

BUPA FINANCE PLC

(Company number 2779134)

Directors' report and financial statements
for the financial year ended 31 December 2024

Bupa Finance plc
Registered number: 2779134

<i>Contents</i>	<i>Page</i>
Directors and officers	2
Strategic Report	3
Governance Report	19
Independent auditors' report to the members of Bupa Finance plc	24
Consolidated Financial Statements	36
Notes to the Consolidated Financial Statements	42
Bupa Finance plc Company Accounts	110

Disclaimer: Cautionary statement concerning forward-looking statements This document may contain certain 'forward-looking statements'. Forward-looking statements often use words such as 'intend', 'aim', 'project', 'estimate', 'plan', 'believe', 'expect', 'forecasts', 'may', 'could', 'should', 'will', 'continue' or other words of similar meaning. Statements that are not historical facts, including statements about the beliefs and expectations of Bupa Finance plc (Bupa) and Bupa's directors or management, are forward-looking statements. In particular, but not exclusively, these may relate to Bupa's plans, current goals and expectations relating to future financial condition, performance and results. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon future circumstances that may or may not occur, many of which are beyond Bupa's control and all of which are solely based on Bupa's current beliefs and expectations about future events. These circumstances include, among others, global economic and business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, risks arising out of health crises and pandemics, the impact of competition, the timing, impact and other uncertainties of future mergers or combinations within relevant industries. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual future condition, results, performance or achievements of Bupa or its industry to be materially different to those expressed or implied by such forward-looking statements. Recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. Except as required by any laws and regulations, Bupa expressly disclaims any obligations or undertakings to release publicly any updates or revisions to any forward-looking statements to reflect any change in the expectations of Bupa with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Forward-looking statements in this document are current only as of the date on which such statements are made. No statement in this document is intended to be a profit forecast. Neither the content of Bupa's website nor the content of any other website accessible from hyperlinks on Bupa's website is incorporated into, or forms part of, this document.

Bupa Finance plc
Registered number: 2779134

Directors and Officers

Directors

C Binmore
G M Evans
S M Fielding
J A Lenton

Company Secretary

C R Campbell

Registered Office

1 Angel Court
London
EC2R 7HJ

Auditors

PricewaterhouseCoopers LLP

Strategic Report

For the year ended 31 December 2024

The Directors present their Report for the year ended 31 December 2024 for Bupa Finance plc, a company registered in England as a public company limited by shares (the 'Company'), and its subsidiary companies (together referred to as the 'Group'). The immediate and ultimate parent of the Company is The British United Provident Association Limited (the 'Parent' or 'Bupa' and together with its subsidiaries, which includes the Company, the 'Bupa Group').

Strategic Report

Principal activities

The Company is a part of the Bupa Group, which is an international healthcare group. The principal activity of the Company is the provision of financing and treasury management of Bupa's businesses, which are managed in three Market Units; Asia Pacific, Europe and Latin America and Bupa Global, India and UK.

About Bupa

Established in 1947, Bupa's purpose is helping people live longer, healthier, happier lives and making a better world. We are an international healthcare company serving over 60 million customers¹ worldwide. Bupa has no shareholders, it reinvests profits into providing more and better healthcare for the benefit of current and future customers. Bupa has businesses around the world, principally in Australia, the UK, Spain, Poland, Chile, Hong Kong SAR, India, Türkiye, Brazil, Mexico and New Zealand. We also have associate businesses² in Saudi Arabia.

Business model

Our businesses	What we do
Health insurance <ul style="list-style-type: none"> 73% of revenue 37.8m Insurance customers worldwide 	<ul style="list-style-type: none"> Our main business is health insurance for corporate customers, small and medium-sized enterprises (SMEs) and for individual customers. We provide health insurance and funding products to customers in Australia, the UK, Spain, Poland, Chile, Hong Kong SAR, India, Türkiye, Brazil and Mexico and via our associate businesses in Saudi Arabia¹. We also offer international private medical insurance (IPMI) through our Bupa Global businesses. We provide dental insurance in Australia, the UK, Spain, Chile, Poland, Hong Kong SAR, Brazil and through Bupa Global.
Health Provision <ul style="list-style-type: none"> 20% of revenue 22.7m provision customers worldwide 	<ul style="list-style-type: none"> We operate health facilities in Spain, Chile, Poland, the UK, Brazil, Hong Kong SAR and Australia, and in our associate business in Saudi Arabia. Services include health assessments, GP services, physiotherapy and outpatient clinics. We provide digital GP services, care triage and consultation, mental health coaching and support, and chronic care management. We provide optical services in Australia. We run hospitals in Spain, Mexico, Chile, Poland and the UK. We have dental centres across the UK, Ireland, Australia, Spain, Chile, Poland, Brazil and Hong Kong SAR.
Aged care <ul style="list-style-type: none"> 7% of revenue 20,591 residents in our care homes 	<ul style="list-style-type: none"> Our aged care services comprise care homes, retirement villages, day centres and home care. We provide care to our residents in Australia, New Zealand, the UK and Spain.

Financial headlines³

- Total customers of 60.5m (2023: 50.0m) as we continue to deliver strong growth.
- Revenue⁴ of £16.9bn, up 16% (2023: £14.6bn) at Constant Exchange Rates (CER). Excluding Niva Bupa, which has been consolidated from this year, and the returns of COVID-19 claims savings to customers in Australia Health Insurance, revenues increased by 10%.
- Underlying profit⁵ before taxation of £1,094m, up 51% at CER (2023: £724m) driven by strong revenue growth, supported by higher investment returns.
- Statutory profit before taxation of £1,156m, up 61% at Actual Exchange Rates (AER) (2023: £717m).

¹ Customer counting methodologies vary between business units, and in certain business units customers are counted more than once if they choose to purchase or utilise multiple products or services as part of our connected care offering.

² Refers to Bupa Arabia and My Clinic.

³ Revenues from associate businesses are excluded from reported figures. Customer numbers include 100% of our associates. Economic post-tax profits include the associate contribution in line with our shareholding.

⁴ Revenue calculated based on the aggregation of 'insurance revenue' and 'total non-insurance revenue' as shown in the Consolidated Income Statement.

⁵ Underlying profit is a Non-GAAP financial measure. A reconciliation to statutory profit before taxation can be found in the notes to the financial statements.

Strategic Report

For the year ended 31 December 2024

- The Bupa Group's Solvency II capital coverage ratio remains strong at 176%⁶ (2023: 175%).
- Leverage ratio is 23.8% (2023: 27.9%) when including IFRS 16 lease liabilities. Excluding these liabilities, the leverage ratio is 16.6% (2023: 20.6%).
- Net cash generated from operating activities remained strong at £1,414m (2023: £1,304m).
- In January 2024 we increased our investment to become the controlling shareholder in Niva Bupa, a leading Indian health insurance company. Subsequently, in November, Niva Bupa successfully listed a minority shareholding via IPO and raised additional capital, marking an exciting next step in the growth of the business.

BUPA GROUP CEO's UPDATE

We have accomplished a lot this year in support of Bupa's purpose: helping people live longer, healthier, happier lives and making a better world. Everyone at Bupa should be proud of the progress we've made, both in 2024, and over the past four years since we launched our 3x6 Strategy. I'm incredibly proud of the dedication and hard work our Bupa colleagues have shown in caring for our customers and improving our performance. Their commitment to delivering outstanding care has made a real difference.

Our strategy is centred on digital transformation, enhancing the customer experience and making Bupa an even better place to work - all while growing our business to support more customers and doing what we can to make the world a better place. We now serve over 60 million customers and almost 7.5 million people are using Blua⁷, our digital health solution.

In 2024, we made positive progress in three priority areas – our financial performance, our customer experience and our colleague engagement.

- We've driven strong **financial performance** with revenue and underlying profit continuing to increase which is enabling us to reinvest in line with our purpose.
- Listening to our customers and implementing improvements based on their feedback has enabled us to keep improving our **customers' experience**. As a result, the majority (92%) of our business units (BUs) have improved their NPS this year with four BUs exceeding our world-class ambition of 80 NPS across the Group.
- In our second **colleague engagement** survey of the year, our score was 84 (up 2 from last year), a result that is regarded as world-class. More colleagues than ever took part, with over 70,000 employees completing the survey.

Strategic progress:

Since 2021, we have been focused on delivering our 3x6 Strategy – centred around three bold ambitions, supported by six strategic and enabling pillars. We are proud of the significant progress we have made, having delivered demonstrable results against each of our three ambitions. Performance in 2024, the final year of the 3x6 Strategy, was especially strong as we were able to build on the positive momentum generated over previous years.

- **40% customer care touchpoints owned by Bupa**⁸: At the end of 2024, we owned 26% of our customer care touchpoints, having significantly expanded our digital health offerings (via Blua) and our physical provision network.
- **60% active digital customers**⁹: We ended the year with 46% of our funding customers actively engaging with us through digital channels, having successfully increased customer awareness and adoption of Blua.
- **80 NPS**¹⁰: By the end of the year, we achieved an average NPS score of 67, having focused on implementing customer experience improvements for the benefit of our customers.

Looking forward, there is more we can do to deliver on our three ambitions, and we are committed to accelerating our progress across these key priorities in 2025 and beyond.

In the final year of the strategy, we also made significant progress against our **six strategic and enabling pillars**, including:

- **Customer:** Our ambition is to be the world's most customer-centric healthcare company, which means we are committed to listening to our customers and acting on their feedback. This year, we implemented over 10,500 improvements to enhance the experience of our customers, patients and residents. These improvements have led to tangible benefits for our customers, as shown by the growth in NPS across the majority (92%) of our BUs.
- **Growth:** We continue to grow our business through strong organic customer growth. We have around 38m health insurance customers, reflecting a 27% increase from last year, and 23m provision customers, representing a 12% growth compared to 2023. In Australia, we've achieved nine consecutive quarters of maintaining or growing market share¹¹.
- **Transformation:** A key driver of our customer growth is Blua¹², our digital health solution, which is helping us attract and retain customers who prefer to access healthcare digitally. Currently, almost 7.5 million customers are using Blua globally (+36% vs 2023), benefiting from a network of more than 16,700 clinicians. In 2024, we delivered more than 6.5m digital consultations¹³.
- **Sustainability:** In 2024, our Healthy Cities programme took place across all Market Units. This initiative aims to improve the physical and mental health of 1 million people by 2025, while also contributing to the restoration and

⁶ The FY 2024 Solvency II capital coverage ratio is an estimate and unaudited.

⁷ Or an equivalent digital solution

⁸ To maximise impact, the 40 Ambition is focused on the Australian, Spanish and UK Insurance Businesses.

⁹ The 60 Ambition is focused on funding BUs.

¹⁰ The 80 Ambition is relevant to all BUs.

¹¹ APRA industry data as at 31 December 2024

¹² Blua or an equivalent digital solution. Applicable to all references to Blua herein.

¹³ Digital consultations relates to Poland, UK, Spain and Australia.

Strategic Report

For the year ended 31 December 2024

regeneration of local environments. Last year, there were 63,000 active participants in Healthy Cities, collectively taking 16 billion steps (a 68% increase in steps from 2023) and unlocking £3.5 million in nature-related investments (a 75% increase from 2023).

- **Agile culture:** Building an agile culture is central to our strategy, and customer feedback plays a key role in that. Through Bupa's Customer System, we've listened to more than 81,000 customer feedback calls and videos (+33% vs 2023), generated 39,000 improvement ideas (+66% vs 2023) via our internal Customer Listening Programme and made over 10,500 improvements (+31% vs 2023) to the customer experience.
- **Data:** Data is transforming how we support our customers, enabling smarter, faster and more personalised care. Over 16,000 Bupa employees are now using data from our platforms to inform decision-making (a 33% increase from 2023). In 2024, we also ran our B-Disruptive Hackathon, an internal initiative designed to upskill employees in technology and unlock their innovative ideas to provide a better experience for our customers. Over 750 employees from 16 countries took part, generating ideas for integrating Artificial Intelligence (AI) into Blua.

Outlook

While we have made significant progress, we know there is still more we can achieve. That's why we have launched a new '3x100 Strategy' for 2025-27 which is designed to be an evolution and acceleration of the current 3x6 Strategy. We must stay focused on the work we've been doing over the past four years, while maintaining our relentless dedication to providing a world-class customer experience and continuing to build our data and digital capabilities.

And we want to do more: more to support healthcare systems by making high quality healthcare available to more people and using our global influence for good; more to support our people by creating even more ways for them to enjoy working at Bupa; and more to deliver healthcare sustainably, protecting our planet and supporting the communities we serve.

One example of how we are focused on the future is our industry-leading genome sequencing programme, My Genomic Health. This pilot programme offers more than 14,000 customers across the UK and Spain access to their genetic risk profiles for identifying preventable conditions, including certain types of cancer. This initiative is a key milestone in our journey to becoming a preventative healthcare partner for our customers.

The macro-economic, political and regulatory outlook continues to be uncertain, but we remain confident for the future. We are well-placed to navigate challenges and take opportunities because of our underlying financial strength, resilience and diversified business model. Our purpose, ambition and values continue to guide everything we do and every decision we make. Our vision for the future is to do even more to help people live longer, healthier, happier lives and make a better world.

MARKET UNIT PERFORMANCE

Asia Pacific

	Revenue	Underlying profit
2024	£6,277m	£442m
2023 (AER)	£5,726m	£151m
% growth	10%	193 %
2023 (CER)	£5,541m	£145m
% growth	13%	205%

	Health insurance customers (m)	Healthcare provision customers (m)	Aged care residents
2024	4.8	3.4	8,500

(Commentary on a CER basis)

Revenue in our Asia Pacific Market Unit increased by 13% to £6.3bn. The 2023 comparative year was significantly impacted by the return of COVID-19 claims savings. Excluding this impact, revenue increased by 8% driven by customer growth in Australia Health Insurance, higher utilisation in health provision businesses and an increase in aged care occupancy, offsetting lower revenue in New Zealand Aged Care due to care home divestments.

Asia Pacific underlying profit increased year-on-year from growth in all business units. However, the most material driver of the year-on-year increase was a significant reduction in the cost of returning COVID-19 claims savings to Australia Health Insurance customers relative to 2023. The majority of the remaining profit growth was attributable to Health Services, Australia and New Zealand Aged Care, and Hong Kong.

In 2024, all Business Units improved their Net Promoter Score (NPS). We also implemented over 3,000 customer experience improvements across our customer journey.

In Australia Health Insurance, revenues increased by 6% (when excluding the impact of returning COVID-19 claims savings) driven by new members. On a reported basis, the Combined Operating Ratio (COR) improved to 93% (2023: 98%) due to a significant reduction in the cost of returning COVID-19 claims savings to customers relative to 2023.

Strategic Report

For the year ended 31 December 2024

Australia Health Insurance domestic market share was 25.54% at 31 December 2024, marking nine consecutive quarters of maintaining or growing market share¹⁴. Health Insurance has continued to deliver strong growth across all service propositions, including through our digital health platform, Blua. The digital customer offering and coverage continues to expand, including Chemist Delivery and Virtual GP consultations, with online doctor appointment eligibility being expanded in October to include additional products, increasing domestic coverage to 2.2m customers.

Australia Health Services delivered growth in both revenue and underlying profit. Revenue growth was primarily attributable to a sustained demand for temporary visa assessments within our Bupa Medical Visa Services business; customer growth in our Australia Defence Force contract; enhanced procedure mix and customer growth in Dental; and increased customers in Optical. As part of our Connected Care strategy, four additional healthcare centres opened, offering Bupa customers and the wider community access to GPs and a range of healthcare professionals.

In Australia Villages and Aged Care, revenue and underlying profit increased, driven by higher occupancy, closing at a six year high of 95% (2023: 91%), improved operational performance and changes in government funding to support enhanced resident care.

In New Zealand Villages and Aged Care, revenue decreased as a result of five site divestments, while underlying profit increased. In Care Homes, occupancy closed at 94% (2023: 91%), in part offsetting the impact of strategic care home divestments on revenue. Despite a subdued New Zealand property market, Village revenue grew, remaining strong from higher unit pricing on sales.

Hong Kong revenue grew driven by higher Health Services clinic utilisation and the opening of seven new clinics. The return to profitability within the Health Insurance business in 2024, was achieved through the effective implementation of a revised pricing and retention strategy.

Europe and Latin America

	Revenue	Underlying profit
2024	£5,427m	£445m
2023 (AER)	£5,083m	£358m
% growth	7%	24%
2023 (CER)	£4,807m	£343m
% growth	13%	30%

	Health insurance customers (m)	Healthcare provision customers (m)	Aged care residents
2024	5.9	14.6	5,900

(Commentary on a CER basis)

Revenue in our Europe and Latin America Market Unit grew by 13% to £5.4bn as a result of strong customer growth and pricing. Underlying profit increased by 30% to £445m driven by the increase in customers and higher investment returns.

In 2024, the majority of our Business Units improved their NPS. We also implemented around 4,800 customer experience improvements across the prioritised parts of our customer journey.

Sanitas Seguros, our health insurance business in Spain, delivered higher revenues due to organic customer growth and the impact of the acquisition of the Asefa health portfolio in June 2023. 2024 marked another important milestone for Sanitas Seguros, with the sale of more than 500,000 new policies in a year, a record figure for the company. Underlying profits increased driven by stable margins with a 90% COR (2023: 89%) combined with higher revenues and investment returns. We also continued to expand digital services and, in 2024, we reached an average of 77,000 video consultations per month (compared to an average of 68,000 per month in 2023).

Our dental business in Spain saw a strong increase in revenue and underlying profit, driven by higher customer volumes and improved margins. In the year, Sanitas started its expansion plan, acquiring seven clinics and opening six. We also reached our highest ever NPS score of 75.

In our hospitals business in Spain, revenue reduced as our public private hospital partnership contract came to the end of its term while underlying profit increased. Excluding this contract, both revenue and underlying profit increased due to higher levels of activity. During 2024, Sanitas Hospitales opened 3 new centres, 1 medical centre in Madrid and 2 for advanced rehabilitation, in Madrid and Barcelona. Work also continued on the construction of a new hospital in Madrid, in Valdebebas, which is expected to open in 2025. We also announced plans to open two new hospitals in Barcelona (Marina) and Madrid (Arganzuela).

¹⁴ Source: APRA industry data.

Strategic Report

For the year ended 31 December 2024

Sanitas Mayores, our aged care division in Spain, continues to perform well. Occupancy remained high at 95% (2023: 96%) with the decrease resulting from the opening of a new care home in October, which will take time to reach capacity.

In Chile, insurance revenue decreased and the business reported an underlying loss following the cancellation of the GES price increase in the Isapre business and other losses associated with adverse government measures. As disclosed previously, Bupa's Isapre business in Chile has been negatively impacted by governmental, judicial and regulatory action, including regarding the method and implementation of statutory Risk Factor Tables (used to adjust the price of insurance contracts based on risk factors such as age). Due to uncertainty caused by Chile's measures it had not been possible to reliably estimate the value of any future payments at FY 2023, resulting in the disclosure of a contingent liability. Following further legislation and guidance from the local regulator, the Superintendent of Health (SIS) the Group had a policyholder payment plan approved by the SIS in relation to the Risk Factor Tables matter which has led to a financial liability being recognised for £187m for the amounts owed, payable over 13 years. Chile provision profits remained stable in 2024. Additionally, in both the provider and insurance segments, Bupa Chile continues to focus on providing the best possible experience to its patients and clients, and increasing its recommendation levels, alongside the opening of a new medical centre "Libertad" in Viña del Mar during 2024.

In Poland, LUX MED revenue and underlying profit increased as result of strong customer growth in health provision and the development of the new InPMI¹⁵ product. In 2024, we acquired a new hospital in Krakow, with advanced orthopaedics provision with the potential to add additional capabilities, alongside opening 23 new centres, image diagnostic clinics, medical centres and mental health clinics. Throughout the period, we have maintained our support for Ukrainian refugees who have been forced to flee the war.

Bupa Türkiye has delivered substantial revenue and underlying profit growth, driven by pricing increases to keep pace with higher rates of inflation and increased investment returns in our health insurance business, Bupa Acıbadem Sigorta. The economy is classified as being a hyperinflationary environment, leading to the application of IAS 29. A net monetary loss of £16m (as of 31 December 2024) has been recorded outside of underlying profit for the period for Bupa Türkiye. In addition, we completed the acquisition of CompuGroup Medical Information systems, Inc., a healthcare software company and opened 3 new dental clinics as we look to expand our connected care footprint.

Care Plus in Brazil delivered very strong revenue and profit growth as result of higher healthcare customer numbers and higher investment returns. There was also a positive contribution from the dental and vaccination businesses acquired in 2023 as we expand into other lines of healthcare provision. After the reporting date, in February 2025, we completed the sale of a legacy portfolio of individual health business, resulting in a post tax profit of £14m.

Bupa Mexico delivered strong revenue and profit growth due to customer growth in the insurance business where we have launched new domestic and corporate products. We continue to work on maintaining and strengthening our partnerships with BBVA.

Bupa Global Latin America revenue and underlying profit increased due to improved margins and higher investment returns. In 2024, its business in Bolivia was sold for a consideration of £3m.

Bupa Global, India and UK

	Revenue	Underlying profit
2024	£5,151m	£227m
2023 (AER)	£4,235m	£263m
% growth/(decline)	22%	(14%)
2023 (CER)	£4,218m	£263m
% growth/(decline)	22%	(14%)

	Health insurance customers (m)	Healthcare provision customers (m)	Aged care residents
2024	23.3	4.2	6,200

(Commentary on a CER basis)

Revenue in our Bupa Global, India and UK Market Unit increased by 22% to £5.2bn. Excluding the consolidation of Niva Bupa, revenues increased by 11% driven by increased customer numbers in UK Insurance and Bupa Global, UK Dental and Health Services. Occupancy improved in UK Care Services and portfolio growth in Health Services also drove higher customer numbers. Underlying profit reduced as revenue growth was offset by the impact of fair value adjustments recognised following the increase in shareholding in Niva Bupa during the year. This resulted in an acquisition cost strain in the income statement from the absence of in-force profit being earned in the period. While in UK Insurance, profits reduced due to the timing impact of the return of premium provision release in the prior year, which offset the tail end of deferred COVID-19 claims, some of which arose in the first half of 2024.

¹⁵ Inpatient Private Medical product

Strategic Report

For the year ended 31 December 2024

In 2024, all Bupa Global, India and UK Business Units delivered improvements in NPS. There were also over 2,600 customer experience improvements implemented across prioritised interventions in our customer journey.

UK Insurance delivered strong growth in revenue, adding over 485,000¹⁶ net new customers across medical insurance, health trusts, dental insurance, subscriptions and cash plan in 2024. Underlying profit reduced, driven by the timing impact of the return of premium provision release and commission expense timing on strong gross written premium growth. The launch of Bupa Well+ health subscriptions to business and consumer customers has provided more people access to our digital health and wellbeing support, including GP, mental health and physio appointments. We also introduced a new dental allowance for all consumer health insurance customers to be used for an appointment and treatment at Bupa Dental Care practices.

In Bupa Global, our IPMI business, revenue and underlying profit increased driven by growth in customer numbers, strong management of operating costs and higher investment returns. Our focus remains on responding to the distinct needs of our customers and people across global locations, while maximising the efficiency of our operating model, improving systems and providing more digital support for our customers.

The combined operating ratio for Bupa Insurance Limited, the UK based insurance entity that underwrites both domestic and international insurance was 96% (2023: 95%).

In January we increased our shareholding in Niva Bupa, a leading Indian health insurer, to reach more customers with their healthcare needs. Bupa is now the controlling shareholder of Niva Bupa and its results are fully consolidated from this year. Alongside this we have transferred Niva Bupa from Other businesses for segmental reporting into Bupa Global and UK, in line with the management reporting structure. In November 2024, Niva Bupa successfully completed an Initial Public Offering on the National Stock Exchange of India and the Bombay Stock Exchange, which will enable ongoing sustainable growth and provide continued investment to support future business ambitions. At Full Year 2024 Niva Bupa contributed £461m in revenues and a £51m underlying loss. The underlying loss was impacted by acquisition cost strain on new business and renewals which arose because of fair value adjustments following our increase in shareholding. Profit associated with the value of in-force business was recognised at fair value on acquisition of a controlling shareholding, of which £55m would normally have earned through 2024.

UK Dental returned to profitability in 2024 as it continued to deliver on its turnaround strategy. Bupa Dental Care is striving to be the workplace of choice for dental professionals, supported by a market-leading health benefits proposition for frontline colleagues.

UK Care Services, our aged care business, delivered good growth in revenue. Underlying profit increased due to growing occupancy, strong cost management, which included reducing our reliance on agency staff, focusing on employee retention and lower energy costs. Closing occupancy was 91% (2023: 90%).

Health Services delivered growth in revenue and returned to profitability in 2024, driven by higher customer numbers in Clinics and Cromwell Hospital, new Blua digital services and an expanded network of health centres. The portfolio has grown to 79 Bupa health centres through the acquisition of Blackberry Clinics, London Medical and The Dermatology Partnership. Through this expanded footprint and the launch of GP subscriptions, we continue to deliver our long-term strategy to provide more services directly to customers. Cromwell Hospital expansion continues with the addition of a new theatre which opened in June.

Other businesses¹⁷

	Revenue	Underlying profit
2024	£9m	£97m
2023 (AER)	£8m	£85m
% growth	13%	14%
2023 (CER)	£8m	£83m
% growth	13%	17%
	Health insurance customers (m)	Healthcare provision customers (m)
2024	3.7	0.5

Performance

Underlying profit was up 17% to £97m driven mainly by higher volumes, margins and increased investment returns in Bupa Arabia.

¹⁶ Includes Health Trust customers which are excluded from the Group's total customer count.

¹⁷ Following the acquisition of a controlling shareholding in Niva Bupa in January 2024 the results are fully consolidated into the Bupa Global and UK market unit, creating the new Bupa Global, India and UK market unit. Prior year comparatives remain within Other Businesses on an equity accounted basis.

Strategic Report

For the year ended 31 December 2024

FINANCIAL REVIEW

Summary

	FY 2024	FY 2023 (AER)	% growth	FY 2023 (CER)	% growth
Revenue	£16.9bn	£15.1bn	12%	£14.6bn	16%
Underlying profit	£1,094m	£747m	46%	£724m	51%
Cash generated from operating activities	£1,414m	£1,304m	8%	n/a	n/a
Statutory profit before taxation	£1,156m	£717m	61%	n/a	n/a
Leverage (excl. IFRS 16)	16.6%	20.6%	4.0ppts	n/a	n/a
Leverage (incl. IFRS 16)	23.8%	27.9%	4.1ppts	n/a	n/a
Solvency	176%	175%	1.0ppts	n/a	n/a

Revenue (CER)

Group revenue increased 16% to £16.9bn (2023: £14.6bn). Excluding Niva Bupa revenues (2024: £461m) consolidated from this year and the return of COVID-19 claims savings to customers in Australia Health Insurance (2024: £20m and 2023: £302m), revenues increased by 10%. The increase was driven by strong customer growth across insurance and provision whilst occupancy rates continued to increase in aged care. Pricing changes also drove higher revenues as we balanced the impacts of inflation, remaining competitive for customers and maintaining discipline in our underwriting of insurance risk.

Revenue in health insurance grew by 18%. Excluding Niva Bupa and the return of COVID-19 claims savings in Australia Health Insurance, insurance revenues grew 11% supported by customer growth of 7%¹⁸ period-on-period.

Our health provision businesses saw revenue growth of 10% driven by higher levels of activity across all Market Units as customers increased by 12%¹⁹.

In aged care, revenue was up 10% as occupancy increased by 2ppts to 94%²⁰, combined with a revised government funding model in Australia designed to improve levels of care for residents and address shortfalls within the sector.

Underlying profit (CER)

Group underlying profit increased 51% to £1,094m (2023: £724m) driven by the strong increase in revenue and higher investment returns across all Market Units.

Health insurance underlying profit increased with growth in revenues and investment returns across all Market Units. In our Bupa Asia Pacific Market Unit, profits increased due to actions taken to return our Hong Kong Insurance business to profitability, whilst the headline profit increase saw significant fluctuation driven by the reduction in the final return of COVID-19 claims savings to customers in Australia Health Insurance (2024: £20m and 2023: £302m) partially offset by the claims savings arising from COVID-19 disruption in 2023 not arising in 2024²¹. In our Europe and Latin America Market Unit profits increased due to volume growth and higher investment returns, partially offset by losses in Chile, following cancellation of the GES²² price increase and other adverse governmental, regulatory and judicial measures in Chile. Despite higher revenues and investment returns, underlying profit in our Bupa Global, India and UK Market Unit reduced as Niva Bupa reported an increased loss due to acquisition cost strain and the absence of in-force profit earning through in the period having recognised it at fair value on acquisition.

Profits grew in health provision supported by strong revenue growth while aged care profits increased in the period driven by higher occupancy rates and margin improvement.

Investment into initiatives that improve our capability globally, including ESG, and higher staff costs resulted in central costs increasing to £117m (2023: £110m).

Statutory profit

Statutory profit before taxation was £1,156m, up 61% AER (2023: £717m) as the higher underlying result was further increased by a positive variance in non-underlying items which totalled a £62m gain in 2024, compared with a £(30)m cost in 2023.

¹⁸ Excludes Insurance customers from associate businesses and Niva Bupa.

¹⁹ Excludes provision customers from associate businesses.

²⁰ Closing occupancy

²¹ Under IFRS 17 accounting rules we were unable to hold the deferred claims liability and premium increase deferral provisions in Australia Health Insurance related to the COVID-19 pandemic, that had previously been recognised under IFRS 4. The absence of these provisions has led to significant fluctuations in our reported profits as the cost of givebacks and rate deferrals (2024: £20m, 2023: £302m) do not directly align to the period in which the claim savings were realised.

²² Garantías Explicitas en Salud price increase was originally approved by the Chilean regulator in October 2022, subsequently overruled by the supreme court and cancelled from 1 January 2024.

Strategic Report

For the year ended 31 December 2024

The key drivers of the movement in non-underlying items were the £309m gain on remeasuring the value of our existing stake in Niva Bupa to fair value, partially offset by a financial liability of £187m for the payment plan in Chile. For more information see Note 19: Provisions for liabilities and charges.

Losses on disposals of businesses and transaction costs on business combinations totalled £21m (2023: £1m) mainly relating to consolidation of dental and aged care portfolios in the UK and Australia.

Short-term fluctuations on investment returns resulted in a loss of £9m (2023: £31m gain). Overall, our return-seeking asset portfolio delivered a positive return in 2024, driven by higher interest income on bonds and floating rate securities, supported by a tightening in credit spreads. However, a higher movement in long-term yields led to negative short-term fluctuations compared to our expected return. This compares to 2023 where we saw actual returns higher than expected, driven by higher interest income on floating rate assets and tighter credit spreads, but with relatively stable longer-term yields. We also reported a gain on realised and unrealised foreign exchange in the period of £9m (2023: £2m gain).

Also included was a £(13)m (2023: £(32)m) amortisation charge on intangible assets in Bupa Villages and Aged Care Australia following the government announcement to deregulate bed licences from 1 July 2025. Other non-underlying items totalling a loss of £(33)m (2023: £(13)m) related to restructuring costs and fair value movements on the share purchase liability recognised as part of the transaction to increase our shareholding in Niva Bupa, which has since been derecognised following the successful IPO in November.

	2024 £m	2023 £m
Bupa Asia Pacific at CER	442	145
Europe and Latin America at CER	445	343
Bupa Global, India and UK at CER	227	263
Other businesses at CER	97	83
Central costs	(117)	(110)
Consolidated underlying profit before taxation at CER	1,094	724
Foreign exchange re-translation on 2023 results (CER/AER)	–	23
Consolidated underlying profit before taxation at AER	1,094	747
Impairment of intangible assets and goodwill arising on business combinations	(2)	(1)
Niva Bupa fair value gain on pre-existing shareholding	309	—
Chile payment plan payable	(187)	—
Short-term fluctuation on investment returns	(9)	31
Net loss on disposal of businesses and transaction costs on business combinations	(21)	(1)
Net property revaluation gains/(losses)	9	(21)
Realised and unrealised foreign exchange gains	9	2
Amortisation of bed licences	(13)	(32)
Other non-underlying items	(33)	(8)
Total non-underlying items	62	(30)
Statutory profit before taxation at AER	1,156	717

Insurance service result

Under IFRS 17, we are required to report an insurance service result which comprises: insurance revenue, less insurance service expenses. This result excludes financial income and expenses. For 2024 the Group insurance service result was £622m (2023: £445m) driving a combined operating ratio (COR)²³ of 95% (2023: 96%). The increase in the insurance service result was driven by a significant increase in Australia Health Insurance profit, due to the reduction in the net cost of returning COVID-19 claims savings to customers. This was partially offset by a loss in Niva Bupa from acquisition cost strain and the absence of in-force profit earning through having recognised it at fair value on acquisition of a controlling shareholding.

Taxation

The Group's taxation expense for the year of £301m, representing an effective tax rate of 26% (2023: 25%), was in line with the UK statutory corporation tax rate of 25%. This includes the net impact of the fair value accounting gain on acquisition of the additional stake in Niva Bupa, which is not subject to tax, offset by the non-recognition of deferred tax assets across the Group.

Cash flow

Net cash generated from operating activities increased by £110m year-on-year to £1,414m driven by the increase in profit (excluding net financial income) and the consolidation of Niva Bupa. This was partially offset by the timing of collections on NHS contracts and other timing differences. Net cash flow used in investing activities increased by £(823)m to £(965)m due to the

²³ COR is calculated based on "Insurance service expense" plus "Net expense from reinsurance contracts held" divided by "Insurance revenue" as shown in the Consolidated Income Statement.

Strategic Report

For the year ended 31 December 2024

acquisition of a controlling interest in Niva Bupa, and as more of the cash generated from operating activities has been invested into financial assets versus 2023 contributing to the lower cash and cash equivalent balances being held at the year end. Cash used in financing activities has increased in the period by £(426)m to £(629)m, primarily due to the issuance of €500m of senior unsecured bonds in 2023.

Funding

We manage our funding prudently to ensure a strong platform for continued growth. Bupa's policy is to maintain investment grade access to both the senior and subordinated bond markets. In October 2024, Fitch upgraded the Bupa Finance plc Issuer Default Rating to A from A- with Stable outlook and upgraded the related bond ratings. Moody's reaffirmed Bupa's ratings in July 2024.

We continue to hold a good level of Group liquidity. At 31 December 2024, our £900m Revolving Credit Facility (RCF) was undrawn (2023: undrawn). We completed the Niva Bupa acquisition in January and also repaid a £300m senior bond in April. These were funded through a combination of remaining cash available from the €500m senior bond issued in October 2023 and temporary drawings under the RCF. Coverage of financial covenants within the facility remains strong.

We focus on managing our leverage in line with our credit rating objectives. The reduction in leverage excluding IFRS 16 leases to 16.6% (2023: 20.6%) was largely driven by the repayment of the £300m senior bond in April from surplus cash. Strong repatriations in the second half of the year allowed the RCF, which was drawn by £150m at half year 2024, to be fully repaid by year end (2023: undrawn).

Solvency²⁴

Our solvency coverage ratio of 176%²⁵ remains strong and is above our target working range of 140-170%.

The Group holds capital to cover its Solvency Capital Requirement (SCR), calculated on a Standard Formula basis, considering all our risks, including those related to non-insurance businesses. As at 31 December 2024, the estimated SCR of £3.1bn was £0.2bn higher and Own Funds of £5.4bn was £0.4bn higher when compared to 31 December 2023.

Our surplus capital was estimated to be £2.3bn, compared to £2.1bn at 31 December 2023, representing a solvency coverage ratio of 176% (2023: 175%). The net impact of the acquisition of Niva in January 2024 and the subsequent IPO in November 2024, led to a 5 percentage point reduction to the Group solvency coverage ratio. Capital expenditure and debt finance costs also reduced the Group solvency coverage ratio. Both of these reductions were offset by the generation of capital in the year through our strong underlying performance.

We perform an analysis of the relative sensitivity of our estimated solvency coverage ratio to changes in market conditions and underwriting performance. Each sensitivity is an independent stress of a single risk and before any management actions. The selected sensitivities do not represent our expectations for future market and business conditions. A movement in values of properties that we own continues to be the most sensitive item, with a 10% decrease having a 10 percentage point reduction to the solvency coverage ratio.

Our capital position is resilient in the face of the individual risks, illustrating the strength of our balance sheet.

Risk Sensitivities	Solvency II coverage ratio
Solvency coverage ratio	176 %
Property values -10%	166 %
Loss ratio worsening by 2%	168 %
Sterling depreciates by 20%	170 %
Group Specific Parameter (GSP) +0.2%	173 %
Credit spreads +100bps (no credit transition)	175 %
Interest rate +/-100bps	175 %
Equity markets -20%	175 %
Pension risk +10%	176 %

We include a Group Specific Parameter (GSP) in respect of the insurance risk parameter in the Standard Formula, reflecting the Group's loss experience.

²⁴ The Solvency II capital position, SCR and coverage ratio represents the Parent, The British United Provident Association Limited.

²⁵ The 2024 Solvency II capital coverage ratio is an estimate and unaudited.

Strategic Report

For the year ended 31 December 2024

Section 172 and engagement statement

Directors are required by the Companies Act 2006 (the 'Act') to provide the following statements to report on how they have performed their duties in relation to Section 172(1) of the Act and engaged with employees, suppliers, customers, and others. It draws upon information contained earlier in the Strategic Report.

Section 172(1)

During 2024, the Board considered, in good faith, how it promotes the Company's long-term success and sustainability for the primary benefit of its sole shareholder, Bupa, as well as its other key stakeholders.

The Board is guided by Section 172(1) of the Act when performing its duties and making decisions, and takes into account the likely long-term impact of those decisions, the interests or concerns of its key stakeholders, including the communities and environments in which its Group operates, and the need to maintain a reputation for high standards of business conduct.

The Board held regular meetings throughout 2024. Papers submitted to these meetings assisted the Directors to make well informed decisions, by summarising the key risks, noting how relevant stakeholders have been considered in the proposals, and noting the governance process undertaken prior to seeking Board approval. The Board comprises senior executives in the Bupa Group; consequently, they are all party to information and discussions on the Bupa Group's policies and practices that impact the Company, its key stakeholders and the community and environment in which the Company operates. They are also aware and engaged on broader issues relating to stakeholders and the Bupa Group, which serves to inform their considerations when making Company decisions.

Engaging with our key stakeholders

As an intermediate holding company for the Bupa Group, how the Company engages with its key stakeholder groups is in the context of business oversight.

While Section 172(1) requires consideration of all stakeholders, due to the nature of the Company's operations within the wider Bupa Group, it does not have direct customer, employee, regulator or supplier stakeholder groups. Engagement with these stakeholders is undertaken by: its sole shareholder and Parent, Bupa, where ultimate Bupa Group oversight and monitoring of strategy is undertaken; and at a local level, by Market Unit and Business Unit management teams, where the business operates and Bupa's strategy is executed and delivered. Further information on how Bupa and the business has engaged with stakeholders can be found in the Section 172(1) and Engagement Statement in Bupa's 2024 Annual Report.

Customers

As the Company's principal activity is the provision of financing and treasury management of Bupa's businesses, it had no direct external customers during 2024. The Board considered the interests of its internal customers, being the Market Unit and Business Units, when making decisions relating to the provision of funding to entities within the Bupa Group. Through its board meeting papers from the Market Units and Business Units, the Board is informed on customer engagement and considerations relevant to making the decision it is being asked to consider. In addition, as the Directors of the Company are all senior executives working in the Bupa Group's head office, they have regular insight into customer initiatives which could affect their decision-making through their management meetings with representatives of the Market Units.

People

Whilst the Company has no employees, the Group as a whole did employ people in 2024. People are central to the business, supporting customers and operating the business model to ensure the long-term success and sustainability of the Company and the Bupa Group. Details of how Bupa considers its people and their interests to ensure the Bupa Group attracts and retains the best people is set out in Bupa's 2024 Annual Report.

The Directors of the Company have regular insight into people matters which could affect their decision-making through their management meetings with representatives of the Market Units.

Bondholders

The Company has a series of publicly-traded debt securities in issue on the London Stock Exchange and is therefore subject to the relevant Listing Rules and the Disclosure Guidance and Transparency Rules (DTRs). Investors in these debt securities are interested in the Company and Bupa's financial performance and strength. On behalf of the Company, the Directors hold briefing calls for bondholders to discuss the full year and half year results. This provides an opportunity for them to question management on the financial performance and strategy of the Company and the Group. During the year the Directors also held roadshows for current and prospective bondholders, and communicated other significant developments via regulatory announcements and press releases, which are also published on Bupa's website, www.bupa.com. Value is generated for bondholders by ensuring that the Company has the necessary financial resources to meet its current and future payment obligations, and the Board considers the impact to its financial performance in all its decision making.

Strategic Report

For the year ended 31 December 2024

Regulators

The Bupa Group operates in highly-regulated environments across the health insurance, provision, and aged care businesses. Bupa's insurance businesses are also subject to financial services regulatory regimes and its provision and aged care businesses with care quality regulators. In some cases, regulators are independent of governments, and in other situations Bupa's activities are directly regulated by national or local governments. As a bond issuer, matters relating to the issue and trading of the Company's debt securities are regulated by the Financial Conduct Authority (FCA) and the Company is committed to achieving high standards of compliance with its regulatory obligations. The relationship with the regulators (other than in respect of matters relating to the issuance and trading of the Company's debt securities) is managed by the Parent, on behalf of the Company and its Directors.

Suppliers and partners

Bupa's suppliers and partners support the Bupa Group at all levels and help Bupa to deliver a high-quality service to customers, so it is important that we have strong working relationships with them and that the arrangements operate ethically. Where a matter considered by the Board relates to, or may have an impact on, the Group's suppliers and partners, the Board has regard to Bupa's Responsible Supply Chain Statement, available at www.bupa.com, which sets Bupa Group expectations of Bupa's suppliers and its commitments to them, as well as the Bupa Group's policies which are set and approved by the Parent's board. . In addition, as senior executives in the Bupa Group, the Directors have regular insight into matters relating to suppliers and partners which could affect their decision-making through their management meetings with representatives of the Market Units, and also through the Directors' relationships with suppliers and partners related to their executive roles

The Board reviews the actions the Group has taken to prevent modern slavery and associated practices in any part of the supply chain, and approved the Modern Slavery Statement which can be found on www.bupa.com.

Communities and the environment

Bupa operates in a societal context and the health of the community and the environment directly impact Bupa's purpose to help people live longer, healthier, happier lives and make a better world. Details of how the Parent reports on sustainability and ESG activities and engagement, and on its sustainability strategy for the Bupa Group (of which the Company and Group are part) can be found in Bupa's 2024 Annual Report. The Board considers any impact of its decisions, including sustainable financing and investments for the Group, when considering business proposals.

Strategic decisions and their impact on stakeholders

During the year the Board made decisions relating to routine capital and funding matters related to the funding of the Bupa Group. In addition, set out in the table below are the decisions made during the year which the Board considers to be key, and how the Board has had regard to stakeholder views when making those decisions.

Decision - Acquisition of controlling interests and Initial Public Offering (IPO) of Niva Bupa Stakeholders impacted - shareholder, bondholders, customers, people regulators, communities	
As a financing and holding company within the Bupa Group, the Company reviews and approves key business matters for its Group which are above their level of delegated authority or which require Board or Company approval.	<p>In pursuit of the Bupa Group's 3x6 Strategy, an opportunity arose in 2023 to acquire a controlling interest in Niva Bupa, a health insurance company in India. The Board was asked to consider whether, and how, to facilitate funding for the acquisition of Niva Bupa shares from another shareholder, by way of approving a capital injection into its direct subsidiary, Bupa Investments Overseas Limited, for onward payment to the selling shareholder. The acquisition was completed in January 2024.</p> <p>During the year, the Board was further asked to consider the Company's participation in an IPO of Niva Bupa, as the "Promoter of a Promoter" for the purposes of securities laws in India, and therefore needed to provide certain confirmations and support throughout the IPO process.</p> <p>Stakeholder considerations In its deliberations of these decisions, the Board considered the following:</p> <p><i>Funding for the acquisition of the controlling interest</i> Niva Bupa's profitable outlook and robust growth projections and the benefits for customers, people, and the community in India. The Board closely considered the Company's liquidity and capital resources and potential risks, in order to ensure that the financial strength of the Bupa Group would be maintained, which was in the interests of its shareholder and bondholders in particular, but also its existing people, customers and suppliers. The Board concluded that on balance, the acquisition was in the best interests of the Company and the Group's long-term growth, delivery of strategy and success. It approved the funding request and made payment to its subsidiary to enable a controlling interest in Niva Bupa to be acquired.</p>

Strategic Report

For the year ended 31 December 2024

	<p><i>Supporting the IPO of Niva Bupa</i></p> <p>The Company was asked to support Niva Bupa's IPO to enable Niva Bupa's ongoing sustainable growth and provide continued investment to support the business today and its ambitions for the future. As well as the benefits of the IPO, the Board also considered the risks of the Company incurring any potential liabilities as a Promoter of a Promoter, and the potential impact on the Company's activities. Following due regard for all the relevant stakeholders, the Board concluded it was in the best interests of the Company and Group to support the IPO. On 14 November 2024, Niva Bupa successfully completed an IPO on the National Stock Exchange of India Ltd and the Bombay Stock Exchange.</p>
<p>Decision – Approval of interim dividends</p> <p>Stakeholders impacted - shareholder, bondholders, customers, people, suppliers, regulators, communities and environment</p>	
<p>The Board needs to manage the desire for its Parent to receive dividends in order to fund its obligations and provide the funding required by the Bupa Group to achieve its objectives, and the need to maintain the financial strength of the Company.</p>	<p>The Board approved two interim dividends during the year.</p> <p>Surplus funds which are not distributed to the Company's shareholder are reinvested back into the business to help deliver on the purpose and strategy of the Parent and the Bupa Group.</p> <p><i>Stakeholder considerations</i></p> <p>Prior to approving and authorising the payment of each dividend, the Board considered the expected level of funding required by its subsidiaries during the year in order for them to deliver on the Bupa Group's strategy. Ensuring its Group has the required level of capital to fund projects and/or meet legal and regulatory obligations is in the interests of its shareholder, and other stakeholders impacted by the reasons behind the capital requirement. The Board also considered the financial strength of the Company, an important consideration for its bondholders, to ensure that the Company can continue to meet its payment obligations. In reaching a decision on the amount of the dividend paid, the Board also considered the funding needs of its Parent, which has no source of funding other than dividends received from the Company.</p> <p><i>Long-term impact</i></p> <p>Prudent financial management supports the long-term success of the Company and its shareholder, Bupa. It motivates management to deliver strong and sustainable business performance and maintains the strength of the Company's creditworthiness rating as a corporate borrower and bond issuer.</p>

Strategic Report

For the year ended 31 December 2024

Risk

Bupa's strong risk management culture and systems support delivery of our strategy and business performance.

Risk is an inevitable part of operating a business. Some risks are avoidable while others are inherent in our business model so Bupa must have an effective internal control and risk management system to mitigate these risks.

Bupa Group's focus on culture and values enable our people to respond to the fast changing environments and markets it operates in and the evolving regulations that apply to our businesses. This enables the Bupa Group to foresee potential risks of that could affect our customers and business, in order to mitigate them and adapt if necessary. As a subsidiary of Bupa, the Company applies Bupa's system of risk management and internal controls. This creates a strong risk culture that is the foundation of Bupa Group's business model, to serve our customers well and meet all of our stakeholders' expectations. The Bupa comprehensive risk management programme applied by the Company and its Group ensures that risk management is important to everyone and that they are equipped to manage risk. The tools in place to achieve this, include The Bupa Code, Bupa's risk appetites and Enterprise Policies and its Speak Up whistleblowing service.

The Bupa Group continue to raise our standards and expectations in order to ensure the right outcomes for our customers, our markets and our business. Our local businesses are exposed to a wide range of political, regulatory, legal, operational and economic risks. Our health insurance, provision and aged care activities also carry different risk profiles including clinical risk. This makes sure that Bupa Group is in the best place to manage and diversify our risks, including emerging and strategic risks, by understanding the factors behind the risk to each individual business and to our balance sheet and liquidity, and by assessing how these risks interact.

Risk Management

Risk is managed using a 'three lines' model as set out in the Bupa Group's risk management framework that is set and approved by the Parent Board and applied by the Company and its Group (see pages 19 and 20 for more details). At an operational level, the system of risk management comprises the Bupa Risk Management Framework. This sets out the principles behind the robust and continuous risk management system in the first-line and ensures the Bupa Group has:

- reporting systems to identify current and emerging risks to the businesses and strategy and the potential consequences.
- clear and established risk appetites within which it should operate.
- taken appropriate and effective steps to mitigate and manage identified risks.
- risk management information to help inform risk-based decisions across the business.
- set clear ownership of, and accountability for, risk.

The core risk appetite statements focus on:

- The treatment of customers and employees
- Management of our financial strength and
- Operational risk, including information security; privacy and clinical risks.

Risk profile

Bupa, as the Parent, ensures that significant economic capital is maintained as a means of mitigating certain inherent risks. This reflects the nature of our operations and the level of risk associated with them. There are other significant risks to the Bupa Group that cannot be effectively mitigated through holding capital alone. Many of these are operational risks and, although Bupa does hold significant capital for operational risks, this is not the only or most effective mitigant for these risks.

Bupa's Market Unit Executive Risk Committees regularly review their residual risks and the mitigating actions taken to reduce them. They also inform the Bupa Board's Risk Committee and the executive Bupa Enterprise Risk Committee about key areas of specific concern. The latter provides management with a view of the priority areas where resources should be focused. The table below sets out the principal risks to the Bupa Group which also apply to the Company and its Group. The principal risks are defined as those risks that could result in events or circumstances that might threaten Bupa and the Bupa Group's business model, future performance, solvency or liquidity, or result in significant value erosion.

Strategic Report

For the year ended 31 December 2024

Risk	Comment and outlook	Mitigating actions
Risks related to managing the financial strength of the Bupa Group		
Property valuation risk The risk of the volatility in values or the devaluation of properties held for own use (including owned care provision properties), or for investment purposes, resulting in adverse impacts. This includes capital associated with leased properties	<p>The Bupa Group generally owns rather than rent property. This could leave it exposed to falls in property values.</p> <p>Care home valuations are based on their trading potential based on discounted cash flow techniques.</p> <p>The properties are subject to external valuations at least triennially and management valuations in intervening years.</p>	<p>By maintaining a geographic spread of businesses across a number of countries, the Bupa Group is able to diversify exposure to national or regional property markets and trading conditions.</p> <p>The properties are primarily owned by companies that are not regulated insurance entities and therefore any reduction in value does not materially impact the solvency position of regulated insurance entities.</p>
Insurance risk Risks relating to our insurance businesses. Risk of inadequate pricing and/or underwriting of insurance policies, of claims experience being materially adversely different expectations and that provisions made for claims prove to be insufficient in light of later events and claims experience.	<p>Health insurance is short-tailed, with lower outstanding claims as a percentage of revenue than most general insurers.</p> <p>Insurance risk exposure will grow in step with planned growth in premium income of the insurance businesses.</p> <p>Medical inflation continues to impact the costs of treatments and the overall affordability of healthcare</p>	<p>The relatively short-tailed nature of Bupa Group's products allows it to respond to market changes quickly, although this can be limited by government-set pricing controls in some markets.</p> <p>There is a relatively low exposure to reserving risk compared to underwriting and pricing risk due to the very short-term nature of our claims development patterns.</p> <p>The Bupa Group has robust control mechanisms in place, including holding an appropriate risk margin, to mitigate against the risk of higher-than-expected claims costs.</p> <p>The geographical diversity of Bupa Group offers further mitigation against insurance risk.</p>
Liquidity risk The risk that we hold insufficient financial resources to enable us to meet our obligations as they fall due or to take advantage of potential opportunities, or of being able to secure such resources only at excessive cost, resulting in adverse impacts	<p>Liquidity risk is addressed not through capital but by holding liquid assets and maintaining appropriate controls.</p> <p>Policyholder liabilities are predominantly backed by liquid assets held locally in our insurance businesses.</p>	<p>This is mitigated by the Treasury Function actively managing borrowings, for which the amount and timing of outflows are known, and by maintaining a portion of the bank facility undrawn.</p> <p>We continue to monitor the markets to ensure that we appropriately fund the Bupa Group.</p> <p>Our stress-testing programme considers the liquidity impacts of potential adverse scenarios</p>
Operational risks		
Operational risk Risk of loss arising from inadequate or failed internal processes, or from personnel, systems or external events. This includes conduct risk (the risk that our behaviours, actions or controls result in detriment or unfair outcomes for our customers), and clinical risk (the risk of injury, loss or harm to customers in receipt of healthcare). Information security risk is specifically addressed below	<p>We are committed to managing operational risks effectively. This includes continued close attention to management of regulatory risk and proactive engagement with regulators.</p>	<p>Maintaining internal control processes and governance frameworks, approving risk policies and assessing compliance help to mitigate this risk.</p> <p>We have specific dedicated internal governance committees focusing on specific areas of risk. These are sub-committees of the BEREC.</p> <p>We have a range of activities underway to develop our operational resilience capabilities.</p>

Strategic Report

For the year ended 31 December 2024

<p>Cyber and Information security</p> <p>The risk of significant financial and reputational impacts due to a failure to appropriately secure information (including personal information).</p>	<p>Information security remains a critical challenge for all businesses, particularly those in the healthcare sector.</p> <p>The threats to our businesses evolve constantly and therefore our responses need to continue to do so as well.</p> <p>This risk will remain elevated given the challenging macroeconomic and geopolitical environment and several incidents targeting the healthcare sector.</p> <p>Management of this risk is a key focus of management and the risk governance structure.</p>	<p>We are continuing to invest in a range of activities and actions to enhance security as we further digitalise customer experience.</p> <p>All staff are required to complete appropriate mandatory training.</p> <p>We have well-established and tested data breach incident response plans in place across the Bupa Group.</p>
<p>Strategic risks</p>		
<p>Government, legal and regulatory change risk</p> <p>The risk of failure to anticipate or influence changes in the governmental and regulatory environment which may impact our customers and the viability or profitability of our business.</p>	<p>The Bupa Group's health insurance, provision and aged care businesses are subject to government and regulatory policy, including insurance conduct rules, minimum wage requirements, prudential requirements, changes to tax regimes and the interpretation of existing tax practices, pricing controls in some of our health insurance businesses and clinical care requirements for our provision and aged care businesses.</p> <p>Bupa Group's businesses operate within a wider health ecosystem and generally complement the national health services. Changes in funding and other health policies can have a resultant impact on our businesses.</p>	<p>All the Bupa Group's markets have defined key activities to make sure we can continue to monitor and assess the strategic implications on our businesses of any future changes in policy or regulation, and advocate for appropriate change in these areas.</p>
<p>Geopolitical uncertainty</p> <p>The risks associated with geopolitical uncertainty and increasing nationalistic policies globally including in many of the markets Bupa Group operates in.</p>	<p>This has been an emerging and increasing trend for some time and likely to continue for the foreseeable future.</p> <p>We have seen elections in multiple markets across the Bupa Group this year, including in the UK and will see further elections next year. This can increase uncertainty and may result in changes to government funding decisions which impact our businesses.</p>	<p>The Bupa Group continue to focus on heightening our supplier monitoring, management and communications to help minimise disruption.</p> <p>The Bupa Group actively monitors the geopolitical landscape and considers the implications of potential changes such as the possibility of trade tariffs being introduced.</p>
<p>Data ownership, use and governance</p> <p>The risks associated with the ownership, use and governance of data which could impact on the delivery of the Bupa Group Strategy. This includes the risks associated with data privacy and of failing to use the data we do have to deliver the strategy.</p>	<p>Data is fundamental to the delivery of the Bupa Group strategy and will continue to remain a key area of focus for some time.</p>	<p>We have a range of initiatives and programmes in place across the Bupa Group focused on the use and governance of data.</p> <p>This included introducing Bupa's Responsible AI Principles which guide our decision making for using AI tools.</p> <p>We have also reviewed and enhanced data retention practices.</p>

Strategic Report

For the year ended 31 December 2024

Strategic workforce risks The strategic risks associated with a lack of available workforce, particularly clinical staff.	In many markets this has been an enduring risk for some time but has been exacerbated by cost-of-living challenges. An inability to recruit and retain the required skills may impact our ability to deliver services to our customers and delivery of the strategy.	Workforce availability remains a key area of focus for senior management with a range of activities under way in each market to address challenges.
Operational resilience including supply chain disruption and third-party reliance The risks associated with failure to ensure our businesses remain resilient to operational and supply chain challenges including those presented by third-party suppliers. This includes the risks associated with complying with the associated regulatory requirements.	Operational resilience capabilities are key to being able to maintain operations in the face of many challenges including third-party and supply chain risks, workforce fatigue, information security and other operational risks and the challenges presented by business growth. As we grow, these challenges will continue to become more pronounced, particularly where we increase our reliance on third parties	We continue to focus on heightening our supplier monitoring, management and communications to help minimise future disruption. The Bupa Group's businesses have well-established and tested disaster recovery plans. We have a range of activities underway to develop our operational resilience capabilities and to ensure we comply with relevant regulation.

Other risk themes monitored

In addition to the principal risks set out above, a range of other risks related to the delivery of Bupa Group's strategy are monitored. These are assessed to determine the potential impact the risks may have on its individual businesses and the Bupa Group as a whole, and the appropriate actions to take to mitigate these risks and monitor them.

Strategic and Emerging Risks

Strategic and Emerging Risks that may affect Bupa Group are monitored through extensive reviews of relevant external reference material and internal consultation with subject matter experts. Through this process the themes set out below were identified. These themes are highly interlinked and how they evolve will affect, and be affected by, each other. They will also develop and evolve over different time frames, with some impacts already being experienced to some degree, but overall, the challenges they present will continue to increase the further out they are assessed.

- Customer and societal demands/expectations will inexorably increase
- Geopolitical & economic uncertainty and de-globalisation focus will continue to rise
- Workforce expectations are changing, alongside evolving requirements from the workforce and workforce availability challenges will persist
- Global standards of regulation will continue to increase
- Overall medical treatments and technologies will continue to advance rapidly and often at great cost
- Advances in technology will be a critical underpin and influence (with a particular focus on Artificial Intelligence)
- Trust in healthcare, and particularly AI, systems and data, will be a key factor in the adoption of new technologies.
- Climate change and how the world responds to this threat will have a significant and rapidly growing strategic impact.

Financial risks associated with climate change

Bupa Group have integrated climate risk management into the existing Group-wide Risk Management Framework (RMF) which sets out how we identify, assess, manage and report on risks. It will continue to ensure that climate-related risks are considered appropriately throughout its governance arrangements, including the policy framework and management committees' responsibilities. It also continue to reflect on changes in regulatory expectations whilst embedding climate risk through the RMF.

The financial risks from climate change have been incorporated into Bupa Group's wider stress testing programme. The results of scenario analysis carried out to date suggest that the strategy is resilient to the financial risks from climate change. The Bupa Group continue to evolve and mature its climate scenario analysis and disclosure approach, and scan for developments and improvements in scenario methodology and data.

On behalf of the Board

James Lenton
Director
5 March 2025

Governance

For the year ended 31 December 2024

Corporate Governance Report

Corporate Governance statement

The Company meets the thresholds of the Act to apply a corporate governance code and is therefore required to report on its corporate governance arrangements. While the Company is an intermediary holding company, it has listed debt securities on the London Stock Exchange and some of its subsidiaries are regulated under financial services regimes, and have listed securities on Indian Stock Exchanges. However, it is also a wholly owned subsidiary of Bupa, the ultimate Parent company of the Group, and is therefore included in their consolidated Group accounts and reporting. Bupa has the ultimate oversight role for the Group from a governance perspective.

The Parent has chosen to apply the FRC's UK Corporate Governance Code 2018 (the Code) to the extent it is appropriate and relevant to a company limited by guarantee, without shareholders. The Company adopts and complies with the corporate governance arrangements set and operated by the Parent, including the Bupa Group's policies and procedures, to the extent appropriate for a subsidiary. How Bupa has chosen to apply the Code in accordance with the comply or explain requirements, is set out in the Governance section of its 2024 Annual Report and Accounts which can be found on Bupa's website (www.bupa.com/about-us/governance).

Governance Structure

The governance structure is set by the Parent's board to support its systems of controls and risk management for the Bupa Group, and ensure the Bupa Group is operated and managed in the most effective and responsible way in accordance with Bupa's purpose and corporate values.

Audit, risk, and internal control

The Company operates in accordance with Bupa's Risk Management Framework which follows the 'three lines' approach to risk, common in financial service organisations. The approach is intended to ensure appropriate governance is in place, risk appetite is set for key areas of business and risk, effective controls are in place to either eliminate or mitigate risk, controls are documented, and that there is adequate data capture and reporting to monitor the risks, risk management and controls and their effectiveness throughout the Bupa Group. Detail of the Company's key risks, risk profile and how the risks are mitigated and managed are set out earlier in Risk in the Strategic Report on pages 15 to 18.

Under its governance framework, and in accordance with the Code, the Parent's board has delegated the oversight and monitoring of the systems of internal control and risk management to its board Audit and Risk Committees, respectively. The Company has also given specific delegated authority to the Parent board's Audit Committee to perform the functions set out in DTR 7.1.3 and DTR 7.2.5 in respect of the Company with which it must comply due to its debt securities listing. Details of its members can be found in the Parent's 2024 Annual Report and Accounts on the Board of Directors pages and its terms of reference can be accessed on www.bupa.com/about-us/governance.

The Parent board's Audit Committee monitors the integrity of the Company's financial statements, including its annual and half-yearly reports, and any other formal announcement relating to the Company's financial performance. It reviews and reports to the boards of the Parent and the Company on significant financial reporting issues and the judgements that those statements contain, having regard to matters communicated by the External Auditor.

Three Lines Model

First-line accountability

All of Bupa Group's people have first-line accountability for the risks relevant to their role and work, and to manage them in accordance with the Bupa Group's policies, the Bupa Code and relevant laws and regulations. This keeps the Bupa Group and Bupa customers safe. The programme to develop a Bupa Group-wide Integrated Management System (IMS) to map and document Bupa's risks and processes and enhance first-line accountability continued through 2024. The IMS is now embedded at different levels of maturity across the Bupa Group and work is continuing to enhance its coverage and completeness in all areas. All of Bupa Group's people also receive mandatory training on key topics and role-specific training to ensure they have appropriate knowledge and awareness.

Second-line assurance - Risk

Second-line assurance is performed by the Parent's Group Risk Function, led by the Parent's Group Chief Risk Officer (Group CRO). The Function operates across the Bupa Group and each Market Unit has its own chief risk officer. It monitors risks and the application of the Risk Management Framework, operation of controls and adherence to the risk appetites in the first-line, and reports to an executive forum, the Parent's Bupa Enterprise Risk Committee (BERC), comprised of direct executive reports to the Parent's Group Chief Executive Officer (Group CEO). The BERC also supports the Group CRO to perform his SMCR Group oversight role of Bupa's UK regulated subsidiaries. The Risk Function provides reports to the Parent board's Risk Committee to enable its independent monitoring and oversight of risk management and risk management effectiveness, on

Governance

For the year ended 31 December 2024

behalf of the Parent's board, including a second-line view on the effectiveness of internal controls and the management of risks within appetite.

Third-line assurance - Internal Audit

Third line assurance is performed by the Parent's Group Internal Audit Function which operates globally and undertakes independent assurance on behalf of the Parent's board and its board Audit Committee. The Function is headed by the Parent's Group Chief Audit Officer (Group CAO), who is appointed by the Parent board's Audit Committee. Group Internal Audit operates in line with the Global Institute of Internal Auditors' (IIA) International Professional Practices Framework (including all mandatory elements of the Global Internal Audit Standards, Topical Requirements, and Global Guidance), and the UK Chartered IIA Internal Audit Code of Practice, other applicable legal and regulatory requirements, and the Function's policies and procedures. Its role, authority and independence are set out in the Bupa Group's Internal Audit Charter, which is reviewed and approved annually by the Parent board's Audit Committee. Each year Group Internal Audit develops a risk-based assurance plan, taking account of the Bupa Group's key risks, business plans, regulatory requirements, and other relevant information. The plan is reviewed and approved by the Parent board's Audit Committee and relevant subsidiary audit committees and updated periodically as required. The internal audits are globally coordinated and/or typically performed by Market Unit or Business Unit internal audit teams, who are supported by global operations and analytics teams. Internal audits typically provide an assessment of the effectiveness of risk management and internal control, including evaluation and testing of the design and effectiveness of key governance, management, and operational controls as appropriate. Group Internal Audit reports findings from its work to management and agrees actions to address weaknesses or make improvements, which are management's responsibility to implement. The Parent board's Audit Committee, and subsidiary audit and risk committees, receive summary reports from the Bupa Group or Market Unit Chief Audit Officer on all of Group Internal Audit's work, including summary observations relating to the effectiveness of the Bupa Group's internal control and risk management framework.

Oversight and annual review of the Group CAO and Group Internal Audit function's performance is performed by the Parent board's Audit Committee, with an external quality assessment undertaken every five years in accordance with IIA International Standards. The next external quality assessment is due in 2027.

External Auditor

The Company has appointed PricewaterhouseCoopers LLP (PwC) as its External Auditor, to provide independent external assurance on the audited financial information in the Company's Annual Report and Accounts, as well as other reviews and limited assurance activities. The process for the tender and selection of an External Auditor, and their appointment and reappointment, is run by the Parent board's Audit Committee, which also reviews and approves the scope, terms, and fee for the External Auditor's work on behalf of Bupa's Group, and ensures PwC has the requisite internal procedures and controls, and resources, to perform effectively, independently, objectively and in accordance with the FRC's Revised Ethical Standard. From time to time it may be appropriate for the Company to request PwC undertake work outside of the scope of the external audit in order to ensure that that PwC's objectivity and independence is preserved the Bupa Group has a Non-Audit Services Policy, that the Company adopts, which sets out the circumstances under which PwC can be engaged for non-audit services, employment restrictions and the applicable controls. Details of non-audit services and fees during 2024, and fees paid to PwC, are set out in the Note 2.3.2 to the Financial Statements on page 55.

Following its reviews, the Parent board's Audit Committee recommended the reappointment of PricewaterhouseCoopers LLP for the financial year ending 31 December 2025. The Board approved the recommendation and will propose approval of the reappointment to its shareholder at its 2025 Annual General Meeting.

Whistleblowing

Speak Up, Bupa's whistleblowing service, can be used by anyone who has a concern either about the Bupa Group or any individuals/organisations providing goods and services to the Bupa Group. It ensures people can raise genuine concerns about wrongdoing, misconduct, or risk of harm, in confidence and anonymously, if preferred. Bupa takes concerns seriously and the people who raise them can be confident that they will be heard, protected from retaliation and supported.

Governance

For the year ended 31 December 2024

Report of the Directors

Disclosure compliance

The Strategic Report on pages 3 to 18 and the Governance report on pages 19 to 23 comprise the Directors' report. The audited financial statements are presented from page 36 onwards.

The following disclosures required to be contained in the Directors' report under the Companies Act 2006 (the Act) and related regulations, or required to be contained in the Annual Report under DTR 4.1, are set out on the pages referred to below and incorporated by reference into this Report of the Directors as follows:

Disclosure	Location
Financial instruments	Notes 10 & 11, pages 73-76
Risk management objectives and policies	Note 26, page 96-108
Assessment of principal and emerging risks and uncertainties	Risk, pages 15-18
Likely future business developments	Strategic Report, pages 3-18
Acquisitions and disposals	Note 24, pages 92-95
Financial performance	Pages 9-11
Post balance sheet event	Note 1.8, page 45
Relationships with suppliers, customers, and others	Section 172 statement, pages 12-14
Engagement with employees	Strategic Report, page 12

Non-financial and sustainability information statement

The Company is exempt from reporting company specific information as it is a subsidiary of Bupa, and consolidated reporting is included in Bupa's 2024 Annual Report and Accounts which can be accessed at bupa.com/financials/results-and-reports.

Insurance and indemnities

The Bupa Group has a directors' and officers' insurance policy in place for Bupa and all its subsidiaries, together with indemnities for the Directors and certain senior managers, to the extent permitted by English law and the Company's Articles of Association.

These cover all losses arising out of, or in connection with, the execution of their powers, duties, and responsibilities, as Directors of the Company or of any of its subsidiaries. These have been in place throughout 2024 and to the date of this Annual Report. There are no other qualifying third-party indemnity provisions or pension indemnity provisions in place.

Effectiveness of the systems of internal control and risk management

The Parent board's Audit Committee considered management's integrated assurance report that set out the overall assessment of the Bupa Group's systems of internal control and risk management in 2024. Following its review and recommendation, the Board concluded the Company has maintained overall sound risk management and internal control systems during 2024, underpinned by the three-lines model, with some weaknesses that are being addressed by management and will be monitored by the Parent board's Audit and Risk Committees.

Going concern

The Directors confirm that they are satisfied that the Company and the Group have adequate resources to continue in operation for the next 12 months. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The going concern assessment in Note 1: Basis of Preparation on pages 43 and 44 includes information on the Directors' detailed assessment of the Group's status as a going concern.

Longer-term viability

The Directors have examined the outlook for the Company and its Group, assessing ability to operate and meet liabilities as they fall due over a three-year period.

Bupa Group's new 3x100 Strategy is the driving force behind the planning process. The three-year assessment period was chosen for the longer-term viability assessment because it ties in with our internal planning process. The planning considers all important financial and regulatory measures over the period and stresses the key risks facing individual Business Units, as well as global risks that could affect Bupa as a whole.

Governance

For the year ended 31 December 2024

As part of the assessment of viability, the Directors looked at the financial performance, capital management, cash flow, solvency, and future outlook. Bupa is well capitalised and is expected to remain so over the plan period. The liquidity position of the Group is expected to remain strong across the three-year period.

A number of reasonably plausible severe scenarios were considered as well as contingent liabilities. We considered a scenario in which worsening geopolitical conflicts and the potential knock-on impacts on global growth and economic conditions leading to a global economic recession in 2025. A variety of local scenarios developed by each Business Unit were separately considered with the majority focusing on climate change, stroke of pen and/or affordability pressures. Under the most severe reasonably possible scenarios considered, the forecast liquidity position reduces but would remain within the Group's liquidity appetite over the three-year planning period without the need for management actions. Management actions include reducing expenditure, obtaining additional funding or divesting investments or businesses.

'Reverse stress testing' is also conducted at the Group level, aimed at identifying hypothetical circumstances that might result in our business model failing and helps the Directors to better understand the Group's risks. The Group remains most exposed to failure through a lack of liquidity at the Group centre, although multiple improbable events would need to occur in order to induce failure (prior to the taking of management actions) in the timeframe considered.

The most recent Bupa Own Risk and Solvency Assessment (ORSA), that brings together the outcomes of risk management and financial management processes, considers the level of regulatory capital we require to remain financially stable over the planning period given the nature of the risks we currently face, our strategy and our risk appetite. It takes into account the quantification of the Group's current risks as defined by the Solvency II Directive and considers the impact of potential stressed scenarios that are aligned to our risk profile. It also sets out the management actions, identified as part of the Bupa Group's Recovery Plan, that are available to address challenges to the Bupa Group's liquidity or solvency position. This assessment concluded that we expect to have sufficient capital assets to continue to meet regulatory requirements over a three-year period.

Although Bupa pays interest on its borrowings, it has no shareholders and therefore does not pay dividends. Instead, Bupa can invest in growing organically and through acquisition. This expenditure is largely discretionary and can be reduced if required.

Following a review of the key risks and uncertainties set out in Risk on pages 15 to 18, the Directors are satisfied that there are appropriate risk management and governance procedures in place to manage and mitigate these risks over the three-year period. Emerging risks are identified and reported on to ensure that they are properly understood and are considered in future strategic decisions.

While continuing uncertainty exists as a result of the challenging macroeconomic and geopolitical environment, the Group's diversified business model continues to support the viability of the Group over the period considered.

Based on this analysis and regular risk and capital reporting processes, the Directors have a reasonable expectation that the Company and the Group will be able to continue in operation and meet their liabilities as they fall due throughout the three-year planning period up to 31 December 2027.

Dividends

The Company paid interim dividends of £164 million (2023: £134 million) during the year. No final dividend is proposed.

Branches outside the UK

The Company does not have any branches outside the UK.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Accounts of the Company and the Group, in accordance with applicable law and regulations. Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law they have elected to prepare the Group and the Company financial statements in accordance with UK-adopted international accounting standards in conformity with the Act.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of their profit or loss for that period. In preparing each of the Group and Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable, relevant, and reliable
- State whether they have been prepared in accordance with UK-adopted international accounting standards
- Assess the Group and the Company's ability to continue as a going concern
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations or have no realistic alternative but to do so.

Governance

For the year ended 31 December 2024

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Act. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors consider that the Annual Report and financial statements taken as a whole are fair, balanced and understandable, and provide the information necessary for the shareholder to assess the Group's position and performance, business model and strategy.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the current Directors, whose names and positions are set out on page 2, confirm that to the best of their knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole.
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Disclosure of information to the External Auditor

The Directors who held office at the date of approval of this Directors' Report (set out on page 2) confirm that, so far as they are each aware, there is no relevant audit information of which the Company's External Auditor is unaware; and each Director has taken all the steps which they ought to have taken as a Director to make themselves aware of any relevant audit information, and to establish that the External Auditor is aware of that information.

External Auditor reappointment

A resolution to re-appoint PricewaterhouseCoopers LLP as the Company's External Auditor will be put to the Company's forthcoming AGM.

On behalf of the Board

James Lenton
Director
5 March 2025
Company number: 2779134

Independent auditors' report to the members of Bupa Finance plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Bupa Finance plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 31 December 2024; the Consolidated Income Statement; the Consolidated Statement of Comprehensive Income; the Consolidated Statement of Cash Flows and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 2.3.2, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Context

Bupa is an international healthcare group, providing health insurance, health provision and aged care services. The Group operates from a significant number of locations globally and has four reportable segments: Bupa Asia Pacific; Europe and Latin America; Bupa Global, India and UK; and Other businesses, which includes investments in associates. In planning for our audit we met with the Audit Committee and members of management across the Group to discuss and understand the businesses and any significant changes during the year, and to understand their perspectives on associated business risks. We used this insight, in addition to our understanding of the previous year's audit, when forming our own views regarding the audit risks and as part of developing our planned audit approach to address those risks.

Given the activities of the Group, we have teams with the relevant industry experience at Group and in all significant locations in which the Group operates. We meet with component teams at key stages through the audit, in person and using remote technologies as appropriate, to understand the businesses and related risk areas and to direct and oversee the work performed by component teams. In addition, we perform in-person site visits with a number of our component teams and local management on a rotational basis to fulfil our ISA (UK) 600 (Revised) responsibilities.

We have also considered the sustainability commitments made by the Directors and considered the potential impact of climate change related factors in our audit, including challenging management on their assessment of how climate change related risks and opportunities impact the financial statements.

Independent auditors' report to the members of Bupa Finance plc (continued)

Overview

Audit scope

- The Group has four reportable segments, in addition to the Group Functions' activities. Each reportable segment includes a number of reporting components across different locations and service lines.
- We conducted audit testing over 30 components. These were selected based on our assessment of inherent risk and their financial significance to the consolidated financial results.
- We selected 23 components to be in scope as they were significant due to size or risk.
- We determined to perform additional procedures on certain balances and transactions in a further 7 non-significant components.
- Our audit scope provided coverage of 85% of IFRS Profit before taxation expense.

Key audit matters

- Acquisition of Niva Bupa (Group)
- Valuation of the estimates of the present value of future cash flows within the liability for incurred claims (Insurance contract liabilities) (Group)
- Valuation of freehold property and investment property (Group)
- Impairment of goodwill or reversal of previous impairments to other intangible and tangible assets (Group)
- Classification, valuation and disclosure of certain liabilities relating to Isapre Cruz Blanca (Bupa Chile) (Group)
- Recoverability of Company's investment in subsidiaries (Company)

Materiality

- Overall Group materiality: £51.7 million (FY23: £48.0 million) based on 5% of Profit before taxation expense adjusted for certain non-recurring items.
- Overall Company materiality: £28.9 million (FY23: £26.4 million) based on 1% of Net assets.
- Performance materiality: £38.8 million (FY23: £36.0 million) (Group) and £21.6 million (FY23: £19.7 million) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The acquisition of Niva Bupa is a new key audit matter this year. In addition, the focus of the key audit matter in relation to liabilities relating to Isapre Cruz Blanca ("Bupa Chile") has been amended to reflect the updated circumstances. The implementation of IFRS 17, which was a key audit matter last year, is no longer included because of the reduction in risk following the implementation of IFRS 17 for the first time in the prior year. Otherwise, the key audit matters below are consistent with last year.

Independent auditors' report to the members of Bupa Finance plc (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Acquisition of Niva Bupa (Group) Refer to Note 24 (for accounting policy and financial disclosures)</p> <p>On 8 January 2024 the Group acquired additional shares in Niva Bupa resulting in it holding a controlling interest. From that date the entity has been fully consolidated in the financial statements. Previously, the investment was equity accounted under IAS 28, Investments in Associates and Joint Ventures.</p> <p>Given the significance of the transaction which resulted in goodwill of £536m being recognised, the accounting for the acquisition has been an area of focus for the audit this year.</p> <p>The acquisition accounting, in accordance with IAS 28 and IFRS 3, Business Combinations, required a number of accounting judgements and estimates, including:</p> <ul style="list-style-type: none"> the £321m gain arising on the revaluation of the existing shareholding on obtaining control; the estimates used in the determination of the fair value adjustments made to the acquired insurance contract liabilities and reinsurance assets; and the judgements to identify and estimates to value the intangible assets recognised through the purchase price allocation. <p>As a result of the acquisition there has also been an alignment of accounting policies with the Group, including those related to insurance and reinsurance contracts accounted for under IFRS 17, Insurance contracts. This has included Premium Allocation Approach ("PAA") eligibility. As Niva Bupa writes policies with a coverage period greater than 12 months, judgement is required to determine whether there would be a material difference in applying the PAA or the General measurement model ("GMM").</p>	<p>We performed the following procedures related to the acquisition accounting:</p> <ul style="list-style-type: none"> Understood and evaluated the processes and controls in place to determine the judgements and estimates used in the acquisition accounting; Assessed the appropriateness of management's determination of control in accordance with IFRS 10, Consolidated financial statements; Tested the fair value of the previously held equity interest (used to calculate the gain of £321m arising from the revaluation of the existing shareholding on obtaining control) and the mathematical accuracy of the gain calculation. We also assessed whether the gain calculation was accounted for in accordance with the requirements of IAS 28; For the fair value adjustments in respect of acquired insurance contract liabilities and reinsurance assets, we considered whether they had been measured in accordance with IFRS 17, assessed the appropriateness of the estimates used to determine them by comparing them to past experience, and tested their mathematical accuracy; Assessed the completeness of the intangible assets recognised on acquisition through the purchase price allocation, which included evaluating the work performed by management's experts; Assessed the completeness of the accounting policy differences identified by management and tested the calculation of those differences; and Evaluated the appropriateness of management's PAA eligibility analysis and conclusions for the Niva Bupa business, including the consideration of contract durations, testing the completeness and accuracy of supporting data, evaluating the reasonableness of expected scenarios and testing the accuracy of the models. <p>Based on the work performed and the evidence obtained, we consider the acquisition accounting of Niva Bupa to be appropriate.</p>

Independent auditors' report to the members of Bupa Finance plc (continued)

<p>Valuation of the estimates of the present value of future cash flows within the liability for incurred claims (Insurance contract liabilities) (Group) Refer to Note 12 (for accounting policy and financial disclosures)</p> <p>Insurance contract liabilities comprise the liability for remaining coverage ("LFRC") and the liability for incurred claims ("LFIC"), which comprises the estimates of the present value of future cash flows and the risk adjustment. We have determined the estimates of the present value of future cash flows to be an area of focus given its magnitude and the judgement required in estimating the cash flows, in particular for incurred claims.</p> <p>Estimates of the present value of future cash flows within the liability for incurred claims £1,335m (2023: £1,313m)</p> <p>The estimates of the present value of future cash flows are based on certain key assumptions relating to the frequency, severity and settlement patterns of insurance claims.</p> <p>Established actuarial techniques including the chain ladder, Bornhuetter-Ferguson and pure risk cost methods are used to produce a best estimate of the present value of future cash flows. Consideration is made for the claims inflation assumptions and expected trends in medical costs and treatments.</p> <p>The frequency and severity of health insurance claims are typically highly predictable with claims settled within a few months of a medical event that has led to a claim.</p> <p>Given the short-tailed nature of the settlement patterns, the key source of estimation uncertainty is in relation to estimating the incurred claims for the most recent months before 31 December 2024.</p>	<p>The work performed to address the valuation of the estimates of future cash flows for insurance contracts included the following procedures:</p> <ul style="list-style-type: none"> • Understood and evaluated the processes and controls in place to determine the estimates of future cash flows; • Tested the design and implementation of controls in place over the estimates of future cash flows, including those covering the approval of assumptions, and the completeness and accuracy of data used; • Using our actuarial specialist team members, we: <ul style="list-style-type: none"> ◦ Applied our industry knowledge and experience and compared the methodology, models and assumptions used against recognised actuarial practices; ◦ Evaluated the key assumptions used in the estimates of future cash flows for reasonableness compared to historic experience, including the impact of claims inflation; ◦ Performed independent estimate calculations for 47% of the estimates of future cash flows, comparing our estimates to those booked by management, and investigated differences above a set threshold; ◦ Evaluated the methodology and assumptions applied by management for a further 30% of the estimates of future cash flows, including reperforming management's calculations and performing sensitivities to determine if the assumptions used were reasonable; and ◦ Performed key indicator testing for the remaining estimates to identify and investigate any anomalies. <p>Based on the procedures performed and the evidence obtained, we consider the valuation of the estimates of the present value of future cash flows within the liability for incurred claims to be appropriate.</p>
---	--

Independent auditors' report to the members of Bupa Finance plc (continued)

<p>Valuation of freehold property and investment property (Group) Refer to Notes 4 and 5 (for accounting policy and financial disclosures)</p> <p>The Group holds significant freehold property (see Note 4 Property, plant and equipment) and investment property (see Note 5 Investment property). We consider the valuation of freehold property and investment property as key areas of audit focus given the magnitude and inherent uncertainty involved in these estimates.</p> <p>Freehold properties Freehold properties of £2,085m (2023: £2,073m) comprise care homes, care villages, clinics, hospitals and offices across a number of locations.</p> <p>The properties are held under the revaluation model and are subject to periodic, and at least triennial, valuations performed by external independent valuation experts performed in accordance with relevant industry guidelines.</p> <p>The valuations are judgemental and involve estimation uncertainty. The significant assumptions include occupancy levels, estimated net earnings on a normalised basis and capitalisation rates. There is also judgement in the allocation of the fair value of the facility between its constituent parts, including the property.</p> <p>Where an external valuation has not been obtained in the year, a Directors' valuation is conducted to determine if the carrying amount of the property remains appropriate and does not differ materially from the fair value at the end of the year. At 31 December 2024 management obtained external valuations for £1,029m (2023: £55m) of the total freehold property valuation, with the remaining balance being valued by the Directors.</p> <p>Investment properties Investment properties of £756m (2023: £776m) relate predominantly to retirement villages in New Zealand. The properties are leased to third parties to generate rental income.</p> <p>The properties are held at fair value and subject to an independent external valuation annually. The valuation is based on discounted cash flow projections and uses subjective assumptions including the discount rate, capital growth rate and expected rental yields.</p>	<p>For the valuation of freehold property and investment property, we performed the following procedures:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the valuation methodology applied and whether this is in accordance with the requirements of the relevant standards; Obtained the most recent external valuation reports and critically assessed the qualifications and experience of the external valuers to determine whether they have the knowledge required to perform the valuations; For both external and Directors' valuations of freehold property, we challenged the key assumptions relating to estimated net earnings on a normalised basis, such as occupancy rates, as well as capitalisation rates. For investment property, we challenged the key assumptions relating to discounted cash flow projections, such as discount rate, capital growth rate and expected rental yields. In critically assessing the key assumptions, we utilised our own valuation experts and considered external benchmarks; and For Directors' valuations, using internal valuation experts, we challenged management's inputs to the valuation models, with reference to the most recent external valuation. <p>Based on the procedures performed and the evidence obtained, we consider the valuation of freehold property and investment property to be appropriate.</p>
---	---

Independent auditors' report to the members of Bupa Finance plc (continued)

<p>Impairment of goodwill or reversal of previous impairments to other intangible and tangible assets (Group) Refer to Note 3 (for accounting policy and financial disclosures)</p> <p>Individual assets and Cash Generating Units ("CGU") that have an indication of impairment and all Goodwill amounts are tested annually for impairment. An impairment review of a CGU covers all of its tangible assets, intangible assets and attributable goodwill. Where the recoverable amount of an individual asset or CGU is lower than the carrying value, an impairment loss is recognised. Where there is any indication that a previous impairment loss for an asset other than goodwill either no longer exists or has decreased, the recoverable amount should be estimated and an assessment performed of whether there should be a reversal of an impairment loss.</p> <p>Estimating and discounting the cash flow projections used in the impairment assessments requires significant judgement. The key assumptions include the discount rate and the forecast cash flows, including the terminal growth rate.</p> <p>We identified one CGU as having a higher risk of impairment (or impairment reversal), namely Bupa Dental Care UK, and the valuation of the goodwill and intangible assets in this CGU was an area of audit focus. As disclosed in Note 3 of the financial statements, the carrying value of the goodwill relating to this CGU is £193m (2023: £191m) with headroom in the goodwill impairment assessment of £56m (2023: £72m).</p>	<p>We performed the following procedures over management's impairment assessment of the Bupa Dental Care UK CGU:</p> <p>Discount rates</p> <ul style="list-style-type: none"> Used our valuation experts to assess the appropriateness of management's methodology for computing the Weighted Average Cost of Capital used for discounting projected cash flows in the Value in Use calculation. Used our valuation experts to independently determine a reasonable range for the CGU discount rate, using external comparable market information where possible. Assessed how the rate used by management compared to that range and the sensitivity of rate changes to the overall impairment assessment. <p>Model integrity</p> <ul style="list-style-type: none"> Assessed the discounted cash flow models, including validating the numerical accuracy of the models and the application of the discount rates. <p>Cash flows</p> <ul style="list-style-type: none"> Agreed cash flow forecasts to internal supporting documentation, including approved Business Plans. Compared cash flow forecasts used in the review to historical performance and challenged management where forecasts indicated performance that deviated significantly from historical performance. Challenged key assumptions in the cash flow projections, including available clinician hours and the terminal growth rates applied, and obtained supporting internal or external information. Performed sensitivity analyses on the key assumptions. <p>Impairment reversal assessment</p> <ul style="list-style-type: none"> Assessed whether the headroom identified represented an increase in the estimated service potential of an asset indicating a reversal of a previous impairment loss. <p>Disclosure</p> <ul style="list-style-type: none"> Assessed the appropriateness of the relevant disclosures to confirm compliance with the applicable financial reporting standards. <p>Based on the procedures performed and the evidence obtained, we consider that the carrying value of goodwill in the Dental Care UK CGUs is reasonable and there was not sufficient evidence to support the reversal of the previously recorded impairment to other intangible and tangible assets.</p>
---	--

Independent auditors' report to the members of Bupa Finance plc (continued)

<p>Classification, valuation and disclosure of certain liabilities relating to Isapre Cruz Blanca (Bupa Chile) (Group) Refer to Notes 19 and 20 (for accounting policy and financial disclosures)</p> <p>In 2022, the Supreme Court in Chile issued a ruling that required Isapres to use a specific table of risk factors to determine insurance premiums, including retrospectively. This ruling's impact on Bupa Chile depended on the approval of new legislation and detailed application guidelines from the Chilean Superintendent of Health ("SIS"). As a result of the uncertainty, in 2022 and 2023, management was unable to form a reliable estimate, and a contingent liability was disclosed.</p> <p>In May 2024 legislation was enacted, followed by implementation guidelines from the SIS, which allowed a reliable estimate of the liability to be determined. A provision of £215m was recognised based on the proposed repayment plan submitted to the regulator. This estimate was based on expected payments over a 13-year period, discounted at a Chilean risk-free rate.</p> <p>On 8 October 2024, the SIS approved the Isapre's proposed repayment plan. This removed the uncertainty in relation to the amounts to be paid and therefore the provision was released and a financial liability was recognised within Trade and other payables. As at 31 December 2024, the financial liability is £181m, reflecting the payments in the approved repayment plan, discounted at a market rate of 4.245%.</p> <p>Given this matter involved a significant level of judgment in the prior year, and the resulting liability is material to both the financial statements and management's explanation of the result for the year, the classification and valuation of the liability and its disclosure were an area of focus for our audit.</p>	<p>To address the classification, valuation and disclosure of the liability we performed the following procedures:</p> <p>Classification and valuation of the initial provision</p> <ul style="list-style-type: none"> Reviewed the legislation enacted by the Chilean government and the regulatory announcements from the SIS to assess whether a reliable estimate could be formed and a provision subsequently recognised. Assessed the completeness and accuracy of the data used in the calculation of the provision, comparing it to the terms of the original submitted payment plan and underlying books and records. Using internal valuation experts, we evaluated the appropriateness of the discount rate used to discount the expected cash flows by comparing it to our expected risk-free rate for Chile. <p>Subsequent classification and valuation of the financial liability</p> <ul style="list-style-type: none"> Assessed the appropriateness of the reclassification of the provision to a financial liability following the approval of the payment plan. Assessed the data used in the calculation of the financial liability, comparing it to the terms of the approved payment plan and underlying books and records. Using internal valuation experts, evaluated the appropriateness of the discount rate used to discount the financial liability. Independently determined a reasonable range for the discount rate, using external comparable market information where possible, and assessed how the rate used by management compared to that range. <p>Disclosures</p> <ul style="list-style-type: none"> Assessed the appropriateness of the relevant disclosures within the notes to the financial statements to confirm compliance with the applicable financial reporting standards. <p>Based on the procedures performed and the evidence obtained, we consider the classification, valuation and disclosure of the matter to be appropriate.</p>
<p>Recoverability of Company's investment in subsidiaries (Company) Refer to Company accounting policy (j) and Note C (for financial disclosures)</p> <p>The Company holds investments in subsidiaries with a carrying value of £4,439m (2023: £4,337m).</p> <p>Where there are indicators of impairment management compares the carrying value to a recoverable amount, based on discounting estimated future cash flows from board approved budgets.</p> <p>There is inherent uncertainty in forecasting trading conditions and discounting the future cash flows used in the budgets, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.</p>	<p>We performed the following procedures related to the recoverability of the Company's investment in subsidiaries:</p> <ul style="list-style-type: none"> Assessed the reasonableness and appropriateness of the assumptions used in the cash flows included in the budgets based on our knowledge of the entities, the markets in which the subsidiaries operate, and cash flow forecasts used elsewhere, for example, in the right of use asset impairment testing; Assessed the reasonableness of the budgets by considering the historical accuracy of the previous forecasts and agreeing cash flow forecasts to internal supporting documentation, including approved Business Plans; Reviewed the methodology used in determining the discount rate applied, including engaging our valuation experts to assess the appropriateness of the inputs into the discount rate; and Assessed the adequacy of the Company's disclosures. <p>Based on the work performed and the evidence obtained, we consider the carrying amount of the Company's investment in subsidiaries to be appropriate.</p>

Independent auditors' report to the members of Bupa Finance plc (continued)

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

For the Group audit we defined a component as being a single reporting pack, or collection of subledgers, within the Group's consolidation process. We brought components into scope based on the output of our risk assessment and our understanding of the Bupa Group to identify those components that are significant due to size or risk and other non-significant components with large balances to obtain sufficient coverage to reduce the risk of material misstatement to an appropriate level.

We selected 23 components to be in scope as they were significant due to size or risk.

We determined to perform additional procedures on certain balances and transactions in a further 7 non-significant components to provide sufficient and appropriate audit coverage over individual financial statement line items.

The components where we performed audit procedures included some operating in each of the Group's Market Units and covered 81% of Group Revenue, 85% of Group profit before taxation expense and 69% of Group Total assets.

We also performed audit procedures over the Group Centre functions, including the consolidation process and certain payroll processes.

We performed targeted risk assessment procedures over the remaining components.

As the Group audit team, we determined the level of involvement required at those components to be able to conclude whether sufficient and appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole. In our role as Group Auditors our oversight of the work performed by auditors of the components included performing the following procedures:

- Issued group instructions outlining areas requiring additional audit focus, including the key audit matters included above;
- Maintained an active dialogue with reporting component audit teams throughout the year, including in-person site visits with a number of teams;
- Reviewed reporting requested from component teams, including on areas determined to be of heightened audit risk; and
- Reviewed component team detailed working papers, where relevant. We have performed a detailed review of key audit working papers at all in-scope components through a mixture of remote working and site visits.

For the company audit, the output of our risk assessment identified one component of relative financial significance being the holding company operations.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process management adopted to assess the extent of the potential impact of climate risk on the Group's financial statements. In addition to enquiries with management, we also understood the governance processes in place to assess climate risk, read internal management reporting on climate risks and read additional external reporting by the entity on climate, including sustainability publications.

We have also made enquiries to understand, and performed a risk assessment in respect of, the commitments made by the Group and how these may affect the financial statements and the audit procedures that we perform. We have assessed the risks of material misstatement to the financial statements as a result of climate change and concluded that for the year ended 31 December 2024, the main audit risks are related to consistency of disclosures included within the Annual Report and 'Other Information' including the Strategic Report.

Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters for the year ended 31 December 2024.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Independent auditors' report to the members of Bupa Finance plc (continued)

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - Group	Financial statements - Company
<i>Overall materiality</i>	£51.7 million (FY23: £48.0 million).	£28.9 million (FY23: £26.4 million).
<i>How we determined it</i>	5% of Profit before taxation expense adjusted for certain non-recurring items	1% of Net assets
<i>Rationale for benchmark applied</i>	In determining our materiality, we have considered the financial metrics which we believed to be relevant, and concluded that Group Profit before taxation expense adjusted for certain non-recurring items, notably the impact of the recognition of the liability relating to Bupa Chile and the fair value gain on acquisition of Niva Bupa, was the most appropriate benchmark. This is because the Group is profit-orientated, but the non-recurring items have significantly distorted the result of the Group. We consider that the resulting materiality level is appropriate for the size and complexity of the Group and relevant to the users of the financial statements. We have substantively tested the non-recurring items excluded to a lower materiality level.	In determining our materiality, we considered the financial metrics which we believed to be relevant and concluded that Net assets was the most appropriate benchmark given the Company has issued listed debt.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £4.0 million to £24.0 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (FY23: 75%) of overall materiality, amounting to £38.8 million (FY23: £36.0 million) for the Group financial statements and £21.6 million (FY23: £19.7 million) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £1.5 million (Group audit) (FY23: £1.2 million) and £1.4 million (Company audit) (FY23: £1.2 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the Directors' going concern assessment and challenging the rationale for downside scenarios adopted and material assumptions made using our knowledge of the Group's business performance, review of regulatory correspondence and obtaining further corroborating evidence;
- Considering management's assessment of the Group's regulatory solvency coverage and liquidity position in the forward-looking scenarios considered;
- Assessing the impact of severe, but plausible downside scenarios;
- Assessing the liquidity of the Group and Company, including the Group's ability to pay customers, suppliers and creditors as amounts fall due;
- Assessing the ability of the Group to comply with covenants;
- Enquiring and understanding the actions taken by management to mitigate any significant risks facing the business, including attendance at Group Audit Committee and Group Risk Committee meetings; and
- Reviewing the disclosures included in the financial statements in relation to going concern, including the Basis of Preparation.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

Independent auditors' report to the members of Bupa Finance plc (continued)

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to certain Group activities where non-compliance with the related laws and regulations could result in fines or litigation, or loss of the Group's licence to operate. We consider the areas most likely to have such an effect would be in relation to financial conduct regulation, healthcare provision conduct regulation and regulatory capital and liquidity requirements. In addition, risks arise from the Group's required compliance with related taxation legislation (including VAT and payroll taxes) and the requirements in relation to its listed debt, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on

Independent auditors' report to the members of Bupa Finance plc (continued)

the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements, including those shown in our Key Audit Matters, and the override of controls including the posting of inappropriate journal entries. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions with the Board, management, Internal Audit, senior management involved in the Risk and Compliance functions and the Group and Company's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- Assessment of matters reported on the Group and Company's whistleblowing helpline and fraud register and the results of management's investigation of such matters;
- Reviewing relevant meeting minutes including those of the Board of Directors, Remuneration and Disclosure Committees and attending Audit Committee and Risk Committee meetings;
- Identifying and testing journal entries based on risk criteria;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Testing transactions entered into outside of the normal course of the Group and Company's business; and
- Reviewing the Group's register of litigation and claims, Internal Audit reports, and Group Chief Risk Officer's Reports in so far as they related to non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 12 May 2021 to audit the financial statements for the year ended 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement is 4 years, covering the years ended 31 December 2021 to 31 December 2024.

Independent auditors' report to the members of Bupa Finance plc (continued)

Other matter

The Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Joanne Leeson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 March 2025

Consolidated Income Statement

for the year ended 31 December 2024

	Note	2024 £m	2023 £m
Insurance revenue	2, 12.1	12,233	10,770
Insurance service expenses	2.1, 12.1	(11,600)	(10,318)
Insurance service result before reinsurance contracts held	12.1	633	452
Net expense from reinsurance contracts held	12.2	(11)	(7)
Insurance service result		622	445
Care, health and other customer contract revenue	2.2	4,589	4,268
Other revenue	2.2	102	78
Total non-insurance revenue		4,691	4,346
Share of post-taxation results of equity-accounted investments	6	94	83
Impairment of goodwill and intangible assets	3	(11)	(17)
Other operating expenses	2.3	(4,774)	(4,292)
Other income and charges	2.4	329	42
Total other expenses, income and charges		(4,362)	(4,184)
Profit before financial income and expense		951	607
Financial income and expense			
Financial income	2.5	509	363
Financial expense	2.5	(197)	(190)
Net financial expense from insurance contracts issued	2.5, 12.1	(70)	(25)
Net monetary loss	1.7	(16)	(18)
Net impairment on financial assets		(21)	(20)
Net financial income		205	110
Profit before taxation expense		1,156	717
Taxation expense	2.6	(301)	(177)
Profit for the year		855	540
Attributable to:			
Shareholder of Bupa Finance plc		867	538
Non-controlling interests	23	(12)	2
Profit for the year		855	540

Notes 1-28 form part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

	Note	2024 £m	2023 £m
Profit for the year		855	540
Other comprehensive income/(expense)			
Items that will not be reclassified to the Income Statement			
Unrealised gain/(loss) on revaluation of property	4	123	(15)
Taxation charge on income and expenses recognised directly in other comprehensive income	2.6	(25)	–
Items that may be reclassified subsequently to the Income Statement			
Foreign exchange translation differences on goodwill	3	(99)	(55)
Other foreign exchange translation differences		(274)	(235)
Net gain on hedge of net investment in overseas subsidiaries		79	73
Share of other comprehensive (expense)/income of equity-accounted investments		(2)	2
Change in fair value of financial investments through other comprehensive income		11	(4)
Change in expected credit losses (ECL) of financial investments through other comprehensive income		5	1
Realised loss on disposal of financial investments at fair value through other comprehensive income		–	4
Change in cash flow hedge reserve		7	(7)
Release of foreign exchange translation reserve on derecognition of equity-accounted investments and subsidiaries		11	(2)
Taxation charge on income and expenses recognised directly in other comprehensive income	2.6	(3)	–
Total other comprehensive expense		(167)	(238)
Comprehensive income for the year		688	302
Attributable to:			
Shareholder of Bupa Finance plc		700	302
Non-controlling interests		(12)	–
Comprehensive income for the year		688	302

Notes 1-28 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at 31 December 2024

	Note	2024 £m	2023 £m
Assets			
Goodwill and intangible assets	3	3,145	2,660
Property, plant and equipment	4	3,711	3,605
Investment property	5	756	776
Equity-accounted investments	6	1,016	1,056
Post-employment benefit net assets	7	2	2
Deferred taxation assets	8	86	95
Restricted assets	9	137	122
Financial investments	10	4,693	3,638
Derivative assets	11	65	46
Reinsurance contract assets	12.2	90	38
Current taxation assets		18	50
Inventories	13	67	76
Trade and other receivables	14	837	829
Assets held for sale	15	28	48
Cash and cash equivalents	16	1,992	2,278
Total assets		16,643	15,319
Liabilities			
Subordinated liabilities	17	(772)	(747)
Other interest-bearing liabilities	17	(759)	(1,090)
Post-employment benefit net liabilities	7	(7)	(8)
Lease liabilities	18	(878)	(894)
Deferred taxation liabilities	8	(141)	(115)
Share purchase liability	2.5, 24	(6)	–
Derivative liabilities	11	(40)	(63)
Provisions for liabilities and charges	19	(333)	(335)
Insurance contract liabilities	12.1	(3,064)	(2,608)
Current taxation liabilities		(95)	(35)
Trade and other payables	20	(2,796)	(2,417)
Liabilities associated with assets held for sale	15	(39)	(9)
Total liabilities		(8,930)	(8,321)
Net assets		7,713	6,998
Equity			
Share capital	22	200	200
Foreign exchange translation reserve		21	241
Property revaluation reserve		668	601
Cash flow hedge reserve		–	(7)
Income and expenditure reserve		6,392	5,648
Equity attributable to shareholder of Bupa Finance plc		7,281	6,683
Restricted Tier 1 notes	21	297	297
Non-controlling interests	23	135	18
Total equity		7,713	6,998

Approved by the Board of Directors and signed on its behalf on 5 March 2025 by

James Lenton
Director

Notes 1-28 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December 2024

	Note	2024 £m	2023 £m
Cash flow from operating activities			
Profit before taxation expense		1,156	717
<i>Adjustments for:</i>			
Net financial income		(291)	(153)
Net monetary loss	1.7	16	18
Depreciation, amortisation and impairment	3, 4, 15	482	496
Other non-cash items ¹		(509)	(162)
<i>Changes in working capital and provisions:</i>			
Increase in insurance contract liabilities		336	342
Increase in reinsurance contract assets		(8)	(18)
Funded pension scheme employer contributions		(2)	(1)
(Increase)/decrease in trade and other receivables, and other assets		(52)	2
Increase in trade and other payables, and other liabilities		489	232
Cash generated from operations		1,617	1,473
Income taxation paid		(205)	(175)
Decrease in cash held in restricted assets		2	6
Net cash generated from operating activities		1,414	1,304
Cash flow from investing activities			
Acquisition of subsidiaries and businesses, net of cash acquired		(268)	(63)
Investment in equity-accounted investments	6	(6)	(22)
Dividends received from equity-accounted investments		47	42
Disposal of subsidiaries and other businesses, net of cash disposed of		69	30
Purchase of intangible assets	3	(162)	(117)
Purchase of property, plant and equipment	4	(301)	(260)
Proceeds from sale of property, plant and equipment		5	19
Purchase of investment property	5	(30)	(38)
Purchases of financial investments, excluding deposits with credit institutions		(2,778)	(1,983)
Proceeds from sale and maturities of financial investments, excluding deposits with credit institutions		2,037	1,921
Net (investments into)/withdrawals from deposits with credit institutions		(18)	88
Interest received		440	241
Net cash used in investing activities		(965)	(142)
Cash flow from financing activities			
Payment of Restricted Tier 1 coupon	21	(12)	(12)
Proceeds from issue of interest-bearing liabilities and drawdowns on other borrowings		–	493
Repayment of interest-bearing liabilities and other borrowings		(318)	(342)
Principal repayment of lease liabilities		(138)	(148)
Payment of interest on lease liabilities	18	(49)	(49)
Capital contributions from non-controlling interests in subsidiary		72	–
Interest paid		(72)	(66)
Net receipts on settlement of hedging instruments		55	57
Dividends paid		(164)	(134)
Dividends paid to non-controlling interests		(3)	(2)
Net cash used in financing activities		(629)	(203)
Net (decrease)/increase in cash and cash equivalents		(180)	959
Cash and cash equivalents at beginning of year ²		2,362	1,479
Effect of exchange rate changes		(87)	(76)
Cash and cash equivalents at end of year²	16	2,095	2,362

- 2024 includes a £309m gain as a result of the Group's existing stake in Niva Bupa, prior to the majority stake acquisition, having been remeasured to fair value (see Note 24).
- Includes restricted cash of £103m (2023: £87m) which are considered cash and cash equivalents along with cash balances classified as held for sale of £nil (2023: £2m) and bank overdrafts of £nil (2023: £1m) which are not considered cash and cash equivalents in Note 16.

Notes 1-28 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Note	Share Capital £m	Foreign exchange translation reserve £m	Property revaluation reserve £m	Cash flow hedge reserve £m	Income and expenditure reserve £m	Total attributable to shareholder of Bupa Finance plc £m	Restricted Tier 1 notes £m	Non-controlling interests £m	Total equity £m
2024										
Balance as at 1 January 2024		200	241	601	(7)	5,648	6,683	297	18	6,998
Profit/(loss) for the year		–	–	–	–	867	867	–	(12)	855
Other comprehensive income/(expense)										
Unrealised gain on revaluation of property	4	–	–	123	–	–	123	–	–	123
Realised revaluation profit on disposal of property		–	–	(9)	–	9	–	–	–	–
Foreign exchange translation differences on goodwill	3	–	(99)	–	–	–	(99)	–	–	(99)
Other foreign exchange translation differences		–	(212)	(22)	–	(36)	(270)	–	(4)	(274)
Net gain on hedge of net investment in overseas subsidiaries	26.3	–	79	–	–	–	79	–	–	79
Share of other comprehensive income of equity-accounted investments		–	–	–	–	(2)	(2)	–	–	(2)
Change in fair value of financial investments through other comprehensive income		–	–	–	–	7	7	–	4	11
Change in ECL of financial investments through other comprehensive income		–	–	–	–	4	4	–	1	5
Change in cash flow hedge reserve		–	–	–	7	–	7	–	–	7
Release of foreign exchange translation reserve on derecognition of equity-accounted investments and subsidiaries		–	11	–	–	–	11	–	–	11
Taxation credit/(charge) on income and expense recognised directly in other comprehensive income	2.6	–	1	(25)	–	(3)	(27)	–	(1)	(28)
Other comprehensive (expense)/income for the year, net of taxation		–	(220)	67	7	(21)	(167)	–	–	(167)
Total comprehensive (expense)/income for the year		–	(220)	67	7	846	700	–	(12)	688
Payment of Restricted Tier 1 coupon, net of taxation	2.6, 21	–	–	–	–	(9)	(9)	–	–	(9)
Recognition of share purchase liability	24	–	–	–	–	(111)	(111)	–	–	(111)
Release of share purchase liability	24	–	–	–	–	120	120	–	–	120
Gain on disposal/dilution of shares	24	–	–	–	–	62	62	–	–	62
Changes in non-controlling interests	23	–	–	–	–	–	–	–	132	132
Dividends paid to shareholder of the Company		–	–	–	–	(164)	(164)	–	–	(164)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	(3)	(3)
Balance as at 31 December 2024		200	21	668	–	6,392	7,281	297	135	7,713

Notes 1-28 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity (continued)

for the year ended 31 December 2024

	Note	Share Capital £m	Foreign exchange translation reserve £m	Property revaluation reserve £m	Cash flow hedge reserve £m	Income and expenditure reserve £m	Total attributable to shareholder of Bupa Finance plc £m	Restricted Tier 1 notes £m	Non-controlling interests £m	Total equity £m
2023										
Balance as at 1 January 2023		200	437	634	–	5,254	6,525	297	20	6,842
Profit for the year		–	–	–	–	538	538	–	2	540
Other comprehensive income/(expense)										
Unrealised loss on revaluation of property	4	–	–	(15)	–	–	(15)	–	–	(15)
Realised revaluation profit on disposal of property		–	–	(5)	–	5	–	–	–	–
Foreign exchange translation differences on goodwill	3	–	(55)	–	–	–	(55)	–	–	(55)
Other foreign exchange translation differences		–	(212)	(13)	–	(8)	(233)	–	(2)	(235)
Net gain on hedge of net investment in overseas subsidiaries	26.3	–	73	–	–	–	73	–	–	73
Share of other comprehensive income of equity-accounted investments		–	–	–	–	2	2	–	–	2
Change in fair value of financial investments through other comprehensive income		–	–	–	–	(4)	(4)	–	–	(4)
Change in ECL of financial investments through other comprehensive income		–	–	–	–	1	1	–	–	1
Realised loss on disposal of financial investments at fair value through other comprehensive income		–	–	–	–	4	4	–	–	4
Change in cash flow hedge reserve		–	–	–	(7)	–	(7)	–	–	(7)
Release of foreign exchange translation reserve on derecognition of subsidiaries		–	(2)	–	–	–	(2)	–	–	(2)
Other comprehensive expense for the year, net of taxation		–	(196)	(33)	(7)	–	(236)	–	(2)	(238)
Total comprehensive (expense)/income for the year		–	(196)	(33)	(7)	538	302	–	–	302
Payment of Restricted Tier 1 coupon, net of taxation	2.6, 21	–	–	–	–	(10)	(10)	–	–	(10)
Dividends paid to shareholder of the Company		–	–	–	–	(134)	(134)	–	–	(134)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	(2)	(2)
Balance as at 31 December 2023		200	241	601	(7)	5,648	6,683	297	18	6,998

Notes 1-28 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

1 Basis of preparation

This section describes the significant accounting policies and accounting estimates and judgements that relate to the financial statements and notes as a whole. Where accounting policies relate to a specific note, the applicable accounting policies and estimates are contained within the note.

1.1 Basis of preparation

Bupa Finance plc (the 'Company') together with its subsidiaries (collectively the 'Group') is an international healthcare business, providing health insurance, treatment in clinics, dental centres and hospitals, and operating care homes. The Company is incorporated in England and Wales and domiciled in the United Kingdom. Its immediate and ultimate parent company is The British United Provident Association Limited (the 'Parent' or 'Bupa' and together with its subsidiaries, which includes the Company, the 'Bupa Group').

Both the Company Financial Statements and the Group's Consolidated Financial Statements have been prepared in accordance with UK-adopted international accounting standards, in conformity with the requirements of the Companies Act 2006.

The financial statements were approved by the Board of Directors on 5 March 2025. The Group's accounting policies have been applied consistently to all the years presented, and updated for the application of new and amended accounting standards as set out in Note 1.5.

The financial statements are prepared on a going concern basis and under the historical cost convention, modified by the revaluation of property, investment property, and financial investments at fair value, and the application of IAS 29 to balances in hyperinflationary economies.

The presentation of line items within the Consolidated Statement of Financial Position is broadly in order of liquidity. Current assets and liabilities disclosed in the notes to the Consolidated Financial Statements are those expected to be recovered or settled in less than one year.

1.2 Basis of consolidation

The Consolidated Financial Statements for the year ended 31 December 2024 comprise those of the Company and its subsidiaries, and the share of results of equity-accounted investments.

Subsidiaries are those entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group considers all relevant facts and circumstances when determining whether control exists and makes a reassessment whenever those facts and circumstances change.

The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences to the date that control ceases. Accounting policies of subsidiaries are aligned on acquisition to ensure consistency with Group policies. Intra-group transactions and outstanding balances are eliminated in the preparation of the Consolidated Financial Statements.

The Group applies the purchase method in accounting for business combinations. The Group recognises identifiable assets, liabilities and contingent liabilities at fair value, and any non-controlling interests in the acquiree. Non-controlling interests in the net assets of subsidiaries are identified separately from the Group's equity. Non-controlling interests consist of the amount of those interests at the date of the original acquisition and the non-controlling shareholders' share of changes in equity since this date.

Functional currencies are identified at a statutory entity level. These vary across the Group and include sterling, Australian dollar, euro, Indian rupee, New Zealand dollar and US dollar. Each Group entity translates its results and financial position into the Group's presentational currency, sterling. Unless otherwise noted, the amounts shown in the Consolidated Financial Statements are in millions of pounds sterling (£m).

1.3 Accounting estimates and judgements

The preparation of financial statements requires the use of certain accounting estimates and assumptions that affect the reported assets, liabilities, income and expenses. It also requires management to exercise judgement in applying the Group's accounting policies.

The areas involving a higher degree of judgement or complexity, or where estimates are significant to the Consolidated Financial Statements, are set out below. Changes in these estimates could lead to a material adjustment to the carrying value of the assets and liabilities in the next financial year. Further detail is in the related notes.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

Area	Details	Note
Goodwill and intangible assets	<p>Goodwill and intangible assets are recognised on acquired businesses based on fair values at the date of acquisition. Goodwill and intangible assets with indefinite lives are tested for impairment on an annual basis, or more frequently when there are indicators of impairment. Other intangible assets are tested for impairment when there are indicators of impairment.</p> <p>Sources of estimation uncertainty Impairment tests include a number of sources of estimation uncertainty as the key assumptions used when modelling the recoverable amount require estimating the discount rate, terminal growth rate and the forecast cash flows. Estimation uncertainties within these cash flows vary by cash-generating unit (CGU). For provision business, these include number of customers, available clinician hours, fee rates and operating expenses; and for insurance business, future insurance premium rises, claims volatility and claims inflation.</p> <p>Accounting judgements Judgement has been applied to determine whether there are indications of impairment to definite life intangible assets or an indication that impairment should be reversed for intangible assets. In making this judgement, the Group has considered current trading and future plans associated with each of the assets, along with external market factors, in order to assess whether a full impairment assessment is required for impairments or reversal of impairments.</p>	3
Property valuations	<p>The Group has a significant portfolio of care home, hospital and office properties. These are subject to periodic and at least triennial valuations performed by external independent valuers, with directors' valuations performed in intervening years. In addition, the Group has a significant portfolio of investment properties, primarily retirement villages in New Zealand. These properties are revalued annually.</p> <p>Sources of estimation uncertainty Key assumptions for freehold property are normalised earnings, average occupancy and capitalisation rates, whereas for investment property key assumptions are discount and capital growth rates.</p> <p>Accounting judgements In valuing care home property, a judgement is made on the highest and best use of the property. In the majority of cases this leads to the property being valued as part of a group of assets making up a going concern business using market-based assumptions. The business is valued on a fair maintainable trade basis with the fair value thus calculated being allocated to plant and equipment and bed licences where applicable at net book value (as a proxy for fair value), with the residual value being allocated to property.</p>	4,5
Insurance contracts	<p>Accounting judgements <i>Premium allocation approach (PAA)</i> The Group exercises judgement in determining whether the PAA eligibility criteria are met at initial recognition. For a small number of insurance contracts, which have a coverage period that is greater than 12 months, the Group elects to apply the PAA, if at the inception of the contract the Group reasonably expects that it will provide a liability for remaining coverage (LFRC) that would not differ materially from the General Measurement Model (GMM).</p> <p>Sources of estimation uncertainty <i>Best estimate of claims provisioning</i> Estimates included in the insurance contract liabilities include expected claims payments and expenses required to settle existing insurance contract obligations. The key assumptions used in the calculation of the liability for incurred claims (LFIC) include claims development, claims costs inflation, medical trends and seasonality.</p> <p>Uncertainty exists particularly in relation to estimating the frequency and severity of incurred claims for the most recent months prior to the year end.</p>	12
Niva Bupa acquisition	<p>The Group has acquired a controlling interest in Niva Bupa on 8 January 2024. The transaction has been accounted for using the acquisition method where identifiable assets and liabilities acquired have been measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.</p> <p>Accounting judgements The identification and valuation of intangible assets arising on business combinations is subject to a degree of judgement. We have engaged an independent third party to assist with the identification and valuation process. A customer relationship intangible has been recognised and valued based on the present value of the marginal profit from renewals of existing customers. This will be amortised over 12 years.</p>	24
Provisions and contingent liabilities	<p>The Group has circumstances arising in the ordinary course of business, including losses which might arise from litigation, disputes, and interpretation of tax law or local regulations. Judgement is exercised in determining whether the circumstances should give rise to the recognition of provisions or contingent liabilities. In the case of material contingent liabilities further judgement is required in arriving at appropriate disclosure of such matters.</p> <p>Accounting judgements In 2023, significant judgement was applied in assessing whether a contingent liability or provision existed as a result of the ruling issued by the Supreme Court in Chile that obliges Isapres to make use of a specific table of risk factors. This uncertainty has resolved in 2024.</p>	19

1.4 Going concern

Following a detailed assessment of the Group's going concern status based on its current position and forecast results, along with scenario-based stress testing and reverse stress testing, the Directors have concluded that the Group has adequate resources to operate for at least the next 12 months from the approval of these financial statements. This assessment considered forecast and reasonably possible adverse changes to the Group's liquidity, regulatory solvency, access to funding and trading profitability over the next 12 months.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

The assessment identified the risks and uncertainties most likely to impact the Group and considered the impact to the Group's businesses under a number of reasonably plausible severe scenarios as well as consideration of contingent liabilities.

Our most severe reasonably possible scenarios considered worsening geopolitical conflicts and the potential knock-on impacts on global growth and economic conditions leading to a global economic recession in 2025, and a variety of local scenarios developed by each business unit, with the majority focusing on climate change, stroke of pen and/or affordability pressures. Under these scenarios, although significant short-term reductions in profitability arise, the Group would continue to operate over the next 12 months and would remain within its risk appetites for liquidity and regulatory solvency. Management actions would allow downside impacts to be mitigated, and risk appetites controlled, by reducing expenditure, obtaining additional funding or divesting investments or businesses. Within its liquidity resources, the Group makes use of a £900m revolving credit facility ('RCF') as described in Note 17(c). The Group expects to remain compliant with the RCF's covenants under stressed scenarios and may further draw down on the RCF in order to meet liquidity needs.

Details of the Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 3-18. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 9-11. The Directors' assessment of the Group's longer-term viability over a three-year period is described on pages 21-22.

1.5 Restatements and changes in accounting policies

Except where noted in (a)-(b) below, the Group has consistently applied its accounting policies to all periods presented in these Consolidated Financial Statements.

(a) Non-current Liabilities with Covenants (Amendments to IAS 1)

The Group has adopted Non-current Liabilities with Covenants (Amendments to IAS 1) from 1 January 2024. The amendments clarify that the need to comply with covenants beyond the reporting date does not prevent a liability from being classified as non-current. Entities must disclose any such liability balances along with the presence and nature of relevant covenants and additionally disclose if the covenants are likely to be breached within the following twelve months. As a result of adopting these amendments the Group would reclassify drawings on its revolving credit facility from current liabilities to non-current liabilities. However as the revolving credit facility was undrawn at 31 December 2023 no restatement has been made. Additional disclosures required by these amendments have been included in Note 17(c) in respect of the revolving credit facility.

(b) Other

A number of other amended standards and interpretations became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments.

1.6 Forthcoming financial reporting requirements

A number of financial reporting standards, amendments and interpretations have been issued but are not effective for the year ended 31 December 2024 and have not been early adopted by the Group. These include:

(a) IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024 the International Accounting Standards Board (IASB) issued IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 will supersede IAS 1 Presentation of Financial Statements, providing general presentation requirements for financial statements prepared in line with IFRS accounting standards.

The standard requires new subtotals in the income statement, including operating profit. Entities must provide disclosures about management-defined performance measures. The standard also provides additional guidance on the aggregation and disaggregation of data in financial statements.

IFRS 18 is effective for the Group from 1 January 2027, subject to endorsement in the UK, which has not yet taken place. The application of this standard is currently being evaluated by the Group. The standard is expected to impact presentation and disclosure, but have no impact on recognition and measurement.

(b) IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024 the IASB issued IFRS 19 Subsidiaries without Public Accountability: Disclosures. IFRS 19 will be available to subsidiary entities applying IFRS that are not publicly accountable and whose parent prepares publicly-available consolidated financial statements that comply with IFRS.

IFRS 19 provides reduced disclosure requirements, replacing the disclosure requirements of other IFRS accounting standards, but does not change recognition and measurement requirements.

Eligible UK entities may apply IFRS 19 from 1 January 2027, subject to endorsement in the UK, which has not yet taken place. As the Group is not an eligible subsidiary, it will not apply IFRS 19, and the standard will have no impact.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

(c) Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

In May 2024 the IASB issued Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7.

The amendments clarify the date on which a financial asset or financial liability settled through an electronic payment system is derecognised. An accounting policy option is available to derecognise a financial liability before cash is delivered on the settlement date if specified criteria are met. The amendments also provide clarifications on the classification for certain financial assets, such as those with environmental, social and corporate governance and similar features, and amend certain disclosure requirements.

The amendments are effective for the Group from 1 January 2026, subject to endorsement in the UK, which has not yet taken place. The application of these amendments is currently being evaluated by the Group.

(d) Contracts Referencing Nature-dependent Electricity—Amendments to IFRS 9 and IFRS 7

In December 2024 the IASB issued Contracts Referencing Nature-dependent Electricity—Amendments to IFRS 9 and IFRS 7.

These amendments provide requirements for contracts such as power purchase agreements ('PPAs') that expose an entity to variability arising from natural conditions, such as weather, that impact the generation of electricity. For such contracts, the amendments clarify the application of the IFRS 9 'own use' scope exemption, allow a variable portion to be designated as part of a hedging relationship, and add additional disclosure requirements.

The amendments are effective for the Group from 1 January 2026, subject to endorsement in the UK, which has not yet taken place. The application of these amendments is currently being evaluated by the Group.

(e) Other

A number of other amendments to standards and interpretations have been issued and are not yet effective for the year ended 31 December 2024. None of these are expected to have a material impact on the Group.

1.7 IAS 29 Financial Reporting in Hyperinflationary Economies

Türkiye is a hyperinflationary economy and IAS 29 Financial Reporting in Hyperinflationary Economies has been applied from June 2022 onwards. As a consequence, the results and balances for the Group's Turkish operations have been adjusted for changes in the general purchasing power of the Turkish lira. In order to make this adjustment the Group refers to the CPI index published by the Turkish Statistical Institute. The value of CPI at 31 December 2024 was 2,684.47 (2023: 1,859.40) and the movement in CPI for the year ended 31 December 2024 was 825 (2023: 731), an increase of 44.4% (2023: 64.8%).

A loss of £16m (2023: £18m) arising from the devaluation of net monetary assets has been recognised within net financial expense in the Consolidated Income Statement. This includes the impact of indexing amounts in the Consolidated Income Statement for the application of IAS 29, with the net impact reducing profit before tax by £12m (2023: £10m) for the year.

All Turkish lira amounts are translated to the Group's presentation currency of sterling, using the closing exchange rate in effect on 31 December 2024 of 44.26 (2023: 37.66). The impact of this adjustment is recorded within other foreign exchange translation differences in the Consolidated Statement of Comprehensive Income and within the foreign exchange translation reserve in the Consolidated Statement of Financial Position. The Group recognises the remaining exchange difference arising on consolidation within other foreign exchange translation differences through other comprehensive income in the foreign exchange translation reserve.

1.8 Events occurring after the reporting period

The sale of the legacy portfolio of individual health contracts in Brazil, which was held for sale at 31 December 2024 (see Note 15), completed in February 2025. This resulted in the recognition of a post-taxation profit of £14m.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

2 Operating segments

The organisational structure of the Group is managed through three Market Units based on geographic locations and customers: Bupa Asia Pacific; Europe and Latin America; and Bupa Global, India and UK. Management monitors the operating results of the Market Units separately to assess performance and make decisions about the allocation of resources. The segmental disclosures below are reported consistently with the way the business is managed and reported internally.

Following the acquisition of a controlling interest in Niva Bupa on 8 January 2024, the financial results of Niva Bupa have been fully consolidated into the Bupa Global and UK Market Unit from the acquisition date and the Market Unit has been renamed Bupa Global, India and UK (BGIUK). Other businesses represents the Group's associate investment, Bupa Arabia, and for 2023, included Niva Bupa's results as an associate investment.

Reportable segments	Service and products
Bupa Asia Pacific	<p><i>Bupa Health Insurance:</i> Health insurance, international health cover in Australia.</p> <p><i>Bupa Health Services:</i> Health provision business, comprising dental, optical, audiology, medical assessment services, health centres and healthcare for the Australian Defence Force.</p> <p><i>Bupa Villages and Aged Care Australia:</i> Nursing, residential, respite care and residential villages.</p> <p><i>Bupa Villages and Aged Care New Zealand:</i> Nursing, residential, respite care and residential villages.</p> <p><i>Bupa Hong Kong:</i> Domestic health insurance, primary healthcare and day care clinics including diagnostics.</p>
Europe and Latin America	<p><i>Sanitas Seguros:</i> Health insurance and related products in Spain.</p> <p><i>Sanitas Dental:</i> Insurance and dental services through clinics and third-party networks in Spain.</p> <p><i>Sanitas Hospitales and New Services:</i> Management and operation of hospitals, rehabilitation centres and health clinics in Spain.</p> <p><i>Sanitas Mayores:</i> Nursing, residential and respite care in care homes and day centres in Spain.</p> <p><i>LUX MED:</i> Medical subscriptions, health insurance, and the management and operation of diagnostics, health clinics and hospitals in Poland.</p> <p><i>Bupa Acibadem Sigorta:</i> Domestic health insurance, related products and dental services through clinics in Türkiye.</p> <p><i>Bupa Chile:</i> Domestic health funding and the management and operation of health clinics and hospitals in Chile.</p> <p><i>Care Plus:</i> Domestic health insurance, dental services through clinics and a vaccination centre in Brazil.</p> <p><i>Bupa Mexico:</i> Health insurance and the management and operation of a hospital in Mexico.</p> <p><i>Bupa Global Latin America:</i> International health insurance.</p>
Bupa Global, India and UK	<p><i>Bupa UK Insurance:</i> Domestic health insurance, and administration services for Bupa health trusts.</p> <p><i>Bupa Dental Care UK:</i> Dental services and related products.</p> <p><i>Bupa Care Services:</i> Nursing, residential, respite care and care villages.</p> <p><i>Bupa Health Services:</i> Clinical services, health assessment related products and management and operation of a private hospital.</p> <p><i>Bupa Global:</i> International health insurance to individuals, small businesses and corporate customers.</p> <p><i>Associate:</i> Highway to Health (United States of America) (operating as GeoBlue).</p> <p>From 2024:</p> <p><i>Niva Bupa (India):</i> Health insurance and related products in India.</p>
Other businesses	<p><i>Associate:</i> Bupa Arabia (Kingdom of Saudi Arabia).</p> <p>Prior to 2024:</p> <p><i>Associate:</i> Niva Bupa (India): Health insurance and related products in India.</p>

A key performance measure of operating segments utilised by the Group is underlying profit. Underlying profit is used to distinguish business performance from other constituents of the IFRS reported profit before taxation not directly related to the trading performance of the business.

Underlying profit

The following items are excluded from underlying profit:

- Impairment of intangible assets and goodwill arising on business combinations – these impairments are considered to be one-off and not reflective of the in-year trading performance of the business.
- Short-term fluctuations on investment return – underlying profit is based on an expected long-term investment return over the period for return-seeking financial assets. Any variance between the total investment return (including realised and unrealised gains) and the expected return over the period is disclosed separately outside underlying profit, in short-term fluctuations. These fluctuations are not considered to be directly related to underlying trading performance.
- Net gains/losses on disposal of businesses and transaction costs on business combinations – gains/losses on disposal of businesses that are material and one-off in nature to the reportable segment are not considered part of the continuing business. Transaction costs that relate to material acquisitions or disposals are not related to the ongoing trading performance of the business.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

- Net property revaluation gains/losses – short-term fluctuations which would do not reflect underlying trading performance. This includes deficit/surplus on the revaluation of freehold properties and property impairment losses.
- Realised and unrealised foreign exchange gains/losses – fluctuations outside of management control, which do not reflect underlying trading performance. This includes the net impact of applying hyperinflationary accounting.
- Amortisation of bed licences – following the Australian Government's announcement of the deregulation of bed licences from 1 July 2024, their amortisation term was reviewed and updated from having an indefinite useful life to amortising over the period to 1 July 2024. In May 2024, the Australian Government announced that the deregulation would be delayed until 1 July 2025. In November 2024, the remaining bed license were impaired as part of external care home valuation process. The impact of the amortisation of bed licences is not considered reflective of the trading performance of the business.
- Other Market Unit/Group non-underlying items – includes items that are considered material to the reportable segment or Group and are not reflective of ongoing trading performance. This includes items such as restructuring costs and profit or loss amounts related to changes to strategic investments.

The total underlying profit of the reportable segments is reconciled below to the profit before taxation expense in the Consolidated Income Statement.

(i) Revenues

	Bupa Asia Pacific	Europe and Latin America	Bupa Global, India and UK	Other businesses	Group Functions	Adjustment ¹	Total
2024	£m	£m	£m	£m	£m	£m	£m
Insurance revenue	4,776	3,575	3,823	–	–	59	12,233
Inter-Market Unit revenue	(65)	–	65	–	–	–	–
Insurance revenue for reportable segments	4,711	3,575	3,888	–	–	59	12,233
Care, health and other customer contract revenue	1,496	1,832	1,261	–	–	–	4,589
Other revenue	70	20	2	9	–	1	102
Non-insurance revenue for reportable segments	1,566	1,852	1,263	9	–	1	4,691
Total revenue for reportable segments	6,277	5,427	5,151	9	–	60	16,924

1. Impact of applying IAS 29 Financial Reporting in Hyperinflationary Economies for Türkiye.

	Bupa Asia Pacific	Europe and Latin America	Bupa Global and UK	Other businesses	Group Functions	Adjustment ¹	Total
2023	£m	£m	£m	£m	£m	£m	£m
Insurance revenue	4,412	3,359	2,935	–	–	64	10,770
Inter-Market Unit revenue	(59)	–	59	–	–	–	–
Insurance revenue for reportable segments	4,353	3,359	2,994	–	–	64	10,770
Care, health and other customer contract revenue	1,320	1,710	1,238	–	–	–	4,268
Other revenue	53	14	3	8	–	–	78
Non-insurance revenue for reportable segments	1,373	1,724	1,241	8	–	–	4,346
Total revenue for reportable segments	5,726	5,083	4,235	8	–	64	15,116

1. Impact of applying IAS 29 Financial Reporting in Hyperinflationary Economies for Türkiye.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

(ii) Segmental result

	Bupa Asia Pacific	Europe and Latin America	Bupa Global, India and UK ¹	Other businesses ^{1, 2}	Group Functions	Adjustment ³	Total
2024	£m	£m	£m	£m	£m	£m	£m
Underlying profit	442	445	229	97	4	–	1,217
Borrowing costs	–	–	(2)	–	(84)	–	(86)
Group investment funding	–	–	–	–	(37)	–	(37)
Consolidated underlying profit before taxation expense	442	445	227	97	(117)	–	1,094
Non-underlying items:							
Impairments of intangible assets and goodwill arising on business combinations	(2)	–	–	–	–	–	(2)
Short-term fluctuation on investment returns	(1)	–	(8)	–	–	–	(9)
Net (loss)/gain on disposal of businesses and transaction costs on business combinations	(8)	1	(12)	(1)	(1)	–	(21)
Net property revaluation gain	3	1	5	–	–	–	9
Realised and unrealised FX (loss)/gain	–	(2)	23	–	–	(12)	9
Amortisation of bed licenses	(13)	–	–	–	–	–	(13)
Other non-underlying items ^{2, 4}	(1)	(199)	(20)	309	–	–	89
Total non-underlying items							62
Consolidated profit before taxation expense							1,156

1. Niva Bupa has been fully consolidated into the Bupa Global, India and UK Market Unit from the acquisition date in FY 2024 and the entity is no longer included in Other businesses.
2. Other businesses includes a £309m gain as a result of the Group's existing stake in Niva Bupa, prior to the majority stake acquisition, having been remeasured to fair value (see Note 24).
3. Impact of applying IAS 29 Financial Reporting in Hyperinflationary Economies for Türkiye.
4. Europe and Latin America includes the impact of recognising a £187m expense in relation to Isapre Cruz Blanca in Chile and the retrospective liability relating to statutory Risk Factor Tables. This is excluded from underlying profit as it is considered a one-off material retrospective matter which is not reflective of ongoing trading performance.

	Bupa Asia Pacific	Europe and Latin America	Bupa Global and UK	Other businesses	Group Functions	Adjustment ¹	Total
2023	£m	£m	£m	£m	£m	£m	£m
Underlying profit	151	358	263	85	(2)	–	855
Borrowing costs	–	–	–	–	(82)	–	(82)
Group investment funding	–	–	–	–	(26)	–	(26)
Consolidated underlying profit before taxation expense	151	358	263	85	(110)	–	747
Non-underlying items:							
Impairments of intangible assets and goodwill arising on business combinations	–	(1)	–	–	–	–	(1)
Short-term fluctuation on investment returns	12	–	16	–	3	–	31
Net (loss)/gain on disposal of businesses and transaction costs on business combinations	(2)	(9)	10	–	–	–	(1)
Net property revaluation loss	(3)	–	(18)	–	–	–	(21)
Realised and unrealised FX (loss)/gain	–	(7)	12	2	5	(10)	2
Amortisation of bed licenses	(32)	–	–	–	–	–	(32)
Other non-underlying items ²	–	(17)	(18)	27	–	–	(8)
Total non-underlying items							(30)
Consolidated profit before taxation expense							717

1. Impact of applying IAS 29 Financial Reporting in Hyperinflationary Economies for Türkiye.
2. Other non-underlying items includes £17m and £18m relating to restructuring costs in Europe and Latin America and Bupa Global and UK. Other businesses includes a £27m dilution gain on the issue of share capital in Niva Bupa to external investors.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

(iii) Other information

The Market Unit segmental results set out in table (ii) above include the following material non-cash items:

	Bupa Asia Pacific	Europe and Latin America	Bupa Global, India and UK	Other businesses	Group Functions	Total
2024	£m	£m	£m	£m	£m	£m
Amortisation and depreciation costs	(152)	(191)	(112)	–	–	(455)
Unrealised gain on investment property	27	–	–	–	–	27
Surplus on revaluation of property	3	1	5	–	–	9
Share of profits from associates	–	–	5	89	–	94

	Bupa Asia Pacific	Europe and Latin America	Bupa Global and UK	Other businesses	Group Functions	Total
2023	£m	£m	£m	£m	£m	£m
Amortisation and depreciation costs	(179)	(194)	(93)	–	–	(466)
Unrealised gain on investment property	29	–	2	–	–	31
Deficit on revaluation of property	(3)	–	(18)	–	–	(21)
Share of profits from associates	–	–	3	80	–	83

(iv) Geographical information

The following information has been provided based on the geographical location of the business:

Geography	Insurance revenue		Total non-insurance revenue		Consolidated non-current assets ¹	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Australia	4,369	3,999	1,166	981	2,026	2,152
Brazil	379	339	9	6	48	66
Chile	554	722	395	402	362	415
Hong Kong	408	421	236	216	269	265
India	461	–	–	–	578	–
New Zealand	–	–	164	176	879	916
Poland	–	–	941	749	710	686
Spain	1,710	1,595	464	532	767	724
United Kingdom	3,208	2,773	1,263	1,241	2,851	2,670
Rest of the World	1,144	921	53	43	181	243
Total	12,233	10,770	4,691	4,346	8,671	8,137

1. Consolidated non-current assets exclude financial investments, restricted assets, deferred taxation assets and post-employment benefit net assets.

(v) Risk concentration

The following table sets out the carrying amount of the Group's insurance and reinsurance contracts by geography:

Geography	Insurance issued		Reinsurance held	
	2024	2023	2024	2023
	£m	£m	£m	£m
Australia	(704)	(748)	–	–
Brazil	(43)	(95)	1	–
Chile	(112)	(141)	–	–
Hong Kong	(189)	(189)	1	2
India	(466)	–	50	–
Spain	(271)	(290)	–	1
United Kingdom	(808)	(723)	30	25
Rest of the World	(472)	(422)	8	10
Total	(3,065)	(2,608)	90	38

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

2.1 Insurance service result

The Group generates the insurance service result from its health insurance business. This includes insurance revenues, offset by directly attributable insurance service expenses.

Insurance revenue

The Group recognises insurance revenue based on the passage of time over the coverage period of the group of contracts.

Insurance service expenses

Insurance service expenses comprise expenses directly attributable to fulfilling a group of insurance contracts. Judgement is exercised in determining which expenses are directly attributable to insurance contracts, and therefore included within insurance service expenses. The Group classifies the majority of expenses incurred by insurance entities within insurance service expenses, except for those not directly attributable to insurance contracts.

Insurance claims are amounts payable under insurance contracts arising from the occurrence of an insured claims episode. A claims episode is an insured medical service that the Group has an obligation to fund, which could be consultation fees, diagnostic investigations, hospitalisation or treatment costs.

Incurred claims comprise insurance claims paid during the year together with related claims handling costs, the movement in the gross provision for claims in the period and the Risk Equalisation Special Account levy for the Australia Health Insurance business. Private health insurers in Australia provide private health insurance cover through a community rated scheme. To avoid adverse selection and ensure that the Australian private health insurance scheme is sustainable, a risk equalisation mechanism operates to subsidise insurers with higher risk policyholders. See Note 12 for details of the LFIC.

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. The Group's policy is to expense acquisition costs as they are incurred where the coverage period of each contract in the group is no more than one year. For the remaining contracts with a longer coverage period, insurance acquisition costs are allocated to the relevant group of insurance contracts and are amortised consistently with the pattern of insurance revenue recognition.

Changes in the risk adjustment for non-financial risk are presented in the insurance service result and not disaggregated into an insurance service component and an insurance finance component.

		2024	2023
	Note	£m	£m
Incurred claims and other expenses	12.1	11,699	10,385
Amortisation of insurance acquisition cash flows	12.1	26	(6)
Losses on onerous contracts and (reversal) of those losses	12.1	11	(27)
Changes to liabilities for incurred claims relating to past service	12.1	(136)	(34)
Insurance service expenses		11,600	10,318

Reinsurance contracts held

The Group releases ceded insurance premiums on the passage of time basis over the coverage period. Ceding commissions that are not contingent on the claims of the underlying contracts issued reduce ceded premiums.

All directly attributable reinsurance expenses, including claims handling costs, are expensed as incurred.

		2024	2023
	Note	£m	£m
Premiums ceded to reinsurers		(324)	(166)
Reinsurance commission income		40	18
Total allocation of reinsurance premiums	12.2	(284)	(148)
Amounts recoverable for incurred claims and other expenses	12.2	275	140
Changes to amounts recoverable for incurred claims relating to past service	12.2	(2)	1
Total amount recoverable from reinsurers for incurred claims		273	141
Net expense from reinsurance contracts held		(11)	(7)

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

2.2 Non-insurance revenues

The Group generates revenues from its trading activities through the provision of healthcare and insurance management services (care, health and other customer contract revenue) and rental income and other fees (other revenue).

Revenue stream	Recognition policy
Care, health and other customer contract revenue	<p>The Group generates income from the operation of its care homes, hospitals, dental centres and other healthcare and wellbeing centres. In instances where Bupa is acting as an agent and another party is primarily responsible for fulfilling the contract, revenue is recognised on a net basis. When considering whether the Group is acting as an agent or as a principal, factors such as which party is primarily responsible for fulfilling the obligation, bears the inventory and credit risk and has discretion in establishing prices are considered.</p> <p>These revenue streams typically relate to short-term services that have fixed, rather than variable, transaction prices and there are no significant judgements required when considering the time pattern of revenue recognition. Payment terms vary from on completion of the service, to payments made monthly in advance. Bupa has the right to bill and receive payment for services rendered to date. Contracts for these revenue streams do not transfer significant insurance risk.</p> <p>The Sanitas Hospitales and New Services revenue stream includes one public hospital in Spain that is operated under a separate service concession arrangement granted by the local government (the grantor). This concession arrangement ended during 2024. Revenue is recognised from the construction of infrastructure and from the operation of the hospital. Construction revenues are recognised in line with the stage of completion of the work performed. Operational revenues are recognised in the period in which the services are provided, based on the average operating margin for the life of the contract. As revenue is based on an expected margin, with some potential variability, revenue is only recognised to the extent that it is highly probable a significant reversal will not occur when the uncertainty is resolved. Significant changes in margin result in a retrospective margin recalculation. The impact of this on prior years is recognised as a margin catch up in the year the recalculation is performed.</p> <p>Other customer contract revenue includes contracts entered into by the Group's insurance entities that do not result in the transfer of significant insurance risk to the Group and are accounted for as service contracts. These contracts mainly relate to the administration of claims funds on behalf of corporate customers. Revenues from service contracts are recognised as the services are provided. Some of these contracts contain financial liabilities representing deposits repayable to the customer. These are measured at amortised cost.</p>
Other revenue	<p>Other revenue comprises:</p> <ul style="list-style-type: none"> Rental income and amenities fees from occupational right agreements, which are recognised on a straight-line basis over the term of the arrangement. Imputed interest on interest-free refundable accommodation deposits (RADs) in respect of payments for aged care units in Bupa Villages and Aged Care Australia. Revenue is recognised for the imputed interest on RADs, reflecting the Group's position as lessor. Use of the Maximum Permissible Interest Rate (MPIR) is considered most appropriate to determine the imputed revenue and interest amounts. The MPIR is a rate set by the Australian Government and is used to calculate the Daily Accommodation Payment to applicable residents. Government funding received in response to COVID-19, most notably in Bupa Villages and Aged Care Australia. Such funding is recognised when it is considered reasonably certain that the funding will be received and all necessary conditions have been complied with.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

Revenue for the year has been analysed at Business Unit level, reflecting the nature of services provided by geography that is reported internally to management.

	Care, health and other customer contract revenue	Other revenue	Total non-insurance revenues
	2024	2024	2024
	£m	£m	£m
Bupa Health Insurance	8	16	24
Bupa Health Services	681	–	681
Bupa Villages and Aged Care Australia	426	35	461
Bupa Villages and Aged Care New Zealand	145	19	164
Bupa Hong Kong	236	–	236
Bupa Asia Pacific	1,496	70	1,566
Sanitas Seguros	14	4	18
Sanitas Dental	146	5	151
Sanitas Hospitales and New Services	143	1	144
Sanitas Mayores	167	–	167
LUX MED	941	–	941
Bupa Acibadem Sigorta	–	8	8
Bupa Chile	395	–	395
Care Plus	9	–	9
Bupa Mexico	17	1	18
Bupa Global Latin America	–	1	1
Europe and Latin America	1,832	20	1,852
Bupa UK Insurance	29	–	29
Bupa Dental Care UK	512	1	513
Bupa Care Services	498	–	498
Bupa Health Services	222	1	223
Bupa Global, India and UK	1,261	2	1,263
Other	–	9	9
Other businesses	–	9	9
Adjustments	–	1	1
Consolidated non-insurance revenues	4,589	102	4,691

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

	Care, health and other customer contract revenue	Other revenue	Total non-insurance revenues
	2023	2023	2023
	£m	£m	£m
Bupa Health Insurance	9	3	12
Bupa Health Services	580	–	580
Bupa Villages and Aged Care Australia	357	32	389
Bupa Villages and Aged Care New Zealand	158	18	176
Bupa Hong Kong	216	–	216
Bupa Asia Pacific	1,320	53	1,373
Sanitas Seguros	13	3	16
Sanitas Dental	134	4	138
Sanitas Hospitales and New Services	229	1	230
Sanitas Mayores	162	–	162
LUX MED	748	1	749
Bupa Acibadem Sigorta	–	2	2
Bupa Chile	402	1	403
Care Plus	6	–	6
Bupa Mexico	16	1	17
Bupa Global Latin America	–	1	1
Europe and Latin America	1,710	14	1,724
Bupa UK Insurance	25	1	26
Bupa Dental Care UK	518	1	519
Bupa Care Services	474	–	474
Bupa Health Services	221	1	222
Bupa Global and UK	1,238	3	1,241
Other	–	8	8
Other businesses	–	8	8
Consolidated non-insurance revenues	4,268	78	4,346

2.3 Other operating expenses

Other operating expenses include staff costs, medical supplies, overheads, depreciation, amortisation of intangible assets, and gains or losses on foreign exchange transactions incurred. Expenses attributed to insurance acquisition cash flows and other directly attributable insurance expenses are included within insurance service expenses.

Operating expenses exclude insurance claims, finance costs and taxation.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

Other operating expenses

	Note	Expenses attributed to insurance acquisition cash flows ¹		Other directly attributable insurance expenses ¹		Other operating expenses		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
		£m	£m	£m	£m	£m	£m	£m	£m
Staff costs	2.3.1	149	108	809	834	2,234	1,927	3,192	2,869
Commissions		650	485	–	–	–	–	650	485
Medical supplies and fees		–	–	250	218	1,140	1,121	1,390	1,339
Property costs		4	2	51	59	245	255	300	316
Lease rentals and other expenses ²		2	3	7	5	28	21	37	29
Marketing costs		62	55	71	69	45	27	178	151
Catering and housekeeping costs		–	–	6	6	64	62	70	68
Consultancy fees		4	11	92	129	52	15	148	155
Net loss on foreign exchange transactions		–	–	11	4	1	–	12	4
Amortisation of intangible assets	3	4	–	53	65	92	94	149	159
Depreciation expense	4	2	–	80	82	238	230	320	312
Other operating expenses (including auditors' remuneration) ³	2.3.2	31	23	616	397	635	540	1,282	960
Total other operating expenses		908	687	2,046	1,868	4,774	4,292	7,728	6,847

- Expenses attributed to insurance acquisition cash flows and other directly attributable insurance expenses incurred by the Group relate directly to the fulfilment of contracts issued within the scope of IFRS 17 and reinsurance contracts held. See Note 2.1.
- Includes short-term and low-value lease rentals, and other lease expenses.
- Other operating expenses includes £187m expense in respect of a policyholder payment plan for the Isapre business in Chile. The liability will be settled over 13 years in accordance with legislation and the liability has been discounted over this period using a discount rate of 4.245%. See Note 19 for further details.

2.3.1 Staff costs

The below table represents the total employee benefit expenses incurred by the Group during the year.

	2024	2023
	£m	£m
Wages and salaries	2,977	2,679
Social security costs	149	138
Contributions to defined contribution schemes	65	50
Other pension costs	1	2
Total staff costs	3,192	2,869

Employee numbers

The average number of employees, including Executive Directors, employed by the Group during the year was:

	2024	2023
Bupa Asia Pacific	18,531	17,780
Europe and Latin America	48,914	44,540
Bupa Global, India and UK (2023: Bupa Global and UK) ¹	30,120	22,362
Total average employee numbers	97,565	84,682

- 2024 includes 8,326 employees in Niva Bupa.

The figure disclosed for Europe and Latin America includes 20,226 colleagues (2023: 15,759) in Poland who are engaged under contract for service arrangements and are fundamental to the operations of the LUX MED business. Related costs of £387m (2023: £296m) are also included in the above wages and salaries cost.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

Directors' remuneration

	2024	2023
	£000s	£000s
Emoluments	3,511	3,246
Company contributions to defined contribution pension schemes	39	28
Amounts receivable under long-term incentive schemes	2,615	–
Total	6,165	3,274
The remuneration of the highest paid director was		
Emoluments	1,753	1,560
Company contributions to defined contribution pension schemes	10	7
Amounts receivable under long-term incentive schemes	1,599	–
Total	3,362	1,567

There are no Directors who are members of a Bupa defined benefit pension scheme (2023: £nil).

2.3.2 Auditors' remuneration

	2024	2023
	£m	£m
Audit fees for the audit of the Company's annual accounts	0.8	0.7
<i>Fees payable to the Company's auditor and its associates for:</i>		
Audit fees for audit of Company's subsidiaries required by legislation	8.4	8.8
Audit fees for audit-related assurance services	1.1	1.0
Audit fees to the Company's auditors	10.3	10.5
<i>Fees payable to the Company's auditor and its associates for other services:</i>		
All other non-audit services	0.4	0.4
Total non-audit fees	0.4	0.4
Total auditors' remuneration	10.7	10.9

All non-audit services provided during the year were in compliance with the Group's non-audit services policy and the FRC Ethical Standard.

2.4 Other income and charges

Other income and charges comprise income or expenses that are related to the investing and divesting activities of the Group.

	Note	2024	2023
		£m	£m
Gain on dilution of ownership in Niva Bupa	6	–	27
Fair value gain on acquisition of Niva Bupa	24	309	–
Net loss on disposal and restructuring of businesses		(16)	(1)
Gain/(loss) on revaluation of property	4	9	(21)
Net gain on disposal of property, plant and equipment		–	6
Surplus on fair value of investment property		27	31
Total other income and charges		329	42

2.5 Financial income and expense

Financial income and expense are earned and incurred from the Group's financial assets and liabilities.

Financial income

Interest income is recognised in the Consolidated Income Statement, using the effective interest method.

Changes in the value of financial assets at fair value through profit or loss are recognised within financial income as unrealised gains or losses while the assets are held. Upon derecognition of an asset, the cumulative unrealised gain or loss is reversed and a realised gain or loss is recognised.

Changes in the value of debt instruments at fair value through other comprehensive income are recognised in other comprehensive income as an unrealised gain or loss. The cumulative gain or loss recognised in the income and expenditure reserve is reclassified to realised gain or loss in the Consolidated Income Statement when the financial asset is derecognised.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

	2024	2023
	£m	£m
Interest income:		
Investments at fair value through profit or loss	79	48
Investments at fair value through other comprehensive income	69	20
Investments at amortised cost	325	225
Net realised gain/(loss):		
Net realised gain on investments at fair value through profit or loss	3	16
Net realised loss on financial investments at fair value through other comprehensive income	(3)	(4)
Net movement in fair value:		
Changes in share purchase liability ¹	(15)	–
Investments at fair value through profit or loss	19	44
Net foreign exchange translation gain	32	14
Total financial income	509	363

1. See Note 24 for details of the share purchase liability.

Financial expense

Interest payable on borrowings is calculated using the effective interest method.

Finance charges in respect of leases and restoration provisions are charged to the Consolidated Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

	2024	2023
	£m	£m
Interest expense on financial liabilities at amortised cost	102	116
Finance charges in respect of leases and restoration provisions	51	50
Other financial expense	44	24
Total financial expense	197	190

Other financial expense for the year ended 31 December 2024 includes £26m (2023: £20m) of imputed financial expenses in relation to interest-free refundable accommodation deposits received by the Group in respect of payment for aged care units in Bupa Villages and Aged Care Australia.

2.5.1 Net financial expense from insurance contracts issued

The Group's net financial expense from insurance contracts issued of £70m (2023: £25m expense) arises from the impact of unwinding the discount rate and any change in the discount rate from the beginning of the year, which causes movement in the overall insurance contract liability. Discounting of insurance contracts is only applied by exception.

The net financial expense from insurance contracts issued includes £86m of interest expense and £16m of interest income (2023: £25m interest expense and £nil interest income).

There is an option to disaggregate any insurance financial income or expense between other comprehensive income and the income statement. Bupa has elected to recognise all insurance financial expense within the Consolidated Income Statement.

2.6 Taxation expense

Taxation expense comprises current and deferred taxation. It considers foreign taxation and double taxation relief and includes adjustments in respect of prior periods.

Income taxation is recognised in the Consolidated Income Statement except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised directly in the Consolidated Statement of Comprehensive Income. The Group has determined that any global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax within the scope of IAS 12.

(i) Recognised in the Consolidated Income Statement

Current taxation is the expected taxation payable on the taxable profit for the year, using taxation rates enacted or substantively enacted at the reporting date, and any adjustments to taxation payable in respect of previous years.

The Group is subject to taxation audits in the territories in which it operates and considers each issue on its merits when deciding whether to hold a provision against the potential tax liability that may arise. However, the amount that is ultimately paid

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

could differ from the amount initially recorded and this difference is recognised in the period in which such a determination is made.

	2024 £m	2023 £m
Current taxation expense		
UK taxation on income for the year	46	15
UK taxation adjustments in respect of prior periods	11	(5)
Total UK current taxation expense	57	10
Double taxation relief	(15)	(10)
Foreign taxation on income for the year	273	153
Foreign taxation adjustments in respect of prior years	(4)	(6)
Total foreign current taxation expense	269	147
Total current taxation expense	311	147
Deferred taxation (income)/expense		
Origination and reversal of temporary differences	(14)	26
Adjustments in respect of prior periods	4	4
Total deferred taxation income	(10)	30
Taxation expense	301	177

(ii) Reconciliation of effective taxation rate

	2024 £m	2023 £m
Profit before taxation expense	1,156	717
UK corporation taxation rate	25%	23.5%
Tax at the UK corporation taxation rate	289	168
Effects of recurring taxation reconciliation items:		
Different taxation rates in foreign jurisdictions	(15)	5
Deductions not allowable for taxation purposes	38	24
Income not taxable or taxable at concessionary rates	(36)	(25)
Property revaluation not included as a temporary difference	(8)	(8)
Results of associates	(23)	(20)
Movement in deferred taxation asset not recognised ¹	58	31
	14	7
Effects of non-recurring taxation reconciliation items:		
Taxation adjustments in respect of prior periods	11	(7)
Loss on disposal of business	6	2
Non-deductible IAS 29 adjustments ²	11	7
Fair value gain on acquisition of Niva Bupa ³	(52)	–
Non-residential buildings tax depreciation removal ⁴	22	–
	(2)	2
Taxation expense at the effective rate of 26% (2023: 25%)	301	177

1. £50m of the unrecognised deferred taxation asset movement relates to taxable losses arising from the recognition of a financial liability for a policyholder payment plan in Chile. See Note 19 for further details.

2. See Note 1.7 for details of the impacts of IAS 29.

3. Fair value accounting gain on acquisition of additional stake in Niva Bupa is not taxable.

4. Deferred taxation impact on the reduction to the tax base of non-residential buildings in New Zealand following new legislation removing tax depreciation on New Zealand non-residential buildings.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

(iii) Current and deferred taxation recognised directly in other comprehensive income and equity

	2024	2023
	£m	£m
Deferred taxation charge in respect of:		
Unrealised gain on revaluation of property	(25)	–
Other items including foreign exchange translation differences	(3)	–
Taxation charge on income and expenses recognised directly in other comprehensive income	(28)	–
Current taxation credit in respect of:		
Restricted Tier 1 coupon payment ¹	3	2
Taxation credit on income and expenses recognised directly in equity	3	2

1. Included within payment of Restricted Tier 1 coupon of £9m (2023: £10m) in the Consolidated Statement of Changes in Equity.

(iv) Global minimum top-up tax

The Group operates in the UK where new tax legislation to implement a global minimum top-up tax was enacted in July 2023 and became effective from 1 January 2024. This new legislation seeks to establish a 15% global minimum tax rate for multinational enterprises.

In accordance with IAS 12, the Group has applied a mandatory temporary relief from deferred tax accounting for the impacts of the top-up tax, and instead accounts for it as a current tax when it is incurred. The current tax charge with respect to the top-up tax for the period was £nil (2023: £nil). The Group is continuing to monitor the development of Pillar Two rules and guidance from tax authorities.

3 Goodwill and intangible assets

Goodwill and intangible assets are non-physical assets used by the Group to generate revenues.

Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of the business combination. The carrying value of goodwill may be adjusted up to 12 months from the accounting date of acquisition, as the allocation of the purchase price to identifiable intangible assets is finalised within that period. Goodwill arising on business combinations is capitalised and presented within goodwill and intangible assets in the Consolidated Statement of Financial Position. Where the fair value of net assets acquired is greater than the consideration paid, the excess is recognised as a gain immediately in the Consolidated Income Statement.

Goodwill is held at cost less accumulated impairment losses. Impairment reviews are performed annually or more frequently if there is an indication that the carrying value may be impaired. Impairment reviews are performed at the level of the relevant CGU. In identifying CGUs, the Group considers the smallest identifiable group of assets that generates independent cash inflows, how managers monitor operations and the level at which strategic decisions are made.

Other intangible assets

Intangible assets, other than goodwill, that are acquired as part of a business combination are recognised at fair value which represents cost at acquisition and are subsequently held at cost less accumulated amortisation and impairment. Intangible assets acquired separately are held at cost less accumulated amortisation and impairment.

Costs relating to the development of intangible assets, including computer software, are capitalised once all development phase recognition criteria are met.

Amortisation is charged to the Consolidated Income Statement on a straight-line basis as follows, excluding any intangible assets to which an indefinite useful life has been attributed:

• Computer software	2-10 years
• Brands/trademarks	3 years-indefinite
• Customer relationships	3-20 years
• Distribution networks	10-18 years
• Licences to operate care homes	Term of licence
• Bed licences in Australia	From 1 October 2021 to 1 July 2025

Intangible assets that are subject to amortisation are reviewed for impairment if circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the Consolidated Income Statement to reduce the carrying amount

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

to the recoverable amount. This impairment may be reversed in future periods if there is indication that there will be a significant long-term improvement in the value of the CGU.

Intangible assets with an indefinite useful life, or not yet available for use, are subject to annual impairment reviews and are assessed more frequently if there is an indication that the carrying value may be impaired. Intangible assets, other than goodwill, with an indefinite useful life include brands within the Bupa Chile CGU which have a total carrying value of £59m (2023: £66m). These are well known brands within the market, and it is considered that an average market participant would maintain the use of the brand for an indefinite period, which supports the assessment of an indefinite useful life.

Following the Australian Government's announcement of the deregulation of bed licences from 1 July 2024, the amortisation term of bed licences was reviewed and updated from having an indefinite useful life to amortising over the period to 1 July 2024. In May 2024, the Australian Government announced that the deregulation would be delayed until 1 July 2025, and the amortisation term of bed licences was updated from amortising over the period to 1 July 2024 to amortising over the period to 1 July 2025. In November 2024, the remaining bed license were impaired as part of external care home valuation process (See Note 4).

	Goodwill	Computer software	Brands/ trademarks	Customer relationships	Other ¹	Total
	£m	£m	£m	£m	£m	£m
2024						
Cost						
At beginning of year	3,295	1,050	308	961	312	5,926
Arising on business combinations	574	3	2	40	1	620
Additions	–	139	–	–	23	162
Disposals	(8)	(40)	–	–	(1)	(49)
Other	–	(2)	–	–	–	(2)
Foreign exchange	(143)	(27)	(17)	(25)	(10)	(222)
At end of year	3,718	1,123	293	976	325	6,435
Amortisation and impairment loss						
At beginning of year	1,334	704	203	783	242	3,266
Amortisation for year	–	90	8	29	22	149
Impairment loss	–	9	–	–	2	11
Disposals	–	(36)	–	–	–	(36)
Other	–	(2)	–	–	–	(2)
Foreign exchange	(44)	(15)	(11)	(20)	(8)	(98)
At end of year	1,290	750	200	792	258	3,290
Net book value at end of year	2,428	373	93	184	67	3,145
Net book value at beginning of year	1,961	346	105	178	70	2,660

1. Predominantly comprises distribution networks, bed licences and licences to operate care homes.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

	Goodwill £m	Computer software £m	Brands/ trademarks £m	Customer relationships £m	Other ¹ £m	Total £m
2023						
Cost						
At beginning of year	3,349	1,032	322	956	326	5,985
Arising on business combinations	37	1	1	20	–	59
Additions	–	117	–	–	–	117
Disposals	(2)	(73)	–	–	(4)	(79)
Transfer to assets held for sale	–	(1)	–	–	–	(1)
Other	–	(8)	–	–	–	(8)
Foreign exchange	(89)	(18)	(15)	(15)	(10)	(147)
At end of year	3,295	1,050	308	961	312	5,926
Amortisation and impairment loss						
At beginning of year	1,368	693	202	769	213	3,245
Amortisation for year	–	82	8	29	40	159
Impairment loss	–	16	1	–	–	17
Disposals	–	(73)	–	–	(4)	(77)
Transfer to assets held for sale	–	(1)	–	–	–	(1)
Other	–	(2)	–	–	–	(2)
Foreign exchange	(34)	(11)	(8)	(15)	(7)	(75)
At end of year	1,334	704	203	783	242	3,266
Net book value at end of year	1,961	346	105	178	70	2,660
Net book value at beginning of year	1,981	339	120	187	113	2,740

1. Predominantly comprises bed licences, distribution networks and licences to operate care homes.

Goodwill and intangible assets of £3,145m (2023: £2,660m) include £325m (2023: £353m) attributable to other intangible assets arising on business combinations included within brands/trademarks, customer relationships and other in the above table.

Computer software assets with a net book value of £373m (2023: £346m) include £257m (2023: £240m) attributable to capitalised internal development costs. The cost attributable to these assets is £566m (2023: £526m). £113m of costs (2023: £101m) were capitalised in the year.

Impairment testing of goodwill and indefinite life intangible assets

Goodwill and intangible assets with indefinite useful lives are tested at least annually for impairment by either comparing the net carrying value with the recoverable amount, using value in use calculations or the asset's fair value less costs of disposal.

In arriving at the value in use for a CGU, key assumptions have been made regarding future projected cash flows, discount rates and terminal growth rates. The key business drivers of the cash flow forecasts vary by CGU. For aged care, key drivers are occupancy rates, fee rates, staff and agency costs and operating expenses. For provision business, the cash flows are driven by number of customers, available clinician hours, fee rates and operating expenses. For insurance business, key drivers are assumed business volumes, future insurance premium rate rises, claims volatility and claims inflation. Cash flow projections have been calculated from underlying profit projections for a five-year period. These are based on the three-year plan which has been approved by the Board, with further projections added for years four and five. Cash inflows or outflows relating to financing activities have been excluded from the estimated future cash flows.

Cash flow projections beyond the forecast periods have been extrapolated by applying a terminal growth rate between 2.0% and 6.2% (2023: 2.0% and 6.7%) for all CGUs. The terminal growth rates represent an estimate of the long-term growth rate for each CGU, taking into account the future and past growth rates and external sources of data, such as forecast GDP growth rates, inflation and long-term consumer price index rates. The values assigned to the key assumptions are based on past experience of the CGUs and assessment of future trends in the relevant industry.

Taxation has been applied to the pre-taxation underlying profit based on the statutory taxation rates in the country of operation.

Forecast future post-taxation cash flows have been discounted at post-taxation discount rates. Discount rates have been derived using a Weighted Average Cost of Capital (WACC) methodology, representing the minimum return a business must earn on its asset base to satisfy providers of capital. Discount rates used for the value in use calculations for each of the Group's CGUs are based on considerations of the systemic risks associated with each CGU, as well as external factors such as

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

inflation and local market leverage. These include a market assessment of the time value of money and the risks inherent in the relevant country where the cash flows are generated.

The following table summarises the pre-taxation discount rates used for impairment testing for the main CGUs, which were determined through grossing up the post-tax discount rates by the applicable corporate taxation rates:

	2024	2023
	%	%
Bupa Australia Health Insurance	9.5	10.0
Bupa Health Services Australia	12.2	12.4
Hong Kong	11.4	11.5
LUX MED	10.1	10.4
Sanitas Seguros	9.1	9.6
Sanitas Mayores	8.6	9.2
Bupa Acibadem Sigorta	39.8	26.1
Care Plus	16.7	16.2
Bupa Mexico	17.1	–
Bupa Dental Care UK	12.2	11.5
Bupa Global	11.7	12.7
Bupa Health Services	10.9	–

The following table summarises goodwill by CGU as at 31 December 2024:

	2024	2023
	£m	£m
Bupa Asia Pacific		
Bupa Australia Health Insurance	753	817
Bupa Health Services Australia	257	282
Hong Kong	125	122
Europe and Latin America		
LUX MED	282	287
Sanitas Seguros	73	62
Sanitas Mayores	20	21
Bupa Acibadem Sigorta	64	52
Care Plus	33	41
Bupa Mexico	9	11
Bupa Global, India and UK		
Niva Bupa	527	–
Bupa Dental Care UK	193	191
Bupa Global	68	68
Bupa Health Services	24	7
Total	2,428	1,961

Goodwill of £536m has been recognised in the year as a result of the additional shares acquired in Niva Bupa (see Note 24) both from the write-up of the previously held investment (£321m) and the newly acquired shares (£215m). This goodwill represents the future profit growth that is expected to be achieved through accessing the growing Indian health insurance sector. It has been assessed for impairment based on the fair value of the business. In November 2024, Niva Bupa successfully completed an IPO and the estimated fair value of the business has been calculated based on the listed share price, adjusted by the Group's control premium.

During the year, no impairment losses were recognised in relation to goodwill (2023: £nil).

Sensitivity to changes in key assumptions

As part of the annual impairment test, management considers the sensitivity of the tests to changes in key assumptions including changes in the discount rate, terminal growth rate and cash flows. Management believes that there are no reasonably possible changes to key assumptions that would cause the carrying value of any goodwill or intangible asset with an indefinite useful life to exceed its recoverable amount.

Management continues to closely monitor the headroom on Bupa Dental Care UK, following the impairments recognised in 2022, to ascertain whether any further impairments to goodwill or reversals to impairment of intangible assets or property, plant and equipment should be recognised. Headroom at 31 December 2024 is £56m (2023: £72m) with the decrease in the year largely driven by an increase in discount rate. As there is not a notable improvement in the underlying forecast cash flows of the

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

business, which are most sensitive to available clinician hours and operating expenses, no impairment reversal has been recognised.

	Headroom	Discount rate	Terminal growth rate	Reduction in headroom from 1% increase in discount rate	Reduction in headroom from 0.5% reduction in terminal growth rate	Reduction in headroom from 10% reduction in cash flows
	£m	%	%	£m	£m	£m
Bupa Dental Care UK	56	12.2	2.1	(32)	(12)	(30)

Impairment of other intangible assets

As at 31 December 2024, other intangible assets with indefinite useful lives were tested for impairment with £nil impairment being recognised (2023: £1m impairment of brand intangibles).

A review of intangible assets that are subject to amortisation resulted in impairments of £11m (2023: £16m), of which £9m relates to computer software (2023: £16m) and £2m relates to bed licences in Australia.

4 Property, plant and equipment

Property, plant and equipment are the physical assets or rights to use leased assets which are utilised by the Group to carry out business activities and generate revenues and profits.

The majority of assets held relate to care homes, hospital properties, equipment, and office buildings.

Freehold properties

Freehold properties comprise care homes, care villages, clinics, hospitals and offices and are initially measured at cost and subsequently at revalued amount less accumulated depreciation and impairment losses. These properties are subject to periodic and at least triennial valuations performed by external independent valuers. Borrowing costs relating to the acquisition or construction of qualifying assets are capitalised as part of the cost of that asset.

Equipment

Equipment (including leasehold improvements) is held at historical cost less subsequent depreciation and impairment losses.

Depreciation

Freehold land and assets under construction, included within freehold properties, are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate cost or revalued amount less residual value over estimated useful lives, as follows:

- Freehold property 50 years
- Right-of-use property Lease term
- Leasehold improvements Shorter of useful life or lease term
- Owned equipment 3-10 years
- Right-of-use equipment Lease term

Impairment

Impairment reviews are undertaken where there are indications that the carrying value of an asset may not be recoverable. An impairment loss on an asset carried at amortised cost is recognised in the Consolidated Income Statement within other operating expenses to reduce the carrying value to the recoverable amount. An impairment loss on an asset carried at revalued amount is recognised in the property revaluation reserve, except where an asset is revalued below historical cost, in which case the loss below the historical cost is recognised within other income and charges in the Consolidated Income Statement (see Note 2.4).

For information regarding leased (right-of-use) assets, see Note 18.

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 December 2024

	Freehold property £m	Right-of-use asset property £m	Leasehold improvements £m	Owned equipment £m	Right-of-use asset equipment £m	Total £m
2024						
Cost or valuation						
At beginning of year	2,131	1,314	320	1,606	19	5,390
Arising on business combinations	5	17	–	7	–	29
Additions	37	89	40	224	3	393
Transfer to assets held for sale	(8)	–	–	(3)	–	(11)
Disposals	(12)	(80)	(10)	(84)	(2)	(188)
Revaluations	85	–	–	–	–	85
Remeasurements	–	61	–	–	–	61
Other	(4)	–	(1)	7	–	2
Foreign exchange	(107)	(52)	(10)	(27)	–	(196)
At end of year	2,127	1,349	339	1,730	20	5,565
Depreciation and impairment loss						
At beginning of year	58	577	165	974	11	1,785
Depreciation charge for year	36	133	22	125	4	320
Transfer to assets held for sale	–	–	–	(1)	–	(1)
Disposals	(1)	(75)	(11)	(76)	(2)	(165)
Revaluations	(47)	–	–	–	–	(47)
Other	–	–	–	1	–	1
Foreign exchange	(4)	(23)	(5)	(7)	–	(39)
At end of year	42	612	171	1,016	13	1,854
Net book value at end of year	2,085	737	168	714	7	3,711
Net book value at beginning of year	2,073	737	155	632	8	3,605
2023						
Cost or valuation						
At beginning of year	2,247	1,288	331	1,537	19	5,422
Arising on business combinations	3	–	–	2	–	5
Additions	37	74	37	186	3	337
Transfer to assets held for sale	(31)	–	(6)	(20)	–	(57)
Disposals	(6)	(84)	(34)	(76)	(2)	(202)
Revaluations	(45)	–	–	–	–	(45)
Remeasurements	–	63	–	–	–	63
Other	(4)	1	1	5	–	3
Foreign exchange	(70)	(28)	(9)	(28)	(1)	(136)
At end of year	2,131	1,314	320	1,606	19	5,390
Depreciation and impairment loss						
At beginning of year	37	540	182	962	10	1,731
Depreciation charge for year	36	133	22	117	4	312
Transfer to assets held for sale	(4)	–	(6)	(15)	–	(25)
Disposals	–	(84)	(28)	(72)	(3)	(187)
Revaluations	(9)	–	–	–	–	(9)
Other	–	1	–	2	–	3
Foreign exchange	(2)	(13)	(5)	(20)	–	(40)
At end of year	58	577	165	974	11	1,785
Net book value at end of year	2,073	737	155	632	8	3,605
Net book value at beginning of year	2,210	748	149	575	9	3,691

Revaluation of properties

External valuations are performed at least every three years. To ensure that the carrying value does not differ significantly from fair value at the reporting date, in years where a full external valuation is not completed, a directors' valuation is conducted, based on updated cash flows and other market variables with support from external valuers where necessary. Consideration is also given to whether there are any factors which indicate a full out-of-cycle external revaluation is required.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

In 2024, the external triennial revaluation of properties in Spain have been independently performed by Alia Tasaciones S.A.. In addition, full out-of-cycle revaluations have been performed in Australia by Ernst & Young. Directors' property valuations have been performed across all other geographies.

In valuing care home property, a judgement is made on the highest and best use of the property. In the majority of cases this leads to the property being valued as part of a group of assets making up a going concern business, using market valuations. This approach is in line with market practice. The business is valued on a fair maintainable trade basis with the fair value thus calculated being allocated to plant and equipment applicable at net book value (as a proxy for fair value), with the residual value being allocated to property.

The valuations of care homes across the Group (and hospitals in Spain and Poland) are therefore determined based on a capitalisation of earnings approach. Each facility's normalised earnings are calculated based on what a reasonably efficient operator could be expected to achieve. This is divided by an appropriate capitalisation rate to determine a value in use. The capitalisation rate is the average rate of return for each facility and is based on qualitative and quantitative indicators of the facility's current and future performance.

The valuations of hospitals and clinics in Chile are determined based on discounted future cash flow projections. The discount rate is determined according to the time value of money, the level of risk of the industry and the corresponding premium risk.

Unobservable inputs include the capitalisation or discount rate and, for all properties except those in Poland and Chile, the average occupancy.

All other properties are valued based on observable market values of similar properties. Due to the level of judgement and adjustments required to the observable inputs used in the valuation methodologies, a Level 3 classification, under the fair value hierarchy in accordance with IFRS 13 Fair Value Measurement, is considered appropriate for all properties in the Group.

At each revaluation date, accumulated depreciation is eliminated against the gross carrying amount of the asset.

Sensitivity analysis

The significant assumptions used in the calculation of the fair values of the material Level 3 freehold properties in the Group are shown in the table below. Average occupancy rate and average capitalisation rates or discount rates are inputs to the valuation of care home property, hospitals and clinics. Average price per square metre and average yield are primarily assumptions used in valuing offices or other commercial property.

Freehold properties	Australia	New Zealand	UK	Spain	Chile	Poland
2024						
Valuation assumptions:						
Average occupancy rate	93.1%	92.2%	90.8%	89.4%	N/A	N/A
Average capitalisation/discount rate	15.1%	12.2%	12.9%	17.3%	10.8%	16.8%
Average price per square metre	N/A	N/A	£2,754	£1,907	N/A	N/A
Average yield	N/A	N/A	7.7%	4.9%	N/A	N/A
2023						
Valuation assumptions:						
Average occupancy rate	93.1%	90.3%	90.3%	89.6%	N/A	N/A
Average capitalisation/discount rate	15.1%	12.5%	10.4%	19.8%	9.0%	18.9%
Average price per square metre	N/A	N/A	£2,732	£2,377	N/A	N/A
Average yield	N/A	N/A	7.7%	5.5%	N/A	N/A

The valuations are most sensitive to changes in capitalisation rate assumptions, and an increase/decrease of 0.5% in capitalisation rates would decrease/increase the total carrying value of freehold properties by £(63)m/£69m (2023: £(76)m/£73m). An increase/decrease of 0.5% in occupancy rates would increase/decrease the total carrying value of freehold properties by £7m/£(9)m (2023: £7m/£(8)m).

The table below shows the date at which freehold properties held as at 31 December 2024 were last subject to external valuation.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

	2024 £m
Valuation - 31 December 2024	1,029
Valuation - 31 December 2023	15
Valuation - 31 December 2022	1,007
Assets held at cost ¹	76
Cost or valuation	2,127

1. Primarily relates to assets under construction and initial fair value of additions.

Gains and losses on revaluation are recognised in the property revaluation reserve, except where an asset is revalued below historical cost, in which case the deficit is recognised in the Consolidated Income Statement. When a revaluation reverses losses recognised in the Consolidated Income Statement in prior years, the credit is recognised in the Consolidated Income Statement.

In the current year, a £123m net revaluation gain (2023: £15m deficit) has been recognised in the property revaluation reserve, with a revaluation gain of £9m (2023: £21m loss) charged to the Consolidated Income Statement within other income and charges (see Note 2.4).

Recognised in the carrying amount of freehold property is £47m (2023: £52m) in relation to freehold property in the course of construction.

Historical cost of the Group's revalued freehold property assets

	2024 £m	2023 £m
Historical cost of revalued assets	1,971	2,062
Accumulated depreciation based on historical cost	(545)	(506)
Historical cost net book value	1,426	1,556
Depreciation charge for the year on historical cost	39	41

Impairment of tangible assets

A review of tangible assets has resulted in impairments of £nil (2023: £nil).

5 Investment property

Investment properties are physical assets that are not occupied by the Group and are leased to third parties to generate rental income. The majority of investment properties held by the Group are part of a portfolio of retirement villages in New Zealand.

Investment properties are initially measured at cost and subsequently at fair value, determined individually, on a basis appropriate to the purpose for which the property is intended. Investment properties are revalued at least annually, with any gain or loss arising from a change in fair value recognised in the Consolidated Income Statement within financial income and expense.

In Australia and New Zealand, the retirement village market is fragmented as each village is unique due to building configuration and location. As there are no directly comparable sales from which values can be derived, the fair value of investment property is determined using unobservable inputs. Therefore, the Group has categorised investment property as Level 3 under the fair value hierarchy in accordance with the IFRS 13 Fair Value Measurement. These properties are valued using discounted cash flow projections.

In an active market, the portfolio is valued annually by an independent valuer, holding a recognised and relevant professional qualification, and with recent experience in the location and category of investment property being valued.

	2024 £m	2023 £m
At beginning of year	776	750
Additions	30	38
Transfer to assets held for sale	—	(2)
Increase in fair value	27	32
Foreign exchange	(77)	(42)
At end of year	756	776

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

In the current year, a revaluation surplus of £27m (2023: £31m) was credited to the Consolidated Income Statement. This is net of £nil (2023: £1m) attributable to occupational right agreement liability holders which is paid upon their exit of the retirement village.

The carrying value of investment properties primarily consists of the Group's portfolio of retirement villages in New Zealand of £687m (2023: £703m) and Australia of £49m (2023: £53m). These were valued by management using internally prepared discounted cash flow projections, supported by the terms of any existing lease and other contracts. Discount rates are used to reflect current market assessments of the uncertainty in the amount or timing of the cash flows. During the year, an independent valuation of the New Zealand portfolio was performed by Jones Lang LaSalle (JLL), and this valuation, also based on a discounted cash flow model, was in line with management's valuation.

The historical cost of investment properties is £460m (2023: £495m).

Significant assumptions used in the valuation include:

Australia and New Zealand	2024	2023
Discount rate	14.0%	14.0%
Capital growth rate	3.3% - 3.5%	3.3% - 3.5%

The sensitivity analysis below considers the impact on the year-end valuation of Level 3 investment properties and is based on a change in one assumption while holding all other assumptions constant. In practice, changes in assumptions may be correlated.

Australia and New Zealand	0.5% absolute increase	0.5% absolute decrease
2024		
Discount rate	£13m decrease	£15m increase
Capital growth rate	£20m increase	£18m decrease
2023		
Discount rate	£13m decrease	£14m increase
Capital growth rate	£20m increase	£18m decrease

During the year ended 31 December 2024, the Group's retirement village portfolio in Australia and New Zealand generated £29m (2023: £28m) of income which was recognised as care, health and other customer contract revenue in the Consolidated Income Statement. Total direct operating expenses of these retirement villages amounted to £22m (2023: £21m).

6 Equity-accounted investments

Equity-accounted investments comprise associates and joint ventures in which the Group has significant influence, but not control.

Associates include those entities over which the Group has significant influence, but has no right to direct the activities which determine the variable returns it receives from the entity.

Associates are accounted for using the equity method and are initially recognised at cost. The cost of the investment includes transaction costs. The carrying value of the investment is adjusted for the Group's share of any post-acquisition profits or losses of the associated entity.

If the Group's share of losses exceeds its interest in an equity-accounted investment, the carrying amount of that interest (including any long-term debt interests that, in substance, form part of the Group's net investment), is reduced to £nil. In addition, the recognition of further losses is discontinued except to the extent that the Group has an obligation to make payments on behalf of the equity-accounted investment.

The Consolidated Financial Statements include the Group's share of income and expenses, and other comprehensive income, from the date that significant influence commences until the date that significant influence ceases. Adjustments are made to align the accounting policies with those of the Group where materially different.

The carrying amount of equity-accounted investments is £1,016m (2023: £1,056m). All equity-accounted investments are included based on coterminous accounting periods.

On 8 January 2024, the Group acquired an additional 21.57% of the ordinary share capital of Niva Bupa, for consideration of £263m, strengthening the Group's presence in the growing Indian health insurance sector, where Niva principally operates and is incorporated. The additional shareholding acquired has resulted in Bupa holding a controlling interest in Niva Bupa of

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

62.98%, leading to the full consolidation of the company as a subsidiary. Immediately prior to the acquisition on 8 January 2024, the Group's existing stake in Niva Bupa was remeasured by £321m to a fair value of £417m, resulting in the Group recording a net £309m gain through other income and charges in the Consolidated Income Statement after the release of associated foreign exchange translation reserves. This is disclosed further in Note 24.

The Group's principal equity-accounted investments at 31 December 2024 are:

	Business activity	Share of issued capital	Principally operates in	Country of incorporation
Bupa Arabia for Cooperative Insurance Company (Bupa Arabia)	Insurance	43.25%	Saudi Arabia	Saudi Arabia
Highway to Health, Inc. (Highway to Health) (operating as GeoBlue)	Insurance	49.00%	USA	USA

During the year, the Group received dividends of £55m (2023: £49m) from Bupa Arabia.

(i) Summarised financial information for material associates

The tables below provide summarised financial information for those associates that are material to the Group. The information disclosed reflects the full balances for the relevant associates, and not the Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments and modifications for differences in accounting policies.

	Bupa Arabia		Highway to Health		Niva Bupa ¹	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Revenue	3,713	3,362	275	239	–	362
Cash and cash equivalents	197	263	112	112	–	7
Other current assets	685	1,050	143	130	–	33
Current assets	882	1,313	255	242	–	40
Non-current assets	2,429	1,707	24	20	–	497
Current liabilities	(2,144)	(1,965)	(157)	(144)	–	(142)
Non-current liabilities	(72)	(74)	(10)	(13)	–	(193)
Net assets	1,095	981	112	105	–	202

1. In 2024 the Group acquired a controlling share of Niva Bupa and it became a fully consolidated subsidiary. 2024 figures for Niva Bupa have therefore been excluded from the table.

Reconciliation to carrying amounts

	Bupa Arabia		Highway to Health		Niva Bupa ¹	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Opening net assets	981	931	105	100	–	104
Profit/(loss) for the year	243	201	14	8	–	(3)
Other comprehensive (expense)/income	(6)	6	–	–	–	–
Dividends paid	(125)	(116)	–	–	–	–
Other reserve movements	2	(41)	(7)	(3)	–	101
Closing net assets	1,095	981	112	105	–	202
% Ownership	43.25 %	43.25%	49.00 %	49.00%	–	41.41%
Reporting entity's share	474	424	55	51	–	75
Goodwill and local accounting differences	265	264	189	186	–	22
Carrying amount	739	688	244	237	–	97
Reporting entity's share of profit/(loss)	96	80	5	3	–	(1)

1. In 2024 the Group acquired a controlling share of Niva Bupa and it became a fully consolidated subsidiary. 2024 figures for Niva Bupa have therefore been excluded from the table.

(ii) Individually immaterial equity-accounted investments

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates and a joint venture that are accounted for using the equity method. The aggregate carrying amount of the associates is £7m (2023: £6m). The carrying amount of the joint venture is £26m (2023: £28m). The Group's share of results recognised during the year for these is a loss of £7m (2023: profit of £1m), which is attributable to the investment in the joint venture.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

7 Post-employment benefits

The Group operates several funded and an unfunded defined benefit and defined contribution pension schemes for the benefit of employees.

Defined contribution pension schemes

The defined contribution pension schemes provide employees with a retirement fund accumulated through investment of contributions made by Bupa and the employees. Members of the scheme use their funds to secure benefits at retirement. Benefits are not known in advance and the investment and longevity risks are assumed solely by the members of the scheme. Contributions payable by the relevant sponsoring employers are defined in the scheme rules or plan specifications and these contributions are recognised as an expense in the Consolidated Income Statement as incurred.

Defined benefit post-employment schemes

The defined benefit pension schemes provide benefits based on final pensionable salary. The Group's net obligation in respect of defined benefit pensions is calculated separately for each scheme and represents the present value of the defined benefit obligation less the fair value of any scheme assets. The discount rate used is the yield at the reporting date on high-quality corporate bonds denominated in the currency in which the benefit will be paid and taking account of the maturities of the defined benefit obligations. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of any future refunds from the scheme or reductions in future contributions to the scheme.

The charge to the Consolidated Income Statement for defined benefit schemes represents administrative expenses.

All remeasurements are recognised in full in the Consolidated Statement of Comprehensive Income in the period in which they occur.

(i) Amounts recognised in the Consolidated Income Statement

The charge to administration expenses in the Consolidated Income Statement for defined benefit schemes is £nil (2023 £2m).

The charge to other operating expenses in respect of cash contributions to defined contribution schemes is £65m (2023: £50m).

(ii) Amounts recognised directly in other comprehensive income

The amounts charged/(credited) directly to equity are:

	2024	2023
	£m	£m
Actual return less expected return on assets	3	(1)
(Gain)/loss arising from changes to financial assumptions	(3)	1
Loss arising from changes to experience assumptions	–	1
Gain arising from changes to demographic assumptions	–	(1)
Total remeasurement (gain)/loss (credited)/charged directly to equity	–	–

7.1 Group post-employment benefit schemes

Defined contribution pension schemes

The principal defined contribution pension scheme in the UK during the year was the My Bupa LifeSight Plan. The Group automatically enrolls any eligible non-pensioned employees into the National Employment Savings Trust (NEST).

Defined benefit post-employment schemes

The principal defined benefit scheme in the UK is The Bupa Pension Scheme which has been closed to new entrants since 1 October 2002 and closed to future accrual since 31 December 2020. The British United Provident Association Limited is the principal sponsoring employer for The Bupa Pension Scheme. The Company (which is not an employer in respect of the scheme) had entered into a legally binding and irrevocable guarantee for the benefit of the trustee in respect of the payments due from Bupa. The latest triennial valuation, dated 1 July 2023, showed that The Bupa Pension Scheme was in surplus on its technical provisions basis. The scheme was also in surplus on the more prudent actuarial basis which the Trustees use to set their long-term funding target. As a result, no deficit reduction contributions are currently due. This position could change as a result of future valuations.

There are several other smaller defined benefit pension schemes operated by UK and overseas subsidiaries. The defined benefit pension schemes are assessed by independent scheme actuaries in accordance with UK or local practice and under IAS 19 as at 31 December 2024 for the purposes of inclusion in the Group's Consolidated Financial Statements.

Trustees are appointed for each scheme as determined by its respective trust documentation and Trustees are required to act in the best interests of the schemes' beneficiaries. The long-term investment objectives of the Trustees and the employers are

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

to limit the risk of the assets failing to meet the liabilities of the schemes over the long term, and to maximise returns consistent with an acceptable level of risk.

The smaller defined benefit pension schemes are not individually material to the Group on a net surplus/deficit basis, but details have been disclosed within the subsidiary financial statements of the relevant sponsoring employer of each scheme.

(a) Assets and liabilities of schemes

	2024	2023
	£m	£m
Present value of funded obligations	(52)	(55)
Fair value of scheme assets	49	50
Net liabilities of funded schemes	(3)	(5)
Present value of unfunded obligations	(2)	(1)
Net recognised liabilities	(5)	(6)
In the Consolidated Statement of Financial Position:		
Net liabilities	(7)	(8)
Net assets	2	2
Net recognised liabilities	(5)	(6)

(b) Present value of schemes' obligations

The movements in the present value of the schemes' obligations are:

	2024	2023
	£m	£m
At beginning of year	56	54
Current service costs	1	–
Interest on obligations	2	3
Administration expenses	–	2
(Gain)/loss from changes to financial assumptions	(3)	1
Loss from changes to experience assumptions	–	1
Gain from changes to demographic assumptions	–	(1)
Benefits paid	(2)	(3)
Foreign exchange	–	(1)
At end of year	54	56

(c) Fair value of funded schemes' assets

The movements in the fair value of the funded schemes' assets are:

	2024	2023
	£m	£m
At beginning of year	50	49
Interest income	2	3
Return on assets excluding interest income	(3)	1
Contributions by employer	2	1
Benefits paid	(2)	(3)
Foreign exchange	–	(1)
At end of year	49	50

The market values of the assets of the funded schemes are as follows:

	2024	2024	2023	2023
	£m	%	£m	%
Government bonds	13	27	17	34
Equities	17	35	15	30
Corporate bonds	10	20	10	20
Cash/other assets	8	16	7	14
Loans	1	2	1	2
Total market value	49	100	50	100

Aside from corporate and government bonds and equities in the table above, no other assets have a quoted market price.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

Amounts reported in the table above include those held through pooled investment funds in which Bupa is not the sole investor, as well as direct investments.

7.2 Actuarial assumptions

The responsibility for setting the assumptions underlying the IAS 19 valuations rests with Bupa's Directors, having first taken advice from the Group's independent actuary.

The key weighted average financial assumptions used when valuing the obligations of the post-employment benefit schemes under IAS 19 for the schemes within the Group are as follows:

	2024	2023
	%	%
Inflation rate	3.2	3.2
Rate of increase in salaries	2.9	2.9
Rate of increase of pensions in payment	3.5	3.6
Rate of increase of pensions in deferment	3.2	3.1
Discount rate for scheme assets and obligations	5.4	4.8

(a) Actuarial assumptions underlying the valuation of obligations

The inflation rate assumption is set by reference to the difference between the yield on long-term fixed interest gilts and the real yield on index-linked gilts, with a deduction of 0.2% to reflect an inflation risk premium.

The rate of increase in salaries is equal to the long-term expected annual average salary pay increase for the employees who are members of the respective schemes. This assumption is set relative to the inflation rate assumption.

The rate of increase of pensions in payment is the same as the inflation rate, with the exception of benefits which receive fixed increases in payment as defined under the respective scheme rules.

The rate of increase of pensions in deferment is set relative to the inflation rate assumption and adjusted for any relevant caps or collars.

The discount rate used to value scheme liabilities is the yield at the reporting date on high-quality corporate bonds of appropriate term.

An increase/decrease in the discount rate by 0.5%, while holding all other assumptions constant, would result in a decrease/increase in the defined benefit pension scheme liabilities by £3m (2023: £3m).

(b) Mortality assumptions

The mortality tables adopted as at 31 December 2024 are the S3PA year of birth mortality tables using the CMI 2023 projection model, with a long-term rate of improvement of 1.5% p.a. adjusted by 104% (male non-pensioners); 95% (female non-pensioners); 97% (male pensioners) and 94% (female pensioners) (2023: CMI 2022 projection model, with a long-term rate of improvement of 1.5% p.a. adjusted by 104% (male non-pensioners); 94% (female non-pensioners); 97% (male pensioners) and 94% (female pensioners)).

The average life expectancy on retirement at age 60 are as follows:

	2024	2023
For members aged 60, on the valuation date:		
Male	26.4	26.5
Female	28.9	28.9
For members aged 45, on the valuation date:		
Male	27.2	27.3
Female	30.2	30.2

(c) Assumptions over duration of liabilities

The weighted average duration of the defined benefit obligation is approximately 10 years (2023: approximately 12 years).

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

8 Deferred taxation assets and liabilities

Deferred taxation is an amount which recognises the differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. An example is the variance between the carrying value of equipment due to depreciation being charged for financial reporting purposes and written down allowances being applied for the relevant tax authorities.

Deferred taxation is recognised in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not recognised: goodwill not deductible for taxation purposes and the initial recognition of an asset or liability in a transaction that is not a business combination which, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. The amount of deferred taxation recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using taxation rates enacted or substantively enacted at the reporting date.

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred taxation assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and when the Group can settle its current taxation assets and liabilities on a net basis.

Recognised deferred taxation assets and liabilities

Deferred taxation assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Accelerated capital allowances	34	34	(116)	(56)	(82)	(22)
Post-employment benefits	3	2	(2)	(2)	1	–
Employee benefits (other than post-employment)	69	64	–	(4)	69	60
Revaluation of properties to fair value	3	1	(104)	(84)	(101)	(83)
Provisions	100	105	–	–	100	105
Taxation value of losses carried forward	60	32	–	–	60	32
Goodwill and intangible assets	9	10	(117)	(116)	(108)	(106)
Other	18	37	(12)	(43)	6	(6)
Deferred taxation (before allowable netting)	296	285	(351)	(305)	(55)	(20)
Allowable netting of deferred taxation	(210)	(190)	210	190	–	–
Deferred taxation – net	86	95	(141)	(115)	(55)	(20)

Unrecognised deferred taxation assets

As at 31 December 2024, the Group had deductible temporary differences relating to trading losses of £390m (2023: £223m), to capital losses of £154m (2023: £154m), and to other temporary differences of £93m (2023: £35m) for which no deferred taxation asset was recognised due to uncertainty of utilisation of those temporary differences.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

Movement in net deferred taxation (liabilities)/assets

2024	At beginning of year	Recognised in Consolidated Income Statement	Recognised in other comprehensive income	Arising on business combinations	Transfers to held for sale	Foreign exchange	At end of year
	£m	£m	£m	£m	£m	£m	£m
Accelerated capital allowances	(22)	(64)	–	1	–	3	(82)
Post-employment benefits	–	1	–	–	–	–	1
Employee benefits (other than post-employment)	60	14	–	–	–	(5)	69
Revaluation of properties to fair value	(83)	–	(25)	–	–	7	(101)
Provisions	105	11	–	(5)	–	(11)	100
Taxation value of losses carried forward	32	22	–	9	–	(3)	60
Goodwill and intangible assets	(106)	(1)	–	(10)	–	9	(108)
Other	(6)	27	(3)	1	(15)	2	6
Total	(20)	10	(28)	(4)	(15)	2	(55)

2023	At beginning of year	Recognised in Consolidated Income Statement	Recognised in other comprehensive income	Arising on business combinations	Transfers to held for sale	Foreign exchange	At end of year
	£m	£m	£m	£m	£m	£m	£m
Accelerated capital allowances	5	(24)	–	–	–	(3)	(22)
Post-employment benefits	2	(2)	–	–	–	–	–
Employee benefits (other than post-employment)	47	15	–	–	–	(2)	60
Revaluation of properties to fair value	(86)	(2)	–	–	–	5	(83)
Provisions	112	2	–	–	–	(9)	105
Taxation value of losses carried forward	48	(12)	–	–	(1)	(3)	32
Goodwill and intangible assets	(123)	14	–	–	(1)	4	(106)
Other	10	(21)	–	–	–	5	(6)
Total	15	(30)	–	–	(2)	(3)	(20)

9 Restricted assets

Restricted assets are amounts held in respect of specific obligations and potential liabilities and may be used only to discharge those obligations and potential liabilities if and when they crystallise.

	2024	2023
	£m	£m
Non-current restricted assets	32	33
Current restricted assets	105	89
Total restricted assets	137	122

The non-current restricted assets balance of £32m (2023: £33m) consists of cash deposits held in respect of a charge over certain unfunded pension scheme obligations in the Parent. Included in current restricted assets is £103m (2023: £85m) cash in respect of claims funds held on behalf of corporate customers.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

10 Financial investments

The Group generates cash from its underwriting, trading and financing activities and invests the surplus cash in financial investments. These include government bonds, corporate bonds, pooled investment funds and deposits with credit institutions.

All financial investments are initially recognised at fair value, which includes transaction costs for financial investments not classified at fair value through profit or loss. Financial investments are recorded using trade date accounting at initial recognition.

Financial investments are derecognised when the rights to receive cash flows from the financial investments have expired or where the Group has transferred substantially all risks and rewards of ownership.

The Group has classified its financial investments into the following categories: at fair value through profit or loss, at fair value through other comprehensive income (FVOCI) and at amortised cost.

Classification	Criteria and treatment under IFRS 9
Fair value through profit or loss	Debt and equity instruments where performance is managed and evaluated on a fair value basis and the objective is to realise cash flows through the sale of the assets. The investments are carried at fair value, with gains and losses arising from changes in this value recognised in the Consolidated Income Statement in the period in which they arise.
Fair value through other comprehensive income	Non-derivative debt instruments where the contractual characteristics of the financial assets represent solely payments of principal and interest and the objective is to hold the instrument to collect cash flows and sell, with a greater frequency and value of sales than instruments at amortised cost. The investments are carried at fair value and fair value changes are recognised in the Consolidated Statement of Comprehensive Income, except for interest and foreign exchange gains or losses and impairment gains and losses that are derived using the same methodology that is applied to financial assets measured at amortised cost, which are recognised in the Consolidated Income Statement. The cumulative gain or loss that was recognised in other comprehensive income is recognised in the Consolidated Income Statement when a financial asset at FVOCI is derecognised.
Amortised cost	Non-derivative debt instruments where the contractual characteristics of the financial assets represent solely payments of principal and interest and the objective is to hold the instrument to collect cash flows over its life. Any disposals are expected to be infrequent or insignificant. The investments are measured at amortised cost using the effective interest method, less any impairment losses. Any discount or premium on purchase is amortised over the life of the investment in the Consolidated Income Statement.

Under IFRS 9, impairment provisions for expected credit losses (ECL) are recognised for financial investments measured at amortised cost and FVOCI. An allowance for either a 12-month or lifetime ECL is required, depending on whether there has been a significant increase in credit risk since initial recognition. For trade receivables lifetime ECL is always applied. An assumption can be made that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date (e.g. it is investment grade). The Group applies a 12-month ECL allowance to all assets other than trade receivables, as no significant increases in credit risk since initial recognition have been identified.

The measurement of ECL should reflect a probability-weighted outcome, the time value of money and the best available forward-looking information. An analysis of ECL provisions is provided in Note 26.5.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

Financial investments are analysed as follows:

	Carrying value 2024 £m	Fair value 2024 £m	Carrying value 2023 £m	Fair value 2023 £m
Fair value through profit or loss				
Corporate debt securities and secured loans	386	386	312	312
Government debt securities	44	44	34	34
Pooled investment funds	429	429	524	524
Deposits with credit institutions	11	11	25	25
Equities	33	33	36	36
Fair value through other comprehensive income				
Corporate debt securities and secured loans	504	504	17	17
Government debt securities	316	316	37	37
Amortised cost				
Corporate debt securities and secured loans	1,293	1,298	1,056	1,061
Government debt securities	614	617	507	510
Deposits with credit institutions	1,063	1,064	1,090	1,095
Total financial investments	4,693	4,702	3,638	3,651
Non-current	1,645	1,648	780	784
Current	3,048	3,054	2,858	2,867

Fair value of financial investments

An asset's fair value is the price at which an orderly transaction to sell or transfer the asset would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of the market participant that holds the asset). The objective of a fair value measurement is to estimate this price.

The fair values of quoted investments in active markets are based on current bid prices. The fair values of unlisted securities and quoted investments for which there is no active market are established by using valuation techniques supported by market transactions and observable market data provided by independent third parties. These may include reference to the current fair value of other investments that are substantially the same and discounted cash flow analysis.

The fair values of financial investments are determined using different valuation inputs categorised into a three-level hierarchy. The different levels are defined by reference to the lowest level input that is significant to the fair value measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

An analysis of the financial investment fair values by hierarchy level is as follows:

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
2024				
Fair value through profit or loss				
Corporate debt securities and secured loans	21	365	–	386
Government debt securities	8	36	–	44
Pooled investment funds	64	340	25	429
Deposits with credit institutions	11	–	–	11
Equities	1	–	32	33
Fair value through other comprehensive income				
Corporate debt securities and secured loans	59	445	–	504
Government debt securities	303	13	–	316
Amortised cost				
Corporate debt securities and secured loans	360	937	1	1,298
Government debt securities	370	247	–	617
Deposits with credit institutions	–	1,064	–	1,064
Total financial investments	1,197	3,447	58	4,702
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
2023				
Fair value through profit or loss				
Corporate debt securities and secured loans	18	293	1	312
Government debt securities	13	21	–	34
Pooled investment funds	93	407	24	524
Deposits with credit institutions	25	–	–	25
Equities	–	–	36	36
Fair value through other comprehensive income				
Corporate debt securities and secured loans	17	–	–	17
Government debt securities	37	–	–	37
Amortised cost				
Corporate debt securities and secured loans	443	618	–	1,061
Government debt securities	325	185	–	510
Deposits with credit institutions	–	1,095	–	1,095
Total financial investments	971	2,619	61	3,651

Transfers between fair value hierarchy levels

The Group's policy is to determine whether transfers have occurred between fair value hierarchy levels at the end of a reporting period. Classification is reassessed based on the lowest level input that is significant to the fair value measurement as a whole.

There were no transfers between fair value hierarchy levels in the year (2023: £nil).

The Group currently holds Level 3 financial investments totalling £58m (2023: £61m). The majority of Level 3 investments are unlisted equities and pooled investment funds valued at recent subscription values and conversion prices, which are considered to be unobservable inputs. Changes to the valuation assumptions by 5% could result in a change in fair value of plus or minus £3m (2023: plus or minus £3m).

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

The table below shows movement in the Level 3 assets measured at fair value.

	2024	2023
Level 3	£m	£m
At beginning of year	61	63
Additions	3	1
Net decrease in fair value ¹	(1)	(1)
Disposals	(1)	–
Foreign exchange	(4)	(2)
At end of year	58	61

1. All gains and losses are recognised in financial income and financial expense in the Consolidated Income Statement.

The Group uses a market interest curve supported by third parties as at the reporting date to discount financial assets, borrowings and derivatives, where the fair value cannot otherwise be found from quoted market values. The interest rate used is based on the duration of the financial asset/liability resulting in a range as follows:

	2024	2023
	%	%
Sterling assets and liabilities	4.5 - 5.2	4.2 - 4.3
Australian dollar assets and liabilities	3.8 - 3.9	3.6 - 3.9
Euro assets and liabilities	2.0 - 2.3	2.3 - 3.1
US dollar assets and liabilities	4.1 - 4.6	3.9 - 4.7

11 Derivatives

A derivative is a financial instrument whose value is based on one or more underlying variables. The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risk. Derivatives are not held for speculative reasons.

Derivative financial instruments are accounted for at fair value through profit or loss unless hedge accounting requires another treatment. See Note 26 for details on how the Group accounts for derivatives that qualify for hedge accounting. Derivatives that have been purchased or issued as part of a hedge that subsequently do not qualify for hedge accounting are accounted for at fair value through profit or loss.

Fair values are obtained from market observable pricing information including interest rate yield curves.

Fair values have been calculated for each type of derivative as follows:

- The fair value of currency contracts, including forwards, swaps and options is determined using third-party sourced market data at the reporting date. The resulting value reflects changes in spot exchange rates and interest differential between the currency pair involved, over the life of the contract, discounted back to the present value.
- The fair value of interest rate swaps is determined as the present value of the estimated future cash flows based on observable yield curves.

Valuation inputs are classified as Level 2 in the fair value hierarchy.

	2024	2023
	£m	£m
Derivative assets		
Non-current	16	17
Current	49	29
Total derivative assets	65	46
Derivative liabilities		
Non-current	(30)	(42)
Current	(10)	(21)
Total derivative liabilities	(40)	(63)

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

12 Insurance and reinsurance contracts

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

Unit of account

A portfolio of insurance contracts is defined as insurance contracts subject to similar risks and managed together. The Group defines portfolios as insurance Business Units at a minimum, as the Group essentially sells one health insurance product line where cash flows are generally expected to respond similarly in direction and timing to changes in assumptions and as the Group manages the insurance business at geographical Business Unit level. There may be further disaggregation if there are business lines which are managed separately and have different risk profiles.

Each portfolio is subsequently disaggregated into groups of contracts:

- that are onerous at initial recognition;
- that have no significant possibility of becoming onerous subsequently; and
- all remaining contracts.

The Group assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. An assessment is made whether contracts that are not onerous at initial recognition have no significant possibility of subsequently becoming onerous by assessing the likelihood of changes in applicable facts and circumstances. The Group assesses the profitability of a set of contracts for which it has reasonable and supportable information that the contracts will all be in the same group. Each set generally contains contracts issued in a single half year period, which is a subset of one issuing year of a portfolio. Insurance contracts remain within the same group from initial recognition until they are derecognised.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. The Group's policy is that for reinsurance contracts held, each individual reinsurance contract is considered a group.

Recognition and derecognition

Groups of insurance and reinsurance contracts are initially recognised from the earliest of: the beginning of the coverage period; the date when the first payment from a policyholder in the group becomes due or when the first payment is received; and when the group of contracts or the underlying insurance contract becomes onerous.

For proportional reinsurance, recognition is the later of the date that any underlying insurance contract is initially recognised or the beginning of the coverage period of the group of reinsurance contracts held.

A group of insurance contracts or reinsurance contracts are derecognised when all rights and obligations are extinguished or a contract modification occurs.

Contract boundary and fulfilment cash flows

Cash flows are within the boundary of an insurance or reinsurance contract if they arise from substantive rights and obligations that exist during the reporting period. For insurance contracts, the Group has a substantive right when it can compel the policyholder to pay the premiums or a substantive obligation when it is required to provide the policyholder with insurance contract services.

For reinsurance contracts held, the substantive right is to receive reinsurance services and the substantive obligation is to pay amounts to the reinsurer.

Cash flows within the contract boundary directly relate to the fulfilment of the contract and include cash flows relating to the collection of premiums and payments for claims, benefits and expenses.

Cash flows are outside of the contract boundary of an insurance contract when the Group's substantive rights and obligations end. This mainly occurs when the Group has the practical ability to reprice the risks of a particular policyholder or change the level of benefits so that the price fully reflects those risks.

Cash flows outside the contract boundary relate to future insurance contracts. These future insurance contracts are recognised only when they meet the recognition criteria.

PAA eligibility

The Group applies the PAA for the measurement of the majority of insurance contracts. The majority of the Group's contracts automatically qualify as the coverage period of each contract in the group is one year or less.

As a result, the Group has taken the available policy choice to apply the PAA to these contracts. The Group also has a small number of policy groups with a coverage period of greater than one year. For these groups of contracts, the Group assesses whether the measurement of the LFRC under the PAA is expected to differ materially from that under the GMM. This requires the use of GMM and materiality thresholds determined by management for these policies, as well as the selection of reasonably

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

expected scenarios against which eligibility is assessed. As a result of this assessment, these remaining contracts are also eligible to use the PAA measurement model with the exception of one legacy portfolio of individual health contracts in Brazil. This portfolio of contracts has a contract boundary of greater than one year where the contracts are onerous and a GMM valuation has been used.

Measurement

Liability for remaining coverage

On initial recognition of each group of insurance contracts, the carrying amount of the LFRC is based on the premiums received less any directly attributable acquisition costs not expensed as incurred. In subsequent periods, the LFRC is increased for any additional premiums received and the release of any insurance acquisition cash flows and decreased for the recognition of insurance revenue that is released on a straight-line basis over the coverage period. The Group's default policy is not to adjust the LFRC to reflect the time value of money and the effect of financial risk, as the Group expects on initial recognition of each group of contracts that the time between providing each part of the services and the related premium due date is typically no more than one year. However, discounting may be applied in exceptional circumstances, as described below in the Discounting section.

Insurance acquisition cash flows

Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. It includes external and internal costs and incremental direct and indirect costs.

The Group's policy is to expense acquisition costs as they are incurred where the coverage period of each contract in the group is no more than one year. For the remaining contracts with a longer coverage period, insurance acquisition costs are allocated to the relevant group of insurance contracts and reduce the LFRC. The allocated acquisition costs are amortised consistently with the pattern of insurance revenue recognition.

Onerous contracts

If facts and circumstances indicate that a group of contracts is onerous, detailed testing is performed by comparing the carrying amount of the LFRC to the estimated fulfilment cash flows, which include an assessment of the risk adjustment using a confidence level approach. If the carrying amount of the LFRC is less than the estimated fulfilment cash flows, a loss component is recognised. The loss component increases the LFRC and is recognised as an expense in the Consolidated Income Statement. Subsequently, the loss component is reassessed, with any movements in the loss component adjusting the LFRC and being recognised within the Consolidated Income Statement.

Liability for incurred claims

The LFIC represents the estimated liability arising from claims episodes in current and preceding financial years which have not yet given rise to claims paid. A claims episode is an insured medical service that the Group has an obligation to fund which could be consultation fees, diagnostic investigations, hospitalisation or treatment costs. The liability includes an allowance for claims management and handling expenses.

The Group recognises the LFIC of a group of insurance contracts as the present value of the expected cash flows required to settle the obligation with an adjustment for non-financial risk. The Group does not adjust the future cash flows either for the time value of money or for the effect of financial risk for portfolios in which incurred claims are expected to be paid within one year of occurrence, except in exceptional circumstances, as described below in the Discounting section.

The LFIC across the Group is set in line with Bupa's Claims Reserving standards, at a level to achieve an appropriate probability of sufficiency and is estimated based on current information. The ultimate liability may vary as a result of subsequent information and events. Adjustments to claims estimates for prior years are included in the Consolidated Income Statement in the financial year in which the change is made. The methods used and estimates made for the LFIC are reviewed regularly.

Risk adjustment

The risk adjustment reflects the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts. The Group has estimated the risk adjustment using a confidence level approach at the 85th percentile (2023: 85th percentile) which is in line with the Group's risk appetite for claims reserving risk, and any movements in the risk adjustment are recognised in full within the insurance service result.

Discounting

Discounting is optional for the LFRC carrying amount if the time between providing each part of the coverage and the related premium due date is one year or less and for the LFIC if claims are expected to be paid in one year or less from the date the claims are incurred. The Group does not apply discounting to the majority of policies. However, Bupa Acıbadem Sigorta has applied discounting to the LFRC and LFIC due to the high interest rate and high inflation environment in Türkiye. Bupa Global has also applied discounting to the LFIC for certain groups of insurance contracts as a proportion of claims are settled over a period that is greater than one year. In addition, the LFRC for the legacy individual health policies in Brazil has been discounted due to the long-term nature of these contracts. Where discounting is applied, the Group policy is to use either the PRA

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

published discount rates or European Insurance and Occupational Pensions Authority (EIOPA) specified discount rates. The exception to this is the discount rate applied to the legacy portfolio of individual health contracts in Brazil, measured on a GMM basis, for which the rates are derived from the yields of local Brazilian Government bonds with an adjustment applied to bring the applied discount rate broadly in line with EIOPA's published discount rates. Discount rates are calculated based on a bottom-up approach.

Reinsurance contracts held

For reinsurance contracts held, the Group applies the PAA for the majority of reinsurance contracts as the coverage period is one year or less. The Group assesses the remaining contracts and applies the PAA as the resulting measurement would not differ materially from the result of applying the requirements in the GMM for reinsurance contracts held.

The Group measures the asset for remaining coverage (AFRC) on initial recognition of a group of reinsurance contracts held as the amount of ceded premiums paid. Subsequently the remaining coverage is increased for ceded premiums paid and decreased for amounts of ceded premiums recognised as reinsurance expenses for the services received in the period. The Group releases ceded reinsurance premiums on a passage of time basis over the coverage period. The Group does not adjust the AFRC for the time value of money or for the effect of financial risk as the time between providing the coverage and the related underlying premium is one year or less.

The carrying amount of a group of reinsurance contracts held also includes the asset for incurred claims (AFIC) comprising the fulfilment cash flows related to the past service allocated to the group. The Group does not adjust the AFIC for the time value of money or effect of financial risk as recoveries are expected to be paid within one year of occurrence.

The estimates for future cash flows of a group of reinsurance contracts held should allow for the risk of non-performance by reinsurers, which is the probability weighted expected value of the effect of reinsurance counterparty failure to fulfil the contractual obligations. Bupa's policy is to set the non-performance risk to zero as there are restrictions in place on the credit quality and amount of reinsurance ceded to individual counterparties and Bupa uses reinsurance only to a limited extent to mitigate insurance risks.

Investment components

An investment component is an element within an insurance contract that would require Bupa to repay a policyholder in all circumstances, regardless of whether an insured event occurs. The LFIC includes an insurance provision that is a non-distinct investment component for cash payments to Australian Health Insurance customers under a COVID-19 customer support programme. The provision is recognised at the point the Group formally announces the payment and insurance revenue recognised within the Consolidated Income Statement is reduced accordingly. The insurance provision is subsequently utilised on payment to the eligible customers or paid to an Australian State Revenue Office under the unclaimed money process. As at 31 December 2024, the LFIC includes an insurance provision of £16m (2023: £46m) relating to these cash giveback payments.

The Group does not recognise any other material investment components or separate components from insurance contracts.

An analysis of the amounts presented on the Consolidated Statement of Financial Position for insurance and reinsurance contracts is included in the tables below, along with the presentation of current and non-current portions of the balances:

	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Insurance contracts						
Non-current	–	–	(168)	(133)	(168)	(133)
Current	–	–	(2,896)	(2,475)	(2,896)	(2,475)
Total insurance contract liabilities	–	–	(3,064)	(2,608)	(3,064)	(2,608)
Reinsurance contracts						
Non-current	2	1	–	–	2	1
Current	88	37	–	–	88	37
Total reinsurance contract assets	90	38	–	–	90	38

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

12.1 Insurance contracts roll forward

For year ended 31 December 2024	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component £m ¹	Loss component £m ²	Estimates of present value of future cash flows £m ³	Risk adjustment £m	
Insurance contract liabilities at beginning of year	1,177	91	1,313	27	2,608
Insurance revenue	(12,233)	–	–	–	(12,233)
Insurance service expenses	26	11	11,555	8	11,600
Incurred claims and other expenses	–	–	11,665	34	11,699
Amortisation of insurance acquisition cash flows	26	–	–	–	26
Losses on onerous contracts and (reversal) of those losses	–	11	–	–	11
Changes to liabilities for incurred claims relating to past service	–	–	(110)	(26)	(136)
Insurance service result	(12,207)	11	11,555	8	(633)
Foreign exchange	(53)	(4)	(75)	(2)	(134)
Net finance expense from insurance contracts issued	45	(14)	39	–	70
Total changes in statement of comprehensive income	(12,215)	(7)	11,519	6	(697)
Other movements^{1, 2, 3}	305	(44)	(139)	–	122
Non-distinct investment components	(23)	–	23	–	–
Cash flows					
Premiums received	12,518	–	–	–	12,518
Claims and other expenses paid	–	–	(11,381)	–	(11,381)
Insurance acquisition cash flows	(106)	–	–	–	(106)
Total cash flows	12,412	–	(11,381)	–	1,031
Insurance contract liabilities at end of year	1,656	40	1,335	33	3,064

1. Other movements include £301m of insurance contract liabilities recognised on the consolidation of Niva Bupa. See Note 24.
2. Other movements include £44m within the loss component related to the legacy portfolio of individual health contracts in Brazil which have been reclassified to liabilities associated with assets held for sale. See Note 15.
3. Other movements include £139m of amortisation and depreciation expenses included within insurance service expense (see Note 2.3) that are non-cash items that do not form part of the insurance contract liabilities balance.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

For year ended 31 December 2023	Liability for remaining coverage		Liability for incurred claims		Total £m
	Excluding loss component £m	Loss component £m	Estimates of present value of future cash flows £m ¹	Risk adjustment £m	
Insurance contract liabilities at beginning of year	1,081	100	1,176	21	2,378
Insurance revenue	(10,770)	–	–	–	(10,770)
Insurance service expenses	(6)	(27)	10,344	7	10,318
Incurred claims and other expenses	–	–	10,372	13	10,385
Amortisation of insurance acquisition cash flows	(6)	–	–	–	(6)
Losses on onerous contracts and (reversal) of those losses	–	(27)	–	–	(27)
Changes to liabilities for incurred claims relating to past service	–	–	(28)	(6)	(34)
Insurance service result	(10,776)	(27)	10,344	7	(452)
Foreign exchange	(41)	(1)	(61)	(1)	(104)
Finance expense from insurance contracts issued	–	19	6	–	25
Total changes in statement of comprehensive income	(10,817)	(9)	10,289	6	(531)
Other movements ¹	(2)	–	(148)	–	(150)
Non-distinct investment components	(223)	–	223	–	–
Cash flows					
Premiums received	11,152	–	–	–	11,152
Claims and other expenses paid	–	–	(10,227)	–	(10,227)
Insurance acquisition cash flows	(14)	–	–	–	(14)
Total cash flows	11,138	–	(10,227)	–	911
Insurance contract liabilities at end of year	1,177	91	1,313	27	2,608

1. Other movements include £147m of amortisation and depreciation expenses included within insurance service expense (see Note 2.3) that are non-cash items that do not form part of the insurance contract liabilities balance.

Contracts measured on a GMM basis

The Group has a legacy portfolio of individual health contracts in Brazil, measured on a GMM basis, which is included within the loss component. This portfolio is onerous as, due to regulatory restrictions on pricing, the insurance contracts continue to renew at premium rates that do not reflect the current cost of claims.

As at 31 December 2024, the Brazil portfolio has been classified as being held for sale and the loss component balance of £44m has been transferred to liabilities associated with assets held for sale within the Consolidated Statement of Financial Position.

As at 31 December 2023, the loss component was £49m. During the year, movement in the loss component driven by a change in the discount rate and the impact of the unwind of discounting applied to the fulfilment cash flows is £16m income (2023: £17m expense) and is recognised as insurance financial income (2023: expense) within the Consolidated Income Statement. As the portfolio is onerous, the contractual service margin is nil. A risk adjustment of £6m (2023: £9m) is recognised to compensate the Group for the uncertainty about the amount and timing of cash flows from non-financial risk as the Group fulfils these contracts.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

12.2 Reinsurance contracts roll forward

	Asset for remaining coverage £m	Amount recoverable on incurred claims £m	Total £m
For year ended 31 December 2024			
Reinsurance contract assets at beginning of year	(16)	54	38
Allocation of reinsurance premiums	(284)	–	(284)
Amounts recoverable from reinsurers for incurred claims:			
Amounts recoverable for incurred claims and other expenses	–	275	275
Changes to amounts recoverable for incurred claims relating to past service	–	(2)	(2)
Net expense from reinsurance contracts held	(284)	273	(11)
Foreign exchange	(1)	(1)	(2)
Other movements ¹	46	–	46
Cash flows			
Premiums paid	229	–	229
Recoveries from reinsurance	–	(210)	(210)
Total cash flows	229	(210)	19
Reinsurance contract assets at end of year	(26)	116	90

1. Other movements include £46m of reinsurance contract assets recognised on the consolidation of Niva Bupa. See Note 24.

A risk adjustment is estimated on the amount recoverable on incurred claims using a confidence level approach at the 85th percentile (2023: 85th percentile). As this totals less than £1m, it has not been separately presented.

	Asset for remaining coverage £m	Amount recoverable on incurred claims £m	Total £m
For year ended 31 December 2023			
Reinsurance contract assets at beginning of year	(18)	39	21
Allocation of reinsurance premiums	(148)	–	(148)
Amounts recoverable from reinsurers for incurred claims:			
Amounts recoverable for incurred claims and other expenses	–	140	140
Changes to amounts recoverable for incurred claims relating to past service	–	1	1
Net expense from reinsurance contracts held	(148)	141	(7)
Foreign exchange	–	(1)	(1)
Cash flows			
Premiums paid	150	–	150
Recoveries from reinsurance	–	(125)	(125)
Total cash flows	150	(125)	25
Reinsurance contract assets at end of year	(16)	54	38

Assumptions for general insurance business

The process of recognising liabilities arising from general insurance entails the estimation of future payments to settle incurred claims and associated claims handling expenses, as well as assessing the extent to which any groups of contracts have become onerous.

The principal assumptions in the estimation of the LFIC relate to the expected frequency, average claim amount and settlement patterns of insurance claims, which are expected to be consistent with recently observed experience and trends. The aim of claims reserving is to select assumptions and reserving methods that will produce the best estimate of the future cash outflows for the subject claims; it is an uncertain process which also requires judgements to be made.

Claims development patterns are analysed during the claims reserving process in each of the Group's insurance Business Units. Various established actuarial reserving methods for general insurance are considered, typically basic chain ladder, Bornhuetter-Ferguson and pure risk cost methods. Additional consideration is given to the treatment of large claims, claims seasonality, claims inflation and currency effects, for which appropriate adjustments to assumptions and methods are made.

While there is some diversity in the development profile of health insurance claims across the Group, such claims are generally predictable in both frequency and average amount, and claims are settled relatively quickly following the medical event for which benefit is claimed. Medical expense claims are, typically, substantially fully settled within just a few months.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

Estimation uncertainty exists in determining a loss component, where facts and circumstances are identified that may indicate that a group of onerous contracts exists. As described above, a loss component is measured by comparing the current estimates of the fulfilment cash flows that relate to the remaining coverage to the carrying amount of the LFRC. Uncertainty is driven by the future cash flows which are uncertain due to their timing, size and, or probability. The underlying cash flows are determined by forecasting future claims and any other expenses, based on internal and external historical claims and other experience data and updated to reflect current expectations of future events and current conditions at the reporting date. Estimation is also involved in deriving an appropriate discount rate applied, where applicable, to the fulfilment cash flows, in particular, for the legacy individual health policies in Brazil due to the long-term nature of these contracts.

Insurance provisions are inevitably estimates. Actual experience or losses incurred may vary from that anticipated in the reserving estimates.

The following tables show the impact on profit before taxation of reasonably possible variations in the key assumptions used to determine the best estimate of claims provisioning and in estimating the fulfilment cash flows used in onerous contract testing. Changes to these assumptions are made while holding all other assumptions constant, however in practice, it is likely that variations in some of the assumptions may be correlated. The sensitivity analysis reflects one-off impacts at the reporting date and should not be interpreted as predictions.

The sensitivity analysis for 2024 excludes (2023: includes) the legacy portfolio of individual health contracts in Brazil, measured on a GMM basis, as this has been reclassified to held for sale (see Note 15) as at 31 December 2024.

Any loss is reduced only to a limited extent by reinsurance provided by third-party reinsurers. As the mitigation impact is not material for the Group, the impact of reinsurance is not separately disclosed in the tables below.

As the impact on equity will not be materially different from the profit before taxation impact, this has not been separately disclosed.

Best estimate of claims provisioning

	Claims ¹	Expenses ²
2024		
Change in variable	Increase/decrease by 2%	Increase/decrease by 10%
Impact on profit before taxation	Decrease/increase by £25m	Decrease/increase by £3m
2023		
Change in variable	Increase/decrease by 2%	Increase/decrease by 10%
Impact on profit before taxation	Decrease/increase by £24m	Decrease/increase by £3m

Onerous contract testing

	Claims ²	Expenses ²	Discount rate ^{2,3}
2024			
Change in variable	Increase/decrease by 2%	Increase/decrease by 10%	Increase/decrease by 1%
Impact on profit before taxation	Decrease by £11m/increase by £8m	Decrease by £7m/increase by £4m	Increase/decrease by £nil
2023			
Change in variable	Increase/decrease by 2%	Increase/decrease by 10%	Increase/decrease by 1%
Impact on profit before taxation	Decrease/increase by £14m	Decrease by £8m/increase by £7m	Increase by £11m/decrease by £18m

1. The impact of any movement in claims is shown net of reinsurance as both gross and ceded claims are affected by this sensitivity.
2. Sensitivity analysis excludes the impact of reinsurance as any movements would not be passed on ceded insurance contracts.
3. Sensitivity of the discount rate on onerous contract testing has only been applied to profitability groups in which discounting has been applied.

13 Inventories

Inventories comprise drugs, prostheses, consumables and housing stock utilised in the course of our care, health and dental operations.

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in first-out method, or methods that approximate this, and includes costs incurred in acquiring the inventories and in bringing them to their current location and condition.

As at 31 December 2024, inventories were £67m (2023: £76m). Inventory write-downs of £nil were made during the year (2023: £4m). The Group consumed £221m (2023: £229m) of inventories, which are recognised within other operating expenses in the Consolidated Income Statement.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

14 Trade and other receivables

Trade and other receivables arise in the ordinary course of business.

	Note	2024 £m	2023 £m
Trade receivables	(a)	435	414
Amounts owed by Parent		68	55
Other receivables	(a)	151	154
Service concession receivables	(b)	–	30
Prepayments		105	114
Contract costs		2	3
Accrued income		76	59
Total trade and other receivables		837	829
Non-current		25	23
Current		812	806

Trade and other receivables are carried at amortised cost, net of provisions for ECLs. Trade receivables relate to consideration due from non-insurance customer contracts. All trade receivables and service concession receivables are classified as receivables under IFRS 15, as a receivable is an entity's right to consideration that is unconditional, i.e. only the passage of time is required before payment is due. Other receivables relate to consideration due from non-insurance customer contracts that are outside the scope of IFRS 15, e.g. rental receivables. Information regarding the ageing of trade and other receivables is shown in Note 26.5.

The carrying value of trade and other receivables is a reasonable approximation of fair value.

(a) Impairment of financial assets

Financial assets comprise trade and other receivables and financial investments. See Note 10 for financial investments.

All receivables are measured net of lifetime ECL. Where appropriate, a provision matrix is used to estimate ECL.

Under a provision matrix, receivables are grouped into customer segments and further divided into categories by age. Historical credit loss experience and any relevant forward-looking information are then used to establish the ECL provision for each category. An analysis of ECL provisions for trade and other receivables is disclosed in Note 26.5. All impairment losses are recognised in the Consolidated Income Statement within net impairment on financial assets. Impairment losses on trade receivables of £16m have been recognised in the year (2023: £19m).

(b) Service concession receivables

The Group previously recognised service concession receivables in respect of a public-private partnership arrangement in Spain. The partnership ended in May 2024.

15 Assets and liabilities held for sale

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale if their carrying amount will be recovered primarily through sale rather than continuing use and a sale within 12 months is considered to be highly probable.

Classification as held for sale

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Subsequent to initial classification as held for sale, any impairment losses and gains or losses on remeasurement are recognised in the Consolidated Income Statement.

On classification as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

Assets and liabilities classified as held for sale

	2024	2023
	£m	£m
Assets held for sale		
Property, plant and equipment	14	41
Financial investments	–	5
Deferred taxation assets	14	–
Cash and cash equivalents	–	2
Total assets held for sale	28	48
Liabilities associated with assets held for sale		
Lease liabilities	–	(2)
Provisions for liabilities and charges	–	(2)
Insurance contract liabilities	(39)	(4)
Trade and other payables	–	(1)
Total liabilities held for sale	(39)	(9)
Net (liabilities)/assets held for sale	(11)	39

Net assets held for sale as at 31 December 2024 predominantly comprise of a legacy portfolio of individual health contracts in Brazil and a number of care homes within Bupa UK Care Services.

An impairment loss of £1m (2023: £8m) has been recognised within other income and charges (see Note 2.4) in the Consolidated Income Statement resulting from write-downs on the classification of assets as held for sale in the year.

Net assets held for sale as at 31 December 2023 predominantly comprised a number of care homes within Bupa UK Care Services and Bupa Villages and Aged Care New Zealand, an insurance business in ELA, as well as a number of dental practices within Bupa Dental Care UK.

16 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and other short-term highly liquid investments (including money market funds) with original maturities of three months or less which are subject to an insignificant risk of change in value.

	2024	2023
	£m	£m
Cash at bank and in hand	1,095	1,075
Short-term deposits	897	1,203
Total cash and cash equivalents	1,992	2,278

Bank overdrafts of £nil (2023: £1m) that are repayable on demand are reported within other interest-bearing liabilities (see Note 17) in the Consolidated Statement of Financial Position. Demand deposits with restrictions on use set by a third party that fundamentally change their nature are reported within restricted assets (see Note 9) in the Consolidated Statement of Financial Position. Both of these are considered components of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows.

17 Borrowings

The Group has various sources of funding including subordinated bonds, senior unsecured bonds and loans.

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequently, they are held at amortised cost, with any difference between the initial recognition value and redemption value being recognised in the Consolidated Income Statement over the period of the borrowings on an effective interest method basis.

The Group uses interest rate swaps to manage its interest rate risk on certain borrowings under fair value hedges. Changes in the fair value of swaps designated and qualifying as fair value hedge are recorded in the Consolidated Income Statement together with changes in the fair value of the borrowings, due to the hedged risk. A gain or loss relating to any ineffective portion is directly recognised in the Consolidated Income Statement.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

	Note	2024 £m	2023 £m
Subordinated liabilities			
Subordinated unguaranteed bonds	(a)	772	747
Total subordinated liabilities		772	747
Other interest-bearing liabilities			
Senior unsecured bonds	(b)	714	1,035
Fair value adjustment in respect of hedged interest rate risk		(14)	(22)
Bank loans and overdrafts	(c)	27	48
Other debt	(d)	32	29
Total other interest-bearing liabilities		759	1,090
Total borrowings		1,531	1,837
Non-current		1,477	1,489
Current		54	348

	Subordinated liabilities		Other interest-bearing liabilities		Total	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
At beginning of year	747	998	1,090	648	1,837	1,646
Arising on business combinations	24	–	–	–	24	–
Net (repayments)/proceeds	–	(250)	(316)	400	(316)	150
Interest payments	(37)	(41)	(35)	(25)	(72)	(66)
Accrued interest and amortisation	38	40	34	30	72	70
Fair value adjustment in respect of hedged risk	–	–	5	38	5	38
Other movement	–	–	5	–	5	–
Foreign exchange	–	–	(24)	(1)	(24)	(1)
At end of year	772	747	759	1,090	1,531	1,837

(a) Subordinated unguaranteed bonds

The total carrying value of subordinated unguaranteed bonds, net of accrued interest, capitalised issue costs and discounts, was £772m (2023: £747m).

On 8 January 2024, the Group acquired an additional 21.57% of the ordinary share capital of Niva Bupa. This has resulted in Bupa holding a controlling interest of 62.98%, leading to the full consolidation of Niva Bupa as a subsidiary (see Note 23). Niva Bupa has two subordinated debt instruments, issued on 15 November 2021 and 15 March 2022 of INR1,500m and INR1,000m, which have a carrying value of £24m at 31 December 2024. These are due to mature on 15 November 2031 and 15 March 2032. Interest is payable on the bonds at 10.70% per annum. The total fair value of these bonds, including accrued interest, is £24m.

On 25 June 2020, the Company issued £350m of subordinated unguaranteed bonds which mature on 14 June 2035. Interest is payable on the bonds at 4.125% per annum. In the event of the winding up of the Company, the claims of the bondholders are subordinated to the claims of other creditors of that company.

On 8 December 2016, the Company issued £400m of subordinated unguaranteed bonds which mature on 8 December 2026. Interest is payable on the bonds at 5.000% per annum. In the event of the winding up of the Company, the claims of the bondholders are subordinated to the claims of other creditors of the Company.

On 25 April 2023, the Company redeemed the outstanding maturing £250m of the £500m 5.000% fixed rate subordinated bond.

(b) Senior unsecured bonds

On 5 April 2024, the Company redeemed the maturing £300m of senior unsecured bonds, issued in April 2017.

On 12 October 2023, the Company issued €500m of senior unsecured bonds, guaranteed by the Parent, which mature on 12 October 2030. The bonds bear interest on their outstanding principal amount at a fixed rate of 5.00% per annum. The total hedged fair value of these bonds, including accrued interest, capitalised issue costs and discounts, is £426m (2023: £447m). The change in value arising from interest rate risk is matched, subject to any hedge ineffectiveness, by the fair value of swap contracts in place to hedge this risk.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

On 25 June 2020, the Company issued £300m of senior unsecured bonds, guaranteed by the Parent, which mature on 14 June 2027. Interest is payable on the bonds at 1.750% per annum. The total hedged fair value of these £300m senior unsecured bonds, including accrued interest, capitalised issue costs and discounts is £274m (2023: £268m). The change in value arising from interest rate risk is matched, subject to any hedge ineffectiveness, by the fair value of swap contracts in place to hedge this risk.

See Note 26.4 for details on the Group's interest rate hedging activities.

(c) Bank loans and overdrafts

Bank loans and overdrafts are £27m (2023: £48m), which includes a portfolio of loans held in Bupa Chile totalling £27m (2023: £29m). In May 2024, the bank facility held in Grupo Bupa Sanitas S.L. was renewed to May 2025 and is undrawn at 31 December 2024 (2023: £18m).

The Group maintains a £900m revolving credit facility which matures in December 2028. The facility was undrawn at 31 December 2024 (2023: undrawn). Drawings under the £900m facility are guaranteed by the Parent. Drawings are classified as a non-current liability, as the Group has the ability to roll over borrowings during the facility's term, subject to compliance with covenants. These covenants consider the Group's level of debt and ability to make interest payments on that debt. The covenants are assessed each six months, therefore drawings could become payable within twelve months of the reporting date if covenants were breached. The Group was significantly above covenant requirements at 31 December 2024, and expects to remain so over the next twelve months. Despite classifying drawings as non-current the Group may repay any amounts owed, or increase drawings, within twelve months of the reporting date as part of its regular cash management strategy.

The overdraft facilities are subject to cross guarantees within the Group. The bank loans and overdrafts bear interest at commercial rates linked to SONIA for sterling or equivalent for other currencies.

(d) Other debt

The Group has other debt of £32m (2023: £29m), which includes a loan from George Health Enterprises Pty Ltd of £27m (2023: £29m). This is an unsecured facility due on 30 June 2025 and is repayable at any time prior to the expiry date.

Fair value of financial liabilities

The fair value of a financial liability is defined as the amount for which the liability could be exchanged in an arm's-length transaction between informed and willing parties. Fair values of subordinated liabilities and senior unsecured bonds are calculated based on quoted prices.

The fair values of quoted liabilities in active markets are based on current offer prices. The fair values of financial liabilities for which there is no active market are established using valuation techniques. These may include reference to the current fair value of other instruments that are substantially the same and discounted cash flow analysis.

Financial liabilities are categorised into a three-level fair value hierarchy as described in Note 10. Where the fair value of a bond cannot be otherwise determined from quoted market values, the instrument is discounted using similar duration treasuries and applying an instrument-specific spread.

An analysis of borrowings by fair value classification is as follows:

	2024				2023			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Subordinated liabilities	695	24	–	719	678	–	–	678
Senior unsecured bonds	729	–	–	729	1,033	–	–	1,033
Other debt	–	–	32	32	–	–	29	29
Bank loans and overdrafts	–	27	–	27	–	48	–	48
Total fair value	1,424	51	32	1,507	1,711	48	29	1,788

The Group does not have any material Level 3 financial liabilities except for the other debt disclosed in (d).

18 Leases

Leases are contracts that convey the right to use an asset for a period of time in exchange for consideration. The majority of the Group's leases relate to properties.

The Group's leases primarily relate to hospitals, care homes, clinics and office buildings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Property leases often include extension and termination options, open market rent reviews, indexation uplifts or fixed uplifts.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the individual lessee company's incremental borrowing rate taking into account the duration of the lease. The lease liability is subsequently measured at amortised cost using the effective interest method, with the finance cost charged to the Consolidated Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. It is remeasured when there is a change in future lease payments arising from a change in index or rate, or if the Group changes its assessment of whether it will exercise an extension or termination option. The lease liability is recalculated using a revised discount rate if the lease term changes as a result of a modification or reassessment of an extension or termination option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs contractually required to restore properties to their original condition, less any lease incentives received. The right-of-use asset, excluding restoration costs, is typically depreciated on a straight-line basis over the lease term. In addition, the right-of-use asset may be adjusted for certain remeasurements of the lease liability, such as indexation and market rent review uplifts. Restoration costs included in the right-of-use asset are amortised over the same term as the corresponding provision, which may be longer than the IFRS 16 contractual lease term where occupancy of the property is expected to be longer than the existing contract. The movement of the right-of-use asset is disclosed in Note 4.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a term of 12 months or less or leases that are of low value (£4,000 or less). Lease payments associated with these leases are expensed on a straight-line basis over the lease term.

	2024	2023
	£m	£m
Lease liabilities		
At beginning of the year	894	926
Arising on business combinations	17	–
Additions	88	76
Disposals	(9)	(5)
Remeasurement	59	62
Interest on lease liabilities	49	49
Repayments	(187)	(197)
Transfer to liabilities associated with assets held for sale	–	(2)
Foreign exchange	(33)	(15)
At end of year	878	894
Non-current	746	763
Current	132	131

See Note 26.6 for maturity analysis of lease liabilities.

Expenses

The Consolidated Income Statement includes expenses relating to short-term leases of £4m (2023: £2m) and expenses relating to leases of low-value assets of £nil (2023: £nil). Depreciation of right-of-use assets is reported in Note 4. Interest on lease liabilities is reported within financial expenses (see Note 2.5).

Extension options

Some of the Group's property leases contain extension options exercisable by the lessee before the end of the non-cancellable contract period. The periods covered by extension options are only included in the lease term if the lessee is reasonably certain to exercise the options. At lease commencement an assessment is performed of whether the lessee is reasonably certain to exercise the extension options, taking into account factors such as the future timing of the options, economic incentives for the lessee to exercise the options or the lessee's past practice. The Group reassesses whether it is reasonably certain to exercise the extension options if there is a significant event or change in circumstances within its control.

As at 31 December 2024, potential discounted future cash outflows of £233m (2023: £298m) have not been included within lease liabilities because it is not reasonably certain that the related extension options will be exercised.

Termination options

A number of the Group's lease contracts contain termination options. Periods covered by a termination option are only included in the lease term if the lessee is reasonably certain not to exercise the option.

As at 31 December 2024, potential discounted future cash outflows of £54m (2023: £51m) have not been included within lease liabilities because it is not reasonably certain that the related termination options will not be exercised.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

Future lease commitments

The Group is committed to leases that have not yet commenced to the value of £3m as at 31 December 2024 (2023: £9m).

Variable lease payments

Some leases, predominantly of care home properties in Spain, contain variable lease payments that are based on earnings. The future potential cash flows arising from variable lease payments not included within lease liabilities are estimated at £31m (2023: £30m).

19 Provisions for liabilities and charges

A provision is recognised when the Group is expected to make future payments as a result of a past event.

These payments can result from a legal obligation or a constructive obligation, where an expectation has been created by the Group. A provision is made where an outflow of resources is probable and where the payments can be reliably estimated. If the effect is material, provisions are determined by discounting the estimated future payments at a pre-taxation rate that reflects a current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

Although provisions are made where payments can be reliably estimated, the amounts provided are based on a number of assumptions which are inherently uncertain and therefore the amounts that are ultimately paid could differ from the amounts recorded.

	Long service and annual leave	Customer remediation and legal provisions	Provision for underpayment of employee entitlements	Property restoration provision	NHS dental contract clawback provision	Contract provisions	Chile payment plan provision	Other	Total
2024	£m	£m	£m	£m	£m	£m	£m	£m	£m
At beginning of year	101	15	23	27	56	57	–	56	335
Arising on business combinations	2	–	–	–	–	–	–	–	2
Interest on obligations	–	–	–	1	–	–	–	–	1
Charge for year	63	16	9	3	42	16	215	22	386
Released in year	(2)	(8)	(1)	(1)	(8)	–	(215)	(8)	(243)
Utilised in year	(41)	(1)	(11)	(1)	(58)	(6)	–	(11)	(129)
Foreign exchange	(10)	(2)	(3)	(1)	–	(1)	–	(2)	(19)
Total provisions for liabilities and charges	113	20	17	28	32	66	–	57	333
Non-current	29	12	–	22	–	47	–	21	131
Current	84	8	17	6	32	19	–	36	202

Long service and annual leave

The long service leave provisions relate to territories where employees are legally entitled to substantial paid leave after completing a certain length of qualifying service. Uncertainty around both the amount and timing of future outflows arises as a result of variations in employee retention rates, which may vary based on historical experience. The annual leave provisions relate to territories where the annual entitlement of leave is not required to be taken within a predetermined time nor does it expire. Therefore, uncertainty exists around the timing of future outflows as well as around the amount of future outflows due to wage inflation.

Customer remediation and legal provisions

Customer remediation provisions relate to the costs of compensating customers for losses or damages associated with a failure to comply with regulations or to treat customers fairly. Legal provisions relate to potential and ongoing legal claims and represent the discounted fair value of total estimated liabilities. Due to the nature of these provisions, the timing and potential costs are uncertain.

Provision for underpayment of employee entitlements

In 2021, a provision was established in respect of underpayments of employee entitlements affecting some current and former employees, following an extensive proactive pay compliance review carried out in Australia and New Zealand.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

Property restoration provisions

Property restoration provisions relate to the estimate of costs to be incurred by the Group in its capacity as a lessee, when dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Due to potential future renewals of leases, the timing and potential costs are uncertain.

NHS dental contract clawback provision

A provision is held in respect of amounts that are expected to be deducted from future NHS contracts held by Bupa Dental Care UK, as a result of not meeting required treatment targets set by the NHS in the current contract period.

Contract provisions

Provisions are held in respect of amounts potentially due to third parties to settle liabilities arising in relation to performance under certain contracts. Due to the nature of the matters arising, the timing and potential costs are uncertain.

Chile payment plan provision

As at 31 December 2023, a contingent liability was disclosed in relation to Isapre Cruz Blanca in Chile and a potential retrospective liability arising as the result of adverse governmental, judicial and regulatory action being taken regarding the method and implementation of statutory Risk Factor Tables (used to adjust the price of insurance contracts based on risk factors such as age). Due to the wide range of possible outcomes and regulatory uncertainty it was not possible to reliably estimate the value of any future payments. However, in May 2024 legislation came into force that gave clarity over the quantum and steps required for implementation of the retrospective liability. The local regulator, the Superintendent of Health (SIS) issued additional guidance on 7 June 2024 which set out details of the next steps Isapres were required to take, allowing for a reliable estimate of the liability at that date leading to the recognition of a £215m provision in the year.

The Group has subsequently had a policyholder payment plan approved by the SIS in relation to the Risk Factor Tables matter which has led to a financial liability being recognised within trade and other payables for the amounts owed (see Note 20). The provision has therefore been released.

Other

Other provisions include regulatory provisions relating to settlements, penalties and levies payable to the Group's various regulators and other smaller provisions.

20 Trade and other payables

Trade and other payables arise in the ordinary course of business.

	Note	2024 £m	2023 £m
Accruals		841	754
Refundable accommodation deposits	(a)	474	464
Amounts owed to Parent		126	118
Trade payables		345	311
Other payables ¹		430	193
Occupational right agreement liabilities	(b)	377	387
Deferred revenue	(c)	136	116
Social security and other taxes		67	74
Total trade and other payables		2,796	2,417
Non-current		173	16
Current		2,623	2,401

1. 2024 includes £181m in respect of a policyholder payment plan for the Isapre business in Chile. The liability will be settled over 13 years in accordance with legislation and the liability has been discounted over this period using a discount rate of 4.245%. See Note 19 for further details.

Trade and other payables (excluding deferred revenue) are carried at amortised cost. The carrying value of trade and other payables is a reasonable approximation of their fair value. Information regarding the maturity of accruals, refundable accommodation deposits, trade payables, other payables and occupational rights agreement liabilities is shown in Note 26.6.

(a) Refundable accommodation deposits

Refundable accommodation deposits are non-interest-bearing deposits paid by some residents of care homes held in Bupa Aged Care Australia as payment for a place in the care home facility. These deposits are repayable at any time when the resident leaves the facility and are therefore not discounted but are recognised as current liabilities in the Consolidated Statement of Financial Position. The deposits are recorded as the proceeds received, net of amounts deducted at the election of the resident.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

(b) Occupational right agreement liabilities

Occupational right agreement liabilities represent the amount payable to a resident on termination of the resident's occupation rights to an independent living unit in a retirement village in New Zealand or Australia or a care home resident occupying a care suite in New Zealand. The liability varies according to the agreement with the resident. Changes in the value of the liability are recorded as an income in the Consolidated Income Statement. Residents have the right to cancel their residency agreement with the Group at any time. As such, the liability is not discounted but is recognised as a current liability in the Consolidated Statement of Financial Position. Occupational right agreement liabilities are held net of deferred management fees and amenities fees receivable.

(c) Deferred revenue

The total balance of £136m (2023: £116m) includes £88m (2023: £80m) of deferred revenue under IFRS 15, related primarily to care home government funding received in advance. The liability is released and recognised as revenue as the services are provided and the performance obligations are satisfied.

Changes in this deferred revenue balance during the year are as follows:

	2024	2023
	£m	£m
At beginning of year	80	79
Revenue recognised	(551)	(437)
Revenue deferred	563	440
Foreign exchange	(4)	(2)
At end of year	88	80

Revenue recognised includes £77m (2023: £72m) of revenue that was deferred at the beginning of the year. £86m (2023: £77m) of revenue deferred as at 31 December 2024 will be recognised during 2025 as the performance obligations are satisfied. £2m (2023: £3m) of revenue deferred as at 31 December 2024 will be recognised over the remaining contract period.

21 Restricted Tier 1 (RT1) notes

The RT1 notes meet the classification of equity and are presented as a separate category of equity in the Consolidated Statement of Financial Position at an amount equal to the proceeds of issue less transaction costs. RT1 coupons are recognised directly in the Consolidated Statement of Changes in Equity, net of tax, upon payment.

	2024	2023
	£m	£m
Restricted Tier 1 notes	297	297

On 24 September 2021, the Company issued £300m of RT1 notes with a fixed coupon of 4.000% paid semi-annually in arrears. Transaction costs of £3m were recognised in respect of the issue. The total coupon paid during the year was £12m (2023: £12m).

The RT1 notes are perpetual, with no fixed maturity or redemption date. The notes have a first call date of 24 March 2032 and interest is payable at the sole and absolute discretion of the Company, with cancelled interest providing no rights to the holder of the notes nor being considered a default. The RT1 notes are therefore treated as equity. The notes are convertible to share capital of the Company on the occurrence of certain trigger events.

22 Share capital

	2024	2023
	£m	£m
Allocated, called-up and fully paid		
200,050,000 ordinary shares of £1 each	200	200

23 Entities in which the Group holds less than 100% equity interest

Additional information is provided for entities which are consolidated where the Group does not hold a 100% interest.

(i) Non-controlling interests (NCI)

On 8 January 2024, the Group acquired an additional 21.57% of the ordinary share capital of Niva Bupa for consideration of £263m, strengthening the Group's presence in the growing Indian health insurance sector. The additional shareholding acquired has resulted in Bupa holding a controlling interest in Niva Bupa of 62.98%, leading to the full consolidation of the company as a

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

subsidiary. Non-controlling interests of £87m have been recognised on acquisition based on a proportionate share of identifiable net assets. This is disclosed further in Note 24.

In November 2024, Niva Bupa successfully completed an IPO, reducing the Group's shareholding to 55.98% (See Note 24).

	Business activity	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principally operates in	Country of incorporation
Niva Bupa Health Insurance Company Limited (Niva Bupa)	Insurance	55.98%	44.02%	India	India

Movement in non-controlling interests in the year is disclosed below:

2024	Niva Bupa £m	Other £m	Total £m
At beginning of year	–	18	18
(Loss)/profit for the year attributable to NCI	(14)	2	(12)
Other movements including foreign exchange translation differences	2	(2)	–
Other comprehensive expense for the year, net of taxation	(12)	–	(12)
Acquisition of subsidiaries attributable to non-controlling interests	87	1	88
Changes in subsidiaries attributable to non-controlling interests	45	1	46
Disposal of subsidiaries attributable to non-controlling interests	–	(2)	(2)
Dividends paid to non-controlling interests	–	(3)	(3)
Total non-controlling interests	120	15	135

Summarised financial information for material non-controlling interests

The table below provides summarised financial information showing the interest that Niva Bupa non-controlling interests have in the Group's activities and cash flows. Dividends paid to material non-controlling interests are already disclosed in movement during the year above.

	Niva Bupa ¹ 2024 £m
Revenue	461
Loss for the year	(53)
Comprehensive expense	(53)
Comprehensive expense attributable to non-controlling interests	(12)
Cash and cash equivalents	40
Other current assets	182
Current assets	222
Non-current assets	601
Current liabilities	(440)
Non-current liabilities	(111)
Net assets	272
Net assets attributable to non-controlling interests	120

1. In 2024 the Group acquired a controlling share of Niva Bupa and it became a fully consolidated subsidiary. 2023 full figures for Niva Bupa have therefore been excluded from the table and are disclosed as an equity-accounted investment in Note 6.

(ii) Consolidation of entities in which the Group holds less than 50% equity interest

Eurocredit Investment Fund 1 plc

Eurocredit Investment Fund is a structured entity set up for the purpose of investing in primary and secondary secured loans. Bupa is the only investor in the issued debt of the entity and is exposed to the risks and rewards of the fund.

24 Business combinations and disposals

A business combination refers to the acquisition of a controlling interest in a business, which is further defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing economic benefits to the owners. A disposal refers to the sale of a subsidiary, liquidation or closure of a company or a business.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

Business combinations are accounted for using the acquisition method. Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any non-controlling interests are recognised as a proportionate share of the acquiree's net identifiable assets.

The identification and valuation of intangible assets arising on business combinations is subject to a degree of estimation and judgement. We engage independent third parties to assist with the identification and valuation process. In valuing these intangible assets, market-accepted methodologies have been applied. Customer relationships are valued using methodologies such as the Multi-Period Excess Earnings Method (where the value of an intangible asset is equal to the present value of the after-tax cash flows attributable only to that intangible asset). Brands and trademarks are valued using methodologies such as the Relief from Royalty Method (applying an estimated royalty rate to the projected sales relating to each asset over the economic life).

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets acquired is recorded as goodwill.

Acquisition accounting must be completed within 12 months of the transaction date.

Costs related to the acquisition are expensed as incurred.

(a) 2024 acquisitions

During the year, the Group made acquisitions for a total consideration of £316m, recognising net assets on acquisition of £154m. The most significant being the increase in the Group's investment in Niva Bupa Health Insurance Company Limited ("Niva Bupa"), an Indian health insurer.

The following table summarises acquisitions recognised during the year:

	Niva Bupa Fair value £m	Other Fair value £m
Intangible assets	41	5
Property, plant and equipment	10	19
Financial investments	477	–
Reinsurance contract assets	46	–
Trade and other receivables	2	9
Cash and cash equivalents	44	1
Subordinated liabilities	(24)	–
Lease liabilities	(8)	(9)
Deferred taxation liabilities	(4)	(1)
Provisions for liabilities and charges	(2)	–
Insurance contract liabilities	(301)	–
Trade and other payables	(50)	(12)
Non-controlling interests share of net assets	(87)	–
Bupa's share of consolidated net assets¹	144	12
Bupa's share of consolidated net assets	144	12
Goodwill ¹	536	38
Existing investment in associate	(96)	–
Fair value adjustment to investment in associate	(321)	–
Consideration¹	263	50
Consideration satisfied by:		
Cash	263	50
Total consideration paid¹	263	50
Purchase consideration settled in cash	263	50
Cash acquired on acquisition	(44)	(1)
Net cash outflow on acquisition of controlling interest	219	49
Net cash outflow associated with acquisitions	219	49

1. Includes adjustments to goodwill £(5)m, consideration £(3)m and net assets £2m from prior year acquisitions.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

Niva Bupa

On 8 January 2024, the Group acquired an additional 21.57% of the ordinary share capital of Niva Bupa for consideration of £263m, strengthening the Group's presence in the growing Indian health insurance sector. The additional shareholding acquired has resulted in Bupa holding a controlling interest in Niva Bupa of 62.98%, leading to the full consolidation of the company as a subsidiary. Immediately prior to the acquisition on 8 January 2024, the Group's existing stake in Niva Bupa was remeasured by £321m to a fair value of £417m, resulting in the Group recording a net £309m gain through other income and charges in the Consolidated Income Statement after the release of associated foreign exchange translation reserves. Non-controlling interests of £87m have been recognised on acquisition based on a proportionate share of identifiable net assets. Transaction costs of £3m have been recognised within other operating expenses.

The Group has identified intangible assets of £41m, representing customer relationships (£38m) and software (£3m) with useful lives of 12 and 3 years respectively. Goodwill of £536m has been recognised, arising on the write-up of the previously held investment to fair value (£321m) and the increase in shareholding (£215m). Goodwill is not deductible for tax purposes, and represents the future profit growth that is expected to be achieved through accessing the growing Indian health insurance sector. In future periods, goodwill will be assessed for impairment in line with the accounting policies as detailed in Note 3 based on the estimated fair value of the business.

The Group has recognised £461m of revenue, and £66m of loss before taxation in respect of Niva Bupa in the Consolidated Income Statement for the year ending 31 December 2024 since acquisition on 8 January 2024. Profit on business incepted pre-acquisition that would normally be earned during 2024 has been recognised as a fair value adjustment on acquisition by the Group, together with some changes to align accounting policy choices to those of the Group.

As part of this transaction, put options were issued to non-controlling interest parties whereby the Group could be required to acquire additional shares from non-controlling interest parties of Niva Bupa between 1 January 2027 and 30 June 2030, at fair market value, if a successful IPO of Niva Bupa was not completed. The Group recognised a share purchase liability of £105m on initial recognition directly against equity reserves, being the Group's estimate of the discounted amount required to settle the liability based on the acquisition valuation.

On 14 November 2024, Niva Bupa successfully listed on the National Stock Exchange of India via an IPO. The listing involved new capital being raised and the sales of existing shares, reducing the Group's controlling interest to 55.98% and resulting in a gain of £62m being recognised in equity. This also resulted in the derecognition of the share purchase liability against equity.

Other

In June 2024, the Group acquired 70% of two companies operating dermatology clinics business in Spain, for consideration of £12m. Goodwill of £10m and intangible assets of £2m were recognised on acquisition.

As part of this transaction, a put option and call option have been issued to non-controlling interest parties and the Group respectively, whereby the Group can be required to acquire up to 30% of the non-controlling interest parties shareholdings of the two companies between 31 May 2029 and 30 August 2029, at fair market value, subject to the exercise of the options. The Group has therefore recognised a share purchase liability of £6m on initial recognition directly against equity reserves, being the Group's estimate of the discounted amount required to settle the liability. Subsequent remeasurements of the put option due to changes in fair value are recognised in the Consolidated Income Statement.

Other minor acquisitions in the year included acquisitions of a private hospital, a private outpatient care provider and two dental clinics in Poland for total consideration of £12m. Net assets of £6m were recognised in respect of the acquisitions along with associated goodwill of £6m. The Group acquired the Dermatology Partnership, Blackberry Clinics and London Medical in the UK, a small clinic business in Spain and a healthcare software company in Türkiye for total consideration of £24m. Net liabilities of £1m, goodwill of £22m and intangible assets of £3m were recognised on these acquisitions. The Group also acquired four health centres in Australia for consideration of £4m with associated goodwill of £4m and seven dental clinics in Spain for consideration of £1m with associated goodwill of £1m.

There was an adjustment to goodwill and consideration in respect of the prior year acquisitions in Brazil, Poland and the UK. Goodwill acquired decreased by £5m and consideration decreased by £3m.

Included in the Group Consolidated Income Statement is revenue of £25m and a profit before taxation of £nil in relation to those businesses acquired in the year.

If the acquisition date of Niva Bupa and the other businesses acquired during the year had been 1 January 2024, the Group would have reported revenue of £16,968m and a profit before taxation of £1,155m for the year ended 31 December 2024.

(b) 2024 disposals

During 2024, the Group made disposals for a total consideration of £42m, recognising net loss on disposals of £15m.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

The Group completed the sale of 7 care homes in Bupa Villages and Aged Care New Zealand for consideration of £20m, one care home in Bupa Villages and Aged Care Australia for consideration of £7m, and the sale of 2 care homes within Bupa UK Care Services for consideration of £4m, resulting in a net gain on disposal of £3m in total. In addition, the Group completed the sale of 32 dental clinics in the UK for consideration of £6m, resulting in a net loss on disposal of £6m. The Group also completed the sale of 8 dental clinics in Australia for consideration of £2m, resulting in a net loss on disposal of £8m.

Other minor disposals in the year included the sale of Bupa Insurance (Bolivia) S.A for consideration of £3m and the disposal of the Group's equity interest in Mobile Dental Pty Ltd.

(c) 2023 acquisitions

During 2023, the Group made acquisitions for total consideration of £63m, recognising net assets on acquisition of £26m.

In June 2023, the Group acquired the insurance and medical business of Asefa, S.A. Seguros y Reaseguros, an insurance company specialising in the construction industry that operates in Spain, for consideration of £32m. Intangible assets consisting of customer relationships and computer software totalling £18m, other net liabilities of £1m and resulting goodwill of £15m were recognised on acquisition.

Acquisitions with a total consideration of £13m were made in Poland over the course of the year as the Group continued to grow and enter into new market segments. These included the acquisitions of Orthos, Stomatologia Makara and 4Dent for consideration of £13m. Intangible assets consisting of brands/trademarks of £1m and other net assets of £4m were recognised in respect of the acquisitions along with associated goodwill of £8m.

Acquisitions with a total consideration of £15m were made in Brazil as part of a strategic plan to acquire new businesses in the region. These included the acquisitions of Instituto de Previdência e Assistência Odontologia Ltda and Vacinar Centro De Imunizacao Ltda for consideration of £8m and £7m respectively. Intangible assets consisting of customer relationships of £3m were recognised in respect of the acquisitions along with associated goodwill of £12m.

In addition, in December 2023, the Group acquired Smart Clinics Limited, a private members healthcare company operating in the UK, for consideration of £4m; other net assets of £1m and resulting goodwill of £3m were recognised on acquisition.

There was an adjustment to goodwill and consideration in respect of the 2022 acquisitions in Poland. Both goodwill acquired and consideration decreased by £1m.

Included in the Consolidated Income Statement for the year ended 31 December 2023 is revenue of £18m and profit before taxation of £1m in relation to those businesses acquired in the year.

If the acquisition date of the businesses acquired during the year had been 1 January 2023, the Group would have reported revenue of £15,142m and profit before taxation of £720m for the year ended 31 December 2023.

(d) 2023 disposals

During 2023, the Group made disposals for a total consideration of £31m, recognising net loss on disposals of £1m.

The Group completed the sale of 4 care homes and a retirement village in Bupa Villages and Aged Care New Zealand for consideration of £11m and the sale of 3 care homes within Bupa UK Care Services for consideration of £14m, resulting in a net gain on disposal of £3m.

In addition, the Group completed the sale of 12 dental clinics in the UK for consideration of £4m, resulting in a net gain on disposal of £3m. Other minor disposals in the year included 5 dental clinics in Australia.

The Group liquidated Amedex insurance company resulting in a net gain on disposal of £2m and liquidated Sonorad company in Integramedica business resulting in a net loss on disposal of £8m. Other minor liquidations in the year included the closure of 2 clinics in China.

25 Capital management

The Parent, Bupa, is a company limited by guarantee, with no shareholders. It is funded through retained earnings and borrowings. Bupa's capital management objective is to maintain sufficient capital to protect the interests of its customers, investors, regulators and trading partners while deploying capital efficiently and managing risk to enable Bupa to continue to deliver its purpose in a sustainable manner. All profits are reinvested to develop Bupa's business for the benefit of current and future customers.

The Bupa Group is subject to the requirements of the UK Solvency II framework which replaces the Solvency II framework as enacted in the UK, effective from 31 December 2024.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

Bupa must hold sufficient capital to cover its Group Solvency Capital Requirement (SCR), which takes account of the risks in the Group, including those related to non-insurance businesses.

Bupa's SCR is calculated in accordance with the Standard Formula specified under UK Solvency II. Bupa has obtained approval from the PRA to substitute the insurance premium risk parameter in the Standard Formula with a Group Specific Parameter (GSP) which reflects Bupa's own loss experience.

The capital positions of the Bupa Group and its regulated insurance entities are kept under regular review and these are reported quarterly to the Board.

Bupa's capital resources are managed in line with the Bupa Group Capital Management Policy. While Bupa is subject to the UK Solvency II requirements at a consolidated level, all regulated entities within the Group maintain sufficient capital resources to meet any minimum capital requirement required by respective local regulators. In addition, Bupa and its regulated entities are required to maintain a buffer over the regulatory minimum requirements in line with their capital risk appetites. During the year, Bupa and its regulated entities complied with all external capital requirements. The ability of the Group's regulated entities to transfer funds to parent entities is subject to local solvency requirements.

Bupa has target ranges for solvency and leverage ratios with a view to maintaining investment grade access to both senior and subordinated bond markets. Bupa as a whole is not rated by any rating agency. Individual debt issues and certain subsidiaries within the Group have public ratings from both Fitch and Moody's.

At least annually, the Bupa Group carries out an Economic Capital Assessment (ECA) in which it makes its own quantification of how much capital is required to support its risks. The ECA is used to assess how well the Standard Formula SCR reflects the Group's actual risk profile.

The ECA forms part of the Own Risk and Solvency Assessment (ORSA) which comprises all the activities by which the Group establishes the level of capital required to meet its solvency needs over the planning period given Bupa's strategy and risk appetite. The conclusions from these activities are summarised in the ORSA report which is reviewed by Bupa's Risk Committee, approved by the Board and submitted to the PRA annually.

Bupa's eligible Own Funds include Bupa Group IFRS net assets of £8.0bn valued on a UK Solvency II basis, together with eligible subordinated liabilities, subject to adjustments for non-available assets and non-controlling interests.

As at 31 December 2024, Bupa's eligible Own Funds, determined in accordance with the UK Solvency II valuation rules, were £5.4bn¹ (2023: £5.0bn), which was in excess of the Bupa Group estimated SCR of £3.1bn¹ (2023: £2.9bn). This represented a solvency coverage ratio of 176%¹ (2023: 175%).

1. The UK Solvency II Capital position (eligible Own Funds, SCR and coverage ratio) is estimated and unaudited.

26 Risk management

The Bupa Risk Committee has responsibility to the Board for the oversight of risk. It recommends to the Board a risk appetite that reflects Bupa's purpose and expresses the degree of risk Bupa should accept in delivering on its strategy.

Bupa operates a 'three lines' approach to the governance of risk management:

1. Business management and employees are responsible for the identification and assessment of risks and controls.
2. Risk and Compliance functions provide support and challenge the completeness and accuracy of risk assessments and the adequacy of mitigation plans.
3. Internal Audit provides independent and objective assurance on the robustness of the risk management framework, and the appropriateness and effectiveness of internal controls.

The operations of the risk management framework and current principal risks of the Group and how they are mitigated are described on pages 15-18.

The Group has adopted a risk management strategy that endeavours to mitigate these risks, which is approved by the Board. In managing these exposures, the Corporate Finance Executive Committee reviews and recommends changes to the management of insurance and investment risks.

The Group has exposure to a number of financial risks associated with its insurance business and from its use of financial instruments. As we operate in highly regulated industries these risks can also be impacted by regulatory or government policy changes. These have been categorised into the following types of financial risk, and details of the nature, extent, and how the Group has managed these risks is described below.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

- Insurance risk
- Market risk
- Credit risk
- Liquidity risk

26.1 Insurance risk

Insurance risk only affects the insurance entities in the Group (see Note 12). It consists of underwriting risks which relate to the potential inadequacy of insurance premiums as well as reserving risk which relates to the potential inadequacy of claims provisions.

(i) Underwriting risk

Underwriting risk refers to the potential deviation of claims experience from the actuarial assumptions used for setting insurance premium rates which could lead to premium inadequacy. Underwriting risk is therefore concerned with both the setting of adequate premium rates (pricing risk) and the management of claims (claims risk) for insurance policies underwritten by the Group.

Pricing risk

Pricing risk relates to the setting of adequate premium rates taking into consideration the volume and characteristics of the insurance policies issued. External influences on pricing risk include (but are not limited to) competitors' pricing and product design initiatives, regulatory environments, economic factors and claims. The level of influence from these external factors can vary significantly between regions and largely depends on the maturity of health insurance markets and the role of the regulator. Actuarial analysis performed on a regular basis combined with an understanding of local market dynamics and the ability to change insurance premium rates when necessary, subject to any pricing controls, are effective risk mitigations.

The direct impacts of climate change on health are relatively unclear but these impacts are likely to emerge over time and the short-tailed nature of the Group's products allows for responses to be made to any developments relatively promptly, although this can be limited by pricing controls in some markets.

In every health insurer in the Group, the dominant product or policy category is an annually renewable health insurance contract. This permits insurance premium rate revisions to respond quickly to changes in customer risk profiles, claims experience and market considerations.

The ability to review premium rates is a significant mitigant to pricing risk. The Group does not underwrite a significant amount of health insurance business that commits it to cover risks at premiums fixed beyond a 12-month period from inception or renewal.

Claims risk

Claims risk is the risk of claims exceeding the amounts assumed in the premium rates. This can be driven by adverse fluctuations in the amount and incidence of claims incurred and external factors such as medical inflation.

Claims risk is managed and controlled by means of pre-authorisation of claims, outpatient benefit limits, the use of consultant networks and/or agreed networks of hospitals and charges. Specific claims management processes vary across the Group depending on the local requirements, market environment and practice.

Any identified recent adverse fluctuations in claims experience to date are reflected in these Consolidated Financial Statements in the claims paid and movements in the LFIC. Factors underlying such fluctuations could include changes in medical inflation, customer claiming behaviours, utilisation and other internal and external factors. Adverse movements in respect of claims experience relating to future periods will be reflected in the next financial year's Consolidated Financial Statements.

Generally, the Group's health insurance contracts provide for the reimbursement of incurred medical expenses, typically in-hospital for treatment related to acute, rather than chronic, medical conditions. The contracts do not provide for capital sums or indemnified amounts. Therefore, claims experience is underpinned by prevailing rates of acute sickness events giving rise to hospitalisations. Claims risk is generally mitigated by having processes to ensure that both the treatments and the resulting reimbursements are appropriate.

(ii) Reserving risk

Reserving risk is the risk that provisions made for claims prove to be insufficient in light of later events and claims experience. There is a relatively low exposure to reserving risk compared with underwriting risk due to the very short-term nature of the claims development patterns. The short-term nature of the Group's health insurance contracts means that movements in claims development assumptions are generally not significant. The development claims settlement patterns are kept under regular review to maintain the validity of the assumptions and, hence, the validity of the estimation of recognised health insurance liabilities. In most jurisdictions, the Group has established fee agreements with healthcare provider groups to limit the impact of unexpected claims cost inflation.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

The amount of claims provision at any given time that relates to potential claims payments that have not been resolved within one year is less than 5% in the context of the Group. The small provisions that relate to longer than one year can be calculated with reasonable confidence.

(iii) Other risks related to underwriting health insurance business

Except for the circumstances described in Note 12, claims provisions are not discounted as claims are expected to be materially settled in one year or less from the date that the claim has been incurred. The short-term nature of the claims means that changes in interest rates have no material impact on reserving risk. In addition, the future premium income and claims outflows of health insurance premium liabilities are largely unaffected by changes in interest rates. However, changes to inflationary factors such as wage inflation and medical cost inflation affect the value of future claims outflows.

The Group's health insurance contracts do not contain embedded derivatives; however, the Group is exposed to foreign currency risk through some of the insurance liabilities which are settled in a local currency. Where possible, these liabilities are matched to assets in the relevant currency to hedge this exposure, as described in Note 26.3.

The majority of the Group's health insurance activities are single-line health portfolios. Even though only one line of business is involved, the Group does not have significant concentration of insurance risk for the following reasons:

- Broad geographical diversity across several markets – across the UK, Spain, Türkiye, Australia, Latin America, India, the Middle East and Hong Kong.
- Product diversity between domestic and expatriate, and individual and corporate health insurance.
- A variety of claims type exposures across diverse medical providers: consultants, clinics, individual hospitals and hospital groups.

The Group as a whole, and its principal health insurance entities, are well diversified in respect of insurance risk. In select circumstances the Group uses reinsurance to transfer risk. The reinsurance used does not give rise to a material counterparty default credit risk exposure for the Group. Restrictions are in place on the credit quality and amount of reinsurance ceded to individual counterparties.

(iv) Catastrophe risk

A natural disaster or a man-made disaster could potentially lead to a larger than expected number of claims being received over a short period of time, resulting in higher than expected claims costs. In the majority of jurisdictions, the Group is not contractually liable for such claims. Risks are reduced to a limited extent by excess of loss reinsurance provided by third party reinsurers. Bupa's Group Actuarial function oversees and implements strategic improvements to ensure the overall adequacy of these arrangements.

26.2 Market risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuations in interest rates, foreign exchange rates, commodity prices, credit spreads and equity prices. The focus of the Group's long-term financial strategy is to facilitate growth without undue balance sheet risk.

In order to reduce the risk of assets being insufficient to meet future policyholder obligations, the Group actively manages assets using an approach that balances duration, quality, diversification, liquidity and investment return.

The Group invests in a limited portfolio of return-seeking assets (principally bonds and loans) via the regulated entities in the UK and Australia. These assets totalled £647m as at 31 December 2024 (2023: £671m). These entities use value at risk analysis (VaR) to quantify risk, taking account of asset volatility and correlation between asset classes.

In addition to local VaR thresholds, the Group applies an aggregate VaR limit to all cash and investments within regulated insurance entities, which is designed to limit the expected decline in capital coverage by a fixed percentage in stress scenarios of 1-in-20 year probability. Additional supporting controls are applied to manage the level of exposure to market risk, which include limits on exposure to individual counterparties and a cap on the overall exposure to Sub-Investment Grade issuers.

26.3 Foreign exchange risk

The Group is exposed to foreign exchange risks arising from commercial transactions and from recognising assets, liabilities and investments in overseas operations. The Group is exposed to both transaction and translation risk. The former is the risk that a company's cash flows and realised profits may be impacted by movements in foreign exchange rates. The latter arises from translating the financial statements of a foreign operation into the Group's presentational currency.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

The results and financial position of the Group's foreign entities that do not have a functional currency of sterling are translated into sterling as follows:

- Assets and liabilities at the exchange rate at the reporting date.
- Income and expenses at average rates for the period.

All foreign exchange differences arising on translation are recognised initially in other comprehensive income, and are only subsequently reclassified to the Consolidated Income Statement in the period in which the entity is eventually disposed.

Foreign currency transactions in the Group's subsidiaries are measured using the functional currency of the subsidiary, which is based on the primary economic environment in which the subsidiary operates. The transactions are translated into the functional currency at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate ruling at the reporting date; the resulting foreign exchange gain or loss is recognised in operating expenses, except where the gain or loss arises on financial assets or liabilities, when it is presented in financial income or financial expense as appropriate.

Non-monetary assets and liabilities denominated in a foreign currency at historical cost are translated using the exchange rate at the date of the transaction; therefore, no exchange differences arise.

Non-monetary assets and liabilities denominated in a foreign currency at fair value are translated using the exchange rate ruling at the date that the fair value was determined. Transactional foreign exchange differences are recognised in operating expenses.

Transactional exposures arise as a result of differences between the currency of local revenues and claims, typically in the case of international private medical insurance. The currency exposures are deemed to be acceptable but are kept under review by management.

As disclosed in Note 1.7, Türkiye is a hyperinflationary economy. As a consequence, IAS 29 is applied and the results and balances for the Group's Turkish operations have been adjusted for changes in the general purchasing power of the Turkish lira. In addition, all Turkish lira amounts, including transactions in the Income Statement during the year, are translated to the Group's presentation currency of sterling, using the closing exchange rate in effect on 31 December 2024. The impact of this adjustment is recorded within other foreign exchange translation differences in the Consolidated Statement of Comprehensive Income and within the foreign exchange translation reserve in the Consolidated Statement of Financial Position. The Group recognises the remaining exchange difference arising on consolidation within other foreign exchange translation differences through other comprehensive income in the foreign exchange translation reserve.

The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2024	2023	2024	2023
Australian dollar	1.94	1.87	2.02	1.87
Brazilian real	6.89	6.21	7.74	6.19
Chilean peso	1,206.35	1,045.33	1,244.25	1,123.02
Danish krone	8.81	8.57	9.01	8.61
Egyptian pound	57.98	38.17	63.65	39.42
Euro	1.18	1.15	1.21	1.15
Hong Kong dollar	9.97	9.74	9.72	9.95
Indian rupee	106.94	102.71	107.14	106.08
Mexican peso	23.43	22.05	26.14	21.62
New Zealand dollar	2.11	2.03	2.24	2.02
Polish zloty	5.09	5.22	5.17	5.01
Saudi riyal	4.80	4.67	4.70	4.78
Turkish lira ¹	44.26	37.66	44.26	37.66
US dollar	1.28	1.24	1.25	1.27

1. Closing rate of Turkish lira applied to average rate following the application of IAS 29. See Note 1.7 for details.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

Foreign exchange hedging activities

The Group manages its exposure to foreign exchange risk by entering into hedging transactions using derivative financial instruments. The Group also uses non-derivative financial instruments, specifically foreign currency borrowings to hedge foreign currency risk on its net investments in foreign operations. The Group applies fair value, cash flow and net investment hedge accounting.

The hedging relationship between a hedging instrument and a hedged item is formally documented. Documentation includes the risk management objectives and the strategy in undertaking the hedge transaction.

(a) Fair value hedges

Where a derivative financial instrument hedges the change in fair value of a recognised asset or liability or an unrecognised firm commitment, any gain or loss on remeasurement of the hedging instrument at fair value is recognised in the Consolidated Income Statement. The hedged item is fair valued for the hedged risk with any gain or loss on remeasurement being recognised in the Consolidated Income Statement.

(b) Cash flow hedges

Where a derivative financial instrument hedges the change in cash flows related to a recognised asset or liability, or a highly probable forecast transaction, it is accounted for as a cash flow hedge.

The effectiveness of a cash flow hedge is the degree to which the cash flows attributable to a hedged risk are offset by changes in the cash flows of the hedging instrument. The effective portion of any gain or loss on the hedging instrument is recognised directly in other comprehensive income until the forecast transaction occurs, i.e. when a hedged interest payment is recognised in the Consolidated Income Statement, the related hedging gain or loss is also recycled to the Consolidated Income Statement, and when a hedged business combination is recognised, the hedging gain or loss is also recycled to goodwill in the Consolidated Statement of Financial Position. The ineffective portion of the gain or loss is always recognised in the Consolidated Income Statement.

If the hedged cash flow is no longer expected to take place, all deferred gains and losses are released to the Consolidated Income Statement immediately. If the hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss at that point remains in other comprehensive income and is recognised in accordance with the above policy when the transaction occurs.

The impact of cash flow hedging activity is set out below.

	2024	2023
	£m	£m
Notional amounts	26	261
Carrying amount – Liabilities	–	(7)
	Derivative assets/ liabilities	Derivative assets/ liabilities
Financial statement line item		
Change in value used for calculating hedge ineffectiveness	2	(7)
Hedging loss recognised in other comprehensive income	2	(7)
Consolidated Income Statement line item (for ineffectiveness)	Financial income	Financial expense
Amount reclassified from foreign currency translation reserve to the Consolidated Income Statement	(5)	–
Consolidated Income Statement line item (for reclassifications)	Financial income	Financial expense
Financial statement line item (for reclassifications)	Goodwill	Goodwill
Change in value used for calculating hedge ineffectiveness	–	(7)
Amounts in reserves for continuing hedges	–	(7)

In 2023, foreign currency swap contracts of INR 27,000m (£261m) were entered into to hedge the cash outflows in relation to the acquisition of Niva Bupa Health Insurance Company Limited completed in 2024.

As at 31 December 2024, the cash flow hedge reserve amounts to £nil (2023: £7m).

(c) Net investment hedging

The Group hedges appropriate levels of its net asset exposures after taking into consideration key regulatory and financial metrics. In using derivatives to hedge currency risk, the Group designates the forward element of foreign currency forward and swap contracts as hedging instruments. The Group hedges the net investments only to the extent of the notional amount of the foreign exchange leg of the hedging derivative.

Where the Group uses foreign currency denominated debt to hedge currency risk, the Group designates the foreign currency exposure on the debt as the hedge of the change in the value of the investment in foreign operation attributable to a change in the spot rate. Changes in foreign currency exposure on the debt are determined in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

Changes in the fair value of the hedging instruments are initially recognised in other comprehensive income to the extent that the hedge is effective. Exchange differences arising on the consolidation of these net assets are deferred in equity until the foreign operation is disposed of or liquidated, when the differences are then recognised in the Consolidated Income Statement as part of the gain or loss on disposal.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instruments and the hedged items by comparing changes in the fair value of the hedging instrument with changes in the fair value of a hypothetical derivative, representing the net investment. An amount equal to the excess of the cumulative change in the fair value of the hedging instruments over the cumulative change in the fair value of the hypothetical derivative, is recorded in the Consolidated Income Statement as ineffectiveness. When using derivatives as hedging instruments, ineffectiveness is expected to arise from the effect of the counterparty and the Group's credit risk on the fair value of the derivative which is not reflected in the hypothetical derivative. Ineffectiveness could also arise from currency basis, which is present in the hedging derivative but excluded from the hypothetical derivative.

Effect of foreign exchange hedging transactions

The table below shows the notional amounts and carrying values of the currency contracts and other interest-bearing liabilities held by the Group to hedge its net investment in foreign operations as at the end of the year, along with the impact of net investment currency hedging activity.

	2024	2023
	£m	£m
Notional amounts	1,340	1,527
Carrying amount – Assets	44	22
Carrying amount – Liabilities ¹	(429)	(458)
	Derivative assets/ Derivative liabilities/ Other interest- bearing liabilities	Derivative assets/ Derivative liabilities/ Other interest-bearing liabilities
Financial statement line item		
Change in value used for calculating hedge ineffectiveness	79	73
Hedging gain recognised in other comprehensive income	79	73
Hedge ineffectiveness recognised in Consolidated Income Statement	–	–
Consolidated Income Statement line item (for ineffectiveness)	Financial expense	Financial expense
Consolidated Income Statement line item (for reclassifications)	Financial expense	Financial expense
Change in value used for calculating hedge ineffectiveness	79	73
Amounts in reserves for continuing hedges	79	73

1. Includes €500m of senior unsecured bonds which has been designated as a hedge of net investment in foreign operations. A gain of £19m (2023: £1m) has been recognised in hedging gain recognised in other comprehensive income and change in value used for calculating hedge ineffectiveness. Details of the bond are included in Note 17.

In the Consolidated Financial Statements, where a loan between Group entities results in an exchange gain or loss, then it is recognised in the Consolidated Statement of Comprehensive Income to the extent that it relates to the Group's net investment in overseas operations.

The Group has exposure to both translational and transactional foreign exchange risk arising from its overseas operations. Currency exposures as at 31 December 2024 are as follows:

	Net currency exposure ¹	Currency contracts	Net currency exposure including hedges
	£m	£m	£m
2024			
Australian dollar	2,433	(497)	1,936
Euro ¹	433	(90)	343
Indian rupee	799	–	799
New Zealand dollar	504	(192)	312
Polish zloty	573	(29)	544
US dollar	149	(522)	(373)
Other	751	263	1,014
Total foreign currency denominated net assets	5,642	(1,067)	4,575
Percentage of Group net assets	73%		59%

1. Euro net currency exposure includes €500m of senior unsecured bonds utilised as a hedging instrument. Details of the bond are included in Note 17.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

	Net currency exposure ¹ £m	Currency contracts £m	Net currency exposure including hedges £m
2023			
Australian dollar	2,492	(548)	1,944
Euro ¹	452	(76)	376
Indian rupee	–	255	255
New Zealand dollar	564	(262)	302
Polish zloty	551	(30)	521
US dollar	128	(408)	(280)
Other	1,045	99	1,144
Total foreign currency denominated net assets	5,232	(970)	4,262
Percentage of Group net assets	75%		61%

1. Euro net currency exposure includes €500m of senior unsecured bonds utilised as a hedging instrument. Details of the bond are included in Note 17.

Currency risk exposure for insurance contracts is provided below:

	Net insurance contracts £m	Reinsurance held £m	Total £m
2024			
Australian dollar	(704)	–	(704)
Euro	(303)	–	(303)
Indian rupee	(466)	50	(416)
US dollar	(250)	14	(236)
Other	(675)	6	(669)
Total foreign currency denominated insurance/reinsurance contracts	(2,398)	70	(2,328)
Percentage of Group net assets	31%	1%	30%

	Net insurance contracts £m	Reinsurance held £m	Total £m
2023			
Australian dollar	(748)	–	(748)
Euro	(318)	2	(316)
US dollar	(238)	14	(224)
Other	(702)	6	(696)
Total foreign currency denominated insurance/reinsurance contracts	(2,006)	22	(1,984)
Percentage of Group net assets	29%	1%	28%

The impact of reasonably possible changes in sterling against the currencies below, with all other variables constant, would have (decreased)/increased profit and equity by the amounts shown below. As currency risk is managed by the Group on a net asset basis, the impact of reasonably possible changes in the currencies of insurance contract liabilities and reinsurance contract assets are not considered separately.

These tables consider both translation and transaction risk.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

	Strengthening 10%		Weakening 10%	
	(Losses)/gains included in Consolidated Income Statement	(Losses)/gains included in equity	Gains/(losses) included in Consolidated Income Statement	Gains/(losses) included in equity
	£m	£m	£m	£m
2024				
Australian dollar	(27)	(176)	34	215
Euro	(22)	(31)	27	38
Indian rupee	6	(73)	(7)	89
New Zealand dollar	(1)	(28)	2	35
Polish zloty	(5)	(49)	7	60
US dollar	(12)	34	15	(41)
Other	(24)	(93)	26	112
Total sensitivity	(85)	(416)	104	508

	Strengthening 10%		Weakening 10%	
	Losses included in Consolidated Income Statement	(Losses)/gains included in equity	Gains included in Consolidated Income Statement	Gains/(losses) included in equity
	£m	£m	£m	£m
2023				
Australian dollar	(5)	(177)	6	216
Euro	(19)	(34)	23	42
New Zealand dollar	(1)	(27)	1	34
Polish zloty	(4)	(47)	5	58
US dollar	(2)	25	3	(31)
Other	(7)	(127)	9	154
Total sensitivity	(38)	(387)	47	473

26.4 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk arising from fluctuations in market rates. This affects the return on variable-rate assets, the cost of variable-rate liabilities and the Statement of Financial Position value of its investment in fixed rate bonds. Variable-rate assets represent a natural hedge for variable-rate liabilities.

The net asset balance on which the Group is exposed as at 31 December 2024 was £3,511m (2023: £2,730m). The rate at which maturing deposits are reinvested, in currencies such as sterling and Australian dollar where the Group has a significant variable-rate net asset exposure, represents a significant potential risk to the Group.

The Group has also used interest rate swaps to manage interest rate exposure whereby the requirement to settle interest at fixed rates has been swapped for variable rates. This increases the ability to match variable-rate assets with variable-rate liabilities.

Variable loans are repriced at intervals of between one and six months. Interest is settled on all loans in line with agreements and is settled at least annually.

The impact of a reasonably possible rise of 100 basis points (bps) in interest rates at the reporting date, on an annualised basis, would have decreased equity by £29m and increased profit by £7m (2023: decrease of £1m and £2m respectively). The impact of a fall of 100 bps in interest rates, on an annualised basis, would have the inverse effect. This calculation is based on the assumption that all other variables, in particular foreign exchange rates, remain constant.

Interest rate hedging activities

The Group applies fair value hedges and cash flow hedges to hedge its exposure to interest rate risk on its borrowings.

As at 31 December 2024, interest rate swaps totalling £507m (2023: £817m) have been entered into, to swap the fixed rate coupon of the £300m senior unsecured bond and 50% of the €500m senior unsecured bond, to a variable rate. These interest rate swaps are designated as fair value hedges of the underlying interest rate risk on the debt. The fair value movement in the bonds attributable to the hedged risk for the year ended 31 December 2024 amounted to a loss of £7m (2023: gain of £38m). The fair value movement on the interest rate swaps amounted to a gain of £8m (2023: loss of £38m) and the fair value and carrying value of this derivative is a £15m liability (2023: £23m liability).

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

26.5 Credit risk

Credit risk is the risk that those that are in debt to the Group default on their obligations. Examples of credit risk would be non-payment of a trade receivable or a corporate bond failing to repay the capital sum and related interest.

Investment exposure with external counterparties is managed by the Enterprise Treasury Policy which ensures that there is a sufficient spread of investments and that cash and investment counterparties are rated at least A/A2 unless otherwise approved. The Corporate Finance Executive Committee approves the full list of counterparties used on a periodic basis. There are exceptions to the A/A2 rating requirement for a number of reasons including where local country ratings are below this level and due to certain regulatory and commercial requirements in specific markets.

In estimating ECL on financial investments held at amortised cost and FVOCI, the Group reviews individual issuer's default probability based on a credit score model over a 12-month horizon to determine whether there has been a material change in an issue score from the preceding period. Where a specific default score is not available for a single investment, average default probabilities for instruments with a similar credit rating are used. Determining when an issuer is in financial difficulty and that a lifetime ECL allowance is required, requires the use of judgement. The Group considers a number of factors including economy wide and industry specific risk factors, issuer's financial and liquidity position, near-term prospects, credit rating declines and known breaches of contracts in determining financial difficulty.

When there is objective evidence of impairment of a financial asset as a result of one or more events and the event has an impact on the estimated future cash flows of the assets that can be reliably estimated, the Group considers such investment as credit impaired. To the extent that an investment is impaired, it is written down to its recoverable amount, measured as the present value of expected future cash flows discounted at the original effective interest rate on the instrument. Subsequent recoveries in excess of the written-down carrying value are credited to the Consolidated Income Statement.

The investment profile (including financial investments, restricted assets and cash and cash equivalents) as at 31 December is as follows:

	2024 £m	2023 £m
Investment grade counterparties	5,491	5,194
Non-investment grade counterparties	1,331	844
Total	6,822	6,038

Investment grade counterparties include restricted assets of £135m (2023: £118m). Non-investment grade counterparties are those rated below BBB-/Baa3, and mainly comprise corporate bonds, government bonds, deposits with credit institutions and pooled investment funds of £605m (2023: £659m), and cash and cash equivalents of £266m (2023: £183m).

Assets pledged as security include £137m (2023: £122m) of cash held in restricted access deposits.

Information regarding the credit risk exposure for financial assets held at fair value through other comprehensive income and amortised cost is provided below.

	Government debt securities £m	Corporate debt securities and secured loans £m	Deposits with credit institutions £m	Reinsurance contract assets £m	Restricted assets £m	Cash and cash equivalents £m
2024						
AAA	93	182	–	–	–	18
AA- to AA+	276	587	700	25	1	618
A- to A+	86	516	268	20	134	1,009
BBB- to BBB+	258	221	3	–	1	81
BB+ and below (below investment grade)	219	292	92	45	1	266
Total	932	1,798	1,063	90	137	1,992
Loss allowance ¹	(2)	(1)	–	–	–	–
Carrying amount	930	1,797	1,063	90	137	1,992

1. In addition to the loss allowance shown in the table above, a provision for expected credit losses on financial investments at FVOCI of £4m has been recognised.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

	Government debt securities	Corporate debt securities and secured loans	Deposits with credit institutions	Reinsurance contract assets	Restricted assets	Cash and cash equivalents
	£m	£m	£m	£m	£m	£m
2023						
AAA	196	195	–	–	–	6
AA- to AA+	99	392	623	8	1	691
A- to A+	45	477	344	23	117	1,325
BBB- to BBB+	128	–	25	–	–	73
BB+ and below (below investment grade)	79	10	99	7	4	183
Total	547	1,074	1,091	38	122	2,278
Loss allowance ¹	(3)	(1)	(1)	–	–	–
Carrying amount	544	1,073	1,090	38	122	2,278

1. In addition to the loss allowance shown in the table above, a provision for expected credit losses on financial investments at FVOCI of £1m has been recognised.

Information regarding the ageing and impairment of financial assets is shown below.

	Not past due	0-3 months	3-6 months	6 months - 1 year	Greater than 1 year	Total carrying value
	£m	£m	£m	£m	£m	£m
2024						
Trade and other receivables gross value	390	127	44	52	124	737
ECL	(22)	(6)	(3)	(8)	(36)	(75)
Trade and other receivables net value¹	368	121	41	44	88	662

1. Comprises trade receivables, other receivables, service concession receivables and accrued income detailed in Note 14.

	Not past due	0-3 months	3-6 months	6 months - 1 year	Greater than 1 year	Total carrying value
	£m	£m	£m	£m	£m	£m
2023						
Trade and other receivables gross value	351	135	57	56	115	714
ECL	(10)	(3)	(5)	(9)	(30)	(57)
Trade and other receivables net value¹	341	132	52	47	85	657

1. Comprises trade receivables, other receivables, service concession receivables and accrued income detailed in Note 14.

Information regarding the ECL allowance by class of financial assets held at fair value through other comprehensive income and amortised cost is shown below.

	Government debt securities		Corporate debt securities and secured loans		Deposits with credit institutions		Trade and other receivables ¹		Restricted assets		Cash and cash equivalents	
	Gross	ECL	Gross	ECL	Gross	ECL	Gross	ECL	Gross	ECL	Gross	ECL
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
2024												
At beginning of year	547	(3)	1,074	(1)	1,091	(1)	714	(57)	122	–	2,278	–
Recognition and settlement ²	410	(1)	762	(2)	26	–	60	(23)	16	–	(187)	–
Foreign exchange and other	(25)	–	(38)	–	(54)	1	(37)	5	(1)	–	(99)	–
At end of year	932	(4)	1,798	(3)	1,063	–	737	(75)	137	–	1,992	–

1. Comprises trade receivables, other receivables, service concession receivables and accrued income detailed in Note 14.

2. Includes £477m of financial investments, £44m of cash and cash equivalents and £2m of trade and other receivables recognised on the consolidation of Niva Bupa. See Note 24.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

	Government debt securities		Corporate debt securities and secured loans		Deposits with credit institutions		Trade and other receivables ¹		Restricted assets		Cash and cash equivalents	
	Gross	ECL	Gross	ECL	Gross	ECL	Gross	ECL	Gross	ECL	Gross	ECL
2023	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
At beginning of year	490	(3)	1,156	(1)	1,231	(1)	812	(38)	119	–	1,403	–
Recognition and settlement	67	–	(33)	–	(93)	–	(42)	(23)	3	–	948	–
Transfer to assets held for sale	(1)	–	(3)	–	–	–	(9)	2	–	–	2	–
Foreign exchange and other	(9)	–	(46)	–	(47)	–	(47)	2	–	–	(75)	–
At end of year	547	(3)	1,074	(1)	1,091	(1)	714	(57)	122	–	2,278	–

1. Comprises trade receivables, other receivables, service concession receivables and accrued income detailed in Note 14.

Offsetting financial assets and financial liabilities

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Gross amounts of recognised financial assets/ (liabilities)	Gross amounts of recognised financial liabilities set off in the Consolidated Statement of Financial Position	Net amounts of financial assets/ (liabilities) presented in the Consolidated Statement of Financial Position	Related amounts not set off in the Consolidated Statement of Financial Position		Net amount
	£m	£m	£m	Financial instruments	Cash collateral received	£m
2024						
Derivative financial assets	65	–	65	(23)	(4)	38
Derivative financial liabilities	(40)	–	(40)	23	14	(3)
Cash and cash equivalents	2,069	(77)	1,992	–	–	1,992
Total	2,094	(77)	2,017	–	10	2,027

	Gross amounts of recognised financial assets/ (liabilities)	Gross amounts of recognised financial liabilities set off in the Consolidated Statement of Financial Position	Net amounts of financial assets/ (liabilities) presented in the Consolidated Statement of Financial Position	Related amounts not set off in the Consolidated Statement of Financial Position		Net amount
	£m	£m	£m	Financial instruments	Cash collateral received	£m
2023						
Derivative financial assets	46	–	46	(35)	(4)	7
Derivative financial liabilities	(63)	–	(63)	35	31	3
Cash and cash equivalents	2,380	(102)	2,278	–	–	2,278
Total	2,363	(102)	2,261	–	27	2,288

The Group also mitigates credit risk in derivative contracts by entering into collateral agreements where appropriate. The amount of collateral received or posted is shown in the table above.

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities where both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis; however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

26.6 Liquidity risk

Liquidity risk is the risk that the Group will not have available funds to meet its liabilities when they fall due.

The Group's insurance contract liabilities are predominantly backed by liquid assets, held locally, including cash held in bank accounts, deposits, liquidity funds and covered bonds so reducing the liquidity risk exposure relating to insurance contract liabilities.

The Group's main source of short-term funding is via a £900m revolving credit facility which matures in December 2028. The facility was undrawn as at 31 December 2024 (2023: undrawn).

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

The Group monitors funding risk as well as compliance with existing financial covenants within the banking arrangements. There were no concerns regarding bank covenant coverage in 2024 and that position is not expected to change in the foreseeable future.

The Group holds a strong liquidity position and adheres to strict liquidity management policies as set by the Board Risk Committee as well as adhering to liquidity parameters for the Group's regulated entities. Regular stress testing is conducted to assess liquidity risk.

The contractual maturities of undiscounted financial liabilities and the expected maturities of insurance liabilities based on the present value of future cash flows and including estimated interest payments of the Group are as follows:

	Subordinated liabilities £m	Other interest- bearing liabilities £m	Lease liabilities £m	Insurance contract liabilities £m	Trade and other payables ¹ £m	Derivative liabilities £m	Total £m
As at 31 December 2024							
2025	(37)	(26)	(176)	(2,897)	(2,401)	(10)	(5,547)
2026	(437)	(30)	(153)	(122)	(40)	(1)	(783)
2027	(17)	(323)	(136)	(34)	(15)	(29)	(554)
2028	(17)	(21)	(118)	(9)	(16)	–	(181)
2029	(17)	(21)	(100)	(2)	(17)	–	(157)
2030-2034	(101)	(434)	(276)	–	(89)	–	(900)
After 2034	(357)	–	(242)	–	(73)	–	(672)
Total	(983)	(855)	(1,201)	(3,064)	(2,651)	(40)	(8,794)
Carrying value in the Consolidated Statement of Financial Position	(772)	(759)	(878)	(3,064)	(2,593)	(40)	(8,106)

1. Comprises accruals, refundable accommodation deposits, trade payables, other payables and occupational rights agreement liabilities detailed in Note 20.

	Subordinated liabilities £m	Other interest- bearing liabilities £m	Lease liabilities £m	Insurance contract liabilities £m	Trade and other payables ¹ £m	Derivative liabilities £m	Total £m
As at 31 December 2023							
2024	(35)	(329)	(190)	(2,475)	(2,217)	(21)	(5,267)
2025	(34)	(56)	(166)	(65)	(5)	(8)	(334)
2026	(434)	(27)	(142)	(18)	(1)	–	(622)
2027	(14)	(325)	(128)	(4)	(2)	(34)	(507)
2028	(14)	(22)	(135)	(2)	(2)	–	(175)
2029-2033	(73)	(476)	(293)	(6)	–	–	(848)
After 2033	(372)	–	(252)	(38)	–	–	(662)
Total	(976)	(1,235)	(1,306)	(2,608)	(2,227)	(63)	(8,415)
Carrying value in the Consolidated Statement of Financial Position	(747)	(1,090)	(894)	(2,608)	(2,227)	(63)	(7,629)

1. Comprises accruals, refundable accommodation deposits, trade payables, other payables and occupational rights agreement liabilities detailed in Note 20.

Interest payments are included in the cash flows for subordinated liabilities other interest-bearing liabilities and lease liabilities.

Maturity profile of financial assets

The majority of reinsurance contract assets and trade and other receivables fall due within one year as detailed in Notes 12 and 14, respectively. The maturity profile of other financial assets (excluding ECLs), which are also available to fund the repayment of liabilities as they crystallise, is as follows:

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

	Cash and cash equivalents	Deposits with credit institutions	Government debt securities	Corporate debt securities, other loans and equities	Pooled investment funds	Total
	£m	£m	£m	£m	£m	£m
As at 31 December 2024						
2025	1,992	1,045	515	1,148	346	5,046
2026	–	29	134	314	15	492
2027	–	–	86	141	–	227
2028	–	–	17	231	16	264
2029	–	–	43	149	–	192
2030-2034	–	–	126	185	52	363
After 2034	–	–	55	49	–	104
Total	1,992	1,074	976	2,217	429	6,688

	Cash and cash equivalents	Deposits with credit institutions	Government debt securities	Corporate debt securities, other loans and equities	Pooled investment funds	Total
	£m	£m	£m	£m	£m	£m
As at 31 December 2023						
2024	2,278	1,097	490	776	500	5,141
2025	–	19	52	142	–	213
2026	–	–	4	231	15	250
2027	–	–	19	77	–	96
2028	–	–	1	135	9	145
2029-2033	–	–	4	43	–	47
After 2033	–	–	11	18	–	29
Total	2,278	1,116	581	1,422	524	5,921

27 Related party transactions

Related party transactions are transactions between the Group and individuals or entities related by nature of influence or control. The Group has such relationships with its key management personnel, equity-accounted investments and the Parent. The disclosure of transactions with these parties in this note enables readers to form a view of the impact of related party relationships on the Group.

All transactions with related parties are conducted on an arm's-length basis.

There were no material transactions during the year with any related parties, as defined by IAS 24 Related Party Disclosures, other than those disclosed in this note.

(i) Transactions with key management personnel

The key management personnel are the Company's Directors and the Chief Executive Officers of the Group's Market Units. No Director had any material interest in any contracts with Group companies as at 31 December 2024 (2023: no Director) or at any time during the year. The remuneration of the Company's Directors is disclosed in Note 2.3.

The total remuneration of the Market Unit Chief Executive Officers is as follows:

	2024	2023
	£'000	£'000
Short-term employee benefits	5,017	5,302
Long Term Incentive Plan awards	3,570	–
Post-employment benefits	128	131
Total	8,715	5,433

The total remuneration of key management personnel is included in staff costs (see Note 2.3).

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

(ii) Transactions with the Parent

	2024	2023
	£m	£m
Management charges paid	371	337
Expenses received	(13)	(15)
Dividends paid	164	134

(iii) Amounts owed by/(to) the Parent

	Note	2024	2023
		£m	£m
Trade and other receivables	14	68	55
Trade and other payables	20	(126)	(118)

28 Commitments and contingencies

A commitment is future expenditure that is committed to as at year end. These relate to contracted capital expenditure. Contingent liabilities are those that are considered possible at year end, whose existence will be determined by uncertain future events, or present obligations that are not sufficiently probable or cannot currently be measured with sufficient reliability to give rise to provisions.

(i) Capital commitments

Capital expenditure for the Group contracted as at 31 December 2024 but for which no provision has been made amounted to £59m (2023: £42m). Of this, £58m (2023: £38m) relates to aged care facility lease properties purchase commitments in Australia and property development project commitments in New Zealand and the extension of Cromwell Hospital; specifically £40m (2023: £13m) in relation to property, plant and equipment and £18m (2023: £25m) in relation to investment property. £1m (2023: £4m) relates to computer software projects commitments in Australia and the UK.

(ii) Contingent assets

The Group currently has no contingent assets.

(iii) Contingent liabilities

The Group has contingent liabilities arising in the ordinary course of business. These include losses which might arise from litigation, consumer matters, other disputes, regulatory compliance (including data protection) and interpretation of law (including employment law and tax law). It is not considered that the ultimate outcome of any contingent liabilities could have a significant adverse impact on the financial condition of the Group.

(iv) Defined benefit post-employment schemes

The Company has entered into a legally binding and irrevocable guarantee for the benefit of the trustee of the principal defined benefit scheme in the UK, The Bupa Pension Scheme, in respect of the payments due from the Parent.

Financial Statements of the Company

for the year ended 31 December 2024

Statement of Financial Position

as at 31 December 2024

	Note	2024 £m	2023 £m
Assets			
Property, plant and equipment	B	33	38
Investment in subsidiaries	C	4,439	4,337
Deferred taxation assets	D	4	1
Restricted assets	E	31	32
Derivative assets	F	56	36
Current taxation assets		25	35
Trade and other debtors	G	203	126
Cash and cash equivalents	H	226	486
Total assets		5,017	5,091
Liabilities			
Borrowings	I	(1,448)	(1,759)
Lease liabilities	J	(34)	(39)
Derivative liabilities	F	(32)	(55)
Provisions for liabilities and charges		(3)	(3)
Trade and other creditors	K	(614)	(599)
Total liabilities		(2,131)	(2,455)
Net assets		2,886	2,636
Equity			
Called-up share capital	L	200	200
Profit and loss account		2,389	2,139
Total attributable to ordinary shareholder		2,589	2,339
Restricted Tier 1 notes	M	297	297
Total equity		2,886	2,636

Approved by the Board of Directors and signed on its behalf on 5 March 2025 by

James Lenton

Director

Registered Number 2779134

Notes A-P form the associated notes to the Company financial statements.

Financial Statements of the Company

for the year ended 31 December 2024

Statement of Changes in Equity

For the year ended 31 December 2024

	Called-up share capital	Profit and loss account	Total attributable to ordinary shareholder	Restricted Tier 1 notes	Total equity
	£m	£m	£m	£m	£m
Balance as at 1 January 2024	200	2,139	2,339	297	2,636
Comprehensive income for the year					
Profit for the year	–	423	423	–	423
Total comprehensive income for the year	–	423	423	–	423
Transactions recorded directly in equity					
Dividends	–	(164)	(164)	–	(164)
Total distributions to shareholder	–	(164)	(164)	–	(164)
Payment of Restricted Tier 1 coupon, net of taxation	–	(9)	(9)	–	(9)
Balance as at 31 December 2024	200	2,389	2,589	297	2,886

	Called-up share capital	Profit and loss account	Total attributable to ordinary shareholder	Restricted Tier 1 notes	Total equity
	£m	£m	£m	£m	£m
Balance as at 1 January 2023	200	915	1,115	297	1,412
Comprehensive income for the year					
Profit for the year	–	1,368	1,368	–	1,368
Total comprehensive income for the year	–	1,368	1,368	–	1,368
Transactions recorded directly in equity					
Dividends	–	(134)	(134)	–	(134)
Total distributions to shareholder	–	(134)	(134)	–	(134)
Payment of Restricted Tier 1 coupon, net of taxation	–	(10)	(10)	–	(10)
Balance as at 31 December 2023	200	2,139	2,339	297	2,636

Notes A-P form the associated notes to the Company financial statements.

Financial Statements of the Company

for the year ended 31 December 2024

1.1 Basis of preparation

Bupa Finance plc (the 'Company') together with its subsidiaries (collectively the 'Group') is an international healthcare business, providing health insurance, treatment in clinics, dental centres and hospitals, and operating care homes. The Company is incorporated in England and Wales and domiciled in the United Kingdom. Its immediate and ultimate parent company is The British United Provident Association Limited (the 'Parent' or 'Bupa' and together with its subsidiaries, which includes the Company as an intermediary holding company, the 'Bupa Group').

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting standards (IFRS) as adopted by the UK (UK-adopted international accounting standards) and makes amendments where necessary in order to comply with the Companies Act 2006. The Company has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company is taking advantage of the exemption in Section 408 of the Companies Act 2006 not to present its individual profit and loss account. As the consolidated financial statements of the Group include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of compensation of key management personnel;
- Certain disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not held as either part of a trading portfolio or derivatives; and
- IAS 24 disclosures for related party transactions entered into between two or more members of a group, provided that any subsidiary party to the transaction is wholly owned by such a member.

Company accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

(a) Accounting estimates and judgements

The impairment review of investments in subsidiaries is a source of significant estimation uncertainty in the preparation of the Company financial statements. Annual impairment tests include a number of sources of estimation uncertainty as the key assumptions used when modelling the recoverable amount include estimating the discount rate, terminal growth rate and the forecast cash flows. Changes to these assumptions could materially change the calculation of the recoverable amount.

(b) Restatements and changes in accounting policies

The Company has consistently applied its accounting policies to all periods presented in these financial statements.

(c) Going concern

The Directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for at least the next 12 months from the date of approval of these financial statements. They continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(d) Foreign currency

The financial statements are presented in sterling, which is also the currency of the primary economic environment in which the Company operates (its functional currency). Transactions in currencies other than the functional currency are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate ruling at the reporting date. Non-monetary items denominated in a foreign currency at historical cost are translated using the exchange rate at the date of the transaction therefore, no exchange differences arise.

Exchange differences are recognised in the profit and loss account in the period in which they arise except for exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting).

(e) Financial income and expenses

Financial income comprises interest receivable, realised gains and losses on investments, foreign exchange gains and losses, dividend income on equity investments and changes in the fair value of financial assets recognised at fair value through profit or loss.

Financial Statements of the Company

for the year ended 31 December 2024

Interest income, except in relation to assets classified as at fair value through profit or loss, is recognised in the profit and loss account as it accrues, using the effective interest method.

Changes in the value of financial investments at fair value through the profit and loss account are recognised within financial income as an unrealised gain or loss while the asset is held. Upon derecognition of these assets, the cumulative unrealised gain or loss is reversed and a realised gain or loss is recognised.

Financial expense includes interest payable on borrowings, calculated using the effective interest method, and other financial expenses.

(f) Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- They include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called-up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument contains both equity and financial liability components, these components are separated and accounted for individually under the above policy.

(g) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

(h) Property, plant and equipment

Property, plant and equipment are held at historical cost less accumulated depreciation and recognised impairment losses. Depreciation is charged to the profit and loss account on a straight-line basis to allocate cost less residual value over the estimated useful life, as follows:

- | | |
|--------------------------|--------------------------------------|
| • Right-of-use property | Lease term |
| • Leasehold improvements | Shorter of useful life or lease term |
| • Owned equipment | 3-10 years |

No depreciation is charged on assets under construction. Useful lives, depreciation method and residual values are reviewed at each reporting date.

Impairment reviews are undertaken where there are indicators that the carrying value may not be recoverable. An impairment loss is recognised in the profit and loss account to reduce the carrying value to the recoverable amount. Assets classified as under construction are also reviewed for impairment at each reporting date.

(i) Leases of property

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate taking into account the duration of the lease.

The lease liability is subsequently measured at amortised cost using the effective interest method, with the finance cost charged to the profit and loss account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. It is remeasured when there is a change in future lease payments arising from a change in index or rate, or if the Company changes its assessment of whether it will exercise an extension or termination option. The lease liability is recalculated using a revised discount rate if the lease term changes as a result of a modification or reassessment of an extension or termination option. The leases currently held by the Company do not contain any extension or termination options.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs, contractually required to restore properties to their original condition, less any lease incentives received. The right-of-use asset, excluding restorations costs, is typically depreciated on a straight-line basis over the lease term. In addition, the right-of-use

Financial Statements of the Company for the year ended 31 December 2024

asset may be adjusted for certain remeasurements of the lease liability, such as indexation and market rent review uplifts. Restoration costs included in the right-of-use asset are amortised over the same term as the corresponding provision, which may be longer than the IFRS 16 contractual lease term where occupancy of the property is expected to be longer than the existing contract.

The Company has elected not to recognise the right-of-use assets and lease liabilities for short-term leases that have a term of 12 months or less or leases that are of low value (£4,000 or less). Lease payments associated with these leases are expensed on a straight-line basis over the lease term.

(j) Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less impairment. Investments are reviewed annually to test whether any indicators of impairment exist. Where there is objective evidence of such an asset being impaired, the investment is impaired to its recoverable value and any unrealised loss is recorded in the profit and loss account.

When any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased, the recoverable amount of an investment is assessed. Should the recoverable value exceed the carrying value, an impairment reversal is recognised in the profit and loss account up to the value of previously recorded impairments.

Dividends received from subsidiaries are recognised in the profit and loss account when the right to receive is established.

All loans and receivables to and from subsidiary undertakings are shown at cost less amounts written off where deemed irrecoverable.

(k) Restricted assets

Restricted assets are amounts held in respect of specific obligations and potential liabilities and may be used only to discharge those obligations and potential liabilities if and when they crystallise.

(l) Derivative financial instruments

Derivative financial instruments are accounted for at fair value through profit or loss. The gain or loss on remeasurement to fair value is recognised immediately in the profit and loss account. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Derivative fair value

Fair values of derivative instruments are obtained from market observable pricing information including interest yield curves. Fair value of currency contracts, including forwards, swaps and options is determined using third party sourced market data at the reporting date. The resulting value reflects changes in spot exchange rates and interest differential between the currency pair involved, over the life of the contract, discounted back to present value. The fair value of interest rate swaps is determined as the present value of the estimated future cash flows based on observable yield curves.

Hedge accounting

The Company applies fair value hedge accounting. The Company formally documents the hedging relationship between a hedging instrument and a hedged item. Documentation includes the risk management objectives and the strategy in undertaking the hedge transaction.

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the profit and loss account. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the profit and loss account (even if those gains would normally be recognised directly in equity).

(m) Trade and other debtors

Amounts owed by subsidiaries

Amounts are recognised initially at fair value. They are subsequently measured at amortised cost using the effective interest method, net of provision for expected credit loss (ECL).

The ECL is measured at an amount equal to the lifetime ECL. Where appropriate, a provision matrix is used to estimate ECL. Under a provision matrix, receivables are grouped into customer segments and further divided into categories by age. Historical credit loss experience and any relevant forward looking information are then used to establish the ECL provision for each category.

Financial Statements of the Company

for the year ended 31 December 2024

Other trade and other debtors

This predominantly relates to pledges of cash collateral in respect of certain derivative contracts. Collateral pledged in the form of cash is recognised and subsequently measured at fair value.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits and other short-term highly liquid investments (including money market funds) with original maturities of three months or less which are subject to an insignificant risk of change in value.

(o) Trade and other creditors

Trade and other creditors are recognised initially at fair value. They are subsequently measured at amortised cost using the effective interest method.

(p) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, they are held at amortised cost using the effective interest method.

(q) Restricted Tier 1 (RT1) debt

The RT1 notes meet the classification of equity and are presented as a separate category of equity in the Statement of Financial Position at an amount equal to the proceeds of issue less transaction costs. RT1 coupons are recognised directly in the Statement of Changes in Equity, net of taxation, upon payment.

(r) Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(s) Taxation including deferred taxation

Taxation on the profit or loss for the year comprises current and deferred taxation. Taxation is recognised directly in equity to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current taxation is the expected taxation payable or receivable on the taxable income or loss for the year, using taxation rates enacted or substantively enacted at the reporting date, and any adjustment to taxation payable in respect of previous years.

Deferred taxation is recognised in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and differences relating to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. The amount of deferred taxation recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using taxation rates enacted or substantively enacted at the reporting date.

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(t) Provisions

A provision is recognised in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the estimated future payments at a pre-taxation rate that reflects a current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

Profit attributable to the Company

The profit within the financial statements of the Company is £423m (2023: profit of £1,368m). In accordance with the exemption granted under Section 408 of the Companies Act 2006, a separate profit and loss account for the Company has not been presented.

Financial Statements of the Company

for the year ended 31 December 2024

Notes to the Financial Statements

A. Directors and employees

The Company employed no employees during 2024 (2023: nil) and had four Directors as at 31 December 2024 (2023: four). During the year four individuals served as Directors (2023: four). Details of Directors serving during the year can be found on page 2.

Directors' remuneration

Remuneration paid to the Directors is borne by the Company or other Group companies and is disclosed in Note 2.3.1.

B. Property, plant and equipment

	2024				2023			
	Right-of-use asset property	Leasehold improvements	Owned equipment	Total	Right-of-use asset property	Leasehold improvements	Owned equipment	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Cost or valuation								
At beginning of year	48	9	1	58	48	9	1	58
At end of year	48	9	1	58	48	9	1	58
Depreciation and impairment loss								
At beginning of year	15	5	–	20	11	4	–	15
Depreciation charge for year	5	–	–	5	4	1	–	5
At end of year	20	5	–	25	15	5	–	20
Net book value at end of year	28	4	1	33	33	4	1	38
Net book value at beginning of year	33	4	1	38	37	5	1	43

C. Investment in subsidiaries

	At beginning of year	Impairment loss	Additions	Foreign exchange revaluation	At end of year
	£m	£m	£m	£m	£m
2024					
Group Undertakings:					
Shares in subsidiary undertakings	5,950	–	258	(151)	6,057
Loans to Group companies	79	–	3	–	82
	6,029	–	261	(151)	6,139
Provision for impairment	(1,692)	(8)	–	–	(1,700)
Net book value	4,337	(8)	261	(151)	4,439
2023					
Group Undertakings:					
Shares in subsidiary undertakings	5,663		402	(115)	5,950
Loans to Group companies	75		4	–	79
	5,738		406	(115)	6,029
Provision for impairment	(1,692)		–	–	(1,692)
Net book value	4,046		406	(115)	4,337

Additions in the year of £258m (2023: £402m) relate to capital injections to existing subsidiaries. Loans to Group companies comprise loan facilities of a fixed amount and a long-term maturity date, with the movements in the year driven principally by capitalised interest during the year.

An £8m impairment has been recognised in relation to the Company's shareholding in Bupa Care Homes (Holdings) Limited of £3m, Bupa Care Homes (CFG) plc of £4m and Bupa Healthcare Services Limited of £1m.

Financial Statements of the Company

for the year ended 31 December 2024

The subsidiary undertakings of the Company as at 31 December 2024 are listed in Note P.

D. Deferred taxation assets

Deferred taxation is an amount which recognises the differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred taxation assets relating to provisions and unused taxation losses are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred taxation assets are attributable to the following:

	2024	2023
	£m	£m
Provisions	1	1
Taxation value of losses carried forward	3	–
Deferred taxation assets	4	1

Unrecognised deferred taxation assets

As at 31 December 2024, the Company had deductible temporary differences relating to trading losses of £7m (2023: £7m) to capital losses of £27m (2023: £26m) and to other temporary differences of £29m (2023: £nil) for which no deferred taxation asset was recognised due to uncertainty of utilisation of those temporary differences.

Movement in net deferred taxation assets:

	At beginning of year	Recognised in Income Statement	At end of year
	£m	£m	£m
2024			
Provisions	1	–	1
Taxation value of losses carried forward	–	3	3
Total	1	3	4

	At beginning of year	Recognised in Income Statement	At end of year
	£m	£m	£m
2023			
Provisions	1	–	1
Taxation value of losses carried forward	6	(6)	–
Total	7	(6)	1

E. Restricted assets

	2024	2023
	£m	£m
Restricted assets	31	32

The restricted assets balance of £31m (2023: £32m) consists of cash deposits held to secure a charge over the unfunded pension scheme obligations held in the Parent.

F. Derivative assets and liabilities

A derivative is a financial instrument whose value is based on one or more underlying variables. The Company uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risk. Derivatives are not held for speculative reasons.

The fair value of non-current derivative assets relate to interest rate swaps which are recognised at fair value. The interest rate swaps are held to hedge the 2027 £300m and 2030 €500m unsecured bonds issued by the Company.

Derivatives are held at fair value through profit or loss, and therefore the carrying value is equal to fair value.

Financial Statements of the Company

for the year ended 31 December 2024

	2024 £m	2023 £m
Derivative assets		
Non-current	16	18
Current	40	18
Total derivative assets	56	36
Derivative liabilities		
Non-current	(30)	(42)
Current	(2)	(13)
Total derivative liabilities	(32)	(55)

Valuation techniques and assumptions applied for the purposes of measuring fair value

Derivatives that have been purchased or issued as part of a hedge that subsequently do not qualify for hedge accounting are accounted for at fair value through profit or loss.

Fair values are obtained from market observable pricing information including interest rate yield curves.

G. Trade and other debtors

	2024 £m	2023 £m
Amounts owed by subsidiaries	178	93
Other trade and other debtors	25	33
Total trade and other debtors	203	126

All balances are current.

H. Cash and cash equivalents

	2024 £m	2023 £m
Short-term deposits	226	486
Cash and cash equivalents	226	486

I. Borrowings

	Note	2024 £m	2023 £m
Subordinated liabilities			
Subordinated unguaranteed bonds	(a)	748	747
Total subordinated liabilities		748	747
Other interest-bearing liabilities			
Senior unsecured bonds	(b)	700	1,012
Total other interest-bearing liabilities		700	1,012
Total borrowings		1,448	1,759
Non-current		1,448	1,459
Current		–	300

a) Subordinated unguaranteed bonds

The total carrying value of subordinated unguaranteed bonds, net of accrued interest, capitalised issue costs and discounts, was £748m (2023: £747m).

On 25 June 2020, the Company issued £350m of subordinated unguaranteed bonds which mature on 14 June 2035. Interest is payable on the bonds at 4.125% per annum. In the event of the winding up of the Company, the claims of the bondholders are subordinated to the claims of other creditors of that company.

On 8 December 2016, the Company issued £400m of subordinated unguaranteed bonds which mature on 8 December 2026. Interest is payable on the bonds at 5.000% per annum. In the event of the winding up of the Company, the claims of the bondholders are subordinated to the claims of other creditors of the Company.

Financial Statements of the Company

for the year ended 31 December 2024

On 25 April 2023, the Company redeemed the outstanding maturing £250m of the £500m 5.000% fixed rate subordinated bonds.

The Company has not had any defaults of principal, interest or other breaches with respect to subordinated liabilities during 2024 or 2023.

b) Senior unsecured bonds

The total senior unsecured bonds balance of £700m (2023: £1,012m) is net of initial issue costs, discount on issue, accrued interest and, where hedged, a fair value adjustment in respect of hedged interest rate risk.

On 5 April 2024, the Company redeemed the maturing £300m of senior unsecured bonds, issued in April 2017.

On 12 October 2023, the Company issued €500m of senior unsecured bonds, guaranteed by the Parent, which mature on 12 October 2030. The bonds bear interest on their outstanding principal amount at a fixed rate of 5.00% per annum. The total hedged fair value of these bonds, including accrued interest, capitalised issue costs and discounts, is £426m (2023: £447m). The change in value arising from interest rate risk is matched, subject to any hedge ineffectiveness, by the fair value of swap contracts in place to hedge this risk.

On 25 June 2020, the Company issued £300m of senior unsecured bonds, guaranteed by the Parent, which mature on 14 June 2027. Interest is payable on the bonds at 1.750% per annum. The total hedged fair value of these £300m senior unsecured bonds, including accrued interest, capitalised issue costs and discounts is £274m (2023: £268m). The change in value arising from interest rate risk is matched, subject to any hedge ineffectiveness, by the fair value of swap contracts in place to hedge this risk.

See Note 26.4 for details on the Group's interest rate hedging activities.

c) Revolving credit facility

The Company has a £900m revolving credit facility which matures in December 2028. The facility was undrawn at 31 December 2024 (2023: undrawn). Drawings under the £900m facility are guaranteed by the Parent.

The overdraft facilities are subject to cross guarantees within the Group. The bank loans and overdrafts bear interest at commercial rates linked to SONIA for sterling or equivalent for other currencies.

J. Lease Liabilities

	2024	2023
	£m	£m
At the beginning of the year	39	44
Interest on lease liabilities	1	1
Repayments	(6)	(6)
At end of year	34	39
Non-current	29	34
Current	5	5

K. Trade and other creditors

	2024	2023
	£m	£m
Amounts owed to subsidiaries	606	588
Other creditors	8	11
Total trade and other creditors	614	599

All balances are current.

Financial Statements of the Company

for the year ended 31 December 2024

L. Called-up share capital

	2024	2023
	£m	£m
Allocated, called-up and fully paid		
200,050,000 ordinary shares of £1 each	200	200

M. Restricted Tier 1 (RT1) notes

	2024	2023
	£m	£m
Restricted Tier 1 notes	297	297

On 24 September 2021, the Company issued £300m of RT1 notes with a fixed coupon of 4.000% paid semi-annually in arrears. Transaction costs of £3m were recognised in respect of the issue. The total coupon paid during the year was £12m (2023: £12m).

The RT1 notes are perpetual, with no fixed maturity or redemption date. The notes have a first call date of 24 March 2032 and interest is payable at the sole and absolute discretion of the Company, with cancelled interest providing no rights to the holder of the notes nor being considered a default. The RT1 notes are therefore treated as equity. The notes are convertible to share capital of the Company on the occurrence of certain trigger events.

N. Commitments, guarantees and contingencies

Guarantees

As at 31 December 2024, the Company was party to a £900m multi-currency revolving credit facility. The Company has joint and several liability for all obligations under the multi-currency revolving credit facility described in Note I(c). The revolving credit facility was undrawn at 31 December 2024 (2023: undrawn).

The Company has provided guarantees to certain other Group undertakings. These are either as part of the Group banking arrangements in respect of the overdrafts, or, if called on to do so, to provide or procure necessary support to enable certain other Group undertakings to meet their liabilities as they fall due.

Contingent liabilities

Under a Group registration the Company is jointly and severally liable for Value Added Tax due by certain other companies in the Group.

Pension contributions

The Company has given a legally binding and irrevocable guarantee for the benefit of the trustees of The Bupa Pension Scheme, in respect of any payments that the Parent was obliged to make between 31 December 2023 and 31 December 2024 to The Bupa Pension Scheme.

O. Ultimate Parent

The Company's immediate and ultimate parent undertaking is The British United Provident Association Limited which includes the Company in its consolidated financial statements. The consolidated financial statements of The British United Provident Association Limited are prepared in accordance with UK-adopted international accounting standards and are available to the public. Copies of the consolidated financial statements of The British United Provident Association Limited are available from the Company Secretary at the registered office address: 1 Angel Court, London, United Kingdom, EC2R 7HJ, or available online at www.bupa.com.

Financial Statements of the Company

for the year ended 31 December 2024

P. Related Undertakings

In compliance with Section 409 of the Companies Act 2006, disclosed below is a list of the Company's related undertakings as at 31 December 2024, comprising subsidiaries, joint ventures, associated undertakings and other significant holdings, together with the country of incorporation, registered office address, each share class held by the Company and the Group and the proportion of the nominal value of the shares of that class represented by those shares.

See Notes 1.2 and 6 for further information on basis of consolidation and accounting policies.

Subsidiaries

Unless otherwise stated, the subsidiaries listed below are wholly owned indirectly by the Company with 100% of the nominal value of each share class held by Group subsidiaries. Where a subsidiary is not wholly owned, the proportion of the nominal value of each share class held by the Company or the Group, together with the Group's effective ownership, calculated by reference to the voting rights, is shown below. All subsidiaries are included in the Group consolidation.

Name	Share Class	Proportion of class held (%)	Effective % ownership
Australia			
Level 16, 33 Exhibition Street, Melbourne VIC 3000, Australia			
Benefit Pocket Pty Ltd	AUD Ordinary		
Bupa Aged Care Australasia Pty Limited	AUD Ordinary		
Bupa Aged Care Australia Holdings Pty Ltd	AUD Ordinary		
Bupa Aged Care Australia Pty Ltd	AUD Ordinary		
Bupa Aged Care Holdings Pty Ltd	AUD Ordinary		
Bupa Aged Care Property No.2 Trust	Trust Interest		
Bupa Aged Care Property No.3 Trust	Trust Interest		
Bupa Aged Care Property No.3A Trust	Trust Interest		
Bupa Aged Care Property Trust	Trust Interest		
Bupa ANZ Finance Pty Ltd	AUD Ordinary		
Bupa ANZ Group Pty Ltd	AUD Ordinary		
Bupa ANZ Healthcare Holdings Pty Ltd	AUD Ordinary		
Bupa ANZ Insurance Pty Ltd	AUD A Class Preference, AUD Ordinary		
Bupa ANZ Property 1 and 2 Limited	AUD Ordinary		
Bupa ANZ Property 3 and 3A Pty Ltd	AUD Ordinary		
Bupa Care Villages Australia Pty Ltd	AUD Ordinary		
Bupa Dental Corporation Pty Ltd	AUD Ordinary		
Bupa Foundation (Australia) Limited	Guarantee Membership Interest		
Bupa Health Centres Pty Ltd	AUD Ordinary		
Bupa Health Services Pty Ltd	AUD Ordinary		
Bupa HI Holdings Pty Ltd	AUD Ordinary		
Bupa HI Pty Ltd	AUD Ordinary		
Bupa Innovations (ANZ) Pty Ltd	AUD Ordinary		
Bupa Medical Services Pty Limited	AUD Ordinary		
Bupa Optical Pty Ltd	AUD Ordinary		
Bupa Telehealth Pty Ltd	AUD Ordinary		
Bupa Wellness Pty Limited	AUD Ordinary		
DC Holdings WA Pty Ltd	AUD Ordinary		
Dental Corporation Holdings Pty Ltd	AUD Ordinary		
Dental Corporation Pty Ltd	AUD Ordinary		
Bahrain			
Office 814, Building 2420, Road 2831, Block 428, Seef, Bahrain			
Bupa Middle East Holdings Two W.L.L.	BHD50.00 Ordinary	75.00	75.00
Brazil			
Alameda Mamoré, No. 678, 11th Floor, Room 1104, Alphaville, 06454-040, Barueri, São Paulo, Brazil			
Care Plus Negócios Em Saúde Ltda.	BRL1.00 Quotas		
Alameda Mamoré, No. 687, 12th Floor, Rooms 1201, 1202, 1203 and 1204, Alphaville, 06454-040, Barueri, São Paulo, Brazil			
Care Plus Medicina Assistencial Ltda.	BRL1.00 Quotas		

Financial Statements of the Company

for the year ended 31 December 2024

Name	Share Class	Proportion of class held (%)	Effective % ownership
Brazil (continued)			
Av. das Nações Unidas, 12,901, Unidade 901, Torre Oeste, Bloco C, Centro Empresarial Nações Unidas, Brooklin Paulista, São Paulo, SP, Brazil			
Personal System Serviços Médicos e Odontológicos Ltda.	BRL1.00 Quotas		
Av. Vereador José Diniz, nº 3 300, 18º andar, Campo Belo, São Paulo, SP, CEP 04604-006, Brazil			
Care Plus Odontologia Assistencial Ltda.	BRL1,378.00 Ordinary		
Avenida Portugal, nº 307, Brooklin, CEP 04559-000, São Paulo - SP, Brazil			
Vacinar Centro de Imunização Ltda.	BRL1.00 Ordinary		
Chile			
Anabaena N° 336, Comuna Viña del Mar, Region Valparaíso, Chile			
Clinica Renaca S.A.	CLP Ordinary	100.00	95.89
Desarrollo E Inversiones Medicas S.A.	CLP Ordinary	97.56	93.45
Promotora De Salud S.A.	CLP Ordinary	67.03	67.03
Sociedad Medica Imageneologia Clinica Renaca Limitada	CLP Social Rights	80.00	76.70
Cerro Colorado N° 5240, Piso 11, Comuna Las Condes, Region Metropolitana, Chile			
Bupa Administracion y Servicios SpA	CLP Ordinary		
Bupa Chile S.A.	CLP Ordinary		
Bupa Compania de Seguros de Vida S.A.	CLP Ordinary		
Bupa Inversiones Latam S.A.	CLP Ordinary		
Clinica Bupa Santiago S.A.	CLP Ordinary		
Exámenes De Laboratorio S.A.	CLP Ordinary	100.00	99.99
Grupo Bupa Sanitas Chile Uno, SpA	CLP Ordinary		
Inversiones Clinicas CBS S.A.	CLP Ordinary		
Isapre Cruz Blanca S.A.	CLP Ordinary	99.79	99.41
Cerro Colorado N° 5240, Piso 6, Comuna Las Condes, Region Metropolitana, Chile			
Integramedica S.A.	CLP Ordinary	99.99	99.99
Recaumed S.A. ¹	CLP Ordinary	58.40	58.40
Manuel Antonio Matta N° 1868, Comuna Antofagasta, Region Antofagasta, Chile			
Inmobiliaria Centro Medico Antofagasta S.A.	CLP Ordinary	99.99	88.95
Manuel Antonio Matta N° 1945, Comuna Antofagasta, Region Antofagasta, Chile			
Centro Medico Antofagasta S.A.	CLP Ordinary	100.00	88.95
Inversiones Clinicas Pukara S.A.	CLP Ordinary	88.95	88.95
Servicios Y Abastecimiento A Clinicas S.A.	CLP Ordinary	100.00	88.95
China			
Unit A01, 7th Floor, 501, Building 2, No. 20 Jinhe East Road, Chaoyang District Beijing, China			
Bupa Consulting (Beijing) Co. Ltd.	HKD1.00 Ordinary		
Denmark			
Axeltorv 2, 1609, Copenhagen V, Denmark			
Bupa Denmark Services A/S ²	DKK100.00 Ordinary		
Dominican Republic			
Av. Winston Churchill, corner with Rafael Augusto Sanchez, Plaza Acropolis, Apt. P2-D, Santo Domingo, Dominican Republic			
Bupa Dominicana, S.A.	DOP1,000.00 Ordinary		
Ecuador			
Av. Republica de El Salvador N34-229, 4th Floor, Quito, Ecuador			
Bupa Ecuador S.A. Compania de Seguros ³	USD1.00 Capital Stock		

Financial Statements of the Company

for the year ended 31 December 2024

Name	Share Class	Proportion of class held (%)	Effective % ownership
Egypt			
Building 55, Street 18, Maadi, Cairo, Egypt			
Bupa Egypt Insurance S.A.E. ⁴	EGP10.00 Ordinary		
Mivida Business Park, Building 3/B1, 5th Settlement, New Cairo, 11835, Egypt			
Bupa Egypt Services LLC	EGP100.00 Ordinary		
Guatemala			
Quinta avenida número cinco guión cincuenta y cinco, Zona catorce de esta ciudad, Edificio Europlaza World Business Center, Torre III, undécimo nivel, área corporativa número un mil, Guatemala			
Bupa Guatemala, Compania de Seguros, S.A. ⁵	GTQ1.00 Ordinary		
Guernsey			
PO Box 155, Mill Court, La Charroterie, St Peter Port, GY1 4ET, Guernsey			
Bupa Holdings (Guernsey) Limited	£1.00 Ordinary		
UK Care No. 1 Limited	£1.00 Ordinary		
Hong Kong			
6/F & Unit Nos. 701B, 702-704 of Tower 2, The Quayside, 77 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong			
Blua (Asia) Services Limited	HKD1.00 Ordinary		
Bupa (Asia) Limited	HKD10.00 Ordinary		
Bupa International Limited ⁶	HKD Ordinary		
Bupa Limited	HKD1.00 Ordinary		
Horizon Health and Care Limited	HKD Ordinary		
6/F, and Unit Nos. 701-702 and 704, Tower 1, The Quayside, 77 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong			
Alpha Medical MRI (TST) Limited	HKD10,000.00 Ordinary		
Central MRI Centre Limited	HKD1.00 Ordinary	100.00	74.49
Central PET/CT Scan Centre Limited	HKD1.00 Ordinary	100.00	74.49
Eplushealth Limited	HKD1.00 Ordinary		
Quality Healthcare Chinese Medicine Services Limited	HKD1.00 Ordinary		
Quality HealthCare Dental Services Limited	HKD1.00 Ordinary		
Quality Healthcare Group Limited	HKD1.00 Ordinary		
Quality HealthCare Medical Centre Limited	HKD100.00 Ordinary		
Quality Healthcare Medical Diagnostic & Imaging Services Limited	HKD1.00 Ordinary		
Quality HealthCare Medical Services Limited	HKD1.00 Ordinary		
Quality HealthCare Nursing Agency Limited	HKD10.00 Ordinary		
Quality HealthCare Professional Services Limited	HKD1.00 Ordinary		
Quality Healthcare TPA Services Limited	HKD1.00 Ordinary		
India			
C-98 Lajpat Nagar, Part 1, New Delhi, 11002, India			
Niva Bupa Health Insurance Company Limited ⁷	INR10.00 Ordinary	55.98	55.98
Ireland			
Second Floor, 10 Pembroke Place, Ballsbridge, Dublin, 4, Ireland			
Bupa Global Designated Activity Company	€1.00 Ordinary		
St Martins House, Waterloo Road, Ballsbridge, Dublin, Ireland, D04 V6V4, Ireland			
Oasis Healthcare Holdings Ireland Limited	€1.00 Ordinary		
Xeon Dental Services Limited	€0.01 Ordinary		
Kenya			
KPMG East Africa, Waiyaki Way, Nairobi, Nairobi County, Kenya			
Bupa Global Insurance Limited	KES100.00 Ordinary		

Financial Statements of the Company

for the year ended 31 December 2024

Name	Share Class	Proportion of class held (%)	Effective % ownership
Macao			
Rua De Xangai No. 175 Edif., Associacao Comercial De Macau, 11 Andar, K, Macau			
Quality EAP (Macau) Limited	MOP1.00 Ordinary		
Quality Healthcare Medical Services (Macau) Limited	MOP1.00 Ordinary		
Mexico			
Av. Xola 535, Piso 17, Col. Del Valle, Mexico City, CP 03100, Mexico			
Corporativo Vitamedica, S.A. De C.V.	MXN10.00 Ordinary		
Vitamedica Administradora, S.A. De C.V.	MXN Class I, Series A (Fixed), MXN Class I, Series B (Fixed), MXN Class II, Series A (Variable)		
Avenida Ejercito Nacional Numero 843-B, Edificio Corporativo Antara I, Piso 9, Colonia Granada, Alcaldia Miguel Hidalgo, C.P. 11520, Mexico			
Bupa Mexico, Compania de Seguros, S.A. de C.V.	MXN1,000.00 Series A (fixed), MXN1,000.00 Series B (variable)		
Bupa Servicios de Evaluacion Medica, S. de R.L. de C.V. ⁸	MXN Ordinary, MXN Ordinary (Variable)		
Bupa Servicios Dentales, S.A. de C.V.	MXN10.00 Ordinary		
Bupa Servicios Globales, S. de R.L de C.V.	MXN1.00 Ordinary		
Comunidad Vitamedica S.C.	MXN Social Parts		
Prolongacion Paseo de la Reforma No. 9, Paseo de las Lomas, Alvaro Obregon, C.P. 01330, Mexico City, Mexico			
Promotora de Hospitales y Servicios Integrales, S.A.P.I. de C.V.	MXN Fixed Capital Class I, MXN Variable Capital Class II		
New Zealand			
Bupa House, Level 2, 109 Carlton Gore Road, Newmarket, Auckland, 1023, New Zealand			
Bupa Care Services NZ Limited	NZD Ordinary		
Bupa Retirement Villages Limited	NZD Ordinary		
Panama			
Prime Time Tower, Floor 25, Office 25 b La Rotonda Ave, Costa del Este, Panama			
Bupa Panama S.A.	US\$1,000.00 Ordinary		
Bupa Servicios Panama, S.A.	US\$1.00 Common		
Peru			
Av. Guardia Civil N° 664, Comuna San Isidro, Region Lima, Peru			
MediPerú S.A.	PEN Ordinary	99.97	99.97
Av. Javier Prado Este 1178, San Isidro, Lima, Peru			
Anglolib S.A	PEN Ordinary-A	100.00	85.00
Integramedica Peru S.A.C.	PEN Ordinary		
Poland			
Czapliniecka 93/95, 97-400, Belchatow, Poland			
Megamed Sp. z o.o.	PLN1,000.00 Ordinary		
Goszczyńskiego 1 Street, 02-616, Warsaw, Poland			
Hifu Clinic Sp. z o.o.	PLN50.00 Ordinary		
Jagiellońska 70, 25-734, Kielce, Poland			
Centrum Medyczne Omega Sp. z o.o.	PLN500.00 Ordinary		
Kolo Strzelnicy 3, 30-219, Krakow, Poland			
Ortopedicum Sp. z o.o.	PLN500.00 Ordinary		

Financial Statements of the Company for the year ended 31 December 2024

Name	Share Class	Proportion of class held (%)	Effective % ownership
Poland (continued)			
Partyzantow 76, 80-254, Gdańsk, Poland			
Projekt Uśmiech Bis Sp. z o.o.	PLN500.00 Ordinary		
Podleśna 61, 01-673, Warsaw, Poland			
"Centrum Medyczne Mavit" Sp. z o.o.	PLN100.00 Ordinary		
Pory 78 Street, 02-757, Warsaw, Poland			
"Sport Medica" S.A.	PLN1.00 Ordinary-A, PLN1.00 Ordinary-B, PLN1.00 Ordinary-C, PLN1.00 Ordinary-D, PLN1.00 Ordinary-E, PLN1.00 Ordinary-F, PLN1.00 Ordinary-G, PLN1.00 Ordinary-I, PLN1.00 Ordinary- J, PLN1.00 Ordinary-K, PLN1.00 Ordinary-L, PLN1.00 Ordinary-M		
Pulawska 48, 05-500 Piaseczno, Poland			
Silver Dental Clinic Sp. z o.o.	PLN50.00 Ordinary		
Rownina 6 Street, 87-100, Torun, Poland			
Citomed Nieruchomosci Sp. z o.o.	PLN100.00 Ordinary		
Szamocka 6 Street, 01-748, Warsaw, Poland			
LUX MED Onkologia Sp. z o.o.	PLN50.00 Ordinary		
Szturmowa 2, 02-678, Warsaw, Poland			
"Fundacja LUX MED Im. Dr Joanny Perkowicz"	Founder Contribution		
Elblaska Sp. z o.o.	PLN50.00 Ordinary		
LUX MED Benefit Sp. z o.o.	PLN100.00 Ordinary		
LUX MED Sp. z o.o.	PLN500.00 Ordinary		
LUX-MED Investment S.A.	PLN50.00 Series A, PLN50.00 Series B, PLN50.00 Series C, PLN50.00 Series D		
Torowa 16, 45-073 Opole, Poland			
Opole Dental Sp. z o.o.	PLN50.00 Ordinary		
Toruńska 18B /B Poland, 80-747, Gdańsk, Poland			
Smart Smile Sp. z o.o.	PLN50.00 Ordinary		
ul. Bysławska 84, 04-993 , Warsaw, Poland			
Centrum Edukacji Medycznej Sp. z o.o.	PLN100.00 Ordinary		
ul. Długa 43, 05-510 Konstancin-Jeziorna, Poland			
LUX MED Tabita Sp. z o.o.	PLN100.00 Ordinary		
ul. Elblaska 135, 80-718, Gdańsk, Poland			
"Centrum Opieki Medycznej Comed" Sp. z o.o. ⁹	PLN500.00 Ordinary		
ul. Franciszka Rakoczego 19 lok. U5, 80-286 Gdańsk, Poland			
Mediss Dental Clinic Sp. z o.o.	PLN250.00 Ordinary		
ul. Kuznicka 1, 72-010 Police, Poland			
"Medika" Usługi Medyczne Sp. z o.o.	PLN50.00 Ordinary		

Financial Statements of the Company

for the year ended 31 December 2024

Name	Share Class	Proportion of class held (%)	Effective % ownership
Poland (continued)			
ul. Obornicka 262, 60-693 Poznan, Poland			
Fundacja MedPolonia	Founder Contribution		
Med-Polonia Sp. z o.o.	PLN50.00 Ordinary		
Ul. Porcelanowa 23, 40-246, Katowice, Poland			
4DENT Sp. z o.o.	PLN100.00 Ordinary		
ul. Tadeusza Kosciuszki 71, 87-100 Torun, Poland			
Tomograf Sp. z o.o.	PLN500.00 Ordinary		
ul. Wiejska 17/7 Street, 00-480, Warsaw, Poland			
ApteGo Sp. z o.o.	PLN50.00 Ordinary		
ul. Wroclawska 2A, 52-229 Komorowice, Poland			
Orthos Szpital Wielospecjalistyczny Sp. z o.o.	PLN500.00 Ordinary		
Wileńska, 44 Street, 80-215, Gdańsk, Poland			
LUX MED Szpital Gdansk S.A.	PLN10.00 Ordinary		
Swissmed Nieruchomosci Sp. z o.o.	PLN500.00 Ordinary		
Swissmed Opieka Sp. z o.o.	PLN1,000.00 Ordinary		
Saint Kitts and Nevis			
Amory Building, Victoria Road, Basseterre, St. Kitts, Saint Kitts and Nevis			
Amedex Services Ltd.	US\$1.00 Capital Stock		
Singapore			
600, North Bridge Road, #05-01 Parkview Square, 188778, Singapore			
Bupa Singapore Holdings Pte. Ltd.	SGD Ordinary		
Spain			
Avda Marcelo Celayeta, 144 - Pamplona (31014), Spain			
Sanitas Mayores Navarra S.L.	€60.10 Ordinary		
Avenida Menendez Pelayo, 67, Piso 2, Puerta 6BIS, Madrid, Spain			
Advanced Skin Care, S.L.	€1.00 Ordinary	70.00	70.00
Clinica Dermatologica Centrodem 2001, S.L.	€6.01012 Ordinary	70.00	70.00
c/ Eguskiaguirre no.8, 48902, Baracaldo, Bilbao, Spain			
Sanitas Mayores Pais Vasco S.A.	€120.00 Ordinary		
Calle Ribera Del Loira, 52, 28042, Madrid, Spain			
Desarrollos Hospitalarios 2024, S.L.	€1.00 Ordinary	50.03	50.03
Elegimosalud S.L.U	€1.00 Ordinary		
Especializada y Primaria L'Horta-Manises, S.A.U.	€1.00 Ordinary		
Fundacion Sanitas ¹⁰	€1.00 Contribution	100.00	99.92
Fundacion Sanitas Hospitales Para el Desarrollo de la Investigacion y la Innovacion Medica	Founder Contribution		
Grupo Bupa Sanitas S.L.U.	€100.00 Ordinary		
Sanitas Emision S.L.U.	€1.00 Ordinary		
Sanitas Holding, S.L.U.	€1.00 Ordinary		
Sanitas Mayores S.L.	€651.28 Ordinary		
Sanitas Nuevos Negocios S.L.U.	€1.00 Ordinary		
Sanitas S.A. de Seguros	€0.68 Ordinary	99.92	99.92
Sanitas S.L. de Diversificacion S.U.	€6.02 Ordinary		
Sanitas, S.A. de Hospitales S.U.	€6.01 Ordinary		

Financial Statements of the Company

for the year ended 31 December 2024

Name	Share Class	Proportion of class held (%)	Effective % ownership
Sweden			
Box 27093, 102 51, Stockholm, Sweden			
LMG Forsakrings AB	€1,000.00 Ordinary		
Türkiye			
Cevizli Mah. Tugay Yolu Cad. No: 69A, İç Kapı No: 124, Maltepe, İstanbul, 34846, Türkiye			
Bupa Turkey Sağlık Hizmetleri A.S.	TRY1.00 Ordinary		
Sencard Dis Klinigi A.S.	TRY100,000.00 Ordinary		
Piazza Ofis, Cevizli Mah. Tugay Yolu Cad. No: 69A, İç Kapı No: 52 Maltepe, İstanbul, Türkiye			
Bupa Acibadem Sigorta A.S.	TRY1.00 Ordinary		
Sencard Direkt Satis Sigorta Araciligi A.S.	TRY1.00 Ordinary		
Yıldız Teknik Üniv. D., Paşa Kamp. B2, Teknopark Binası K1 No:302, Esenler, İstanbul, Türkiye			
Sencard Partners Bilgi Teknolojileri Tic A.S.	TRY Ordinary		
United Arab Emirates			
Unit C1204, Level 12, Burj Daman, DIFC, PO Box 507019, Dubai, United Arab Emirates			
Bupa Global (DIFC) Limited	US\$1.00 Ordinary		
United Kingdom			
1 Angel Court, London, EC2R 7HJ, United Kingdom			
ANS 2003 Limited ²	£0.01 Ordinary		
ANS Limited	£0.10 Ordinary		
Bede Village Management Limited	£1.00 Ordinary		
Blackberry Clinic (Havant) Ltd	£1.00 Ordinary		
Blackberry Clinic (Ipswich) Limited	£1.00 Ordinary		
Blackberry Clinic Aberdeen Limited	£1.00 Ordinary		
Blackberry Clinic Croydon Limited	£1.00 Ordinary		
Blackberry Clinic Group Limited	£1.00 Ordinary		
Blackberry Clinic Limited	£1.00 Ordinary		
Blackberry Gymnasium Limited	£1.00 Ordinary-A		
Bridge Health Investments Limited ²	£1.00 Ordinary		
Bupa Care Homes (AKW) Limited	£1.00 Ordinary		
Bupa Care Homes (ANS) Limited	£1.00 Ordinary, £1.00 Special Share		
Bupa Care Homes (BNH) Limited	£1.00 Ordinary		
Bupa Care Homes (BNHP) Limited	£1.00 Ordinary		
Bupa Care Homes (CFCHomes) Limited	£1.00 Ordinary		
Bupa Care Homes (CFG) Limited ²	£0.25 Ordinary		
Bupa Care Homes (CFHCare) Limited	€0.000001 Redeemable Preference, £1.00 Ordinary		
Bupa Care Homes (Developments) Limited	£1.00 Ordinary		
Bupa Care Homes (GL) Limited	£1.00 Ordinary		
Bupa Care Homes (HH Bradford) Limited	£1.00 Ordinary		
Bupa Care Homes (HH Hull) Limited	£1.00 Ordinary		
Bupa Care Homes (HH Leeds) Limited	£1.00 Ordinary		
Bupa Care Homes (HH Northumberland) Limited	£1.00 Ordinary		
Bupa Care Homes (HH Scunthorpe) Limited	£1.00 Ordinary		
Bupa Care Homes (HH) Limited	£1.00 Ordinary		
Bupa Care Homes (Holdings) Limited ²	£1.00 Ordinary		
Bupa Care Homes (Partnerships) Limited	£1.00 Ordinary		
Bupa Care Homes (PT Lindsay) Limited	£1.00 Ordinary		
Bupa Care Homes (PT Links) Limited	£1.00 Ordinary		
Bupa Care Homes Investments (Holdings) Limited ²	£1.00 Ordinary		
Bupa Care Services (Commissioning) Limited	£1.00 Ordinary		
Bupa Care Services Limited ²	£0.20 Ordinary		
Bupa Foundation	Guarantee Membership Interest		

Financial Statements of the Company

for the year ended 31 December 2024

Name	Share Class	Proportion of class held (%)	Effective % ownership
United Kingdom (continued)			
Bupa Global Holdings Limited	€1.00 Ordinary, €0.01 Ordinary, £1.00 Ordinary		
Bupa Healthcare Services Limited ²	£1.00 Ordinary		
Bupa Home Healthcare Pension Scheme Trustee Limited ²	£1.00 Ordinary		
Bupa Insurance Limited ²	£1.00 Ordinary		
Bupa Insurance Services Limited ²	£1.00 Ordinary		
Bupa International Markets Limited	£1.00 Ordinary		
Bupa Investments Limited ²	£1.00 Ordinary		
Bupa Investments Overseas Limited ²	AUD Redeemable Preference, CLP1.00 Redeemable Preference, £1.00 Ordinary		
Bupa Limited	£1.00 Ordinary		
Bupa Occupational Health Limited	£1.00 Ordinary		
Bupa Pension Scheme Trustees Limited ²	£1.00 Ordinary		
Bupa Secretaries Limited	£1.00 Ordinary		
Bupa Trustees Limited	£1.00 Ordinary		
Canterbury Skin and Laser Clinic Limited	£1.00 Ordinary-A, £1.00 Ordinary-B		
Cromwell Hospital Retirement Plan Trustee Limited ²	£1.00 Ordinary		
Everything Skin Limited	£1.00 Ordinary-A, £1.00 Ordinary-B		
Metabolic Services Limited	£0.001 Ordinary		
Metholdco Ltd	£0.001 Ordinary		
Occupational Health Care Limited	£1.00 Ordinary, £1.00 Redeemable Preference		
Richmond Care Villages (Property) Limited	£1.00 Ordinary		
Richmond Care Villages Holdings Limited ²	£1.00 Ordinary		
Richmond Coventry Limited	£1.00 Ordinary		
Richmond Letcombe Limited	£1.00 Ordinary		
Richmond Nantwich Developments Limited	£1.00 Ordinary		
Richmond Nantwich Limited	£1.00 Ordinary		
Richmond Nantwich Properties Limited	£1.00 Ordinary		
Richmond Northampton Limited	£1.00 Ordinary		
Richmond Northampton Management Limited	£1.00 Ordinary		
Richmond Painswick Management Company Limited	£1.00 Ordinary		
Richmond Villages Operations Limited	£1.00 Ordinary		
St. Michael's Clinic Ltd	£1.00 Ordinary		
Stratum Aesthetics Limited	£1.00 Ordinary		
Stratum Clinics Limited	£1.00 Ordinary		
TDP Bidco Limited	£1.00 Ordinary		
The Harley Street Dermatology Clinic Ltd	£1.00 Ordinary		
13 Queens Road, Aberdeen, Aberdeenshire, AB15 4YL, United Kingdom			
Hillington Park Dental Practice Limited	£1.00 Ordinary		
MFM Community Limited	£1.00 Ordinary		
Bupa Dental Care, Vantage Office Park, Old Gloucester Road, Hambrook, Bristol, BS16 1GW, United Kingdom			
A4 Health Group Limited	£1.00 Ordinary		
Aesthetic Dental Laboratory Limited	£1.00 Ordinary		
Apex Dental Care Limited	£1.00 Ordinary		
Archway Dental Practice Limited	£1.00 Ordinary		
Arnica Dental Care Limited	£1.00 Ordinary		
Avsan Cove Limited	£1.00 Ordinary		
Avsan Dental Edinburgh Limited	£1.00 Ordinary		
Avsan Ferryburn Limited	£1.00 Ordinary		
Avsan Fife Limited	£1.00 Ordinary		
Avsan Fleet Limited	£1.00 Ordinary		
Avsan Gloucester Limited	£1.00 Ordinary		
Avsan Halstead Limited	£1.00 Ordinary		
Avsan Kseat Limited	£1.00 Ordinary		

Financial Statements of the Company

for the year ended 31 December 2024

Name	Share Class	Proportion of class held (%)	Effective % ownership
United Kingdom (continued)			
Avsan Queenscross Limited	£1.00 Ordinary		
Avsan Queensroad Limited	£1.00 Ordinary		
Avsan Visage Limited	£1.00 Ordinary		
BASDAC (2011) LLP	Partnership Interest		
B Dental Limited	£1.00 Ordinary		
BE White Ltd	£1.00 Ordinary		
Bupa Dental Services Limited	£1.00 Ordinary		
Caring Dentistry Ltd	£1.00 Ordinary		
Cheshire Cat Orthodontics Limited	£1.00 Ordinary		
Clock Tower Dental Care Limited	£1.00 Ordinary		
Colchester Dental Referral Centre Limited	£1.00 Ordinary		
Croft Dental Care Limited	£1.00 Ordinary		
Dencraft (Leicester) Ltd	£1.00 Ordinary		
Dencraft (South Yorkshire) Limited	£1.00 Ordinary		
Den Dental Group Practice LLP	Partnership Interest		
Dental Confidence Limited	£1.00 Ordinary		
Dental Excellence - Harewood Practice LLP	Partnership Interest		
Dentalign Colwyn Bay Ltd	£1.00 Ordinary		
Dentalign Eastbourne Ltd	£1.00 Ordinary		
Dentalign Orthodontics Limited	£1.00 Ordinary		
Dentalign Orthodontics LLP	Partnership Interest		
Dentalign Wrexham Ltd	£1.00 Ordinary		
Derwent House Orthodontics Limited	£1.00 A Ordinary		
Devon Smiles Limited	£1.00 Ordinary		
Deysbrook Dental Surgery Limited	£1.00 Ordinary		
Diamond House Dental Practice Limited	£1.00 Ordinary		
Eckington Dental Practice Limited	£1.00 Ordinary		
Eurodonic Limited	£1.00 Ordinary		
Fairfield Dental Surgery Limited	£1.00 Ordinary		
Freshdental Practice Limited	£1.00 Ordinary		
Future Drilling Limited	£1.00 Ordinary		
Goodteeth Dental Surgeries Limited	£1.00 Ordinary		
Grosvenor Orthodontic Clinic (Beckenham) Limited	£1.00 Ordinary		
Harbour Way Surgery Limited	£1.00 A Ordinary		
Haven Green Clinic Limited	£1.00 Ordinary		
Highland Dental Care Limited	£1.00 Ordinary		
Highwoods and St Johns Limited	£1.00 Ordinary		
Highworth Dental Care Limited	£1.00 Ordinary		
Hope Dental Practice Limited	£1.00 Ordinary, £1.00 Ordinary B		
Hospital Lane Dental Clinic Limited	£1.00 Ordinary		
Iosis Clinic Limited	£1.00 Ordinary		
J A Jordan & Associates Limited	£1.00 Ordinary		
J.J. Thompson (Orthodontic Appliances) Limited	£1.00 Ordinary		
James Taylor and Partners Limited	£1.00 Ordinary		
JDH Holdings Limited	£0.10 Ordinary		
Kidson Orthodontics Limited	£1.00 Ordinary		
King Lane Dental Care Limited	£1.00 Ordinary		
KN Wellness Ltd	£1.00 Ordinary		
Lab 53 Limited	£1.00 Ordinary		
Lawrence Street Dental Practice Limited	£1.00 Ordinary		
Linden Dental Centre Limited	£1.00 Ordinary		
Luke Barnett Limited	£1.00 Ordinary		
Mainstream Dental Care Limited	£1.00 Ordinary		
Mark Fazakerley (VHO) Limited	£1.00 Ordinary		
MCM (Dental Services) Limited	£1.00 Ordinary		
MDANZ Limited	£1.00 Ordinary		
Metrodental Limited	£1.00 Ordinary		
Milehouse Dental Care Limited	£1.00 Ordinary		

Financial Statements of the Company

for the year ended 31 December 2024

Name	Share Class	Proportion of class held (%)	Effective % ownership
United Kingdom (continued)			
Mojo-D Limited	£1.00 Ordinary		
MZINC Limited	£0.01 Ordinary		
Nigel Reynolds Limited	£1.00 Ordinary		
NM Jones Ltd	£1.00 Ordinary		
North Devon Orthodontic Centre Limited	£1.00 Ordinary		
Oasis Dental Care (Central) Limited	£1.00 Ordinary		
Oasis Dental Care (Southern) Holdings Limited	£0.10 Ordinary-A		
Oasis Dental Care (Southern) Limited	£1.00 Ordinary		
Oasis Dental Care Limited	£1.00 Ordinary		
Oasis Healthcare Limited	£0.01 Ordinary		
Oral Implantology Limited	£1.00 Ordinary		
Ortho 2008 Limited	£1.00 Ordinary		
Orthoscene Limited	£1.00 Ordinary		
Oswestry Dental Laboratory Limited	£1.00 Ordinary		
Peter Baldwin (VHO) Limited	£1.00 Ordinary		
Priors Croft Dental Practice Limited	£1.00 Ordinary		
Private Dental Services Ltd	£1.00 Ordinary		
Quantum Ortho Limited	£1.00 Ordinary		
Quest Dental Care LLP	Partnership Interest		
Raglan Suite Limited	£1.00 Ordinary		
Ratcliffe Dental Limited	£1.00 Ordinary		
Richley Dental Ceramics Limited	£1.00 Ordinary		
Rise Park Dental Practice Limited	£0.10 Ordinary A, £0.10 Ordinary B		
Roberts-Harry Clinic Ltd	£1.00 Ordinary		
Shaw & Associates Dental Surgeons Ltd	£1.00 Ordinary		
Silverwell Surgery Ltd	£1.00 Ordinary		
Siobhan Owen Limited	£1.00 Ordinary		
Smile Dental Care Ltd	£1.00 Ordinary		
Smile Lincs Limited	£1.00 Ordinary		
Steeple Grange Smiles Limited	£1.00 Ordinary		
Stob Dearg Limited	£1.00 Ordinary		
Stop the Clock Dental Care Limited	£1.00 Ordinary		
Synergy Ceramics Ltd	£1.00 Ordinary		
TDK Dental Limited	£0.50 Ordinary A		
The Adams and Lee Dental Practice Ltd	£1.00 Ordinary		
The Clinic Dental Facial Limited	£1.00 Ordinary		
The Dental Solutions Centre Ltd	£0.02 Ordinary		
The Exeter Dental Centre Limited	£1.00 Ordinary		
The Facial Aesthetics & Dental Centre Ltd	£1.00 Ordinary		
The Oasis Healthcare Group Limited ²	£1.00 Ordinary		
The Spire Halifax Limited	£1.00 Ordinary		
The Tutbury Dental Practice Limited	£1.00 Ordinary		
Tooth Fixer Limited	£1.00 Ordinary		
Total Orthodontics Limited	£1.00 Ordinary		
Wessington Way Limited	£0.10 Ordinary		
Whole Tooth Limited	£1.00 Ordinary		
Wimborne Total Dental Care Limited	£1.00 Ordinary		
Windslade Limited	£1.00 Ordinary		
Winning Smiles (Gillingham) Limited	£1.00 Ordinary		
Wylde Green Orthodontics LLP	Partnership Interest		
Wylde Valley Dentistry Limited	£1.00 Ordinary		
Xeon Smiles UK Limited	£1.00 Ordinary		
Cromwell Hospital, Cromwell Road, London, SW5 0TU			
Cromwell Health Group Limited ²	£1.00 A Ordinary		
Medical Services International Limited	£1.00 Ordinary		

Financial Statements of the Company

for the year ended 31 December 2024

Name	Share Class	Proportion of class held (%)	Effective % ownership
United Kingdom (continued)			
Mind Your Business (NI) Ltd, 1 Elmfield Avenue, Warrenpoint, Newry, County Down, BT34 3HQ, Northern Ireland			
Belfast Orthodontic Clinic Ltd	£1.00 Ordinary		
Blueapple Dental and Implant Team Limited	£1.00 Ordinary		
Cranmore Excellence in Dentistry Limited	£1.00 Ordinary		
DE (Belmont Road) Ltd	£1.00 Ordinary		
Fortwilliam and Ballymena Specialist Dental Clinics Limited	£1.00 Ordinary		
Smiles Dental Practices North Limited	£1.00 Ordinary		
Pinsent Masons LLP, 13 Queens Road, Aberdeen, AB15 4YL, United Kingdom			
Martin and Martin Dental Care Limited	£1.00 Ordinary		
Partick Dental Ltd.	£0.01 Ordinary		
United States			
18001 Old Cutler Road, Suite 300 Palmetto Bay, Florida 33157, United States			
Bupa Insurance Company	US\$1.25 Capital Stock		
18001 Old Cutler Road, Suite 500, Palmetto Bay, Florida 33157, United States			
Bupa Investment Corporation, Inc.	US\$1.00 Capital Stock		
Bupa U.S. Holdings, Inc.	US\$0.01 Common Stock		
Bupa Worldwide Corporation	US\$5.00 Capital Stock		
U.S.A. Medical Services Corporation	US\$5.00 Capital Stock		

1. In voluntary dissolution, pending deregistration
2. Held directly by the Company
3. 0.000015% held by nominee
4. 0.017% held directly by the Company
5. 1% held directly by the Company
6. 0.000001% held directly by the Company's parent
7. Part held by nominee
8. 0.03% held directly by the Company
9. In voluntary liquidation
10. The Sanitas Foundation

Financial Statements of the Company

for the year ended 31 December 2024

Other related undertakings

The related undertakings listed below comprise joint ventures, associated undertakings and other significant holdings. Unless otherwise stated, the proportion of the nominal value of each share class held indirectly by the Company is shown below, together with the Group's effective ownership, calculated by reference to the voting rights. All joint ventures are included in the Group consolidation using the equity method, unless otherwise stated.

Name	Share Class	Proportion of class held (%)	Effective % ownership
Australia			
'International Tower 3' Level 18, 300 Barangaroo Ave, Sydney NSW 2000, Australia			
George Health Enterprises Pty Limited	AUD Ordinary	21.15	21.15
Chile			
Manuel Antonio Matta N° 1945, Comuna Antofagasta, Region Antofagasta, Chile			
Sociedad Instituto De Cardiologia Del Norte Limitada	CLP Social Rights	50.00	44.47
Hong Kong			
6/F, and Unit Nos. 701-702 and 704, Tower 1, The Quayside, 77 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong			
Central Medical Diagnostic Centre Limited	HKD1.00 Ordinary	74.49	74.49
Saudi Arabia			
7764 Prince Sultan St, Al Mohammadiyah Dist., PO Box 260, Jeddah, 21411, Saudi Arabia			
My Clinic Advanced Pharmacies Company	SAR100.00 Ordinary	100.00	50.00
My Clinic Global Medical Company	SAR100.00 Ordinary	100.00	50.00
My Clinic International Medical Company Limited	SAR100.00 Ordinary	100.00	50.00
Nazer Bupa Medical Equipment Company Limited	SAR1,000.00 Ordinary	50.00	50.00
Prince Saud AlFaisal St., Al Khalediya District, P.O. Box 23807, Jeddah, 21436, Saudi Arabia			
Bupa Arabia For Cooperative Insurance Company	SAR10.00 Ordinary	43.25	43.25
Bupa Arabia For Third Party Administration	SAR1,000.00 Ordinary	100.00	43.25
Health Horizon Medical Care	SAR100.00 Ordinary	100.00	43.25
Spain			
Calle Libertad , Number 31, Mostoles, Madrid, Spain			
Resonancia Abierta Ibermedic, S.L.	€1.00 Ordinary	50.00	50.00
Cl Marques De Mendigorria 4, 45003, Toledo, Spain			
Centro Medico Enova, S.L.	€1.00 Ordinary	40.20	40.20
United Kingdom			
10 Orange Street, London, WC2H7DQ, United Kingdom			
Healthcode Limited ¹	£1.00 A Ordinary £1.00 E Ordinary	100.00 20.00	20.00
1 Angel Court, London, EC2R 7HJ, United Kingdom			
Fulford Grange Medical Centre Limited	£1.00 'A' Ordinary	100.00	50.00
4th Floor, 167 Fleet Street, London, EC4A 2EA, United Kingdom			
Healthbox Europe 1 LP	£1.00 Partnership Capital	37.04	37.04
Wilson House Waterberry Drive, Waterlooville, Hampshire, PO7 7XX, United Kingdom			
London Oncology and Wellbeing Centre Limited	£1.00 B £1.00 Ordinary	100.00 17.91	38.90
United States			
745 Fort St, Ste 1100, Honolulu HI 96813, United States			
HTH Re, Ltd	US\$1.00 Ordinary	100.00	49.00

Financial Statements of the Company

for the year ended 31 December 2024

Name	Share Class	Proportion of class held (%)	Effective % ownership
United States (continued)			
933 First Avenue, King of Prussia PA 19406, United States			
Highway to Health, Inc	US\$0.01 Ordinary	49.00	49.00
HTH Worldwide, LLC	US\$1.00 Ordinary	100.00	49.00
Worldwide Insurance Services, LLC	US\$1.00 Ordinary	100.00	49.00

1. Held directly by the Company