

IFRS disclosures

Prudential plc 2025 results

International Financial Reporting Standards (IFRS) financial results

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Consolidated income statement

	Note	2025 \$m	2024 \$m
Insurance revenue	B1.4	11,080	10,358
Insurance service expense:			
Claims incurred		(3,331)	(3,147)
Directly attributable expenses incurred		(1,455)	(1,328)
Amortisation of insurance acquisition cash flows		(3,435)	(3,157)
Other insurance service expenses		(23)	(131)
		(8,244)	(7,763)
Net expense from reinsurance contracts held		(212)	(302)
Insurance service result		2,624	2,293
Investment return:			
Interest revenue calculated using the effective interest method		413	477
Other investment return on financial investments		15,851	5,442
	B1.4	16,264	5,919
Fair value movements on investment contract liabilities		(72)	(95)
Net insurance and reinsurance finance income (expense):			
Net finance expense from insurance contracts		(14,612)	(4,154)
Net finance expense from reinsurance contracts held		(159)	(338)
		(14,771)	(4,492)
Net investment result		1,421	1,332
Other revenue	B1.4	411	382
Non-insurance expenditure		(1,031)	(1,003)
Finance costs: interest on core structural borrowings of shareholder-financed businesses		(183)	(171)
Gain (loss) attaching to corporate transactions	B1.1	1,515	(71)
Share of profit from joint ventures and associates, net of related tax		364	477
Profit before tax (<i>being tax attributable to shareholders' and policyholders' returns</i>) ^{note}		5,121	3,239
Tax charge attributable to policyholders' returns		(180)	(286)
Profit before tax attributable to shareholders' returns		4,941	2,953
Total tax charge attributable to shareholders' and policyholders' returns	B3.1	(1,002)	(824)
Remove tax charge attributable to policyholders' returns	B3.2	180	286
Tax charge attributable to shareholders' returns	B3.2	(822)	(538)
Profit for the year	B1.6	4,119	2,415
Attributable to:			
Equity holders of the Company		3,978	2,285
Non-controlling interests		141	130
Profit for the year		4,119	2,415
Earnings per share (in cents)	Note	2025	2024
Based on profit attributable to equity holders of the Company:	B4		
Basic		154.2¢	84.1¢
Diluted		153.5¢	84.0¢

Note

This measure is the formal profit before tax measure under IFRS. It is not the result attributable to shareholders principally because total corporate tax of the Group includes those taxes on the income of consolidated with-profits and unit-linked funds that, through adjustments to benefits, are borne by policyholders. These amounts are required to be included in the tax charge under IAS 12. Consequently, the IFRS profit before tax measure is not representative of pre-tax profit attributable to shareholders.

Consolidated statement of comprehensive income

	2025 \$m	2024 \$m
Profit for the year	4,119	2,415
Other comprehensive income (loss)		
Items that may be reclassified subsequently to profit or loss:		
Exchange translation movements and net investment hedges	524	(291)
Cumulative exchange loss of disposed businesses recycled through profit or loss	34	–
	558	(291)
Total comprehensive income for the year	4,677	2,124
Attributable to:		
Equity holders of the Company	4,421	1,976
Non-controlling interests	256	148
Total comprehensive income for the year	4,677	2,124

Consolidated statement of changes in equity

Year ended 31 Dec 2025 \$m								
Note	Share capital	Share premium	Capital redemption reserve	Retained earnings	Translation reserve	Share-holders' equity	Non-controlling interests	Total equity
Reserves								
	–	–	–	3,978	–	3,978	141	4,119
	–	–	–	–	443	443	115	558
	–	–	–	3,978	443	4,421	256	4,677
Total comprehensive income for the year								
Transactions with owners of the Company								
	–	–	–	(623)	–	(623)	(91)	(714)
	–	–	–	29	–	29	–	29
	–	–	–	11	–	11	–	11
	–	–	–	28	–	28	(104)	(76)
	–	2	–	–	–	2	–	2
	(7)	–	7	(1,234)	–	(1,234)	–	(1,234)
	–	–	–	(9)	–	(9)	–	(9)
	(7)	2	7	2,180	443	2,625	61	2,686
	176	5,009	7	11,906	394	17,492	1,182	18,674
	169	5,011	14	14,086	837	20,117	1,243	21,360

Year ended 31 Dec 2024 \$m								
Note	Share capital	Share premium	Capital redemption reserve	Retained earnings	Translation reserve	Share-holders' equity	Non-controlling interests	Total equity
Reserves								
	–	–	–	2,285	–	2,285	130	2,415
	–	–	–	–	(309)	(309)	18	(291)
	–	–	–	2,285	(309)	1,976	148	2,124
Total comprehensive income (loss) for the year								
Transactions with owners of the Company								
	–	–	–	(575)	–	(575)	(8)	(583)
	–	–	–	23	–	23	–	23
	–	–	–	1	–	1	–	1
	–	–	–	(857)	–	(857)	886	29
	–	–	–	(18)	–	(18)	(4)	(22)
	(7)	–	7	(878)	–	(878)	–	(878)
	–	–	–	(3)	–	(3)	–	(3)
	(7)	–	7	(22)	(309)	(331)	1,022	691
	183	5,009	–	11,928	703	17,823	160	17,983
	176	5,009	7	11,906	394	17,492	1,182	18,674

Consolidated statement of financial position

	Note	31 Dec 2025 \$m	31 Dec 2024 \$m
Assets			
Goodwill	C4.1	902	848
Other intangible assets	C4.2	3,958	3,824
Property, plant and equipment		530	417
Insurance contract assets	C3.1	1,816	1,345
Reinsurance contract assets	C3.1	3,406	3,390
Deferred tax assets	C7.2	119	142
Current tax recoverable	C7.1	77	31
Investments in joint ventures and associates accounted for using the equity method		2,763	2,412
Investment properties	C1.1	3	3
Loans	C1.1	551	517
Equity securities and holdings in collective investment schemes ^{note}	C1.1	89,558	81,002
Debt securities ^{note}	C1.1	92,051	73,804
Derivative assets	C2.2	621	395
Deposits	C1.1	6,246	5,466
Accrued investment income		1,071	902
Other debtors		817	1,310
Assets held for sale		–	296
Cash and cash equivalents		7,706	5,772
Total assets		212,195	181,876
Equity			
Shareholders' equity		20,117	17,492
Non-controlling interests		1,243	1,182
Total equity		21,360	18,674
Liabilities			
Insurance contract liabilities	C3.1	174,498	147,566
Reinsurance contract liabilities	C3.1	640	536
Investment contract liabilities without discretionary participation features	C2.2	715	748
Core structural borrowings of shareholder-financed businesses	C5.1	4,459	3,925
Operational borrowings	C5.2	831	797
Obligations under funding, securities lending and sale and repurchase agreements		745	272
Net asset value attributable to unit holders of consolidated investment funds		2,263	2,679
Deferred tax liabilities	C7.2	1,830	1,514
Current tax liabilities	C7.1	273	238
Accruals, deferred income and other creditors		2,731	2,848
Provisions		268	218
Derivative liabilities	C2.2	1,582	1,617
Liabilities held for sale		–	244
Total liabilities		190,835	163,202
Total equity and liabilities		212,195	181,876

Note

Included within equity securities and holdings in collective investment schemes and debt securities as at 31 December 2025 are \$1,798 million of lent securities and assets subject to repurchase agreements (31 December 2024: \$1,565 million).

Consolidated statement of cash flows

	Note	2025 \$m	2024 \$m
Cash flows from operating activities			
Profit before tax (<i>being tax attributable to shareholders' and policyholders' returns</i>)		5,121	3,239
Movements in operating assets and liabilities:			
Investments		(23,698)	(6,403)
Other non-investment and non-cash assets		24	124
Insurance and reinsurance contract assets and liabilities		22,660	7,925
Other non-insurance liabilities		(330)	(1,440)
Other adjustments to profit before tax for non-cash movements:			
Interest and dividend income and interest payments included in profit before tax		(5,482)	(5,180)
Other non-cash items included in profit before tax		(880)	603
Operating cash items:			
Interest receipts		3,416	3,049
Interest payments		(61)	(75)
Dividend receipts		2,198	2,316
Tax paid		(518)	(549)
Net cash flows from operating activities ^{note (i)}		2,450	3,609
Cash flows from investing activities			
Purchases of property, plant and equipment		(104)	(101)
Disposal of property, plant and equipment		4	–
Acquisition of distribution rights and other intangibles		(297)	(557)
Disposal of businesses, net of associated tax ^{note (ii)}		1,485	–
Cash advanced to Mainland China life joint venture ^{note (i)}		–	(174)
Net cash flows from investing activities		1,088	(832)
Cash flows from financing activities			
Structural borrowings of shareholder-financed businesses: ^{note (iii)}			
Issuance of debt, net of costs	C5.1	462	–
Interest paid		(176)	(164)
Payment of principal portion of lease liabilities		(95)	(93)
Acquisition of non-controlling interests		–	(18)
Equity capital:			
Issues of ordinary share capital	C8	2	–
Share repurchases/buybacks (including costs)		(1,252)	(860)
External dividends:			
Dividends paid to equity holders of the Company	B4	(594)	(552)
Dividends paid to non-controlling interests		(91)	(8)
Net cash flows from financing activities		(1,744)	(1,695)
Net increase in cash and cash equivalents		1,794	1,082
Cash and cash equivalents at 1 Jan		5,772	4,751
Effect of exchange rate changes on cash and cash equivalents		140	(61)
Cash and cash equivalents at 31 Dec		7,706	5,772

Notes

- (i) Included in net cash flows from operating activities are dividends from joint ventures and associates of \$180 million (2024: \$148 million). Cash advanced to the Mainland China life joint venture in 2024 of \$174 million has subsequently been converted into a capital injection in 2025.
- (ii) Cash flows from disposal of businesses in 2025 comprise the net proceeds from the sale of a portion of the Group's interest in ICICI Prudential Asset Management Company Limited during the company's initial public offering (IPO) in December 2025 and the net proceeds from the disposal of businesses classified as held for sale at 31 December 2024. Total tax paid of \$(750) million in 2025 was included in net cash flows from operating activities and net cash flows from investing activities.
- (iii) Structural borrowings of shareholder-financed businesses exclude borrowings to support short-term fixed income securities programmes, lease liabilities and other borrowings of shareholder-financed businesses. Cash flows in respect of these borrowings are included within cash flows from operating activities. The changes in the carrying value of the structural borrowings of shareholder-financed businesses for the Group are analysed below:

	Cash movements \$m		Non-cash movements \$m		Balance at 31 Dec \$m
	Balance at 1 Jan \$m	Issuance of debt	Foreign exchange movement	Other movements	
2025	3,925	462	65	7	4,459
2024	3,933	–	(15)	7	3,925

Notes to the consolidated financial statements

A Basis of preparation

A1 Basis of preparation and exchange rates

Basis of preparation

These consolidated financial statements have been prepared in accordance with IFRS Standards as issued by the IASB and UK-adopted international accounting standards. At 31 December 2025, there were no unadopted standards effective for the year ended 31 December 2025 which impacted the consolidated financial statements of the Group, and there were no differences between UK-adopted international accounting standards and IFRS Standards as issued by the IASB in terms of their application to the Group.

The accounting policies applied by the Group in determining the IFRS financial results in these consolidated financial statements are the same as those previously applied in the Group's consolidated financial statements for the year ended 31 December 2024 as disclosed in the 2024 Annual Report. The adoption of the amendments to IAS 21 'Lack of exchangeability' effective from 1 January 2025 has had no impact on the Group financial statements.

The financial information set out in this announcement does not constitute the Company's statutory accounts for the years ended 31 December 2025 but is derived from those accounts. The auditors have reported on the 2025 statutory accounts. Statutory accounts for 2024 have been delivered to the Registrar of Companies, and those for 2025 will be delivered following the Company's Annual General Meeting. The auditors' report was: (i) unqualified; (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Going concern basis of accounting

The Directors have made an assessment of going concern covering a period to 31 March 2027, being at least 12 months from the date these consolidated financial statements are approved. In making this assessment, the Directors have considered both the Group's current performance, solvency and liquidity and the Group's business plan taking into account the Group's principal risks, and the mitigations available to address them, as well as the results of the Group's stress and scenario testing.

Based on the above, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue their operations for a period to 31 March 2027, being at least 12 months from the date these consolidated financial statements are approved. No material uncertainties that may cast significant doubt on the ability of the Company and the Group to continue as a going concern have been identified. The Directors therefore consider it appropriate to continue to adopt the going concern basis of accounting in preparing these consolidated financial statements for the year ended 31 December 2025.

Exchange rates

The exchange rates applied for balances and transactions in currencies other than the presentation currency of the Group, US dollars (USD), were:

USD : local currency	Closing rate at year end		Average rate for the year to date	
	31 Dec 2025	31 Dec 2024	2025	2024
Chinese yuan (CNY)	6.99	7.30	7.19	7.20
Hong Kong dollar (HKD)	7.78	7.77	7.80	7.80
Indian rupee (INR)	89.88	85.61	87.17	83.67
Indonesian rupiah (IDR)	16,675.00	16,095.00	16,462.13	15,844.88
Malaysian ringgit (MYR)	4.06	4.47	4.28	4.58
Singapore dollar (SGD)	1.29	1.36	1.31	1.34
Taiwan dollar (TWD)	31.42	32.78	31.16	32.12
Thai baht (THB)	31.49	34.24	32.87	35.29
UK pound sterling (GBP)	0.74	0.80	0.76	0.78
Vietnamese dong (VND)	26,300.00	25,485.00	26,008.80	25,057.63

Foreign exchange translation

Certain notes to the consolidated financial statements present comparative information at constant exchange rates (CER), in addition to the reporting at actual exchange rates (AER) used throughout the consolidated financial statements. AER are actual historical exchange rates for the specific accounting year, being the average rates over the year for the income statement and the closing rates at the balance sheet date for the statement of financial position. CER results are calculated by translating prior year results using the current year foreign exchange rate, ie current year average rates for the income statement and current year closing rates for the statement of financial position. In a period of currency volatility, this alternative performance measure allows an assessment of underlying results and business trends.

A2 New accounting pronouncements not yet effective

The following standards, interpretations and amendments have been issued by the IASB but are not yet effective for the Group in 2025. The Group prepares consolidated financial statements in accordance with IFRS Standards as issued by the IASB and UK-adopted international accounting standards. This is not intended to be a complete list as only those standards, interpretations and amendments that could have an impact on the Group's consolidated financial statements are discussed.

- Amendments to IFRS 9 and IFRS 7 'Classification and Measurement of Financial Instruments' issued in May 2024 and effective from 1 January 2026;
- Annual Improvements to IFRS Accounting Standards – Volume 11 issued in July 2024 and effective from 1 January 2026;
- IFRS 18 'Presentation and disclosure in financial statements' issued in April 2024 and effective from 1 January 2027; and
- Amendments to IAS 21 'Translation to a Hyperinflationary Presentation Currency' issued in November 2025 and effective from 1 January 2027.

The Group is assessing the impact IFRS 18 will have on the presentation and disclosure in the Group's financial statements. The Group is not expecting the other accounting amendments listed above to have a significant impact on the Group's financial statements.

B Earnings performance

B1 Analysis of performance by segment

B1.1 Segment results

	Note	2025 \$m	2024 \$m		2025 vs 2024 %	
		note (i)	AER note (i)	CER note (i)	AER note (i)	CER note (i)
Hong Kong		1,219	1,069	1,070	14 %	14 %
Indonesia		250	268	258	(7) %	(3) %
Mainland China ^{note (ii)}		411	363	363	13 %	13 %
Malaysia		410	338	361	21 %	14 %
Singapore		706	693	709	2 %	0 %
Growth markets and other ^{note (iii)}		614	688	689	(11) %	(11) %
Eastspring		329	304	301	8 %	9 %
Total segment profit		3,939	3,723	3,751	6 %	5 %
Other income and expenditure unallocated to a segment:						
Net investment return and other items ^{note (iv)}		(41)	21	21	n/a	n/a
Interest payable on core structural borrowings		(184)	(171)	(171)	(8) %	(8) %
Corporate expenditure		(237)	(237)	(237)	0 %	0 %
Total other expenditure		(462)	(387)	(387)	(19) %	(19) %
Restructuring costs ^{note (v)}		(171)	(207)	(207)	17 %	17 %
Adjusted operating profit	B1.3	3,306	3,129	3,157	6 %	5 %
Tax charge on adjusted operating profit	B3.2	(534)	(547)	(555)	2 %	4 %
Adjusted operating profit after tax		2,772	2,582	2,602	7 %	7 %
Short-term interest rate and other market fluctuations		120	(105)	(97)	n/a	n/a
Gain (loss) attaching to corporate transactions ^{note (vi)}		1,515	(71)	(74)	n/a	n/a
Tax (charge) credit on non-operating result	B3.2	(288)	9	8	n/a	n/a
Profit for the year	B1.6	4,119	2,415	2,439	n/a	n/a
Attributable to:						
Equity holders of the Company		3,978	2,285	2,300	n/a	n/a
Non-controlling interests		141	130	139	n/a	n/a
Profit for the year		4,119	2,415	2,439	n/a	n/a

	Note	2025	2024		2025 vs 2024 %	
		note (i)	AER note (i)	CER note (i)	AER note (i)	CER note (i)
Based on adjusted operating profit, net of tax and non-controlling interest	B4	101.4¢	89.7¢	90.2¢	13 %	12 %
Based on profit for the year, net of non-controlling interest	B4	154.2¢	84.1¢	84.8¢	83 %	82 %

Notes

- (i) Segment results are attributed to the shareholders of the Group before deducting the amount attributable to the non-controlling interests. This presentation is applied consistently throughout the document. For definitions of AER and CER refer to note A1.
- (ii) The Mainland China segment reflects the Group's 50 per cent ownership in CITIC-Prudential Life Insurance Company Limited, a life joint venture with CITIC, a leading Chinese state-owned conglomerate.
- (iii) The Growth markets and other segment includes non-insurance entities that support the Group's insurance business and the result for this segment is after deducting the corporate taxes arising from all the life joint ventures and associates.
- (iv) Net investment return and other items include an adjustment to eliminate intercompany profits. Entities within the Prudential Group can provide services to each other, the most significant example being the provision of asset management services by Eastspring to the life entities. If the associated expenses are deemed attributable to the entity's insurance contracts then the costs are included within the estimate of future cash flows when measuring the insurance contract under IFRS 17. In the Group's consolidated accounts, IFRS 17 requires the removal of the intercompany profit from the measurement of the insurance contract. Put another way, the future cash flows include the cost to the Group (not the insurance entity) of providing the service. In the period that the service is provided, the entity undertaking the service, for example Eastspring, recognises the profit it earns as part of its results. To avoid any double counting, an adjustment is included within 'net investment return and other items' unallocated to a segment to remove the benefit already recognised when valuing the insurance contract.
- (v) Restructuring costs largely comprise the costs of Group-wide projects including reorganisation programmes and initial costs of establishing new business initiatives and operations. The costs include those incurred in insurance and asset management operations of \$(49) million (2024: \$(59) million).
- (vi) The gain (loss) attaching to corporate transactions in 2025 and 2024 mainly relates to the disposal or partial disposal of businesses. In 2025, it largely represents the gain arising from a reduction in the Group's interest in ICICI Prudential Asset Management Company Limited (from 49 per cent to 34.59 per cent).

B1.2 Determining operating segments and performance measure of operating segments

Operating segments

The Group's operating and reported segments for financial reporting purposes are defined and presented in accordance with IFRS 8 'Operating Segments'. Under the Group's management and reporting structure, its chief operating decision maker is the Group Executive Committee (GEC), chaired by the Chief Executive Officer. There have been no changes to the Group's operating segments from those reported in the Group's consolidated financial statements for the year ended 31 December 2024. Operations and transactions that do not form part of any business unit are reported as 'Unallocated to a segment' and generally comprise head office functions.

Performance measure

The performance measure of operating segments utilised by the Group is IFRS operating profit based on longer-term investment returns (adjusted operating profit) as described below. This measurement basis distinguishes adjusted operating profit from other constituents of total profit or loss for the year, including short-term interest rate and other market fluctuations and gain or loss on corporate transactions. Note B1.1 shows the reconciliation from adjusted operating profit to total profit for the year.

Determination of adjusted operating profit

(a) Approach adopted for insurance businesses

The measurement of adjusted operating profit reflects that, for the insurance business, assets and liabilities are held for the longer term. The Group believes trends in underlying performance are better understood if the effects of short-term fluctuations in market conditions, such as changes in interest rates or equity markets, are excluded.

The method of allocating profit between operating and non-operating components involves applying longer-term rates of return to the Group's assets held by insurance entities (including joint ventures and associates). These longer-term rates of return are not applied when assets and liabilities move broadly in tandem and hence the effect on profit from short-term market movements is more muted. In summary, the Group applies the following approach when attributing the 'net investment result' between operating and non-operating profit:

- Returns on investments that meet the definition of an 'underlying item', namely those investments that determine some of the amounts payable to a policyholder such as assets within unit-linked funds or with-profits funds, are recorded in adjusted operating profit on an actual return basis. The exception is for investments backing the shareholders' 10 per cent share of the estate within the Hong Kong with-profits fund. Changes in the value of these investments, including those driven by market movements, pass through the income statement with no liability offset. Consequently, adjusted operating profit recognises investment return on a longer-term basis for these assets.
- For insurance contracts measured under the general measurement model (GMM), the impact of market movements on both the non-underlying insurance contract balances and the investments they relate to are considered together. Adjusted operating profit allows for the long-term credit spread (net of the expected defaults) or long-term equity risk premium on the debt and equity-type instruments, respectively. Deducted from this amount is the unwind of the illiquidity premium included in the current discount rate for the liabilities and any non-attributable investment management expenses.
- Some GMM best estimate liabilities (BEL) components are calculated by reference to the investment return of assets, even if the BEL component itself is not considered an underlying item, for example, the BEL component related to future fee income or a guarantee. In these cases for the purposes of determining operating profit, the BEL component is calculated assuming a longer-term investment return and any difference between the actual return arising in the period and the longer-term investment return is taken to non-operating profit. There is no impact on the balance sheet of this allocation.
- A longer-term rate of return is applied to all other investments held by the Group's insurance business for the purposes of calculating adjusted operating profit. More details on how longer-term rates are determined are set out below.

The difference between the net investment result recorded in the income statement and the longer-term returns determined using the above principles is recorded as 'short-term interest rate and other market fluctuations' as a component of non-operating profit.

The 'insurance service result' is largely recognised in adjusted operating profit in full with the main exception being the gains or losses that arise from market and other related movements on onerous contracts measured under the variable fee approach (VFA). If these gains and losses are capable of being offset across more than one annual cohort of the same product or fund as applicable, then the adjusted operating profit is determined by amortising the net of the future profits and losses on all contracts where profits or losses can be shared. Any difference between this and the amount included in the income statement for onerous contracts is classified as part of 'short-term interest rate and other market fluctuations', a component of non-operating profit. See note B1.3 for the reconciliation to the 'insurance service result' recognised in the consolidated income statement.

(b) Determination of longer-term returns

The longer-term rates of return are estimates of the long-term trend investment returns having regard to past performance, current trends and future expectations. These rates are broadly stable from year to year but may be different between regions, reflecting, for example, differing expectations of inflation in each business unit. The assumptions are for the returns expected to apply in equilibrium conditions. The assumed rates of return do not reflect any cyclical variability in economic performance and are not set by reference to prevailing asset valuations.

For collective investment schemes that include different types of assets (eg equities and debt securities), weighted assumptions are used reflecting the asset mix underlying the relevant fund mandates.

Debt securities and loans

For debt securities and loans, the longer-term rates of return are estimates of the long-term government bond yield, plus the estimated long-term credit spread over the government bond yield, less an allowance for expected credit losses. The credit spread and credit loss assumptions reflect the mix of assets by credit rating. Longer-term rates of return range from 2.8 per cent to 8.7 per cent for 2025 (2024: 2.8 per cent to 8.8 per cent).

Equity-type securities

For equity-type securities, the longer-term rates of return are estimates of the long-term trend of investment returns for income and capital. Longer-term rates of return range from 8.6 per cent to 15.7 per cent for 2025 and 2024.

Derivative value movements

In the case where derivatives change the nature of other invested assets (eg by lengthening the duration of assets, hedging overseas bonds to the currency of the local liabilities, or by providing synthetic exposure to equities), the longer-term return on those invested assets reflects the impacts of the derivatives.

(c) Non-insurance businesses

For these businesses, the determination of adjusted operating profit reflects the underlying economic substance of the arrangements and excludes market-related items only where it is expected these will unwind over time.

B1.3 Analysis of adjusted operating profit by driver

Management assesses adjusted operating profit by breaking it down into the key components that drive performance each period.

The table below analyses the Group's adjusted operating profit into the underlying drivers using the following categories:

- Adjusted release of CSM, which is net of reinsurance, represents the release from the CSM for the insurance services provided in the period, adjusted for the reduction in CSM release that would occur if gains on profitable contracts were combined with losses on onerous contracts for those contracts where gains and losses can be shared across cohorts as described in note B1.2.
- Release of risk adjustment, which is net of reinsurance, represents the amount of risk adjustment recognised in the income statement representing non-financial risk that expired in the period net of the amount that was assumed to be covered by any reinsurance contracts in place. The only difference between the amount shown in the table below and the amount included within Insurance service result on the consolidated income statement is the amount relating to the Group's life joint ventures and associates that use the equity method of accounting.
- Experience variances represent the difference between the actual amounts incurred or received in the period and that assumed within the best estimate liability for insurance and reinsurance contracts. It covers items such as claims, attributable expenses and premiums to the extent that they relate to current or past service.
- Other insurance service result primarily relates to movements on onerous contracts that impact adjusted operating profit (ie excluding those discussed in B1.2 that meet the criteria where gains and losses can be shared across more than one annual cohort).
- Net investment result on longer-term basis comprises the component of the 'net investment result' that has been attributed to adjusted operating profit by applying the approach as described in note B1.2.
- Other insurance income and expenditure represent other sources of income and expenses that are not considered to be attributable to insurance contracts under IFRS 17.
- Share of related tax charges from joint ventures and associates represents the related tax on the adjusted operating profit of the Group's life joint ventures and associates accounted for using the equity method. Under IFRS, the Group's share of results from its investments in joint ventures and associates accounted for using the equity method is included as a single line in the Group's profit before tax on a net of related tax basis. In the table below, the results of the life joint ventures and associates are analysed by adjusted operating profit drivers and on a pre-tax basis, with related tax shown separately in order for the contribution from the life joint ventures and associates to be included in the profit driver analysis on a consistent basis with the rest of the insurance business operations.

	2025 \$m	2024 \$m		2025 vs 2024 %	
		AER	CER	AER	CER
Adjusted release of CSM ^{note (i)}	2,550	2,333	2,358	9 %	8 %
Release of risk adjustment	285	268	271	6 %	5 %
Experience variances	(51)	(81)	(85)	37 %	40 %
Other insurance service result	(135)	(68)	(69)	(99)%	(96)%
Adjusted insurance service result ^{note (ii)}	2,649	2,452	2,475	8 %	7 %
Net investment result on longer-term basis ^{note (iii)}	1,163	1,146	1,154	1 %	1 %
Other insurance income and expenditure	(103)	(89)	(90)	(16)%	(14)%
Share of related tax charges from joint ventures and associates	(99)	(90)	(90)	(10)%	(10)%
Insurance business	3,610	3,419	3,449	6 %	5 %
Eastspring	329	304	301	8 %	9 %
Other income and expenditure	(462)	(387)	(386)	(19)%	(20)%
Restructuring costs	(171)	(207)	(207)	17 %	17 %
Adjusted operating profit, as reconciled to profit for the year in note B1.1	3,306	3,129	3,157	6 %	5 %

Notes

(i) The adjusted release of CSM is reconciled to the information in the Consolidated income statement as follows:

	2025 \$m	2024 \$m
Release of CSM, net of reinsurance as included within Insurance service result on the consolidated income statement		
Insurance	2,438	2,286
Reinsurance	(102)	(159)
	2,336	2,127
Add amounts relating to the Group's life joint ventures and associates that are accounted for on equity method	218	225
Release of CSM, net of reinsurance as shown in note C3		
Insurance	2,656	2,511
Reinsurance	(102)	(159)
	2,554	2,352
Adjustment to release of CSM for the treatment adopted for adjusted operating profit purposes of combining losses on onerous contracts and gains on profitable contracts that can be shared across more than one annual cohort	(4)	(19)
Adjusted release of CSM as shown above	2,550	2,333

(ii) The adjusted insurance service result is reconciled to the information in the consolidated income statement as follows:

	2025 \$m	2024 \$m
Insurance service result as shown in the consolidated income statement	2,624	2,293
Add amounts relating to the Group's life joint ventures and associates that are accounted for on equity method	225	187
Insurance service result as shown in note C3		
Insurance	3,078	2,786
Reinsurance	(229)	(306)
	2,849	2,480
Removal of losses or gains from reversal of losses on those onerous contracts that meet the criteria in note B1.2 where gains and losses can be shared across more than one annual cohort less the adjustment to the release of CSM shown above	(98)	46
Other items including policyholder tax*	(102)	(74)
Adjusted insurance service result as shown above	2,649	2,452

* Other items include the revenue recognised to cover the tax charge attributable to policyholders that is included in the insurance service result in the income statement. This revenue is fully offset by the actual tax charge attributable to policyholders that is included, as required by IAS 12, in the tax line in the income statement resulting in no net impact to adjusted operating profit that is determined after deducting policyholder tax and so has been offset in the analysis of adjusted operating profit.

(iii) Net investment result on longer-term basis is reconciled to the net investment result in the consolidated income statement as follows:

	2025 \$m	2024 \$m
Net investment result as shown in the consolidated income statement	1,421	1,332
Remove investment return of non-insurance entities	3	(448)
Remove short-term interest rate and other market fluctuations included in non-operating profit excluding non-insurance entities*	(279)	334
Other items*	18	(72)
Net investment result on longer-term basis as shown above	1,163	1,146

* These reconciling line items include the impact from the Group's life joint ventures and associates. Other items also reflect the impact of policyholder tax.

B1.4 Revenue

2025 \$m										
Insurance operations ^{note (i)}										
	Hong Kong	Indonesia	Malaysia	Singapore	Growth markets and other	Eastspring	Inter-segment elimination	Total segment	Unallocated to a segment (central operations)	Total
Insurance revenue										
Amounts relating to changes in the liability for remaining coverage:										
Expected claims and other directly attributable expenses	1,326	632	854	1,237	682	–	–	4,731	–	4,731
Change in risk adjustment for non-financial risk	78	33	34	68	59	–	–	272	–	272
Release of CSM for services provided	1,025	148	214	529	522	–	–	2,438	–	2,438
Other adjustments ^{note (ii)}	46	46	41	2	69	–	–	204	–	204
Recovery of insurance acquisition cash flows	1,549	277	309	557	743	–	–	3,435	–	3,435
	4,024	1,136	1,452	2,393	2,075	–	–	11,080	–	11,080
Other revenue ^{note (iii)}	29	3	1	–	20	358	–	411	–	411
Total revenue from external customers	4,053	1,139	1,453	2,393	2,095	358	–	11,491	–	11,491
Intra-group revenue	–	–	–	–	–	224	(224)	–	–	–
Investment return										
Interest income	1,340	105	239	886	822	5	–	3,397	137	3,534
Dividend and other investment income	1,253	65	198	549	145	4	–	2,214	–	2,214
Investment appreciation (depreciation)	6,342	212	199	3,453	459	5	–	10,670	(154)	10,516
	8,935	382	636	4,888	1,426	14	–	16,281	(17)	16,264
Total revenue	12,988	1,521	2,089	7,281	3,521	596	(224)	27,772	(17)	27,755

2024 \$m										
Insurance operations ^{note (i)}										
	Hong Kong	Indonesia	Malaysia	Singapore	Growth markets and other	Eastspring	Inter-segment elimination	Total segment	Unallocated to a segment (central operations)	Total
Insurance revenue										
Amounts relating to changes in the liability for remaining coverage:										
Expected claims and other directly attributable expenses	1,195	670	740	1,121	715	–	–	4,441	–	4,441
Change in risk adjustment for non-financial risk	68	37	26	64	62	–	–	257	–	257
Release of CSM for services provided	908	146	206	521	505	–	–	2,286	–	2,286
Other adjustments ^{note (ii)}	88	31	50	32	16	–	–	217	–	217
Recovery of insurance acquisition cash flows	1,445	293	268	513	638	–	–	3,157	–	3,157
	3,704	1,177	1,290	2,251	1,936	–	–	10,358	–	10,358
Other revenue ^{note (iii)}	24	2	–	2	21	333	–	382	–	382
Total revenue from external customers	3,728	1,179	1,290	2,253	1,957	333	–	10,740	–	10,740
Intra-group revenue	–	–	–	–	–	221	(221)	–	–	–
Investment return										
Interest income	1,077	101	216	797	688	7	–	2,886	209	3,095
Dividend and other investment income	1,279	105	181	651	164	3	–	2,383	–	2,383
Investment appreciation (depreciation)	(3,317)	(86)	736	2,275	604	1	–	213	228	441
	(961)	120	1,133	3,723	1,456	11	–	5,482	437	5,919
Total revenue	2,767	1,299	2,423	5,976	3,413	565	(221)	16,222	437	16,659

Notes

- (i) The Group's share of the results from the joint ventures and associates that are equity accounted for, including the Group's life joint venture in Mainland China, is presented in a single line within the Group's profit before tax on a net of related tax basis, and therefore not shown in the analysis of revenue line items above.
- (ii) Other adjustments comprise experience adjustment for premium receipts relating to past and current services provided under insurance contracts and insurance revenue earned from contracts measured under the PAA as well as the revenue recognised to cover the tax charge attributable to policyholders.
- (iii) Other revenue comprises revenue from external customers and consists primarily of revenue from the Group's asset management business of \$358 million (2024: \$333 million).

B1.5 Additional segmental analysis of adjusted operating profit after tax and reconciliation to profit after tax

The reconciliation to profit after tax by segment is shown in the table below. Non-operating items after tax includes effects from short-term interest rate and other market fluctuations and gain or loss on corporate transactions, net of tax, as discussed in note B1.2. The amounts shown in the table are before deducting any applicable non-controlling interests.

	2025 \$m			2024 \$m		
	Adjusted operating profit after tax	Non-operating items after tax	Profit after tax	Adjusted operating profit after tax	Non-operating items after tax	Profit after tax
Hong Kong	1,126	207	1,333	971	(120)	851
Indonesia	198	26	224	218	(37)	181
Mainland China ^{note}	411	(435)	(24)	363	(204)	159
Malaysia ^{note}	320	5	325	264	32	296
Singapore	603	363	966	594	(28)	566
Growth markets and other ^{note}	491	44	535	531	(28)	503
Asset management	305	1,328	1,633	275	(11)	264
Total segment profit	3,454	1,538	4,992	3,216	(396)	2,820
Unallocated to a segment (central operations)	(682)	(191)	(873)	(634)	229	(405)
Group total	2,772	1,347	4,119	2,582	(167)	2,415

Note

The Growth markets and other segment comprises all other Asia and Africa insurance businesses alongside amounts that are not included in the segment profit of an individual business unit, including tax on life joint ventures and associates that are accounted for on an equity-method basis. Accordingly, on the segmental analysis of the profit after tax above, the amount shown for Mainland China is before tax (with its tax being included in the Growth markets and other segment). The Group's share of the Mainland China joint venture's post-tax result was \$3 million (2024: \$141 million).

B2 Tax charge

B2.1 Total tax charge by segment

The total tax charge in the income statement is as follows:

	2025 \$m	2024 \$m
Hong Kong	(148)	(229)
Indonesia	(45)	(37)
Malaysia	(123)	(155)
Singapore	(249)	(176)
Growth markets and other	(110)	(158)
Eastspring ^{note (i)}	(256)	(29)
Total segment ^{note (ii)}	(931)	(784)
Unallocated to a segment (central operations)	(71)	(40)
Total tax charge	(1,002)	(824)

Notes

(i) The Eastspring tax charge in 2025 includes tax in relation to the gain attaching to corporate transactions, as discussed further in note D6.3.

(ii) Profit before tax includes Prudential's share of profit after tax from the joint ventures and associates that are equity accounted for. Therefore, the actual tax charge in the income statement does not include tax arising from the results of joint ventures and associates, including the Group's life joint venture in Mainland China.

On 6 June 2025, Hong Kong enacted the OECD Pillar Two global minimum tax and domestic minimum tax rules with retrospective effect from 1 January 2025 onwards. This brings the whole Group into scope of Hong Kong's Pillar Two rules. The 2025 current tax charge includes \$(23) million (2024: nil) in respect of Pillar Two income taxes. The amount of tax due in any period is sensitive to market movements in that period. In periods where the actual investment return is in line with, or below, expected long-term returns, the Group does not expect the Pillar Two tax rules to have a material impact on the IFRS tax charge. In periods where the actual investment return exceeds the expected long-term returns, the impact from the Pillar Two tax rules will depend on how the relevant jurisdiction taxes the actual investment return under local corporate income tax rules.

B2.2 Reconciliation of effective tax rate

In the reconciliation below, the expected tax rate reflects the corporation tax rates that are expected to apply to the taxable profit or loss for the year. It reflects the corporation tax rates of each jurisdiction weighted by reference to the amount of profit or loss contributing to the aggregate result. The reconciliation of the expected to actual tax (charge) credit and the percentage impact of reconciliation items on shareholder effective tax rate (ETR) are provided below.

	2025		2024	
	\$m	ETR %	\$m	ETR %
Profit before tax (being tax attributable to shareholders' and policyholders' returns)	5,121		3,239	
Tax charge attributable to policyholders' returns ^{note (i)}	(180)		(286)	
Profit before tax attributable to shareholders' returns	4,941		2,953	
Tax charge at the expected rate	(923)	19 %	(585)	20 %
Effects of recurring tax reconciliation items:				
Income not taxable or taxable at concessionary rates ^{note (ii)}	119	(2) %	96	(3) %
Deductions and losses not allowable for tax purposes ^{note (iii)}	(189)	4 %	(164)	5 %
Items related to taxation of life insurance businesses ^{note (iv)}	158	(3) %	94	(3) %
Deferred tax adjustments including unrecognised tax losses	(40)	1 %	4	0 %
Effect of results of joint ventures and associates ^{note (v)}	75	(2) %	100	(3) %
Irrecoverable withholding taxes ^{note (vi)}	(43)	1 %	(61)	2 %
Pillar Two income taxes	(23)	0 %	–	0 %
Other	(5)	0 %	1	0 %
Total credit on recurring items	52	(1) %	70	(2) %
Effects of non-recurring tax reconciliation items:				
Adjustments to tax charge in relation to prior years	3	0 %	7	0 %
Movements in provisions for open tax matters ^{note (vii)}	20	0 %	(8)	0 %
Adjustments in relation to business disposals and corporate transactions	26	(1) %	(22)	0 %
Total credit (charge) on non-recurring items	49	(1) %	(23)	0 %
Tax charge attributable to shareholders' returns	(822)		(538)	
Tax charge attributable to policyholders' returns ^{note (i)}	(180)		(286)	
Tax charge attributable to shareholders' and policyholders' returns	(1,002)		(824)	
Profit before tax attributable to shareholders' returns analysed into:				
Adjusted operating profit	3,306		3,129	
Non-operating result ^{note (viii)}	1,635		(176)	
Profit before tax attributable to shareholders' returns	4,941		2,953	
Tax charge attributable to shareholders' returns analysed into:				
Tax charge on adjusted operating profit	(534)		(547)	
Tax (charge) credit on non-operating result ^{note (viii)}	(288)		9	
Tax charge attributable to shareholders' returns	(822)		(538)	
Actual tax rate on:				
Adjusted operating profit:				
Including non-recurring tax reconciling items ^{note (ix)}	16%		17%	
Excluding non-recurring tax reconciling items	17%		17%	
Profit before tax attributable to shareholders' returns ^{note (ix)}	17%		18%	

Notes

- (i) The tax charge attributable to policyholders of \$(180) million (2024: \$(286) million) is equal to the profit before tax attributable to policyholders as a result of accounting for policyholder income after the deduction of expenses on a post-tax basis.
- (ii) Income not taxable or taxable at concessionary rates primarily relates to non-taxable investment income and gains in growth markets and other as well as in other (central) operations.
- (iii) Deductions and losses not allowable for tax purposes primarily relates to non-deductible head office costs in other (central) operations.
- (iv) Items related to taxation of life insurance businesses primarily relates to Hong Kong where the taxable profit is computed as 5 per cent of net insurance premiums.
- (v) Profit before tax includes Prudential's share of profit after tax from the joint ventures and associates. Therefore, the actual tax charge does not include tax arising from profit or loss of joint ventures and associates and is reflected as a reconciling item.
- (vi) The Group incurs withholding tax on remittances received from certain jurisdictions and on certain investment income. Where these withholding taxes cannot be offset against corporate income tax or otherwise recovered, they represent a cost to the Group. Irrecoverable withholding tax on remittances is included in other (central) operations and is not allocated to any segment. Irrecoverable withholding tax on investment income is included in the relevant segment where the investment income is reflected.

(vii) The statement of financial position contains the following provisions in relation to open tax matters.

	2025 \$m
Balance at 1 Jan	(95)
Movements in the current year included in tax charge attributable to shareholders	20
Provisions utilised in the year	5
Other movements (including interest arising on open tax matters and amounts included in the Group's share of profits from joint ventures and associates, net of related tax)	(7)
Balance at 31 Dec	(77)

(viii) 'Non-operating result' is used to refer to items excluded from adjusted operating profit and includes short-term investment fluctuations in investment returns and corporate transactions. The tax credit on non-operating result is calculated using the tax rates applicable to investment profit or loss recorded in the non-operating result for each entity, and then adjusting for any discrete items included in the total tax charge that relate specifically to the amounts (other than investment related profit or loss) included in the non-operating result. The difference between this tax on non-operating result and the tax charge calculated on profit before tax is the tax charge on adjusted operating profit.

(ix) The actual shareholder tax rates of the relevant business operations are shown below:

	2025 %							Total attributable to shareholders
	Hong Kong	Indonesia	Malaysia	Singapore	Growth markets and other	Eastspring	Other (central) operations	
Tax rate on adjusted operating profit	8 %	21 %	22 %	15 %	20 %	7 %	(8)%	16 %
Tax rate on profit before tax	6 %	17 %	22 %	15 %	16 %	14 %	(9)%	17 %

	2024 %							Total attributable to shareholders
	Hong Kong	Indonesia	Malaysia	Singapore	Growth markets and other	Eastspring	Other (central) operations	
Tax rate on adjusted operating profit	9 %	19 %	22 %	14 %	23 %	10 %	(7)%	17 %
Tax rate on profit before tax	10 %	18 %	22 %	14 %	23 %	10 %	(11)%	18 %

B3 Earnings per share

	2025					
	Before tax	Tax	Non-controlling interests	Net of tax and non-controlling interests	Basic earnings per share	Diluted earnings per share
	\$m	\$m	\$m	\$m	cents	cents
Based on adjusted operating profit	3,306	(534)	(155)	2,617	101.4¢	101.0¢
Short-term interest rate and other market fluctuations	120	(48)	14	86	3.3¢	3.3¢
Gain attaching to corporate transactions	1,515	(240)	–	1,275	49.5¢	49.2¢
Based on profit for the year	4,941	(822)	(141)	3,978	154.2¢	153.5¢

	2024					
	Before tax	Tax	Non-controlling interests	Net of tax and non-controlling interests	Basic earnings per share	Diluted earnings per share
	\$m	\$m	\$m	\$m	cents	cents
Based on adjusted operating profit	3,129	(547)	(146)	2,436	89.7¢	89.6¢
Short-term interest rate and other market fluctuations	(105)	9	(10)	(106)	(3.9)¢	(3.9)¢
Loss attaching to corporate transactions	(71)	–	26	(45)	(1.7)¢	(1.7)¢
Based on profit for the year	2,953	(538)	(130)	2,285	84.1¢	84.0¢

For 2025, the weighted average number of shares for calculating basic earnings per share, which excludes those held in employee share trusts, is 2,580 million (2024: 2,715 million) shares. After including a dilutive effect of the Group's share options and awards of 12 million (2024: 5 million) shares, the weighted average number of shares for calculating diluted earnings per share is 2,592 million (2024: 2,720 million) shares.

B4 Dividends

First and second interim dividends are recorded in the period in which they are paid. Cash and scrip dividends are initially recorded in the statement of changes in equity as a deduction from retained earnings, at the value of the cash paid, or the cash equivalent to the scrip dividend. For scrip dividends settled by a new issue of shares the deduction from retained earnings is subsequently reversed and an amount equal to the nominal value of shares issued is transferred to share capital from share premium or the capital redemption reserve.

	2025		2024	
	Cents per share	\$m	Cents per share	\$m
Dividends relating to reporting year:*				
First interim dividend	7.71¢	197	6.84¢	185
Second interim dividend	18.89¢	481	16.29¢	433
Total relating to reporting year	26.60¢	678	23.13¢	618
Dividends paid in reporting year:				
Current year first interim dividend	7.71¢	197	6.84¢	185
Second interim dividend for prior year	16.29¢	426	14.21¢	390
Total paid in reporting year	24.00¢	623	21.05¢	575

* Calculated using the outstanding number of ordinary shares as at 31 December 2025.

Dividend per share

The 2025 first interim dividend of 7.71 cents per ordinary share was paid to eligible shareholders on 16 October 2025.

On 13 May 2026, Prudential will pay a second interim dividend of 18.89 cents per ordinary share for the year ended 31 December 2025. The second interim dividend will be paid to shareholders recorded on the UK register at 5.00pm (Greenwich Mean Time) and to shareholders recorded on the HK branch register at 4.30pm (Hong Kong Time) on 27 March 2026 (Record Date), and also to the holders of US American Depositary Receipts (ADRs) as at 27 March 2026. The second interim dividend will be paid on or about 20 May 2026 to shareholders with shares standing to the credit of their securities accounts with the Central Depository (Pte) Limited (CDP) at 5.00pm (Singapore Time) on the Record Date.

Shareholders holding shares on the UK or HK share registers will continue to receive their dividend payments in either GBP or HKD, respectively, unless they elect to receive dividend payments in USD or in the form of new fully paid ordinary shares (scrip dividend alternative). A scrip dividend alternative will again be offered which will involve the issuance of relevant new ordinary shares on the Hong Kong line only. The scrip dividend alternative is offered in addition to the Dividend Reinvestment Plan (DRIP), which continues to be available to shareholders on the UK register.

Elections regarding currency, scrip dividend or DRIP must be received by the relevant UK or HK share registrar on or before 21 April 2026. The corresponding amounts per share in GBP and HKD are expected to be announced on or about 28 April 2026. The USD to GBP and HKD conversion rates will be determined by the actual rates achieved by Prudential buying those currencies prior to the subsequent announcement.

Shareholders holding an interest in Prudential shares through the CDP in Singapore will continue to receive their dividend payments in SGD based on the prevailing market exchange rate, unless they elect to participate in the scrip dividend alternative for which elections must be made through the CDP by 14 April 2026.

Holders of ADRs will continue to receive their dividend payments in USD.

C Financial position

C1 Group assets and liabilities

C1.1 Group investments by business type

The analysis below is structured to show the investments of the Group's subsidiaries by reference to the differing degrees of policyholder and shareholder economic interest of the different types of business.

Debt securities are analysed below according to the issuing government for sovereign debt and to credit ratings for the rest of the securities. The Group uses the middle of the Standard & Poor's, Moody's and Fitch ratings, where available. Where ratings are not available from these rating agencies, local external rating agencies' ratings and, lastly, internal ratings have been used. Securities with none of the ratings listed above are classified as unrated and included under the 'below BBB- and unrated' category. The total securities (excluding sovereign debt) that were unrated at 31 December 2025 were \$973 million (31 December 2024: \$900 million). Additionally, government debt is shown separately from the rating breakdowns in order to provide a more focused view of the credit portfolio.

In the table below, AAA is the highest possible rating. Investment grade financial assets are classified within the range of AAA to BBB- ratings. Financial assets that fall outside this range are classified as below BBB-.

The following table classifies assets into those that primarily back the Group's participating funds that are measured under the variable fee approach, those backing unit-linked funds, other investments held within the insurance entities, Eastspring's investments and those that are unallocated to a segment (principally centrally held investments).

In terms of the investments held by the insurance businesses, those within funds with policyholder participation and those within unit-linked funds represent underlying items. The gains or losses on these investments will be offset by movements in policyholder liabilities and therefore adjusted operating profit reflects the actual investment return on these assets. The exception is for investments backing the shareholders' 10 per cent share of the estate within the Hong Kong with-profits fund. Changes in the value of these investments, including those driven by market movements, pass through the income statement with no liability offset. Consequently, adjusted operating profit recognises investment return on a longer-term basis for these assets.

In terms of other assets held within the insurance entities, these largely comprise assets backing IFRS shareholders' equity or are non-underlying items backing GMM liabilities and therefore the returns on these other investments are recognised in adjusted operating profit at a longer-term rate.

	Asia and Africa						
	Insurance			Eastspring	Total	Unallocated to a segment	Group total
	Funds with policyholder participation note (i)	Unit-linked funds	Other				
Debt securities							
Sovereign debt							
Indonesia	536	475	826	–	1,837	–	1,837
Singapore	2,339	774	1,210	–	4,323	–	4,323
Thailand	–	3	3,725	–	3,728	–	3,728
United States	16,538	55	281	–	16,874	–	16,874
Vietnam	2,625	16	137	–	2,778	–	2,778
Other (predominantly Asia)	4,737	663	2,060	–	7,460	–	7,460
Subtotal	26,775	1,986	8,239	–	37,000	–	37,000
Other government bonds							
AAA	1,508	137	112	–	1,757	–	1,757
AA+ to AA-	133	31	27	–	191	–	191
A+ to A-	830	77	367	–	1,274	–	1,274
BBB+ to BBB-	230	40	74	–	344	–	344
Below BBB- and unrated	317	44	40	–	401	–	401
Subtotal	3,018	329	620	–	3,967	–	3,967
Corporate bonds							
AAA	1,538	142	376	–	2,056	–	2,056
AA+ to AA-	6,263	643	947	–	7,853	–	7,853
A+ to A-	20,892	631	1,718	–	23,241	1	23,242
BBB+ to BBB-	13,149	822	1,565	–	15,536	1	15,537
Below BBB- and unrated	1,375	232	247	–	1,854	–	1,854
Subtotal	43,217	2,470	4,853	–	50,540	2	50,542
Asset-backed securities							
AAA	190	3	85	–	278	–	278
AA+ to AA-	10	–	3	–	13	–	13
A+ to A-	119	–	16	–	135	–	135
BBB+ to BBB-	22	–	2	–	24	–	24
Below BBB- and unrated	21	1	70	–	92	–	92
Subtotal	362	4	176	–	542	–	542
Total debt securities ^{note (ii)}	73,372	4,789	13,888	–	92,049	2	92,051
Loans							
Mortgage loans	46	–	161	–	207	–	207
Other loans	344	–	–	–	344	–	344
Total loans	390	–	161	–	551	–	551
Equity securities and holdings in collective investment schemes							
Direct equities ^{note (ii)}	22,874	14,734	285	91	37,984	25	38,009
Collective investment schemes	39,196	11,053	1,286	14	51,549	–	51,549
Total equity securities and holdings in collective investment schemes	62,070	25,787	1,571	105	89,533	25	89,558
Derivative assets	326	20	267	–	613	8	621
Deposits	2,464	201	2,394	79	5,138	1,108	6,246
Total financial investments	138,622	30,797	18,281	184	187,884	1,143	189,027
Investment properties	–	–	3	–	3	–	3
Cash and cash equivalents	1,707	554	1,403	191	3,855	3,851	7,706
Total investments	140,329	31,351	19,687	375	191,742	4,994	196,736

	Asia and Africa							Group total
	Insurance					Total	Unallocated to a segment	
	Funds with policyholder participation note (i)	Unit-linked funds	Other	Eastspring				
Debt securities								
Sovereign debt								
Indonesia	453	573	642	–	1,668	–	1,668	
Singapore	2,265	738	932	–	3,935	–	3,935	
Thailand	3	3	2,580	–	2,586	–	2,586	
United States	14,851	71	433	–	15,355	–	15,355	
Vietnam	2,885	17	139	–	3,041	–	3,041	
Other (predominantly Asia)	4,192	685	1,589	2	6,468	–	6,468	
Subtotal	24,649	2,087	6,315	2	33,053	–	33,053	
Other government bonds								
AAA	1,617	119	112	–	1,848	–	1,848	
AA+ to AA-	124	16	23	–	163	–	163	
A+ to A-	643	82	268	–	993	–	993	
BBB+ to BBB-	189	45	80	–	314	–	314	
Below BBB- and unrated	354	6	48	–	408	–	408	
Subtotal	2,927	268	531	–	3,726	–	3,726	
Corporate bonds								
AAA	1,400	158	280	–	1,838	–	1,838	
AA+ to AA-	3,567	486	851	–	4,904	–	4,904	
A+ to A-	13,451	491	1,629	–	15,571	1	15,572	
BBB+ to BBB-	9,753	661	1,784	–	12,198	1	12,199	
Below BBB- and unrated	1,477	477	342	–	2,296	–	2,296	
Subtotal	29,648	2,273	4,886	–	36,807	2	36,809	
Asset-backed securities								
AAA	129	3	34	–	166	–	166	
AA+ to AA-	4	–	1	–	5	–	5	
A+ to A-	28	–	3	–	31	–	31	
BBB+ to BBB-	2	–	1	–	3	–	3	
Below BBB- and unrated	2	1	8	–	11	–	11	
Subtotal	165	4	47	–	216	–	216	
Total debt securities note (ii)	57,389	4,632	11,779	2	73,802	2	73,804	
Loans								
Mortgage loans	51	–	102	–	153	–	153	
Other loans	364	–	–	–	364	–	364	
Total loans	415	–	102	–	517	–	517	
Equity securities and holdings in collective investment schemes								
Direct equities note (ii)	19,487	13,465	254	95	33,301	–	33,301	
Collective investment schemes	37,652	8,338	1,698	13	47,701	–	47,701	
Total equity securities and holdings in collective investment schemes	57,139	21,803	1,952	108	81,002	–	81,002	
Derivative assets	119	6	129	–	254	141	395	
Deposits	2,121	254	1,989	93	4,457	1,009	5,466	
Total financial investments	117,183	26,695	15,951	203	160,032	1,152	161,184	
Investment properties	–	–	3	–	3	–	3	
Cash and cash equivalents	1,396	564	1,225	142	3,327	2,445	5,772	
Total investments	118,579	27,259	17,179	345	163,362	3,597	166,959	

Notes

- (i) Funds with policyholder participation represent investments held to support insurance products where policyholders participate in the returns of a specified pool of investments (excluding unit-linked policies) that are measured using the variable fee approach.
- (ii) Of the Group's debt securities and direct equities, the following amounts were held by the consolidated investment funds:

	31 Dec 2025 \$m	31 Dec 2024 \$m
Debt securities held by consolidated investment funds	12,341	10,409
Direct equities held by consolidated investment funds*	6,605	5,851

* As of 31 December 2025, the \$25 million of direct equities unallocated to a segment is entirely held by a consolidated investment fund.

C2 Measurement of financial assets and liabilities

C2.1 Determination of fair value

The fair values of the financial instruments for which fair valuation is required under IFRS Standards are determined by the use of quoted market prices for exchange-quoted investments or by using quotations from independent third parties, such as brokers and pricing services or by using appropriate valuation techniques. Climate change does not directly impact fair values particularly where these are built on observable inputs (ie level 1 and level 2), which represent the majority of the Group's financial instruments as discussed below.

The estimated fair value of derivative financial instruments reflects the estimated amount the Group would receive or pay in an arm's-length transaction. This amount is determined using quoted prices if exchange listed, quotations from independent third parties or valued internally using standard market practices.

Valuation approach for level 2 fair valued assets and liabilities

A significant proportion of the Group's level 2 assets are private holdings, structured securities and other national and non-national government debt securities that are valued using observable inputs. These assets, in line with market practice, are generally valued using a designated independent pricing service or quote from third-party brokers. These valuations are subject to a number of monitoring controls, such as comparison to multiple pricing sources where available, monthly price variances, stale price reviews and variance analysis on prices achieved on subsequent trades.

When prices are not available from pricing services, quotes are sourced directly from brokers. Prudential seeks to obtain a number of quotes from different brokers so as to obtain the most comprehensive information available on their executability. The selected quote is the one which best represents an executable quote for the security at the measurement date.

Generally, no adjustment is made to the prices obtained from independent third parties. Adjustments are made in only limited circumstances, where it is determined that the third-party valuations obtained do not reflect fair value (eg either because the value is stale and/or the values are extremely diverse in range). Securities valued in such manner are classified as level 3 where these significant inputs are not based on observable market data.

Valuation approach for level 3 fair valued assets and liabilities

Investments valued using valuation techniques include financial investments which, by their nature, do not have an externally quoted price based on regular trades and financial investments for which markets are no longer active as a result of market conditions, eg market illiquidity. Level 3 assets of the Group consist primarily of property, infrastructure, private credit and private equity funds held by the participating funds and are externally valued using the net asset value of the invested entities.

The Group's valuation policies, procedures and analyses for instruments categorised as level 3 are overseen by business unit committees as part of the Group's wider financial reporting governance processes. The procedures undertaken include approval of valuation methodologies, verification processes and resolution of significant or complex valuation issues. In addition, the Group has minimum standards for independent price verification to ensure valuation accuracy is regularly independently verified. Adherence to this policy is monitored across the business units.

C2.2 Fair value measurement hierarchy

Assets and liabilities at fair value

All of the Group's financial instruments held at fair value are classified as fair value through profit or loss (FVTPL) at 31 December 2025 and measured on a recurring basis.

The table below shows the assets and liabilities carried at fair value on a recurring basis analysed by level of the IFRS 13 'Fair Value Measurement' defined fair value hierarchy. This hierarchy is based on the inputs to the fair value measurement and reflects the lowest level input that is significant to that measurement.

Financial instruments at fair value

	31 Dec 2025 \$m			Total
	Level 1	Level 2	Level 3	
	Quoted prices (unadjusted) in active markets	Valuation based on significant observable market inputs	Valuation based on significant unobservable market inputs note (iii)	
Loans ^{note (iv)}	–	344	–	344
Equity securities and holdings in collective investment schemes	78,744	5,537	5,277	89,558
Debt securities ^{note (i)}	70,327	21,622	102	92,051
Derivative assets	171	450	–	621
Derivative liabilities	(440)	(1,142)	–	(1,582)
Total financial investments, net of derivative liabilities	148,802	26,811	5,379	180,992
Investment contract liabilities without DPF ^{note (ii)}	–	(715)	–	(715)
Net asset value attributable to unit holders of consolidated investment funds	(2,263)	–	–	(2,263)
Total financial instruments at fair value	146,539	26,096	5,379	178,014
Percentage of total (%)	82 %	15 %	3 %	100 %

	31 Dec 2024 \$m			Total
	Level 1	Level 2	Level 3	
	Quoted prices (unadjusted) in active markets	Valuation based on significant observable market inputs	Valuation based on significant unobservable market inputs note (iii)	
Loans ^{note (iv)}	–	364	–	364
Equity securities and holdings in collective investment schemes	72,574	5,311	3,117	81,002
Debt securities ^{note (i)}	56,147	17,620	37	73,804
Derivative assets	17	378	–	395
Derivative liabilities	(493)	(1,124)	–	(1,617)
Total financial investments, net of derivative liabilities	128,245	22,549	3,154	153,948
Investment contract liabilities without DPF ^{note (ii)}	–	(748)	–	(748)
Net asset value attributable to unit holders of consolidated investment funds	(2,679)	–	–	(2,679)
Total financial instruments at fair value	125,566	21,801	3,154	150,521
Percentage of total (%)	83 %	15 %	2 %	100 %

Notes

- (i) Of the total level 2 debt securities of \$21,622 million at 31 December 2025 (31 December 2024: \$17,620 million), \$7 million (31 December 2024: \$12 million) are valued internally. Internal valuations are inherently more subjective than external valuations.
- (ii) Investment contract liabilities without DPF are not quoted in an active market and do not have readily available published prices. Their fair values are determined using valuation techniques with all significant inputs used in the valuation being observable. Therefore, these investment contract liabilities are classified in level 2.
- (iii) At 31 December 2025, the Group held \$5,379 million (31 December 2024: \$3,154 million) of net financial instruments at fair value within level 3. This represents 3 per cent (31 December 2024: 2 per cent) of the total fair valued financial assets, net of financial liabilities and comprises the following:
 - Equity securities and holdings in collective investment schemes of \$5,277 million (31 December 2024: \$3,117 million) consisting primarily of property, infrastructure, private credit and private equity funds, which are externally valued using the net asset value of the invested funds; and
 - Debt securities of \$102 million (31 December 2024: \$37 million).
Of the net financial instruments of \$5,379 million (31 December 2024: \$3,154 million) referred to above:
 - A net asset of \$5,266 million (31 December 2024: \$3,088 million) is held by the Group's participating and unit-linked funds and therefore shareholders' profit and equity are not immediately impacted by movements in the valuation of these financial instruments; and
 - The remaining level 3 investments comprise a net asset of \$113 million (31 December 2024: \$66 million), which are primarily externally valued. If the value of all these level 3 financial instruments decreased by 10 per cent, the change in valuation would be \$(11) million (31 December 2024: \$(7) million), which would reduce shareholders' equity by this amount before tax.
- (iv) Of the Group's financial assets and financial liabilities at 31 December 2025, only loans contain more than one asset classification. The loans carried at amortised cost and their fair value are provided in note (c) below.

C3 Insurance and reinsurance contracts

C3.1 Group overview

(a) Analysis of Group insurance and reinsurance contract assets and liabilities

The table below provides an analysis of the portfolio of insurance and reinsurance (RI) contract assets and liabilities held on the Group's statement of financial position.

	Excluding JVs and associates \$m						Including JVs and associates \$m ^{note (i)}					
	(Assets)		Liabilities		Net liabilities (assets)		(Assets)		Liabilities		Net liabilities (assets)	
	Insurance	RI	Insurance	RI	Insurance	RI	Insurance	RI	Insurance	RI	Insurance	RI
As at 31 Dec 2025												
Best estimate liabilities (BEL)	(5,326)	(2,575)	152,016	562	146,690	(2,013)	(5,610)	(2,817)	174,675	618	169,065	(2,199)
Risk adjustment for non-financial risk (RA)	894	(171)	1,906	(38)	2,800	(209)	909	(237)	2,223	(42)	3,132	(279)
Contractual service margin (CSM)	2,664	(660)	20,576	116	23,240	(544)	2,834	(510)	22,584	97	25,418	(413)
Insurance contract balances ^{note C3.2}	(1,768)	(3,406)	174,498	640	172,730	(2,766)	(1,867)	(3,564)	199,482	673	197,615	(2,891)
Assets for insurance acquisition cash flows	(48)	–	–	–	(48)	–	(48)	–	–	–	(48)	–
Insurance and reinsurance contract liabilities (assets)	(1,816)	(3,406)	174,498	640	172,682	(2,766)	(1,915)	(3,564)	199,482	673	197,567	(2,891)
As at 31 Dec 2024												
Best estimate liabilities (BEL)	(4,566)	(2,624)	127,942	423	123,376	(2,201)	(4,799)	(2,783)	148,867	461	144,068	(2,322)
Risk adjustment for non-financial risk (RA)	791	(99)	1,655	(44)	2,446	(143)	803	(128)	1,940	(47)	2,743	(175)
Contractual service margin (CSM)	2,462	(667)	17,968	157	20,430	(510)	2,599	(645)	19,862	144	22,461	(501)
Insurance contract balances ^{note C3.2}	(1,313)	(3,390)	147,565	536	146,252	(2,854)	(1,397)	(3,556)	170,669	558	169,272	(2,998)
Assets for insurance acquisition cash flows	(32)	–	1	–	(31)	–	(32)	–	1	–	(31)	–
Insurance and reinsurance contract liabilities (assets)	(1,345)	(3,390)	147,566	536	146,221	(2,854)	(1,429)	(3,556)	170,670	558	169,241	(2,998)

Notes

- (i) The Group's investments in joint ventures and associates are accounted for using the equity method. The Group's share of insurance and reinsurance contract liabilities and assets as shown above relate to the life business of Mainland China, India and Takaful business in Malaysia.
- (ii) At 31 December 2025 and 2024, the Group's exposure to credit risk arising from insurance contracts issued is not material to the Group as premiums receivable from an individual party (policyholders and intermediaries) is not material to the Group.

(b) Adjusted total comprehensive equity

	Excluding JVs and associates	Group's share related to JVs and associates	Including JVs and associates
	\$m	\$m	\$m
As at 31 Dec 2025			
Shareholders' equity	17,354	2,763	20,117
CSM, net of reinsurance	22,696	2,309	25,005
Remove: CSM asset attaching to reinsurance contracts wholly attributable to policyholders	871	–	871
Remove: CSM, net of reinsurance, attributable to non-controlling interests	(1,072)	–	(1,072)
Shareholders' CSM, net of reinsurance	22,495	2,309	24,804
Less: Related tax adjustments	(2,316)	(537)	(2,853)
Adjusted total comprehensive equity	37,533	4,535	42,068
As at 31 Dec 2024			
Shareholders' equity	15,080	2,412	17,492
CSM, net of reinsurance	19,920	2,040	21,960
Remove: CSM asset attaching to reinsurance contracts wholly attributable to policyholders	789	–	789
Remove: CSM, net of reinsurance, attributable to non-controlling interests	(977)	–	(977)
Shareholders' CSM, net of reinsurance	19,732	2,040	21,772
Less: Related tax adjustments	(2,134)	(470)	(2,604)
Adjusted total comprehensive equity	32,678	3,982	36,660

C3.2 Analysis of movements in insurance and reinsurance contract balances (including JVs and associates)

An analysis of movements in insurance and reinsurance contract balances by measurement component, excluding assets for insurance acquisition cash flows, and including the Group's share of insurance and reinsurance contract assets and liabilities related to the life JVs and associates is set out below:

	Including JVs and associates							
	2025 \$m							
	Insurance				Reinsurance			
	BEL	RA	CSM	Total	BEL	RA	CSM	Total
Opening assets	(4,799)	803	2,599	(1,397)	(2,783)	(128)	(645)	(3,556)
Opening liabilities	148,867	1,940	19,862	170,669	461	(47)	144	558
Net liabilities (assets) at 1 Jan	144,068	2,743	22,461	169,272	(2,322)	(175)	(501)	(2,998)
Changes that relate to future service								
Changes in estimates that adjust the CSM	(1,960)	91	1,869	–	104	(46)	(58)	–
Changes in estimates that result in losses or reversal of losses on onerous contracts	14	6	–	20	(14)	–	–	(14)
New contracts in the year	(3,084)	350	2,777	43	(6)	(55)	58	(3)
	(5,030)	447	4,646	63	84	(101)	–	(17)
Changes that relate to current service								
Release of CSM to profit or loss	–	–	(2,656)	(2,656)	–	–	102	102
Release of risk adjustment to profit or loss	–	(307)	–	(307)	–	24	–	24
Experience adjustments	(159)	–	–	(159)	148	–	–	148
	(159)	(307)	(2,656)	(3,122)	148	24	102	274
Changes that relate to past service								
Adjustments to assets and liabilities for incurred claims	(18)	(1)	–	(19)	(27)	(1)	–	(28)
Insurance service result	(5,207)	139	1,990	(3,078)	205	(78)	102	229
Net finance (income) expense								
Accretion of interest on GMM contracts ^{note (i)}	212	54	376	642	(121)	(9)	(28)	(158)
Other net finance (income) expense	15,204	100	(39)	15,265	332	(17)	(4)	311
	15,416	154	337	15,907	211	(26)	(32)	153
Total amount recognised in income statement	10,209	293	2,327	12,829	416	(104)	70	382
Effect of movements in exchange rates	3,681	96	630	4,407	(56)	–	18	(38)
Total amount recognised in comprehensive income	13,890	389	2,957	17,236	360	(104)	88	344
Cash flows								
Premiums received net of ceding commissions paid	32,098	–	–	32,098	(1,445)	–	–	(1,445)
Insurance acquisition cash flows	(5,524)	–	–	(5,524)	–	–	–	–
Claims and other insurance service expenses net of recoveries from reinsurance received ^{note (ii)}	(15,345)	–	–	(15,345)	1,208	–	–	1,208
Total cash flows	11,229	–	–	11,229	(237)	–	–	(237)
Other changes ^{note (iii)}	(122)	–	–	(122)	–	–	–	–
Closing assets	(5,610)	909	2,834	(1,867)	(2,817)	(237)	(510)	(3,564)
Closing liabilities	174,675	2,223	22,584	199,482	618	(42)	97	673
Net liabilities (assets) at 31 Dec	169,065	3,132	25,418	197,615	(2,199)	(279)	(413)	(2,891)

	Including JVs and associates							
	2024 \$m							
	Insurance				Reinsurance			
	BEL	RA	CSM	Total	BEL	RA	CSM	Total
Opening assets	(3,998)	630	2,176	(1,192)	(1,315)	67	(1,321)	(2,569)
Opening liabilities	139,673	1,969	20,176	161,818	1,222	(24)	(19)	1,179
Net liabilities (assets) at 1 Jan	135,675	2,599	22,352	160,626	(93)	43	(1,340)	(1,390)
Changes that relate to future service								
Changes in estimates that adjust the CSM	(57)	31	26	–	(473)	(225)	698	–
Changes in estimates that result in losses or reversal of losses on onerous contracts	128	29	–	157	43	–	–	43
New contracts in the year	(2,894)	349	2,585	40	(4)	(8)	11	(1)
	(2,823)	409	2,611	197	(434)	(233)	709	42
Changes that relate to current service								
Release of CSM to profit or loss	–	–	(2,511)	(2,511)	–	–	159	159
Release of risk adjustment to profit or loss	–	(287)	–	(287)	–	19	–	19
Experience adjustments	(114)	–	–	(114)	116	–	–	116
	(114)	(287)	(2,511)	(2,912)	116	19	159	294
Changes that relate to past service								
Adjustments to assets and liabilities for incurred claims	(73)	2	–	(71)	(30)	–	–	(30)
Insurance service result	(3,010)	124	100	(2,786)	(348)	(214)	868	306
Net finance (income) expense								
Accretion of interest on GMM contracts ^{note (i)}	243	56	350	649	(80)	(7)	(29)	(116)
Other net finance (income) expense	5,367	28	7	5,402	432	3	8	443
	5,610	84	357	6,051	352	(4)	(21)	327
Total amount recognised in income statement								
	2,600	208	457	3,265	4	(218)	847	633
Effect of movements in exchange rates	(2,003)	(44)	(348)	(2,395)	18	–	(8)	10
Total amount recognised in comprehensive income								
	597	164	109	870	22	(218)	839	643
Cash flows								
Premiums received net of ceding commissions paid	27,990	–	–	27,990	(2,931)	–	–	(2,931)
Insurance acquisition cash flows	(5,226)	–	–	(5,226)	–	–	–	–
Claims and other insurance service expenses net of recoveries from reinsurance received ^{note (ii)}	(14,694)	–	–	(14,694)	683	–	–	683
Total cash flows	8,070	–	–	8,070	(2,248)	–	–	(2,248)
Other changes ^{note (iii)}								
	(274)	(20)	–	(294)	(3)	–	–	(3)
Closing assets	(4,799)	803	2,599	(1,397)	(2,783)	(128)	(645)	(3,556)
Closing liabilities	148,867	1,940	19,862	170,669	461	(47)	144	558
Net liabilities (assets) at 31 Dec	144,068	2,743	22,461	169,272	(2,322)	(175)	(501)	(2,998)

Notes

(i) Accretion of interest includes interest on policy loans.

(ii) Including investment component.

(iii) Other changes include movements in insurance contract liabilities arising from adjustments to remove the incurred non-cash expenses (such as depreciation and amortisation) from insurance contract asset and liability balances. In 2024, Other changes also included the net insurance and reinsurance liabilities of businesses classified as held for sale.

Contractual service margin

The following tables illustrate when the Group expects to recognise the remaining CSM in profit or loss after the reporting date based on the assumptions and economics in place at the year ends shown. Future new business is excluded.

(i) Insurance contracts – expected recognition of the CSM

	31 Dec 2025 \$m		
	Total as reported on the consolidated statement of financial position	Group's share relating to JVs and associates	Total including Group's share relating to JVs and associates
1 year or less	2,295	213	2,508
After 1 year to 2 years	2,040	185	2,225
After 2 years to 3 years	1,835	160	1,995
After 3 years to 4 years	1,634	140	1,774
After 4 years to 5 years	1,471	124	1,595
After 5 years to 10 years	5,261	444	5,705
After 10 years to 15 years	3,424	303	3,727
After 15 years to 20 years	2,091	211	2,302
After 20 years	3,189	398	3,587
Total insurance CSM	23,240	2,178	25,418

	31 Dec 2024 \$m		
	Total as reported on the consolidated statement of financial position	Group's share relating to JVs and associates	Total including Group's share relating to JVs and associates
1 year or less	2,092	214	2,306
After 1 year to 2 years	1,863	181	2,044
After 2 years to 3 years	1,666	156	1,822
After 3 years to 4 years	1,495	136	1,631
After 4 years to 5 years	1,323	119	1,442
After 5 years to 10 years	4,653	436	5,089
After 10 years to 15 years	2,988	278	3,266
After 15 years to 20 years	1,777	187	1,964
After 20 years	2,573	324	2,897
Total insurance CSM	20,430	2,031	22,461

(ii) Reinsurance contracts – expected recognition of the CSM

	31 Dec 2025 \$m		
	Total as reported on the consolidated statement of financial position	Group's share relating to JVs and associates	Total including Group's share relating to JVs and associates
1 year or less	(65)	7	(58)
After 1 year to 2 years	(56)	7	(49)
After 2 years to 3 years	(50)	6	(44)
After 3 years to 4 years	(47)	6	(41)
After 4 years to 5 years	(43)	6	(37)
After 5 years to 10 years	(128)	23	(105)
After 10 years to 15 years	(58)	16	(42)
After 15 years to 20 years	(36)	20	(16)
After 20 years	(61)	40	(21)
Total reinsurance CSM	(544)	131	(413)

	31 Dec 2024 \$m		
	Total as reported on the consolidated statement of financial position	Group's share relating to JVs and associates	Total including Group's share relating to JVs and associates
1 year or less	(55)	(4)	(59)
After 1 year to 2 years	(48)	2	(46)
After 2 years to 3 years	(45)	2	(43)
After 3 years to 4 years	(40)	2	(38)
After 4 years to 5 years	(37)	1	(36)
After 5 years to 10 years	(125)	5	(120)
After 10 years to 15 years	(64)	2	(62)
After 15 years to 20 years	(36)	1	(35)
After 20 years	(60)	(2)	(62)
Total reinsurance CSM	(510)	9	(501)

C4 Intangible assets

C4.1 Goodwill

Goodwill shown on the Consolidated statement of financial position represents amounts allocated to businesses in Asia in respect of both acquired asset management and life businesses.

	2025 \$m	2024 \$m
Carrying value at 1 Jan	848	896
Exchange differences	54	(7)
Reclassification as held for sale	–	(41)
Carrying value at 31 Dec	902	848

C4.2 Other intangible assets

	2025 \$m			2024 \$m		
	Distribution rights note (i)	Other intangibles note (ii)	Total	Distribution rights note (i)	Other intangibles note (ii)	Total
Balance at 1 Jan						
Cost	5,762	570	6,332	5,585	537	6,122
Accumulated amortisation and other charges	(2,203)	(305)	(2,508)	(1,876)	(260)	(2,136)
	3,559	265	3,824	3,709	277	3,986
Additions	491	48	539	198	62	260
Amortisation and other charges	(389)	(62)	(451)	(331)	(58)	(389)
Disposals and transfers	–	(3)	(3)	(4)	(14)	(18)
Exchange differences and other movements	38	11	49	(13)	(2)	(15)
Balance at 31 Dec	3,699	259	3,958	3,559	265	3,824
Comprising:						
Cost	6,302	624	6,926	5,762	570	6,332
Accumulated amortisation and other charges	(2,603)	(365)	(2,968)	(2,203)	(305)	(2,508)
Balance at 31 Dec	3,699	259	3,958	3,559	265	3,824

Notes

- (i) Distribution rights relate to amounts that have been paid or have become unconditionally due for payment as a result of past events in respect of the bancassurance partnership arrangements for the bank distribution of Prudential's insurance products for a fixed period of time. The distribution rights amounts are amortised on a basis to reflect the pattern in which the future economic benefits are expected to be consumed by reference to new business production levels.
- (ii) Included within other intangibles are software and licence fees.

C5 Borrowings

C5.1 Core structural borrowings of shareholder-financed businesses

	31 Dec 2025 \$m	31 Dec 2024 \$m
Subordinated debt		
US\$750m 4.875% notes	750	750
£435m 6.125% notes 2031	583	542
US\$1,000m 2.95% notes 2033	998	997
SGD 600m 3.80% notes 2035 ^{note (i)}	464	–
Senior debt ^{note (ii)}		
£250m 5.875% notes 2029	325	299
US\$1,000m 3.125% notes 2030	992	990
US\$350m 3.625% notes 2032	347	347
Total core structural borrowings of shareholder-financed businesses	4,459	3,925

Notes

- (i) On 22 May 2025, Prudential Funding (Asia) plc, a wholly owned subsidiary of the Group, issued SGD 600 million 3.80 per cent subordinated debt maturing on 22 May 2035 with proceeds, net of costs, of US\$462 million. Under IFRS 9, the Group has designated this SGD-denominated borrowing as a net investment hedge of the currency risk related to the Group's investment in the Singapore business.
- (ii) The senior debt ranks above subordinated debt in the event of liquidation.

C5.2 Operational borrowings

	31 Dec 2025 \$m	31 Dec 2024 \$m
Borrowings in respect of short-term fixed income securities programmes (commercial paper)	520	527
Lease liabilities under IFRS 16	310	257
Other borrowings	1	13
Total operational borrowings	831	797

C6 Risk and sensitivity analysis

The Group's risk framework and the management of risks attaching to the Group's consolidated financial statements including financial assets, financial liabilities and insurance liabilities, together with the inter-relationship with the management of capital, have been included in the Risk review report.

The financial and insurance assets and liabilities on the Group's statement of financial position are, to varying degrees, subject to market and insurance risk and other changes of assumptions that may have an effect on IFRS basis profit or loss and shareholders' equity as described below. The market and insurance risks and also sustainability-related risks, including how they affect Group's operations and how these are managed, are discussed in the Risk review report referred to above. The sustainability-related risks discussed in the Risk review report include in particular the potential long-term impact of environmental risks associated with climate change (including physical and transition risks) on the Group's investments and liabilities.

The Group benefits from diversification achieved through the geographical spread of the Group's operations and, within those operations, through a broad mix of product types. The simplified sensitivities below are calculated at the individual business unit level and aggregated to show the Group impact and no group-level adjustments from diversification have been made.

Relevant correlation factors include:

- Correlation across geographic regions for both financial and non-financial risk factors; and
- Correlation across risk factors for mortality and morbidity, expenses, persistency and other risks.

The geographical diversity of the Group's business means that it has some exposure to the risk of foreign exchange rate fluctuations where a group undertaking has a functional currency that differs from the US dollar, the Group's presentation currency. Consistent with the Group's accounting policies, the profits of these business units are translated at average exchange rates and shareholders' equity at the closing rate for the reporting period. For 2025 and 2024, the rates for the most significant operations are given in note A1. The Group has no exposure to currency fluctuation from business units that operate in USD, or currencies pegged to the USD (such as HKD), and reduced exposure to currencies partially managed to the USD within a basket of currencies (such as SGD). The impact of changes of foreign exchange rates on the Group's assets and liabilities from the above exposure, after reflecting the impact of the designated net investment hedge, is recorded as part of other comprehensive income and in 2025 represented a gain of \$443 million (2024: loss of \$(309) million), which corresponds to 3 per cent of opening shareholders' equity (2024: 2 per cent). Additionally, note B1.1 'Segment results' shows the Group's segment and total profit for 2024 as if it had been prepared using the same exchange rates as 2025 (ie on a CER basis) giving an indication of how foreign exchange rates impact the Group's profit or loss.

A 5 per cent decrease (weakening of the US dollar) or increase (strengthening of the US dollar) in these rates would have increased or decreased profit for the year and shareholders' equity of the Group respectively as follows:

Change in local currency to \$ exchange rates	31 Dec 2025 \$m		31 Dec 2024 \$m	
	Decrease of 5%	Increase of 5%	Decrease of 5%	Increase of 5%
Profit after tax for the year	123	(111)	102	(92)
Shareholders' equity	747	(676)	624	(565)

The Group is also exposed to foreign exchange gains and losses on assets and liabilities held by the Group's undertakings in a currency other than their functional currency. These will often be managed by derivatives or by having assets and liabilities that match in terms of currency.

C6.1 Sensitivity to key market risks

The table below shows the sensitivity of the Group's profit after tax, shareholders' equity and CSM as at 31 December 2025 and 2024 to the following market risks:

- 1 per cent increase and 0.5 per cent decrease in observable risk-free interest rates in isolation and subject to a floor of zero; and
- Instantaneous 10 per cent rise and 20 per cent fall in the market value of equity and property assets. The equity risk sensitivity analysis assumes that all equity indices fall by the same percentage.

The sensitivity results assume instantaneous market movements and hence reflect the current investment portfolio and all consequential impacts as at valuation date. If the economic conditions set out in the sensitivities persisted, the financial impacts may differ to the instantaneous impacts shown below. These sensitivity results allow for limited management actions such as changes to future policyholder bonuses and re-pricing for medical business, where applicable. In practice, the market movements would be expected to occur over time and rebalancing of investment portfolios would likely be carried out to mitigate the impact of the stresses as presented below. Management could also take additional actions to help mitigate the impact of these stresses, including but not limited to, market risk hedging, increased use of reinsurance, repricing of in-force benefits, changes to new business pricing and the mix of new business being sold.

The sensitivity of the Group's results to market risks primarily arises from the Group's insurance businesses.

The impact of changes in interest rates and equity values impacts both assets and liabilities. For assets backing insurance contract liabilities and those related liabilities, these impacts will vary depending on whether insurance contracts are classified as VFA or GMM. In addition, there will be impacts from other shareholder assets that back IFRS shareholders' equity rather than insurance contract liabilities. The vast majority of the Group's investments are classified as FVTPL and so movements as a result of interest rate and equity markets directly impact profit, unless they are offset by corresponding movements in the Group's liabilities.

For VFA contracts (which include the majority of the Group's participating and unit-linked contracts but not all), movements in underlying assets are matched by a movement in insurance liabilities. Changes in BEL and RA as a result of a change in discount rate or from changes in the variable fee (that is dependent on the value of underlying assets) are taken as a change to the CSM with no immediate impact on profit or shareholders' equity. There will, however, be an impact on profit and shareholders' equity from changes to the CSM amortisation as a result of changes both to the CSM and the discounting of the coverage units. Onerous contracts with no CSM will also have impacts going directly to the income statement.

For GMM contracts, the CSM is calculated on a locked-in basis (ie using discount rates applied at the dates of initial recognition of each group of contracts), whereas the BEL and RA are calculated using a current discount rate. This accounting mismatch passes through the income statement. The impact will depend on whether the BEL is an asset or a liability. For BEL assets, which are largely offset by CSM liabilities (ie for certain protection contracts where future premiums are expected to exceed future claims and expenses), increases in interest rates will reduce the BEL asset with no impact on the CSM liability and hence reduce profit. For a BEL liability, where the BEL and CSM liabilities are backed by invested assets (eg certain universal life contracts), there are likely to be offsetting asset impacts (for example BEL liabilities and bond values will both reduce as interest rates increase) and the impact on profit will be dependent on any mismatches between assets and liabilities together with the impact of the CSM being calculated on a locked-in basis.

For other shareholder assets that are not backing insurance contract liabilities, increases in interest rates and falls in equity markets reduce asset values, which under the Group's accounting policy pass directly through the income statement and hence reduce profit (vice versa for decreases in interest rates and increases in equity markets).

The income statement volatilities stated above lead to a volatility in the shareholders' equity to the same extent.

For the Group's asset management business, Eastspring, the profit for the period is sensitive to the level of assets under management as this significantly affects the value of management fees earned by the business in the current and future periods. Assets under management will rise and fall as market conditions change with a consequential impact on profitability. The effect on future asset management fees is not reflected in the table below.

In addition, Eastspring holds a small amount of investments directly on its balance sheet, including investments in respect of seeding capital into retail funds it sells to third parties (see note C1.1). Eastspring's profit will therefore have some direct exposure to the market movements of these investments.

At 31 December 2025 and 2024, the Group's central operations did not hold significant financial investments other than short-term deposits and money market funds held by the Group's treasury function for liquidity purposes and so there is immaterial sensitivity to market movements for these investments. In addition, the central operations hold some derivatives that are used to reduce or manage investment, interest rate and currency exposures.

Base values		2025 \$m	2024 \$m
Profit after tax for the year for the Group		4,119	2,415
Group shareholders' equity as at 31 Dec		20,117	17,492
CSM as at 31 Dec including JVs and associates		25,005	21,960

	31 Dec 2025 \$m		31 Dec 2024 \$m	
	-0.5%	+1%	-0.5%	+1%
Interest rates and consequential effects				
Increase (decrease) to shareholders' equity:				
Financial assets ^{note}	8,805	(15,413)	7,690	(13,462)
Net insurance contract liabilities (including CSM) ^{note}	(8,169)	14,000	(7,324)	12,474
Net effect on shareholders' equity	568	(1,222)	348	(878)
Increase (decrease) to profit after tax:				
Net effect on profit after tax	609	(1,299)	380	(940)
Increase (decrease) to CSM liability:				
CSM ^{note}	390	(1,069)	395	(975)

	31 Dec 2025 \$m		31 Dec 2024 \$m	
	-20%	+10%	-20%	+10%
Equity/property market values				
Increase (decrease) to shareholders' equity:				
Financial assets ^{note}	(16,935)	8,374	(14,133)	7,075
Net insurance contract liabilities (including CSM) ^{note}	15,802	(7,855)	13,132	(6,628)
Net effect on shareholders' equity	(756)	341	(689)	302
Increase (decrease) to profit after tax:				
Net effect on profit after tax	(817)	370	(738)	325
Increase (decrease) to CSM liability:				
CSM ^{note}	(1,937)	917	(1,479)	651

Note

The sensitivity effects shown above reflect the pre-tax effects on the financial assets, net insurance contract liabilities and CSM as presented on the Consolidated statement of financial position, together with the Group's share of the relevant amounts of its joint ventures and associates. Changes to the results of the Africa insurance operations from interest rate or equity price changes would not materially impact the Group's results.

The sensitivity of the Group's businesses presented as a whole at a given point in time will also be affected by a change in the relative size of the individual businesses.

The Group uses the segment measure 'adjusted operating profit' to review the performance of the business (see note B1.2 for how this measure is determined). The impact on adjusted operating profit will be more muted than on total profit as long-term asset returns are assumed for surplus assets held by the Group's insurance businesses and long-term spreads are assumed for GMM business. Adjusted operating profit will be impacted by changes in CSM amortisation for VFA business following the impact of economic changes on underlying assets and discount rates that impact the value of variable fees, and on the value of onerous contracts losses (or reversal thereof) taken directly to the income statement excluding those contracts that meet the criteria where gains and losses can be shared across cohorts discussed in note B1.2. The changes in CSM amortisation result from changes both to the CSM and the discounting of the coverage units.

The pre-tax adjusted operating profit impacts for a decrease of 0.5 per cent and an increase of 1.0 per cent in interest rates were \$(45) million and \$25 million (2024: \$(48) million and \$21 million), respectively.

The pre-tax adjusted operating profit impacts for a decrease of 20 per cent and an increase of 10 per cent in equity/property market values were \$(237) million and \$99 million (2024: \$(201) million and \$85 million), respectively.

C6.2 Sensitivity to insurance risks

For insurance operations, adverse persistency experience can impact the overall IFRS profitability of certain types of business written. This risk is managed at a business unit level through regular monitoring of experience and the implementation of management actions as necessary. These actions could include product enhancements or increased management focus on premium collection, as well as other customer retention efforts. The potential financial impact of lapses is often mitigated through the specific features of the products, eg surrender charges, or through the availability of premium holiday or partial withdrawal policy features. The effects of these management actions have not been factored into the sensitivities below.

In addition, many of the business units are exposed to mortality and morbidity risk and changes in maintenance expense level.

Changes to the assumed levels of persistency, mortality, morbidity and expenses from that when the contract is first recognised will impact the overall profitability of the insurance contract. These risks are managed on a portfolio basis and reinsurance can be used to mitigate the risk the Group has. In particular for certain medical contracts, product repricing is a key management action that is embedded in the process to mitigate morbidity risk. A degree of medical product repricing is assumed to have been undertaken in the mortality and morbidity sensitivity results shown in the table below.

In terms of the impact on the Group's financial results, changes to shareholders' equity or profit or loss will occur over the life of the contract, as changes to future cash flows from altered assumptions are recognised as an increase or decrease of CSM (except for onerous contracts), which is then amortised to profit and loss (and hence shareholders' equity) over time.

The table below shows how the shareholders' equity and CSM would have increased or decreased if changes in the future assumptions in insurance risk that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities both before and after risk mitigation by reinsurance and assumes that the other variables remain constant.

	2025 \$m			
	Net effect on shareholders' equity and profit after tax attributable to equity holders		Net effect on CSM	
	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
Sensitivity to insurance risk:				
Maintenance expenses – 10% increase	(77)	(75)	(487)	(489)
Lapse rates – 10% increase	(152)	(110)	(1,620)	(1,775)
Mortality and morbidity – 5% increase	(115)	(105)	(813)	(341)

	2024 \$m			
	Net effect on shareholders' equity and profit after tax attributable to equity holders		Net effect on CSM	
	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
Sensitivity to insurance risk:				
Maintenance expenses – 10% increase	(73)	(72)	(422)	(424)
Lapse rates – 10% increase	(97)	(72)	(1,435)	(1,593)
Mortality and morbidity – 5% increase	(110)	(108)	(689)	(269)

The pre-tax adjusted operating profit impacts, net of reinsurance, for a 10 per cent increase in maintenance expenses, a 10 per cent increase in lapse rates and a 5 per cent increase in mortality and morbidity were \$(67) million, \$(115) million and \$(94) million (2024: \$(67) million, \$(105) million and \$(97) million), respectively.

A 10 per cent decrease in the maintenance expense and lapse rate assumptions would have a broadly similar opposite effect on profit and shareholders' equity to the sensitivities shown above. The effect from a 5 per cent decrease in mortality and morbidity assumptions is dependent on the degree of product repricing assumed to have been undertaken.

C7 Tax assets and liabilities

C7.1 Current tax

At 31 December 2025, of the \$77 million (31 December 2024: \$31 million) current tax recoverable, the majority is expected to be recovered within 12 months of the reporting period.

At 31 December 2025, the current tax liability of \$273 million (31 December 2024: \$238 million) includes \$77 million (31 December 2024: \$95 million) of provisions for uncertain tax matters. Further detail is provided in note B3.2.

C7.2 Deferred tax

The statement of financial position contains deferred tax assets of \$119 million (31 December 2024: \$142 million) and deferred tax liabilities of \$1,830 million (31 December 2024: \$1,514 million), which are presented on a net basis in each of the categories below for the purpose of this movement analysis only:

	2025 \$m			
	Net deferred tax liabilities (assets) at 1 Jan	Movement in income statement	Other movements including foreign exchange movements	Net deferred tax liabilities (assets) at 31 Dec
Unrealised losses or gains on investments	148	71	6	225
Balances relating to insurance and reinsurance contracts	1,408	190	78	1,676
Short-term temporary differences	(60)	22	–	(38)
Unused tax losses	(124)	(20)	(8)	(152)
Net deferred tax liabilities	1,372	263	76	1,711

2024 \$m

	Net deferred tax liabilities (assets) at 1 Jan	Movement in income statement	Other movements including foreign exchange movements	Net deferred tax liabilities (assets) at 31 Dec
Unrealised losses or gains on investments	129	32	(13)	148
Balances relating to insurance and reinsurance contracts	1,170	260	(22)	1,408
Short-term temporary differences	(94)	28	6	(60)
Unused tax losses	(111)	(17)	4	(124)
Net deferred tax liabilities	1,094	303	(25)	1,372

At 31 December 2025, the Group has applied the mandatory exemption from recognising and disclosing information on deferred tax assets and liabilities in respect of Pillar Two income taxes as required by IAS 12 'Income Taxes'.

C8 Share capital, share premium and own shares

Issued shares of 5p each fully paid	2025			2024		
	Number of ordinary shares	Share capital \$m	Share premium \$m	Number of ordinary shares	Share capital \$m	Share premium \$m
Balance at 1 Jan	2,657,521,888	176	5,009	2,753,520,756	183	5,009
Shares issued under share-based schemes	5,162	–	2	758,708	–	–
Shares issued under scrip dividends	2,197,669	–	–	2,813,929	–	–
Shares cancelled on repurchases/buybacks	(111,510,940)	(7)	–	(99,571,505)	(7)	–
Balance at 31 Dec	2,548,213,779	169	5,011	2,657,521,888	176	5,009

Options outstanding under save as you earn schemes to subscribe for shares at each year end shown below are as follows:

	Number of shares to subscribe for	Share price range		Exercisable by year
		from (in pence)	to (in pence)	
31 Dec 2025	1,529,193	520p	1,202p	2031
31 Dec 2024	1,660,096	520p	1,202p	2030

Transactions by Prudential plc and its subsidiaries in Prudential plc shares

(a) Purchases by employee share scheme trusts

The Group buys and sells Prudential plc shares ('own shares') in relation to its employee share schemes through the trusts established to facilitate the delivery of shares under employee incentive plans.

During the year, a total of 8.4 million shares (2024: 10.0 million shares) were acquired in relation to employee share schemes by the trusts and for members under employee share purchase plans. The cost of acquiring these shares, was \$101.1 million (2024: \$96.8 million). The cost in USD shown has been calculated from the share prices in the purchase currency (pound sterling or Hong Kong dollar) using the monthly average exchange rate for the month in which those shares were purchased. A portion of these share purchases were made on the Hong Kong Stock Exchange with the remainder being made on the London Stock Exchange. At 31 December 2025, 16.6 million (31 December 2024: 14.9 million) Prudential plc shares were held in the trusts.

(b) Share repurchase/buyback programmes by the Company

The Company made the following purchases during the years shown:

	2025 \$m	2024 \$m
Share repurchases to neutralise share scheme issuances	–	48
Share repurchases to neutralise impact of scrip dividend	33	23
Share buyback programme to return capital to shareholders (excluding costs)	1,211	785
Total cash paid on repurchases and buybacks (excluding costs)	1,244	856
Costs associated with buyback	8	4
Redemption liability/release associated with buyback	(18)	18
Total cost recognised in retained earnings on share repurchases and buybacks	1,234	878

The table below shows the details of the purchases on a monthly basis during 2025. The cost in USD shown has been calculated from the share prices in pounds sterling using the daily spot rate on which those shares were purchased.

	Number of shares	Share price		Cost \$
		Low £	High £	
January	14,027,963	5.96	6.94	109,413,773
February	11,016,784	6.54	7.44	95,544,892
March	8,650,128	7.13	8.46	85,272,071
April	17,449,798	6.88	8.43	170,975,804
May	8,643,151	7.87	8.86	97,762,906
June	12,643,798	8.38	9.39	152,102,793
July	7,382,557	8.96	9.68	92,009,220
August	6,105,457	9.34	10.09	79,993,894
September	6,282,320	9.56	10.59	86,067,429
October	6,632,794	9.71	10.74	91,145,576
November	5,645,846	10.30	11.08	79,336,077
December	7,030,344	10.69	11.51	104,361,333
Total	111,510,940			1,243,985,768

On 23 June 2024, the Company announced a \$2 billion share buyback programme to reduce the issued share capital of the Company in order to return capital to shareholders. The first tranche of \$700 million was completed on 15 November 2024, followed by the second tranche of \$800 million completed on 26 June 2025. The third and final tranche of \$500 million was completed on 23 December 2025. On 6 January 2026, the Company announced the launch of a new \$1.2 billion share buyback programme as described in note D3.

As at 31 December 2025, 201.4 million ordinary shares in aggregate have been repurchased under the \$2 billion share buyback programme for a total consideration of \$1,996 million excluding costs. In 2025, 109.3 million ordinary shares were purchased for a total consideration of \$1,211 million, excluding costs of \$8 million.

In December 2025, the Company completed a share buyback programme to offset dilution from the issue of shares under its scrip dividend alternative. The Company repurchased 2.2 million ordinary shares in aggregate for a total consideration of \$33 million.

All of these share purchases were made on the London Stock Exchange, their associates, and/or other regulated exchanges in the UK and the shares purchased were cancelled after settlement. The nominal value of the shares cancelled in 2025 was \$7 million. On cancellation, the nominal value was transferred from the share capital to the capital redemption reserve account.

Other than as disclosed above, the Company and its subsidiaries did not purchase, sell or redeem any Prudential plc listed securities during 2025.

D Other information

D1 Contingencies and related obligations

The Group is involved in various litigation and regulatory proceedings from time to time. While the outcome of such litigation and regulatory issues cannot be predicted with certainty, the Group believes that the ultimate outcome of any current or pending matters will not have a material adverse effect on the Group's financial condition, results of operations or cash flows.

D2 Ownership interest in Prudential Assurance Malaysia Berhad

Settlement reached in Malaysian dividend dispute

On 31 July 2025, Prudential announced that it has reached a full and final settlement regarding a dividend claim made by Detik Ria Sdn Bhd ('Detik Ria'), the 49 per cent shareholder in Sri Han Suria Sdn Bhd ('SHS'), the holding company of Prudential Assurance Malaysia Berhad ('PAMB').

Detik Ria had initiated legal proceedings against Prudential in April 2025 regarding dividends for the equivalent of approximately \$830 million plus interest at a rate of 5 per cent. As a result of the settlement, the equivalent of \$83 million was paid to Detik Ria by way of a dividend from SHS, which was paid out of existing resources. In addition, Prudential has waived the equivalent of \$33 million which was owed by Detik Ria to one of Prudential's subsidiaries as a result of the Federal Court decision disclosed in the Group's consolidated financial statements for the year ended 31 December 2024.

All proceedings in respect of the dispute have been withdrawn. The settlement also provides for a mutual release of all liability from all ongoing claims and parties have agreed not to raise new claims for historic matters. It is governed by the laws of England and Wales and subject to Singapore arbitration.

In aggregate, the effect of the settlement was a small increment to the Group's shareholder equity, which has been reflected in these consolidated financial statements.

Increase in ownership interest in January 2026

On 22 January 2026, the Company announced that Prudential Corporation Holdings Limited, a wholly-owned subsidiary of the Group, had signed an agreement to acquire a further 19 per cent of Sri Han Suria Sdn. Bhd. (SHS), the holding company that owns Prudential Assurance Malaysia Berhad (PAMB) from Detik Ria Sdn. Bhd. (Detik Ria) for RM1.52 billion (approximately \$375 million using the exchange rate on 21 January 2026 midday (Hong Kong time)). The transaction was completed on 30 January 2026. PAMB is the Group's conventional life insurance business in Malaysia. This transaction, which has been approved by Bank Negara Malaysia, increases the Group's stake in SHS from 51 per cent to 70 per cent.

The Group will continue to consolidate the business of PAMB as a subsidiary controlled by the Group. Further, the Group's operating performance metrics continue to be presented before the effect of non-controlling interests in line with the Group's policy. The proportion of profit after tax and equity of the conventional life insurance business in Malaysia attributed to non-controlling interests in the 2026 consolidated financial statements will reflect a reduction in Detik Ria's non-controlling interest in SHS from 49 per cent to 30 per cent.

D3 Post balance sheet events

Dividends

The 2025 second interim dividend approved by the Board of Directors after 31 December 2025 is described in note B4.

\$1.2 billion share buyback programme

On 6 January 2026, the Company announced the commencement of a new share buyback programme up to a maximum aggregate amount of \$1.2 billion to reduce the issued share capital of the Company in order to return capital to shareholders comprising \$500 million of recurring capital returns and \$700 million of net proceeds from the IPO of ICICI Prudential Asset Management Company Limited. The balance of the net proceeds from the IPO will be returned to shareholders during 2027. It is intended that the announced buyback programme will be completed by no later than 18 December 2026.

Increase in ownership interest in Prudential Assurance Malaysia Berhad

The Group signed an agreement on 22 January 2026 to acquire a further 19 per cent interest in the conventional life insurance business in Malaysia, as described in note D2.