

TOTAL INSURANCE AND INVESTMENT PRODUCTS NEW BUSINESS

TOTAL INSURANCE AND INVESTMENT PRODUCTS NEW BUSINESS ^{notes i,iv}

	Single			Regular			Annual premium and contribution equivalents (APE)			Present value of new business premiums (PVNBP)		
	2011 £m Half year	2010 £m Half year	2010 £m Full year	2011 £m Half year	2010 £m Half year	2010 £m Full year	2011 £m Half year	2010 £m Half year	2010 £m Full year	2011 £m Half year	2010 £m Half year	2010 £m Full year
GROUP INSURANCE OPERATIONS												
Asia – ex India ^{note iii}	636	398	1,019	632	554	1,211	696	594	1,313	3,690	2,987	6,911
India	108	32	85	36	116	180	47	119	188	249	329	582
Asia	744	430	1,104	668	670	1,391	743	713	1,501	3,939	3,316	7,493
US	6,615	5,493	11,417	10	11	22	672	560	1,164	6,689	5,569	11,572
UK	2,520	2,438	5,656	157	138	254	409	382	820	3,264	3,081	6,842
GROUP TOTAL	9,879	8,361	18,177	835	819	1,667	1,824	1,655	3,485	13,892	11,966	25,907
GROUP TOTAL - EX INDIA^{note iii}	9,771	8,329	18,092	799	703	1,487	1,777	1,536	3,297	13,643	11,637	25,325
ASIAN INSURANCE OPERATIONS												
Hong Kong	76	31	107	143	127	276	151	130	287	883	746	1,693
Indonesia	85	39	141	150	125	269	158	129	283	573	464	1,011
Malaysia	42	20	58	87	75	198	91	77	204	526	406	1,153
Philippines	49	23	64	9	8	17	14	10	23	73	42	108
Singapore	173	147	318	86	60	143	103	75	175	778	573	1,357
Thailand	5	8	15	10	12	25	11	13	26	42	45	100
Vietnam	–	–	1	19	18	41	19	18	41	65	65	148
SE Asian operations inc. Hong Kong	430	268	704	504	425	969	547	452	1,039	2,940	2,341	5,570
China (Group's 50% interest)	35	60	103	31	21	48	35	27	58	173	161	336
Korea	44	24	66	51	43	89	55	45	96	292	226	486
Taiwan	127	46	146	46	65	105	59	70	120	285	259	519
TOTAL ASIAN OPERATIONS - EX INDIA	636	398	1,019	632	554	1,211	696	594	1,313	3,690	2,987	6,911
India	108	32	85	36	116	180	47	119	188	249	329	582
TOTAL ASIAN OPERATIONS	744	430	1,104	668	670	1,391	743	713	1,501	3,939	3,316	7,493
US INSURANCE OPERATIONS												
Fixed annuities	229	416	836	–	–	–	23	42	84	229	416	836
Fixed index annuities	415	600	1,089	–	–	–	42	60	109	415	600	1,089
Life	6	5	11	10	11	22	11	11	23	80	81	166
Variable annuities	5,892	4,472	9,481	–	–	–	589	447	948	5,892	4,472	9,481
Wholesale	73	–	–	–	–	–	7	–	–	73	–	–
TOTAL US INSURANCE OPERATIONS	6,615	5,493	11,417	10	11	22	672	560	1,164	6,689	5,569	11,572

TOTAL INSURANCE AND INVESTMENT PRODUCTS NEW BUSINESS CONTINUED

TOTAL INSURANCE AND INVESTMENT PRODUCTS NEW BUSINESS ^{notes i, iv} > CONTINUED

	Single			Regular			Annual premium and contribution equivalents (APE)			Present value of new business premiums (PVNBP)		
	2011 £m Half year	2010 £m Half year	2010 £m Full year	2011 £m Half year	2010 £m Half year	2010 £m Full year	2011 £m Half year	2010 £m Half year	2010 £m Full year	2011 £m Half year	2010 £m Half year	2010 £m Full year
UK AND EUROPE INSURANCE OPERATIONS												
Direct and partnership annuities	184	362	593	–	–	–	18	36	59	184	362	593
Intermediated annuities	117	119	221	–	–	–	12	12	22	117	119	221
Internal vesting annuities	561	637	1,235	–	–	–	56	64	124	561	637	1,235
Total individual annuities	862	1,118	2,049	–	–	–	86	112	205	862	1,118	2,049
Corporate pensions	121	159	228	135	106	198	147	122	221	750	613	1,099
Onshore bonds	835	688	1,660	–	–	–	84	69	166	836	689	1,660
Other products	421	462	774	22	32	56	64	78	133	535	650	1,089
Wholesale ^{note v}	281	11	945	–	–	–	28	1	95	281	11	945
TOTAL UK AND EUROPE INSURANCE OPERATIONS	2,520	2,438	5,656	157	138	254	409	382	820	3,264	3,081	6,842
GROUP TOTAL ^{note iii}	9,879	8,361	18,177	835	819	1,667	1,824	1,655	3,485	13,892	11,966	25,907
GROUP TOTAL - EX INDIA ^{note iii}	9,771	8,329	18,092	799	703	1,487	1,777	1,536	3,297	13,643	11,637	25,325

INVESTMENT PRODUCTS - FUNDS UNDER MANAGEMENT notes ii,iv

	Half year 2011 £m				
	1 Jan 2011	Market gross inflows	Redemptions	Market exchange translation and other movements	30 Jun 2011
Asian operations	22,048	39,477	(39,106)	(553)	21,866
US operations	–	–	–	–	–
UK operations	89,326	13,390	(10,468)	1,102	93,350
GROUP TOTAL	111,374	52,867	(49,574)	549	115,216

	Half year 2010 £m				
	1 Jan 2010	Market gross inflows	Redemptions	Market exchange translation and other movements	30 Jun 2010
Asian operations	19,474	37,983	(38,281)	1,169	20,345
US operations	–	–	–	–	–
UK operations	70,306	13,372	(8,698)	690	75,670
GROUP TOTAL	89,780	51,355	(46,979)	1,859	96,015

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.

Annual Premiums Equivalents (APE) are calculated as the aggregate of regular new business amounts and one-tenth of single new business amounts and are subject to roundings. The Present Value of New Business Premiums (PVNBP) 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 EEV new business contribution. 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.

New business premiums reflect those premiums attaching to covered business, including premiums for contracts classified as investment products for IFRS basis reporting.

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 tables for funds under management above are unit trust, mutual funds and similar types of retail fund 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 tables above exclude new business sales for the Group's Japanese insurance subsidiary, which ceased selling new business with effect from 15 February 2010.
- iv New business and market gross inflows and redemptions have been translated at an average exchange rate for the period applicable. Funds under management at points in time are translated at the exchange rate applicable at those dates.
- v UK wholesale sales for full year 2010 include amounts for a bulk annuity buy-in insurance agreement with an APE of £88 million.