

PRUDENTIAL PLC
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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 May, 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 - 2012 1st Quarter Results

NEWS RELEASE

COMMUNICATIONS

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GROUP

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9 May 2012

PRUDENTIAL PLC FIRST QUARTER 2012 INTERIM MANAGEMENT STATEMENT

* STRONG START TO 2012 WITH CONTINUED PROFITABLE GROWTH

* ASIA NEW BUSINESS PROFIT UP 22 PER CENT TO £260 MILLION

* US MAINTAINED FOCUS ON VALUE WITH NEW BUSINESS PROFIT OF £214 MILLION

* UK NEW BUSINESS PROFIT OF £62 MILLION, IN LINE WITH VALUE OVER VOLUME STRATEGY

* HIGHER TOTAL ASSET MANAGEMENT NET INFLOWS³, AT £2.1 BILLION

* STRONG BALANCE SHEET WITH IGD SURPLUS ESTIMATED AT £3.8 BILLION⁴

	Q1 2012	Q1 2011	% CHANGE
GROUP INSURANCE ^{1,2}			
NEW BUSINESS PROFIT	£536M	£498M	8 %
MARGIN - APE %	56 %	56 %	-
GROUP APE SALES	£964M	£888M	9 %

INVESTMENT NET FLOWS ³	£2,116M	£1,891M	12 %
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Tidjane Thiam, Group Chief Executive, said:

"We have made a strong start to 2012. Using our primary measure of growth, new business profit, the first quarter of 2012 is our eleventh consecutive quarter of year-on-year growth.

"In Asia, new business profit increased by more than 20 per cent. Our multi-channel platform is a core component of our strategy in the region. In bancassurance, new business profit grew 40 per cent in the quarter thanks to the success of our partnerships across the region, highlighting the long-term potential of this channel. In parallel, our agency distribution continues to deliver a strong performance with agency new business profit up 17 per cent in the quarter.

"In the US, Jackson delivered new business profit of £214 million in the first quarter, slightly lower than the same quarter of last year. We have continued to manage proactively the balance between growth, capital and profitability. The combination of our prudent approach to pricing and our reputation as a high-quality and reliable business partner means that we have been able to continue writing variable annuity business at attractive internal rates of return in the quarter.

"In the UK we delivered new business profit of £62 million in the first quarter. We continue to focus on the products where we have a competitive advantage, namely individual annuities and with-profits. Both of these product lines delivered healthy increases in the quarter, particularly with-profits which is benefiting from customer demand in the current low interest rate environment.

"Asset management has recorded net inflows of £2,116 million, a 12 per cent increase over last year, led by M&G. M&G's fund managers continue to deliver strong investment performance for our clients and our broad product offering across asset classes positions us well for ongoing success. Our Asian asset management business, Eastspring Investments has also had a positive quarter with particular success in Japan and India.

"Our balance sheet and capital position continue to be strong with our estimated IGD surplus at the end of the first quarter at £3.8 billion after deducting the 2011 final dividend. This compares to £4.0 billion at 31 December 2011, stated before deducting the 2011 final dividend of £0.4 billion.

"There remain significant uncertainties in the global economy and the effects of the 2008-2009 crisis are still present in different forms whether public deficits or continued deleveraging in the financial sector. However, the economy in the US has shown signs of improvement and Asia has been more resilient than expected. With our limited exposure to the countries of the eurozone, our leading presence in Asia and our strong businesses in the US and in the UK we are well positioned and this is demonstrated clearly by these first quarter new business results.

"Overall, the positive momentum we reported at the full year has continued in the first quarter of 2012 led by Asia. The region, where we are focused on the economies of South-East Asia, continues to offer Prudential a significant opportunity for long-term profitable growth. Our market-leading positions in many of the fastest-growing markets, our attractive product mix and our powerful multi-channel distribution platform put us in a good position to continue to capitalise on these opportunities.

"We remain on-track to achieve our 2013 'Growth and Cash' financial objectives and, despite significant ongoing macro-economic uncertainty, we look forward to the rest of the year with confidence."

1

Unless otherwise stated all growth rates are on a sterling basis. Growth rates on constant currency are presented on schedule 1B of the Interim Management Statement

2

The assumptions used to calculate new business profit are presented in schedule 5 to the Interim Management Statement

3

Investment inflows excluding Eastspring Money Market Funds

4

Represents estimated IGD surplus after deducting the final 2011 dividend of £0.4 billion

1. Q1 2012 Business Unit financial highlights

	Q1 2012	Q1 2011	% change on Q1 2011
New Business Profit ⁵			
Asia	£260m	£213m	22 %
US	£214m	£220m	(3)%
UK	£62m	£65m	(5)%
Total Group Insurance	£536m	£498m	8 %

	Q1 2012	Q1 2011	% change on Q1 2011
Sales - APE			
Asia	£443m	£367m	21 %
US	£332m	£322m	3 %
UK	£189m	£199m	(5)%
Total Group Insurance	£964m	£888m	9 %

	Q1 2012	Q1 2011	+/- pts change on Q1 2011
Margin - APE %			
Asia	59 %	58 %	+1pts
US	64 %	68 %	-4pts
UK	33 %	33 %	0pts
Total Group Insurance	56 %	56 %	0pts

	Q1 2012	Q1 2011	% change on Q1 2011
Investment Flows			

Gross inflows			
M&G	£7,009m	£6,919m	1 %
Eastspring Investments ⁶	£2,174m	£2,267m	(4) %
Total Group	£9,183m	£9,186m	0 %
Net inflows			
M&G	£1,767m	£1,677m	5 %
Eastspring Investments ⁶	£349m	£214m	63 %
Total Group	£2,116m	£1,891m	12 %
Funds Under Management ⁸			
M&G	£202.9bn	£199.6bn	2 %
Eastspring Investments	£53.4bn	£51.7bn	3 %

5

The assumptions used to calculate new business profit are presented in schedule 5 to the Interim Management Statement

6

Gross and net investment inflows excluding Eastspring Money Market Funds

7

Percentages based on unrounded numbers

8

Funds under management includes all external and internal funds

1.1 Asia Insurance operations

Asia

			% change on Q1 2011
	Q1 2012	Q1 2011	
Sales - APE	£443m	£367m	21 %
New Business Profit	£260m	£213m	22 %
Total Margin - APE %	59 %	58 %	+1pt

Asian economies continue to grow and their medium to long-term prospects remain positive. A number of factors contribute to making many markets in the region - particularly in South-East Asia - attractive: large, relatively young populations, a growing middle class with significant and rising savings and health and protection needs with limited social welfare systems. Prudential, with its multi-channel distribution and emphasis on long-term savings as well as protection products, is well placed to meet customers' needs in its chosen markets.

Our geographic diversification remains a key strength, allowing us to deliver continued, profitable growth from the region. Prudential's growth momentum has continued into 2012 with first quarter new business profit of £260 million increasing by 22 per cent over the same quarter last year. This marks the eleventh consecutive quarter of year on year new business profit growth. Indonesia, Hong Kong, Singapore and Malaysia continue to account for the majority of Prudential Asia's new business profit and sales, with a combined increase in both new business profit and

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APE of 24 per cent. We have also made good progress in Taiwan, the Philippines and Thailand, where our businesses are growing strongly.

Prudential's multi-channel distribution strategy continues to deliver significant returns. In both the agency and the bank channel, we follow a strategy that focuses on value as measured by the growth in new business profit. Our bancassurance partnerships have produced particularly strong results across a number of markets with new business profit up 40 per cent. Agency also continues to perform well with an increased sales force in many countries and improving product mix, leading to higher margins with new business profit growth of 17 per cent, consistent with our focus on value ahead of volume.

New business profit margins have increased slightly over the prior year to 59 per cent with the positive impact of economic assumption changes and product mix moderated by a higher proportion of sales through the bancassurance channel. The proportion of regular premium business has increased to 93 per cent of first quarter sales. Unit-linked, health and protection and par business represented 29 per cent, 30 per cent and 35 per cent of APE respectively (compared to 34 per cent, 29 per cent and 33 per cent in the first quarter of 2011).

China

			% change on Q1 2011
APE	Q1 2012 £17m	Q1 2011 £18m	(6)%

The life insurance market in China remains challenging primarily due to regulatory changes in the bank channel. Reflecting this, our new business volumes were down for the first quarter of 2012 at £17 million. The overall reduction is driven primarily by a 9 per cent decline in sales through the bancassurance channel, where activity has also been impacted by recent changes in regulations including prohibiting sales by non-bank staff. Agency sales remain robust, supported by a higher number of agents compared to last year. With our 50 per cent share in the CITIC-Prudential joint venture we continue to rank as one of the leading foreign-owned players in the market and we remain well-placed to benefit from the attractive long term growth opportunities of this market.

Hong Kong

			% change on Q1 2011
APE	Q1 2012 £85m	Q1 2011 £77m	10 %

Hong Kong delivered a strong first quarter, with APE higher by 10 per cent to £85 million. Prudential remains the only leading player in Hong Kong to have a material presence in both agency and bank distribution channels.

Sales growth in the first quarter was led by the bancassurance channel, where APE grew by 28 per cent, reflecting the strength of our distribution relationship with Standard Chartered Bank. Our agency business sustained its contribution to sales and profits with average agent numbers growing to over 5,300 since the start of 2011.

India

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			%
			change
			on
			Q1
	Q1 2012	Q1 2011	2011
APE	£35m	£31m	13 %

In India, we continue to make progress in rebuilding the business following the regulatory changes introduced in late 2010 which impacted the whole market. ICICI-Prudential retains its position as a private sector leader and has refocused its operations on regular premium savings and protection products.

Against this backdrop, sales on a local currency basis increased by 23 per cent. Encouragingly, regular premium local currency sales increased by 57 per cent to £32 million, the highest quarter since the regulatory changes were introduced. The bank channel has played a significant role in the improvement in new business volumes.

Indonesia

			%
			change
			on
			Q1
	Q1 2012	Q1 2011	2011
APE	£97m	£74m	31 %

Indonesia is one of Asia's largest and fastest growing economies and Prudential continues to be a clear leader in the Indonesian life insurance market. We have had a strong start to 2012, producing a record first quarter performance with sales 31 per cent higher at £97 million.

Growth in Indonesia is underpinned by the ongoing and rigorously managed expansion of our agent sales force. Our recruiting, training and licensing processes continue to be effective and have driven a 23 per cent increase in average active manpower and higher levels of productivity. We continue to see excellent opportunities for further growth from the agency channel throughout 2012 and beyond.

Agency remains the dominant distribution channel in Indonesia and our bank partnerships are also making good progress, with APE up 223 per cent, although from a much lower base than our agency business.

Korea

			%
			change
			on
			Q1
	Q1 2012	Q1 2011	2011
APE	£21m	£28m	(25)%

Our business in Korea has been extensively restructured to concentrate on high-quality proprietary distribution and regular premium unit-linked business. We have chosen not to compete in the more capital-intensive market for guaranteed return products. During the first quarter of 2012 volumes have suffered from the ongoing impact of equity market volatility in the second half of 2011, with lower sales through the bank channel in particular. Agency production has proved more resilient and APE has remained in line with the prior year.

Malaysia

			%
			change
			on
			Q1
	Q1 2012	Q1 2011	2011
APE	£45m	£44m	2 %

Malaysia delivered a strong increase in new business profits while sales growth was lower at 2 per cent. Average case sizes have declined as we increase our penetration of the Bumi sector and as we drive the product mix to optimise new business profitability.

Although still small relative to agency, bank sales have been encouraging through our partners UOB and Standard Chartered Bank and APE has increased by 142 per cent over the prior year.

Singapore

			%
			change
			on
			Q1
	Q1 2012	Q1 2011	2011
APE	£72m	£47m	53 %

Singapore had an outstanding first quarter with new business APE sales of £72 million up 53 per cent. Bancassurance sales have doubled over the prior year with all partners maintaining the strong momentum of 2011, including continued strong performance from Standard Chartered Bank, UOB, SingPost and Maybank. The bancassurance channel now accounts for over 50 per cent of our new business sales in Singapore. Our agency channel also continues to grow, with sales up by 12 per cent, principally driven by improvements in agent productivity.

Taiwan

			%
			change
			on
			Q1
	Q1 2012	Q1 2011	2011
APE	£43m	£29m	48 %

Taiwan is now successfully focused on bank distribution principally with partners E.Sun and Standard Chartered Bank. We had an excellent first quarter with both of our partners performing strongly, selling mainly regular premium par products.

Others - Philippines, Thailand and Vietnam

			%
			change
			on
			Q1
	Q1 2012	Q1 2011	2011

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APE £28m £19m 47 %

Prudential's other operations comprise the Philippines, Thailand and Vietnam with new business APE sales increasing by 47 per cent in the first quarter of 2012. In both the Philippines and Thailand we achieved record first quarter levels of sales with strong growth in both agency and bank channels. Thailand in particular had an outstanding first quarter with APE double that of the first quarter of 2011 and although our business is still relatively small, we believe it has now entered the top 10 in terms of new business market share for the first time.

1.2 US operations

Insurance operations

			% change on Q1 2011
US	Q1 2012	Q1 2011	2011
Sales - APE	£332m	£322m	3 %
New Business Profit	£214m	£220m	(3)%
Margin - APE %	64 %	68 %	-4pts

Jackson remains focused on balancing value, capital efficiency, balance sheet strength and strict pricing discipline for both variable and fixed annuities. Our financial stability and innovative products continue to enhance our reputation as a high-quality and reliable business partner, as advisers recognise the benefits of working with Jackson.

Jackson delivered APE retail sales of £324 million in the first quarter of 2012, compared to £322 million during the same period in 2011. In addition, with the modest institutional sales in the first quarter of 2012, total APE sales were £332 million, up 3 per cent over the same period in 2011. Jackson has achieved these sales levels while maintaining its pricing discipline, as it has continued to write new business at aggregate internal rates of return in excess of 20 per cent.

New business profits were £214 million in the first quarter of 2012, slightly lower than the same period in 2011. The new business margin in the first quarter of 2012 of 64 per cent was in line with that achieved in the full year 2011. The reduction in the overall margin relative to the first quarter of 2011, reflects the impact of the lower interest rate environment that has prevailed since the second half of that year. Variable annuity margin remains attractive at 70 per cent (full year 2011: 69 per cent; first quarter 2011: 73 per cent) as the pricing changes introduced last year continue to mitigate the impact of lower interest rates.

Total retail annuity net inflows of £1.9 billion for the first quarter of 2012 are also in line with last year. Jackson remained the third largest seller of individual annuities in 2011, with a market share of 8.2 per cent⁹.

The US equity markets rose 12 per cent and market volatility declined significantly during the first quarter of 2012. Interest rates rose slightly in the first quarter of 2012 and AA corporate spreads declined from year end 2011 levels.

Jackson manages equity and interest rate exposure on an aggregate basis in order to ensure that total economic risk is hedged effectively within established policy limits. Jackson's hedging programme continues to perform well, mitigating the impact of significant macroeconomic challenges and supporting our capital position on both an economic and regulatory basis. Our approach to pricing and hedging has been and remains to always adopt a conservative stance. This positions us to outperform our peers during periods of market dislocation.

Variable annuity

			%
			change
			on
			Q1
	Q1 2012	Q1 2011	2011
APE	£279m	£284m	(2)%

Variable annuity

APE sales of £279 million in the first quarter of 2012 were slightly lower than the same period in 2011 due to changes made to our product offerings, shifts in the competitive environment and market conditions. In 2011, Jackson implemented various product initiatives to optimise the balance between growth, capital and profitability. In March 2012, Jackson introduced its new variable annuity product, Elite Access, which has no guaranteed benefits and provides tax efficient access to alternative investments. This new product has received a positive early reaction from distributors and we look forward to rolling it out across the business over the remainder of the year. Our access to distribution and the quality of our relationship with advisers are key components of our strategy. In 2011, Jackson ranked first among variable annuity providers for adviser loyalty¹⁰ and earned the top ranking for both external and internal wholesaler support¹⁰.

Fixed index annuity

			%
			change
			on
			Q1
	Q1 2012	Q1 2011	2011
APE	£25m	£20m	25 %

Fixed index annuity

APE sales of £25 million in the first quarter of 2012 increased 25 per cent from the same period of 2011. Jackson ranked 8th in sales of fixed index annuities in 2011, with a market share of 4.6 per cent, down from 6th and a market share of 5.2 per cent for the full year 201011.

Fixed annuity

			%
			change
			on
			Q1
	Q1 2012	Q1 2011	2011
APE	£16m	£13m	23 %

Jackson's strategy of proactively managing fixed annuity volumes resulted in APE sales of £16 million in the first quarter of 2012, 23 per cent higher than the same period in 2011. Jackson ranked 13th in sales of traditional deferred fixed annuities in 2011, with a market share of 2.1 per cent, compared to 8th and a market share of 3.4 per cent for the full year 201012.

Asset management operations

Curian Capital, a specialised asset management company that provides innovative fee-based separately managed accounts, had total assets under management of £5.1 billion at the end of March 2012 compared with £4.7 billion at

the end of 2011. Curian generated record deposits of £454 million in the first quarter of 2012, up 15 per cent compared to the same period in 2011 and up 22 per cent over the fourth quarter of 2011.

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Source: LIMRA

10

Source: Cogent Research Advisor Brandscape™ 2011. Rankings based upon an online survey of a representative cross section of 1,643 registered financial advisers conducted between April 15 and May 9, 2011.

11

Source: Annuity Specs

12

Source: LIMRA

1.3 UK insurance operations

UK

	Q1 2012	Q1 2011	% change on Q1 2011
Sales - APE	£189m	£199m	(5)%
New Business Profit	£62m	£65m	(5)%
Margin - APE %	33 %	33 %	0pts

Prudential competes selectively in the UK's retirement savings and income markets with a clear focus on writing profitable new business combined with sustainable cash generation and capital preservation, rather than pursuing top-line sales growth. In the first quarter of 2012, Prudential UK has sustained its new business profitability, despite the competitive conditions that prevail in the UK marketplace.

Total APE sales of £189 million were 5 per cent lower than the first quarter of 2011, principally due to lower sales of corporate pensions which were partly offset by higher sales of with-profits bonds and individual annuities. The new business margin of 33 per cent in the first quarter of 2012 was unchanged on the same period last year. The negative impact on product margins of economic assumption changes driven by the low interest rate environment was offset by a more favourable business mix, with lower sales of corporate pensions and higher sales of individual annuities and with-profits bonds (which have a higher margin).

APE sales of individual annuities of £48 million were 14 per cent higher than for the first quarter of 2011. APE sales from internal vestings of £31 million, were 15 per cent higher than in 2011, due to a combination of an increase in the number of customers retiring and higher average fund values. Sales of external annuities of APE £17 million were also 13 per cent higher compared to the same period last year, mainly due to an increase in with-profits sales through intermediaries.

APE sales of onshore bonds of £55 million were 28 per cent up on the first quarter of 2011, including with-profits bonds APE sales of £52 million which increased by 40 per cent. Our PruFund range of funds made up 77 per cent of with-profits bond sales, driven by continued customer demand for products offering smoothed investment returns and optional capital guarantees. Against the first quarter of 2011, PruFund sales were 47 per cent higher reflecting the

popularity of the reintroduced PruFund Protected Growth Fund and the additional range of guarantees added to both the Growth and Cautious funds in June 2011.

Corporate pensions APE sales of £49 million were 37 per cent lower than the same period last year. Sales in the first quarter of 2011 were particularly high due to new defined contribution members joining our schemes following closure of a number of defined benefit schemes operated by existing clients. Prudential UK continues to focus on retaining and developing existing schemes, securing new members and incremental business. Prudential UK remains the largest provider of Additional Voluntary Contribution plans within the public sector where we now provide schemes for 68 of the 99 public sector authorities in the UK.

APE sales of other products, principally individual pensions, PruProtect, PruHealth and offshore bonds, of £37 million were 3 per cent up on the first quarter of 2011.

1.4 M&G

Investment Flows

	Q1 2012	Q1 2011	% change on Q1 2011
Net inflows			
Retail business	£2,398m	£1,310m	83 %
Institutional business	£(631)m	£367m	(272)%
Total	£1,767m	£1,677m	5 %
Gross inflows total	£7,009m	£6,919m	1 %
Funds under management total	£202.9bn	£199.6bn	2 %
External funds under management	£93.3bn	£91.4bn	2 %

M&G's focus on investment performance, combined with a well diversified business mix and established distribution capabilities, has helped it to make a strong start to 2012 in terms of both sales performance and growth in funds under management. Total first quarter net inflows across M&G were £1.8 billion. This represents an increase of 5 per cent on the same period for the previous year.

This strong performance was led by M&G's retail business. Net retail sales for the quarter totalled £2.4 billion, an 83 per cent increase on the same period in the previous year. This sales performance reflects M&G's strength in depth across all the principal asset classes and also reflects a rebound in equity markets and an improvement in investor sentiment since the start of the year with the FTSE All Share Index rising 5 per cent over the first quarter of 2012.

In M&G's core UK market, retail business gross inflows in the first quarter were £3.3 billion, which is 12 per cent higher than the same quarter in 2011. Net inflows were over £1.4 billion. As at 31 March 2012, M&G has been number one for both gross and net retail fund sales for a record 14 consecutive quarters.¹³

M&G is also continuing to expand its distribution in mainland Europe, where at over £1.5 billion, total net inflows exceeded those of the core UK market. M&G managed retail funds under management sold outside of the UK stood at £10.4 billion at the end of March 2012 (31 December 2011: £8.2 billion), equivalent to 22 per cent of the total external retail funds managed by M&G.

Underpinning the success of M&G's retail funds is the strength of our investment performance coupled with the diversified nature of the business by asset class, by distribution channel and by country. Over the three years to 31 March 2012, 25 retail funds representing approximately 75 per cent of M&G managed retail funds under management, delivered first and second quartile investment performance.

The £3.0 billion of net retail inflows in UK and Europe were partially offset by a £0.6 billion net outflow from funds managed by M&G's associate entity in South Africa. These redemptions were entirely from the Prudential Dividend Income Fund which was closed on 31 March 2012 ahead of the implementation of new tax legislation on 1 April 2012 which would have had a materially adverse impact on the treatment of the distributions made by the fund to the fund's investors. Fund flows into other retail funds of the South African business have been positive.

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

As expected, the Institutional Business saw net outflows over the first quarter, as a number of structured debt products reached maturity and one segregated fund client withdrew £295 million from public debt funds in a major asset allocation exercise. However, there is significant business in the pipeline as new products offering innovative investment solutions are brought to market, including a fund designed to help pension funds meet the challenge of managing long-term inflation-linked liabilities.

Performance in the Institutional Business remains extremely strong: 100 per cent of actively managed external institutional fixed income mandates met or outperformed their benchmarks over the three years to 31 March 2012.

M&G's total funds under management of £202.9 billion are up 2 per cent on the first quarter of 2011 (£199.6 billion). In the first quarter of 2012, M&G reduced its stake in its South African subsidiary.¹⁴ On a like for like basis therefore, total funds under management have increased by 4 per cent since end March 2011. External funds represent 46 per cent of M&G's total funds under management. Reflecting the reduced shareholding in the South African entity, total external funds under management have increased by 7 per cent from £87.3 billion as at the end of March 2011 to £93.3 billion by 31 March 2012. This reflects the improved market conditions and the healthy net new business levels in the first quarter.

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From 1 January 2012, Prudential Portfolio Managers South Africa (Pty) Limited is no longer a subsidiary of M&G following the restructuring transaction whereby M&G's ownership has been diluted following the equitisation of the staff incentive scheme and reduced further by the sale of an additional 10 per cent equity stake to an empowerment company as encouraged under Broad Based Black Economic Empowerment legislation. Only 47.2 per cent of funds under management and flows from the South African associate company will be included in M&G's results from 2012 onwards whereas 100 per cent has been included up to the end of 2011.

1.5 Eastspring Investments

Investment Flows

	Q1 2012	Q1 2011	% change on Q1 2011
Net inflows retail and institutional business ¹⁵	£349m	£214m	63 %

Gross inflows retail and institutional business ¹⁵	£2,174m	£2,267m	(4)%
Funds under management total	£53.4bn	£51.7bn	3 %
External funds under management ¹⁵	£16.2bn	£16.9bn	(4)%

Total funds under management at 31 March 2012 amounted to £53.4 billion up from £50.3 billion at 31 December 2011 and 3 per cent higher than the first quarter of 2011. External funds under management at 31 March 2012 were £16.2 billion, down from £16.9 billion at 31 March 2011, but improved from £15.0 billion at 31 December 2011 as our funds recovered from the negative market movements experienced in the second half of 2011.

First quarter 2012 net inflows for the third party and institutional business of £349 million were 63 per cent higher than the first quarter of 2011. This increase in net flows was driven by strong equity net inflows in Japan which saw its largest first quarter net flows since 2007 and an 82 per cent increase in bond fund net inflows principally due to new fund launches in India and Taiwan, offset by the partial withdrawal of an institutional mandate in Korea.

Investment performance across the institutional and retail portfolios remains excellent with the majority of funds outperforming their benchmarks and/or peers.

The Indonesian regulators have recently granted Eastspring Investments a licence to open an operation in the country where we will be targeting retail investors.

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Investment flows exclude Eastspring Money Market Funds gross inflows of £2,120 million (first quarter 2011 £2,031 million) and net outflows of £527 million (first quarter 2011: £258 million). External funds under management exclude Money Market Funds of £3.8 billion (first quarter 2011 £4.6 billion).

2. Financial Management

The Group remains focused on managing proactively its balance sheet and risk profile. We continue to impose stringent stress testing on our key capital measures, ensuring we could withstand significant market shocks both in the short and medium term.

2.1 Capital Management

A strong balance sheet is at the heart of our strategy and is a key consideration for our customers when they choose our products. That strength gives confidence to our customers that we will be there to serve them in the long term, and allows us to grow strongly and write large amounts of new business without putting our customers at risk. Strict and proactive management and allocation of capital remain a core focus for our Group.

Our capital position remains resilient. We have continued to focus on maintaining the Group's financial strength through optimising the balance between writing profitable new business, conserving capital and generating cash. We estimate that our Insurance Groups Directive (IGD) capital surplus was £3.8 billion at 31 March 2012 (after taking into account the 2011 final dividend of £0.4 billion). This compares to £4.0 billion at 31 December 2011 (before taking into account the 2011 final dividend) and £4.2 billion at 31 March 2011 (after taking into account the 2010 final dividend of £0.4 billion).

As at 31 March 2012 stress testing of our IGD capital position to various events has the following results:

* An instantaneous 20 per cent fall in equity markets from 31 March 2012 levels would reduce the IGD surplus by £300 million;

* A 40 per cent fall in equity markets (comprising an instantaneous 20 per cent fall followed by a further 20 per cent fall over a four week period) would reduce the IGD surplus by £750 million;

* A 100 bps reduction (subject to a floor of zero) in interest rates would reduce the IGD surplus by £450 million;

* Credit defaults of ten times the expected level would reduce IGD surplus by £600 million.

In addition to our strong capital position, on a statutory basis the total credit reserve for the UK shareholder annuity funds also contributes to protecting our capital position in excess of the IGD surplus. This credit reserve as at 31 March 2012 was £2.0 billion, equivalent to 8.2 per cent of the fixed income assets backing annuity liabilities. This represents 35 per cent of the portfolio spread over swaps, compared to 33 per cent at 31 December 2011 and 46 per cent at 31 March 2011.

The surplus of the UK with-profits fund, which represents a substantial source of capital from both a solvency and economic perspective, is excluded from the IGD calculation. At 31 March 2012, the UK with-profits fund inherited estate was estimated at £6.5 billion.

The value of shareholders' interest in future transfers from the UK with-profits fund is valued at £2.2 billion.

2.2 Credit

The Group's estimated total debt securities portfolio on an IFRS basis (excluding holdings attributable to external unit holders of consolidated unit trusts) comprised the following as at 31 March 2012:

	With-profit £bn	Unit-linked and variable annuity * £bn	Other shareholder backed business £bn	Total £bn
UK insurance operations	46.7	6.1	24.5	77.3
Jackson National Life	-	-	26.3	26.3
Asia long-term business	3.2	1.8	4.5	9.5
Other operations	-	-	2.0	2.0
Total	49.9	7.9	57.3	115.1

* Jackson's variable annuity separate account assets comprise equity securities and portfolio holdings in unit trusts (including mutual funds), the majority of which are equity based.

Shareholders are not directly exposed to value movements on assets backing with-profits or unit-linked operations, with sensitivity mainly related to shareholder-backed business. In the UK, of the £24.5 billion of debt securities backing shareholder business and other non-linked business, 75 per cent is rated AAA to A, 22 per cent BBB and 3 per cent non-investment grade. No defaults were reported in the first quarter of 2012 for UK and Asia shareholder-backed businesses.

The most significant area of exposure to credit risk for the shareholder is in the US.

Jackson's fixed income portfolio at 31 March is

£26.3

billion.

Jackson's net unrealised gains on available-for-sale securities were £2.1 billion at 31 March 2012 (31 December 2011: £2.1 billion).

Gross unrealised losses on securities priced below 80 per cent of book value were £0.1 billion at 31 March 2012 (31 December 2011: £0.2 billion).

In Jackson, total amounts charged to profits relating to debt securities as a result of impairments and sales of impaired and deteriorating bonds in the first quarter were £29 million (first quarter 2011: £4 million). In the first quarter of 2012, Jackson's total defaults were £nil (first quarter 2011: £nil). Impairments on the commercial mortgage book in the first quarter of 2012 were £nil (first quarter 2011: £9 million).

Group shareholder sovereign debt exposure

Sovereign debt represented 15 per cent or £8.8 billion of the debt portfolio backing shareholder business at 31 March 2012. 43 per cent of this was rated AAA and 93 per cent investment grade.

Of the Group's holdings in Continental Europe of £561 million, 90 per cent was AAA rated.

Prudential's direct exposure to the eurozone countries continues to be small in the context of our overall balance sheet.

Shareholder exposure to the eurozone sovereigns of Italy, and Spain is £47 million.

The Group does not have any sovereign debt exposure to Greece, Portugal, Ireland or France.

The exposure of the Group's shareholder funds to sovereign debt (including credit default swaps that are referenced to sovereign debt) at 31 March 2012 is as follows:

	Shareholder sovereign debt £m
Continental Europe	
Italy	46
Spain	1
	47
Germany	463
Other Europe (principally Isle of Man and Belgium)	51
	561
United Kingdom	3,167
United States	2,225
Other, predominantly Asia	2,880
Total	8,833

Exposure to bank debt securities

Prudential expects that any second order sovereign credit exposures would most likely be concentrated in the banking sector. The Group's bank exposure is a function of its core investment business, as well as of the hedging and other

activity undertaken to manage its various financial risks. Prudential relies on public information, such as the results of European Banking Authority stress tests to identify banks with large concentrations of indirect exposure and credit research sources.

Prudential has a range of controls and processes to manage credit exposure. In addition to the control frameworks that cover shareholder and policyholder credit risk within each Business Unit, the Group Credit Risk Committee oversees shareholder credit risk across the Group. The Committee receives comprehensive management information, including details of counterparty and invested credit exposure (including structured credit and loans), secured and unsecured cash balances, top 30 credit exposures, and an analysis of shareholder exposure by industry/country and rating. The Group Risk function also continually monitors the portfolio for emerging credit risks through various tools and processes.

Prudential actively mitigates the level of Group wide credit risk (invested credit and counterparty) through a comprehensive system of hard limits, collateralisation agreements and centrally managed 'watch lists'.

In terms of shareholder exposure to the bank debts of Portugal, Ireland, Italy and Spain, we held £366 million at 31 March 2012. There was no direct exposure to Greek banks.

The exposure of the Group's shareholder funds to bank debt securities at 31 March 2012 comprises the following:

		Bank debt securities - shareholder-backed business		
		Total senior debt £m	Total subordinated debt £m	Total £m
Continental Europe				
	Portugal	29	-	29
	Ireland	15	-	15
	Italy	12	58	70
	Spain	148	104	252
		204	162	366
	France	53	123	176
	Germany	30	1	31
	Other Europe	21	54	75
		308	340	648
	United Kingdom	601	765	1,366
	United States	1,418	386	1,804
	Other, predominantly Asia	324	683	1,007
	Total	2,651	2,174	4,825

ENDS

Enquiries:

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Notes:

1. Annual premium equivalent (APE) sales comprise regular premium sales plus one-tenth of single premium insurance sales and are subject to rounding.
2. Present Value of New Business Premiums (PVNBP) are calculated as equalling single premiums plus the present value of expected new business premiums of regular premium business, allowing for lapses and other assumptions made in determining the EEV new business contribution.
3. NBP assumptions for the period are detailed in the accompanying schedule 5. All references to NBP margins on pages 1 to 15 of this statement refer to margins on an APE basis, calculated as the ratio of new business profit to APE sales.
4. There will be a conference call today for the media at 09.45 (UK) / 16.45 (Hong Kong) hosted by Tidjane Thiam, Group Chief Executive. Dial in telephone number: (UK) +44 (0)203 140 0668 (Hong Kong) +852 3060 9173 Pin: 353265#.
5. There will be a conference call today for analysts and investors at 10.45 (UK) / 17.45 (Hong Kong) hosted by Tidjane Thiam, Group Chief Executive. Dial in telephone number: +44 (0)203 140 0668 / 0800 368 1950 (Freephone UK) Pin: 356764#. Playback (PIN: 384531#) +44(0) 203 140 0698 / 0800 368 1890 (Freephone UK) (available from 12.30 (UK Time) on 9 May 2012 until 23.59 (UK Time) on 22 May 2012).
6. High resolution photographs are available to the media free of charge at www.prudential.co.uk/prudential-plc/media/media_library or by calling the media office on +44 (0) 207 548 2466.
7. Sales for overseas operations have been reported using average exchange rates for the period as shown in the attached schedules. Reference to prior year figures in the commentary is on an actual exchange rate basis unless stated. An alternative method of presentation is on a constant exchange rate basis shown in supplementary schedule 1B.
8. Prudential plc is a company incorporated and with its principal place of business in England, and its affiliated companies constitute a large global financial services group. 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 £351 billion in assets under management (as at 31 December 2011). 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.
9. **Forward-Looking Statements**
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,

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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 and the Annual Report and the 'Risk Factors' heading of Prudential's most recent annual report on Form 20-F filed with the U.S. Securities and Exchange Commission, as well as under the 'Risk Factors' heading of any subsequent Prudential Half Year Financial Report. Prudential's most recent Annual Report, Form 20-F and any subsequent Half Year Financial Report are/will be available on its website at www.prudential.co.uk

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.

10. The financial information presented in this Interim Management Statement and accompanying schedules is unaudited.

Supplementary schedules

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Schedule 1A - Reported Exchange Rates
PRUDENTIAL PLC - NEW BUSINESS - Q1 2012
INSURANCE OPERATIONS

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	Single		Regular				Annual			PVNBP		
	Q1	Q1	Q1	Q1		Q1	Q1		Q1	Q1		
	2012	2011	2012	2011	+/-	2012	2011	+/-	2012	2011	+/-	
	YTD	YTD	YTD	YTD	(%)	YTD	YTD	(%)	YTD	YTD	(%)	
	£m	£m	£m	£m		£m	£m		£m	£m		
Group Insurance Operations												
Asia (1a) (7)	336	405	(17%)	410	326	26%	443	367	21%	2,303	1,935	19%
US(1a) (7)	3,279	3,172	3%	4	5	(20%)	332	322	3%	3,307	3,206	3%
UK	1,360	1,182	15%	53	81	(35%)	189	199	(5%)	1,580	1,551	2%
Group Total	4,975	4,759	5%	467	412	13%	964	888	9%	7,190	6,692	7%
Asian Insurance Operations(1a) (7)												
Hong Kong	19	33	(42%)	83	74	12%	85	77	10%	464	433	7%
Indonesia	77	40	93%	89	70	27%	97	74	31%	395	264	50%
Malaysia	25	26	(4%)	42	41	2%	45	44	2%	283	257	10%
Philippines	45	23	96%	6	4	50%	10	6	67%	61	35	74%
Singapore	73	88	(17%)	65	38	71%	72	47	53%	514	358	44%
Thailand	3	2	50%	11	5	120%	11	5	120%	39	21	86%
Vietnam	-	-	N/A	7	8	(13%)	7	8	(13%)	24	28	(14%)
SE Asian Operations inc. Hong Kong												
China(8)	242	212	14%	303	240	26%	327	261	25%	1,780	1,396	28%
Korea	11	21	(48%)	16	16	0%	17	18	(6%)	81	89	(9%)
Taiwan	8	25	(68%)	20	25	(20%)	21	28	(25%)	107	145	(26%)
India(5)	43	58	(26%)	39	23	70%	43	29	48%	183	131	40%
Total Asian Operations(1a) (7)	336	405	(17%)	410	326	26%	443	367	21%	2,303	1,935	19%
US Insurance Operations(1a) (7)												
Fixed Annuities	162	125	30%	-	-	N/A	16	13	23%	162	125	30%
Fixed Index Annuities	249	203	23%	-	-	N/A	25	20	25%	249	203	23%
Life	2	3	(33%)	4	5	(20%)	4	5	(20%)	30	37	(19%)
Variable Annuities	2,790	2,841	(2%)	-	-	N/A	279	284	(2%)	2,790	2,841	(2%)
Wholesale	76	-	N/A	-	-	N/A	8	-	N/A	76	-	N/A
Total US Insurance Operations	3,279	3,172	3%	4	5	(20%)	332	322	3%	3,307	3,206	3%
UK & Europe Insurance Operations Direct and Partnership												
Annuitants	66	97	(32%)	-	-	N/A	7	10	(30%)	66	97	(32%)
Intermediated Annuitants	103	53	94%	-	-	N/A	10	5	100%	103	53	94%

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Internal Vesting												
Annuities	310	273	14%	-	-	N/A	31	27	15%	310	273	14%
Total Individual												
Annuities	479	423	13%	-	-	N/A	48	42	14%	479	423	13%
Corporate Pensions	91	77	18%	40	70	(43%)	49	78	(37%)	250	395	(37%)
On-shore Bonds	548	428	28%	-	-	N/A	55	43	28%	548	428	28%
Other Products	242	252	(4%)	13	11	18%	37	36	3%	303	303	0%
Wholesale	-	2	(100%)	-	-	N/A	-	-	N/A	-	2	(100%)
Total UK & Europe												
Insurance Operations	1,360	1,182	15%	53	81	(35%)	189	199	(5%)	1,580	1,551	2%
Group Total	4,975	4,759	5%	467	412	13%	964	888	9%	7,190	6,692	7%

Schedule 1B - Current Exchange Rates

PRUDENTIAL PLC - NEW BUSINESS - Q1 2012

INSURANCE OPERATIONS

	Single		Regular		Annual			PVNBP				
	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1				
	2012	2011	2012	2011	2012	2011	2012	2011				
	YTD	YTD	+/-	YTD	YTD	+/-	YTD	YTD	+/-	YTD	YTD	+/-
	£m	£m	(%)	£m	£m	(%)	£m	£m	(%)	£m	£m	(%)
Group Insurance												
Operations												
Asia (1b) (7)	336	405	(17%)	410	331	24%	443	371	19%	2,303	1,954	18%
US(1b) (7)	3,279	3,236	1%	4	5	(20%)	332	328	1%	3,307	3,271	1%
UK	1,360	1,182	15%	53	81	(35%)	189	199	(5%)	1,580	1,551	2%
Group Total	4,975	4,823	3%	467	417	12%	964	898	7%	7,190	6,777	6%

Asian Insurance

Operations(1b) (7)

Hong Kong 19