



WRITTEN NOTICE
Major Model Change

To: **The Prudential Assurance Company Ltd (FRN 139793)**
Prudential Pensions Ltd (FRN 110434)

(the “firm”)

Of: 10 Fenchurch Avenue
London
EC3M 5AG

Reference Number: 5344519, 5344520

Date: 11 October 2019

DECISION:

- (1) In accordance with Regulations 48 and 49 of the Solvency 2 Regulations 2015, the Prudential Regulation Authority (the ‘PRA’) previously granted approval to the Prudential Assurance Company Limited (FRN 139793) and Prudential Pensions Limited (FRN 110434) to use a partial internal model for the calculation of their group and respective solo Solvency Capital Requirements (‘SCR’) (the ‘Prudential Group Model’), as set out in Annex I (the ‘Internal Model Approval’).
- (2) In accordance with Regulations 48 and 49 of the Solvency 2 Regulations 2015, the PRA has decided to approve (i) a major model change to the firm’s internal model approval to reflect the change in scope of the Prudential Group Model from a partial internal model to a full internal model for its calculation of its group SCR following the demerger of Prudential Public Limited Company (Company number: 01397169) (‘Prudential plc’) and (ii) alterations to the policy for changing an approved internal model approved in the 2018 Written Notice – Internal model approval dated 19 April 2018 (reference 4796980, 4917368), subject to the conditions in paragraph [4] below.
- (3) This approval is granted on the basis of the information set out in the firms’ application dated 10 May 2019 and the subsequent documents submitted on 9, 15, 16 July 2019 and 2 September 2019.
- (4) The approval is conditional on the following:
 - The passing of a shareholder resolution by Prudential plc shareholders for the demerger of M&G Plc (Company number: 11444019) from Prudential plc; and
 - The Prudential plc board declaring the in-specie distribution of all of the shares in M&G plc to its shareholders.
- (5) This approval will only take effect if and when the PRA confirms in writing that the conditions in paragraph [4] have been met.



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AUTHORITY

(6) The details of the approved internal model following this approval are set out in Annex 1.

Effective date

(7) This permission takes effect on 21 October 2019.

Decision maker

(8) The decision which gave rise to the obligation to give this Notice was made by the PRA (having consulted the Central Bank of Ireland).

Publication

(9) Details of this approval will be published on the Financial Services Register.



Reasons for the Decision

- (10) The PRA's assessment is that the internal model, following the major model change, met the tests and standards at the time the decision was made. Specifically, the PRA is satisfied that:
- a. the internal model complies with the rules contained in Chapters 2,3 and 10-15 of the Solvency Capital Requirement – Internal Models part of the PRA Rulebook;
 - b. the internal model complies with the applicable requirements set out in Title 1 Chapter VI Solvency capital requirement – full and partial internal models of the Commission Delegated Regulation (EU) 2015/35;
 - c. the systems of the undertaking for identifying, measuring, monitoring, managing and reporting risk are adequate;
 - d. the model complies with the requirements of Title 2 Chapter II Section 2 of the Commission Delegated Regulation (EU) 2015/35; and
 - e. the model additionally fulfils the requirements of Chapter 4 of the Solvency Capital Requirement – Internal Models 4 of the PRA Rulebook.

PRA contacts

- (11) For more information concerning this matter generally, the firm should contact their usual supervisory contact.

A handwritten signature in black ink, appearing to read 'Mark Cornelius'.

Mark Cornelius

Head of Department, Life Insurance Groups For and on behalf of the PRA



ANNEX I

Approval	Date	Written Notice
Approval of a partial internal model	5 December 2015	2237973, 2237974
Major change to an approved internal model	22 December 2016	3578741, 3478748
Major change to an approved internal model and a Change to the policy for changing an approved internal model	19 April 2018	4796980, 4917368
Major change to an approved internal model	4 June 2019	5129475, 5129478
Model Scope Extension	2 September 2019	5246774, 5319849

ANNEX 2

The approved internal model

Definition

1. The approved internal model is as set out in the internal model application documents submitted to the PRA on 26 June 2015 and its addendum dated 13 November 2015 as amended by the documents included in the major model change application submitted to the PRA on 1 November 2016 (approved on 22 December 2016); the major model change application submitted to the PRA on 3 November 2017 (approved on 19 April 2018); the major model change application submitted to the PRA on 7 December 2018 (approved on 4 June 2019); the major model change application submitted to the PRA on 21 May 2019 (approved on 2 September 2019); and the major model change application submitted on 10 May 2019.
2. The internal model is approved to calculate the Group SCR at the level of M&G plc. The entities with a “Yes” in the Group SCR column in table 1 are those which are included in the model in order to calculate the Group SCR.
3. The internal model is approved to calculate the individual SCR for those entities with a “Yes” in the Solo SCR column in table 1.
4. Subject to 2. above, the model is approved to calculate the Group SCR at the level of M&G plc and the individual SCR for each entity indicated in respect of all material quantifiable risks as at the date of this notice.

Table 1

Legal entity	FRN	Included for calculation of Group SCR	Solo SCR
M&G plc	n/a	Yes	No
M&G Group Limited	n/a	Yes	No
M&G Prudential (Holdings) Limited	n/a	Yes	No
Prudential Capital Holding Company Limited	n/a	Yes	No



Prudential Financial Services Limited	n/a	Yes	No
Prudential Property Services Limited	n/a	Yes	No
The Prudential Assurance Company Limited	FRN139793	Yes	Yes
Digital Infrastructure Investment Partners GP LLP	n/a	Yes	No
Digital Infrastructure Investment Partners GP1 Limited	n/a	Yes	No
Digital Infrastructure Investment Partners SLP GP LLP	n/a	Yes	No
Digital Infrastructure Investment Partners SLP GP1 Limited	n/a	Yes	No
Digital Infrastructure Investment Partners SLP GP2 Limited	n/a	Yes	No
Falan GP Limited	n/a	Yes	No
Genny GP 1 LLP	n/a	Yes	No
Genny GP 2 Limited	n/a	Yes	No
Genny GP Limited	n/a	Yes	No
George Digital GP 1 LLP	n/a	Yes	No
George Digital GP 2 Limited	n/a	Yes	No
George Digital GP Limited	n/a	Yes	No
GGE GP Limited	n/a	Yes	No
Green GP Limited	n/a	Yes	No
GS R100 GP Limited	n/a	Yes	No
Holborn Bars Nominees Limited	n/a	Yes	No
Infracapital (AIRI) GP Limited	n/a	Yes	No
Infracapital (Belmond) GP Limited	n/a	Yes	No
Infracapital (Bio) GP Limited	n/a	Yes	No
Infracapital (Churchill) GP 1 Limited	n/a	Yes	No
Infracapital (Churchill) GP LLP	n/a	Yes	No
Infracapital (GC) GP Limited	n/a	Yes	No
Infracapital (Gigaclear) GP 1 Limited	n/a	Yes	No
Infracapital (Gigaclear) GP 2 Limited	n/a	Yes	No
Infracapital (Gigaclear) GP LLP	n/a	Yes	No
Infracapital (IT PPP) GP Limited	n/a	Yes	No
Infracapital (Leo) GP Limited	n/a	Yes	No
Infracapital (Sense) GP Limited	n/a	Yes	No
Infracapital (TLSB) GP Limited	n/a	Yes	No
Infracapital DF II GP LLP	n/a	Yes	No
Infracapital DF II Limited	n/a	Yes	No
Infracapital Employee Feeder GP 1 LLP	n/a	Yes	No
Infracapital Employee Feeder GP Limited	n/a	Yes	No
Infracapital F1 GP2 Limited	n/a	Yes	No
Infracapital F2 GP Limited	n/a	Yes	No
Infracapital F2 GP1 Limited	n/a	Yes	No
Infracapital GP 1 LLP	n/a	Yes	No
Infracapital GP Limited	n/a	Yes	No



Infracapital Greenfield DF GP LLP	n/a	Yes	No
Infracapital Greenfield Partners 1 SLP GP1 Limited	n/a	Yes	No
Infracapital Greenfield Partners 1 SLP GP2 Limited	n/a	Yes	No
Infracapital Greenfield Partners I GP Limited	n/a	Yes	No
Infracapital Greenfield Partners I Subholdings GP Limited	n/a	Yes	No
Infracapital Partners II Subholdings GP Limited	n/a	Yes	No
Infracapital Partners III Subholdings (Euro) GP LLP	n/a	Yes	No
Infracapital Partners III Subholdings (Sterling) GP LLP	n/a	Yes	No
Infracapital Partners III Subholdings GP1 Limited	n/a	Yes	No
Infracapital Partners III Subholdings GP2 Limited	n/a	Yes	No
Infracapital RF GP Limited	n/a	Yes	No
Infracapital Sisu GP Limited	n/a	Yes	No
Infracapital SLP EF II GP LLP	n/a	Yes	No
Infracapital SLP Limited	n/a	Yes	No
Innisfree M&G PPP LLP	n/a	Yes	No
London Stone Investments F3 Employee Feeder GP LLP	n/a	Yes	No
London Stone Investments F3 I Limited	n/a	Yes	No
London Stone Investments F3 II Limited	n/a	Yes	No
London Stone Investments F3 SP GP LLP	n/a	Yes	No
M&G (Guernsey) Limited	n/a	Yes	No
M&G Alternatives Investment Management Limited	n/a	Yes	No
M&G FA Limited	n/a	Yes	No
M&G Financial Services Limited	n/a	Yes	No
M&G Founders 1 Limited	n/a	Yes	No
M&G General Partner Inc.	n/a	Yes	No
M&G IMPPP 1 Limited	n/a	Yes	No
M&G International Investments Nominees Limited	n/a	Yes	No
M&G International Investments S.A.	n/a	Yes	No
M&G International Investments Switzerland AG	n/a	Yes	No
M&G Investment Management Limited	n/a	Yes	No
M&G Investments (Americas) Inc.	n/a	Yes	No
M&G Investments (Australia) Pty Ltd	n/a	Yes	No
M&G Investments (Hong Kong) Limited	n/a	Yes	No
M&G Investments (Singapore) Pte. Ltd.	n/a	Yes	No
M&G Investments Japan Co., LTD.	n/a	Yes	No
M&G Luxembourg S.A.	n/a	Yes	No
M&G Management Services Limited	n/a	Yes	No
M&G Nominees Limited	n/a	Yes	No
M&G Platform Nominees Limited	n/a	Yes	No
M&G Prudential Guernsey PCC Limited	n/a	Yes	No
M&G Prudential Services Limited	n/a	Yes	No



M&G RE Espana, 2016, S.L.	n/a	Yes	No
M&G Real Estate Asia Holding Company Pte. Ltd.	n/a	Yes	No
M&G Real Estate Asia PTE. Ltd.	n/a	Yes	No
M&G Real Estate Funds Management SARL	n/a	Yes	No
M&G Real Estate Japan Co., Ltd.	n/a	Yes	No
M&G Real Estate Korea Co., Ltd.	n/a	Yes	No
M&G Real Estate Limited	n/a	Yes	No
M&G RED II Employee Feeder GP Limited	n/a	Yes	No
M&G RED II GP Limited	n/a	Yes	No
M&G RED II SLP GP Limited	n/a	Yes	No
M&G RED III Employee Feeder GP Limited	n/a	Yes	No
M&G RED III GP Limited	n/a	Yes	No
M&G RED III SLP GP Limited	n/a	Yes	No
M&G RPF GP Limited	n/a	Yes	No
M&G RPF Nominee 1 Limited	n/a	Yes	No
M&G RPF Nominee 2 Limited	n/a	Yes	No
M&G Securities Limited	n/a	Yes	No
M&G SIF Management Company (Ireland) Limited	n/a	Yes	No
M&G UK Property GP Limited	n/a	Yes	No
M&G UK Property Nominee 1 Limited	n/a	Yes	No
M&G UK Property Nominee 2 Limited	n/a	Yes	No
M&G UKCF II GP Limited	n/a	Yes	No
Pacus (UK) Limited	n/a	Yes	No
PAP Trustee Pty Limited	n/a	Yes	No
PGDS (UK One) Limited	n/a	Yes	No
PGF Management Company (Ireland) Limited	n/a	Yes	No
PPM Capital (Holdings) Limited	n/a	Yes	No
PPM Managers GP Limited	n/a	Yes	No
PPMC First Nominees Limited	n/a	Yes	No
Pru Limited	n/a	Yes	No
Prudence Limited	n/a	Yes	No
Prudential / M&G UKCF GP Limited	n/a	Yes	No
Prudential Capital (Singapore) Pte. Limited	n/a	Yes	No
Prudential Capital Public Limited Company	n/a	Yes	No
Prudential Corporate Pensions Trustee Limited	n/a	Yes	No
Prudential Distribution Limited	n/a	Yes	No
Prudential Equity Release Mortgages Limited	n/a	Yes	No
Prudential Financial Planning Limited	n/a	Yes	No
Prudential Global Services Private Limited	n/a	Yes	No
Prudential GP Limited	n/a	Yes	No
Prudential Greenfield GP LLP	n/a	Yes	No
Prudential Greenfield GP1 Limited	n/a	Yes	No
Prudential Greenfield GP2 Limited	n/a	Yes	No
Prudential Greenfield SLP GP LLP	n/a	Yes	No



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Prudential Group Pensions Limited	n/a	Yes	No
Prudential Holborn Life Limited	n/a	Yes	No
Prudential International Assurance plc	n/a	Yes	Yes
Prudential International Management Services Limited	n/a	Yes	No
Prudential Leasing Services Limited	n/a	Yes	No
Prudential Lifetime Mortgages Limited	n/a	Yes	No
Prudential Mortgages Limited	n/a	Yes	No
Prudential Nominees Limited	n/a	Yes	No
Prudential Pensions Limited	FRN110434	Yes	Yes
Prudential Portfolio Management Group Limited	n/a	Yes	No
Prudential Portfolio Managers (South Africa) (Pty) Limited	n/a	Yes	No
Prudential Portfolio Managers Limited	n/a	Yes	No
Prudential Property Investment Managers Limited	n/a	Yes	No
Prudential Protect Limited	n/a	Yes	No
Prudential Real Estate Investments 1 Limited	n/a	Yes	No
Prudential Real Estate Investments 2 Limited	n/a	Yes	No
Prudential Real Estate Investments 3 Limited	n/a	Yes	No
Prudential Retirement Income Limited (in liquidation)	n/a	Yes	No
Prudential Staff Pensions Limited	n/a	Yes	No
Prudential Trustee Company Limited	n/a	Yes	No
Prudential UK Services Limited	n/a	Yes	No
Prudential Unit Trusts Limited	n/a	Yes	No
Prudential Venture Managers Limited	n/a	Yes	No
Prutec Limited	n/a	Yes	No
PVM Partnerships Limited	n/a	Yes	No
ScotAm Pension Trustees Limited	n/a	Yes	No
Scottish Amicable Finance Limited	n/a	Yes	No
Scottish Amicable Holdings Limited	n/a	Yes	No
Scottish Amicable Life Assurance Society	n/a	Yes	No
Scottish Amicable Pensions Investments Limited	n/a	Yes	No
Stableview Limited	n/a	Yes	No
Staple Nominees Limited	n/a	Yes	No
The First British Fixed Trust Company Limited	n/a	Yes	No