

Operating and financial review



'Prudential is well positioned in markets that offer highly attractive opportunities for strong organic growth over the next 10 years.'



The Group's strategy is to focus primarily on the enormous opportunity offered by the retirement market as this is where the major growth trends in our sector lie. Global asset flows around retirement can be measured in trillions of pounds and the Prudential Group is ideally positioned through capability, geographic presence and powerful brands to capture growing value from this opportunity.

The following metrics represent the financial key performance indicators (KPIs) the directors use to judge the delivery of strategies and the management of the continuing operations of the business:

- New business premiums, calculated on an Annual Premium Equivalents (APE) basis and on a Present Value of New Business Premium (PVNBP) basis;
- European Embedded Value (EEV) basis new business profits;
- internal rate of return (IRR) on new business;
- external funds under management (FUM);
- EEV basis operating profit based on longer-term investment returns on long-term business;
- International Financial Reporting Standards (IFRS) basis operating profit based on longer-term investment returns; and
- holding company cash flow.