

Operating and financial review



Tidjane Thiam
Group Chief Financial Officer

'Our objective is to achieve superior growth in value for our shareholders. This is shown by sustainable growth in operating profit, both on an EEV and IFRS basis.'

Tidjane Thiam

The Group's strategy is to focus primarily on the enormous opportunity offered by the pre- and post-retirement market as this is where the best potential for profitable, sustainable 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, diverse 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 business:

- New business premiums, calculated on an Annual Premium Equivalent (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 from long-term business;
- International Financial Reporting Standards (IFRS) basis operating profit based on longer-term investment returns; and
- Holding company cash flow.