IFRS disclosures

Prudential plc 2024 results

International Financial Reporting Standards (IFRS) financial results

Consolidated income statement

	Note	2024 $m	2023 $m
Insurance revenue	B1.4	**10,358**	9,371
Insurance service expense:			
Claims incurred		**(3,147)**	(2,913)
Directly attributable expenses incurred		**(1,328)**	(1,258)
Amortisation of insurance acquisition cash flows		**(3,157)**	(2,745)
Other insurance service expenses		**(131)**	(197)
		(7,763)	(7,113)
Net expense from reinsurance contracts held		**(302)**	(171)
Insurance service result		**2,293**	2,087
Investment return:			
Interest revenue calculated using the effective interest method		**477**	340
Other investment return on financial investments		**5,442**	9,423
	B1.4	**5,919**	9,763
Fair value movements on investment contract liabilities		**(95)**	(24)
Net insurance and reinsurance finance income (expense):			
Net finance (expense) from insurance contracts		**(4,154)**	(8,839)
Net finance (expense) income from reinsurance contracts held		**(338)**	191
		(4,492)	(8,648)
Net investment result		**1,332**	1,091
Other revenue	B1.4	**382**	369
Non-insurance expenditure		**(1,003)**	(990)
Finance costs: interest on core structural borrowings of shareholder-financed businesses		**(171)**	(172)
Loss attaching to corporate transactions	B1.1	**(71)**	(22)
Share of profit (loss) from joint ventures and associates, net of related tax		**477**	(91)
Profit before tax *(being tax attributable to shareholders' and policyholders' returns)* [note]		**3,239**	2,272
Tax charge attributable to policyholders' returns		**(286)**	(175)
Profit before tax attributable to shareholders' returns		**2,953**	2,097
Total tax charge attributable to shareholders' and policyholders' returns	B2.1	**(824)**	(560)
Remove tax charge attributable to policyholders' returns	B2.2	**286**	175
Tax charge attributable to shareholders' returns	B2.2	**(538)**	(385)
Profit for the year	B1.5	**2,415**	1,712
Attributable to:			
Equity holders of the Company		**2,285**	1,701
Non-controlling interests		**130**	11
Profit for the year		**2,415**	1,712

Earnings per share (in cents)	Note	2024	2023
Based on profit attributable to equity holders of the Company:	B3		
Basic		**84.1¢**	62.1¢
Diluted		**84.0¢**	61.9¢

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

	2024 $m	2023 $m
Profit for the year	**2,415**	1,712
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange movements arising during the year	**(291)**	(135)
Items that will not be reclassified subsequently to profit or loss:		
Valuation movements on retained interest in Jackson classified as FVOCI securities [note]	**–**	8
Total comprehensive income for the year	**2,124**	1,585
Attributable to:		
Equity holders of the Company	**1,976**	1,585
Non-controlling interests	**148**	–
Total comprehensive income for the year	**2,124**	1,585

Note
On the adoption of IFRS 9 at 1 January 2023, the Group elected to measure its retained interest in the equity securities of Jackson at fair value through other comprehensive income (FVOCI). The Group subsequently disposed of its remaining interest in Jackson in 2023.

Consolidated statement of changes in equity

		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									–
Profit for the year		–	–	–	2,285	–	2,285	130	2,415
Other comprehensive (loss) income		–	–	–	–	(309)	(309)	18	(291)
Total comprehensive income (loss) for the year		–	–	–	2,285	(309)	1,976	148	2,124
Transactions with owners of the Company									
Dividends	B4	–	–	–	(575)	–	(575)	(8)	(583)
Effect of scrip dividends	C8	–	–	–	23	–	23	–	23
Reserve movements in respect of share-based payments		–	–	–	1	–	1	–	1
Adjustment to non-controlling interest for Malaysia conventional life business	D2	–	–	–	(857)	–	(857)	886	29
Effect of transactions relating to other non-controlling interests		–	–	–	(18)	–	(18)	(4)	(22)
New share capital subscribed	C8	–	–	–	–	–	–	–	–
Share repurchases/buybacks*	C8	(7)	–	7	(878)	–	(878)	–	(878)
Movement in own shares in respect of share-based payment plans		–	–	–	(3)	–	(3)	–	(3)
Net (decrease) increase in equity		(7)	–	7	(22)	(309)	(331)	1,022	691
Balance at beginning of year		183	5,009	–	11,928	703	17,823	160	17,983
Balance at end of year		176	5,009	7	11,906	394	17,492	1,182	18,674

* In 2024, the Group entered into repurchase programmes to neutralise the dilutive effect of share scheme issuance and scrip dividends and is in progress of conducting the $2 billion share buyback programme it announced in June 2024 to return capital to shareholders. See note C8 for further details.

		Year ended 31 Dec 2023 $m							
	Note	Share capital	Share premium	Retained earnings	Translation reserve	Fair value reserve	Share-holders' equity	Non-controlling interests	Total equity
Reserves									
Profit for the year		–	–	1,701	–	–	1,701	11	1,712
Other comprehensive (loss) income		–	–	–	(124)	8	(116)	(11)	(127)
Total comprehensive income (loss) for the year		–	–	1,701	(124)	8	1,585	–	1,585
Transactions with owners of the Company									
Dividends	B4	–	–	(533)	–	–	(533)	(7)	(540)
Transfer of fair value reserve following disposal of investment in Jackson		–	–	71	–	(71)	–	–	–
Reserve movements in respect of share-based payments		–	–	(5)	–	–	(5)	–	(5)
Effect of transactions relating to non-controlling interests		–	–	16	–	–	16	–	16
New share capital subscribed	C8	1	3	–	–	–	4	–	4
Movement in own shares in respect of share-based payment plans		–	–	25	–	–	25	–	25
Net increase (decrease) in equity		1	3	1,275	(124)	(63)	1,092	(7)	1,085
Balance at beginning of year		182	5,006	10,653	827	63	16,731	167	16,898
Balance at end of year		183	5,009	11,928	703	–	17,823	160	17,983

Consolidated statement of financial position

	Note	31 Dec 2024 $m	31 Dec 2023 $m
Assets			
Goodwill	C4.1	**848**	896
Other intangible assets	C4.2	**3,824**	3,986
Property, plant and equipment		**417**	374
Insurance contract assets	C3.1	**1,345**	1,180
Reinsurance contract assets	C3.1	**3,390**	2,426
Deferred tax assets	C7.2	**142**	156
Current tax recoverable	C7.1	**31**	34
Investments in joint ventures and associates accounted for using the equity method		**2,412**	1,940
Investment properties	C1.1	**3**	39
Loans	C1.1	**517**	578
Equity securities and holdings in collective investment schemes [note]	C1.1	**81,002**	64,753
Debt securities [note]	C1.1	**73,804**	83,064
Derivative assets	C2.2	**395**	1,855
Deposits	C1.1	**5,466**	5,870
Accrued investment income		**902**	1,003
Other debtors		**1,310**	1,161
Assets held for sale		**296**	–
Cash and cash equivalents		**5,772**	4,751
Total assets		**181,876**	174,066
Equity			
Shareholders' equity		**17,492**	17,823
Non-controlling interests		**1,182**	160
Total equity		**18,674**	17,983
Liabilities			
Insurance contract liabilities	C3.1	**147,566**	139,840
Reinsurance contract liabilities	C3.1	**536**	1,151
Investment contract liabilities without discretionary participation features	C2.2	**748**	769
Core structural borrowings of shareholder-financed businesses	C5.1	**3,925**	3,933
Operational borrowings	C5.2	**797**	941
Obligations under funding, securities lending and sale and repurchase agreements		**272**	716
Net asset value attributable to unit holders of consolidated investment funds		**2,679**	2,711
Deferred tax liabilities	C7.2	**1,514**	1,250
Current tax liabilities	C7.1	**238**	275
Accruals, deferred income and other creditors		**2,848**	4,035
Provisions		**218**	224
Derivative liabilities	C2.2	**1,617**	238
Liabilities held for sale		**244**	–
Total liabilities		**163,202**	156,083
Total equity and liabilities		**181,876**	174,066

Note
Included within equity securities and holdings in collective investment schemes and debt securities as at 31 December 2024 are $1,565 million of lent securities and assets subject to repurchase agreements (31 December 2023: $2,001 million).

Consolidated statement of cash flows

	Note	2024 $m	2023 $m
Cash flows from operating activities			
Profit before tax (being tax attributable to shareholders' and policyholders' returns)		**3,239**	2,272
Adjustments to profit before tax for non-cash movements in operating assets and liabilities:			
Investments		**(6,403)**	(14,539)
Other non-investment and non-cash assets		**124**	23
Insurance and reinsurance contract assets and liabilities		**7,925**	12,787
Other non-insurance liabilities		**(1,440)**	42
Interest and dividend income and interest payments included in profit before tax		**(5,180)**	(4,378)
Operating cash items:			
Interest receipts		**3,049**	2,872
Interest payments		**(75)**	(75)
Dividend receipts		**2,316**	1,650
Tax paid		**(549)**	(406)
Other non-cash items		**603**	584
Net cash flows from operating activities note (i)		**3,609**	832
Cash flows from investing activities			
Purchases of property, plant and equipment		**(101)**	(44)
Proceeds from disposal of property, plant and equipment		**–**	2
Acquisition of business and intangibles note (ii)		**(557)**	(415)
Cash advanced to Mainland China joint venture note (i)		**(174)**	(176)
Disposal of Jackson shares		**–**	273
Net cash flows from investing activities		**(832)**	(360)
Cash flows from financing activities			
Structural borrowings of shareholder-financed operations: note (iii)			
Redemption of debt		**–**	(393)
Interest paid		**(164)**	(188)
Payment of principal portion of lease liabilities		**(93)**	(93)
Acquisition of non-controlling interests		**(18)**	–
Equity capital:			
Issues of ordinary share capital	C8	**–**	4
Share repurchases/buybacks (including costs)		**(860)**	–
External dividends:			
Dividends paid to equity holders of the Company	B4	**(552)**	(533)
Dividends paid to non-controlling interests		**(8)**	(7)
Net cash flows from financing activities		**(1,695)**	(1,210)
Net increase (decrease) in cash and cash equivalents		**1,082**	(738)
Cash and cash equivalents at 1 Jan		**4,751**	5,514
Effect of exchange rate changes on cash and cash equivalents		**(61)**	(25)
Cash and cash equivalents at 31 Dec		**5,772**	4,751

Notes

(i) Included in net cash flows from operating activities are dividends from joint ventures and associates of $148 million (2023: $209 million). Within net cash flows from investing activities, Cash advanced to the Mainland China joint venture of $174 million (2023: $176 million) was made in anticipation of a future capital injection as described in note D4. The $176 million advanced in 2023 was subsequently converted into a capital injection in 2024.

(ii) Cash flows from acquisition of business and intangibles represent amounts paid for distribution rights and software. In 2024, this includes amounts paid to Bank Syariah Indonesia (BSI) for entering into a long-term strategic bancassurance partnership to provide the Syariah life insurance from early 2025.

(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 1 Jan $m	Redemption of debt	Foreign exchange movement	Other movements	Balance at 31 Dec $m
2024	**3,933**	**–**	**(15)**	**7**	**3,925**
2023	4,261	(393)	58	7	3,933

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 2024, there were no unadopted standards effective for the year ended 31 December 2024 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.

Except for the new and amended IFRS Standards as described in note A2, 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 2023 as disclosed in the 2023 Annual Report.

The financial information set out in this announcement does not constitute the Company's statutory accounts for the years ended 31 December 2024 but is derived from those accounts. The auditors have reported on the 2024 statutory accounts. Statutory accounts for 2023 have been delivered to the Registrar of Companies, and those for 2024 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 2026, 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 2026, 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 2024.

Exchange rates

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

	Closing rate at year end		Average rate for the year to date	
USD : local currency	**31 Dec 2024**	31 Dec 2023	**2024**	2023
Chinese yuan (CNY)	**7.30**	7.09	**7.20**	7.09
Hong Kong dollar (HKD)	**7.77**	7.81	**7.80**	7.83
Indian rupee (INR)	**85.61**	83.21	**83.67**	82.60
Indonesian rupiah (IDR)	**16,095.00**	15,397.00	**15,844.88**	15,230.82
Malaysian ringgit (MYR)	**4.47**	4.60	**4.58**	4.56
Singapore dollar (SGD)	**1.36**	1.32	**1.34**	1.34
Taiwan dollar (TWD)	**32.78**	30.69	**32.12**	31.17
Thai baht (THB)	**34.24**	34.37	**35.29**	34.80
UK pound sterling (GBP)	**0.80**	0.78	**0.78**	0.80
Vietnamese dong (VND)	**25,485.00**	24,262.00	**25,057.63**	23,835.92

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 in 2024

The Group has adopted the following amendments in these consolidated financial statements. The adoption of these amendments has had no significant impact on the Group financial statements.

- Amendments to IAS 1 'Classification of liabilities as current or non-current' issued in January 2020 and October 2022 and 'Non-current liabilities with covenants' issued in October 2022;
- Amendments to IFRS 16 'Lease liability in a sale and leaseback' issued in September 2022; and
- Amendments to IAS 7 and IFRS 7 'Supplier finance arrangements' issued in May 2023.

B Earnings performance

B1 Analysis of performance by segment

B1.1 Segment results

		2024 $m	2023 $m		2024 vs 2023 %	
			AER	CER	AER	CER
	Note	note (i)	note (i)	note (i)	note (i)	note (i)
Mainland China note (ii)		**363**	368	362	(1)%	0 %
Hong Kong		**1,069**	1,013	1,018	6 %	5 %
Indonesia		**268**	221	212	21 %	26 %
Malaysia		**338**	305	304	11 %	11 %
Singapore		**693**	584	587	19 %	18 %
Growth markets and other note (iii)		**688**	746	713	(8)%	(4)%
Eastspring		**304**	280	277	9 %	10 %
Total segment profit		**3,723**	3,517	3,473	6 %	7 %
Other income and expenditure unallocated to a segment:						
Net investment return and other items note (iv)		**21**	(21)	(21)	n/a	n/a
Interest payable on core structural borrowings		**(171)**	(172)	(172)	1 %	1 %
Corporate expenditure note (v)		**(237)**	(230)	(230)	(3)%	(3)%
Total other expenditure		**(387)**	(423)	(423)	9 %	9 %
Restructuring and IFRS 17 implementation costs note (vi)		**(207)**	(201)	(201)	(3)%	(3)%
Adjusted operating profit	B1.3	**3,129**	2,893	2,849	8 %	10 %
Short-term interest rate and other market fluctuations		**(105)**	(774)	(756)	86 %	86 %
Loss attaching to corporate transactions note (vii)		**(71)**	(22)	(22)	n/a	n/a
Profit before tax attributable to shareholders		**2,953**	2,097	2,071	41 %	43 %
Tax charge attributable to shareholders' returns	B3.2	**(538)**	(385)	(380)	(40)%	(42)%
Profit for the year	B1.5	**2,415**	1,712	1,691	41 %	43 %
Attributable to:						
Equity holders of the Company		**2,285**	1,701	1,682	34 %	36 %
Non-controlling interests		**130**	11	9	n/a	n/a
Profit for the year		**2,415**	1,712	1,691	41 %	43 %

Basic earnings per share (in cents)		2024	2023		2024 vs 2023 %	
			AER	CER	AER	CER
	Note	note (i)	note (i)	note (i)	note (i)	note (i)
Based on adjusted operating profit, net of tax and non-controlling interest	B3	**89.7¢**	89.0¢	87.8¢	1 %	2 %
Based on profit for the year, net of non-controlling interest	B3	**84.1¢**	62.1¢	61.5¢	35 %	37 %

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 is 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 the life joint ventures and associates.

(iv) Net investment return and other items includes 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 with the centre's 'net investment return and other item' to remove the benefit already recognised when valuing the insurance contract.

(v) Corporate expenditure as shown above is for head office functions.

(vi) Restructuring and IFRS 17 implementation costs largely comprise the costs of Group-wide projects including the implementation of IFRS 17 (including one-off costs associated with embedding IFRS 17), reorganisation programmes and initial costs of establishing new business initiatives and operations. The costs include those incurred in insurance and asset management operations of $(59) million (2023: $(81) million).

(vii) Loss attaching to corporate transactions in 2024 mainly relates to the held for sale businesses. The $(22) million loss in 2023 largely reflected costs incurred on the termination of corporate services.

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'. 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 2023.

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.
- 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 8.8 per cent for 2024 (2023: 2.8 per cent to 8.4 per cent).

Equity-type securities

For equity-type securities, the longer-term rates of return are estimates of the long-term trend investment returns for income and capital. Longer-term rates of return range from 8.6 per cent to 15.7 per cent for 2024 and 2023.

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).
- 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.

	2024 $m	2023 $m		2024 vs 2023 %	
		AER	CER	AER	CER
Adjusted release of CSM note (i)	**2,333**	2,205	2,177	6 %	7 %
Release of risk adjustment	**268**	218	215	23 %	25 %
Experience variances	**(81)**	(118)	(115)	31 %	30 %
Other insurance service result	**(68)**	(109)	(108)	38 %	37 %
Adjusted insurance service result note (ii)	**2,452**	2,196	2,169	12 %	13 %
Net investment result on longer-term basis note (iii)	**1,146**	1,241	1,224	(8) %	(6) %
Other insurance income and expenditure	**(89)**	(122)	(120)	27 %	26 %
Share of related tax charges from joint ventures and associates	**(90)**	(78)	(77)	(15) %	(17) %
Insurance business	**3,419**	3,237	3,196	6 %	7 %
Eastspring	**304**	280	277	9 %	10 %
Other income and expenditure	**(387)**	(423)	(424)	9 %	9 %
Restructuring and IFRS 17 implementation costs	**(207)**	(201)	(200)	(3) %	(3) %
Adjusted operating profit, as reconciled to profit for the year in note B1.1	**3,129**	2,893	2,849	8 %	10 %

Notes

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

	2024 $m	2023 $m
Release of CSM, net of reinsurance as included within Insurance service result on the consolidated income statement		
Insurance	2,286	2,193
Reinsurance	(159)	(203)
	2,127	1,990
Add amounts relating to the Group's life joint ventures and associates that are accounted for on equity method	225	218
Release of CSM, net of reinsurance as shown in note C3		
Insurance	2,511	2,414
Reinsurance	(159)	(206)
	2,352	2,208
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	(19)	(3)
Adjusted release of CSM as shown above	2,333	2,205

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

	2024 $m	2023 $m
Insurance service result as shown in the consolidated income statement	2,293	2,087
Add amounts relating to the Group's life joint ventures and associates that are accounted for on equity method	187	148
Insurance service result as shown in note C3.2		
Insurance	2,786	2,424
Reinsurance	(306)	(189)
	2,480	2,235
Removal of losses or gains from reversal of losses on those onerous contracts that meet the criteria in note B1.2 less the adjustment to the release of CSM shown above	46	68
Other items including policyholder tax*	(74)	(107)
Adjusted insurance service result as shown above	2,452	2,196

* 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 profit after tax and so have 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:

	2024 $m	2023 $m
Net investment result as shown in the consolidated income statement	1,332	1,091
Remove investment return of non-insurance entities	(448)	(142)
Remove short-term interest rate and other market fluctuations included in non-operating profit excluding non-insurance entities*	334	774
Other items*	(72)	(482)
Net investment result on longer-term basis as shown above	1,146	1,241

* Other items include the impact from the Group's life joint ventures and associates and policyholder tax.

B1.4 Revenue

	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

	2023 $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	1,089	582	642	970	670	–	–	3,953	–	3,953
Change in risk adjustment for non-financial risk	73	35	24	55	41	–	–	228	–	228
Release of CSM for services provided	787	187	203	478	538	–	–	2,193	–	2,193
Other adjustments note (ii)	73	32	31	45	71	–	–	252	–	252
Recovery of insurance acquisition cash flows	1,207	306	234	435	563	–	–	2,745	–	2,745
	3,229	1,142	1,134	1,983	1,883	–	–	9,371	–	9,371
Other revenue note (iii)	22	4	4	–	39	299	–	368	1	369
Total revenue from external customers	3,251	1,146	1,138	1,983	1,922	299	–	9,739	1	9,740
Intra-group revenue	–	–	–	–	–	184	(184)	–	–	–
Investment return										
Interest income	1,033	92	239	785	627	7	–	2,783	164	2,947
Dividend and other investment income	775	93	151	528	117	3	–	1,667	7	1,674
Investment appreciation (depreciation)	2,155	50	177	1,490	1,309	4	–	5,185	(43)	5,142
	3,963	235	567	2,803	2,053	14	–	9,635	128	9,763
Total revenue	7,214	1,381	1,705	4,786	3,975	497	(184)	19,374	129	19,503

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 $333 million (2023: $299 million).

B1.5 Additional segmental analysis of profit after tax

	2024 $m	2023 $m
Mainland China note	**159**	(577)
Hong Kong	**851**	976
Indonesia	**181**	156
Malaysia note	**296**	257
Singapore	**566**	512
Growth markets and other note	**503**	775
Eastspring	**264**	254
Total segment	**2,820**	2,353
Unallocated to a segment (central operations)	**(405)**	(641)
Total profit after tax	**2,415**	1,712

Note
The Growth markets and other segment comprises all other Asia and Africa insurance businesses alongside other 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 basis 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 $141 million (2023: $(366) million).

B2 Tax charge

B2.1 Total tax charge by segment

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

	2024 $m	2023 $m
Hong Kong	**(229)**	(129)
Indonesia	**(37)**	(43)
Malaysia	**(155)**	(98)
Singapore	**(176)**	(174)
Growth markets and other	**(158)**	(103)
Eastspring	**(29)**	(26)
Total segment note	**(784)**	(573)
Unallocated to a segment (central operations)	**(40)**	13
Total tax charge note	**(824)**	(560)

Note
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 Mainland China.

A small number of jurisdictions in which the Group has operations have implemented either a global minimum tax or a domestic minimum tax at a rate of 15 per cent, in line with the OECD Pillar Two proposals, effective for 2024 onwards. There was no impact from the new tax rules on the Group's IFRS tax charge for the 2024 financial year.

Additional jurisdictions in which the Group has operations have implemented, or are in the process of implementing, the new tax rules effective for 2025 onwards. Implementation of the new tax rules in Hong Kong effective from 2025 onwards will bring the whole Group into scope of the new rules.

The Group has estimated the potential impact of the new Pillar Two tax rules for future periods. This assessment was based on recent financial statements, corporate income tax returns and country-by-country reports. The outcome 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.

	2024		2023	
	$m	**ETR %**	$m	ETR %
Profit before tax (being tax attributable to shareholders' and policyholders' returns)	**3,239**		2,272	
Tax charge attributable to policyholders' returns note (i)	**(286)**		(175)	
Profit before tax attributable to shareholders' returns	**2,953**		2,097	
Tax charge at the expected rate	**(585)**	**20 %**	(399)	19 %
Effects of recurring tax reconciliation items:				
Income not taxable or taxable at concessionary rates note (ii)	**96**	**(3) %**	80	(4) %
Deductions and losses not allowable for tax purposes note (iii)	**(164)**	**5 %**	(136)	6 %
Items related to taxation of life insurance businesses note (iv)	**94**	**(3) %**	137	(7) %
Deferred tax adjustments including unrecognised tax losses	**4**	**0 %**	13	(1) %
Effect of results of joint ventures and associates note (v)	**100**	**(3) %**	(38)	2 %
Irrecoverable withholding taxes note (vi)	**(61)**	**2 %**	(63)	3 %
Other	**1**	**0 %**	(2)	1 %
Total credit (charge) on recurring items	**70**	**(2) %**	(9)	0 %
Effects of non-recurring tax reconciliation items:				
Adjustments to tax charge in relation to prior years	**7**	**0 %**	42	(2) %
Movements in provisions for open tax matters note (vii)	**(8)**	**0 %**	(15)	1 %
Adjustments in relation to business disposals and corporate transactions	**(22)**	**0 %**	(4)	0 %
Total (charge) credit on non-recurring items	**(23)**	**0 %**	23	(1) %
Tax charge attributable to shareholders' returns	**(538)**		(385)	
Tax charge attributable to policyholders' returns note (i)	**(286)**		(175)	
Tax charge attributable to shareholders' and policyholders' returns	**(824)**		(560)	
Profit before tax attributable to shareholders' returns analysed into:				
Adjusted operating profit	**3,129**		2,893	
Non-operating result note (viii)	**(176)**		(796)	
Profit before tax attributable to shareholders' returns	**2,953**		2,097	
Tax charge attributable to shareholders' returns analysed into:				
Tax charge on adjusted operating profit	**(547)**		(444)	
Tax credit on non-operating result note (viii)	**9**		59	
Tax charge attributable to shareholders' returns	**(538)**		(385)	
Actual tax rate on:				
Adjusted operating profit:				
Including non-recurring tax reconciling items note (ix)	**17 %**		15 %	
Excluding non-recurring tax reconciling items	**17 %**		16 %	
Profit before tax attributable to shareholders' returns note (ix)	**18 %**		18 %	

Notes

(i) The tax charge attributable to policyholders of $(286) million (2023: $(175) 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 Singapore and 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.

	2024 $m
Balance at 1 Jan	**(93)**
Movements in the current year included in tax charge attributable to shareholders	**(8)**
Provisions utilised in the year	**13**
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	**(95)**

(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:

	2024 %							
	Hong Kong	Indonesia	Malaysia	Singapore	Growth markets and other	Eastspring	Other (central) operations	Total attributable to shareholders
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 %**

	2023 %							
	Hong Kong	Indonesia	Malaysia	Singapore	Growth markets and other	Eastspring	Other (central) operations	Total attributable to shareholders
Tax rate on adjusted operating profit	7 %	22 %	22 %	16 %	20 %	9 %	2 %	15 %
Tax rate on profit before tax	7 %	22 %	20 %	16 %	11 %	9 %	2 %	18 %

B3 Earnings per share

	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¢**

	2023					
	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	2,893	(444)	(11)	2,438	89.0¢	88.7¢
Short-term interest rate and other market fluctuations	(774)	59	–	(715)	(26.1)¢	(26.0)¢
Loss attaching to corporate transactions	(22)	–	–	(22)	(0.8)¢	(0.8)¢
Based on profit for the year	2,097	(385)	(11)	1,701	62.1¢	61.9¢

For 2024, the weighted average number of shares for calculating basic earnings per share, that excludes those held in employee share trusts, is 2,715 million (2023: 2,741 million). After including a dilutive effect of the Group's share options and awards of 5 million (2023: 6 million), the weighted average number of shares for calculating diluted earnings per share is 2,720 million (2023: 2,747 million).

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.

	2024		2023	
	Cents per share	**$m**	Cents per share	$m
Dividends relating to reporting year:				
First interim dividend	**6.84¢**	**185**	6.26¢	172
Second interim dividend	**16.29¢**	**433** *	14.21¢	392
Total relating to reporting year	**23.13¢**	**618**	20.47¢	564
Dividends paid in reporting year:				
Current year first interim dividend	**6.84¢**	**185**	6.26¢	172
Second interim dividend for prior year	**14.21¢**	**390**	13.04¢	361
Total paid in reporting year	**21.05¢**	**575**	19.30¢	533

* Calculated using the outstanding number of ordinary shares as at 31 December 2024.

Dividend per share

The 2024 first interim dividend of 6.84 cents per ordinary share was paid to eligible shareholders on 23 October 2024.

On 14 May 2025, Prudential will pay a second interim dividend of 16.29 cents per ordinary share for the year ended 31 December 2024. 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 28 March 2025 (Record Date), and also to the holders of US American Depositary Receipts (ADRs) as at 28 March 2025. The second interim dividend will be paid on or about 21 May 2025 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. 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 must be received by the relevant UK or HK share registrar by 22 April 2025. The corresponding amounts per share in GBP and HKD are expected to be announced on or about 28 April 2025. The USD to GBP and HKD conversion rates will be determined by the actual rates achieved by Prudential buying those currencies prior to the 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 10 April 2025.

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 2024 were $900 million (31 December 2023: $1,181 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.

	31 Dec 2024 $m						
	Asia and Africa						
	Insurance						
	Funds with policyholder participation note (i)	Unit-linked funds	Other	Eastspring	Total	Unallocated to a segment	Group total
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	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
Other financial investments note (iii)	2,240	260	2,118	93	4,711	1,150	5,861
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

	31 Dec 2023 $m						
	Asia and Africa						
	Insurance						
	Funds with policyholder participation note (i)	Unit-linked funds	Other	Eastspring	Total	Unallocated to a segment	Group total
Debt securities							
Sovereign debt							
Indonesia	393	611	525	–	1,529	–	1,529
Singapore	3,006	607	929	–	4,542	–	4,542
Thailand	2	4	1,957	–	1,963	–	1,963
United States	23,552	84	2,351	–	25,987	–	25,987
Vietnam	3,143	30	173	–	3,346	–	3,346
Other (predominantly Asia)	4,375	669	1,819	28	6,891	–	6,891
Subtotal	34,471	2,005	7,754	28	44,258	–	44,258
Other government bonds							
AAA	1,533	94	119	–	1,746	–	1,746
AA+ to AA-	120	17	29	–	166	–	166
A+ to A-	689	95	239	–	1,023	–	1,023
BBB+ to BBB-	271	57	56	–	384	–	384
Below BBB- and unrated	502	11	63	2	578	–	578
Subtotal	3,115	274	506	2	3,897	–	3,897
Corporate bonds							
AAA	1,214	147	243	–	1,604	–	1,604
AA+ to AA-	2,716	440	934	–	4,090	–	4,090
A+ to A-	10,918	460	2,179	–	13,557	1	13,558
BBB+ to BBB-	9,466	714	2,055	–	12,235	1	12,236
Below BBB- and unrated	2,280	500	356	–	3,136	–	3,136
Subtotal	26,594	2,261	5,767	–	34,622	2	34,624
Asset-backed securities							
AAA	174	2	54	–	230	–	230
AA+ to AA-	6	–	2	–	8	–	8
A+ to A-	30	–	7	–	37	–	37
BBB+ to BBB-	7	–	2	–	9	–	9
Below BBB- and unrated	–	1	–	–	1	–	1
Subtotal	217	3	65	–	285	–	285
Total debt securities note (ii)	64,397	4,543	14,092	30	83,062	2	83,064
Loans							
Mortgage loans	65	–	83	–	148	–	148
Other loans	430	–	–	–	430	–	430
Total loans	495	–	83	–	578	–	578
Equity securities and holdings in collective investment schemes							
Direct equities	18,711	12,075	182	128	31,096	–	31,096
Collective investment schemes	24,529	7,546	1,580	2	33,657	–	33,657
Total equity securities and holdings in collective investment schemes	43,240	19,621	1,762	130	64,753	–	64,753
Other financial investments note (iii)	2,893	396	1,707	101	5,097	2,628	7,725
Total financial investments	111,025	24,560	17,644	261	153,490	2,630	156,120
Investment properties	–	–	39	–	39	–	39
Cash and cash equivalents	1,054	647	1,287	173	3,161	1,590	4,751
Total investments	112,079	25,207	18,970	434	156,690	4,220	160,910

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, the following amounts were held by the consolidated investment funds:

	31 Dec 2024 $m	31 Dec 2023 $m
Debt securities held by consolidated investment funds	**10,409**	11,116

(iii) Other financial investments comprise derivative assets and deposits.

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 FVTPL at 31 December 2024 and measured on a recurring basis. In addition, at 31 December 2024, the Group classified certain assets and liabilities as held for sale that have been measured at fair value on a non-recurring basis based on the expected sales proceeds for these businesses.

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 2024 $m			
	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)	Total
Loans	–	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 %

	31 Dec 2023 $m			
	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)	Total
Loans	–	430	–	430
Equity securities and holdings in collective investment schemes	56,327	5,562	2,864	64,753
Debt securities note (i)	64,004	19,020	40	83,064
Derivative assets	1,460	395	–	1,855
Derivative liabilities	(58)	(180)	–	(238)
Total financial investments, net of derivative liabilities	121,733	25,227	2,904	149,864
Investment contract liabilities without DPF note (ii)	–	(769)	–	(769)
Net asset value attributable to unit holders of consolidated investment funds	(2,711)	–	–	(2,711)
Total financial instruments at fair value	119,022	24,458	2,904	146,384
Percentage of total (%)	81 %	17 %	2 %	100 %

Notes

(i) Of the total level 2 debt securities of $17,620 million at 31 December 2024 (31 December 2023: $19,020 million), $12 million (31 December 2023: $10 million) are valued internally.

(ii) For Investment contract liabilities without DPF, it is assumed that these investment contracts are not quoted in an active market and do not have readily available published prices and that their fair values are determined using valuation techniques. It is assumed that all significant inputs used in the valuation are observable and these investment contract liabilities are classified in level 2.

(iii) At 31 December 2024, the Group held $3,154 million (31 December 2023: $2,904 million) of net financial instruments at fair value within level 3. This represents 2 per cent (31 December 2023: 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 $3,116 million (31 December 2023: $2,863 million) consisting primarily of property, infrastructure, private credit and private equity funds held by the participating funds, which are externally valued using the net asset value of the invested entities. Equity securities of $1 million (31 December 2023: $1 million) are internally valued, representing less than 0.1 per cent of the total fair valued financial assets, net of financial liabilities. Internal valuations are inherently more subjective than external valuations; and
- Other sundry individual financial instruments of a net asset of $37 million (31 December 2023: $40 million).
- Of the net financial instruments of $3,154 million (31 December 2023: $2,904 million) referred to above:
- A net asset of $3,088 million (31 December 2023: $2,866 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 $66 million (31 December 2023: $38 million) and are primarily investments valued using external prices adjusted to reflect the specific known conditions relating to these holdings where applicable (eg distressed securities). If the value of all these level 3 financial instruments decreased by 10 per cent, the change in valuation would be $(7) million (31 December 2023: $(4) million), which would reduce shareholders' equity by this amount before tax.

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 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					
	Assets		Liabilities		Net liabilities (assets)		Assets		Liabilities		Net liabilities (assets)	
	Insurance note (i)	RI note (i)	Insurance note (i)	RI note (i)	Insurance note (ii)	RI	Insurance note (i)	RI note (i)	Insurance note (i)	RI note (i)	Insurance note (ii)	RI
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 (assets) liabilities	**1,345**	**3,390**	**147,566**	**536**	**146,221**	**(2,854)**	**1,429**	**3,556**	**170,670**	**558**	**169,241**	**(2,998)**
As at 31 Dec 2023												
Best estimate liabilities (BEL)	3,952	1,175	120,115	1,182	116,163	7	3,998	1,315	139,673	1,222	135,675	(93)
Risk adjustment for non-financial risk (RA)	(631)	(84)	1,713	(21)	2,344	63	(630)	(67)	1,969	(24)	2,599	43
Contractual service margin (CSM)	(2,173)	1,335	18,011	(10)	20,184	(1,345)	(2,176)	1,321	20,176	(19)	22,352	(1,340)
Insurance contract balances note C3.2	1,148	2,426	139,839	1,151	138,691	(1,275)	1,192	2,569	161,818	1,179	160,626	(1,390)
Assets for insurance acquisition cash flows	32	–	1	–	(31)	–	32	–	1	–	(31)	–
Insurance and reinsurance contract (assets) liabilities	1,180	2,426	139,840	1,151	138,660	(1,275)	1,224	2,569	161,819	1,179	160,595	(1,390)

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 2024 and 2023, 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 $m	Group's share related to JVs and associates $m	Including JVs and associates $m
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 note D2	**(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**
As at 31 Dec 2023			
Shareholders' equity	15,883	1,940	17,823
CSM, net of reinsurance	18,839	2,173	21,012
Remove: CSM asset attaching to reinsurance contracts wholly attributable to policyholders	1,367	–	1,367
Shareholders' CSM, net of reinsurance	20,206	2,173	22,379
Less: Related tax adjustments	(2,347)	(509)	(2,856)
Adjusted total comprehensive equity	33,742	3,604	37,346

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 associate is set out below:

	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 (assets) liabilities 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 note (iv)	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 (assets) liabilities at 31 Dec	144,068	2,743	22,461	169,272	(2,322)	(175)	(501)	(2,998)

	Including JVs and associates							
	2023 $m							
	Insurance				Reinsurance			
	BEL	RA	CSM	Total	BEL	RA	CSM	Total
Opening assets	(3,562)	502	1,921	(1,139)	(652)	21	(1,369)	(2,000)
Opening liabilities	124,297	1,662	19,383	145,342	1,193	(47)	54	1,200
Net (assets) liabilities at 1 Jan	120,735	2,164	21,304	144,203	541	(26)	(1,315)	(800)
Changes that relate to future service								
Changes in estimates that adjust the CSM	(1,142)	341	801	–	62	43	(105)	–
Changes in estimates that result in losses or reversal of losses on onerous contracts	224	(8)	–	216	(93)	–	–	(93)
New contracts in the year	(2,687)	317	2,429	59	86	(6)	(81)	(1)
	(3,605)	650	3,230	275	55	37	(186)	(94)
Changes that relate to current service								
Release of CSM to profit or loss	–	–	(2,414)	(2,414)	–	–	206	206
Release of risk adjustment to profit or loss	–	(242)	–	(242)	–	27	–	27
Experience adjustments	(170)	–	–	(170)	50	–	–	50
	(170)	(242)	(2,414)	(2,826)	50	27	206	283
Changes that relate to past service								
Adjustments to assets and liabilities for incurred claims	130	(3)	–	127	–	–	–	–
Insurance service result	(3,645)	405	816	(2,424)	105	64	20	189
Net finance (income) expense								
Accretion of interest on GMM contracts note (i)	158	52	307	517	(3)	(3)	(47)	(53)
Other net finance (income) expense	10,379	(20)	(12)	10,347	(155)	9	–	(146)
	10,537	32	295	10,864	(158)	6	(47)	(199)
Total amount recognised in income statement	6,892	437	1,111	8,440	(53)	70	(27)	(10)
Effect of movements in exchange rates	(49)	(2)	(63)	(114)	2	(1)	2	3
Total amount recognised in comprehensive income	6,843	435	1,048	8,326	(51)	69	(25)	(7)
Cash flows								
Premiums received net of ceding commissions paid	26,224	–	–	26,224	(1,137)	–	–	(1,137)
Insurance acquisition cash flows	(4,802)	–	–	(4,802)	–	–	–	–
Claims and other insurance service expenses net of recoveries from reinsurance received note (ii)	(13,144)	–	–	(13,144)	554	–	–	554
Total cash flows	8,278	–	–	8,278	(583)	–	–	(583)
Other changes note (iii)	(181)	–	–	(181)	–	–	–	–
Closing assets	(3,998)	630	2,176	(1,192)	(1,315)	67	(1,321)	(2,569)
Closing liabilities	139,673	1,969	20,176	161,818	1,222	(24)	(19)	1,179
Net (assets) liabilities at 31 Dec	135,675	2,599	22,352	160,626	(93)	43	(1,340)	(1,390)

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 as well as the net insurance and reinsurance liabilities at 31 December 2024 of businesses classified as held for sale. Comparative results are as published and include the results of this business.

(iv) The Group does not utilise the risk mitigation option in its IFRS 17 VFA liability accounting except in connection with a short-term premium prepayment option available on certain participating products in Hong Kong effective from 1 January 2024, which has had a minor effect on the income statement.

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 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**

	31 Dec 2023 $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	2,041	226	2,267
After 1 year to 2 years	1,780	190	1,970
After 2 years to 3 years	1,586	165	1,751
After 3 years to 4 years	1,412	146	1,558
After 4 years to 5 years	1,283	127	1,410
After 5 years to 10 years	4,604	474	5,078
After 10 years to 15 years	2,924	293	3,217
After 15 years to 20 years	1,781	195	1,976
After 20 years	2,773	352	3,125
Total insurance CSM	20,184	2,168	22,352

(ii) Reinsurance contracts – expected recognition of the CSM

	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)**

	31 Dec 2023 $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	(177)	(2)	(179)
After 1 year to 2 years	(132)	–	(132)
After 2 years to 3 years	(103)	1	(102)
After 3 years to 4 years	(85)	1	(84)
After 4 years to 5 years	(74)	1	(73)
After 5 years to 10 years	(268)	3	(265)
After 10 years to 15 years	(173)	2	(171)
After 15 years to 20 years	(113)	–	(113)
After 20 years	(220)	(1)	(221)
Total reinsurance CSM	(1,345)	5	(1,340)

C4 Intangible assets

C4.1 Goodwill

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

	2024 $m	2023 $m
Carrying value at 1 Jan	**896**	890
Exchange differences	**(7)**	6
Reclassification as held for sale	**(41)**	–
Carrying value at 31 Dec	**848**	896

C4.2 Other intangible assets

	2024 $m			2023 $m		
	Distribution rights note (i)	**Other intangibles** note (ii)	**Total**	Distribution rights note (i)	Other intangibles note (ii)	Total
Balance at 1 Jan						
Cost	**5,585**	**537**	**6,122**	5,176	489	5,665
Accumulated amortisation	**(1,876)**	**(260)**	**(2,136)**	(1,546)	(235)	(1,781)
	3,709	**277**	**3,986**	3,630	254	3,884
Additions	**198**	**62**	**260**	415	83	498
Amortisation charge	**(331)**	**(58)**	**(389)**	(330)	(49)	(379)
Disposals and transfers	**(4)**	**(14)**	**(18)**	–	(6)	(6)
Exchange differences and other movements	**(13)**	**(2)**	**(15)**	(6)	(5)	(11)
Balance at 31 Dec	**3,559**	**265**	**3,824**	3,709	277	3,986
Comprising:						
Cost	**5,762**	**570**	**6,332**	5,585	537	6,122
Accumulated amortisation	**(2,203)**	**(305)**	**(2,508)**	(1,876)	(260)	(2,136)
Balance at 31 Dec	**3,559**	**265**	**3,824**	3,709	277	3,986

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 2024 $m	31 Dec 2023 $m
Subordinated debt		
US$750m 4.875% notes	**750**	750
£435m 6.125% notes 2031	**542**	551
US$1,000m 2.95% notes 2033	**997**	996
Senior debt		
£250m 5.875% notes 2029	**299**	301
US$1,000m 3.125% notes 2030	**990**	988
US$350m 3.625% notes 2032	**347**	347
Total core structural borrowings of shareholder-financed businesses	**3,925**	3,933

The senior debt ranks above subordinated debt in the event of liquidation.

C5.2 Operational borrowings

	31 Dec 2024 $m	31 Dec 2023 $m
Borrowings in respect of short-term fixed income securities programmes (commercial paper)	**527**	699
Lease liabilities under IFRS 16	**257**	234
Other borrowings	**13**	8
Total operational borrowings	**797**	941

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 2024 and 2023, 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 is recorded as part of other comprehensive income and in 2024 represented a loss of $(309) million (2023: $(124) million), which corresponds to 2 per cent of opening shareholders' equity (2023: 1 per cent). Additionally, note B1.1 'Segment results' shows the Group's segment and total profit for 2023 as if it had been prepared using the same exchange rates as 2024 (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:

	31 Dec 2024 $m		31 Dec 2023 $m	
Change in local currency to $ exchange rates	**Decrease of 5%**	**Increase of 5%**	Decrease of 5%	Increase of 5%
Profit after tax for the year	**102**	**(92)**	72	(65)
Shareholders' equity	**624**	**(565)**	595	(538)

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 2024 and 2023 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 2024 and 2023, 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	2024 $m	2023 $m
Profit after tax for the year for the Group	**2,415**	1,712
Group shareholders' equity as at 31 Dec	**17,492**	17,823
CSM as at 31 Dec including JVs and associates	**21,960**	21,012

	31 Dec 2024 $m		31 Dec 2023 $m	
Interest rates and consequential effects	**Decrease of 0.5%**	**Increase of 1%**	Decrease of 0.5%	Increase of 1%
Increase (decrease) to shareholders' equity:				
Financial assets note	**7,690**	**(13,462)**	6,815	(12,004)
Net insurance contract liabilities (including CSM) note	**(7,324)**	**12,474**	(7,332)	12,191
Net effect on shareholders' equity	**348**	**(878)**	(328)	24
Increase (decrease) to profit after tax:				
Net effect on profit after tax	**380**	**(940)**	(328)	24
Increase (decrease) to CSM liability:				
CSM note	**395**	**(975)**	358	(880)

	31 Dec 2024 $m		31 Dec 2023 $m	
Equity/property market values	**Decrease of 20%**	**Increase of 10%**	Decrease of 20%	Increase of 10%
Increase (decrease) to shareholders' equity:				
Financial assets note	**(14,133)**	**7,075**	(13,359)	6,681
Net insurance contract liabilities (including CSM) note	**13,132**	**(6,628)**	12,288	(6,254)
Net effect on shareholders' equity	**(689)**	**302**	(822)	327
Increase (decrease) to profit after tax:				
Net effect on profit after tax	**(738)**	**325**	(822)	327
Increase (decrease) to CSM liability:				
CSM note	**(1,479)**	**651**	(1,392)	618

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 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 $(48) million and $21 million (2023: $(30) million and $33 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 $(201) million and $85 million (2023: $(186) million and $83 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, 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.

	2024 $m			
	Net effect on shareholders' equity and profit after tax attributable to equity holders		Net effect on CSM	
Sensitivity to insurance risk:	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
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)**

	2023 $m			
	Net effect on shareholders' equity and profit after tax attributable to equity holders		Net effect on CSM	
Sensitivity to insurance risk:	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
Maintenance expenses – 10% increase	(77)	(71)	(420)	(427)
Lapse rates – 10% increase	(88)	(76)	(1,363)	(1,496)
Mortality and morbidity – 5% increase	(131)	(96)	(638)	(261)

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, $(105) million and $(97) million (2023: $(61) million, $(95) million and $(85) 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 2024, of the $31 million (31 December 2023: $34 million) current tax recoverable, the majority is expected to be recovered within 12 months of the reporting period.

At 31 December 2024, the current tax liability of $238 million (31 December 2023: $275 million) includes $95 million (31 December 2023: $93 million) of provisions for uncertain tax matters. Further detail is provided in note B2.2.

C7.2 Deferred tax

The statement of financial position contains deferred tax assets of $142 million (31 December 2023: $156 million) and deferred tax liabilities of $1,514 million (31 December 2023: $1,250 million), which are presented on a net basis in each of the categories below for the purpose of this movement analysis only:

	2024 $m			
	Net deferred tax (assets) liabilities at 1 Jan	**Movement in income statement**	**Other movements including foreign exchange movements**	**Net deferred tax (assets) liabilities 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**

	2023 $m			
	Net deferred tax (assets) liabilities at 1 Jan	Movement in income statement	Other movements including foreign exchange movements	Net deferred tax (assets) liabilities at 31 Dec
Unrealised losses or gains on investments	(129)	268	(10)	129
Balances relating to insurance and reinsurance contracts	1,255	(87)	2	1,170
Short-term temporary differences	(96)	2	–	(94)
Unused tax losses	(31)	(79)	(1)	(111)
Net deferred tax liabilities	999	104	(9)	1,094

The Group has applied the mandatory exemption from recognising and disclosing information on the associated deferred tax assets and liabilities at 31 December 2024 as required by the amendments to IAS 12 'International Tax Reform – Pillar Two Model Rules'.

C8 Share capital, share premium and own shares

	2024			2023		
Issued shares of 5p each fully paid	**Number of ordinary shares**	**Share capital $m**	**Share premium $m**	Number of ordinary shares	Share capital $m	Share premium $m
Balance at 1 Jan	**2,753,520,756**	**183**	**5,009**	2,749,669,380	182	5,006
Shares issued under share-based schemes	**758,708**	**–**	**–**	3,851,376	1	3
Shares issued under scrip dividends	**2,813,929**	**–**	**–**	–	–	–
Shares cancelled on repurchases/buybacks	**(99,571,505)**	**(7)**	**–**	–	–	–
Balance at 31 Dec	**2,657,521,888**	**176**	**5,009**	2,753,520,756	183	5,009

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

		Share price range		
	Number of shares to subscribe for	from (in pence)	to (in pence)	Exercisable by year
31 Dec 2024	**1,660,096**	**520p**	**1,202p**	**2030**
31 Dec 2023	1,671,215	737p	1,455p	2029

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 10.0 million shares (2023: 3.9 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 $96.8 million (2023: $54 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 2024, 14.9 million (31 December 2023: 10.0 million) Prudential plc shares were held in the trusts.

(b) Share repurchase/buyback programmes by the Company

The Company made the following purchases during 2024:

Cost recognised in retained earnings	2024 $m
Share repurchases to neutralise share scheme issuances	48
Share repurchases to neutralise impact of scrip dividend	23
Share buyback programme to return capital to shareholders (excluding costs)	785
Total cash paid on repurchases and buybacks (excluding costs)	856
Redemption liability and costs associated with the buyback	22
Total share repurchases and buybacks	**878**

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

		Share price		
	Number of shares	Low £	High £	Cost $
January 2024	3,851,376	8.01	8.52	40,548,716
June 2024	2,726,787	7.06	7.61	25,508,735
July 2024	11,940,672	6.68	7.42	95,525,099
August 2024	7,992,467	6.22	6.93	78,392,153
September 2024	23,590,670	6.02	7.08	193,828,164
October 2024	20,480,882	6.39	7.27	162,436,763
November 2024	18,244,807	5.95	6.81	161,759,189
December 2024	10,743,844	6.20	6.85	97,782,966
Total	99,571,505			855,781,785

In January and June 2024, the Company completed two share buyback programmes to offset dilution from the vesting of awards under employee and agent share schemes during 2023 and the first half of 2024, respectively. The Company repurchased 4.6 million ordinary shares in aggregate for a total consideration of $48 million.

In November 2024, the Company completed a share buyback programme primarily to offset dilution from the issue of shares under its scrip dividend alternative. The Company repurchased 2.8 million ordinary shares in aggregate for a total consideration of $23 million.

On 23 June 2024, the Company announced the $2 billion share buyback programme to reduce the issued share capital of the Company in order to return capital to shareholders, which will be completed by no later than mid-2026. The first tranche of $700 million was completed on 15 November 2024. On 5 December 2024, the Company announced the commencement of the second tranche of share buyback of $800 million, which will be completed by no later than 26 June 2025. This effectively accelerated our buyback programme which is now expected to complete by the end of 2025.

As at 31 December 2024, 92.1 million ordinary shares in aggregate have been repurchased under the $2 billion share buyback programme for a total consideration of $785 million, excluding costs. In addition, a financial liability of $(18) million was recognised as at 31 December 2024 for an obligation under the non-cancellable period of the arrangement entered into with the bank conducting the buyback.

All of these share purchases were made on the London Stock Exchange and the shares purchased were cancelled after settlement. The nominal value of the shares cancelled in 2024 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 2024.

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 Consolidation of ownership interest in Prudential Assurance Malaysia Berhad

The Group holds 51 per cent of the ordinary shares of the holding company of Prudential Assurance Malaysia Berhad, or PAMB, which is its conventional life insurance business in Malaysia. Detik Ria Sdn Bhd ('Detik Ria') holds the other 49 per cent. There was an agreement between the Group and Detik Ria that allowed the Group to acquire from Detik Ria its 49 per cent shareholding. In 2008, Detik Ria exercised the put option for which it received payments in accordance with the agreement. When Detik Ria failed to complete the share transfer in 2019, the Group filed a legal action against Detik Ria with the Kuala Lumpur High Court in Malaysia to enforce its rights. Subsequent decisions by the High Court and the Court of Appeal were both made in favour of the Group in confirming the contractual rights of the Group to acquire the 49 per cent shareholding. Following a further appeal made by Detik Ria, on 30 July 2024 the Federal Court of Malaysia overturned the previous rulings of the High Court and the Court of Appeal. This Federal Court of Malaysia decision does not affect the Group's ongoing consolidation of the business of PAMB, which remains a subsidiary controlled by the Group, but the Group has, in the 2024 financial statements, reflected a 49 per cent non-controlling interest instead of the previously consolidated 100 per cent economic interest. The non-controlling interest at 31 December 2024 was $1,055 million comprising $886 million at 1 January 2024 and $169 million in respect of the profit earned and effect of exchange translation difference during 2024.

The Federal Court of Malaysia also directed Detik Ria to return the consideration payments it has previously received from the Group of circa $29 million, which includes interest.

The Group's performance metrics are shown before the effect of non-controlling interests in line with the Group's policy.

D3 Post balance sheet events

Dividends

The 2024 second interim dividend approved by the Board of Directors after 31 December 2024 is described in note B4.