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Prudential plc
保誠有限公司*

(Incorporated and registered in England and Wales with limited liability, registered number 01397169)
(Stock Code: 2378)

PRUDENTIAL AND CITIC TO PROVIDE GROWTH CAPITAL FOR CPL

The attached announcement is being released by Prudential plc on the date below.

By order of the Board
Prudential plc
Tom Clarkson
Company Secretary

20 December 2023, Hong Kong

As at the date of this announcement, the Board of Directors of Prudential plc comprises:

Chair

Shriti Vinodkant Vadera

Executive Director

Anil Wadhvani (*Chief Executive Officer*)

Independent Non-executive Directors

Jeremy David Bruce Anderson CBE, Arijit Basu, Chua Sock Koong, David John Alexander Law ACA, Ming Lu, George David Sartorel, Claudia Ricarda Rita Suessmuth Dyckerhoff, Jeanette Kai Yuan Wong and Yok Tak Amy Yip

* *For identification purposes*

NEWS RELEASE



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20 December 2023

PRUDENTIAL AND CITIC TO PROVIDE GROWTH CAPITAL FOR CPL

Prudential plc (“**Prudential**”) today announced that CITIC-Prudential Life Insurance Company Limited (“**CPL**”), a 50/50 joint venture between Prudential Corporation Holdings Limited (“**PCHL**”), an indirect wholly-owned subsidiary of Prudential, and CITIC Financial Holdings Co., Ltd. (“**CITIC**”), has announced that CPL’s shareholders have approved an increase of its registered capital by RMB2.5 billion (US\$351 million) (“**Capital Increase**”). Under the terms of the Capital Increase, each of CPL’s shareholders, PCHL and CITIC, will contribute RMB1.25 billion (US\$176 million) in cash. As a result, the registered capital of CPL will increase from RMB2.36 billion to RMB4.86 billion (US\$331 million to US\$682 million), while the equity stakes of the shareholders remain unchanged at 50/50. The Capital Increase is subject to relevant regulatory approvals.

Upon completion of the Capital Increase, the proforma China Risk-Oriented Solvency System (C-ROSS) core and comprehensive solvency ratios as at 30 September 2023 are estimated to have been 121% and 215% respectively, well above regulatory requirements.

The Capital Increase underscores the common belief of both shareholders in the attractive long-term prospects of life insurance business in the Chinese Mainland and their strong ongoing commitment to CPL. Prudential’s share of the Capital Increase will be funded out of its reported free surplus of US\$8.3 billion (as at 30 June 2023) which the Group will look to further deploy for future growth opportunities.

Anil Wadhvani, Chief Executive Officer said: “As disclosed in our strategic update in August 2023, we are building a sustainable growth platform through targeted investment in structural growth markets. CPL plays a pivotal role in our overall strategy and growth, and we will continue to focus on delivering our customer-led and multi-channel distribution strategy in the Chinese Mainland. This includes the development of whole life protection products and retirement solutions to address customers’ needs at different life stages, as well as further enhancing our professional high-quality agency force and expanding the bancassurance network. We are confident that the continued focus on quality establishes a good foundation for future growth, and we remain excited about the significant potential of the business.”

Please access the following link for CPL’s disclosure on the Capital Increase:

<https://www.citic-prudential.com.cn/UploadFiles/file/202312201122209635934-情况的信息披露公告.pdf>

This announcement is made on a voluntary basis.

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Note to Editors:

Exchange rates of US\$1 = RMB 7.1215, which is the closing exchange rate as of 15 December 2023, have been used throughout this document for illustrative purposes.

About Prudential plc

Prudential plc provides life and health insurance and asset management in 24 markets across Asia and Africa. Prudential's mission is to be the most trusted partner and protector for this generation and generations to come, by providing simple and accessible financial and health solutions. The business has dual primary listings on the Stock Exchange of Hong Kong (2378) and the London Stock Exchange (PRU). It also has a secondary listing on the Singapore Stock Exchange (K6S) and a listing on the New York Stock Exchange (PUK) in the form of American Depositary Receipts. It is a constituent of the Hang Seng Composite Index and is also included for trading in the Shenzhen-Hong Kong Stock Connect programme and the Shanghai-Hong Kong Stock Connect programme.

Prudential is not affiliated in any manner with Prudential Financial, Inc. a company whose principal place of business is in the United States of America, nor with The Prudential Assurance Company Limited, a subsidiary of M&G plc, a company incorporated in the United Kingdom.

<https://www.prudentialplc.com/>

About CPL

CPL is a 50/50 life insurance joint venture between PCHL and CITIC in the Chinese Mainland. As at 30 June 2023, it had an extensive footprint with 23 branches and operations in 100 cities. It distributes products through multiple distribution channels with around 15,000 tied agents, 61 bank partners and access to over 6,600 bank branches. As at 30 September 2023, CPL's C-ROSS core and comprehensive solvency ratios were 109% and 203% respectively. C-ROSS is the solvency regime that governs the insurance industry in the Chinese Mainland.

Forward-looking statements

This announcement contains 'forward-looking statements' with respect to certain of Prudential's (and its wholly and jointly owned businesses') plans and its goals and expectations relating to future financial condition, performance, results, strategy and objectives. Statements that are not historical facts, including statements about Prudential's (and its wholly and jointly owned businesses') beliefs and expectations and including, without limitation, commitments, ambitions and targets, including those related to ESG matters, and 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 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:

- current and future market conditions, including fluctuations in interest rates and exchange rates, inflation (including resulting interest rate rises), sustained high or low interest rate environments, the performance of financial and credit markets generally and the impact of economic uncertainty, slowdown or contraction (including as a result of the Russia-Ukraine conflict, the conflict in the Middle East and related or other geopolitical tensions and conflicts), which may also impact policyholder behaviour and reduce product affordability;
- asset valuation impacts from the transition to a lower carbon economy;
- derivative instruments not effectively mitigating any exposures;
- global political uncertainties, including the potential for increased friction in cross-border trade and the exercise of laws, regulations and executive powers to restrict trade, financial transactions, capital movements and/or investment;
- the longer-term impacts of Covid-19, including macro-economic impacts on financial market volatility and global economic activity and impacts on sales, claims (including related to treatments deferred during the pandemic), assumptions and increased product lapses;
- the policies and actions of regulatory authorities, including, in particular, the policies and actions of the Hong Kong Insurance Authority, as Prudential's Group-wide supervisor, as well as the degree and pace of regulatory changes and new government initiatives generally;
- the impact on Prudential of systemic risk and other group supervision policy standards adopted by the International Association of Insurance Supervisors, given Prudential's designation as an Internationally Active Insurance Group;

- the physical, social, morbidity/health and financial impacts of climate change and global health crises, which may impact Prudential's business, investments, operations and its duties owed to customers;
- legal, policy and regulatory developments in response to climate change and broader sustainability-related issues, including the development of regulations and standards and interpretations such as those relating to ESG reporting, disclosures and product labelling and their interpretations (which may conflict and create misrepresentation risks);
- the collective ability of governments, policymakers, the Group, industry and other stakeholders to implement and adhere to commitments on mitigation of climate change and broader sustainability-related issues effectively (including not appropriately considering the interests of all Prudential's stakeholders or failing to maintain high standards of corporate governance and responsible business practices);
- the impact of competition and fast-paced technological change;
- 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 transformation projects and other strategic actions failing to meet their objectives or adversely impacting the Group's employees;
- the availability and effectiveness of reinsurance for Prudential's businesses;
- the risk that Prudential's operational resilience (or that of its suppliers and partners) may prove to be inadequate, including in relation to operational disruption due to external events;
- disruption to the availability, confidentiality or integrity of Prudential's information technology, digital systems and data (or those of its suppliers and partners) including the Pulse platform;
- the increased non-financial and financial risks and uncertainties associated with operating joint ventures with independent partners, particularly where joint ventures are not controlled by Prudential;
- 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 factors are not exhaustive. Prudential operates in a continually changing business environment with new risks emerging from time to time that it may be unable to predict or that it currently does not expect to have a material adverse effect on its business. In addition, 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 actual future financial condition or performance to differ, possibly materially, from those anticipated in Prudential's forward-looking statements can be found under the 'Risk Factors' heading of Prudential's Half year 2023 Report and 2022 Annual Report. Such reports are available on Prudential's website at www.prudentialplc.com.

Any forward-looking statements contained in this announcement 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 announcement 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 Guidance and Transparency Rules, the Hong Kong Listing Rules, the SGX-ST Listing Rules or other applicable laws and regulations.

Prudential may also make or disclose written and/or oral forward-looking statements in reports filed with or furnished to the US Securities and Exchange Commission, the UK Financial Conduct Authority, the Hong Kong Stock Exchange and other regulatory authorities, as well as in its annual report and accounts to shareholders, periodic financial reports to shareholders, proxy statements, offering circulars, registration statements, prospectuses, prospectus supplements, press releases and other written materials and in oral statements made by directors, officers or employees of Prudential to third parties, including financial analysts. All such forward-looking statements are qualified in their entirety by reference to the factors discussed under the 'Risk Factors' heading of Prudential's Half year 2023 Report and 2022 Annual Report.