

International Financial Reporting Standards (IFRS)

financial information

Total insurance and investment products new business

Insurance products and investment products (note i)

	Insurance products			Investment products			Total		
	Half year 2008 £m	Half year 2007 £m	Full year 2007 £m	Half year 2008 £m	Half year 2007 £m	Full year 2007 £m	Half year 2008 £m	Half year 2007 £m	Full year 2007 £m
Asian operations	1,660	1,325	2,944	22,843	17,471	38,954	24,503	18,796	41,898
US operations	3,464	3,434	6,534	27	19	60	3,491	3,453	6,594
UK operations	3,242	2,560	6,866	7,491	7,519	14,745	10,733	10,079	21,611
Group total	8,366	7,319	16,344	30,361	25,009	53,759	38,727	32,328	70,103

Insurance products – new business premiums and contributions (note i)

	Single			Regular			Annual Premium and Contribution Equivalents (APE)			Present Value of New Business Premiums (PVNBP)		
	2008 £m	2007 £m	2007 £m	2008 £m	2007 £m	2007 £m	2008 £m	2007 £m	2007 £m	2008 £m	2007 £m	2007 £m
	Half year	Half year	Full year	Half year	Half year	Full year	Half year	Half year	Full year	Half year	Half year	Full year
Asian operations												
China ^{note iv}	35	19	72	15	20	40	18	22	47	111	112	268
Hong Kong	346	199	501	78	54	117	113	74	167	834	493	1,196
India (Group's 26% interest)	40	16	26	122	81	177	126	83	180	450	340	728
Indonesia	68	35	118	81	43	109	88	46	121	336	178	494
Japan	68	52	122	21	11	22	28	16	34	163	97	214
Korea	50	72	179	118	113	241	123	120	259	594	608	1,267
Malaysia	14	9	41	38	32	78	39	33	82	225	186	472
Singapore	276	306	593	37	30	67	65	61	126	547	484	1,047
Taiwan	130	63	132	84	136	218	97	142	231	507	711	1,121
Other	10	13	36	29	21	55	30	22	59	97	77	200
Total Asian operations	1,037	784	1,820	623	541	1,124	727	619	1,306	3,864	3,286	7,007
US operations												
Fixed annuities	635	291	573	–	–	–	63	29	57	635	291	573
Fixed index annuities	196	220	446	–	–	–	20	22	45	196	220	446
Variable annuities	1,797	2,243	4,554	–	–	–	180	224	455	1,797	2,243	4,554
Life	4	3	7	11	9	19	11	10	20	88	68	158
Guaranteed Investment Contracts	505	133	408	–	–	–	50	13	41	505	133	408
GIC-Medium Term Notes	316	535	527	–	–	–	32	54	53	316	535	527
Total US operations	3,453	3,425	6,515	11	9	19	356	352	671	3,537	3,490	6,666

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Total insurance and investment products new business continued

Insurance products – new business premiums and contributions (note i) continued

	Single			Regular			Annual Premium and Contribution Equivalents (APE)			Present Value of New Business Premiums (PVNBP)		
	2008 £m	2007 £m	2007 £m	2008 £m	2007 £m	2007 £m	2008 £m	2007 £m	2007 £m	2008 £m	2007 £m	2007 £m
	Half year	Half year	Full year	Half year	Half year	Full year	Half year	Half year	Full year	Half year	Half year	Full year
UK operations												
<i>Product summary</i>												
Internal vesting annuities	721	687	1,399	–	–	–	72	69	140	721	687	1,399
Direct and partnership annuities	373	431	842	–	–	–	37	43	84	373	431	842
Intermediated annuities	315	282	589	–	–	–	32	28	59	315	282	589
Total individual annuities	1,409	1,400	2,830	–	–	–	141	140	283	1,409	1,400	2,830
Equity release	117	67	156	–	–	–	12	7	16	117	67	156
Individual pensions	32	18	38	1	–	1	4	2	5	35	20	42
Corporate pensions	94	107	283	38	42	84	47	53	112	280	296	737
Unit-linked bonds	67	138	243	–	–	–	7	14	24	67	138	243
With-profit bonds	418	114	297	–	–	–	42	11	30	418	114	297
Protection	–	–	–	3	2	5	3	2	5	16	14	26
Offshore products	321	205	434	2	2	4	34	22	47	331	215	455
Total retail retirement	2,458	2,049	4,281	44	46	94	290	251	522	2,673	2,264	4,786
Corporate pensions	173	110	198	62	60	115	79	71	135	376	314	604
Other products	77	100	190	11	13	25	19	23	44	119	145	276
DWP rebates	103	129	143	–	–	–	10	13	14	103	129	143
Total mature life and pensions	353	339	531	73	73	140	108	107	193	598	588	1,023
Total retail	2,811	2,388	4,812	117	119	234	398	358	715	3,271	2,852	5,809
Wholesale annuities ^{note iii}	307	38	1,799	–	–	–	31	4	180	307	38	1,799
Credit life	7	15	21	–	–	–	1	1	2	7	15	21
Total UK operations	3,125	2,441	6,632	117	119	234	430	363	897	3,585	2,905	7,629
<i>Channel summary</i>												
Direct and partnership	1,147	1,151	2,385	105	106	209	220	221	448	1,555	1,567	3,288
Intermediated	1,562	1,108	2,284	12	13	25	169	124	253	1,614	1,156	2,378
Wholesale ^{note iii}	313	53	1,820	–	–	–	31	5	182	313	53	1,820
Sub-total	3,022	2,312	6,489	117	119	234	420	350	883	3,482	2,776	7,486
DWP rebates	103	129	143	–	–	–	10	13	14	103	129	143
Total UK operations	3,125	2,441	6,632	117	119	234	430	363	897	3,585	2,905	7,629
Group total	7,615	6,650	14,967	751	669	1,377	1,513	1,334	2,874	10,986	9,681	21,302

Investment products – funds under management (note ii)

	£m				30 Jun 2008
	1 Jan 2008	Market gross inflows	Redemptions	Market and other movements	
Asian operations	17,393	22,843	(21,201)	(3,349)	15,686
US operations	55	27	(15)	(5)	62
UK operations	51,221	7,491	(5,054)	(1,959)	51,699
Group total	68,669	30,361	(26,270)	(5,313)	67,447

Notes

- i The tables shown above are provided as an indicative volume measure of transactions undertaken in the reporting period that have the potential to generate profits for shareholders. The amounts shown are not, and not intended to be, reflective of premium income recorded in the IFRS income statement.
- APEs are calculated as the aggregate of regular new business amounts and one tenth of single new business amounts. PVNBPs are calculated as equalling single premiums plus the present value of expected premiums of new regular premium business, allowing for lapses and other assumptions made in determining the new business contribution. New business premiums reflect those premiums attaching to covered business, including premiums for contracts classified as investment products for IFRS basis reporting. New business premiums for regular premium products are shown on an annualised basis. Department of Work and Pensions (DWP) rebate business is classified as single recurrent business. Internal vesting business is classified as new business where the contracts include an open market option.
- The format of the tables shown above is consistent with the distinction between insurance and investment products as applied for previous financial reporting periods. With the exception of some US institutional business, products categorised as 'insurance' refer to those classified as contracts of long-term insurance business for regulatory reporting purposes, i.e. falling within one of the classes of insurance specified in part II of Schedule 1 to the Regulated Activities Order under FSA regulations.
- The details shown above for insurance products include contributions for contracts that are classified under IFRS 4 'Insurance Contracts' as not containing significant insurance risk. These products are described as investment contracts or other financial instruments under IFRS. Contracts included in this category are primarily certain unit-linked and similar contracts written in UK insurance operations and Guaranteed Investment Contracts and similar funding agreements written in US operations.
- ii Investment products referred to in the table for funds under management above are unit trust, mutual funds and similar types of retail asset management arrangements. These are unrelated to insurance products that are classified as 'investment contracts' under IFRS 4, as described in the preceding paragraph, although similar IFRS recognition and measurement principles apply to the acquisition costs and fees attaching to this type of business.
- iii The table for full year 2007 above includes the transfer of 62,000 with-profits annuity policies from Equitable Life on 31 December 2007 with assets of approximately £1.7 billion. The transfer represented an APE of £174 million.
- iv Subsequent to 29 September 2007, and following the change in management stipulated in the original agreement, CITIC-Prudential Life Insurance Company Ltd (CITIC-Prudential), the Group's life operation in China, has been accounted for as a joint venture. Prior to this date, CITIC-Prudential was consolidated as a subsidiary undertaking. The amounts in the table above include 100 per cent of the premiums for this operation up to 29 September 2007 and 50 per cent thereafter, being the Group's share after this date.