

PRUDENTIAL PLC
Form 6-K
March 14, 2017

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 March, 2017

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.

Chief Financial Officer's report on the 2016 financial performance Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant
in connection with Rule 12g3-2(b): 82-

NEWS RELEASE PRUDENTIAL PLC
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14 March 2017

PRUDENTIAL PLC FULL YEAR 2016 RESULTS

RECORD GROUP IFRS OPERATING PROFIT OF £4,256 MILLION LED BY DOUBLE DIGIT-GROWTH IN ASIA

Performance highlights on a constant (and actual) exchange rate basis

Asia IFRS operating profit¹ of £1,644 million, up 15 per cent^{2,3} (up 28 per cent⁴)

Asia new business profit⁵ of £2,030 million, up 22 per cent^{2,3} (up 37 per cent⁴)

US life insurance IFRS operating profit¹ of £2,052 million, up 8 per cent³ (up 21 per cent⁴)

UK life retail APE sales of £1,160 million, up 33 per cent, with PruFund APE sales up 52 per cent to £873 million

M&G total assets under management of £265 billion, with external assets under management up 8 per cent⁴

Full year 2016 ordinary dividend increased by 12 per cent to 43.5 pence per share⁸

Group Solvency II surplus⁶ estimated at £12.5 billion; equivalent to a cover ratio of 201 per cent⁷

The Group is on course to achieve its 2017 financial objectives

Mike Wells, Group Chief Executive, said: "Prudential has delivered a strong financial performance in 2016. In a year that has seen continued low interest rates, market volatility and dramatic political change, our results continue to benefit from the scale and diversity of the Group's global platform, the disciplined execution of our strategy and the strength of the opportunities in our target markets.

"Our performance has been driven by Asia, which has delivered a seventh consecutive year of double-digit growth in new business profit, IFRS operating profit and capital generation. In the fourth quarter of 2016, quarterly APE sales in Asia exceeded £1 billion for the first time, with eight of our markets in the region growing by more than 20 per cent. For the full year, our new business profit in this region increased by 22 per cent² to £2,030 million, IFRS operating profit was 15 per cent² higher at £1,644 million and free surplus generation^{2,10} grew 15 per cent to £859 million. In the US and in the UK, our businesses remain well positioned to navigate a period of significant regulatory change. We remain on course to achieve our 2017 financial objectives.

"This performance has allowed us to increase our full year ordinary dividend by 12 per cent to 43.5 pence per share⁸. The dividend increase demonstrates our commitment to deliver long-term value for our shareholders and our confidence in the future prospects of our Group.

"Prudential helps to remove uncertainty from the most significant financial events of our customers' lives, such as saving for a child's education, protecting against the financial cost of ill-health or turning hard-earned savings into secure retirement income. We are well placed to provide these services through our leading positions in many of our chosen markets. In Asia, growing numbers of middle-class consumers increasingly require our health and protection products, and ageing populations in the UK and the US are seeking ways to invest their savings to produce secure income for retirement.

"The Group's performance demonstrates our ability to capitalise on the significant growth opportunities in these regions. We are well positioned to continue to deliver high-quality products and services to our 24 million life customers, and retain our distinctive ability to generate both growth and cash for our shareholders."

Summary financials	2016 £m	2015 £m	Change on AER basis	Change on CER basis
IFRS operating profit based on longer-term investment returns ^{1,2,9}	4,256	3,969	7%	(2)%
Underlying free surplus generated ^{2,10,11}	3,588	3,043	18%	10%
Life new business profit ^{2,11,12}	3,088	2,492	24%	11%
IFRS profit after tax ¹³	1,921	2,579	(26)%	(32)%
Net cash remittances from business units	1,718	1,625	6%	-

	2016 £bn	2015 £bn	Change on AER basis
IFRS shareholders' funds	14.7	13.0	13%

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EEV shareholders' funds ¹⁴	39.0	31.9	22%
Group Solvency II capital surplus ^{6,7}	12.5	9.7	29%

1. Based on longer-term investment returns
2. Following its reclassification to held for sale during 2016, operating results exclude the contribution of the Korea life business. The 2015 comparative results have been similarly adjusted.
3. Year-on-year percentage increases are stated on a constant exchange rate basis unless otherwise stated.
4. Growth rate on an actual exchange rate basis.
5. New business profit on business sold in the year, calculated in accordance with EEV principles.
6. The Group Solvency II surplus represents the shareholder capital position excluding the contribution to Own Funds and the Solvency Capital Requirement from ring fenced with-profits funds and staff pension schemes in surplus. The estimated solvency position includes the impact of recalculated transitionals at the valuation date, which has reduced the Group shareholder surplus from £12.9 billion to £12.5 billion. The formal Quantitative Reporting Templates (Solvency II regulatory templates) will include transitional measures without this recalculation.
7. Before allowing for second interim ordinary dividend.
8. In 2015, in addition to the ordinary dividend, a special dividend of 10 pence per share was awarded.
9. IFRS operating profit based on longer-term investment returns reflects higher earnings from growth in premium base in Asia and aggregate assets managed by our life and asset management operations across the group. These higher earnings are offset by the effect of one-off impacts in our UK Life operations.
10. Underlying free surplus generated comprises underlying free surplus generated from the Group's long-term business (net of investment in new business) and that generated from asset management operations. Further information is set out in note 11 of the EEV basis results.
11. The 2016 EEV basis results for UK insurance operations have been prepared on a basis that reflect the Solvency II regime, effective from 1 January 2016. The 2015 comparative results for UK insurance operations reflect the Solvency I basis.
12. Excluding UK bulk annuities from 2015 comparative results as Prudential has withdrawn from this market.
13. IFRS profit after tax reflects the combined effects of operating results, negative short-term investment variances, (loss)/profit on sale of Korea life business and the total tax charge for the year.
14. Includes adjustment for opening EEV shareholders' funds of negative £0.5 billion for the impact of Solvency II as at 1 January 2016.

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Notes to Editors:

The results in this announcement are prepared on two bases: International Financial Reporting Standards (IFRS) and European Embedded Value (EEV). The results prepared under IFRS form the basis of the Group's statutory financial statements. The supplementary EEV basis results have been prepared in accordance with the amended European Embedded Value principles dated April 2016 formulated by the CFO Forum of European Insurance Companies. The 2016 EEV results for UK insurance operations have been prepared to reflect the Solvency II 1. regime. The 2015 EEV results for UK insurance operations have been prepared reflecting the Solvency I basis, being the regime applicable for that year. There is no change to the basis of preparation for Asia and US operations. The Group's EEV basis results are stated on a post-tax basis and, where appropriate, include the effects of IFRS. Year-on-year percentage increases are presented on a constant exchange rate basis unless otherwise stated. Constant exchange rates results are calculated by translating prior year results using the current year foreign exchange rate i.e. current year average rates for the income statement and current year closing rates for the balance sheet.

2. Annual Premium Equivalent (APE) sales comprise regular premium sales plus one-tenth of single premium insurance sales.

Operating profit is determined on the basis of including longer-term investment returns. EEV and IFRS operating profit is stated after excluding the effect of short-term fluctuations in investment returns against long-term assumptions, and (loss)/profit attaching to the held for sale Korea life business. Furthermore, for EEV basis results, operating profit based on longer-term investment returns excludes the effect of changes in economic assumptions and the mark to market value movement on core borrowings. Separately on the IFRS basis, operating profit also excludes amortisation of accounting adjustments arising principally on the acquisition of REALIC completed in 2012 and the cumulative foreign exchange loss on the disposal of the Japan Life business that has been recycled from Other Comprehensive Income on completion of the sale process in 2015.

Total number of Prudential plc shares in issue as at 31 December 2016 was 2,581,061,573.

A presentation for analysts and investors will be held today at 11:00am (UK)/ 7:00pm (Hong Kong) in the conference suite at Nomura International plc, 1 Angel Lane, London EC4R 3AB. The presentation will be webcast live and as a replay on the corporate website via the link below:
<http://www.prudential.co.uk/investors/results-centre>

A dial-in facility will be available to listen to the presentation. Please allow time ahead of the presentation to join the call (lines open half an hour before the presentation is due to start, ie from 10.30am (UK) / 6.30pm (Hong Kong)). Dial-in: +44 (0) 20 3059 8125 / 0800 368 0649 (Freephone UK), Passcode: 'Prudential' (this must be quoted to the operator to gain access to the call). Playback: +44 (0) 121 260 4861 (UK and international excluding US)/ +1 844 2308 058 (US only), Passcode: 5392336#. This will be available from approximately 2.00pm (UK) / 10.00pm (Hong Kong) on 14 March 2017 until 11.59pm (UK) on 28 March 2017 / 6.59am (Hong Kong) on 29 March 2017.

High-resolution photographs are available to the media free of charge at
www.prudential.co.uk/prudential-plc/media/media_library

7.2016 Second interim ordinary dividend

Ex-dividend date	29 March 2017 (Singapore)
	30 March 2017 (UK, Ireland and Hong Kong)
Record date	31 March 2017
Payment of dividend	19 May 2017 (UK, Ireland and Hong Kong)
	On or about 26 May 2017 (Singapore and ADR holders)

8. About Prudential plc

Prudential plc and its affiliated companies constitute one of the world's leading financial services groups, serving around 24 million insurance customers and it has £599 billion of assets under management (as at 31 December 2016). Prudential plc is incorporated in England and Wales and is listed on the stock exchanges in London, Hong Kong, Singapore and New York. 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 and including, without limitation, statements containing the words 'may', 'will', 'should', 'continue', 'aims', 'estimates', 'projects', 'believes', 'intends', 'expects', 'plans', 'seeks' and 'anticipates', and words of similar meaning, 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, including fluctuations in interest rates and exchange rates, the potential for a sustained low-interest rate environment, and the performance of financial markets generally; the policies and actions of regulatory authorities, including, for example, new government initiatives; the political, legal and economic effects of the UK's vote to leave the European Union; the impact of continuing designation as a Global Systemically Important Insurer or 'G-SII'; the impact of competition, economic uncertainty, inflation and deflation; the effect on Prudential's business and results from, in particular, 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, solvency standards, accounting standards or relevant regulatory frameworks, and tax and other legislation and regulations in the jurisdictions in which Prudential and its affiliates operate; and the impact of legal and regulatory actions, investigations 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.

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 any of 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.

Summary 2016 financial performance

Financial highlights

Life APE new business sales (APE sales)¹

	Actual Exchange Rate			Constant Exchange Rate	
	2016 £m	2015 £m	Change %	2015 £m	Change %
Asia ²	3,599	2,712	33	3,020	19
US	1,561	1,729	(10)	1,950	(20)
UK retail ³	1,160	874	33	874	33
Total Group excluding bulk annuities ^{2,3}	6,320	5,315	19	5,844	8
UK bulk annuities	-	151	(100)	151	(100)
Total Group ²	6,320	5,466	16	5,995	5

Life EEV new business profits and investment in new business

Actual Exchange Rate	2016 Change	Constant Exchange Rate	
		2015	Change
£m	%	£m	%