Index to Traditional Embedded Value (TEV) basis results

Basis of preparation

In addition to IFRS reporting, Prudential has, from the first quarter of 2025, chosen to prepare a set of supplementary results on a Traditional Embedded Value (TEV) basis. The results have been determined in accordance with the methodology and assumptions set out in notes 6 and 7. All results are stated net of tax and converted using actual exchange rates (AER) unless otherwise stated. AER are actual historical exchange rates for the relevant accounting period. Constant exchange rates (CER) results are calculated by translating prior year results using current year foreign currency exchange rates, ie current year average rates for the income statement and current year closing rates for the balance sheet.

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

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

TEV results highlights

	2025	2024				
	Half year	Half year				Full year
		AER		CER		AER
	$m	$m	% change	$m	% change	$m
New business profit (NBP) note (i)	**1,260**	1,121	12%	1,130	12%	2,464
Annual premium equivalent (APE) sales note (i)	**3,288**	3,111	6%	3,136	5%	6,202
New business margin on APE (%)	**38%**	36%	+2pp	36%	+2pp	40%
Present value of new business premiums (PVNBP) note (i)	**14,886**	13,527	10%	13,639	9%	29,034
Gross operating free surplus generated from in-force insurance and asset management businesses notes (i)(ii)	**1,560**	1,370	14 %	1,373	14%	2,666
Operating free surplus generated from insurance and asset management businesses notes (i)(ii)	**1,157**	1,000	16%	1,008	15%	1,984
TEV operating profit notes (i)(iii)	**2,240**	1,913	17%	1,929	16%	4,095
TEV operating profit, net of non-controlling interests	**2,165**	1,857	17%	1,870	16%	3,970
Operating return on Group TEV (%) note (iv)	**15%**	13%				14%
Closing Group TEV equity, net of non-controlling interests	**35,000**	33,526	4%	34,433	2%	34,267
Closing Group TEV equity, net of non-controlling interests per share (in cents)	**1,354¢**	1,220¢	11%	1,253¢	8%	1,289¢

Notes

(i) Results are presented before deducting the amounts attributable to non-controlling interests. This presentation is applied consistently throughout this document, unless stated otherwise.

(ii) Stated before restructuring costs, centrally incurred costs and eliminations.

(iii) TEV operating profit is stated after restructuring costs, centrally incurred costs and eliminations.

(iv) Operating return on Group TEV is calculated as TEV operating profit for the period, after non-controlling interests, as a percentage of opening Group TEV, excluding distribution rights and other intangibles. Operating profit and Group TEV are net of non-controlling interests. By definition Group TEV excludes goodwill. Half year profits are annualised by multiplying by two.

Movement in Group TEV equity

		2025 $m			2024 $m	
		Half year			Half year	Full year
	Note	Insurance and asset management operations	Other (central) operations	Group total	Group total	Group total
New business profit	1	**1,291**	**(31)**	**1,260**	1,121	2,464
Profit from in-force business	2	**1,154**	**–**	**1,154**	960	1,967
Insurance business		**2,445**	**(31)**	**2,414**	2,081	4,431
Asset management business		**146**	**–**	**146**	142	275
Operating profit (loss) from insurance and asset management businesses		**2,591**	**(31)**	**2,560**	2,223	4,706
Change in allowance for corporate expenditure and other central costs incurred in the period	4	**–**	**(236)**	**(236)**	(214)	(414)
Operating profit (loss) before restructuring costs		**2,591**	**(267)**	**2,324**	2,009	4,292
Restructuring costs		**(21)**	**(63)**	**(84)**	(96)	(197)
Operating profit (loss) for the period		**2,570**	**(330)**	**2,240**	1,913	4,095
Non-operating results	2	**(1,097)**	**(72)**	**(1,169)**	68	(566)
Profit (loss) for the period		**1,473**	**(402)**	**1,071**	1,981	3,529
Non-controlling interests' share of profit		**(32)**	**–**	**(32)**	(38)	(85)
Profit (loss) for the period attributable to equity holders of the Company		**1,441**	**(402)**	**1,039**	1,943	3,444
Foreign exchange movements		**841**	**(9)**	**832**	(669)	(526)
Intra-group dividends and investment in operations note (i)		**(1,813)**	**1,813**	**–**	–	–
Dividends, net of scrip dividends		**–**	**(426)**	**(426)**	(390)	(552)
Adjustment to non-controlling interest for Malaysia conventional life business on 1 Jan 2024		**–**	**–**	**–**	(1,375)	(1,375)
Share repurchases/buybacks note (ii)		**–**	**(697)**	**(697)**	(123)	(878)
Other equity movements note (iii)		**64**	**(79)**	**(15)**	(31)	(17)
Net increase (decrease) in Group TEV equity		**533**	**200**	**733**	(645)	96
Group TEV equity at beginning of period		**34,688**	**(421)**	**34,267**	34,171	34,171
Group TEV equity at end of period		**35,221**	**(221)**	**35,000**	33,526	34,267
Contribution to Group TEV equity at end of period:						
Insurance business	2	**33,777**	**–**	**33,777**	31,651	33,261
Asset management and other	4	**673**	**1,863**	**2,536**	3,191	2,348
Provision for future central corporate expenditure		**–**	**(2,084)**	**(2,084)**	(2,030)	(2,078)
Group TEV		**34,450**	**(221)**	**34,229**	32,812	33,531
Goodwill attributable to equity holders		**771**	**–**	**771**	714	736
Group TEV equity at end of period		**35,221**	**(221)**	**35,000**	33,526	34,267

Movement in Group TEV equity continued

Group TEV equity per share (in cents) note (iv)	2025 Half year Insurance and asset management operations	2025 Half year Other (central) operations	2025 Half year Group total	2024 Half year Group total note (vi)	2024 Full year Group total
At end of period					
Based on Group TEV (ie excluding goodwill attributable to equity holders)	**1,333¢**	**(9)¢**	**1,324¢**	1,194¢	1,262¢
Based on Group TEV equity at end of period	**1,363¢**	**(9)¢**	**1,354¢**	1,220¢	1,289¢
At beginning of period					
Based on Group TEV (ie excluding goodwill attributable to equity holders)	**1,278¢**	**(16)¢**	**1,262¢**	1,257¢	1,257¢
Based on Group TEV equity at beginning of period	**1,305¢**	**(16)¢**	**1,289¢**	1,286¢	1,286¢

TEV basis basic earnings per share note (v)	2025 Half year Basic earnings per share cents	2024 Half year Basic earnings per share cents	2024 Full year Basic earnings per share cents
Based on operating profit	**83.0¢**	67.8¢	146.2¢
Based on profit for the period	**39.8¢**	70.9¢	126.9¢

Notes

(i) Intra-group dividends represent dividends that have been paid in the period. Investment in operations reflects movements in share capital.

(ii) Further details on the share buyback/repurchase by the Company are provided in note C7 of IFRS condensed consolidated financial statements.

(iii) Other movements include reserve movements in respect of share-based payments, treasury shares and intra-group transfers between operations that have no overall effect on the Group's shareholders' equity.

(iv) Based on the number of issued shares at 30 June 2025 of 2,585 million shares (30 June 2024: 2,748 million shares; 31 December 2024: 2,658 million shares).

(v) Based on weighted average number of issued shares in half year 2025 of 2,609 million shares (half year 2024: 2,740 million shares; full year 2024: 2,715 million shares), excluding those held in employee share trusts.

(vi) Supplementary TEV information for half year 2024 results, at the same level of granularity on a comparable basis, is set out in note 10.

Movement in Group free surplus

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

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

		2025 $m			2024 $m	
		Half year			Half year	Full year
	Note	Insurance and asset management operations	Other (central) operations	Group total	Group total	Group total
Expected transfer from in-force business		**1,371**	**–**	**1,371**	1,252	2,391
Expected return on existing free surplus		**167**	**–**	**167**	138	288
Changes in operating assumptions and experience variances		**(124)**	**–**	**(124)**	(162)	(288)
Operating free surplus generated from in-force insurance business	2	**1,414**	**–**	**1,414**	1,228	2,391
Asset management business		**146**	**–**	**146**	142	275
Operating free surplus generated from in-force insurance and asset management businesses		**1,560**	**–**	**1,560**	1,370	2,666
Investment in new business note (i)	2	**(403)**	**(31)**	**(434)**	(397)	(744)
		1,157	**(31)**	**1,126**	973	1,922
Other expenditure		**–**	**(230)**	**(230)**	(209)	(361)
Restructuring costs		**(21)**	**(63)**	**(84)**	(96)	(197)
Operating free surplus generated		**1,136**	**(324)**	**812**	668	1,364
Non-operating free surplus generated note (ii)		**(273)**	**25**	**(248)**	(667)	323
Free surplus generated for the period		**863**	**(299)**	**564**	1	1,687
Net cash flows paid to parent company note (iii)		**(1,548)**	**1,548**	**–**	–	–
Dividends, net of scrip dividends		**–**	**(426)**	**(426)**	(390)	(552)
Foreign exchange movements		**150**	**(3)**	**147**	(141)	(141)
Share repurchases/buybacks		**–**	**(697)**	**(697)**	(123)	(878)
Issuance of subordinated debt, net of costs		**–**	**462**	**462**	–	–
Other equity movements		**(201)**	**186**	**(15)**	(28)	(19)
Net (decrease) increase in free surplus before non-controlling interests		**(736)**	**771**	**35**	(681)	97
Adjustment to non-controlling interest for Malaysia conventional life business on 1 Jan 2024		**–**	**–**	**–**	(161)	(161)
Non-controlling interests' share of free surplus generated		**–**	**–**	**–**	(24)	(33)
Balance at beginning of period		**7,302**	**5,056**	**12,358**	12,455	12,455
Balance at end of period		**6,566**	**5,827**	**12,393**	11,589	12,358
Representing:						
Free surplus excluding distribution rights and other intangibles		**5,465**	**3,055**	**8,520**	7,908	8,604
Distribution rights and other intangibles		**1,101**	**2,772**	**3,873**	3,681	3,754
Balance at end of period		**6,566**	**5,827**	**12,393**	11,589	12,358

Movement in Group free surplus continued

Contribution to Group free surplus at end of period:	Note	2025 $m 30 Jun Insurance and asset management operations	2025 $m 30 Jun Other (central) operations	2025 $m 30 Jun Group total	2024 $m 30 Jun Group total note (iv)	2024 $m 31 Dec Group total
Insurance business	2	**5,893**	**–**	**5,893**	5,046	6,611
Asset management and other businesses		**673**	**5,827**	**6,500**	6,543	5,747
Total at end of period		**6,566**	**5,827**	**12,393**	11,589	12,358

Notes

(i) Free surplus invested in new business primarily represents acquisition costs and amounts set aside for required capital.

(ii) Non-operating free surplus generated for other (central) operations represents the post-tax IFRS basis short-term fluctuations in investment returns, the movement in the mark-to-market value adjustment on core structural borrowings that did not meet the qualifying conditions as set out in the Insurance (Group Capital) Rules and the gain or loss on corporate transactions, if any, undertaken in the period.

(iii) Net cash flows to parent company reflect the cash remittances as included in the holding company cash flow at transaction rates. The difference to the intra-group dividends and investment in operations in the movement in Group TEV equity primarily relates to intra-group loans, foreign exchange movements, timing differences and other non-cash items.

(iv) Supplementary TEV information for half year 2024 results, at the same level of granularity on a comparable basis, is set out in note 10.

Notes to the TEV basis results

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

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

	Half year 2024 AER					
	New business profit (NBP)	Annual premium equivalent (APE)	Present value of new business premiums (PVNBP)	New business margin on APE	New business margin on PVNBP	Closing TEV
	$m	$m	$m	%	%	$m
Hong Kong	464	955	4,496	49%	10%	12,757
Indonesia	39	107	421	36%	9%	1,178
Mainland China (Prudential's share)	145	324	1,031	45%	14%	3,210
Malaysia	47	191	788	25%	6%	2,972
Singapore	173	450	2,558	38%	7%	6,013
Growth markets and other	280	1,084	4,233	26%	7%	6,992
Non-controlling interests' share of embedded value						(1,471)
Total insurance business	1,148	3,111	13,527	37%	8%	31,651
Less central costs allocated to new business	(27)					
Total Group insurance business	1,121	3,111	13,527	36%	8%	

	Half year 2024 CER					
	New business profit (NBP)	Annual premium equivalent (APE)	Present value of new business premiums (PVNBP)	New business margin on APE	New business margin on PVNBP	Closing TEV
	$m	$m	$m	%	%	$m
Hong Kong	466	958	4,511	49%	10%	12,688
Indonesia	38	104	408	37%	9%	1,188
Mainland China (Prudential's share)	144	322	1,025	45%	14%	3,255
Malaysia	50	206	851	24%	6%	3,330
Singapore	176	458	2,603	38%	7%	6,399
Growth markets and other	284	1,088	4,241	26%	7%	7,340
Non-controlling interests' share of embedded value						(1,647)
Total insurance business	1,158	3,136	13,639	37%	8%	32,553
Less central costs allocated to new business	(28)					
Total Group insurance business	1,130	3,136	13,639	36%	8%	

	Full year 2024 AER					
	New business profit (NBP)	Annual premium equivalent (APE)	Present value of new business premiums (PVNBP)	New business margin on APE	New business margin on PVNBP	Closing TEV
	$m	$m	$m	%	%	$m
Hong Kong	1,091	2,063	10,865	53%	10%	13,876
Indonesia	110	262	1,068	42%	10%	1,256
Mainland China (Prudential's share)	221	464	1,530	48%	14%	2,860
Malaysia	105	406	1,731	26%	6%	3,254
Singapore	419	870	5,442	48%	8%	6,264
Growth markets and other	580	2,137	8,398	27%	7%	7,336
Non-controlling interests' share of embedded value						(1,585)
Total insurance business	2,526	6,202	29,034	41%	9%	33,261
Less central costs allocated to new business	(62)					
Total Group insurance business	2,464	6,202	29,034	40%	8%	

(a) Analysis of new business profit margin by quarter

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

	2025			2024 AER			2024 CER		
	NBP post central costs	**APE**	**New business margin on APE**	NBP post central costs	APE	New business margin on APE	NBP post central costs	APE	New business margin on APE
	$m	**$m**	**%**	$m	$m	%	$m	$m	%
Q1	**608**	**1,677**	**36%**	545	1,625	34%	543	1,609	34%
Q2	**652**	**1,610**	**40%**	576	1,488	39%	588	1,526	39%
Foreign exchange adjustment	**–**	**1**	**n/a**	–	(2)	n/a	(1)	1	n/a
Total half year	**1,260**	**3,288**	**38%**	1,121	3,111	36%	1,130	3,136	36%

The above table shows NBP, APE sales and new business margin for each discrete quarter of half year 2025 and half year 2024. Each quarter is prepared on the basis of economic assumptions at the start of each year (including the long-term economic assumptions as set out in note 7.1) and operating assumptions at the start of each quarter. Each quarter is shown on the basis of average exchange rates for the period concerned. The adjustment at the end of the period (where applicable) is to move new business profit to be based on the average exchange rates for the period in line with how the half year and full year TEV basis results have been prepared.

(b) Movement in new business profit

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

	$m
Half year 2024 new business profit (AER)	1,121
Foreign exchange movements	9
Half year 2024 new business profit (CER)	1,130
Sales volume	55
Business mix, product mix and other items	75
Half year 2025 new business profit	**1,260**

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

	2025 $m					2024 $m	
	Half year					Half year	Full year
	Free surplus	Required capital	Net worth	Value of in-force business	Embedded value	Embedded value	Embedded value
				note (b)	note (a)	note (a)	note (a)
Balance at beginning of period	6,611	6,410	13,021	20,240	33,261	32,474	32,474
New business contribution note (b)	(403)	371	(32)	1,323	1,291	1,148	2,526
Existing business – transfer to net worth	1,371	(122)	1,249	(1,249)	–	–	–
Expected return on existing business	167	142	309	965	1,274	1,193	2,366
Changes in operating assumptions, experience variances and other items note (c)	(124)	35	(89)	(31)	(120)	(233)	(399)
Operating profit before restructuring costs	1,011	426	1,437	1,008	2,445	2,108	4,493
Restructuring costs	(8)	–	(8)	–	(8)	(6)	(21)
Operating profit	1,003	426	1,429	1,008	2,437	2,102	4,472
Non-operating result note (d)	(266)	259	(7)	(1,083)	(1,090)	97	(708)
Profit for the period	737	685	1,422	(75)	1,347	2,199	3,764
Non-controlling interests' share of profit	4	(13)	(9)	(20)	(29)	(52)	(94)
Profit for the period attributable to equity holders of the Company	741	672	1,413	(95)	1,318	2,147	3,670
Foreign exchange movements	126	60	186	597	783	(655)	(468)
Intra-group dividends and investment in operations	(1,698)	(115)	(1,813)	115	(1,698)	(978)	(1,177)
Adjustment to non-controlling interest for Malaysia conventional life business on 1 Jan 2024	–	–	–	–	–	(1,404)	(1,404)
Other equity movements note (e)	113	–	113	–	113	67	166
Balance at end of period	5,893	7,027	12,920	20,857	33,777	31,651	33,261

(a) Total embedded value

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

	2025 $m	2024 $m	
	30 Jun	30 Jun	31 Dec
Free surplus	5,893	5,046	6,611
Required capital	7,027	5,971	6,410
Net worth	12,920	11,017	13,021
Value of in-force business before deduction of cost of capital	22,027	21,690	21,308
Cost of capital	(1,170)	(1,056)	(1,068)
Net value of in-force business	20,857	20,634	20,240
Embedded value	33,777	31,651	33,261

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

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

	2025 %		2024 %			
	Half year		Half year		Full year	
Product	VIF	NBP	VIF	NBP	VIF	NBP
Health & protection	47	33	44	37	46	40
Participating (Shareholder-backed)	7	30	4	27	5	29
Participating	28	16	30	10	29	11
Non-participating	3	15	7	18	5	15
Linked	15	6	15	8	15	5
Total	100	100	100	100	100	100

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

Overall the total impact of operating assumption changes, experience variances and other items in half year 2025 is $(120) million (half year 2024: $(233) million; full year 2024: $(399) million), comprising changes in operating assumptions of $35 million (half year 2024: $(49) million; full year 2024: $(45) million) and experience variances and other items of $(155) million (half year 2024: $(184) million; full year 2024: $(354) million). Included in the $(155) million is $(96) million (half year 2024: $(82) million) that was invested in building capabilities in the period.

(d) Non-operating results

The non-operating result each period comprises short-term fluctuations caused by changes in interest rates and other market movements, the effect of changes in economic assumptions and the impact of corporate transactions, if any, undertaken in the period. The half year 2025 non-operating result largely reflects the impact of a reduction in interest rates across most of our Asian markets with a consequential reduction in the investment return assumptions (which trend from current to long-term assumptions over time) with no change in the long-term discount rate to offset. It also reflects derisking activity in Mainland China. The half year 2024 non-operating result reflects interest rate rises in many Asian markets offset by the effects of a reduction in the long-term risk-free rate for Mainland China by 50 bps (which impacted fund earned rates and the risk discount rate).

(e) Other equity movements

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

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

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

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

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

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

New business profit from insurance business	**Half year 2025 $m**	Full year 2024 $m
Base value (before central costs)	**1,291**	2,526
Impact from alternative economic assumptions:		
Interest rates – 2% increase	**(32)**	(59)
Interest rates – 1% increase	**(19)**	(28)
Interest rates – 0.5% decrease	**10**	17
Equity and property returns and risk discount rates – 1% decrease	**166**	283
Risk discount rates – 2% increase	**(305)**	(565)
Risk discount rates – 1% increase	**(169)**	(311)
Foreign exchange rates – 5% increase	**(35)**	(68)
Foreign exchange rates – 5% decrease	**39**	75

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

Embedded value of insurance business	30 Jun 2025 $m	31 Dec 2024 $m
Base value*	**33,777**	33,261
Impact from alternative economic assumptions:		
Interest rates – 2% increase	**(3,904)**	(3,294)
Interest rates – 1% increase	**(2,018)**	(1,682)
Interest rates – 0.5% decrease	**1,146**	971
Equity/property market values – 20% fall	**(1,783)**	(1,684)
Equity and property returns and risk discount rates – 1% decrease	**1,953**	1,914
Risk discount rates – 2% increase	**(4,819)**	(4,778)
Risk discount rates – 1% increase	**(2,659)**	(2,637)
Foreign exchange rates – 5% increase	**(992)**	(921)
Foreign exchange rates – 5% decrease	**1,096**	1,018

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

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

4 TEV results for other (central) operations

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

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

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

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

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

	2025 $m	2024 $m	
	30 Jun	30 Jun	31 Dec
IFRS shareholders' equity	**1,739**	2,238	1,426
Mark-to-market value adjustment on central borrowings note 5	**124**	282	231
Provision for future central corporate expenditure	**(2,084)**	(2,030)	(2,078)
Group TEV equity	**(221)**	490	(421)
IFRS shareholders' equity	**1,739**	2,238	1,426
Mark to market value adjustment on central borrowings	**124**	282	231
Debt instruments treated as capital resources	**3,964**	3,352	3,399
Free surplus at end of period	**5,827**	5,872	5,056

5 Net core structural borrowings of shareholder-financed businesses

	2025 $m			2024 $m			2024 $m		
	30 Jun			30 Jun			31 Dec		
	IFRS basis	Mark-to-market value adjustment	TEV basis at market value	IFRS basis	Mark-to-market value adjustment	TEV basis at market value	IFRS basis	Mark-to-market value adjustment	TEV basis at market value
	note (ii)	note (iii)		note (ii)	note (iii)		note (ii)	note (iii)	
Core structural borrowings:									
Subordinated debt	**2,808**	**(89)**	**2,719**	2,294	(180)	2,114	2,289	(141)	2,148
Senior debt	**1,665**	**(35)**	**1,630**	1,636	(102)	1,534	1,636	(90)	1,546
	4,473	**(124)**	**4,349**	3,930	(282)	3,648	3,925	(231)	3,694
Holding company cash and short-term investments note (i)	**(3,374)**	**–**	**(3,374)**	(3,971)	–	(3,971)	(2,916)	–	(2,916)
Net core structural borrowings of shareholder-financed businesses	**1,099**	**(124)**	**975**	(41)	(282)	(323)	1,009	(231)	778

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

	2025 $m	2024 $m	
	Half year	Half year	Full year
Mark-to-market value adjustment at beginning of period	**(231)**	(274)	(274)
Charge (credit) included in the income statement	**107**	(8)	43
Mark-to-market value adjustment at end of period	**(124)**	(282)	(231)

6 Methodology and accounting presentation

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

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

6.1 Methodology

(a) In-scope business

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

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

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

(b) Valuation of in-force and new business

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

The total profit that emerges over the lifetime of an individual contract as calculated under the TEV basis is the same as that calculated under the IFRS basis. Since the TEV basis reflects discounted future cash flows, under the TEV methodology the profit emergence is advanced, thus more closely aligning the timing of the recognition of profit with the efforts and risks of current management actions, particularly with regard to business sold during the period.

New business

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

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

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

(c) Cost of capital

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

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

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

(d) Investment return assumptions

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

(e) Level of required capital and net worth

In general net worth and required capital are set with reference to the applicable local statutory regime, with the level of required capital set based on the GWS capital at Group Prescribed Capital Requirement (GPCR) level. In certain circumstances where updates to the local statutory regime are imminent (ie due to be effective within 12 months) and specific conditions are met, the net worth and required capital may be set with reference to these prospective local statutory rules for TEV reporting. At 30 June 2025 all net worth amounts were based on regulatory reporting effective at that date.

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

– For Hong Kong business, the HK RBC framework requires liabilities to be valued on a best estimate basis and capital requirements to be risk based. Adjustments are made to TEV free surplus to better reflect how the business is managed. For example TEV free surplus excludes regulatory surplus that arises where HK RBC technical provisions are lower than policyholder asset shares. In addition, for participating business, the HK RBC regime recognises the value of future shareholder transfers on an economic basis as available capital with an associated required capital. Within TEV, the shareholder value of participating business continues to be recognised as VIF with no recognition within free surplus and no associated required capital.
– For Mainland China, the level of required capital follows the approach for embedded value reporting issued by the China Association of Actuaries (CAA) reflecting the C-ROSS regime. The CAA started a project to assess whether any changes are required to the embedded value guidance in Mainland China given changes in regulatory rules, regulations and the external market environment since the standard was first issued. To date, no outcomes have been proposed by the CAA and accordingly no changes have been made by Prudential to its approach to embedded value reporting for Mainland China. At such time that there is a new basis, Prudential will consider the effect of proposals.
– For Singapore life operations, the level of net worth and required capital is based on the Tier 1 capital position under the risk-based capital framework (RBC2), which removes certain negative reserves permitted to be recognised in the full RBC2 regulatory position applicable to the Group's GWS capital position, in order to better reflect free surplus and its generation.

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

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

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

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

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

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

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

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

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

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

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

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

The OECD Pillar Two tax rules, which include a global minimum tax and domestic minimum tax rate of 15 per cent, became effective for the whole Group in half year 2025, following enactment in Hong Kong. These tax rules are not expected to have a material impact on the Group TEV in periods where actual investment returns are in line with, or below, the expected long-term rates of return.

6.2 Accounting presentation

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

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

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

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

(c) Expected return on existing business
Expected return on existing business comprises the expected unwind of discounting effects on the opening value of in-force business and required capital and the expected return on existing free surplus. The unwind of discount and the expected return on existing free surplus are determined based on economic assumptions at the start of the year but allow for changes in operating assumptions in the period (ie opening

value is adjusted for the effect of changes in operating assumptions during the period). The expected return on net worth is based on long-term investment returns.

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

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

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

(f) Effect of changes in economic assumptions
Movements in the value of in-force business at the beginning of the year caused by changes in economic assumptions, are recorded in non-operating results.

7 Assumptions

7.1 Principal in-force economic assumptions

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

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

	30 Jun 2024 %				
In-force assumptions note (iii)	Current market 10-year government bond yield	Long-term 10-year government bond yield	Risk premium	In-force risk discount rate	Equity risk premium (geometric)
Hong Kong note (i)	4.4	3.2	4.5	7.7	3.5
Indonesia	7.2	6.3	6.3	12.6	4.3
Mainland China	2.2	2.9	6.0	8.9	4.0
Malaysia	3.9	3.9	4.0	7.9	3.5
Philippines	6.7	5.8	6.3	12.1	4.3
Singapore	3.2	2.7	4.0	6.7	3.5
Taiwan note (i)	4.4	3.2	3.5	6.7	3.5
Thailand	2.8	4.6	4.3	8.9	4.3
Vietnam	2.7	5.8	5.3	11.1	4.3
Total weighted average note (ii)	4.1	3.7	4.4	8.1	3.7

In-force assumptions note (iii)	31 Dec 2024 % Current market 10-year government bond yield	Long-term 10-year government bond yield	Risk premium	In-force risk discount rate	Equity risk premium (geometric)
Hong Kong note (i)	4.7	3.2	4.5	7.7	3.5
Indonesia	7.2	6.3	6.3	12.6	4.3
Mainland China	1.7	2.9	6.0	8.9	4.0
Malaysia	3.9	3.9	4.0	7.9	3.5
Philippines	6.2	5.8	6.3	12.1	4.3
Singapore	2.9	2.7	4.0	6.7	3.5
Taiwan note (i)	4.7	3.2	3.5	6.7	3.5
Thailand	2.3	4.6	4.3	8.9	4.3
Vietnam	2.8	5.8	5.3	11.1	4.3
Total weighted average note (ii)	4.1	3.7	4.4	8.1	3.6

Notes

(i) For Hong Kong and Taiwan, the assumptions shown are for US dollar denominated business. For other businesses, the assumptions shown are for local currency denominated business.

(ii) Total weighted average assumptions have been determined by weighting each business's assumptions by reference to the TEV basis closing net value of all in-force in scope businesses.

(iii) Expected long-term inflation assumptions range from 1.5 per cent to 4.3 per cent for all periods shown above.

7.2 Operating assumptions

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

(a) Demographic assumptions

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

(b) Expense assumptions

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

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

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

(c) Tax rates

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

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

8 Insurance new business

	Single premiums			Regular premiums			APE			PVNBP		
	2025 $m	2024 $m		**2025 $m**	2024 $m		**2025 $m**	2024 $m		**2025 $m**	2024 $m	
	Half year	Half year	Full year	**Half year**	Half year	Full year	**Half year**	Half year	Full year	**Half year**	Half year	Full year
Hong Kong	**362**	105	398	**1,049**	945	2,024	**1,085**	955	2,063	**5,319**	4,496	10,865
Indonesia	**98**	126	266	**115**	95	235	**125**	107	262	**489**	421	1,068
Mainland China note (i)	**248**	119	162	**335**	312	447	**359**	324	464	**1,146**	1,031	1,530
Malaysia	**49**	40	95	**185**	187	397	**190**	191	406	**764**	788	1,731
Singapore	**1,023**	556	1,404	**323**	394	730	**425**	450	870	**2,587**	2,558	5,442
Growth markets and other note (ii)	**287**	333	628	**1,075**	1,050	2,074	**1,104**	1,084	2,137	**4,581**	4,233	8,398
Total note (iii)	**2,067**	1,279	2,953	**3,082**	2,983	5,907	**3,288**	3,111	6,202	**14,886**	13,527	29,034

Notes
(i) New business in Mainland China is included at Prudential's 50 per cent interest in the life joint venture.
(ii) Within Growth markets and other, new business in India is included at Prudential's 22 per cent interest in the associate.
(iii) The table above is provided as an indicative volume measure of transactions undertaken in the reporting period that have the potential to generate profit for shareholders. The amounts shown are not, and are not intended to be, reflective of revenue recorded in the Group IFRS condensed consolidated income statement.

9 Other information

Post balance sheet events

The 2025 first interim dividend approved by the Board of Directors after 30 June 2025 is as described in note B4 of the IFRS condensed consolidated financial statements.

The settlement reached in the Malaysian dividend dispute is as described in note D2 of the IFRS condensed consolidated financial statements.

Contingencies and related obligations

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

10 Additional analysis of half year 2024 comparative results

The purpose of this section is to provide TEV information of half year 2024 results in the same level of granularity on a comparable basis.

10.1 Movement in Group TEV equity

	Half year 2024 $m		
	Insurance and asset management operations	Other (central) operations	Group total
New business profit	1,148	(27)	1,121
Profit from in-force business	960	–	960
Asset management business	142	–	142
Change in allowance for corporate expenditure and other central costs incurred in the period	–	(214)	(214)
Operating profit before restructuring costs	2,250	(241)	2,009
Restructuring costs	(16)	(80)	(96)
Operating profit	2,234	(321)	1,913
Non-operating result	51	17	68
Profit (loss) for the period	2,285	(304)	1,981
Non-controlling interests' share of profit	(38)	–	(38)
Profit (loss) for the period attributable to equity holders of the Company	**2,247**	**(304)**	**1,943**
Foreign exchange movements	(697)	28	(669)
Intra-group dividends and investment in operations	(1,081)	1,081	–
Dividends, net of scrip dividends	–	(390)	(390)
Adjustment to non-controlling interest for Malaysia conventional life business on 1 Jan 2024	(1,404)	29	(1,375)
Share repurchases/buybacks	–	(123)	(123)
Other equity movements	67	(98)	(31)
Net (decrease) increase in Group TEV equity	(868)	223	(645)
Group TEV equity at beginning of period	33,904	267	34,171
Group TEV equity at end of period	**33,036**	**490**	**33,526**
Contribution to Group TEV equity:			
At end of period			
Insurance business	31,651	–	31,651
Asset management and other	671	2,520	3,191
Provision for future central corporate expenditure	–	(2,030)	(2,030)
Group TEV	32,322	490	32,812
Goodwill attributable to equity holders	714	–	714
Group TEV equity at end of period	**33,036**	**490**	**33,526**

10.2 Movement in Group free surplus

	Half year 2024 $m		
	Insurance and asset management operations	Other (central) operations	Group free surplus
Operating free surplus generated from in-force insurance and asset management businesses	1,370	–	1,370
Investment in new business	(370)	(27)	(397)
Other expenditure	–	(209)	(209)
Restructuring costs	(16)	(80)	(96)
Operating free surplus generated	984	(316)	668
Non-operating free surplus generated	(680)	13	(667)
Free surplus generated for the period	**304**	**(303)**	**1**

10.3 Movement in net worth and value of in-force insurance business operations

	Half year 2024 $m				
	Free surplus	Required capital	Net worth	Value of in-force business	Embedded value
Balance at beginning of period	6,144	5,984	12,128	20,346	32,474
New business contribution	(370)	323	(47)	1,195	1,148
Existing business – transfer to net worth	1,252	(95)	1,157	(1,157)	–
Expected return on existing business	138	141	279	914	1,193
Changes in operating assumptions, experience variances and other items	(162)	(115)	(277)	44	(233)
Operating profit before restructuring costs	858	254	1,112	996	2,108
Restructuring costs	(6)	–	(6)	–	(6)
Operating profit	852	254	1,106	996	2,102
Non-operating result	(675)	25	(650)	747	97
Profit for the period	177	279	456	1,743	2,199
Non-controlling interests' share of profit	(21)	–	(21)	(31)	(52)
Profit for the period attributable to equity holders of the Company	156	279	435	1,712	2,147
Foreign exchange movements	(156)	(70)	(226)	(429)	(655)
Intra-group dividends and investment in operations	(978)	(40)	(1,018)	40	(978)
Adjustment to non-controlling interest for Malaysia conventional life business on 1 Jan 2024	(190)	(182)	(372)	(1,032)	(1,404)
Other equity movements	70	–	70	(3)	67
Balance at end of period	5,046	5,971	11,017	20,634	31,651

Independent review report to Prudential plc

Conclusion

We have been engaged by Prudential plc ('the Company' or 'the Group') to review the Traditional Embedded Value ('TEV') Basis results in the Half Year Financial Report for the six months ended 30 June 2025 which comprise the basis of preparation, the TEV results highlights, the movement in Group TEV equity, the movement in group free surplus and the related explanatory notes 1 to 10. We have read the other information contained in the Half Year Financial Report and considered whether it contains any apparent misstatements or material inconsistencies with the TEV Basis results.

Based on our review, nothing has come to our attention that causes us to believe that the TEV Basis results in the Half Year Financial Report for the six months ended 30 June 2025 are not prepared, in all material respects, in accordance with the basis of preparation using the methodology and assumptions set out in the notes to the TEV Basis results.

Basis for conclusion

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

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

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

Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

Responsibilities of the directors

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

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

Auditor's Responsibilities for the review of the financial information

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

Use of our report

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

Ernst & Young LLP

London

26 August 2025