

# Prudential Funding (ASIA) plc

**Interim Report**

**Six months ended**

**30 June 2025**

Incorporated and registered in England and Wales. Registered no. 14645212  
Registered office: 5th Floor, 10 Old Bailey, London, EC4M 7NG.

Interim report for the six month period to 30 June 2025

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**Directors**

K J Devlin

S D Rich

R L Wyatt

**Secretary**

Prudential Group Secretarial Services Limited

**Auditor**

Ernst & Young LLP, London

## Directors' report

### Principal activities

Prudential Funding (Asia) plc ('the Company') is a public limited company incorporated and registered in England and Wales with registered number 14645212. The ultimate parent company of the Company is Prudential plc. The principal activity of the Company throughout the period was to operate as a finance company, holding the core debt of Prudential plc (which, together with its subsidiaries, form the 'Prudential Group').

The objective of the company is to provide funding to the Prudential Group.

### Developments in the period

On 22 May 2025 the Company issued a Singapore Dollar ('SGD') 600 million debt instrument (details are set out in note 6 to the accounts). On the same date, the United States Dollars ('USD') equivalent of the proceeds of this loan were lent to the Company's ultimate parent, Prudential plc. Other operations of the Company continued unchanged from the Company's 2024 annual report.

### Key performance indicators

The key performance indicators used by the directors to monitor the performance of the business are profit before tax and net assets.

The profit before tax of \$4.1 million (2024: \$11.6 million) in the period reflects finance income from other Prudential Group companies less the finance cost of borrowing due to external bondholders and foreign exchange translation losses. The net assets of the Company at 30 June 2025 were \$448.1 million (2024: \$437.0 million).

### Principal risks and uncertainties

#### – Market Risk

The Company holds financial assets and liabilities denominated in currencies other than US Dollars, its functional currency. The Company is exposed to foreign exchange translation risk on the SGD 600 million debt instrument issued in May 2025 (as set out in note 6 to the accounts). This instrument was translated to USD on initial recognition at the market rate on the date it was issued. Subsequently, the instrument is retranslated at period end market rates, with movements in value arising from this retranslation recognised in the income statement. The proceeds from this debt issuance were lent to Prudential plc under a USD denominated intra-group loan.

All other assets and liabilities denominated in foreign currencies are closely matched in terms of value, timing and duration, with other net exposures only arising from the additional margin applied to the interest rate on debt receivables from Prudential plc.

The interest rates on the Company's listed debt liabilities, and backing receivables from Prudential plc are fixed. The interest rate on the Company's loan receivable from Prudential International Treasury Limited reflects current market interest rates.

#### – Credit and Liquidity Risk

The Company's assets consist of amounts due from Prudential plc and other Prudential Group companies. The Company's financial position, and ability to meet its obligations as they fall due is therefore dependent on the ability of these companies to meet their obligations on a timely basis. At 30 June 2025 Prudential plc had consolidated IFRS shareholders' equity of \$18.1 billion.

#### – Global economic and geopolitical conditions

The macroeconomic landscape and financial markets are expected to remain challenging and highly uncertain. Ad-hoc events can disrupt market conditions unexpectedly. The capital and liquidity position of the Prudential Group, and consequential implications for the Company, continues to be actively monitored as concerns remain from policymakers and regulators around liquidity and solvency of the financial system. Challenging macroeconomic conditions could also negatively impact the Prudential Group's financial performance.

#### – Sustainability risks

The sustainability risks of the Prudential Group are set out in the Prudential plc 2024 Annual Report. The activities of the Company, being to provide funding to Prudential plc and other Group companies, are such that its exposure to sustainability risks, including climate change risks, is limited to scenarios in which the sustainability risks of the Prudential Group impact the Company's operations, and hence the risk is currently not material.

## Statement of Directors' responsibilities

The Directors (who are listed on page 2 above) are responsible for preparing the Interim Report in accordance with applicable law and regulations.

Accordingly, the Directors confirm that to the best of their knowledge:

- the condensed financial statements have been prepared in accordance with FRS 104, 'Interim Financial Reporting'; and
- the Half Year Financial Report includes a fair review of information required by DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the period to 30 June 2025, and their impact on the condensed consolidated financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year.

### Signed on behalf of the Board of directors



**S Edwards**

On behalf of

Prudential Group Secretarial Services Limited

Secretary

22 September 2025

## Statement of comprehensive income for the six month period to 30 June 2025

		6 months to 30 June 2025	6 months to 30 June 2024	Year to 31 December 2024
	Note	\$000	\$000	\$000
Finance income from loans to ultimate parent company		106,600	103,099	207,569
Finance income from loans to other group companies		9,632	11,235	22,415
Finance Costs		(106,185)	(102,763)	(206,734)
(Loss)/gain on foreign exchange translation		(5,907)	42	(42)
Administrative costs		(13)	–	(25)
<b>Profit before tax</b>		<b>4,127</b>	<b>11,613</b>	<b>23,183</b>
Income tax expense	2	(1,387)	(4,151)	(7,324)
<b>Profit for the period and total comprehensive profit</b>		<b>2,740</b>	<b>7,462</b>	<b>15,859</b>

All of the above items relate to continuing operations.

## Statement of changes in equity for the six month period to 30 June 2025

	Share capital	Share premium	Profit and loss account	Total
Note	\$000	\$000	\$000	\$000
Balance at 1 January 2025	60	400,000	45,305	445,365
Total comprehensive income for the six month period	–	–	2,740	2,740
<b>Balance at 30 June 2025</b>	<b>60</b>	<b>400,000</b>	<b>48,045</b>	<b>448,105</b>

	Share capital	Share premium	Profit and loss account	Total
Note	\$000	\$000	\$000	\$000
Balance at 1 January 2024	60	400,000	29,446	429,506
Total comprehensive income for the six month period	–	–	7,462	7,462
Balance at 30 June 2024	60	400,000	36,908	436,968

	Share capital	Share premium	Profit and loss account	Total
Note	\$000	\$000	\$000	\$000
Balance at 1 January 2024	60	400,000	29,446	429,506
Total comprehensive income for the year	–	–	15,859	15,859
Balance at 31 December 2024	60	400,000	45,305	445,365

The notes on pages 7 to 10 form part of these financial statements.

## Statement of financial position at 30 June 2025

		2025 \$'000	2024 \$'000	
	Note	30 Jun	30 Jun	31 Dec
<b>Fixed assets</b>				
Financial investments – Loans to ultimate parent company	3	4,203,822	3,623,460	3,637,338
		4,203,822	3,623,460	3,637,338
<b>Current assets</b>				
Amounts owed by fellow group undertakings	4	393,985	400,060	393,985
Accrued interest on intercompany loans		95,222	68,736	73,231
Current tax recoverable		797	–	–
		490,004	468,796	467,216
<b>Liabilities: amounts falling due within one year</b>				
Current tax payable		–	106	–
Payables due to fellow group undertakings	5	3,820	4,182	1,388
Other accruals		12	–	–
Interest payable		46,006	42,384	34,706
		49,838	46,672	36,094
<b>Net current assets</b>		440,166	422,124	431,122
<b>Liabilities: amounts falling due after more than one year</b>				
Subordinated liabilities	6	2,621,310	2,079,385	2,087,898
Debenture loans	6	1,574,573	1,529,231	1,535,197
		4,195,883	3,608,616	3,623,095
<b>Total net assets</b>		448,105	436,968	445,365
<b>Capital and reserves</b>				
Called up share capital	7	60	60	60
Share premium		400,000	400,000	400,000
Profit and loss account		48,045	36,908	45,305
<b>Total shareholders' funds</b>		448,105	436,968	445,365

The financial statements on pages 5 to 10 were approved by the Board of Directors on 22 September 2025 and signed on its behalf by



K J Devlin

Director

The notes on pages 7 to 10 form part of these financial statements.

# Notes to the accounts

## 1 Accounting policies

### A. Basis of presentation

Prudential Funding (Asia) plc (the "Company") is a public company incorporated, domiciled and registered in England and Wales.

The Company has no subsidiaries. This interim report therefore presents information about the Company as an individual undertaking. The Company's financial information for the six month period to 30 June 2025 has been prepared in accordance with the Disclosure and Transparency Rules for the United Kingdom's Financial Conduct Authority and with FRS 104 Interim Financial Reporting.

The same accounting policies and methods of computation are applied in this financial information as were applied in the 2024 statutory accounts of the Company.

The financial information contained in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information for half year 2025 and half year 2024 is unaudited. The financial information for full year 2024 has been derived from the 2024 statutory accounts. The Company's auditors reported on the 2024 statutory accounts which have been delivered to the Registrar of Companies. The auditors' report on the 2024 statutory accounts was: (i) unqualified; (ii) did not include a reference to any matters of 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.

The Company's functional and presentational currency is United States Dollars. Figures are presented to the nearest \$1,000.

### B. Going Concern

The directors have made an assessment of the Company's going concern, considering both its current performance and its outlook using the information available up to the date of issue of the 2025 interim report. As a result of such assessment and after making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from 22 September 2025, the date that this interim report is approved.

### C. Amounts owed by Group undertakings

Amounts owed by Group undertakings are initially stated at fair value and subsequently measured at amortised cost using the effective interest rate method. Any difference between the value initially recognised and the redemption value is recognised as part of finance income in the Statement of Comprehensive Income over the term of the loan as part of the effective interest rate method.

The Company assesses impairment on its loans and receivables using the expected credit loss approach. The expected credit loss on the Company's loans and receivables, the majority of which represent loans to fellow Group companies, have been assessed by taking into account the probability of defaults on those loans. In all cases, the Group companies are expected to have sufficient resources to repay the loans either now or over time based on projected earnings. For loans callable on demand, the expected credit loss has been limited to the impact of discounting the value of the loan between the balance sheet date and the anticipated recovery date. For loans with a fixed maturity date the expected credit loss has been determined with reference to the historic experience of loans with equivalent credit characteristics. No expected credit losses have been recognised in the period to 30 June 2025 (period to 30 June 2024: nil, year to 31 December 2024: nil).

Lifetime expected credit losses would be recognised on term loans due from Prudential plc if the credit risk on that financial instrument had increased significantly since initial recognition. Available published credit ratings on Prudential plc Group debt are used as a measure of the credit risk on loans due from Prudential plc. No significant increase in the year has been noted.

### D. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs, and subsequently accounted for on an amortised cost basis using the effective interest rate method. Under the effective interest rate method, the difference between the redemption value of the borrowing and the amount initially recognised is amortised as finance costs in the Statement of Comprehensive Income over the term of the loan or, for subordinated debt, over the expected life of the instrument.

### E. Interest receivable and payable

Interest receivable and payable are recognised on an accruals basis, in accordance with the effective interest rate method.

### F. Administration expenses

Administrative expenses represent amounts directly incurred by the Company as the issuer of listed debt instruments. Other administration expenses are borne by other Prudential Group companies.

### G. Foreign currency translation

Transactions not denominated in the Company's functional currency, US dollars, are initially recorded in the functional currency at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities not denominated in the Company's functional currency are translated to the Company's functional currency at year end spot rates. The impact of these currency translations is recorded within the income statement.



## H. Taxation

Current tax expense is charged or credited based upon amounts estimated to be payable or recoverable as a result of taxable amounts for the current year and adjustments made in relation to prior years. Current tax recoverable (payable) recognised in the balance sheet is measured at the amount expected to be either recovered from (paid to) relevant tax authorities or Group undertakings in relation to the surrender (claim) of tax losses.

Deferred taxes are provided under the liability method for all relevant temporary differences. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates (and laws) that have been enacted or are substantively enacted at the end of the reporting period.

At 30 June 2025, the Company has applied the mandatory exemption from recognising and disclosing information on deferred tax assets and liabilities in respect of UK domestic minimum top-up tax as required by IAS 12 'Income Taxes'.

## 2 Tax

### (a) Analysis of tax charge for the year

	2025 \$'000	2024 \$'000	
	30 Jun	30 Jun	31 Dec
<i>Current tax</i>			
UK corporation tax charge on profit for the year	(1,387)	(4,151)	(7,324)
UK domestic minimum top-up tax	–	–	–
<b>Total current tax charge</b>	<b>(1,387)</b>	<b>(4,151)</b>	<b>(7,324)</b>
<i>Deferred tax</i>			
Origination and deferral of timing differences	–	–	–
<b>Total tax charge</b>	<b>(1,387)</b>	<b>(4,151)</b>	<b>(7,324)</b>

### (b) Factors affecting tax charge for the year

The tax charge assessed in the year is different from the application of the standard rate of corporation tax in the UK and the differences are explained below. The standard rate of tax has been determined by using the UK rate of corporation tax enacted for the period for which the profit of the Company will be taxed.

	2025 \$'000	2024 \$'000	
	30 Jun	30 Jun	31 Dec
Profit before tax	4,127	11,613	23,183
Profit multiplied by standard rate of corporation tax in the UK of 25 % (2024: 25 %)	(1,032)	(2,903)	(5,796)
Amortisation of debt instruments not tax effective	(4,813)	(5,398)	(9,305)
Group losses claimed for no consideration	4,458	4,150	7,665
Adjustments in respect of prior years	–	–	112
<b>Total tax charge</b>	<b>(1,387)</b>	<b>(4,151)</b>	<b>(7,324)</b>

### (c) Factors that may affect future tax charges

The only factors that are expected to affect the future tax charges of the Company are those detailed in (b) above.

### 3 Loans to ultimate parent company

	Maturity Year	Interest rate %	Carrying Value		
			30 Jun 2025	30 Jun 2024	31 Dec 2024
			\$000	\$000	\$000
US\$750m Notes	Perpetual	4.925	664,412	664,412	664,412
£435m Notes	2031	6.175	599,296	553,299	548,165
US\$1,000m Notes	2033	3.000	899,446	872,302	885,657
£250m Notes	2029	5.925	349,022	323,539	319,676
US\$1,000m Notes	2030	3.175	911,511	896,078	903,695
US\$350m Notes	2032	3.675	317,686	313,830	315,733
US\$462m Notes	2035	3.850	462,449	–	–
<b>Total fixed assets – Loans to ultimate parent company</b>			<b>4,203,822</b>	3,623,460	3,637,338
Accrued interest			46,520	42,858	39,004
<b>Total fixed asset loans including accrued interest</b>			<b>4,250,342</b>	3,666,318	3,676,342

On 22 May 2025 the Company lent the USD equivalent of the proceeds from the issuance of a SGD600 million debt instrument (as described in note 6) to Prudential plc. The terms of the loan to Prudential plc (the US\$462m notes in the table above) matched the terms of the external debt instrument, with the exception of an additional margin on the interest rate and the currency of denomination being USD.

The remaining loan assets listed above originated on 2 March 2023 when the remaining debt liabilities listed in note 6 were transferred by Prudential plc, the Company's ultimate parent company. These intercompany receivable instruments were measured at fair value on initial recognition, which totalled \$3,605 million, including accrued interest.

These debt receivable assets are subsequently measured at amortised cost, applying the effective interest rate method, to amortise the difference between the value initial recognised and redemption value of the assets.

### 4 Receivables from other Group Companies

	2025 \$000	2024 \$000	
	30 Jun	30 Jun	31 Dec
Loan to Prudential International Treasury Limited	393,925	400,000	393,925
Loan to Prudential Corporation Asia Limited	60	60	60
	<b>393,985</b>	400,060	393,985

Loans to Prudential International Treasury Limited are callable on demand. Interest receivable on these loans reflects current market interest rates. Accrued interest on these loans is included within "Accrued interest on intercompany loans" in the balance sheet.

### 5 Payables to fellow group undertakings

	2025 \$000	2024 \$000	
	30 Jun	30 Jun	31 Dec
Amounts due to Prudential Services Limited	3,682	4,044	1,388
Amounts due to Prudential plc	138	138	–
	<b>3,820</b>	4,182	1,388

Amounts due to Prudential Services Limited represent taxation that has been paid on behalf of the company.

## 6 Borrowings

	Maturity	Interest rate	Carrying Value		
			30 Jun 2025	30 Jun 2024	31 Dec 2024
			Year	\$000	\$000
Subordinated liabilities					
US\$750m 4.875 %	Perpetual	4.875	657,158	657,158	657,157
£435m 6.125 % Notes 2031	2031	6.125	597,743	551,688	546,655
US\$1,000m 2.95 % Notes	2033	2.950	898,072	870,539	884,086
SGD600m 3.8 % Notes	2035	3.800	468,337	–	–
Total subordinated liabilities			2,621,310	2,079,385	2,087,898
Senior debt					
£250m 5.875 % Notes 2029	2029	5.875	348,440	322,881	319,084
US\$1,000m 3.125 % Notes 2030	2030	3.125	909,425	893,616	901,418
US\$350m 3.625 % Notes 2032	2032	3.625	316,708	312,734	314,695
Total senior debt			1,574,573	1,529,231	1,535,197
Total borrowings			4,195,883	3,608,616	3,623,095
Accrued interest			46,006	42,384	34,706
Total borrowings and accrued interest			4,241,889	3,651,000	3,657,801

On 22 May 2025 the Company issued SGD600 million 3.8 per cent subordinated debt maturing on 22 May 2035 with proceeds, net of costs, of \$462 million (the SGD600m 3.8 % notes in the table above). On the same day, the equivalent value in USD of the funds raised were lent to ultimate parent company Prudential plc with an interest rate of 3.85 per cent.

The remaining debt instrument liabilities listed above were transferred to the Company. on 2 March 2023 by Prudential plc, the Company's ultimate parent company. These instruments were measured at a fair value on initial recognition of \$3,588 million, including accrued interest.

These instruments are subsequently measured at amortised cost, applying the effective interest rate method, to amortise the difference between the value initial recognised and their redemption value.

## 7 Called up share capital

	2025 \$000	2024 \$000	
	30 Jun	30 Jun	31 Dec
Issued and fully paid: 50,001 ordinary shares of £1 each	60	60	60

## 8 Post balance sheet event

There have been no significant events affecting the Company since the balance sheet date.