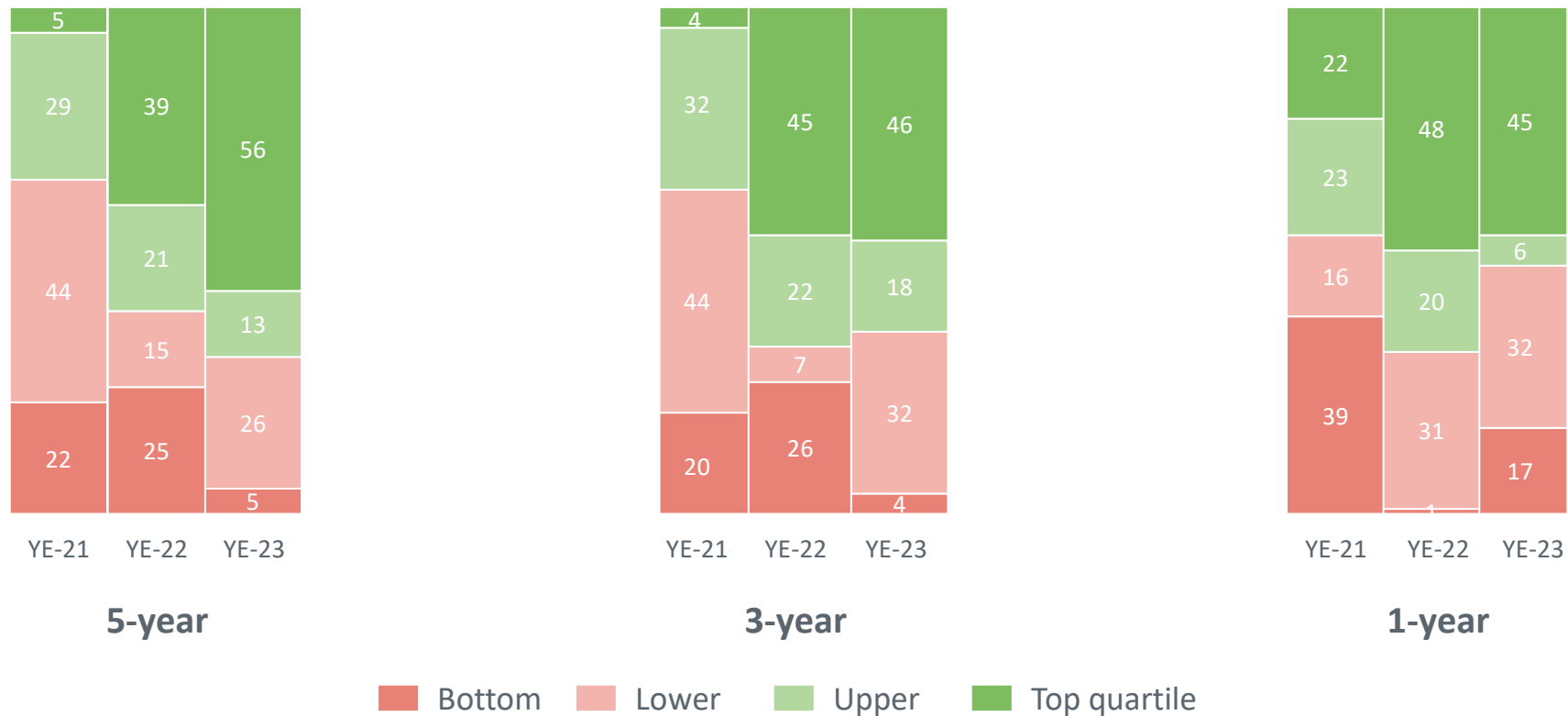
| (£bn) | | YE 2021 | Inflows | Outflows | Net client flows | Market / Other | YE 2022 | Inflows | Outflows | Net client flows | Market / Other | YE 2023 |
|-------------------------------|--|------------------|---------------|---------------|------------------|----------------|--------------|------------------|---------------|------------------|----------------|--------------|
| | | Asset Management | Institutional | 103.1 | 13.1 | (13.8) | (0.7) | (3.2) | 99.2 | 14.8 | (15.5) | (0.7) |
| Wholesale | 52.7 | | 16.0 | (15.5) | 0.5 | 0.7 | 53.9 | 18.3 | (16.8) | 1.5 | (0.4) | 55.0 |
| Other ¹ | 0.9 | | - | - | - | 0.2 | 1.1 | - | - | - | (0.1) | 1.0 |
| Total Asset Management | 156.7 | | 29.1 | (29.3) | (0.2) | (2.3) | 154.2 | 33.1 | (32.3) | 0.8 | (0.8) | 154.2 |
| Wealth | <i>of which: PruFund UK</i> | 52.4 | 5.4 | (4.9) | 0.5 | (0.6) | 52.3 | 6.3 | (5.4) | 0.9 | 1.6 | 54.8 |
| | Total Wealth | 84.2 | 8.0 | (7.8) | 0.2 | (1.0) | 83.4 | 9.0 | (8.8) | 0.2 | 3.5 | 87.1 |
| Life | <i>of which: Shareholder Annuities</i> | 22.2 | - | (1.1) | (1.1) | (5.7) | 15.4 | 0.7 ² | (1.1) | (0.4) | 0.8 | 15.8 |
| | <i>of which: Traditional WP</i> | 81.4 | 0.2 | (5.1) | (4.9) | (9.0) | 67.5 | 0.3 | (4.5) | (4.2) | 1.7 | 65.0 |
| | <i>of which: Europe</i> | 6.0 | 0.7 | (0.5) | 0.3 | (0.2) | 6.0 | 0.7 | (0.6) | 0.1 | 0.3 | 6.4 |
| | Total Life | 126.9 | 1.1 | (6.8) | (5.7) | (18.2) | 103.0 | 2.2 | (7.9) | (5.7) | 3.6 | 100.9 |
| | Corporate Assets | 2.2 | - | - | - | (0.8) | 1.4 | - | - | - | (0.1) | 1.3 |
| Group Total | | 370.0 | 38.2 | (43.9) | (5.7) | (22.3) | 342.0 | 44.3 | (49.0) | (4.7) | 6.2 | 343.5 |

1. Corporate AUMA held by M&G Group; 2. Includes £0.6bn inflow from BPA transactions

Wholesale Asset Management

Mutual funds performance

Mutual funds performance as of YE 2021, YE 2022 and YE 2023
(as % of AUMA)



Wholesale Asset Management

Largest SICAV and OEIC mutual funds

| RANK by AUMA | PRODUCT | ASSET CLASS | FUND | AUMA and Flows (£bn) | | | | | |
|-----------------|--------------|-------------|---------------------------------|----------------------|------|------------|-----------|------------------|---------|
| | | | | YE 2022 | SALE | REDEMPTION | NET FLOWS | MARKET/ OTHER | YE 2023 |
| 1 | OEIC + SICAV | Bonds | Optimal Income | 9.7 | 2.16 | (2.86) | (0.70) | 0.68 | 9.7 |
| 2 | OEIC + SICAV | Equities | Global Dividend | 4.8 | 1.02 | (1.39) | (0.37) | 0.30 | 4.7 |
| 3 | OEIC + SICAV | Equities | Global Themes | 2.8 | 0.22 | (0.38) | (0.16) | 0.17 | 2.8 |
| 4 | OEIC + SICAV | Equities | Japan | 0.3 | 2.69 | (0.30) | 2.39 | 0.15 | 2.8 |
| 5 | OEIC + SICAV | Bonds | Emerging Markets Bond | 1.6 | 1.63 | (0.78) | 0.86 | 0.20 | 2.6 |
| 6 | OEIC + SICAV | Equities | Global Listed Infrastructure | 3.1 | 0.84 | (1.58) | (0.74) | (0.12) | 2.2 |
| 7 | SICAV only | Multi Asset | Dynamic Allocation | 1.9 | 0.36 | (0.52) | (0.17) | 0.09 | 1.8 |
| 8 | OEIC + SICAV | Bonds | Global Floating Rate High Yield | 1.9 | 0.72 | (0.94) | (0.22) | 0.13 | 1.8 |
| 9 | OEIC + SICAV | Bonds | Global Macro Bond | 2.0 | 0.67 | (1.07) | (0.40) | (0.07) | 1.5 |
| 10 | SICAV only | Equities | European Strategic Value | 1.2 | 0.64 | (0.50) | 0.13 | 0.14 | 1.5 |

Wholesale Asset Management

Largest SICAV mutual funds

| | | | | AUMA and Flows (£bn) | | | | | |
|--------------|---------|-------------|---------------------------------|----------------------|------|------------|-----------|---------------|---------|
| RANK by AUMA | PRODUCT | ASSET CLASS | FUND | YE 2022 | SALE | REDEMPTION | NET FLOWS | MARKET/ OTHER | YE 2023 |
| 1 | SICAV | Bonds | Optimal Income | 8.3 | 1.84 | (2.42) | (0.58) | 0.53 | 8.3 |
| 2 | SICAV | Equities | Global Dividend | 2.5 | 0.70 | (0.80) | (0.10) | (0.62) | 1.8 |
| 3 | SICAV | Multi Asset | Dynamic Allocation | 1.9 | 0.36 | (0.52) | (0.17) | (0.18) | 1.6 |
| 4 | SICAV | Equities | Global Listed Infrastructure | 2.6 | 0.60 | (1.28) | (0.68) | (0.68) | 1.2 |
| 5 | SICAV | Bonds | Global Floating Rate High Yield | 1.6 | 0.60 | (0.79) | (0.19) | (0.88) | 0.5 |
| 6 | SICAV | Equities | European Strategic Value | 1.2 | 0.64 | (0.50) | 0.13 | (0.87) | 0.5 |
| 7 | SICAV | Bonds | Emerging Markets Bond | 0.9 | 0.48 | (0.34) | 0.14 | (0.71) | 0.4 |
| 8 | SICAV | Multi Asset | Income Allocation | 1.0 | 0.17 | (0.29) | (0.12) | (0.50) | 0.3 |
| 9 | SICAV | Equities | Japan | 0.1 | 0.54 | (0.07) | 0.47 | (0.20) | 0.4 |
| 10 | SICAV | Equities | Global Themes | 0.5 | 0.12 | (0.16) | (0.04) | (0.33) | 0.1 |

Wholesale Asset Management

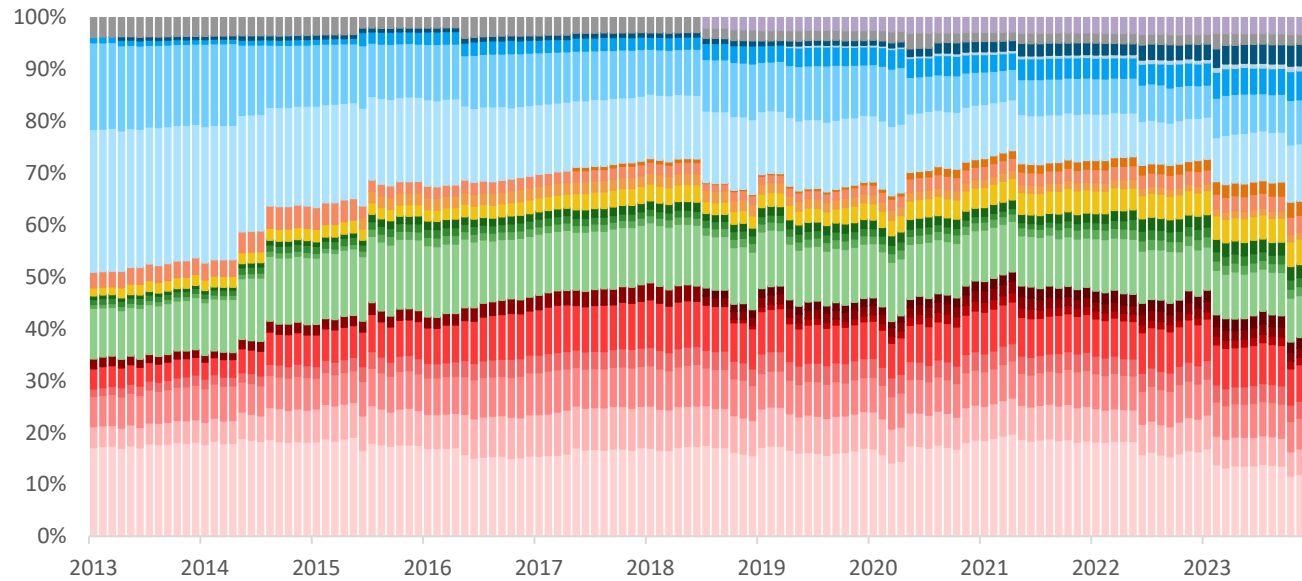
Largest OEIC mutual funds

| | | | | AUMA and Flows (£bn) | | | | | |
|--------------|---------|-------------|------------------------------------|----------------------|------|------------|---------------|---------------|------------|
| RANK by AUMA | PRODUCT | ASSET CLASS | FUND | YE 2022 | SALE | REDEMPTION | NET FLOWS | MARKET/ OTHER | YE 2023 |
| 1 | OEIC | Equities | Global Themes | 2.3 | 0.10 | (0.22) | (0.12) | 0.14 | 2.3 |
| 2 | OEIC | Equities | Japan | 0.2 | 2.15 | (0.23) | 1.93 | 0.13 | 2.3 |
| 3 | OEIC | Equities | Global Dividend | 2.2 | 0.32 | (0.59) | (0.26) | 0.13 | 2.1 |
| 4 | OEIC | Bonds | Emerging Markets Bond | 0.6 | 1.16 | (0.44) | 0.72 | 0.09 | 1.4 |
| 5 | OEIC | Bonds | Optimal Income | 1.4 | 0.32 | (0.44) | (0.12) | 0.15 | 1.4 |
| 6 | OEIC | Bonds | Corporate Bond | 1.3 | 0.15 | (0.27) | (0.12) | 0.09 | 1.3 |
| 7 | OEIC | Bonds | Global Macro Bond | 1.5 | 0.59 | (0.92) | (0.33) | (0.06) | 1.1 |
| 8 | OEIC | Bonds | Strategic Corporate Bond | 1.1 | 0.24 | (0.40) | (0.16) | 0.12 | 1.1 |
| 9 | OEIC | Bonds | UK Inflation Linked Corporate Bond | 1.2 | 0.19 | (0.47) | (0.28) | 0.06 | 1.0 |
| 10 | OEIC | Equities | Recovery | 1.0 | 0.02 | (0.12) | (0.10) | 0.01 | 0.9 |

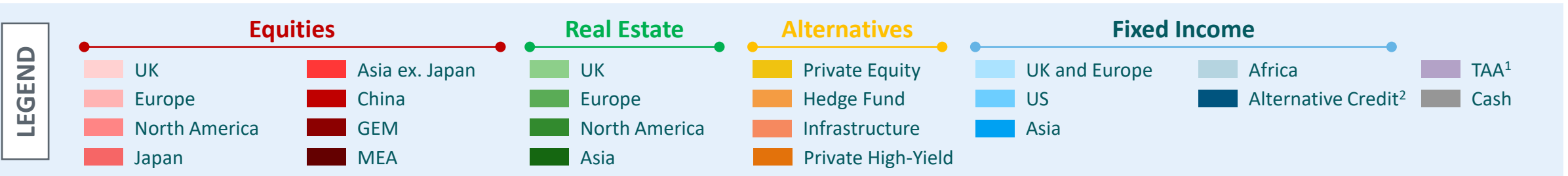
With-Profits Fund

Strategic Asset Allocation

Asset allocation evolution between 2013 and 2023



Asset allocation as of 31 December 2023

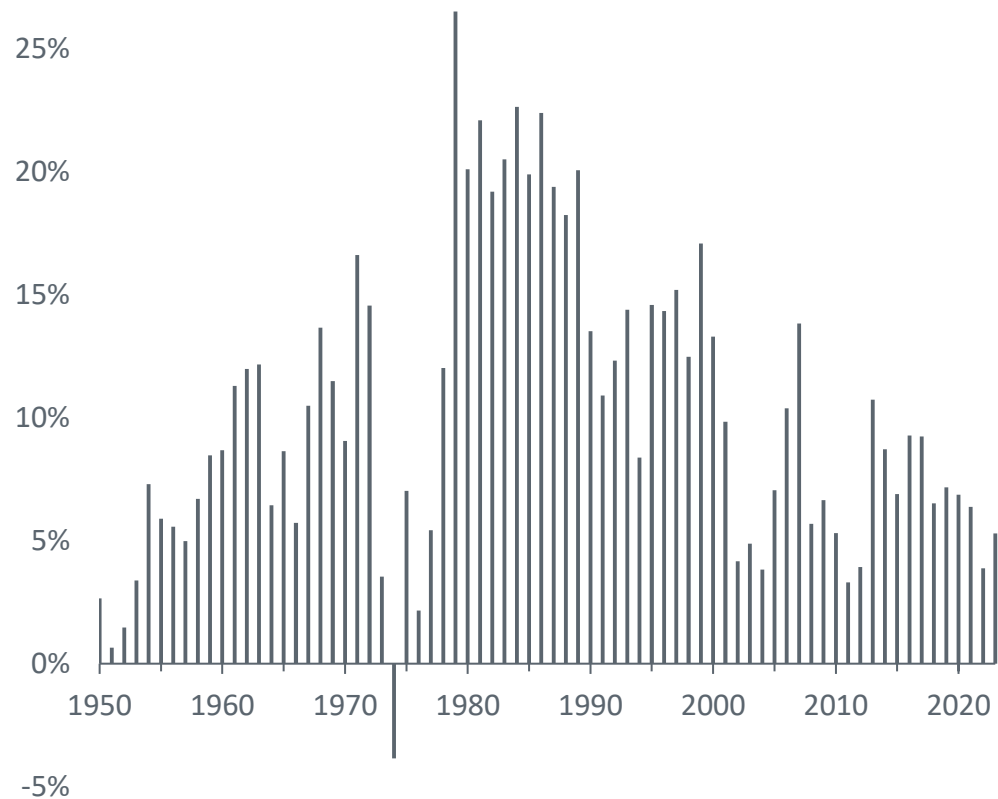


1. Tactical Asset Allocation mandate; 2. Includes: Emerging Market, Convertibles, Bridge Loans, Global High-Yield
Source: Allocation as of 31 December 2023 for OBMG, the largest of the funds within the With-Profits sub fund

With-Profits Fund

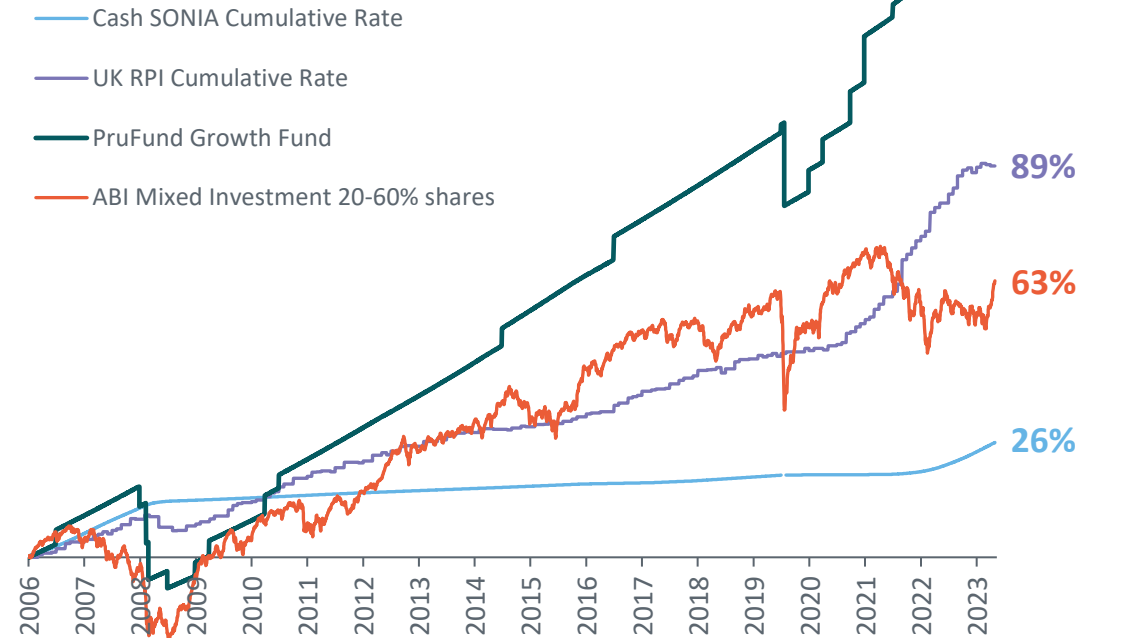
Historical returns

Annualised 5-year rolling returns¹



PruFund Growth returns vs. peers

PruFund Growth returns after charges
(% returns above capital invested)²



1. Data shows OBMG returns; OBMG is the largest of the funds within the With-Profits sub fund, backing PruFund Growth Fund – Past performance is not a guide to future performance. The value of an investment can go down as well as up and so customers may not get back the amount they put in.

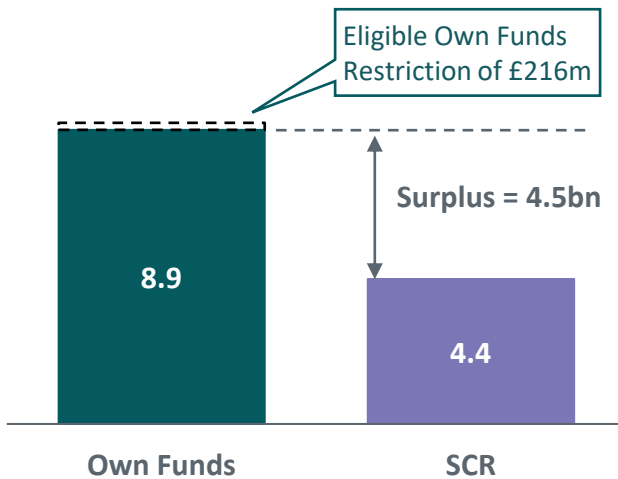
2. PruFund Growth net returns after charges. Data shows returns for PruFund Growth within a bond wrapper. These returns are representative of a typical return profile for PruFund Growth clients

Solvency II

M&G Group position¹

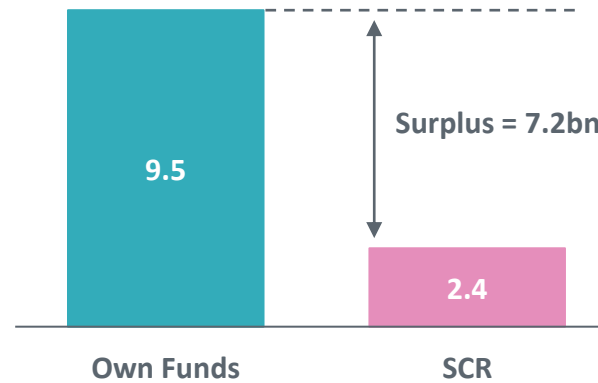
YE 2023 (£bn)

Shareholder view



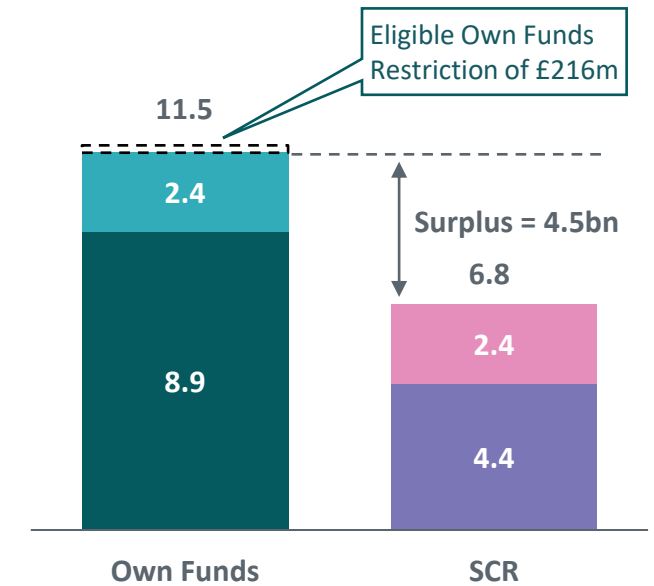
Solvency ratio 203%²

With-Profits Fund view



Solvency ratio 403%

Regulatory view



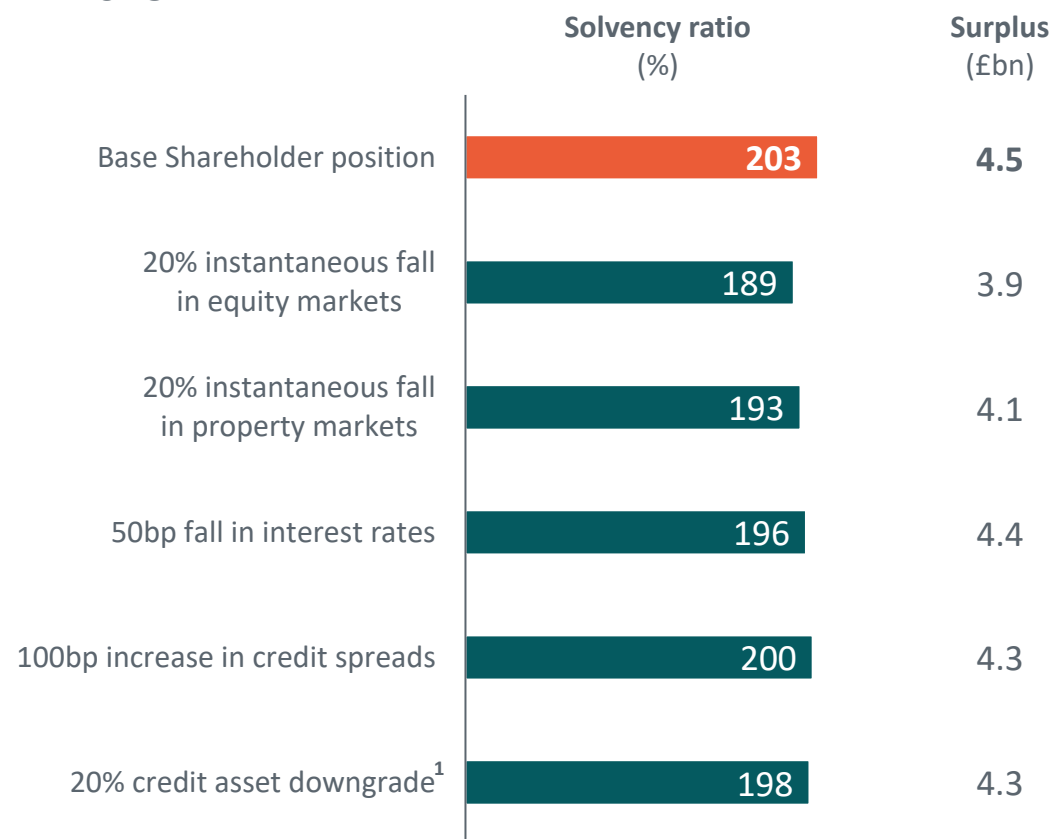
Solvency ratio 167%²

1. All views include the recalculation of Transitional Measures on Technical Provisions (TMTP); 2. Ratio is post eligible own funds restriction

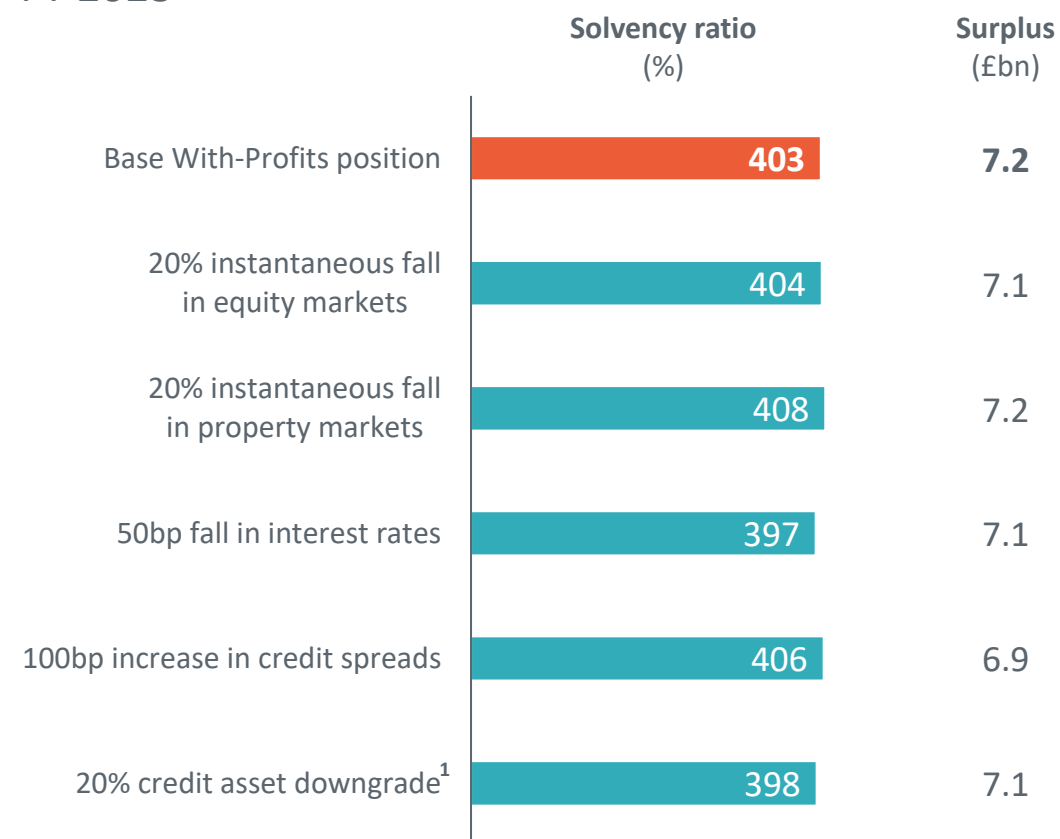
Solvency II

Sensitivities and estimated impact on % ratio and surplus

Shareholder Solvency II market sensitivities FY 2023



With-Profits Solvency II market sensitivities FY 2023

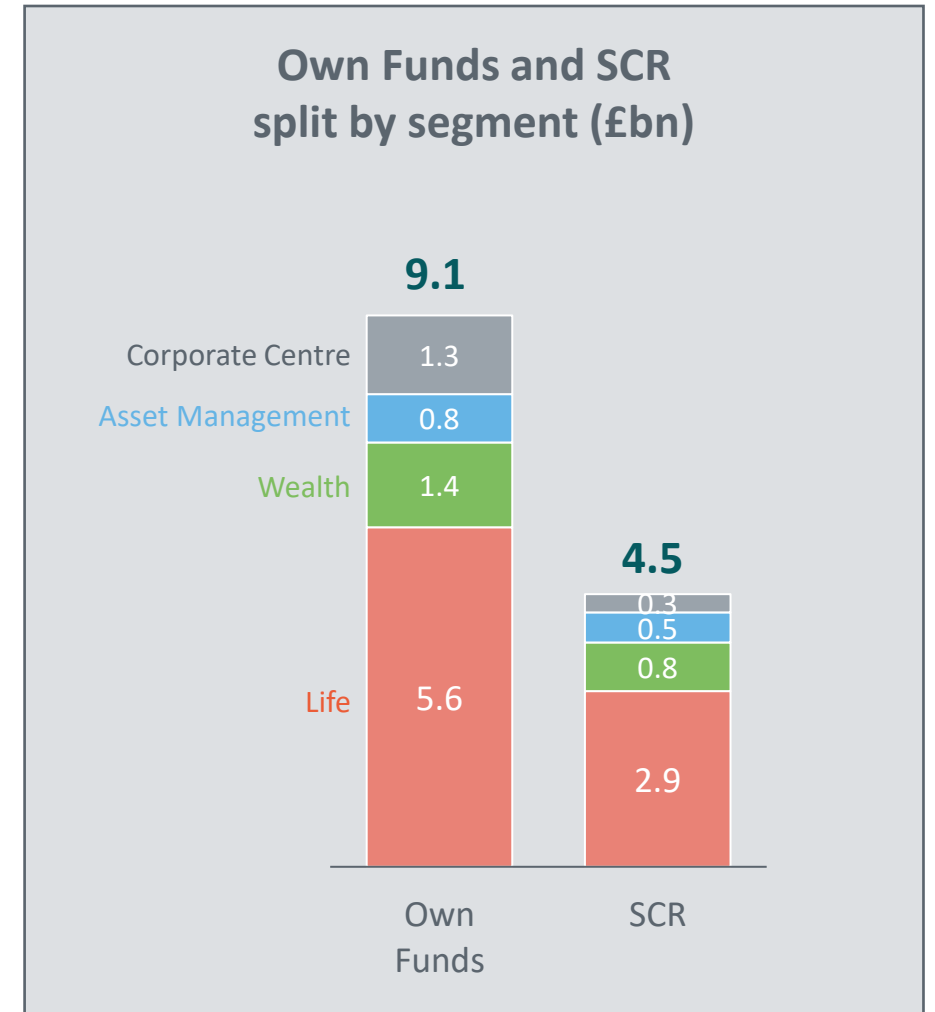
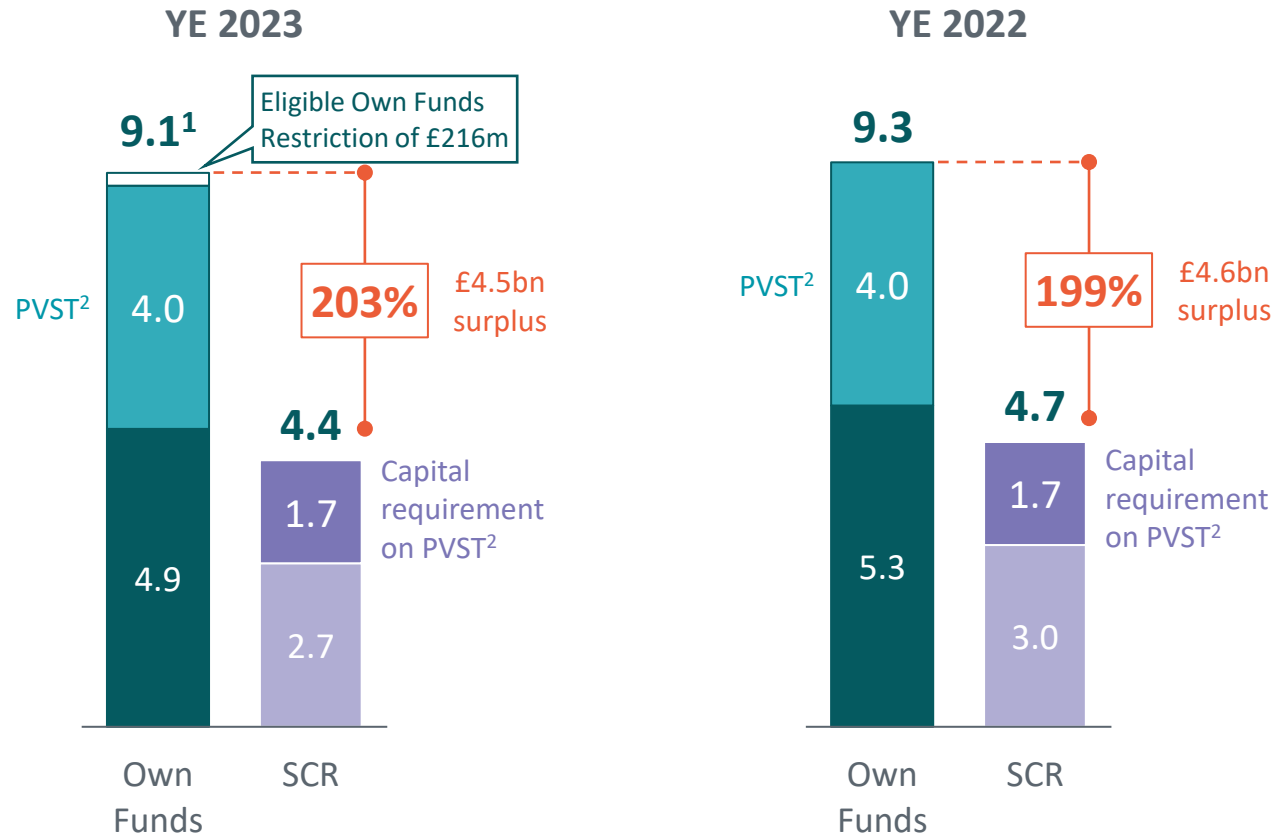


1. Average impact of one full letter downgrade across 20% of assets exposed to credit risk
Note: Sensitivities assuming recalculation of Transitional Measures on Technical Provisions (TMTP)

Solvency II

Shareholder coverage ratio, Own Funds and SCR split by segment

Shareholder Solvency II ratio (£bn)



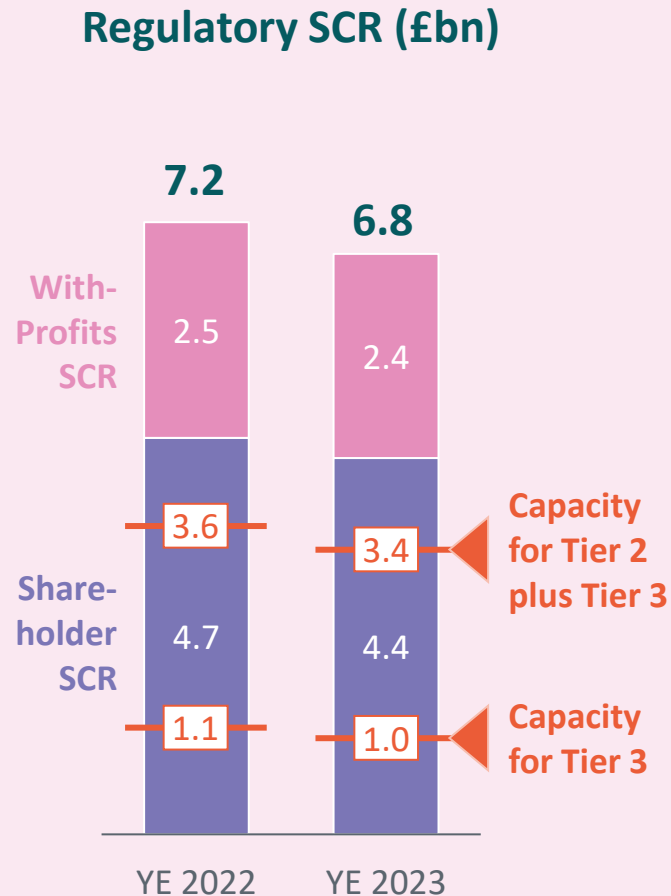
1. Present Value of future Shareholder Transfers (PVST) from the With-Profits Fund

Solvency II

Capital restrictions

Capital tiering

- Tier 2 and Tier 3 capital can jointly contribute to Own Funds only as much as a value equivalent to 50% of the regulatory SCR
- Tier 3 capital can contribute to Own Funds at most by a value equivalent to 15% of the regulatory SCR



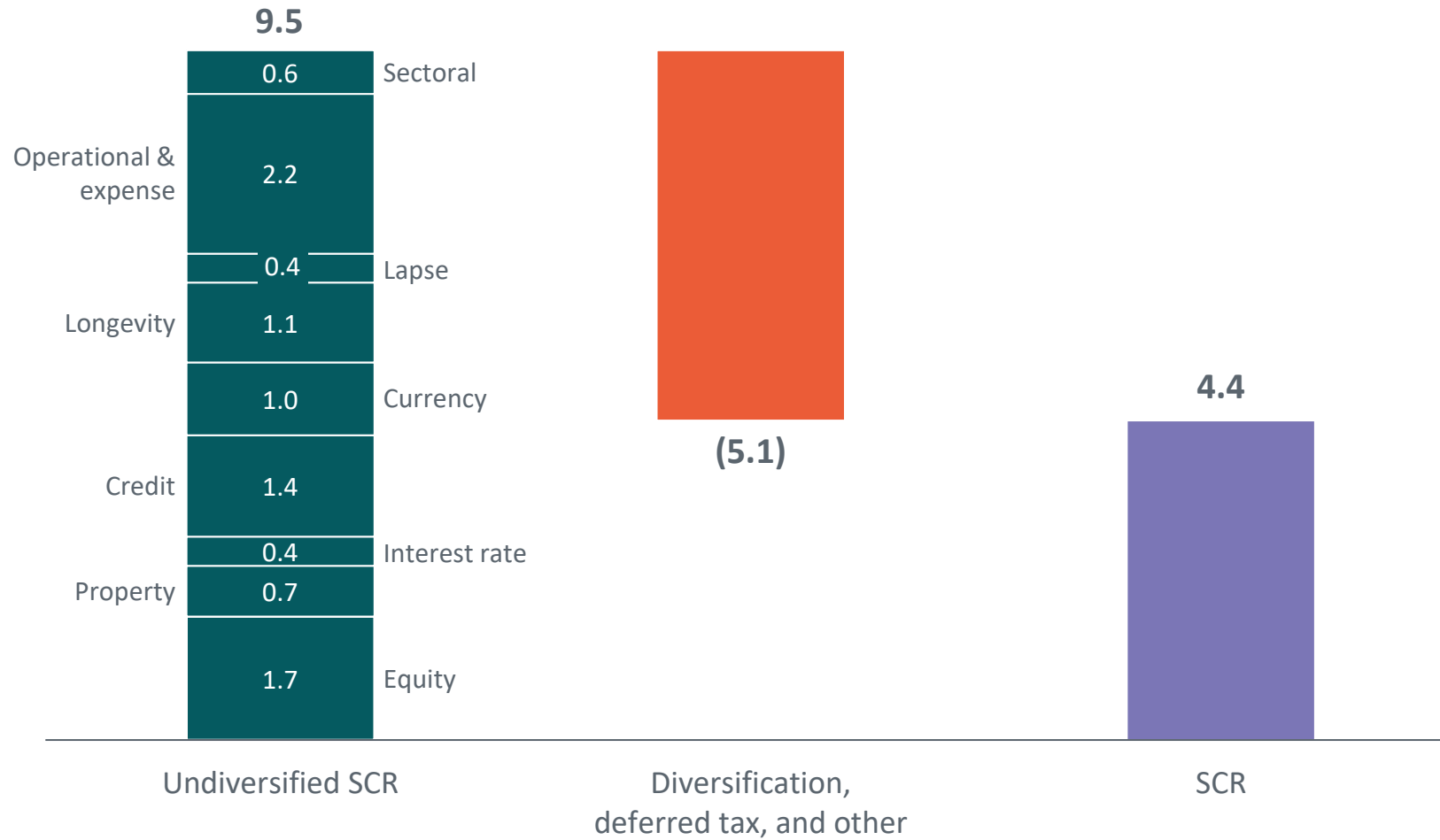
Restrictions

| | YE 2022 | YE 2023 |
|--------------------------------------|--------------|--------------|
| Tier 2 + Tier 3 restriction | | |
| Value of subordinated debt | 2,998 | 3,063 |
| Deferred Tax Asset | 598 | 536 |
| Total Tier 2 + Tier 3 capital | 3,596 | 3,599 |
| 50% of regulatory SCR | 3,597 | 3,383 |
| Restriction | 0 | 216 |
| Tier 3 restriction | | |
| Deferred Tax Asset | 598 | 536 |
| 15% of regulatory SCR | 1,079 | 1,015 |
| Restriction | 0 | 0 |

Solvency II

Breakdown of the Shareholder SCR by risk type

YE 2023
(£bn)

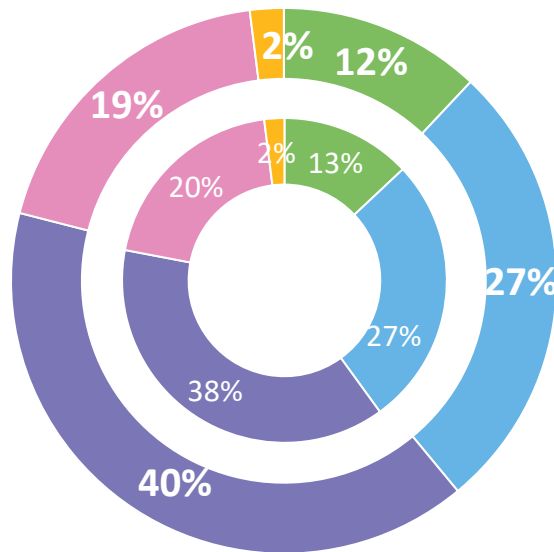


Credit quality of the Shareholder Annuity book remains very strong

98% of the £13bn¹ assets is investment grade

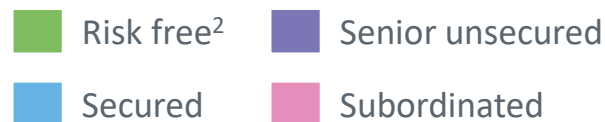
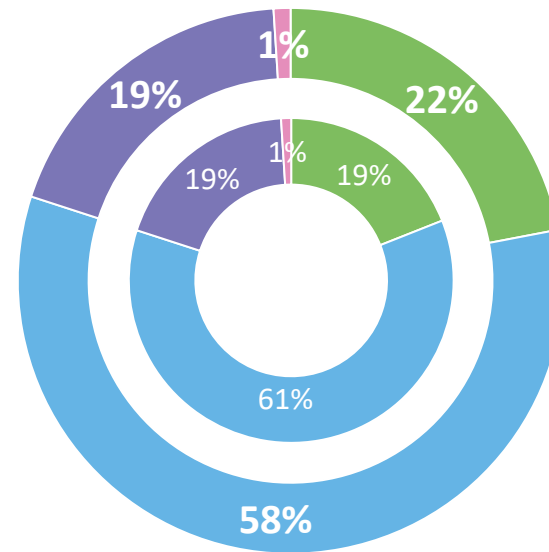
Breakdown by rating

Outer circle shows YE-23, inner YE-22



Breakdown by capital ranking

Outer circle shows YE-23, inner YE-22



- Our diversified and actively managed Annuity portfolio continued to perform resiliently
- Asset profile remains strong and conservatively positioned; 98% is investment grade, and 80% invested in risk free² or secured assets
- Rating migrations resulted in a very low level of downgrades in 2023
- No defaults were experienced over the period

1. M&G Investments data. Cash and cash equivalents, derivatives and junior notes/property residual values have been excluded from this analysis. All data as of 31 December 2023

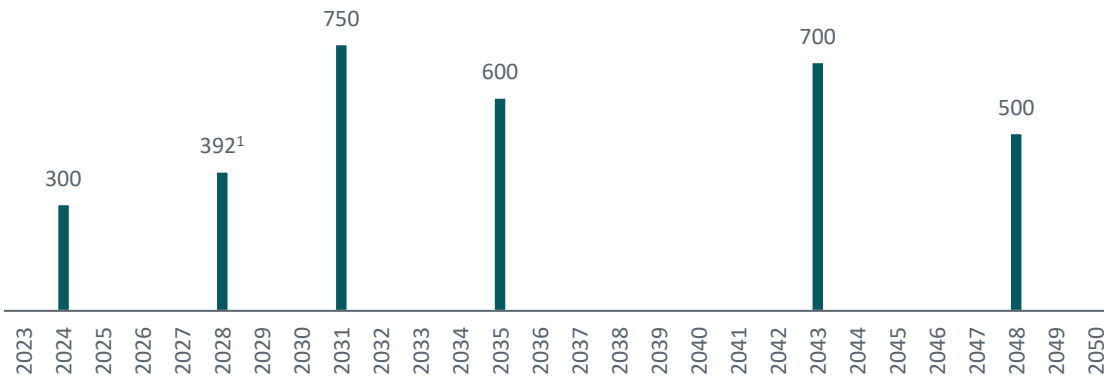
2. Risk Free category includes securities which are classified as 'credit capital exempt' in the internal capital modelling, primarily UK government / guaranteed and supranational debt

Financial debt structure

Subordinated debt (all Tier 2)

| ISIN | Currency | Nominal | Coupon | Issue Date | Maturity Date | Call Date |
|--------------|----------|---------|--------|------------|---------------|-----------|
| XS2025521886 | GBP | 300 | 3.875% | 2019 | 2049 | 2024 |
| XS1888930150 | USD | 500 | 6.500% | 2018 | 2048 | 2028 |
| XS1888920276 | GBP | 750 | 5.625% | 2018 | 2051 | 2031 |
| XS1243995302 | GBP | 600 | 5.560% | 2015 | 2055 | 2035 |
| XS1003373047 | GBP | 700 | 6.340% | 2013 | 2063 | 2043 |
| XS1888925747 | GBP | 500 | 6.250% | 2018 | 2068 | 2048 |

Call date profile (£m)



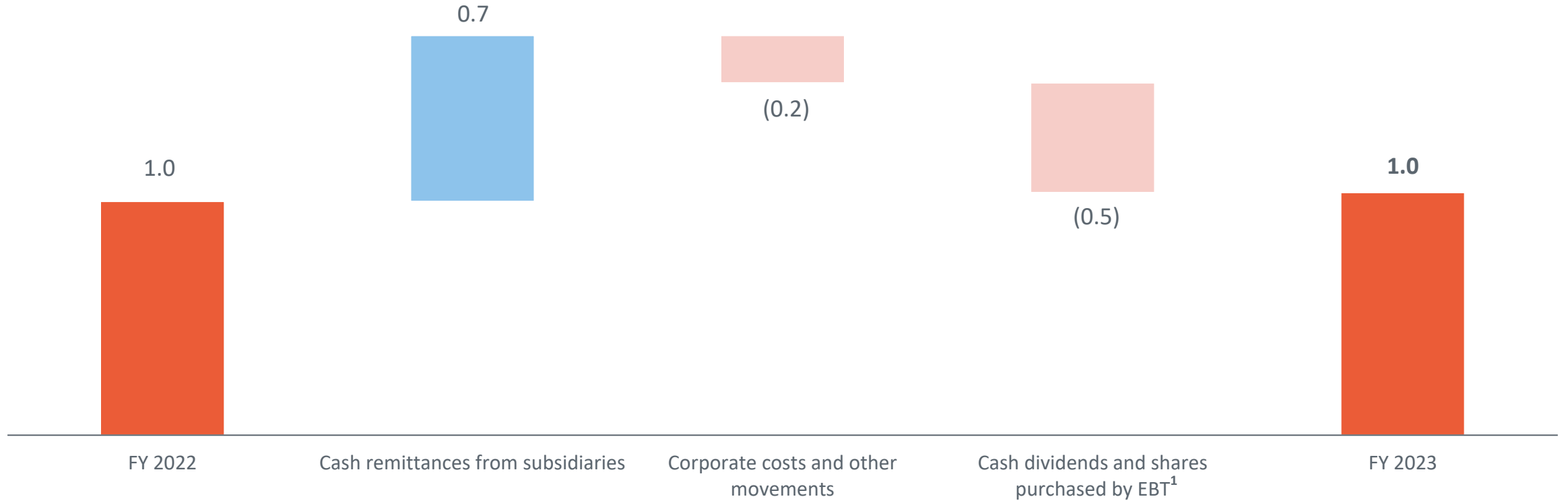
1. Based on USD / GBP exchange rate as of 31 December 2023

| Ratings | Financial Strength | Issuer Default | Outlook |
|-------------------------------|--------------------|----------------|---------|
| S&P Global Ratings | A+ | A | Stable |
| MOODY'S | A1 | A3 | Stable |
| FitchRatings | AA- | A+ | Stable |

Parent company liquidity

Cash and liquid assets at £1.0bn

Parent company cash and liquid assets 2023 (£bn)



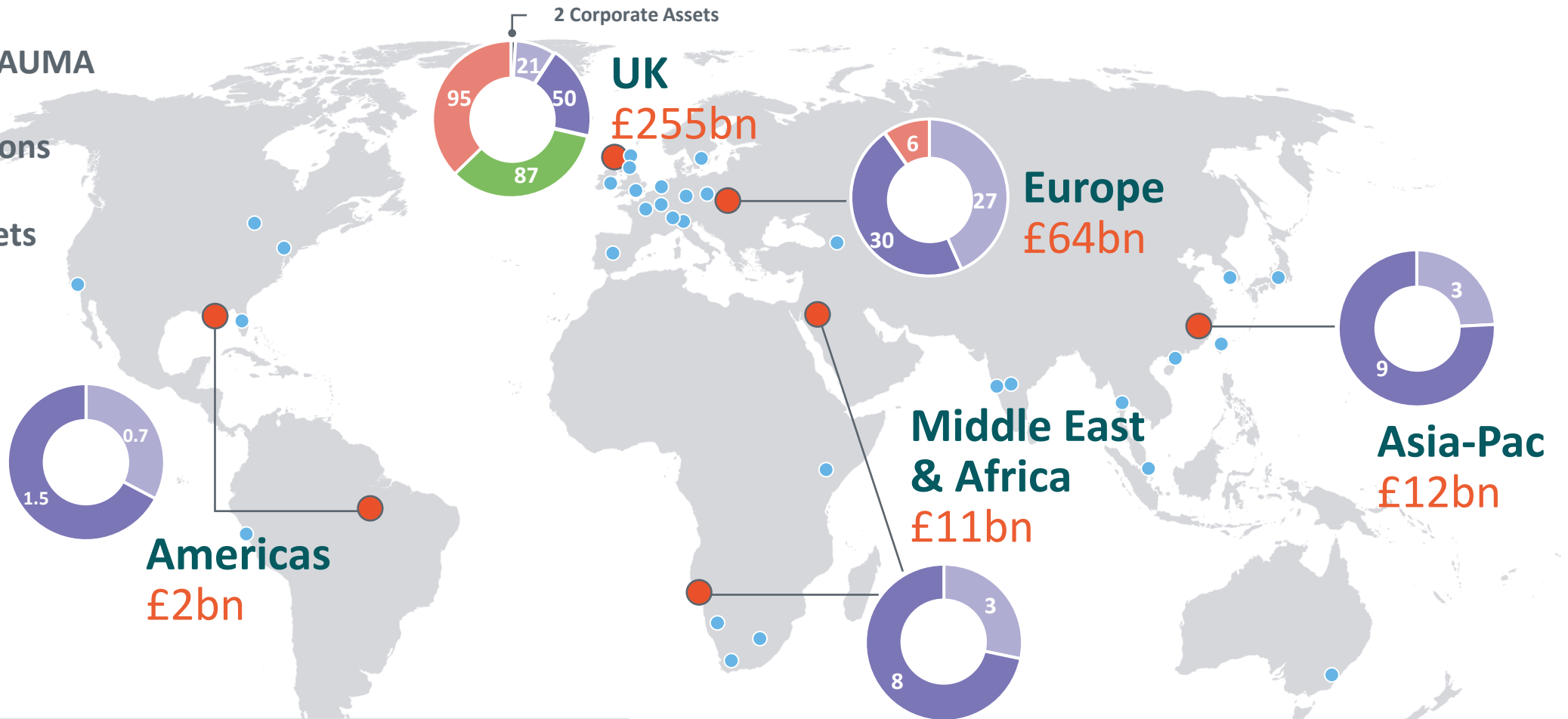
1. Cash dividends paid to equity holders of £462m

Our international footprint

£344bn AUMA

38 locations

26 markets



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

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