

PRUDENTIAL PLC
Form 6-K
August 10, 2012

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of August, 2012

PRUDENTIAL PUBLIC LIMITED COMPANY

(Translation of registrant's name into English)

LAURENCE POUNTNEY HILL,
LONDON, EC4R 0HH, ENGLAND
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports
under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information
contained in this Form is also thereby furnishing the information to the
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant
in connection with Rule 12g3-2(b): 82-

Enclosures: Prudential plc - Half Year 2012 - Business Review

NEWS RELEASE

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10 August 2012

PRUDENTIAL PLC 2012 HALF YEAR RESULTS

ASIA CONTINUES TO DRIVE PROFITABLE GROWTH, WITH STRONG CASH REMITTANCES FROM ALL BUSINESSES

IFRS1:

- Operating profit of £1,162 million, up 13 per cent
- Asia life insurance business operating profit² of £409 million, up 26 per cent
- Total profit before tax³ of £1,259 million, up 13 per cent
- Shareholders' funds of £9.3 billion, up 8 per cent⁴

New Business:

- EEV new business profit of £1,141 million, up 7 per cent
- Asia EEV new business profit of £547 million, up 18 per cent

Embedded Value:

- Operating profit of £2,109 million, down 2 per cent, reflecting low-interest rate environment
- Asia life insurance business operating profit² of £872 million, up 13 per cent
- Shareholders' funds of £20.6 billion, up 5 per cent⁴, equivalent to 806 pence per share

Capital & Dividend:

- Strong underlying free surplus generation of £1.4 billion (before investment in new business), unchanged from last year
- Net remittances from business operations up 5 per cent to £726 million
- Asia net cash remittance of £126 million, up 20 per cent
- Insurance Groups Directive (IGD) capital surplus estimated at £4.2 billion; solvency requirements covered 2.7 times
- 2012 half year dividend increased by 5.7 per cent to 8.4 pence per share

Commenting on the results, Tidjane Thiam, Group Chief Executive, said:

"Prudential has produced a strong performance across our key financial metrics during the first six months of 2012 - IFRS, NBP and cash, despite the considerable global macroeconomic challenges. Our track record of profitable growth has continued as we have delivered our highest-ever first half new business profit and IFRS operating profit of £1.14 billion and £1.16 billion respectively. Net cash remittances from our business units to the Group have grown in line with our strategy and we retain one of the strongest capital positions in the sector.

"Asia delivered a 21 per cent rise in IFRS operating profit⁵ and a 18 per cent rise in new business profit. Importantly, Asia's cash contribution to the Group was £126 million, an increase of 20 per cent, and evidence that our business in Asia continues to deliver both growth and cash for our shareholders.

1 Comparatives adjusted for retrospective application of the accounting policy improvement for deferred acquisition costs as discussed in Note 3 of Notes to Editors.

2 Excluding Eastspring Investments, development costs and Asia regional head office expenses.

3 Attributable to shareholders.

4 Comparable to 31 December 2011.

5 Total Asia operating profit from long-term business and Eastspring Investments after development costs.

"In the US we continue to perform well and Jackson delivered IFRS operating profit of £442 million, a 30 per cent increase from 2011 and a cash contribution to Group of £247 million, lower than 2011 which benefited from an exceptional release of surplus by Jackson in 2011. In May, we announced the acquisition of Reassure America Life Insurance Company which increases our scale, diversifies our earnings and enables us to increase by 30 per cent Jackson's 2013 cash remittance objective from £200 million to £260 million.

"Our UK business has delivered a good performance, with IFRS operating profit remaining flat at £353 million and net cash remittances, slightly lower at £230 million. We continue to focus on the lines of business where we have a clear competitive advantage, namely annuities and with-profits, and are maintaining our selective approach to the bulk annuity market. In the first half of the year we completed a single large bulk annuity contract which contributed £23 million to our new business profit.

"In asset management M&G has delivered a particularly good performance in a difficult investment market, with net inflows of £4.9 billion. Once again, our high-margin retail business continues to be the driver of our strong inflows being the market leader in UK retail net flows for the 14th quarter in a row¹.

"In the first half of 2012 we have delivered a good financial performance and continued to make progress towards the 'Growth and Cash' objectives we set ourselves for 2013. We remain on track to achieve these objectives despite the challenging macro-economic conditions in which we are operating. Clearly, as a large insurance company with a substantial balance sheet we are not immune to these conditions. However, we manage our business so that it is resilient in times of economic and financial market stress, and our track record through the crisis is evidence of this. Our balance sheet remains defensively positioned and we continue to capitalise on the long-term growth opportunities available to us.

"Those opportunities are most evident in South-east Asia, where the depth and breadth of Prudential's franchise is a source of strength. Long-term savings and protection businesses such as ours are playing an integral role in the economic and social transformation that has only just started to take place, and will deliver growth for many years to come, long after the current worries that beset the global economy have passed. For this reason, we remain confident in our ability to grow earnings over the long-term while continuing to create value for our shareholders."

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Notes to Editors:

The results in this announcement are prepared on two bases: International Financial Reporting Standards (IFRS) and European Embedded Value (EEV). The IFRS basis results form the basis of the Group's statutory financial statements. The supplementary EEV basis results have been prepared in accordance with the European Embedded Value principles issued by the CFO Forum of European Insurance Companies in May 2004. Where appropriate the EEV basis results include the effects of IFRS. Period-on-period percentage increases are stated on an actual exchange rate basis.

2. Annual premium equivalent (APE) sales comprise regular premium sales plus one-tenth of single premium insurance sales.

3. Operating profits are determined on the basis of including longer-term investment returns. EEV and IFRS operating profits are stated after excluding the effect of short-term fluctuations in investment returns against long-term assumptions and the shareholders' share of actuarial and other gains and losses on defined benefit pension schemes and, in 2012, gains on dilution of Group's holdings. In addition, for EEV basis results, operating profit based on longer-term investment returns excludes the effect of changes in economic assumptions and the mark to market value movement on core borrowings. As previously reported in our 2011 Annual Report, in 2012 the Group as an accounting policy improvement, adopted altered US GAAP requirements for deferred acquisition costs for certain businesses in our Group IFRS results. Accordingly, the 2011 comparative results have been adjusted from those previously published for the retrospective application of the improvement as if the new accounting policy had always applied.

4. Total number of Prudential plc shares in issue as at 30 June 2012 was 2,556,248,898.

5. There will be a conference call today for media at 10.15 (UK) / 17.15 (Hong Kong) hosted by Tidjane Thiam, Group Chief Executive. UK dial-in telephone number: +44 (0)20 3140 0668 / 0800 368 1950 (Freephone UK), Hong Kong dial-in telephone number: 800 905 280. Passcode: 188085#.

1Source: Fundscape. (Q1 issue, May 2012). The Pridham Report, Fundscape LLP

A presentation for analysts and investors will be held today at 12.00 (UK)/19.00 (Hong Kong) in the Conference Centre of UBS, 1 Finsbury Avenue, London EC2M 2PP. The presentation will be webcast live and as a replay on the corporate website via the link below:

www.prudential.co.uk/prudential-plc/investors/resultspresentations/resultsday/

1Source: Fundscape. (Q1 issue, May 2012). The Pridham Report, Fundscape LLP

A dial-in facility will be available to listen to the presentation and to allow analysts and investors to ask questions at the end of the presentation. Please allow time ahead of the presentation to join the call (lines open half an hour before the presentation is due to start, ie from 11.30 (UK) 18.30 (Hong Kong)). Dial-in: +44 (0)20 3059 8125 / 0800 368 0649 (Freephone UK). Passcode: Prudential. Playback: +44 (0)121 260 4861, Passcode: 3078190#. This will be available from approximately 14.45 (UK) 21.45 (Hong Kong) on 10 August 2012 until 23.59 (UK) 06.59 (Hong Kong) on 17 August 2012.

A copy of this announcement can be found at www.prudential.co.uk/prudential-plc/media

7. High-resolution photographs are available to the media free of charge at www.prudential.co.uk/prudential-plc/media/media_library

8.	2012 Interim Dividend
Ex-dividend date	22 August 2012 (UK, Ireland and Singapore shareholders) 23 August 2012 (Hong Kong shareholders)
Record date	24 August 2012
Payment of dividend	27 September 2012 (UK, Ireland and Hong Kong shareholders) On or about 4 October 2012 (Singapore shareholders) On or about 5 October 2012 (ADR holders)

9. About Prudential plc

Prudential plc is incorporated in England and Wales, and its affiliated companies constitute one of the world's leading financial services groups. It provides insurance and financial services through its subsidiaries and affiliates throughout the world. It has been in existence for over 160 years and has £363 billion in assets under management (as at 30 June 2012). Prudential plc is not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America.

Forward-Looking Statements

10. This document may contain 'forward-looking statements' with respect to certain of Prudential's plans and its goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements that are not historical facts, including statements about Prudential's beliefs and expectations, are forward-looking statements. These statements are based on plans, estimates and projections as at the time they are made, and therefore undue reliance should not be placed on them. By their nature, all forward-looking statements involve risk and uncertainty. A number of important factors could cause Prudential's actual future financial condition or performance or other indicated results to differ materially from those indicated in any forward-looking statement. Such factors include, but are not limited to, future market conditions, fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the policies and actions of regulatory authorities, including, for example, new government initiatives related to the financial crisis and the effect of the European Union's 'Solvency II' requirements on Prudential's capital maintenance requirements; the impact of competition, inflation, and deflation; experience in particular with regard to 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 changes in capital, solvency standards or accounting standards, and tax and other legislation and regulations in the jurisdictions in which Prudential and its affiliates operate; and the impact of legal actions and disputes. These and other important factors may for example result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. Further discussion of these and other important factors that could cause Prudential's actual future financial condition or performance or other indicated results to differ, possibly materially, from those anticipated in Prudential's forward-looking statements can be found under the 'Risk factors' heading in this document.

Any forward-looking statements contained in this document speak only as of the date on which they are made. Prudential expressly disclaims any obligation to update the forward-looking statements contained in this document or any other forward-looking statements it may make, whether as a result of future events, new information or otherwise except as required pursuant to the UK Prospectus Rules, the UK Listing Rules, the UK Disclosure and Transparency Rules, the Hong Kong Listing Rules, the SGX-ST listing rules or other applicable laws and regulations.

Group Chief Executive's Report

I am pleased to report a strong performance in the first half of 2012 across the Group's key financial metrics of IFRS operating profit, new business profit and cash remittances. We continue to make progress towards achieving the 2013 'Growth and Cash' objectives. Asia has again led the Group's profitable growth. We remain on track to achieve our targets of doubling 2009 new business profit and IFRS profit in the region by 2013. This performance has been delivered against a backdrop of market turbulence, combined with persistent low interest rates.

Group performance

New business profit is up 7 per cent to £1,141 million (2011: £1,069 million), with a new business margin of 56 per cent (2011: 59 per cent). APE sales have increased by 11 per cent to £2,030 million (2011: £1,824 million) in the first half of 2012. M&G has attracted strong net inflows of £4.9 billion (2011: £2.9 billion), continuing its trend of high relative performance in difficult market conditions.

Our IFRS operating profit based on longer-term investment returns increased by 13 per cent during the first six months of the year to £1,162 million (2011: £1,028 million¹). IFRS shareholders' funds increased by 8 per cent to £9.3 billion, compared to £8.6 billion¹ as at 31 December 2011.

Underlying free surplus generation from our life and asset management businesses, before reinvestment in new business, was broadly in line with prior year at £1,403 million. Investment in new business has increased to £364 million (2011: £297 million), reflecting a combination of growth in new business volumes, changes in business mix and the impact of lower interest rates.

Net cash remittances to Group from our businesses increased by 5 per cent to £726 million (2011: £690 million). Our balance sheet continues to be defensively positioned and at the end of the period our IGD surplus was £4.2 billion (31 December 2011: £4.0 billion).

2013 Growth and Cash Objectives

The Group continues to focus on delivering the challenging "Growth and Cash" objectives we set out at our 2010 investor conference.

In Asia, where the opportunities for profitable growth are greatest, by 2013, we are targeted to double 2009 new business profit to £1.4 billion and double our 2009 IFRS operating profit to £930 million. At full year 2011, we were more than half way towards reaching both these targets. In the first half of 2012, we made further progress with Asia new business profit reaching £547 million (2011: £465 million) and IFRS operating profits at £440 million (2011: £365 million¹).

Turning to the cash objectives, each of our businesses are demonstrating clear progress. Asia, which is targeted to remit a total of £300 million to the Group in 2013, made remittances of £126 million in the first half of 2012 (2011: £105 million). The US, which is targeted to remit £200 million² next year, made remittances in excess of this amount at £247 million in half year 2012 (2011: £320 million including exceptional release of surplus). Prudential UK, tasked with remitting £350 million in 2013, made remittances to the Group of £230 million in the first half (2011: £265 million). Looking at the cumulative cash target of £3.8 billion over the four-year period from 2010 to end-2013, we have so far achieved 73 per cent of the total objective.

Our operating performance by business unit

Prudential Corporation Asia

Asia continues to be the most significant profitable growth opportunity for the Group with a rapidly expanding middle class who have a strong demand for savings and protection products. The seven South-east Asia markets that make up our 'sweet spot' have a combined population of more than 500 million and total GDP of more than US\$2 trillion, equivalent to that of a G5 economy³. We are well positioned to capture this profitable growth opportunity.

In the first half, we have reported record new business profit across the region of £547 million (2011: £465 million). Collectively our four largest markets of Hong Kong, Indonesia, Singapore and Malaysia have grown new business profit by 20 per cent, with particularly strong growth in Indonesia up 49 per cent and Malaysia up by 27 per cent. Indonesia remains our largest market with an agency force of more than 180,000 and an emerging bancassurance channel that is showing good early momentum. We continue to see rapid growth in some of our smaller markets. New business sales in Thailand were up 73 per cent and in the Philippines up by 50 per cent.

Despite the challenge of low interest rates in some of our markets the new business profit margin remains strong at 61 per cent, albeit 2 percentage points lower than 2011. Importantly, due to actions taken by management in these regions, we have maintained strong internal rates of return of more than 20 per cent across all businesses, with a payback period in Asia of four years.

Our products are central to our strategy. We continue to innovate and develop products that are suitable for the evolving needs of customers in these regions, with a particular focus on regular premium savings and protection. Health and protection products contributed 32 per cent of APE sales in the period, and 93 per cent of APE sales came from regular premium business.

Our success throughout Asia is underscored by our powerful multi-distribution model. Agency remains our largest channel and despite our success to date there remains an opportunity to continue to increase both the scale and productivity of our agency force. Bancassurance is expanding as we develop our capabilities across the region, and we are seeing significant growth across all of our major partnerships.

1 Comparatives adjusted for retrospective application of the accounting policy improvement for deferred acquisition costs as discussed in Basis of preparation later in this document.

2 Before changes as a result of acquisition of Reassure America Life Insurance Company.

3 CIA World Fact Book, 2011 estimates.

IFRS long-term operating profit in Asia increased by 26 per cent in the period to £409 million (2011: £324 million¹) and net cash remittances increased by 20 per cent to £126 million (2011: £105 million). PCA's delivery of both profitable growth and cash increasingly validates the central place that the high margin and high growth markets of South-east Asia occupy in our strategy.

We have recently received in principle a licence to operate in Cambodia, an economy which has delivered GDP growth at a CAGR of 11 per cent over the past ten years and where there are excellent opportunities to establish and develop a fast growing and profitable life insurance industry.

Jackson National Life Insurance Company (Jackson)

The US market is the world's largest retirement market, with many of the 78 million baby-boomers² reaching retirement age each year, creating significant demand for retirement income products. Our strategy in the US is to take advantage of this profitable growth opportunity while maintaining strict financial and risk management discipline. We achieve this by taking a conservative approach to pricing and balance sheet management.

In the first half of 2012, new business profit - a metric we focus on ahead of sales - is broadly in line with the prior year with APE sales growing 7 per cent. As expected, new business margin decreased as a direct result of the recent decline in long-term yields, however pricing actions we have taken in previous periods have contributed positively to margin. Variable annuity sales for the first six months have increased slightly to £611 million, compared to the same period last year. Excluding currency translation effects, all of the increase came from the launch of our Elite Access product. This is a variable annuity without guarantees offering access to alternative investments, which has been particularly well received by distributors.

Jackson delivered IFRS operating profit of £442 million in the period, up 30 per cent on the prior year (2011: £340 million¹). The increase was due to increased fee income and the non-repeat of an accelerated deferred acquisition cost amortisation charge of £66 million in the prior period. Offsetting these amounts were lower spread income and higher asset based commission payments. Jackson delivered net cash remittances of £247 million in the first half of the year (2011: £320 million including exceptional release of surplus) reflecting our strategy of profitable controlled growth.

In May, we announced plans to acquire Reassure America Life Insurance Company (REALIC), a traditional US life business which is expected to deliver increased profit and cash and improve the diversification of Jackson's earnings. As a result of the acquisition, Jackson's net remittance objective for 2013 was increased from £200 million to £260 million.

Prudential UK

In the UK, Prudential competes selectively to help Britain's ageing population convert their accumulated wealth into retirement income. We have a clear focus on writing profitable new business combined with sustainable cash generation and capital preservation. We concentrate on areas in which we have a clear competitive advantage, namely individual annuities and with-profits products, where we continue to be market leaders with a highly selective presence in the bulk annuity market.

Our performance over the first half of 2012 has been resilient, with an increase in new business profit to £152 million (2011: £146 million). We completed a single large bulk annuity deal that contributed £23 million to this figure. Our retail business delivered APE sales of £385 million (2011: £381 million) as an increase in sales of individual annuities and with-profits bonds was offset by a reduction in sales of corporate pensions business, after exceptionally high volumes in the first half of 2011.

IFRS operating profit in the UK was robust at £353 million (2011: £353 million). Net cash remittances were £230 million (2011: £265 million). Our inherited estate, which is in surplus by £6.1 billion (31 December 2011: £6.1 billion), continues to provide a key source of relative capital strength versus our peers.

Asset management

Our asset management business M&G, has continued to focus on delivering superior investment performance for our customers while maximising the strength of its distribution capabilities. This has allowed the business to continue to attract significant new assets during a time of high and enduring global market volatility with total retail and institutional net inflows of £4.9 billion. M&G has continued to achieve considerable success in the retail market, with net investment inflows increasing by 53 per cent to £4.3 billion (2011: £2.8 billion). Institutional net inflows increased from £0.1 billion in the first half of 2011 to £0.6 billion in 2012. Operating profit for M&G (including Prudential Capital) was £199 million, consistent with 2011.

M&G's funds under management of £204 billion were broadly unchanged since the end of 2011, which partly reflects our decision to reduce our stake in M&G's South African subsidiary. M&G continues to be number one for gross and net retail sales in the UK, a position it has now held for 14 consecutive quarters³, and is now ranked as the largest player in the UK retail market by funds under management⁴.

¹ Comparatives adjusted for retrospective application of the accounting policy improvement for deferred acquisition costs as discussed in Basis of preparation later in this document.

² Source: US Census Bureau

³ Source: Fundscape. (Q1 issue, May 2012). The Pridham Report, Fundscape LLP

⁴ Source: IMA (June 2012, data as at May 2012)

Eastspring, our rebranded Asia asset management business, delivered £426 million¹ of net inflows in the first six months of the year and funds under management grew by 7 per cent to £53.8 billion (31 December 2011: £50.3 billion). IFRS operating profit declined to £34 million (2011: £43 million) in the first half primarily due to changes in the product mix, towards bonds and institutional business. We have also continued to invest in people and infrastructure as we build out our offshore capabilities following the launch of the new brand. We continue to be well positioned to capture the long-term profitable growth opportunities in the Asia asset management markets.

Capital and risk management

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We take a disciplined approach to capital management and have continued to implement a number of measures over the last few years to enable us to make our capital work more efficiently and more effectively for the Group. Using the regulatory measure of the Insurance Groups Directive, our Group capital surplus position at 30 June 2012 was estimated at £4.2 billion, before allowing for the interim dividend (30 June 2011: £4.1 billion; 31 December 2011: £4.0 billion). The Group's required capital is covered 2.7 times.

Solvency II, the proposed new capital adequacy regime for European insurers, is currently anticipated to be implemented from 1 January 2014. As reported previously, uncertainty remains about the final outcome. We continue to evaluate actions, including continuing consideration of the Group's domicile, in the event that the final outcome is negative in terms of our ability to deliver value to our customers and shareholders.

Dividend

The Board has approved a 2012 interim dividend of 8.4 pence per share, which translates into an increase of 5.7 per cent. The interim dividend has been calculated as one third of the prior year's full-year dividend, which is in line with previous years' practice.

The Board will maintain its focus on delivering a growing dividend, which will continue to be determined after taking into account the Group's financial flexibility and our assessment of opportunities to generate attractive returns by investing in specific areas of the business. The Board believes that in the medium term a dividend cover of around two times is appropriate.

Outlook

In the first half of 2012 we have delivered a good financial performance and continued to make progress towards the 'Growth and Cash' objectives we set ourselves for 2013. We remain on track to achieve these objectives despite the challenging macro-economic conditions in which we are operating. Clearly, as a large insurance company with a substantial balance sheet we are not immune to these conditions. However, we manage our business so that it is resilient in times of economic and financial market stress, and our track record through the crisis is evidence of this. Our balance sheet remains defensively positioned and we continue to capitalise on the long-term growth opportunities available to us.

Those opportunities are most evident in South-east Asia, where the depth and breadth of Prudential's franchise is a source of strength. Long-term savings and protection businesses such as ours are playing an integral role in the economic and social transformation that has only just started to take place, and will deliver growth for many years to come, long after the current worries that beset the global economy have passed. For this reason, we remain confident in our ability to grow earnings over the long-term while continuing to create value for our shareholders.

Financial highlights

Life APE new business sales, profits and investment in new business

	Half year 2012			Half year 2011			Change		
	Sales (APE) £m	NBP(i) £m	Free surplus invested in new business £m	Sales (APE) £m	NBP(i) £m	Free surplus invested in new business £m	Sales (APE) change %	Free surplus NBP invest-ment change %	Free surplus invest-ment change %
Asia	899	547	162	743	465	129	21	18	26
US	719	442	180	672	458	135	7	(3)	33
UK	412	152	22	409	146	33	1	4	(33)

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Total Group	2,030	1,141	364	1,824	1,069	297	11	7	23
(i) New Business Profit (NBP)									

[1]Excludes Asia Money Market Fund (MMF).

New business profit (NBP) margin, IRRs and payback periods

	Half year 2012			Half year 2011		
	NBP margin %	IRR(ii) %	Payback period (years)	NBP margin %	IRR(ii) %	Payback period (years)
Asia	61	>20	4	63	>20	4
US	61	>20	2	68	>20	2
UK	37	>20	3	36	>20	5
Total Group	56	>20	3	59	>20	3

(ii) IRR = Internal Rate of Return

Shareholder-backed policyholder liabilities and net liability flows

	Half year 2012		Half year 2011		Change	
	Shareholder-backed	Net liability flows(iii) £m	Shareholder-backed	Net liability flows(iii) £m	Shareholder-backed	Net liability flows %
Asia	19,424	891	18,712	803	4	11
US	75,264	4,769	64,707	4,216	16	13
UK	47,096	(459)	45,157	(5)	4	n/a
Total Group	141,784	5,201	128,576	5,014	10	4

(iii) Defined as movements in shareholder-backed policyholder liabilities arising from premiums (net of charges), surrenders, maturities and deaths.

Asset management net inflows and profitability

	Net inflows			IFRS operating profit			External funds under management		
	Half year 2012 £m	Half year 2011 £m	Change %	Half year 2012 £m	Half year 2011 £m	Change %	Half year 2012 £m	Half year 2011 £m	Change %
M&G(iv)	4,941	2,922	69	199	199	-	94,643	93,350	1
Total asset management	5,264	3,293	60	250	259	(3)	114,259	115,216	(1)
Total asset management (ex MMF)(v)	5,367	2,910	84						

(iv) 2012 includes M&G's 47 per cent proportionate share in the metrics above of PPM South Africa after the divestment transaction. 100 per cent of these metrics were included in 2011.

(v) Excludes Asia Money Market Fund (MMF) net out flows of £103 million (2011: net inflows £383 million).

Operating profit based on longer-term investment returns - IFRS(vi)

	Half year 2012		Half year 2011		Change	
	Long-term	Total	Long-term	Total	Long-term	Total
	£m	£m	£m	£m	%	%
Asia	409	443	324	367	26	21
US	442	459	340	357	30	29
UK	336	552	332	552	1	-
Other income and expenditure (vii)	(3)	(292)	(2)	(248)	(50)	(18)
Total Group	1,184	1,162	994	1,028	19	13

(vi) The Group has adopted altered US GAAP requirements for deferred acquisition costs as an improvement to its accounting policy under IFRS 4 for those operations of the Group which measure insurance assets and liabilities substantially by reference to US GAAP principles. Accordingly, the 2011 comparative results have been adjusted from those previously published for the retrospective application of the improvement as if the new accounting policy had always applied, as described in note B to the IFRS financial statements.

(vii) Including Solvency II implementation costs, restructuring costs, Asia development costs, Asia Regional Head Office costs and in 2011 the impact of the Retail Price Index (RPI) to Commercial Price Index (CPI) inflation measure change for defined benefit pension schemes.

Operating profit based on longer-term investment returns - EEV

	Half year 2012		Half year 2011		Change	
	Long-term	Total	Long-term	Total	Long-term	Total
	£m	£m	£m	£m	%	%
Asia	872	906	774	817	13	11
US	805	822	831	848	(3)	(3)
UK	490	706	537	757	(9)	(7)
Other income and expenditure (viii)	(3)	(325)	(2)	(275)	(50)	(18)
Total Group	2,164	2,109	2,140	2,147	1	(2)

(viii) Including Solvency II implementation costs, restructuring costs, Asia development costs, Asia Regional Head Office costs, and in 2011 the impact of the RPI to CPI inflation measure charge for defined benefit pension schemes.

Basic earnings per share - based on operating profit after tax and non-controlling interest

	Half year 2012	Half year 2011	Change%
IFRS(ix)	34.5 p	31.4 p	10
EEV	60.7 p	61.5 p	(1)

(ix) The Group has adopted altered US GAAP requirements for deferred acquisition costs as an improvement to its accounting policy under IFRS 4 for those operations of the Group which measure insurance assets and liabilities substantially by reference to US GAAP principles. Accordingly, the 2011 comparative results have been adjusted from those previously published for the retrospective application of the improvement as if the new accounting policy had always applied, as described in note B to the IFRS financial statements.

Underlying free surplus generated (x)

	Half year 2012		Half year 2011		Change	
	Long-term	Total	Long-term	Total	Long-term	Total
	£m	£m	£m	£m	%	%
Asia	183	209	187	221	(2)	(5)
US	409	411	379	391	8	5
UK	256	419	306	481	(16)	(13)
Total Group	848	1,039	872	1,093	(3)	(5)

(x) Underlying free surplus generated comprises underlying free surplus generated from the Group's long-term business (net of investment in new business) and that generated from asset management operations.

Cash remitted by the business units to the Group

	Half year 2012		Half year 2011		Change	
	Long-term	Total	Long-term	Total	Long-term	Total
	£m	£m	£m	£m	%	%
Asia	170	126	135	105	26	20
US	247	247	320	320	(23)	(23)
UK	230	353	265	265	(13)	33
Total Group	647	726	720	690	(10)	5

Cash and capital

	Half year 2012	Half year 2011	Change%
Dividend per share relating to the reporting period	8.4p	7.95 p	6
Holding company cash and short-term investments	£1,222m	£1,476m	(17)
IGD capital surplus before final dividend(xi)	£4.2bn	£4.1bn	2

(xi) Estimated.

Group shareholders' funds (including goodwill attributable to shareholders)

	30 Jun 2012	31 Dec 2011	Change
	£	£	%
IFRS(xii)	£9.3bn	£8.6bn	8
EEV	£20.6bn	£19.6bn	5

(xii) The Group has adopted altered US GAAP requirements for deferred acquisition costs as an improvement to its accounting policy under IFRS 4 for those operations of the Group which measure insurance assets and liabilities substantially by reference to US GAAP principles. Accordingly, the 2011 comparative results have been adjusted from those previously published for the retrospective application of the improvement as if the new accounting policy had always applied, as described in note B to the IFRS financial statements.

Half year 2012	Half year 2011
%	%