

Traditional Embedded Value (TEV) basis results

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Basis of preparation

In addition to IFRS reporting, Prudential has chosen to prepare a set of supplementary results on a Traditional Embedded Value (TEV) basis. The results have been determined in accordance with the methodology and assumptions set out in notes 6 and 7. All results are stated net of tax and converted using actual exchange rates (AER) unless otherwise stated. AER are actual historical exchange rates for the relevant accounting period. Constant exchange rates (CER) results are calculated by translating prior year results using current year foreign currency exchange rates, ie current year average rates for the income statement and current year closing rates for the balance sheet.

TEV results are prepared on a supplementary basis to the Group's IFRS results. TEV is a way of measuring the current value to shareholders of the future profits from the life businesses (considering only policies that are in-force at the balance sheet date) using a set of actuarial assumptions and after making an allowance for the aggregate risks of that business, plus total net worth. It also includes a provision for future unallocated central corporate expenditure. The value of future new business is excluded from the embedded value. This compares with IFRS profit for insurance contracts, which largely reflects the level of services provided for a given period. Under IFRS, unearned future profits expected on those same insurance contracts are contained in a separate liability called the CSM. These future IFRS profits have been derived on a risk neutral basis (including an illiquidity premium), without allowing for the real-world investment returns that will be earned on the assets held. In contrast, TEV reflects all future profits, with no equivalent liability to the CSM, but values those profits on a risk-adjusted real-world basis, allowing for the future investment returns that are expected to be earned by the assets held. TEV also uses a higher discount rate that allows for the uncertainties in these cash flows. IFRS is updated annually for current interest rates and other economic assumptions whereas TEV makes use of longer-term investment returns as described in note 6. For the purpose of preparing TEV results, insurance joint ventures and associates are included at the Group's proportionate share of their embedded value and not at their market value. Asset management and other non-insurance subsidiaries, joint ventures and associates are included in the TEV results at the Group's proportionate share of IFRS shareholders' equity, with central Group debt shown on a market value basis. Further information is contained in note 4 and note 5.

The Directors are responsible for the preparation of the supplementary information in accordance with the stated methodology and assumptions above (as detailed in notes 6 and 7). In preparing the supplementary TEV basis results, the Directors have satisfied themselves that the Group remains a going concern. Further information is provided in note A1 to the IFRS condensed consolidated financial statements.

TEV results highlights

	2026	2025				
	Half year	Half year				Full year
	\$m	AER		CER		AER
		\$m	% change	\$m	% change	\$m
New business profit (NBP) ^{note (i)}	1,384	1,260	10%	1,279	8%	2,782
Annual premium equivalent (APE) sales ^{note (i)}	3,428	3,288	4%	3,340	3%	6,661
New business margin on APE (%)	40%	38 %	2ppts	38 %	2ppts	42 %
Present value of new business premiums (PVNBP) ^{note (i)}	15,667	14,886	5 %	15,078	4 %	31,925
Operating free surplus generated from in-force insurance and asset management businesses ^{notes (i)(ii)}	1,791	1,560	15 %	1,562	15 %	3,059
Free surplus excluding distribution rights and other intangibles	8,862	8,520	4 %	8,537	4 %	9,408
Free surplus ratio (%) ^{note (iii)}	209%	221 %	(12)ppts	221 %	(12)ppts	221 %
TEV operating profit ^{notes (i)(iv)}	2,511	2,240	12 %	2,271	11 %	4,752
TEV operating profit per share	97.6¢	83.0¢	18 %	83.9¢	16 %	178.5¢
Operating return on Group TEV (%) ^{note (v)}	15%	15 %	0ppts			15 %
Closing Group TEV equity ^{note (vi)}	39,091	35,000	12 %	34,565	13 %	37,803
Closing Group TEV equity per share (in cents) ^{note (vi)}	1,557¢	1,354¢	15 %	1,337¢	16 %	1,483¢
Closing Group TEV (ie excluding goodwill attributable to equity holders) per share (in cents) ^{note (vi)}	1,527¢	1,324¢	15 %	1,308¢	17 %	1,453¢

Notes

- (i) New business and operating results are presented before deducting the amounts attributable to non-controlling interests. This presentation is applied consistently throughout this document, unless stated otherwise.
- (ii) Stated before restructuring costs, centrally incurred costs and eliminations.
- (iii) Free surplus ratio is calculated as the total of Group free surplus excluding distribution rights and other intangibles and TEV required capital, divided by TEV required capital.
- (iv) TEV operating profit is stated after restructuring costs, centrally incurred costs and eliminations.
- (v) Operating return on Group TEV is calculated as TEV operating profit for the period, after non-controlling interests, as a percentage of opening Group TEV, excluding distribution rights and other intangibles. Operating profit and Group TEV are net of non-controlling interests. By definition Group TEV excludes goodwill. Half year profits are annualised by multiplying by two.
- (vi) Stated net of non-controlling interests.

Movement in Group TEV equity

	Note	2026 \$m			2025 \$m	
		Half year			Half year	Full year
		Insurance and asset management operations	Other (central) operations	Group total	Group total	Group total
New business profit	1	1,412	(28)	1,384	1,260	2,782
Profit from in-force business	2	1,246	–	1,246	1,154	2,284
Insurance business		2,658	(28)	2,630	2,414	5,066
Asset management business		141	–	141	146	305
Operating profit (loss) from insurance and asset management businesses		2,799	(28)	2,771	2,560	5,371
Change in allowance for corporate expenditure and other central costs incurred in the period	4	–	(211)	(211)	(236)	(454)
Operating profit (loss) before restructuring costs		2,799	(239)	2,560	2,324	4,917
Restructuring costs		(15)	(34)	(49)	(84)	(165)
Operating profit (loss) for the period		2,784	(273)	2,511	2,240	4,752
Non-operating results ^{note (i)}	2	(17)	44	27	(1,169)	(81)
Profit (loss) for the period		2,767	(229)	2,538	1,071	4,671
Non-controlling interests' share of profit		(48)	–	(48)	(32)	(120)
Profit (loss) for the period attributable to equity holders of the Company		2,719	(229)	2,490	1,039	4,551
Intra-group dividends and investment in operations ^{note (ii)}		(1,299)	1,299	–	–	–
Dividends, net of scrip dividends		–	(399)	(399)	(426)	(594)
Share repurchases/buybacks ^{note (iii)}		–	(648)	(648)	(697)	(1,234)
Foreign exchange movements		(399)	13	(386)	832	781
Increase in ownership interest in the Malaysia conventional life business		644	(380)	264	–	–
Other equity movements ^{note (iv)}		174	(207)	(33)	(15)	32
Net increase (decrease) in Group TEV equity		1,839	(551)	1,288	733	3,536
Group TEV equity at beginning of period		37,618	185	37,803	34,267	34,267
Group TEV equity at end of period		39,457	(366)	39,091	35,000	37,803
Contribution to Group TEV equity at end of period:						
Insurance business	2	38,052	–	38,052	33,777	36,186
Asset management and other	4	646	1,726	2,372	2,536	2,924
Provision for future central corporate expenditure		–	(2,092)	(2,092)	(2,084)	(2,086)
Group TEV		38,698	(366)	38,332	34,229	37,024
Goodwill attributable to equity holders		759	–	759	771	779
Group TEV equity at end of period		39,457	(366)	39,091	35,000	37,803

Movement in Group TEV equity continued

	2026			2025	
	Half year			Half year	Full year
	Insurance and asset management operations	Other (central) operations	Group total	Group total	Group total
Group TEV equity per share (in cents) note (v)					
At end of period					
Based on Group TEV (ie excluding goodwill attributable to equity holders)	1,542¢	(15)¢	1,527¢	1,324¢	1,453¢
Based on Group TEV equity at end of period	1,572¢	(15)¢	1,557¢	1,354¢	1,483¢
At beginning of period					
Based on Group TEV (ie excluding goodwill attributable to equity holders)	1,446¢	7¢	1,453¢	1,262¢	1,262¢
Based on Group TEV equity at beginning of period	1,476¢	7¢	1,483¢	1,289¢	1,289¢

	2026	2025	
	Half year	Half year	Full year
	Basic earnings per share	Basic earnings per share	Basic earnings per share
TEV basis basic earnings per share (in cents) note (vi)			
Based on operating profit	97.6¢	83.0¢	178.5¢
Based on profit for the period	99.0¢	39.8¢	176.4¢

Notes

- (i) The classification of the TEV profit or loss between operating and non-operating results is described in note 6.2. In full year 2025, the non-operating results of the Group included the gain arising from the sale of a portion of the Group's interest in ICICI Prudential Asset Management Company Limited during the company's IPO. The non-operating results for the insurance business operations are discussed further in note 2(d).
- (ii) Intra-group dividends represent dividends that have been paid in the period. Investment in operations reflects movements in share capital.
- (iii) Further details on the share buyback/repurchase by the Company are provided in note C7 of IFRS condensed consolidated financial statements.
- (iv) Other movements include reserve movements in respect of intra-group transfers between operations that have no overall effect on the Group's shareholders' equity, transactions relating to non-controlling interests, share-based payments, treasury shares, and new share capital subscribed.
- (v) Based on the number of issued shares at 30 June 2026 of 2,511 million shares (30 June 2025: 2,585 million shares; 31 December 2025: 2,548 million shares).
- (vi) Based on weighted average number of issued shares in half year 2026 of 2,515 million shares (half year 2025: 2,609 million shares; full year 2025: 2,580 million shares), excluding those held in employee share trusts.

Movement in Group free surplus

Operating free surplus generation is the financial metric we use to measure the internal cash generation of our business operations and for our life operations is generally based on (with adjustments as discussed below) the capital regimes that apply locally in the various jurisdictions in which the Group operates. It represents amounts emerging from the in-force business during the period, net of amounts reinvested in writing new business. For asset management businesses, it equates to post-tax adjusted operating profit for the period. For insurance business, free surplus is generally based on (with adjustments including recognition of certain intangibles and other assets that may be inadmissible on a regulatory basis) the excess of the regulatory basis net assets (TEV total net worth) over the TEV capital required to support the covered business. Adjustments are also made to enable free surplus to be a better measure of shareholders' resources available for distribution. For shareholder-backed businesses, the level of TEV required capital has generally been based on the Group Prescribed Capital Requirements (GPCR) used in our GWS (Group-wide Supervision) as explained in note 6.1(e).

For asset management and other non-insurance business operations (including the Group's central operations), free surplus is taken to be IFRS shareholders' equity, net of goodwill attributable to shareholders, with central Group debt recorded as free surplus to the extent that it is classified as capital resources under the Group's capital regime.

	Note	2026 \$m			2025 \$m	
		Half year			Half year	Full year
		Insurance and asset management operations	Other (central) operations	Group total	Group total	Group total
Expected transfer from in-force business		1,596	–	1,596	1,371	2,731
Expected return on existing free surplus		167	–	167	167	298
Changes in operating assumptions and experience variances		(113)	–	(113)	(124)	(275)
Operating free surplus generated from in-force insurance business	2	1,650	–	1,650	1,414	2,754
Asset management business		141	–	141	146	305
Operating free surplus generated from in-force insurance and asset management businesses		1,791	–	1,791	1,560	3,059
Investment in new business ^{note (i)}	2	(355)	(28)	(383)	(434)	(773)
		1,436	(28)	1,408	1,126	2,286
Other expenditure		–	(205)	(205)	(230)	(446)
Restructuring costs		(15)	(34)	(49)	(84)	(165)
Operating free surplus generated		1,421	(267)	1,154	812	1,675
Non-operating free surplus generated ^{note (ii)}		(408)	(4)	(412)	(248)	453
Free surplus generated for the period		1,013	(271)	742	564	2,128
Non-controlling interests' share of free surplus generated		(20)	–	(20)	–	(23)
Free surplus generated for the period attributable to equity holders of the Company		993	(271)	722	564	2,105
Net cash flows paid to parent company ^{note (iii)}		(1,397)	1,397	–	–	–
Dividends, net of scrip dividends		–	(399)	(399)	(426)	(594)
Share repurchases/buybacks		–	(648)	(648)	(697)	(1,234)
Issuance of subordinated debt, net of costs		–	–	–	462	462
Foreign exchange movements		(53)	13	(40)	147	171
Increase in ownership interest in the Malaysia conventional life business		28	(380)	(352)	–	–
Other equity movements		272	(305)	(33)	(15)	32
Net (decrease) increase in free surplus		(157)	(593)	(750)	35	942
Balance at beginning of period		7,005	6,295	13,300	12,358	12,358
Balance at end of period		6,848	5,702	12,550	12,393	13,300
Representing:						
Free surplus excluding distribution rights and other intangibles		5,790	3,072	8,862	8,520	9,408
Distribution rights and other intangibles		1,058	2,630	3,688	3,873	3,892
Balance at end of period		6,848	5,702	12,550	12,393	13,300

Movement in Group free surplus continued

		2026 \$m			2025 \$m	
		30 Jun			30 Jun	31 Dec
		Insurance and asset management operations	Other (central) operations	Group total	Group total	Group total
Contribution to Group free surplus at end of period:	Note					
Insurance business	2	6,202	–	6,202	5,893	6,352
Asset management and other businesses		646	5,702	6,348	6,500	6,948
Total at end of period		6,848	5,702	12,550	12,393	13,300

Notes

- (i) Free surplus invested in new business primarily represents acquisition costs and amounts set aside for required capital.
- (ii) Non-operating free surplus generated for other (central) operations represents the post-tax IFRS basis short-term fluctuations in investment returns, the movement in the mark-to-market value adjustment on core structural borrowings that did not meet the qualifying conditions as set out in the Insurance (Group Capital) Rules and the gain or loss on corporate transactions, if any, undertaken in the period.
- (iii) Net cash flows to parent company reflect the cash remittances as included in the holding company cash flow at transaction rates. The difference to the intra-group dividends and investment in operations in the movement in Group TEV equity primarily relates to intra-group loans, foreign exchange movements, timing differences and other non-cash items.

Notes to the TEV basis results

1 Analysis of new business profit and TEV for insurance business operations

Throughout this section we would note the following:

- (i) New business in the Chinese Mainland is included at Prudential's 50 per cent interest in the life joint venture;
- (ii) Within Growth markets and other, new business in India is included at Prudential's 22 per cent interest in the associate; and
- (iii) The Malaysia segment contains 100 per cent of the Conventional business and the Group's share of the Takaful joint venture.

APE sales are an indicative volume measure of transactions undertaken in the reporting period that have the potential to generate profit for shareholders. The amounts shown are not, and are not intended to be, reflective of revenue recorded in the Group IFRS condensed consolidated income statement.

Half year 2026						
	New business profit (NBP)	Annual premium equivalent (APE)	Present value of new business premiums (PVNBP)	New business margin on APE	New business margin on PVNBP	Closing TEV
	\$m	\$m	\$m	%	%	\$m
Hong Kong	581	1,017	4,942	57%	12%	15,105
Indonesia	49	123	559	40%	9%	1,327
Chinese Mainland (Prudential's share)	159	461	1,623	34%	10%	3,405
Malaysia	70	205	1,025	34%	7%	3,941
Singapore	201	484	2,963	42%	7%	7,418
Growth markets and other	352	1,138	4,555	31%	8%	7,899
Non-controlling interests' share of embedded value						(1,043)
Total insurance business	1,412	3,428	15,667	41%	9%	38,052
Less central costs allocated to new business	(28)					
Total Group insurance business	1,384	3,428	15,667	40%	9%	

Half year 2025 AER						
	New business profit (NBP)	Annual premium equivalent (APE)	Present value of new business premiums (PVNBP)	New business margin on APE	New business margin on PVNBP	Closing TEV
	\$m	\$m	\$m	%	%	\$m
Hong Kong	540	1,085	5,319	50%	10%	12,895
Indonesia	51	125	489	41%	10%	1,290
Chinese Mainland (Prudential's share)	156	359	1,146	43%	14%	2,654
Malaysia	44	190	764	23%	6%	3,548
Singapore	184	425	2,587	43%	7%	6,884
Growth markets and other	316	1,104	4,581	29%	7%	8,216
Non-controlling interests' share of embedded value						(1,710)
Total insurance business	1,291	3,288	14,886	39%	9%	33,777
Less central costs allocated to new business	(31)					
Total Group insurance business	1,260	3,288	14,886	38%	8%	

Half year 2025 CER						
	New business profit (NBP)	Annual premium equivalent (APE)	Present value of new business premiums (PVNBP)	New business margin on APE	New business margin on PVNBP	Closing TEV
	\$m	\$m	\$m	%	%	\$m
Hong Kong	538	1,081	5,298	50%	10%	12,908
Indonesia	49	119	467	41%	10%	1,171
Chinese Mainland (Prudential's share)	165	380	1,211	43%	14%	2,803
Malaysia	48	209	840	23%	6%	3,664
Singapore	191	440	2,680	43%	7%	6,779
Growth markets and other	319	1,111	4,582	29%	7%	7,812
Non-controlling interests' share of embedded value						(1,765)
Total insurance business	1,310	3,340	15,078	39%	9%	33,372
Less central costs allocated to new business	(31)					
Total Group insurance business	1,279	3,340	15,078	38%	8%	

Full year 2025 AER

	New business profit (NBP)	Annual premium equivalent (APE)	Present value of new business premiums (PVNBP)	New business margin on APE	New business margin on PVNBP	Closing TEV
	\$m	\$m	\$m	%	%	\$m
Hong Kong	1,221	2,221	11,738	55 %	10 %	14,460
Indonesia	118	258	1,055	46 %	11 %	1,350
Chinese Mainland (Prudential's share)	282	621	2,122	45 %	13 %	3,238
Malaysia	118	436	1,863	27 %	6 %	3,861
Singapore	436	938	6,145	46 %	7 %	7,102
Growth markets and other	667	2,187	9,002	30 %	7 %	7,842
Non-controlling interests' share of embedded value						(1,667)
Total insurance business	2,842	6,661	31,925	43 %	9 %	36,186
Less central costs allocated to new business	(60)					
Total Group insurance business	2,782	6,661	31,925	42 %	9 %	

(a) Analysis of new business profit margin by quarter

New business profit (NBP), annual premium equivalent sales (APE) and new business margin can be analysed by quarter as follows:

	Half year 2026			Half year 2025 AER			Half year 2025 CER		
	NBP post central costs	APE	New business margin on APE	NBP post central costs	APE	New business margin on APE	NBP post central costs	APE	New business margin on APE
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
Q1	686	1,823	38%	608	1,677	36 %	625	1,725	36 %
Q2	697	1,604	43%	652	1,610	40 %	654	1,615	40 %
Foreign exchange adjustment	1	1	n/a	–	1	n/a	–	–	n/a
Total half year	1,384	3,428	40%	1,260	3,288	38 %	1,279	3,340	38 %

The above table shows NBP, APE sales and new business margin for each discrete quarter of half year 2026 and half year 2025. Each quarter is prepared based on economic assumptions at the start of each period (including the long-term economic assumptions as set out in note 7.1) and operating assumptions at the start of each quarter. Each quarter is shown on the basis of average exchange rates for the period concerned. The adjustment at the end of the period (where applicable) is to move NBP to be based on the average exchange rates for the period in line with how the half year TEV basis results have been prepared.

(b) Movement in new business profit

The movement in new business profit from insurance business operations is analysed as follows:

	\$m
Half year 2025 new business profit (AER)	1,260
Foreign exchange movements	19
Half year 2025 new business profit (CER)	1,279
Sales volume	33
Business mix, product mix and other items	72
Half year 2026 new business profit	1,384

(c) Insurance new business

	Single premiums			Regular premiums			APE		
	2026 \$m	2025 \$m		2026 \$m	2025 \$m		2026 \$m	2025 \$m	
	Half year	Half year	Full year	Half year	Half year	Full year	Half year	Half year	Full year
		AER	AER		AER	AER		AER	AER
Hong Kong	485	362	803	968	1,049	2,141	1,017	1,085	2,221
Indonesia	231	98	273	100	115	231	123	125	258
Chinese Mainland	543	248	537	407	335	568	461	359	621
Malaysia	49	49	109	200	185	425	205	190	436
Singapore	1,402	1,023	2,494	344	323	689	484	425	938
Growth markets and other	410	287	597	1,097	1,075	2,126	1,138	1,104	2,187
Total	3,120	2,067	4,813	3,116	3,082	6,180	3,428	3,288	6,661

2 Analysis of movement in net worth and value of in-force insurance business operations

	2026 \$m					2025 \$m	
	Half year					Half year	Full year
	Free surplus	Required capital	Net worth	Value of in-force business note (b)	Embedded value note (a)	Embedded value note (a)	Embedded value note (a)
Balance at beginning of period	6,352	7,761	14,113	22,073	36,186	33,261	33,261
New business contribution note (b)	(355)	455	100	1,312	1,412	1,291	2,842
Existing business – transfer to net worth	1,596	(159)	1,437	(1,437)	–	–	–
Expected return on existing business	167	167	334	1,044	1,378	1,274	2,547
Changes in operating assumptions, experience variances and other items note (c)	(113)	25	(88)	(44)	(132)	(120)	(263)
In-force business	1,650	33	1,683	(437)	1,246	1,154	2,284
Operating profit before restructuring costs	1,295	488	1,783	875	2,658	2,445	5,126
Restructuring costs	(9)	–	(9)	–	(9)	(8)	(20)
Operating profit	1,286	488	1,774	875	2,649	2,437	5,106
Non-operating result note (d)	(408)	(66)	(474)	457	(17)	(1,090)	(1,075)
Profit for the period	878	422	1,300	1,332	2,632	1,347	4,031
Non-controlling interests' share of profit	(16)	(2)	(18)	(26)	(44)	(29)	(112)
Profit for the period attributable to equity holders of the Company	862	420	1,282	1,306	2,588	1,318	3,919
Foreign exchange movements	(44)	(76)	(120)	(250)	(370)	783	732
Intra-group dividends and investment in operations	(1,167)	(68)	(1,235)	68	(1,167)	(1,698)	(2,023)
Increase in ownership interest in the Malaysia conventional life business	28	86	114	530	644	–	–
Other equity movements note (e)	171	–	171	–	171	113	297
Balance at end of period	6,202	8,123	14,325	23,727	38,052	33,777	36,186

(a) Total embedded value

The total embedded value for insurance business operations at the end of each period, excluding goodwill attributable to equity holders, can be analysed further as follows:

	2026 \$m	2025 \$m	
	30 Jun	30 Jun	31 Dec
Free surplus	6,202	5,893	6,352
Required capital	8,123	7,027	7,761
Net worth	14,325	12,920	14,113
Value of in-force business before deduction of cost of capital	24,789	22,027	23,094
Cost of capital	(1,062)	(1,170)	(1,021)
Net value of in-force business	23,727	20,857	22,073
Embedded value	38,052	33,777	36,186

(b) Value of in-force business and new business profit split by product type

The value of in-force business (VIF) and new business profit (NBP) are analysed by product type as follows:

Product	2026 %		2025 %			
	Half year		Half year		Full year	
	VIF	NBP	VIF	NBP	VIF	NBP
Health & protection	45	33	47	33	46	36
Participating (Shareholder-backed)	8	28	7	30	7	28
Participating	30	21	28	16	28	15
Non-participating	4	11	3	15	5	14
Linked	13	7	15	6	14	7
Total	100	100	100	100	100	100

(c) Changes in operating assumptions, experience variances and other items

Overall the total impact of operating assumption changes, experience variances and other items in half year 2026 is \$(132) million (half year 2025: \$(120) million; full year 2025: \$(263) million), comprising changes in operating assumptions of \$3 million (half year 2025: \$35 million; full year 2025: \$8 million) and experience variances and other items of \$(135) million (half year 2025: \$(155) million; full year 2025: \$(271) million). Included in the \$(135) million is \$(145) million (half year 2025: \$(96) million; full year 2025: \$(230) million) that was invested in building capabilities in the period.

(d) Non-operating results

The non-operating result each period comprises short-term fluctuations caused by changes in interest rates and other market movements, the effect of changes in economic assumptions and the impact of corporate transactions undertaken, if any, in the period.

The half year 2026 non-operating result reflects the cumulative effect of equity performance relative to expectations in our life business units and the impact of changes in interest rates on both the value of surplus assets and future investment returns, which trend from current to long-term rates but are not offset by any change in discount rate.

(e) Other equity movements

Other equity movements primarily include reserve movements in respect of intra-group transfers between operations that have no overall effect on the Group's TEV equity.

3 Sensitivity of results for insurance business operations to alternative economic assumptions

The tables below show the sensitivity of the new business profit and the embedded value for insurance business operations to:

- 1 per cent and 2 per cent increases in interest rates and 0.5 per cent decrease in interest rates impacting both long-term and current interest rates used in determining TEV values. This allows for consequential changes in the assumed investment returns for all asset classes, market values of fixed interest assets, local statutory reserves, capital requirements and risk discount rates;
- 1 per cent fall in equity and property yields and risk discount rates;
- 1 per cent and 2 per cent increases in the risk discount rates via a change to the risk premium;
- For embedded value only, 20 per cent fall in the market value of equity and property assets (with no impact on assumed investment returns); and
- 5 per cent increase and decrease in foreign exchange rates.

The sensitivities shown below are for the impact of instantaneous changes on the embedded value of insurance business operations and include the combined effect on the value of in-force business and net assets (including derivatives within the insurance operations) held at the valuation dates indicated. The results only allow for limited management actions, such as repricing and changes to future policyholder bonuses, where applicable. If such economic conditions persisted, the financial impacts may differ to the instantaneous impacts shown below. In this case, management could also take additional actions to help mitigate the impact of these stresses. No change in the mix of the asset portfolio held at the valuation date is assumed when calculating sensitivities, while changes in the market value of those assets are recognised. The sensitivity impacts are expected to be non-linear. To aid understanding of this non-linearity, impacts of both a 1 per cent and 2 per cent increase to interest rates and risk discount rates are shown.

The sensitivities shown below are for illustrative purposes and, in reality, the impacts may be different. In the event that the illustrated changes in market conditions occur, the effect would be captured in non-operating results. For in-force business, the impact of the market sensitivities below is calculated by reference to end of period economic assumptions, whereas new business impacts are with reference to beginning of period economic assumptions.

New business profit from insurance business	Half year 2026 \$m	Full year 2025 \$m
Base value (before central costs)	1,412	2,842
Impact from alternative economic assumptions:		
Interest rates – 2 % increase	(40)	(78)
Interest rates – 1 % increase	(24)	(49)
Interest rates – 0.5 % decrease	16	31
Equity and property returns and risk discount rates – 1 % decrease	179	355
Risk discount rates – 2 % increase	(322)	(634)
Risk discount rates – 1 % increase	(179)	(352)
Foreign exchange rates – 5 % increase	(39)	(77)
Foreign exchange rates – 5 % decrease	44	85

New business profit sensitivities vary with changes in business mix and APE sales volumes.

Embedded value of insurance business	30 Jun 2026 \$m	31 Dec 2025 \$m
Base value*	38,052	36,186
Impact from alternative economic assumptions:		
Interest rates – 2 % increase	(4,326)	(4,225)
Interest rates – 1 % increase	(2,322)	(2,234)
Interest rates – 0.5 % decrease	1,247	1,303
Equity/property market values – 20 % fall	(1,985)	(1,852)
Equity and property returns and risk discount rates – 1 % decrease	2,297	2,136
Risk discount rates – 2 % increase	(5,522)	(4,989)
Risk discount rates – 1 % increase	(3,064)	(2,757)
Foreign exchange rates – 5 % increase	(1,106)	(1,050)
Foreign exchange rates – 5 % decrease	1,223	1,160

* Embedded value sensitivities include Africa operations at base value. In the context of the Group, Africa's results are not materially impacted by the above sensitivities.

In order to illustrate the impact of varying specific economic assumptions, all other assumptions are held constant in the sensitivities above and, therefore, the actual changes in embedded value were these economic effects to materialise may differ from the sensitivities shown.

4 TEV results for other (central) operations

TEV results for the change in allowance for corporate expenditure and other central costs incurred in the period comprises the movement in the provision for recurring central head office expenditure that is not related to the acquisition of new business together with the post-tax IFRS results for other central items such as interest costs on core structural borrowings and other central net investment income and other items. It also includes the actual head office expenditure (before restructuring costs) in the period on an IFRS net-of-tax basis, which is either allocated to new business (if it relates to acquisition costs) or in-force otherwise. In-force costs are covered by the provision.

Certain costs incurred within the head office functions are recharged to the insurance business operations and recorded within the results for those operations. The assumed future expenses within the value of in-force business for insurance business operations generally allow for amounts expected to be recharged by the head office functions on a recurring basis. The provision for future central corporate expenditure and the actual expenditure in the period excludes such costs.

The allowance for the future costs of internal asset management services within the TEV results for insurance business operations excludes the projected future profits generated by any non-insurance entities within the Group in providing those services (ie the TEV for insurance business operations includes the projected future profit or loss from asset management and service companies that support the Group's covered insurance businesses). The results of the Group's asset management operations include the current period profit from the management of both internal and external funds, consistent with their presentation within the Group's IFRS basis reporting. An adjustment is accordingly made to Group TEV operating profit, within the results for other (central) operations, to deduct the expected profit anticipated to arise in the current period in the opening value of in-force business from internal asset management services, such that Group TEV operating profit includes the actual profit earned in respect of the management of these assets. Under IFRS 17, a similar adjustment is made to eliminate the intra-group profit within the results of central operations.

The Group TEV equity for other operations is taken to be IFRS shareholders' equity, with central Group debt shown on a market value basis, offset by the provision for future central corporate expenditure. Free surplus for other operations is taken to be IFRS shareholders' equity, net of any goodwill attributable to equity holders, with central Group debt recorded as free surplus to the extent that it is classified as capital resources under the Group's capital regime. Under the GWS Framework, debt instruments issued at the date of designation which met the transitional conditions set by the Hong Kong IA are included as GWS eligible group capital resources. In addition, debt issued since the date of designation which met the qualifying conditions as set out in the Insurance (Group Capital) Rules are also included as GWS eligible group capital resources.

Shareholders' equity for other (central) operations can be compared across metrics as shown in the table below.

	2026 \$m	2025 \$m	
	30 Jun	30 Jun	31 Dec
IFRS shareholders' equity	1,617	1,739	2,214
Mark-to-market value adjustment on central borrowings ^{note 5}	109	124	57
Provision for future central corporate expenditure	(2,092)	(2,084)	(2,086)
Group TEV equity	(366)	(221)	185
IFRS shareholders' equity	1,617	1,739	2,214
Mark-to-market value adjustment on central borrowings	109	124	57
Debt instruments treated as capital resources	3,976	3,964	4,024
Free surplus at end of period	5,702	5,827	6,295

5 Net core structural borrowings of shareholder-financed businesses

	30 Jun 2026 \$m			30 Jun 2025 \$m			31 Dec 2025 \$m		
	IFRS basis	Mark-to-market value adjustment	TEV basis at market value	IFRS basis	Mark-to-market value adjustment	TEV basis at market value	IFRS basis	Mark-to-market value adjustment	TEV basis at market value
	note (ii)	note (iii)		note (ii)	note (iii)		note (ii)	note (iii)	
Core structural borrowings:									
Subordinated debt	2,784	(64)	2,720	2,808	(89)	2,719	2,795	(35)	2,760
Senior debt	1,664	(45)	1,619	1,665	(35)	1,630	1,664	(22)	1,642
	4,448	(109)	4,339	4,473	(124)	4,349	4,459	(57)	4,402
Holding company cash and short-term investments ^{note (i)}	(3,697)	–	(3,697)	(3,374)	–	(3,374)	(4,282)	–	(4,282)
Net core structural borrowings of shareholder-financed businesses	751	(109)	642	1,099	(124)	975	177	(57)	120

Notes

- (i) Holding company includes centrally managed Group holding companies and service companies.
- (ii) As recorded in note C5.1 to the IFRS condensed consolidated financial statements. The movement in the value of core structural borrowings includes foreign exchange effects for non-USD denominated debts.
- (iii) The movement in the mark-to-market value adjustment can be analysed as follows:

	2026 \$m	2025 \$m	
	Half year	Half year	Full year
Mark-to-market value adjustment at beginning of period	(57)	(231)	(231)
(Credit) charge to the income statement (including foreign exchange effects)	(52)	106	173
Effect of foreign exchange movements included in reserves	–	1	1
Mark-to-market value adjustment at end of period	(109)	(124)	(57)

6 Methodology and accounting presentation

6.1 Methodology

The following sets out the Group's methodology for preparing the TEV basis results. Key features of the Group's methodology include:

- The use of long-term risk-free rates when setting investment return assumptions. For in-force business, investment returns generally trend from current to long-term assumptions;
- Using the same long-term risk-free rates to set the risk discount rates which also includes a risk margin to cover non-diversifiable non-market risk as well as market risk, including an implicit allowance for the time value of options and guarantees; and
- To reduce TEV for a projection of recurring central head office expenditure and to reduce TEV new business profit for that proportion of recurring actual central head office expenditure considered to be acquisition in nature.

In addition, to facilitate discrete quarterly reporting, new business profit is determined based on economic assumptions at the start of the year and on operating assumptions at the start of the quarter being reported. More information on the new business results by quarter are set out in note 1(a). The half year 2026 TEV basis results have been prepared using the long-term assumptions set out in note 7.1.

(a) In-scope business

An embedded value (EV) is calculated for each of the Group's in-scope insurance business (including the Group's investments in joint venture and associate insurance business operations). It represents the net worth and the present value of future profits attributable to shareholders from insurance contracts in-force at the end of the reporting period.

The TEV results for the Group's in-scope insurance business are then combined with the post-tax IFRS results of the Group's asset management and other business operations. A provision for future central corporate expenditure that is not recharged or allocated to the insurance business operations is determined and reduces Group TEV equity accordingly. An adjustment is also made to carry the Group's core structural borrowings at market value. The TEV for the life insurance business incorporates the projected margins of attaching internal asset management, as described in note (g) below.

The TEV principles below are applicable to all of the Group's businesses with the exception of its associate ICICI Prudential, which uses the Indian Embedded Value methodology as issued by the Institute of Actuaries of India, consistent with local practice in India. Certain smaller immaterial subsidiaries have also continued to apply 'simplified' EEV principles issued by the European Insurance CFO Forum in 2016.

(b) Valuation of in-force and new business

The TEV basis results are prepared incorporating best estimate assumptions, about all relevant factors including, persistency, mortality, morbidity and expenses, as described in note 7.2. These assumptions as well as a long-term view of future investment returns, are used to project future cash flows. The present value of the projected future cash flows is then calculated using a discount rate, which reflects risks associated with the cash flows that are not otherwise allowed for, such as implicit allowance for the time value of options and guarantees. Further information on how the risk discount rate has been set is included in item (h) below.

The total profit that emerges over the lifetime of an individual contract as calculated under the TEV basis is the same as that calculated under the IFRS basis. As IFRS defers all day one profit into a contractual service margin which it releases in line with service provision, under the TEV methodology profit emergence is more advanced, more closely aligning the timing of the recognition of profit with the efforts and risks of current management actions, particularly with regard to business sold during the period.

New business

New business premiums reflect those premiums attaching to the in-scope insurance business, including premiums for contracts classified as investment contracts under IFRS 17. New business premiums for regular premium products are shown on an annualised basis in the Group's new business sales reporting.

New business profitability is a key metric for the Group's management of the development of the business. NBP represents the value created by new business sold in the period determined by applying operating and economic assumptions that apply at the beginning of the quarter in which new business is reported and at the beginning of the year respectively. In addition, new business margins are shown by reference to APE and PVNBP. These margins are calculated as the percentage of the value of NBP to APE and PVNBP. APE is calculated as the aggregate of annualised regular premiums on new business written in the period and one-tenth of single premiums. PVNBP is calculated as the aggregate of single premiums and the present value of expected future premiums from regular premium new business, allowing for lapses and the other assumptions made in determining the NBP.

New business profit is determined using long-term investment return assumptions, with the exception of certain business (principally single premium business) which trends from current investment returns to long-term investment returns over time. The risk discount rates applied to new business reflect the risks attaching to business sold in the period and may differ to those of the opening in-force business.

(c) Cost of capital

A charge is deducted from the embedded value for the cost of locked-in required capital supporting the Group's insurance business. The cost is the difference between the nominal value of the capital held and the discounted value of the projected releases of this capital, allowing for post-tax investment earnings on the capital.

The TEV results are affected by the movement in this cost from period to period, which comprises a charge against new business profit and generally a release in respect of the reduction in capital requirements for business in force as this runs off.

Where required capital is held within a with-profits long-term fund, the value placed on surplus assets within the fund is already adjusted to reflect its expected release over time and so no further adjustment to the shareholder position is necessary.

(d) Investment return assumptions

Risk-free rates (RFRs) and fund earned rates (FERs) are set with reference to a long-term 'passive' view of the investment outlook (ie on a long-term basis) rather than being updated at each valuation date to directly reflect changes in interest rates over the period. Equity and property return assumptions are set in relation to the long-term return on 10-year government bonds, with allowance for the internal view of risk premium for each currency. The Group also uses its assumed long-term, risk-free rates in calibrating risk discount rates (see (h) below). To derive investment returns for in-force business, the Group trends from current observable rates over time to these assumed long-term, risk-free rates (passive basis), for VIF. Whereas for NBP the Group applies long-term rates throughout, with some exceptions, for example single premium business.

(e) Level of required capital and net worth

In general net worth and required capital are set with reference to the applicable local statutory regime, with the level of required capital set based on the GWS capital at the Group Prescribed Capital Requirement (GPCR) level. In certain circumstances where updates to the local statutory regime are imminent (ie due to be effective within 12 months) and specific conditions are met, the net worth and required capital may be set with reference to these prospective local statutory rules for TEV reporting. At 30 June 2026 all net worth amounts were based on regulatory reporting effective at that date.

For shareholder-backed businesses, the level of required capital has been generally based on the relevant GPCR.

- For Hong Kong business, the HK RBC framework requires liabilities to be valued on a best estimate basis and capital requirements to be risk based. Adjustments are made to TEV free surplus to better reflect how the business is managed. For example, TEV free surplus excludes regulatory surplus that arises where HK RBC technical provisions are lower than policyholder asset shares. In addition, for participating business, the HK RBC regime recognises the value of future shareholder transfers on an economic basis as available capital with an associated required capital. Within TEV, the shareholder value of participating business continues to be recognised as VIF with no recognition within free surplus and no associated required capital.
- For the Chinese Mainland, the level of required capital follows the approach for embedded value reporting issued by the China Association of Actuaries (CAA) introduced when the C-ROSS regime became effective. The CAA started a project to assess whether any changes are required to the embedded value guidance in the Chinese Mainland given changes in rules, regulations and the external market environment since the standard was first issued. To date, no outcomes have been proposed by the CAA and accordingly no changes have been made by Prudential to its approach to embedded value reporting for the Chinese Mainland.

- For Singapore life operations, the level of net worth and required capital is based on the Tier 1 capital position under the risk-based capital framework (RBC2), which removes certain negative reserves permitted to be recognised in the full RBC2 regulatory position applicable to the Group's GWS capital position, in order to better reflect free surplus and its generation.

(f) With-profits business and the treatment of the estate

For the Group's relevant operations, the proportion of surplus allocated to shareholders from the with-profits funds has been based on the applicable profit distribution between shareholders and policyholders. The TEV methodology includes the value attributed to the shareholders' interest in the residual estate of the in-force with-profits business. In any scenarios where the total assets of the life fund are insufficient to meet policyholder claims in full, the excess cost is fully attributed to shareholders. Adjustments are also made to reflect any capital requirements for with-profits business in excess of the capital resources of the with-profits funds.

(g) Internal asset management

The insurance business TEV includes the projected future profit from asset management and service companies that support the Group's in-scope insurance businesses. The results of the Group's asset management business operations include the current period profit from the management of both internal and external funds. The TEV results for other (central) operations are adjusted to deduct the expected profit anticipated to arise in the current period in the opening VIF from internal asset management and other services. This deduction is on a basis consistent with that used for projecting the results for in-scope insurance business. Accordingly, Group operating profit includes the actual profit earned in respect of the management of these assets.

(h) Allowance for risk and risk discount rates

Under TEV, discount rates used to determine the present value of expected future cash flows are set by reference to risk-free rates plus a risk premium.

The risk-free rates are largely based on a long-term passive view of local government bond yields.

The risk premium reflects any non-diversifiable risk associated with the emergence of distributable earnings that is not allowed for elsewhere in the valuation as well as market risk, including an implicit allowance for the time value of options and guarantees. The risk premium is set to be at least equal to the equity risk premium relevant to each currency within each business unit and for smaller entities takes into consideration the stage of development of the business. The equity risk premium is used irrespective of the strategic asset allocation of the business, which, as well as equities, will include government and corporate bonds, with the higher allowance implicitly covering credit risk.

The risk discount rates applied to the in-force business at 30 June 2026 are set out in note 7.1.

(i) Allowance for corporate expenditure

A deduction has been made from Group TEV equity for the present value of future unallocated central corporate expenditure, representing the recurring expenses incurred by the central head office which are not recharged to the business units. These recurring expenses exclude interest costs on core borrowings, net investment return and similar items.

This provision is determined by allocating recurring central corporate expenditure between acquisition and maintenance expenses based on the underlying activity of the functions giving rise to the expenditure. Acquisition costs are deducted from new business profit.

Maintenance costs are projected forward for the next 20 years, taking account of the Group's three year business plan with the present value being deducted from Group TEV. The present value of the corporate expenditure is derived with reference to the Hong Kong risk discount rate.

(j) Foreign currency translation

Foreign currency profits and losses have been translated at average exchange rates for the period. Foreign currency transactions are translated at the spot rate prevailing at the date of the transactions. Foreign currency assets and liabilities have been translated at closing exchange rates. The principal exchange rates are shown in note A1 to the IFRS condensed consolidated financial statements.

(k) Taxation

In determining the post-tax profit for the period for covered business, the overall tax rate includes the impact of tax effects determined on a local regulatory basis. Tax payments and receipts included in the projected future cash flows to determine the value of in-force business are calculated referencing tax rates that have been announced and substantively enacted by the end of the reporting period.

6.2 Accounting presentation

(a) Analysis of post-tax profit

To the extent applicable, the presentation of the TEV profit or loss for the period is consistent with the classification between operating and non-operating results that the Group applies for the analysis of IFRS results. Operating results are determined using investment returns as described in note (b) below and incorporate new business profit (6.1(b)), expected return on existing business (6.2(c)), routine review of operating assumptions (6.2(d)) and actual experience variation from operating assumptions in the period (6.2(e)).

In addition, operating results include the effect of changes in tax legislation, unless these changes are one-off and structural in nature, or primarily affect the level of projected investment returns, in which case they are reflected as a non-operating result, which comprises fluctuations caused by changes in interest rates and other market movements in the period, the effect of changes in long-term economic assumptions, mark-to-market movements on corporate debt and the impact of corporate transactions, if any, undertaken in the period.

The Group believes that operating profit, as adjusted for these non-operating items, better reflects underlying performance.

(b) Investment returns included in operating profit

The investment returns included in operating profit are based on assumptions applied at the beginning of the year with any changes in these investment return assumptions captured in non-operating profit. These expected returns are generally calculated by reference to the asset mix of the opening portfolio.

(c) Expected return on existing business

Expected return on existing business comprises the expected unwind of discounting effects on the opening value of in-force business and required capital and the expected return on existing free surplus. The unwind of discount and the expected return on existing free surplus are determined based on economic assumptions at the start of the year but allow for changes in operating assumptions in the period (ie opening value is adjusted for the effect of changes in operating assumptions during the period). The expected return on net worth is based on long-term investment returns.

(d) Effect of changes in operating assumptions

Operating profit includes the effect of changes to operating assumptions on the value of in-force business at the beginning of the reporting period. For presentational purposes the effect of changes is delineated to show the effect on the opening value of in-force business as operating assumption changes, with the experience variances subsequently being determined by reference to the assumptions at the end of the reporting period, as discussed below.

New business reflects operating assumptions in place at the start of the quarter in which the new business is recorded. Operating profit includes the effect of changes to these operating assumptions on the reported new business profit for the period.

(e) Operating experience variances

Operating profit includes the effect of experience variances relative to operating assumptions, such as persistency, mortality, morbidity, expenses and other factors, which are calculated with reference to the assumptions at the end of the reporting period.

(f) Effect of changes in economic assumptions

Movements in the value of in-force business caused by changes in economic assumptions are recorded in non-operating results.

7 Assumptions

7.1 Principal in-force economic assumptions

The TEV results for the Group's in-force business are determined using economic assumptions where both the risk discount rates and long-term expected rates of return on investments are set with reference to the Group's view of long-term risk-free rates of return by currency. These long-term risk-free rates are the same as those used in our determination of adjusted operating profit in IFRS. The framework used to derive these assesses historical data, forward looking economic views around real rates, inflation and outlooks from central banks. Risk discount rates are determined by adding a country and currency specific risk premium to the risk-free rate to make allowance for the risk profile of the business. The risk premium is at least as large as the equity risk premium for the relevant currency. Long-term expected returns on equity and property assets and corporate bonds are derived by adding a risk premium to the risk-free rate based on the Group's long-term view. Additionally, when determining TEV, current risk-free rates trend to the long-term risk-free rates over time when projecting investment returns.

30 Jun 2026 %					
In-force assumptions ^{note (iii)}	Current market 10-year government bond yield	Long-term 10-year government bond yield	Risk premium	In-force risk discount rate	Equity risk premium (geometric)
Hong Kong ^{note (i)}	4.6	3.2	4.5	7.7	3.5
Indonesia	7.4	6.3	6.3	12.6	4.3
Chinese Mainland	1.8	2.9	6.0	8.9	4.0
Malaysia	3.7	3.9	4.0	7.9	3.5
Philippines	7.1	5.8	6.3	12.1	4.3
Singapore	2.0	2.7	4.0	6.7	3.5
Taiwan ^{note (i)}	4.6	3.2	3.5	6.7	3.5
Thailand	2.2	4.6	4.3	8.9	4.3
Vietnam	3.9	5.8	5.3	11.1	4.3
Total weighted average ^{note (ii)}	3.8	3.6	4.4	8.0	3.5

30 Jun 2025 %					
In-force assumptions ^{note (iii)}	Current market 10-year government bond yield	Long-term 10-year government bond yield	Risk premium	In-force risk discount rate	Equity risk premium (geometric)
Hong Kong ^{note (i)}	4.3	3.2	4.5	7.7	3.5
Indonesia	6.9	6.3	6.3	12.6	4.3
Chinese Mainland	1.7	2.9	6.0	8.9	4.0
Malaysia	3.6	3.9	4.0	7.9	3.5
Philippines	6.4	5.8	6.3	12.1	4.3
Singapore	2.2	2.7	4.0	6.7	3.5
Taiwan ^{note (i)}	4.3	3.2	3.5	6.7	3.5
Thailand	1.6	4.6	4.3	8.9	4.3
Vietnam	3.1	5.8	5.3	11.1	4.3
Total weighted average ^{note (ii)}	3.8	3.7	4.3	8.0	3.6

31 Dec 2025 %					
In-force assumptions ^{note (iii)}	Current market 10-year government bond yield	Long-term 10-year government bond yield	Risk premium	In-force risk discount rate	Equity risk premium (geometric)
Hong Kong ^{note (i)}	4.3	3.2	4.5	7.7	3.5
Indonesia	6.4	6.3	6.3	12.6	4.3
Chinese Mainland	1.9	2.9	6.0	8.9	4.0
Malaysia	3.7	3.9	4.0	7.9	3.5
Philippines	6.3	5.8	6.3	12.1	4.3
Singapore	2.2	2.7	4.0	6.7	3.5
Taiwan ^{note (i)}	4.3	3.2	3.5	6.7	3.5
Thailand	1.7	4.6	4.3	8.9	4.3
Vietnam	3.8	5.8	5.3	11.1	4.3
Total weighted average ^{note (ii)}	3.7	3.6	4.4	8.0	3.6

Notes

- (i) For Hong Kong and Taiwan, the assumptions shown are for US dollar denominated business. For other businesses, the assumptions shown are for local currency denominated business.
- (ii) Total weighted average assumptions have been determined by weighting each business's assumptions by reference to the closing net value of all in-force in scope businesses.
- (iii) Expected long-term inflation assumptions range from 1.5 per cent to 4.3 per cent for all periods shown above.

7.2 Operating assumptions

Best estimate assumptions are used for projecting future cash flows, where best estimate is defined as the mean of the distribution of future possible outcomes. The assumptions are reviewed actively and changes are made when evidence exists that material changes in future experience are reasonably certain. Where experience is expected to be adverse over the short term, a provision may be established.

(a) Demographic assumptions

Persistence, mortality and morbidity assumptions are based on an analysis of recent experience and reflect expected future experience. When projecting future cash flows for medical reimbursement business that is repriced annually, explicit allowance is made for expected future premium inflation and separately for future medical claims inflation.

(b) Expense assumptions

Expense levels, including those of the service companies that support the Group's insurance business, are based on internal expense analysis and are appropriately allocated to acquisition of new business and renewal of in-force business. For mature business, it is Prudential's policy not to take credit for future cost reduction programmes until the actions to achieve the savings have been delivered. Expense overruns are reported where these are expected to be short-lived, including businesses that are growing rapidly or are sub-scale.

Expenses comprise costs borne directly and costs recharged or allocated from the Group head office functions that are attributable to the insurance business. The assumed future expenses for the insurance business allow for amounts expected to be recharged or allocated by the head office functions.

Corporate expenditure included within the TEV results of other (central) operations, comprises expenditure of the Group head office functions that is not recharged or allocated to the insurance or asset management business operations, primarily for corporate-related activities together with restructuring costs incurred across the Group. Further explanation of how central costs are allowed for within TEV are discussed in notes 4 and 6.1 (i).

(c) Tax rates

The assumed long-term effective tax rates for operations reflect the expected incidence of taxable profit or loss in the projected future cash flows as explained in note 6.1(k). The local standard corporate tax rates applicable are as follows:

	%
Hong Kong	16.5% on 5% of premium income
Indonesia	22.0
Chinese Mainland	25.0
Malaysia	24.0
Philippines	25.0
Singapore	17.0
Taiwan	20.0
Thailand	20.0
Vietnam	20.0

8 Other information

Increase in ownership interest in Prudential Assurance Malaysia Berhad

On 22 January 2026, the Group signed an agreement to acquire a further 19 per cent interest in the conventional life insurance business in Malaysia increasing the Group's stake from 51 per cent to 70 per cent. See note D2 of the IFRS condensed consolidated financial statements for further details.

Repositioning of the Group's India operations

On 17 May 2026, the Group announced its plans for a strategic repositioning of its India operations as described in note D3 of the IFRS condensed consolidated financial statements.

Post balance sheet events

Transactions post the balance sheet date are as described in note D4 of the IFRS condensed consolidated financial statements.

Contingencies and related obligations

The Group is involved in various litigation and regulatory proceedings from time to time as described in note D1 of the IFRS condensed consolidated financial statements.

Independent review report to Prudential plc

Conclusion

We have been engaged by Prudential plc ('the Company' or 'the Group') to review the Traditional Embedded Value ('TEV') basis results in the Half Year Financial Report for the six months ended 30 June 2026 which comprise the basis of preparation, the TEV results highlights, the movement in Group TEV equity, the movement in group free surplus and the related explanatory notes 1 to 8. We have read the other information contained in the Half Year Financial Report and considered whether it contains any apparent misstatements or material inconsistencies with the TEV basis results.

Based on our review, nothing has come to our attention that causes us to believe that the TEV basis results in the Half Year Financial Report for the six months ended 30 June 2026 are not prepared, in all material respects, in accordance with the basis of preparation using the methodology and assumptions set out in the notes to the TEV basis results.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Emphasis of Matter - basis of preparation for the TEV basis results

We draw attention to the Basis of Preparation of the TEV basis results. The TEV basis results are prepared to provide additional information to the users of the Half Year Financial Report. As a result, the TEV basis results may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE 2410 (UK), however future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the TEV basis results in accordance with the basis of preparation using the methodology and assumptions set out in notes 6 and 7 of the TEV basis results.

In preparing the TEV basis results, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the TEV basis results, we are responsible for expressing to the Company a conclusion on the TEV basis results in the Half Year Financial Report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with the terms of our engagement letter to provide a review conclusion to the Company on the TEV basis results. Our review of the TEV basis results has been undertaken so that we might state to the Company those matters we have been engaged to state in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP

London
26 August 2026