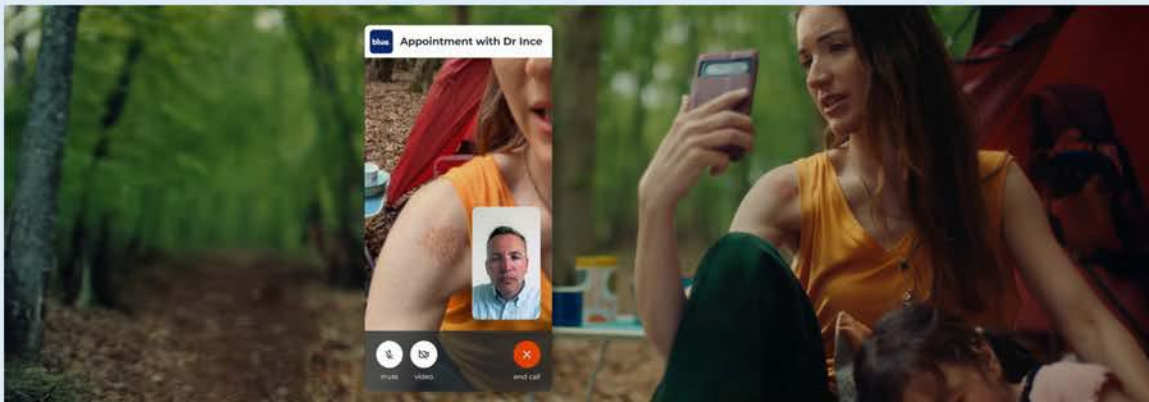




Helping people live longer, healthier, happier lives and making a better world

Annual Report 2024





We are an international healthcare company serving over 60 million customers¹ worldwide.

Having been established in the UK over 75 years ago, we now have 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 businesses in Saudi Arabia.

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.

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Group CEO's
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Bupa at a glance

Our purpose is helping people live longer, healthier, happier lives and making a better world.

We provide

Health insurance

A range of health insurance and funding products to 37.8m customers around the world.

Health provision

Personalised and accessible health provision to support over 22.7m customers' physical and mental health and wellbeing, delivered by world-class health professionals, facilities and technology.

Aged care

We provide care to our residents in the UK, Spain, Australia and New Zealand.

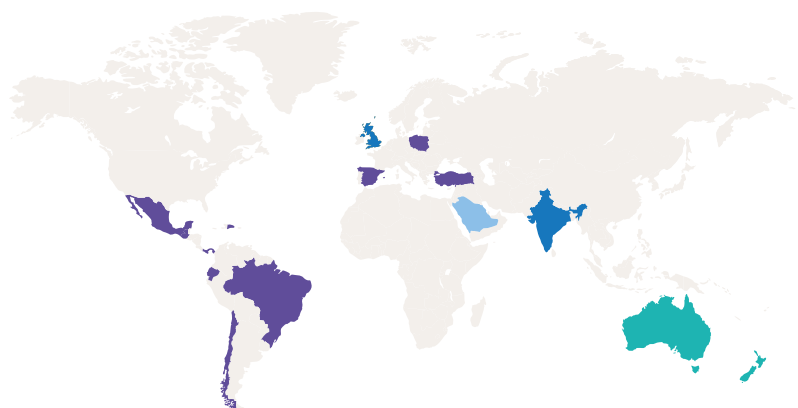
Revenue %

Health insurance
73%

Health provision
20%

Aged care
7%

Where we are



Market Units

Asia Pacific

For more information, see page 22

Revenue (£)

6.3bn

37%

Locations

Australia
New Zealand
Hong Kong

Europe and Latin America

For more information, see page 23

Revenue (£)

5.4bn

32%

Locations

Spain
Poland
Chile
Türkiye
Brazil
Mexico
Ecuador
Dominican Republic
Guatemala
Panama
Peru

Bupa Global, India and UK

For more information, see page 24

Revenue (£)

5.2bn

31%

Locations

United Kingdom
Republic of Ireland
India
Worldwide

Associate Businesses

Locations

Saudi Arabia¹

Total revenue (£)

£16.9bn

CER²: 16% Growth

Customers worldwide

60.5m

21% Growth

- Refers to Bupa Arabia and My Clinic. Revenues from associate businesses are excluded from reported figures. Customer numbers include 100% of our associates.
- Constant exchange rate (CER) financials are the retranslation of the prior year Actual Exchange Rates (AER) financials based on the current financial year's average rate.

2024 financial highlights

Financial highlights

Revenue^{1,2} (£bn)

£16.9bn

AER +12% **CER³ +16%**
2023: £15.1bn 2023: £14.6bn

2024	16.9
2023	15.1
2022	14.1

Statutory profit before taxation (£m)

£972m

AER +72%
2023: £564m

2024	972
2023	564
2022	(390)

Net cash generated from operating activities (£m)

£1,268m

AER +7%
2023: £1,182m

2024	1,268
2023	1,182
2022	966

Underlying profit (£m)

£914m

AER +53% **CER³ +59%**
2023: £599m 2023: £576m

2024	914
2023	599
2022	630

Solvency II capital coverage ratio⁴ (%)

176%

2023: 175%

2024	176%
2023	175%
2022	181%

1. Revenue calculated based on the aggregation of 'insurance revenue' and 'total non-insurance revenue' as shown in the Consolidated Income Statement.
2. Revenues from associate businesses are excluded from reported figures. Economic post-tax profits include the associate contribution in line with our shareholding.
3. Constant exchange rate (CER) financials are the retranslation of the prior year Actual Exchange Rates (AER) financials based on the current financial year's average rate.
4. The 2024 Solvency II capital position, Solvency Capital Requirement (SCR) and coverage ratio are estimates and unaudited.

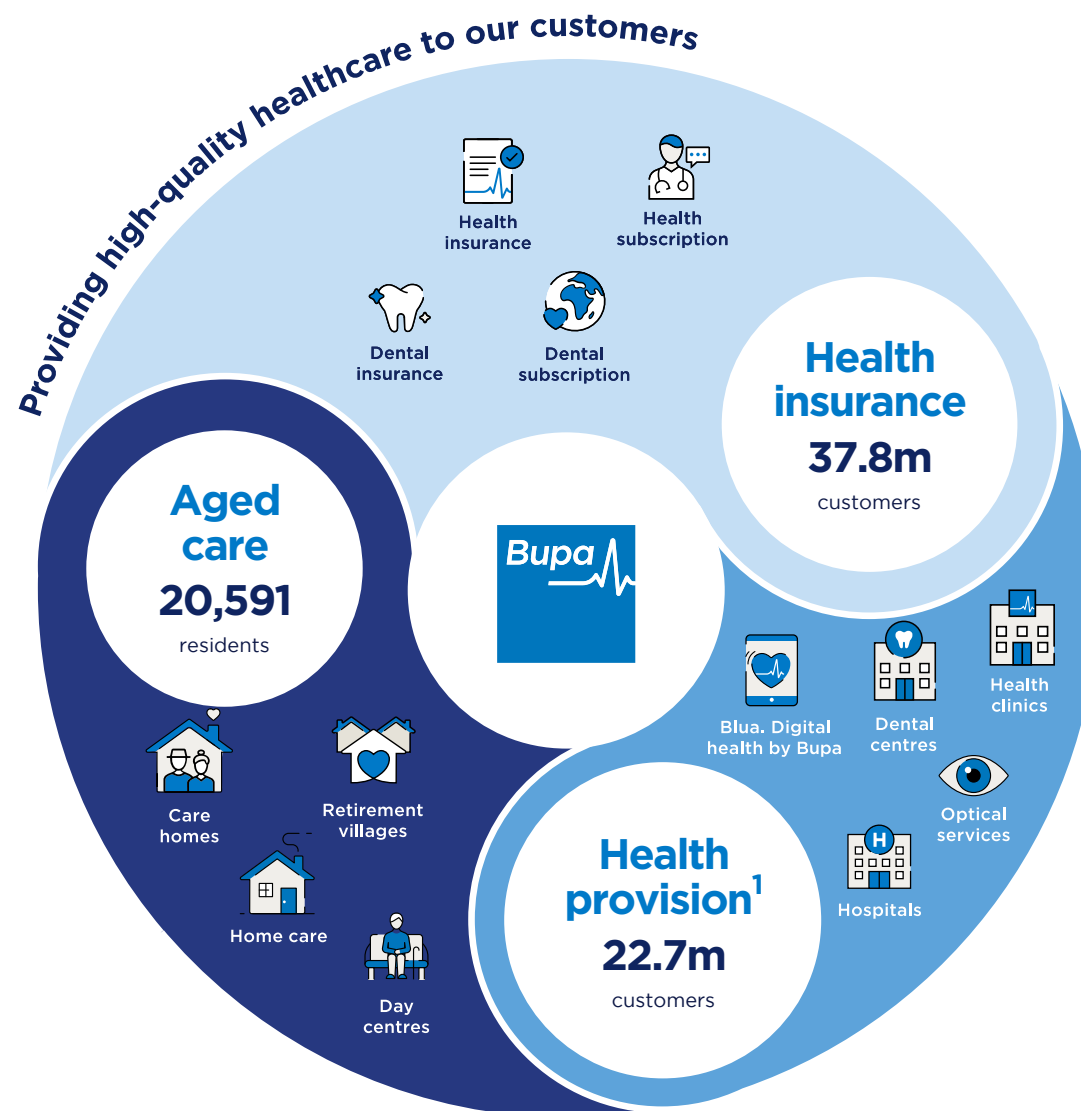
Business model

We provide a range of health insurance, health provision and aged care products and services to our customers around the world.

Our 'Connected Care' model makes healthcare more convenient for our customers. We connect our health provision (both digital and in-person) with our health insurance products, to give customers a more seamless experience. This enables them to access care more easily, and get the support they need, all in one place.

With no shareholders, our customers are our focus. We reinvest profits from our business into our purpose by:

- Providing more and better healthcare for the benefit of current and future customers;
- Building a healthier future for people and planet – through delivering our sustainability strategy.



1. Some of our provision businesses (e.g., LUX MED in Poland) also offer health subscription products

Chairman's statement

Bupa has delivered a strong set of financial results and our businesses are delivering on our strategy.

Roger Davis
Chairman



On behalf of the Board, I present the 2024 Annual Report and Accounts to our stakeholders and highlight the key themes:

2024 Progress and performance

The Board has been very pleased with Bupa's strategic progress and financial performance in 2024. Bupa has delivered a strong set of financial results and our businesses are all delivering on our strategy. Iñaki Ereño's Group CEO review on [pages 6 to 7](#), and James Lenton's Group CFO review on [pages 17 to 19](#), cover this in detail.

During 2024, Niva Bupa became a subsidiary of the Group, following our acquisition of the controlling interest in January, and in November 2024 I was proud to attend its listing on the Indian Stock Exchanges following completion of its IPO. More detail on this can be found on [page 53](#).

Our Customer Focus

Bupa continues to aspire to be the world's most customer-centric healthcare company and good progress has been made on our three customer-centric ambitions in 2024. In 2024 there was improvement across all three strategic ambitions and strong progress in all six strategic and enabling pillars. Through the Bupa Customer System, we seek feedback following customer care touchpoints in order to identify where we can do even better, and this mindset, supported by so many of our customers taking the time to do this, helps us to deliver this progress. Details of our customer centricity can be found on [pages 12 to 13](#).

Our People and Culture

The Board values the huge contribution and commitment our people give to Bupa. Our high standards of service and quality of care could not be provided without them.

The Board was incredibly pleased to see that our employees feel the same way about Bupa through our global engagement scores from the biannual Pulse surveys. Our scores increased again in 2024, putting Bupa amongst the top 10% of most engaged companies worldwide in the Glint benchmark.

Bupa's continued focus on diversity and inclusion and health and wellbeing in the workforce was recognised in the engagement surveys, recording their highest scores to date. Employees felt they could be themselves at Bupa and that diverse perspectives were valued. They also felt well supported to look after their health and wellbeing. You can read more in People and Culture on [pages 28 to 32](#).

Sustainability and ESG

The Board were pleased with the progress on delivering our sustainability strategy in 2024, working to reduce emissions and increase the use of renewable energy. Bupa also launched a 'Single-use Switch' initiative aimed at reducing waste to landfill or incinerators and reviewed its sustainable investment approach.

As in prior years, the annual Bupa Healthy Cities challenge took place in 2024 with the highest global participation so far and we ran another successful eco-Disruptive programme. We increased the number of partnerships with national Paralympic organisations in Paris ahead of the 2024 Paralympics.

You can read about all of these, and more, in 'Delivering Sustainability and ESG' on [pages 34 to 44](#).

Our Strategy

2024 was the final year of our 3x6 Strategy and the Board was pleased with the progress Bupa has made since the strategy was launched, and the particularly strong performance this year. The Board took time to reflect on how Bupa's strategy should evolve, to continue building on this success going forwards. Details of progress on the 3x6 Strategy is covered on [pages 8 to 11](#), and an outline of the new Bupa strategy and how it was developed is covered on [pages 15 to 16 and 52](#).

The Board

We continued to focus on ensuring the Board has the right skills and experience to oversee the strategy and that there is well-managed refreshment of the Board in line with our Board succession plans. During the year Simon Blair and Clare Bousfield joined the Board and Gunjan Bhow stepped down. Simon took over as Chair of the Board Risk Committee in 2024. A special committee of the Board was created to oversee the selection process for my successor, as Chair of the Board. We were delighted to announce that Don Robert CBE was selected and he joined the Board in February 2025 as Chair-elect, to take over as Board Chair when I retire in May 2025. It has been a great privilege to be the Chairman of Bupa for the last six years, and I am very proud of everything which Bupa and its people have achieved over that time.

2025 Focus

Looking to 2025, Bupa is focused on continuing our journey. It will continue under strong leadership to closely monitor execution of our strategy and the transformation of our business, to provide the best experience to our customers in the most sustainable way and keep delivering on our purpose.

Roger Davis
Chairman

Group CEO's review

We now serve over

60 million

customers globally

Over

7 million

customers are using
Blua globally

Iñaki Ereño
Group CEO



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 in 2024.

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 and doing what we can to make the world a better place. We now serve over 60 million customers globally and almost 7.5 million people are using Blua, our digital health solution¹.

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 (BU) have improved their Net Promoter Score (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**.



Iñaki Ereño visiting Bite Médica hospital in Mexico

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:** 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:** 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:** 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.

1. Refers to Blua or an equivalent digital solution. Applicable to all references to Blua across the Annual Report & Accounts.

Group CEO's review continued

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 share. In January 2024, we increased our investment to become the controlling shareholder in our Indian health insurance business, Niva Bupa. Subsequently, in November, Niva Bupa successfully listed a minority shareholding via an Initial Public Offering (IPO) and raised additional capital, marking an exciting step in the growth of the business.

* A key driver of insurance growth has been Niva Bupa, our health insurance business in India.

■ **Transformation:** A key driver of our customer growth is Blua, our digital health solution, which is helping us attract and retain customers who prefer to access healthcare digitally. Currently, almost 7.5m customers are using Blua globally (up by

36% from 2023), benefiting from a network of more than 16,700 clinicians. In 2024, we delivered more than 6.5m digital consultations.

■ **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 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 £3.5m 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 videos and calls, generated 39,000 improvement ideas via our internal Customer Listening Programme and made over 10,500 improvements 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.

Other highlights:

■ In October, we hosted our 2024 Bupa Healthcare Symposium, themed 'Unboxing Digital Health', with over 1,000 attendees from around the world, both in person and online. During the event, we unveiled Bupa's

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.

■ In 2024, we became partners with three new Paralympic associations, having signed agreements with New Zealand, Hong Kong and Ecuador ahead of the 2024 Summer Paralympics in Paris, bringing our support of Paralympic associations to nine in total. These partnerships provide a valuable opportunity to create a positive social impact and strengthen our reputation. They have already led to initiatives like the Inclusive Games organised by the Sanitas Foundation, which took place in October and brought together para-athletes and able-bodied athletes to compete in 14 different sports.

■ In June, we became the official global healthcare partner of the All Blacks, Teams in Black, and the international healthcare partner of the Black Ferns. This four-year partnership will focus on exploring and promoting the connections between health and high performance across all teams.

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.

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.

Iñaki Ereño
Group CEO



Iñaki Ereño and Mark Robinson, CEO, New Zealand Rugby

Delivering our 3x6 Strategy

Our three ambitions

In 2021, we launched a transformative strategy (the '3x6 Strategy') to make Bupa the most customer-centric healthcare company in the world. The strategy was centred around three bold ambitions and six strategic and enabling pillars

Four years on, we are proud of the significant progress we have made, having delivered demonstrable results against each of our three ambitions. We now own a greater proportion of our customer care touchpoints, we leverage digital channels more effectively to better engage with our customers, and we are delivering market-leading customer experience.

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.

Our three ambitions



40%

customer care
touchpoints
owned by Bupa



60%

active digital
customers



80

Net Promoter
Score




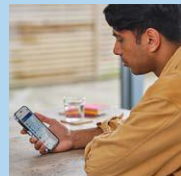




Performance in the final year (2024) of the 3x6 Strategy was especially strong, as we were able to build on the positive momentum generated over previous years.

An overview of tangible progress in 2024 against our three ambitions is set out on the following page.

Delivering our 3x6 Strategy continued

Our three ambitions

	Year-end position ¹	Overall progress in 2024	Additional commentary	Spotlight
 40% customer care touchpoints owned by Bupa Our ambition was to take care of more of our customers' health needs and wants directly, by expanding our own offerings in health provision ¹ .	25.9% By the end of the year, we owned 25.9% of our customer care touchpoints, having significantly expanded our digital health offerings (via Blua) and our physical provision network.	+3.7 ppts We increased the percentage of customer care touchpoints that we own in the majority (92%) of funding BUs. The average improvement was +3.7 ppts per BU.	Expansion of our digital and physical footprint, and integrated care pathways have been critical to increasing the number of customer care touchpoint we own.	In Hong Kong Health Insurance we increased activity in Bupa-owned provision by attracting higher customer volumes in our diagnostic and imaging facilities, and by enhancing app features within Blua. This resulted in an increase of +6 ppts since 2023. 
 60% active digital customers Our ambition was to engage more with our customers through digital channels - enabling them to access what they need, from anywhere ¹ .	46.1% We ended the year with 46.1% of our funding customers actively engaging with us through digital channels, having successfully increased customer awareness and adoption of Blua.	+5.8 ppts We grew our active digital customer base in every funding BU. The average improvement was +5.8 ppts per BU.	The global roll-out of our new digital solution, Blua, and our targeted marketing and communication campaigns, have been significant drivers of digital adoption.	In Care Plus (Brazil) we grew our active digital customer base by increasing customer adoption of Blua (e.g., via marketing campaigns) and by improving user experience (e.g., through new app features). This resulted in an increase of +18 ppts since 2023. 
 80 Net Promoter Score Our ambition was to improve NPS ² across all businesses and to strive for world-class customer experience ¹ .	67 NPS By the end of the year, we achieved an average NPS score of 67, having delivered over 10,500 customer experience improvements to key parts of the customer journey.	+5 NPS We improved NPS in the majority (92%) of BUs. The average improvement was +5 NPS points per BU.	Embedding the 'Bupa Customer System' - listening to our customers, developing new ideas and implementing improvements across the customer journey, has been the key driver of improvement in NPS.	In UK Care Services we transformed the customer experience based on feedback from our residents. For example, by enhancing catering facilities and general activities. This resulted in an increase of +16 ppts since 2023. 

1. To maximise impact, the 40 Ambition is focused on Bupa's three largest insurance BUs (in Australia, the UK and Spain) and the year end position represents the true aggregate. The 60 Ambition is focused on Bupa's funding BUs and the year end percentage is based on a simple raw average. The 80 Ambition is relevant to all BUs and the year end score is based on a simple raw average.

2. NPS is derived from multiple transactional NPS Surveys.

Delivering our 3x6 Strategy continued

Our six strategic and enabling pillars

In addition to our ambitions, the 3x6 Strategy set out six strategic and enabling pillars. These have been the main areas of transformation focus across our global operations. An overview of progress against these pillars in 2024 is set out below.



Customers

Obsession with our customer's experience



Customer experience improvements

www.bupa.com/ARA2024

See page 12 for more detail, on Bupa's customer system

Experience improvements

10,500

Globally, we implemented 10,500 customer experience improvements across key parts of the customer journey (+31% vs.2023).

Business Units with improved NPS

92%

NPS improved in the majority (92%) of BUs, showing that these 10,500 improvements delivered tangible benefits for our customers.



Growth

Strong performance and governance



Customers

60.5m

We now have over 60.5m customers worldwide (+21% vs 2023).

Provision customers

22.7m

We have 22.7 million provision customers (+12% vs. 2023).

A key driver of insurance growth has been Niva Bupa, our health insurance business in India.

See page 24 for more detail on Niva Bupa.

Insurance customers¹

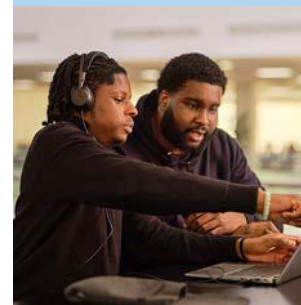
37.8m

We have 37.8m insurance customers (+27% vs. 2023).



Transformation

Continuous innovation and preparation for tomorrow



Find out more about Blua. Digital Health by Bupa

www.bupa.com/blua

See page 14 for more detail on Blua

Blua customers

7.5m

We expanded our digital health offerings through Blua, enabling us to serve almost 7.5m Blua customers globally (+36% vs.2023).

Countries with Blua

180

Blua is now available in 180 countries, following the successful launch to Bupa Global customers in Q4 (+170 countries).

1. A key driver of insurance growth has been Niva Bupa, our health insurance business in India.

Delivering our 3x6 Strategy continued

Our six strategic and enabling pillars

Driving progress against these pillars has allowed us to be more customer-centric, to grow more rapidly, to deliver change in a more agile way and to be more data-driven in our decision-making. With these strong foundations in place, our business is well positioned to do more for more people as we enter our next strategic era (2025-27).



Sustainability

Making a positive impact on the world



Healthy people

63,000

In 2024, 63,000 people took a total of 16 billion steps during our global Healthy Cities challenge, designed to encourage our customers, people and communities to adopt healthy, long-term habits.

See page 42 for more detail on our Sustainability efforts.

Healthy planet

£3.5m

In return, we donated £3.5m funding to nature regeneration projects to enhance green spaces in urban areas, such as tree planning (+75% vs. 2023).



Agile culture

The best, most diverse people and a great place to work



Customer listening

81,000

This year we listened to 81,000 customer feedback videos and calls to better understand their needs and preferences (+33% vs. 2023).

See page 13 for more detail on the Bupa Customer System.

Improvement ideas

39,000

Based on this feedback, we generated 39,000 ideas for how we can improve the customer experience (+66% vs. 2023) and implemented 10,500 improvements (+31% vs. 2023).



Data

Enhanced data driven decision-making



Employees trained in data

16,000

We have been upskilling our people in data, with 16,000 employees globally using data platforms (+33% vs. 2023). This is driving better, data-driven decisions across Bupa.

See page 7 for more detail on our B-Disruptive Hackathon.

Employees involved in B-Disruptive

750

Our B-Disruptive Hackathon involved 750 employees across 16 countries working collaboratively to unlock innovative ideas to enhance Blua with new AI technology.

Spotlight: Customer centricity

Our ambition is to
be the world's most
customer-centric
healthcare company.

At our core, we're focused on our customers. We put ourselves in their shoes to understand how they experience Bupa, so we can continually improve. We listen to thousands of customer interactions each month so we can come up with ideas to make our services even better.



Customer experience
improvements

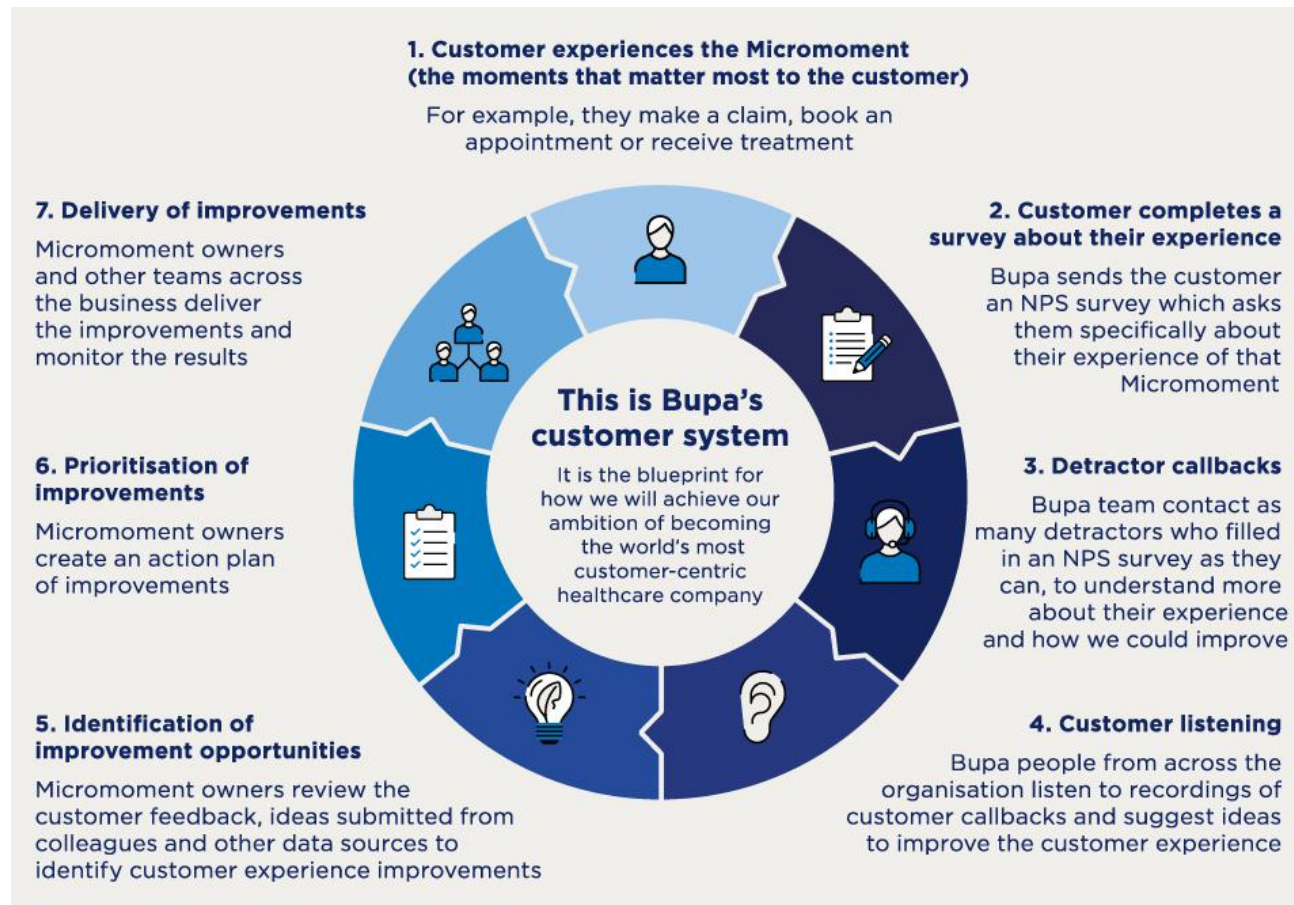
www.bupa.com/ARA2024



Spotlight: Customer centricity continued

We have built a **Bupa-wide Customer System** to enable us to listen to what our customers are telling us and to respond quickly. We ask customers what they think of Bupa at **key moments in the customer journey**, which we call **Micromoments**. Each Micromoment has an 'owner' who is responsible for reviewing the customer feedback and implementing improvements.

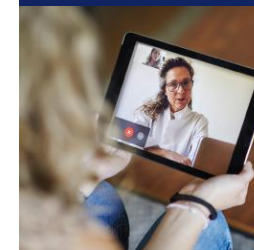
Everyone at Bupa has a role to play in the Customer System, whether that's listening to our customers, suggesting ideas for changes or implementing customer experience improvements. This year, we have listened to over **81,000 customer feedback videos and calls**. Importantly, this has helped lead to the over **10,500 customer experience improvements** that were implemented this year.



CUSTOMER CASE STUDY

Here are some examples of the improvements we've made for customers:

- In our **Optical business in Australia**, we introduced a non-invasive assessment as part of a normal eye test, using AI to help identify early risk of heart disease. This is called a Microvascular Health Assessment (MHA) and it's free for all Bupa Health Insurance customers in Australia. This improvement is part of our ongoing commitment to providing holistic, preventative healthcare that is affordable and accessible.
- In **UK Health Clinics** we identified and addressed a significant pain-point for Bupa insurance customers: the need to obtain authorisation prior to having certain treatments. Now, clinicians at Bupa clinics can pre-authorise a number of treatments on the customer's behalf, significantly simplifying the process and saving time for the customer.
- In our care homes business in Spain, **Sanitas Mayores**, we improved the experience of our residents by partnering with Amazon to implement Alexa's voice-activated technology. Residents are now using Alexa to stay more informed, entertained and connected. For example, through simple voice commands, they can set reminders for activities, have video calls with their families, listen to music and the news.



Spotlight: Blua

Blua offers Bupa customers convenient access to digital health services through the Bupa app.

Fast. Simple. Personal. Sustainable.
This is healthcare designed for modern life.
This is Blua.

Highlights

Customers

7.5m

Available in

180
countries

Supported by

16,700
clinicians

Blua Health Stories

From an early cancer diagnosis to ongoing menopause support, discover how customers are staying healthy, fit and well with Blua.



Watch our
Blua customer
stories

www.bupa.com/blua

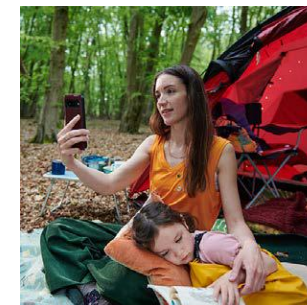
Features

Virtual Consultations

Enabling customers to connect with clinicians digitally in the comfort of their own homes.

Examples:

- **Primary care clinicians** available on Blua include GPs, Nurses, Advance Nurse Practitioners, Pharmacists, Physiotherapists and Mental Health Therapists
- **Secondary care clinicians** (e.g., Consultants) are also available on Blua in some countries



Health Programmes

Personalised plans designed for prevention, getting well and staying well – beginning with online health content, but may also include virtual and in-person appointments.

Examples:

- **Lifestyle Support:** Weight Loss, Nutrition and Fitness
- **Chronic Disease:** Asthma, Cancer, Diabetes
- **Recovery Programmes:** MSK, Mental Health, Substance Addiction, Cardiac Rehab



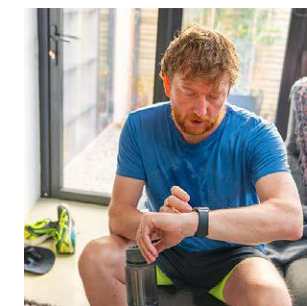
Note: Specific programmes on offer vary by country

Remote Healthcare

Equipment, consumables or health monitoring which can be deployed at home or on-the-go, without the need to visit a hospital or clinic.

Examples:

- **Diagnostics:** Carrying out blood tests and skin checks
- **Virtual Wards:** Monitoring vital signs through wearables
- **Medication:** Delivering prescriptions and treatments (e.g., chemotherapy)



blua. Digital health
by Bupa

Looking forward: Our purpose, values and ambition



Purpose:

Helping people live longer, healthier, happier lives and making a better world



Values:

Brave, Caring, Responsible



Ambition:

To be the world's most customer-centric healthcare company

Bupa's purpose, values and ambition are **long-term elements of our strategy** that have served us well over the last four years under the 3x6 Strategy.

Looking ahead to our **new strategic era (2025-27)**, these elements will **continue to guide our decisions and actions**:

- Our **purpose** is core to everything we do at Bupa, it captures why Bupa exists and the impact we want to have in the world
- Our **values** define our culture – empowering us to stand up for what's right for our customers, residents, patients and for each other
- Our **ambition** reflects our commitment to excellent customer experience, through great service and value, frictionless access and quality healthcare

To go further and faster in delivering **our purpose and ambition**, we are launching **Bupa's new strategy for 2025-27 – the '3x100 Strategy.'** It is designed to be an evolution of the 3x6 Strategy, and sets a **global framework** to guide and focus Bupa's Market Units (MUs) and Business Units (BUs) on the same key priorities.



Our new strategy for 2025-27

3x100

The 3x100 Strategy

Three Ambition KPIs



100

Net Promoter Score

Ensure we continue raising the bar for customer-centricity across Bupa



100%

Complete Customer Dataset

Use clinical data to understand customer health needs and create more personalised care journeys



100 million

Customers supported by Bupa

Innovate and grow our services to deliver high-quality healthcare to more people than ever before

Three Supporting Pillars



Customer: 500 customer experience improvements per Business Unit per year



Cloud: Accelerated migration of systems to the Cloud



Connected Care: All Business Units delivering against Connected Care Strategies

Group CFO's review

Revenue

£16.9bn

+16% at CER, 2023: £14.6bn

+12% at AER, 2023: £15.1bn

Underlying Profit

£914m

+59% at CER, 2023: £576m

+53% at AER, 2023: £599m

James Lenton

Group Chief Financial Officer



As Bupa grows and we maintain a strong focus on performance, it enables us to further reinvest in line with our purpose.

2024 has been another successful year for the Group as we see the results of our strategy in the financial performance of the Group. I am proud of how all our colleagues across the globe have contributed towards supporting the growth while maintaining a strong financial position.

Overview

Total customers of 60.5m (2023: 50.0m) as we continue to deliver strong growth.

Revenue¹ 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 return of COVID-19 claims savings to customers in Australia Health Insurance, Group revenues increased by 10%.

Underlying profit² before taxation of £914m, up 59% at CER (2023: £576m) driven by strong revenue growth, supported by higher investment returns.

Statutory profit before taxation of £972m, up 72% at Actual Exchange Rates (AER) (2023: £564m).

Solvency II capital coverage ratio remains strong at 176%³ (2023: 175%).

Leverage (excluding IFRS 16 lease liabilities) of 16.0% (2023: 20.1%).

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.

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% 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%.

In aged care, revenue was up 10% as occupancy increased by 2ppts to 94%⁴, combined with a revised government funding model in Australia designed to improve levels of care for residents and address shortfalls within the sector.

1. Revenues from associate businesses are excluded from reported figures. Customer numbers include 100% of our associate figures. Economic post-tax profits include the associate contribution in line with our shareholding.
2. Underlying profit is a Non-GAAP financial measure. This means it is not comparable to other companies. A reconciliation to statutory profit before taxation can be found in the notes to the financial statements.
3. The FY 2024 Solvency II capital coverage ratio is an estimate and unaudited.
4. Closing occupancy

Group CFO's review continued

Underlying profit (CER)

Group underlying profit increased 59% to £914m (2023: £576m) 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 2024¹. 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 GES² 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 £299m (2023: £264m).

Statutory profit

Statutory profit before taxation was £972m, up 72% AER (2023: £564m), as the higher underlying result was further increased by a positive variance in non-underlying items which totalled a £58m gain in 2024, compared with a £(35)m cost in 2023.

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 £26m (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 £10m (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	446	148
Europe and Latin America at CER	442	340
Bupa Global, India and UK at CER	228	269
Other businesses at CER	97	83
Central costs	(299)	(264)
Consolidated underlying profit before taxation at CER	914	576
Foreign exchange re-translation on 2023 results (CER/AER)	—	23
Consolidated underlying profit before taxation at AER	914	599
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	(26)	(1)
Net property revaluation gains/(losses)	9	(21)
Realised and unrealised foreign exchange gains	10	2
Amortisation of bed licences	(13)	(32)
Other non-underlying items	(33)	(13)
Total non-underlying items	58	(35)
Statutory profit before taxation at AER	972	564

- 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.
- Garantías Explícitas 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.

Group CFO's review continued

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)¹ driving a combined operating ratio (COR)¹ 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 £212m, representing an effective tax rate of 22% (2023: 25%), was lower than the UK statutory corporation tax rate of 25%. This was mainly due to a deferred tax credit on the revaluation of the deferred tax liability relating to the UK pension surplus following a change in the tax rate applying to authorised payments from defined benefit pension schemes from 35% to 25% and 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. Excluding the impact of these items, the effective tax rate would increase to 26%, which is in line with the UK statutory corporation tax rate.

Cash flow

Net cash generated from operating activities increased by £86m year-on-year to £1,268m 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 £(829)m to £(983)m due to the 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 £(396)m to £(465)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 16.0% (2023: 20.1%) 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).

Solvency

Our solvency coverage ratio of 176%² 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 groups loss experience.

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

James Lenton
Group Chief Financial Officer

Our Market Units

In this section

- 22 Asia Pacific
- 23 Europe and Latin America
- 24 Bupa Global, India and UK



Bupa Chile, Santiago

Our Market Units

Asia Pacific

See page 22 for more detail.

Revenue (£)

£6,277m

AER +10% 2023: £5,726m
CER +13% 2023: £5,541m

Underlying profit (£m)

£446m

AER +190% 2023: £154m
CER +201% 2023: £148m

Europe and Latin America

See page 23 for more detail.

Revenue (£)

£5,427m

AER +7% 2023: £5,083m
CER +13% 2023: £4,807m

Underlying profit (£m)

£442m

AER +25% 2023: £355m
CER +30% 2023: £340m

Bupa Global, India and UK

See page 24 for more detail.

Revenue (£)

£5,151m

AER +22% 2023: £4,235m
CER +22% 2023: £4,218m

Underlying profit (£m)

£228m

AER (15)% 2023: £269m
CER (15)% 2023: £269m

Associate Businesses

Revenue (£)

£9m

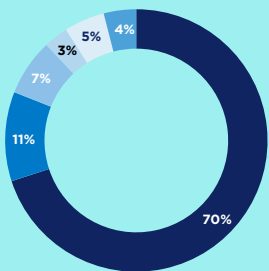
AER +13% 2023: £8m
CER +13% 2023: £8m

Underlying profit (£m)

£97m

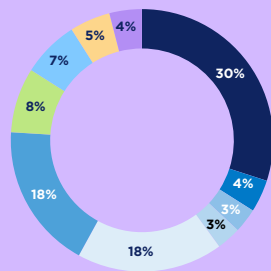
AER +14% 2023: £85m
CER +17% 2023: £83m

Revenue by business (%)



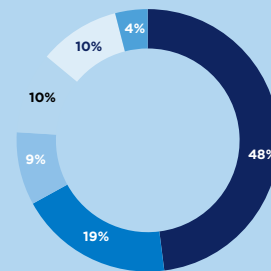
- Australia Health Insurance
- Australia Health Services
- Bupa Villages and Aged Care Australia
- Bupa Villages and Aged Care New Zealand
- Hong Kong Insurance
- Hong Kong Health Services

Revenue by business (%)



- Sanitas Seguros
- Sanitas Dental
- Sanitas Hospitales & New Services
- Sanitas Mayores
- Bupa Chile
- LUX MED, Poland
- Bupa Acibadem Sigorta, Türkiye
- Care Plus, Brazil
- Bupa Mexico
- Bupa Global Latin America

Revenue by business (%)



- Bupa UK Insurance
- Bupa Global
- Niva Bupa
- Bupa Dental Care
- Bupa Care Services
- Bupa Health Services

Underlying profit was up 17% to £97m largely driven by revenue growth and higher investment returns in Bupa Arabia.

Customers

3.7m

Bupa Arabia

0.5m

My Clinic

Our Market Units continued

Asia Pacific

Customer growth driving financial performance across all Business Units

Customers

4.8m

Health Insurance

3.4m

Healthcare Provision

5,600

Aged care, Australia

3,000

Aged care, New Zealand

Nick Stone
CEO,
Asia Pacific



In 2024, all Business Units improved their Net Promoter Score (NPS). We also implemented over 3000 customer experience improvements across our customer journey.

Revenues 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 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.

Australia Health Insurance domestic market share was 25.54% at 31 December 2024, marking nine consecutive quarters of maintaining or growing market share¹. 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.

Nick Stone
CEO, Asia Pacific

1. Source: APRA industry data.

Our Market Units continued

Europe and Latin America

Strong growth across insurance and provision as we continue to grow our provision footprint in line with our connected care strategy

Customers

5.9m

Health Insurance

14.6m

Healthcare Provision

5,900

Aged care

Iñaki Peralta
CEO,
Europe
and Latin
America



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

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 £442m driven by the increase in customers and higher investment returns.

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. 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, 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).

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), for more information see Note 19: Provisions for liabilities and charges ([page 190](#)). Chile provision profits remained stable in 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 InPMI 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.

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.

Iñaki Peralta
CEO, Europe and Latin America

Our Market Units continued

Bupa Global, India and UK

Strong revenue and customer growth driven by UK Insurance whilst we completed the acquisition of a controlling stake in Niva Bupa

Customers

23.3m

Health Insurance

4.2m

Healthcare Provision

6,200

Aged care

Carlos Jaureguizar
CEO,
Bupa Global,
India and UK



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 our customer journey.

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.

UK Insurance delivered strong growth in revenue, adding over 485,000¹ 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 Bluea 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.

Carlos Jaureguizar
CEO, Bupa Global, India and UK

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

Chief Medical Officer's review

Our healthcare teams bring dedication and expertise to every moment of care, improving the health and wellbeing of customers around the world

Every day, Bupa teams strive to fulfil our purpose. Over 50,000 healthcare professionals deliver extraordinary care, drive innovation, and improve health outcomes.

In 2024, we launched a groundbreaking new initiative My Genomic Health, a pilot programme offering 14,000 customers whole genome sequencing. We are the first private healthcare provider in Spain and the UK, to offer whole genome sequencing with integrated follow-up care pathways, underpinning our commitment to improving customers' health.

Genomics, the study of genes in our DNA, their function and influence on the body, is transforming healthcare by enabling early detection and prevention. We offer access to genetic risk profiles across 36 conditions, as well as pharmacogenomic data - which provide insights into how a person's genes influence their response to medicines.

These insights enable us to identify individuals at high risk and support them with highly personalised health plans. Tailored drug recommendations further empower people in making informed decisions about their health. This marks a transformative moment in healthcare, shifting the focus from reactive care to proactive prevention.

Transformation is also evident in our expanding digital footprint, seamlessly connecting clinicians and patients. Over 7.5m customers in 180 countries access Blua, digital health by Bupa, and our unique ability to integrate digital and physical services means our customers can receive their care wherever is comfortable and convenient for them.

Mental health is essential to a healthy life yet, according to the World Health Organisation, one in eight people globally live with a mental disorder. At Bupa, we are committed to helping customers who need support, access mental health services where and when they need them. In Poland, we have six mental health clinics already open, with more planned both in Poland and elsewhere. Customers are able to move between in-person and remote care, with 51% of consultations in Poland having been delivered remotely. In Australia, cognitive behavioural therapy courses are delivered via THIS WAY UP, a clinically-proven digital health programme. Over the last 12 months, 8,000 customers have received treatment, with 73% of customers reporting an improvement in their symptoms.

Dr Anne Lepetit
Chief Medical Officer,
Bupa Group & BGIUK



Mustafa's story

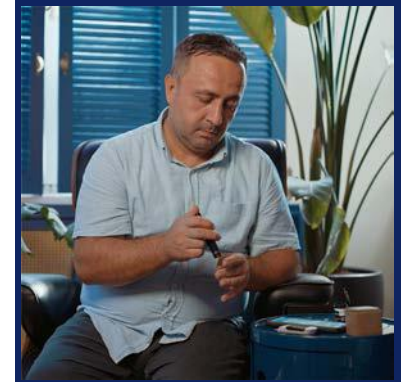
In Türkiye, the Blua chronic disease tracking programme allows customers with Type 2 diabetes to digitally track their blood glucose levels and share with their doctor.

One of our customers, Mustafa, has been using the digital service and Blua health information for two years. The programme supports him and his clinician in monitoring his condition at home, and work, sending alerts if the readings are high or low. Mustafa noted:

"Thanks to the programme, my condition is better controlled, and I feel fitter, healthier and happier."



Watch Mustafa's story here
www.bupa.com/blua



Chief Medical Officer's review continued

Serving over

60 million

customers worldwide

50,000

dedicated healthcare professionals who deliver extraordinary care and drive innovation across our global network

We have increased our footprint worldwide, opening a new hospital, over 40 clinics, 15 dental centres, new laboratories, specialist diagnostic facilities and a vaccination centre.

The culture of clinical governance across our organisation is strong. With robust defined oversight of the quality and safety of our owned provision businesses, clinical governance controls over Third Party Providers (TPP), integrated risk management systems, and global forums, we empower our teams to uphold the highest standard of care, while delivering innovation and operational efficiency. At Full Year 2024, all BUs have been assessed as being inside risk appetite. Additionally, a review of clinical regulatory and accreditation maturity across all MUs will continue to ensure clinical governance remains robust as we move into 2025 and beyond.

We are supporting our clinicians by investing in technologies that allow them to focus more of their time on being with their patients. AI interpretation of MRI scans quickly delivers expert level diagnoses, which are reviewed and confirmed by the doctor, prior to communicating with their patient. This saves the doctor time and the patient receives their results faster.

In addition, we are putting AI directly into the hands of our customers, streamlining care and helping them to achieve better outcomes. The Bupa Sanitas symptom checker allows customers to evaluate their symptoms and receive recommendations on next steps. This technology has supported over 100,000 customers across Spain, directing them to appropriate care. If a consultation is needed, an integrated appointment system helps the customer navigate which specialist is most appropriate for them and arranges an appointment.

Looking further ahead, we will continue to support our people and harness new technologies, building a stronger, more resilient healthcare community. Together, we are shaping a future where health care is more personalised, more accessible and more effective than ever before.



Visiting Quality HealthCare Clinic, Hong Kong



Meeting members of Bupa LUXMED's ambulance crew at St Elizabeth Hospital, Warsaw

Investing in our clinical workforce

We are committed to empowering our people and advancing education and innovation to help address global healthcare workforce challenges and build a stronger, more sustainable healthcare system for all.

In partnership with Spain's Universidad Europea, we have established two Bachelor's degree courses, one in Nursing, and the other in Occupational Therapy, as well as a Master's degree in Physiotherapy. Delivered with the support of Bupa clinicians, these degree programmes have already attracted 75 students in their first year.

In addition, the first cohort of Assistant Nurses have graduated from the Sanitas Campus in Madrid. Enrolment has increased ten times across nursing and care home assistants, as well as in dental care and diagnostic imaging. With a second campus opening in Barcelona in 2025, we are strengthening our commitment to healthcare education and workforce development.

Bupa Healthcare Symposium

The 2024 Bupa Healthcare Symposium brought together leaders from across the global health community. This year the theme was digital health, with an agenda structured around the three pillars of Blua – virtual consultations, remote care and health programmes.

We were proud to have Michael Johnson, 12-time Olympic and World Champion opening the Symposium, sharing his personal health story as a stroke survivor and how new digital technologies supported his recovery.

Panel sessions explored the future of digital health and how it is evolving to support patients and healthcare providers alike. Daniel Kraft MD, shared his visionary outlook on healthcare innovation and our high-tech exhibition showcased cutting-edge advancements in diagnostics, delivery and patient engagement.



Our people and culture

We are committed to building the best, most diverse workforce and a great, inclusive place to work for our people.

A place where all our people feel supported and valued, and they can grow and develop. Where everyone feels inspired to perform at their best and provide our customers with the best possible experience.



Our people and culture continued

“This score puts us within the 10% most engaged companies and is seen as ‘world-class engagement’ by our survey partner, Glint, who work with some of the biggest companies across the world.”

– Iñaki Ereño, Group CEO, on our global engagement score

2024 global engagement result

84

In 2024, we again achieved a ‘world-class’ engagement score, this year being our highest ever.



Iñaki Ereño, Group CEO, talking to Yolanda Erburu Arbizu, Chief Sustainability and Corporate Affairs Officer for Europe and Latin America

Employee Experience

Enhancing employee engagement, embracing diversity and inclusion, and investing in the health and wellbeing of our people creates a great place to work. It also contributes to our ambition to become the world's most customer-centric healthcare company.

Engagement

We measure employee engagement twice a year through our global People Pulse survey for all employees and, in 2024, we continued to see improvements. Our people continue to tell us how much they love working here and, over the past year, our employee engagement results continued to rise.

In November, we saw the highest ever participation rate since we launched our current approach to employee listening six years ago, with over 70,000 employees completing the survey. We also saw the highest ever global engagement score of 84. That score was up two points on 2023 and exceeds the high performing (top 10%) external benchmark, measured by our engagement partner, Glint, by four points.

We're incredibly proud of that continued improvement and remain committed to listening and acting on our people's feedback so we can continually improve their experience of working at Bupa.

We continued to actively engage our people with our strategy through a series of creative global campaigns across the year. These included marking the Year of Bluea, our digital health solution, by encouraging colleagues to share their 'Picture of Health' in the run-up to the Paris Paralympic Games. We also celebrated the end of Bupa's 3x6 Strategy with films, quizzes, infographics and sharing inspiring people stories from around the globe.

In 2024, 78% of our people used Workvivo, our global internal communications and employee engagement platform, creating 56,000 posts, 121,000 comments and over 640,000 likes.

Viva

We want our people to feel healthier and happier because they work at Bupa, which is why we launched Viva, our global employee health and wellbeing programme, in 2023. As of 2024, all Bupa employees worldwide have access to medical benefits, health insurance and wellbeing offerings through Viva. Our November 2024 People Pulse survey showed that our people feel more supported to look after their health and wellbeing than ever before. Our highest ever score of 83 for Wellbeing, was two points above the external benchmark.

We continued to expand our Personal Energy programme, helping leaders and their teams manage wellbeing practices and behaviours at work and at home. The programme is now available globally, Group-wide, translated into 13 different languages. It is accessible in care homes, call centres, clinical locations, retail stores, for back-office teams and corporate clients. Nine out of ten participants sharing that attending a Personal Energy session helped them feel more connected to their team.

Health and Safety

During 2024, our priority has been exploring how we support our people's psychological health and safety, and the root causes that affect that. This included looking at any unintended consequences from the shift to hybrid working.

Two of our key measures when looking at health and safety are through lost time injury and burnout and both of these measures improved during 2024. Over the past 12 months, we've also been recognised externally across our markets. We achieved six awards in the UK from the Royal Society for the Prevention of Accidents, the Suicide Prevention Australia's LiFE award for 'Best Practice in Workplace' for our Suicide Prevention Strategy and accreditation as a Top Wellbeing Company in Spain.



Our people and culture continued

300

Olympic and Paralympic athletes from 9 countries competing together in 14 inclusive sports.



In October, Sanitas hosted the 2nd Inclusive Games in Madrid which brought together over 300 international athletes with and without disabilities and showcased the importance of inclusive sports for all.

Inclusion & Diversity

We are committed to providing an environment that enables our people to bring their true selves to work and is inherently more inclusive. Our Group-wide inclusion framework supports the Group-wide inclusion priorities our Chief Executive Committee committed to for 2023 and 2024.

Inclusive Culture

Our **Be You at Bupa** campaign continues to have a tangible impact on how our people are feeling, achieving the highest levels of engagement on our internal social channels this year.

Our People Pulse survey also reflected that our employees continue to report feeling valued and free to challenge the status quo. This surpasses the top 10% global benchmark and indicates that people feel able to be their true selves at work with an increase in "Diverse perspectives are valued at Bupa" of two points in 2024.

Understanding our workforce diversity remains an important focus. During 2024, we increased the quality of our diversity data, completing a Bupa-wide data privacy exercise and setting the foundation for further development in 2025.

Inclusive Culture

A culture where everyone feels a sense of belonging and our people feel able to bring their true selves to work and be their very best.

Inclusive Leadership

All of our markets have continued to develop inclusive behaviours within leadership teams, which is reflected in the continued positive trend across our pulse inclusion index scores. There has been a focus on improving gender balance in leadership teams and developing future leaders. This work will continue, along with supporting the growth of under-represented groups, including people with disabilities.

Having undertaken an extensive review to understand any barriers to progression for female leaders, this year we delivered our first 'General Manager - Insight to Action' programme. This programme provides talent assessment, coaching and career development to support more women to move into senior General Manager roles across the business.

Our Dora Livock global female leadership network also continues to provide a supportive space for senior women to connect and to strengthen the pipeline of future women leaders. This year, the network has nearly doubled to over 300 global members, with executive sponsors across each Market Unit as well as from our Chief Executive Committee.

Inclusive Leadership

Our leaders visibly role model inclusive leadership, building diverse teams and creating safe environments where our people can develop and grow.

We voluntarily report data to a number of important initiatives, including the FTSE Women Leaders Review and the HM Treasury Women in Finance Charter. This year, our progress has been recognised with our inclusion in the 2024 Financial Times Diversity Leaders rankings.

Inclusive Practices

In a year when the global spotlight shone on the Paralympic Games in Paris, our focus was firmly on continuing to drive action on disability inclusion and accessibility across Bupa.

Following accessibility reviews in each of our three Market Units, we set up working groups to target the areas where we could have the most impact. These included workplace adjustments; recruitment and onboarding; and training and awareness.

The launch of the Be You at Bupa accessibility commitments in July reinforced our work to remove barriers and create inclusive and accessible experiences for our employees and our customers.

Inclusive Practices

Our policies and practices are fair, remove bias and allow us to attract, retain and promote to increase diversity, reflecting the customers and communities we serve.

Our people and culture continued

The overwhelmingly positive response to our people's stories, shared through the global launch campaign, demonstrated the importance of the subject to our people around the world.

Building on the strength of the existing disability advocacy groups within our Market Units, we held our first Bupa-wide employee advocacy forum, to ensure that the experiences of our people with disabilities are central to our plans and progress.



Colleagues in London joined a 'Breaking Barriers' panel discussion to share their experience of living with a disability

Leadership and Workforce

As we navigate an increasingly complex and dynamic global landscape, the need for future-ready skills and capabilities has never been more critical. Our commitment to building a resilient and adaptable workforce underpins our strategic vision, ensuring we remain at the forefront of innovation and excellence.

Through targeted initiatives and comprehensive development programmes, we are equipping our people with the tools they need to thrive in their roles and drive our organisation towards sustained success. By fostering a culture of continuous learning and professional growth, we are not only enhancing individual careers but also strengthening our competitive edge.

Leadership Development

We continue to build leadership capability globally by empowering our leaders to create an environment where all of our people can thrive, innovate and contribute to our collective success.

Bupa Advance, our global senior leadership development programme, is designed to build the mindset and capabilities we need to deliver our strategy, and to create a collaborative leadership community. During 2024, a further 25 leaders representing 11 countries completed the programme.

In our APAC Market Unit, 186 leaders completed the newly launched 'Lead at the Heart' programme, which focuses on leading great customer experiences, self-development and supporting people through change.

The programme was recognised with a Platinum Award in Leadership Development at LearnX 2024: an award for outstanding leadership training which drives and supports talent and development. It has been nominated as a finalist in the Australian HR Institute's Best Leadership Development Strategy award.

In BGIUK, we launched 'Evolve', to accelerate the development of leaders with growth potential. The first 68 leaders have started the programme, which focuses on leading with purpose, impact, agility and inclusion.

Global Mobility

Creating opportunities for career mobility across Bupa is essential for our business success, driving collaboration and global problem solving, and our people's personal growth, as the demand for global talent in healthcare increases.

Through our 'Move On' mobility programme launched in our ELA Market Unit in 2024, 16 employees gained international experience undertaking three-to-six-month projects in different countries, gaining invaluable development opportunities with a global perspective.

We initiated an Aged Care Study Tour for aged care managers, from Australia and the UK, to collaborate and explore ways to improve our dementia care offering – an experience designed to accelerate their personal growth, build global networks and enhance the care we give to our customers around the world.

Future Skills and Future Capabilities

At Bupa, we recognise the importance of preparing our people to deliver for our customers and transform for the future, by equipping them with the necessary skills and capabilities to meet emerging challenges and opportunities.

Our commitment to future skills development is evident in our comprehensive approach to continuous learning and innovative training programmes. Our strategic approach to workforce development includes a focus on early careers, clinical and future skills.

Future Skills

For the fourth year, we ran our global B-Disruptive programme, which is open to everyone at Bupa. Following training on generative artificial intelligence, 750 people participated in the challenge, designing potential AI-driven solutions within Bupa to predict and prevent illness.

There were two winning teams: one providing AI-enhanced hormone health insights and the other creating an AI-powered assistant to help customers follow their healthcare consultation advice.

Our people and culture continued

Early Careers

Bupa is committed to investing in our internal talent and recruiting externally to find brilliant people to join our apprenticeship and graduate schemes.

This year, we were placed 25th in the UK's Top 100 Apprenticeship Employers, moving up six places from 2023.

In Sanitas, our annual Talent Young People programme continued. We hired 10 people this year, working in different departments in Functions, People, Finance and IT. Each gaining skills in their respective department while also learning soft skills, English and Data/IT tools to enhance their development.

Within our Legal function, we launched an in-house solicitor apprenticeship programme, designed to develop our internal legal capabilities, increase access to the legal profession and assist with social mobility.



Iñaki Ereño, Group CEO, welcoming our new intake of Group and BGIUK graduates

Clinical Workforce

Following the successful launch of Sanitas Campus FP in 2023 (our clinical vocational training initiative in ELA), we have increased our intake from 35 students in 2023 to over 350 students enrolling in the 2024/25 cohort. We have also introduced new certifications, including learning for diagnostic radiographers and care home assistants.

We continue to invest in our future clinical workforce and have already started to replicate this initiative through building new facilities in Barcelona and in Staines-upon-Thames, near London.



The 2024 winning eco-Disruptive team, Moodmon

eco-Disruptive

In 2024, we ran the fourth edition of eco-Disruptive where learners work with the start-up community to solve challenges linked to our sustainability agenda. This year's focus was Healthy Societies, and the challenge areas included inclusive health, supporting disability, and illness prevention. 125 of our people participated with an impressive 1,079 start-ups, gaining invaluable skills and challenging themselves and the way we work to deliver better outcomes for our colleagues, customers and wider society.

The teams developed 18 Minimum Viable Products (MVPs) and our winning start-up, Moodmon, have developed a medical application that uses an AI algorithm. It analyses behavioural markers such as speech, activity and sleep quality parameters to evaluate a patient's mental state. They will receive a prize of £200,000 to further fund product development, as well as the opportunity to present at Plug and Play's Summit in Silicon Valley, whose mission is to drive innovation by connecting entrepreneurs, corporations, and investors worldwide.

Inclusive Health

Creating solutions for **people with limited access** or **support** for their healthcare needs.

Supporting Disability

Creating solutions that consider the challenges of **those living with a disability**.

Illness Prevention

Creating solutions aimed at **preventing illness** and reducing the need for **unnecessary medical interventions**.

Executive Leadership Development

We supported 24 of our executive level leaders to gain insight from a variety of external perspectives and innovation during 2024, including the Singularity Executive Programme.

In addition to a customised event hosted by Singularity for our top executives, five senior leaders had the opportunity to spend an immersive week in Silicon Valley, developing a deeper understanding of the technologies shaping the future and inspiring radical new ways of thinking.

eco-Disruptive

125

125 participants took place in our 2024 eco-Disruptive programme



2024 eco-Disruptive participants

Partnering with New Zealand Rugby

In June, we became the official global healthcare partner of the All Blacks, Teams in Black, and the international healthcare partner of the Black Ferns. This four-year partnership aligns with our mission of helping people live longer, healthier, and happier lives, emphasising the connection between health and high performance across all the teams.

"It's fantastic to partner with such a prestigious and successful institution as New Zealand Rugby. These are legendary teams that epitomise health and high performance. We are excited to be working in partnership, championing healthy lifestyles worldwide and supporting these athletes who are leading the way."

Iñaki Ereño, Group CEO



More about our partnership with the All Blacks

□ www.bupa.com/allblacks

Bupa Annual Report 2024



Delivering Sustainability and ESG

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Download our sustainability report

www.bupa.com/ARA2024



Mr Motivator and our Bupa colleagues celebrating Healthy Cities

Sustainability and ESG

Our sustainability strategy focuses on building a healthy future for both people and the planet.

Sustainability, and environmental, social impact and governance matters (ESG), are embedded in Bupa's purpose and reflected in our 3x6 Strategy, as they will continue to be in the 3x100 Strategy going forward. A review and refreshment of the sustainability strategy has been undertaken to align with the 3x100 Strategy and support delivery of the strategy in a sustainable way.

Our sustainability strategy focuses the business on how people and the planet are connected, and how Bupa can make healthcare more sustainable.

Bupa remains committed to becoming Net Zero¹ and achieving our Science-Based Targets (SBT). We continue to work towards reducing our environmental impact and improving healthcare. We will do this by focusing on areas where we can make the biggest difference for people and the planet.

Our sustainability strategy supports behaviours and actions across a broad range of ESG matters, such as inclusion and diversity, how we care for our people and how we contribute to communities, and how we respond to the risks of modern slavery and ensuring strong governance and business ethics.

For more information, see [People and Culture](#) on pages 28 to 32.



We deliver our sustainability activity through three missions.

Mission 2040

Our mission to build a healthier future for people and planet



Mission Zero

Reducing the environmental impact of healthcare.

For more information, see pages 37 to 39



Mission Accelerate

Accelerating innovative solutions to the biggest health-related sustainability challenges.

For more information, see pages 40 to 41






Mission Regenerate

Helping restore the health of our planet.

For more information, see page 42

Sustainability and ESG continued

Our Pillars and Ambition	Objective	Targets	Key progress in 2024
Mission Zero Reducing the environmental impact of healthcare. 	<p>To provide healthcare solutions for a healthy future for people and the planet by 2040. We are focused on:</p> <ul style="list-style-type: none"> ■ decarbonising our own operations, supply chain, investments and healthcare provision ■ digitalising our products and services ■ delivering sustainable healthcare. 	<ol style="list-style-type: none"> 1. Reduce our scope 1 and 2 (market-based) greenhouse gas (GHG) emissions across our global operations by at least 40% by end 2025 from 2019 baseline. 2. Reduce scope 1 and 2 (market-based) GHG emissions across our global operations by at least 46.2% by end 2030 from 2019 baseline (our approved science based target) 3. Reduce scope 3 emissions¹ by at least 63% by 2034 from 2019 baseline (our approved science-based target) 4. Align our portfolio of corporate bonds, loans and listed equities to 1.5C by 2040 5. Become a net zero business for scope 1 and 2 by 2030 and across all scopes by 2040. 	<ul style="list-style-type: none"> ■ Reached and exceeded our interim 2025 scope 1 and 2 emission reduction target. ■ 2024 performance is exceeding our targeted 2030 SBT emissions reduction.
Mission Accelerate Accelerating innovative solutions to the biggest health-related sustainability challenges. 	<ul style="list-style-type: none"> ■ To innovate and bring influence, research and advocacy, working with others, to deliver net zero, patient-centric health systems in a sustainable way. 	<p>By 2025, we will have engaged 500 start-ups and other key innovation partners to deliver at least one scalable sustainable healthcare solution per year and share these insights with our partners.</p>	<p>We engaged over 1,000 start-ups in each of the four years of our eco-Disruptive programme, including 2024, and continue to work with innovators and partners to scale sustainable healthcare solutions.</p>
Mission Regenerate Helping restore the health of our planet. 	<ul style="list-style-type: none"> ■ Provide opportunities for people to enhance their physical and mental health through community-based programmes that restore and regenerate the health of the planet. Developing and participating in partnerships that bring clinical expertise to drive human health benefits through conserving, restoring and regenerating nature. 	<p>By 2025, we will support 1 million people each year to improve their physical and mental health by expanding initiatives like our Healthy Cities programme that help restore and regenerate nature.</p>	<p>In 2024, we supported over 500,000 people towards our target and plan to achieve our target of 1 million people during 2025.</p>

1. Scope 3 emission categories included in target scope include: purchased goods and services, insurance-related emissions, business travel, downstream transportation and distribution.

Sustainability and ESG continued

Mission Zero

We're committed to being a net zero business by 2040,

with our efforts underpinned by near-term targets validated by the Science Based Targets initiative (SBTi).



Transforming to a net zero business

We are in the process of developing a climate transition plan for our business based on the recommendations and guidance provided by the Transition Plan Taskforce (TPT) Disclosure Framework.

Reducing our direct emissions

We continue to make good progress in decarbonising our scope 1 and 2 GHG emissions achieving a reduction of 58% from our 2019 baseline. This reduction currently exceeds our 2025 interim target of a 40% reduction, as well as our 2030 science-based target of 46.2%. During 2024, we maintained our commitment to securing renewable electricity, moving from 91% in 2023 to 94% in 2024, and remaining at 100% in our APAC Market Unit. In 2024, Spain, Türkiye and Mexico continued to secure 100% renewable energy.

For further information on our 2024 carbon performance see pages 38 and 39.

Reducing our indirect emissions Responsible Investment

Our sustainability strategy and climate targets are reflected in our approach to responsible investment. During 2024, we updated our Sustainable Investing Framework. This aligns our approach to sustainable investing with our growing emphasis on sustainability at Bupa. The aim of the new framework is to continue management of ESG risk by incorporating sustainability factors in investment decisions, while improving the positive impact of our portfolios on society and the environment. We will prioritise impact investments focused on climate, health and nature, creating quantifiable positive outcomes while balancing the need to maintain diversification and optimise return on capital. We will publish our progress against our targets in due course.

For more information, see our Responsible Investment Statement www.bupa.com/financials/responsible-investment

Sustainable Procurement

During 2024, we continued to expand our sustainable procurement programme, increasing the number of suppliers that we are targeting for change, and expanding our efforts to reduce the climate emissions from the supply chain across our Market Units. One of our global initiatives is to work with our top technology suppliers (by spend) to ensure that they also share our net zero ambitions. After exceeding our 60% target in 2023, we increased our target to an ambitious 75% of technology spend globally with suppliers aligned to our sustainability goals. At the end of 2024, we reached 73%, an increase of 7% in 12 months. We also have targets for our top global suppliers to increase the percentage of our top 100 suppliers (globally, by spend) aligned with our SBTs and net zero ambition.

Our targets help us work with suppliers who are aligned with our climate goals. In 2025, we will focus on deeper engagement with both suppliers and internal business owners to help everyone understand the importance of climate action.

Sustainable Healthcare

Our sustainable healthcare approach focuses on practical solutions to reduce the environmental impact of healthcare and supporting others to do the same.

In 2024, we launched the 'Single-use Switch' initiative to replace single-use items across our provision businesses with more sustainable alternatives, aiming to save millions of items from landfills or incinerators.

We also released three sustainable healthcare educational films aimed at healthcare professionals, highlighting the relationship between people and planet health and showcasing actionable solutions to reduce healthcare's environmental impact.

For more information, see Our Approaches: www.bupa.com/impact/sustainability/sustainable-healthcare

Emissions reduction

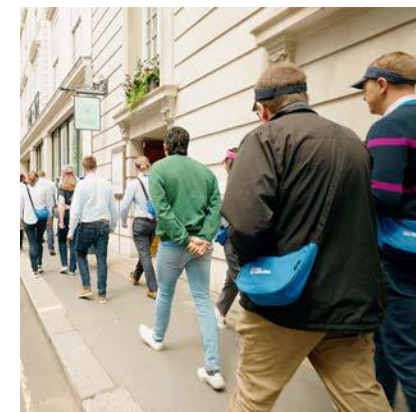
58%

from our 2019 baseline

Sustainable Procurement

73%

of global technology spend with suppliers aligned to our sustainability goals, up from 63% in 2023



Sustainability and ESG continued

Mission Zero

continued



Iñaki Ereño, Group CEO, and Nick Stone, APAC CEO, supporting Healthy Cities

2024 Group and UK operations GHG emissions footprint

In accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements for a large unquoted UK company, we report our UK-based energy usage and GHG emissions. We publish the Group's 2024 energy consumption and GHG emissions compared with full year 2023, and 2019, our base year, to show progress against our interim scope 1 and 2 GHG emissions reduction target of 40% by 2025. We will publish our detailed full year 2024 GHG emissions report¹ later in 2025 on bupa.com following external limited assurance².

We adopt the operational control approach, meaning we account for 100% of emissions from business locations over which we have control. Under this approach, control is considered where we have the authority to introduce and implement operational policies. In accordance with the GHG Protocol's guidance on dual reporting, we report scope 2 GHG emissions using both the location- and market-based approach.

In 2024, we increased our shareholding in Niva Bupa, our Indian health insurance business, becoming the controlling shareholder. As a result, our 2024 GHG emissions footprint includes the energy usage and associated GHG emissions from Niva Bupa. In accordance with the Group's GHG emissions recalculation policy, our full year 2023 and 2019 baseline has not been restated as the impact of the Niva Bupa transaction on the Group's footprint is below the materiality thresholds set out in our GHG emissions recalculation policy.

Our GHG emissions reporting criteria can be found at bupa.com/sustainability/sustainability-documents and sets out the basis of preparation.

Market-based GHG emissions performance

Group

In 2024, we continued to achieve a reduction in our scope 1 and 2 (market-based) GHG emissions in line with our 2030 SBT. Scope 1 and 2 (market-based) GHG emissions of 50,989 tCO₂e decreased by 13,728 tCO₂e or 21% compared with last year (2023: 64,717 tCO₂e).

Scope 1 emissions were lower by 6,709 tCO₂e or 15% compared with 2023. This is mainly due to lower refrigerant losses in Chile and Australia as well as lower natural gas consumption reflecting a number of decarbonisation initiatives. We also reduced anaesthetic gas emissions through the reduction in the use of nitrous oxide together with the implementation of a new anaesthetic distribution system in Chile.

Scope 2 (market-based) emissions were lower year on year by 7,019 tCO₂e or 37% due to switching additional sites onto renewable electricity in Poland and Chile. This has resulted in the increased proportion of renewable electricity consumption compared with last year by 3 percentage points to 94% (2023: 91%).

Total selected scope 3 emissions (category 3 and 6) increased by 4,862 tCO₂e or 11% this year to 47,416 tCO₂e (2023: 42,554 tCO₂e) mainly as a result of increased business travel predominantly due to the consolidation of Niva Bupa into the Group's 2024 footprint.

UK operations

Our 2024 scope 1 and 2 (market-based) GHG emissions were lower by 1,516 tCO₂e or 9% to 15,408 tCO₂e (2023: 16,924 tCO₂e).

Scope 1 emissions decreased by 1,807 tCO₂e or 11% mainly reflecting lower gas consumption, primarily due to the electrification of kitchen and laundry facilities across the majority of our UK care homes and retirement villages and the replacement of air handling units at the Cromwell Hospital.

Scope 2 (market-based) emissions increased by 291 tCO₂e to 787 tCO₂e (2023: 496 tCO₂e) mainly reflecting the acquisition of Blackberry clinics in January 2024. As a result, the proportion of renewable electricity consumption in the UK decreased by 2 percentage points to 96% (2023: 98%).

Total selected scope 3 emissions decreased by 324 tCO₂e to 11,953 tCO₂e (2023: 12,277 tCO₂e). Business travel emissions are marginally lower by 83 tCO₂e or 1% compared with 2023 and remained lower than 2019 by 18%.

Additional GHG emissions reduction and energy management activities

We continued to work on decarbonisation initiatives associated with procurement and third-party healthcare providers. These efforts, alongside Bupa's programme for sustainable digital transformation, are intended to reduce emissions associated with patient claims and travel.

1. Covers scope 1, 2 and selected scope 3 (category 3 – fuel- and energy-related activities, and category 6 – business travel).

2. Our full year 2024 GHG emissions report will reflect our most up-to-date GHG emissions position, including actual fourth quarter activity data which, in part, has been estimated in this report, predominantly based on previous consumption trends.

Sustainability and ESG continued

Mission Zero

continued

	Unit	2024		2023		2019		Increase/(Decrease)			
		Group	UK	Group	UK	Group	UK	% change vs. 2023		% change vs. 2019	
		Group	UK	Group	UK	Group	UK	Group	UK	Group	UK
Total energy usage ¹	kWh	468,333,299	136,144,885	480,574,076	145,122,725	508,743,037	163,830,698	(3)%	(6)%	(8)%	(17)%
GHG emissions²											
Scope 1	tCO ₂ e	38,783	14,621	45,492 ³	16,428 ³	49,444 ⁴	20,408	(15)%	(11)%	(22)%	(28)%
Scope 2											
Market-based	tCO ₂ e	12,206	787	19,225 ³	496 ³	72,061 ⁴	1,200	(37)%	59 %	(83)%	(34)%
Location-based	tCO ₂ e	95,535	11,430	96,028 ³	11,453 ³	108,541 ⁴	14,938	(1)%	— %	(12)%	(23)%
Total scope 1 and 2 (market-based)	tCO₂e	50,989	15,408	64,717 ³	16,924 ³	121,505 ⁴	21,608	(21)%	(9)%	(58)%	(29)%
Total scope 1 and 2 (location-based)	tCO₂e	134,318	26,051	141,520 ³	27,881 ³	157,985 ⁴	35,346	(5)%	(7)%	(15)%	(26)%
Scope 3											
Fuel- and energy-related activities (category 3)	tCO ₂ e	27,048	6,153	26,769	6,394	28,939	5,897	1 %	(4)%	(7)%	4 %
Business travel (category 6)	tCO ₂ e	20,368	5,800	15,785	5,883	18,429	7,114	29 %	(1)%	11 %	(18)%
Total selected scope 3 (category 3 and 6)	tCO₂e	47,416	11,953	42,554 ³	12,277 ³	47,368 ⁴	13,011	11 %	(3)%	— %	(8)%
Total reported market-based emissions	tCO₂e	98,405	27,361	107,271 ³	29,201 ³	168,873 ⁴	34,619	(8)%	(6)%	(42)%	(21)%
Total reported location-based emissions	tCO₂e	181,734	38,004	184,074 ³	40,158 ³	205,353 ⁴	48,357	(1)%	(5)%	(12)%	(21)%
% of renewable electricity ⁵	%	94%	96%	91%	98%	54%	94%	3 ppt	(2 ppt)	40 ppt	2 ppt
Energy intensity	kWh per customer	8.34	17.50	14.34	20.50	18.90	26.83	(42)%	(15)%	(56)%	(35)%
Market-based scope 1 and 2 GHG emissions intensity metrics⁶											
	tCO ₂ e / £m revenue	3.01	3.29	4.28	4.00	9.87	6.50	(30)%	(18)%	(70)%	(49)%
	tCO ₂ e / 000's customers	0.91	1.98	1.93	2.39	4.51	3.54	(53)%	(17)%	(80)%	(44)%
	tCO ₂ e / average employees	0.51	0.63	0.74	0.68	1.56	0.95	(31)%	(7)%	(67)%	(34)%
Location-based scope 1 and 2 GHG emissions intensity metrics⁶											
	tCO ₂ e / £m revenue	7.94	5.55	9.36	6.58	12.83	10.64	(15)%	(16)%	(38)%	(48)%
	tCO ₂ e / 000's customers	2.39	3.35	4.22	3.94	5.87	5.79	(43)%	(15)%	(59)%	(42)%
	tCO ₂ e / average employees	1.34	1.07	1.62	1.12	2.03	1.55	(17)%	(4)%	(34)%	(31)%

1. Total energy usage includes scope 1 and 2 consumption and car hire and private cars used for business purposes (scope 3, category 6). Conversion factors issued by the UK Government's Department for Energy Security and Net Zero Business (DESNZ) are applied to convert distance travelled data to kWh. Actual consumption is captured from a variety of sources including meter readings, supplier reports and supplier invoices where actual or estimated consumption is provided. Where actual data is not available, consumption is estimated based on, but not limited to, previous consumption trends.
2. Scope 1 (direct) emissions are from the combustion of fuels as part of stationary sources e.g. natural gas and liquefied petroleum gas, and from combustion of fuels in company-owned and leased controlled mobile combustion sources, e.g. company vehicles. Release of anaesthetic gases from medical procedures and refrigerant losses are also included. Scope 2 (indirect) emission sources are from purchased electricity and district heating and cooling. Our reported selected scope 3 (indirect) emissions are from i) category 3: well-to-tank and transmission and distribution (T&D) losses associated with scope 1 and scope 2 energy consumption and ii) category 6: business travel which includes air and train travel, taxis, car hire and employee vehicles (business mileage only). Other scope 3 'value chain' categories will be published in due course. A number of emission factor sets are used in the calculation of GHG emissions including DESNZ, International Energy Agency (IEA) and the Australian Clean Energy Regulator (CER).
3. Independent limited assurance provided by PricewaterhouseCoopers LLP for 2023 Group and UK Operations scope 1, 2 and total selected scope 3 (category 3 and 6).
4. Independent limited assurance provided by The Carbon Trust for 2019 Group scope 1, 2 and selected scope 3 (category 3 - T&D losses only and category 6). 2019 data has been updated following external assurance mainly to reflect a number of divestments and acquisitions.
5. % of renewable electricity covers purchased and self-generated electricity consumption (scope 2).
6. As reported in the Group's annual report - Group revenue (2024: financial statements: Note 2), total average employees (financial statements: Note 2.3.1) and customer numbers (excluding our associate businesses). UK operations reflects BGIUK revenue and customer numbers excluding Niva Bupa. UK Operations average employees includes BGIUK (excluding Niva Bupa) and Group Functions.

Sustainability and ESG continued

Mission Accelerate

Collaborating and innovating in our industry and beyond

Engagement in partnerships with various networks and coalitions to help keep abreast of developments, and to drive systemic, sustainable change in healthcare.

Advocacy and Coalitions

Bupa works closely with others: collaborating and advocating for change through coalitions, forums, and associations. During 2024, our activities included:

Sustainable Markets Initiative (SMI)

Health Systems Task Force. We joined the SMI in 2023, a public-private partnership of global health leaders taking joint, scalable action to accelerate the delivery of net zero health systems – to improve individual, societal and planetary health. We continue to work with them on initiatives including supply chain decarbonisation, patient care pathways decarbonisation, and consumer health and wellbeing. Through the SMI, we also supported the launch of the European Network for Climate and Health Education. This network, chaired by the University of Glasgow and supported by the World Health Organization, is working with 25 leading universities to equip over 10,000 medical students with the skills to address the health impacts of climate change.

Norman Foster Foundation. With cities housing over half the global population, urban action is key to supporting people's health in changing climate. That is why we have commenced work as health partner for the Norman Foster Institute for Sustainable Cities programme, delivering health-related course content, lectures, and workshops for the inaugural year of the programme. This initiative aims to equip the next generation of future city leaders, architects, planners, and engineers with the skills to create greener, healthier, and climate-resilient cities.

Healthcare without Harm. We announced a new phase in our partnership with global NGO, Health Care Without Harm, as part of its efforts to work with others in shaping the delivery of healthcare to benefit people and planet health.

By partnering with Health Care Without Harm, we aim to scale local, on-the-ground action that will tackle emissions and reduce the environmental impact of healthcare, including a focus on single-use items, patient travel, hospital emissions and anaesthetic gases.

For more information, see: www.bupa.com/news-and-press/news-and-stories/2024/bupa-partners-with-health-care-without-harm

Report Launches. Launch of second edition of Healthy and Climate-Resilient Cities white paper, together with the Norman Foster Foundation and C40 Cities we launched a new report, detailing what is needed to help the next generation of city leaders and urban designers develop a new model for cities, that puts health at the centre of design to better support people in a changing climate.

Launch of Healthy Cities documentary: We launched our new documentary, Health Stories which explores the complex connections between climate, health and urban living. Featuring insights from prominent urbanists, academics and thought-leaders, this film showcases the power of collaboration, and highlights how Bupa is working with partners around the world to help make cities healthier. It aims to inspire everyone, not just experts, to join a movement for change.

www.bupa.com/impact/sustainability/healthy-cities

eco-Disruptive programme – rewarding innovation

eco-Disruptive has been running annually since 2021, enabling hundreds of our people from across the globe to work together to deepen understanding on challenge areas and to collaborate with people outside of Bupa. eco-Disruptive is focused on finding innovative solutions to the sustainability challenges facing people and the planet by bringing together the energy and agility of start-ups with the experience and capabilities of Bupa. The 2024 theme was centred on solutions to help create healthier societies, considering three key areas:

1. Inclusive health
2. Supporting disability
3. Illness prevention

In 2024, 125 of our employees submitted entries to the programme and a combined 1,079 start-ups were engaged, taking our total of engaged start-ups to over 4,000 since we began the programme. The 2024 winner, MoodMon, uses AI to analyse behavioural markers such as speech, activity and sleep data to assess a patient's mental state and then notifies physicians or caregivers of any signs of deterioration.



Bupa co-hosted events at NY Climate Week with key partners on preventative health interventions in cities and the role of health insurers in addressing climate-driven health risks

Sustainability and ESG continued

Mission Accelerate

continued



Children from Green Flag-awarded Moorside Primary School near Manchester, tend to their plants as part of their Eco-Schools biodiversity partnership with the Bupa Foundation

Responding to Climate Risk and opportunities

Climate change, and the risks associated with it, are a crucial factor in our medium and long-term planning which is why we are developing our Transition Plan with both risk and opportunity at its heart. We believe Bupa's commitment to being a net zero business by 2040 is the right thing to do for our customers, partners and the environment. It is also good for our business in the long run.

Our climate risks, opportunities and impacts can be found in our Climate-related Financial Disclosure.

ESG Reporting Landscape

Bupa undertake regular horizon scanning of the ESG reporting landscape to ensure we are tracking any changes to existing reporting requirements, future and emerging legislation and monitoring shifts in voluntary reporting trends and market expectations. Parts of our global business are already impacted by the EU's Corporate Sustainability Reporting Directive (CSRD) reporting requirements, in particular, Sanitas in Spain, Bupa Global in Ireland and LUX MED in Poland. During 2024, we focused on readiness for meeting our CSRD obligations within our Market Units and at Group Level. In our APAC Market Unit we are preparing to meet local reporting standards aligned to International Sustainability Standards Board (ISSB) requirements. We are also monitoring emerging ISSB-related reporting requirements in other parts of our business, including Türkiye, Chile and the UK. In 2024, we submitted a voluntary CDP (formerly the Carbon Disclosure Project) response, which is available at www.cdp.net.

Governance – Oversight of sustainability and ESG

The Board sets the sustainability strategy for the Group and closely monitors progress through its Board Sustainability Committee. Details of how the Board has considered sustainability is set out in the Section 172(1) and Engagement Statement and throughout the Governance section.

The Group Chief Sustainability and People Officer chairs the Sustainability Steering Committee (SSC), which oversees Bupa's global sustainability agenda and reports to the Chief Executive Committee (CEC) as necessary. The Group CFO, Chief Medical Officer, Group Chief Risk Officer, Group Chief Brand Officer, sustainability leads and core representatives from Bupa's Market Units are also members of the SSC. The SSC is accountable to the CEC for driving Bupa's sustainability strategy delivery. Additional information on sustainability and ESG governance can be found in the Taskforce on Climate-related Financial Disclosures (TCFD) on [page 48](#).

Climate Opportunities

We believe that there are opportunities for Bupa associated with climate change. These relate to how shifting consumer preferences for low carbon products and services, that keep people healthy, will align with our digital service offerings which present lower carbon serving opportunities. We expect to publish further detail of these opportunities alongside our Transition Plan in due course.

For more information, see Our Sustainability Governance structure: www.bupa.com/company/about-us/governance/sustainability-governance

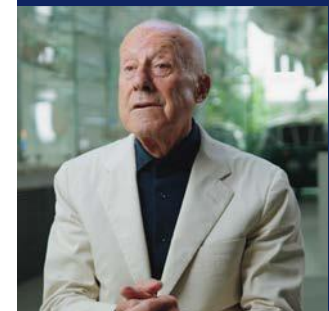
MISSION ACCELERATE CASE STUDY

Norman Foster Foundation

The Norman Foster Institute Programme on Sustainable Cities blends hands-on experience with academic insights from the Norman Foster Foundation's global network of experts.

Bupa, as the exclusive health partner of the programme, brings a clinical voice to the curriculum, helping to educate scholars on the health impacts of climate change on urban populations and highlighting interventions that can mitigate health issues. The course provides skills that can be used to address wide-ranging issues in cities, such as leadership, communication, mapping and urban sciences.

Lord Norman Foster in our Healthy Cities documentary



Sustainability and ESG continued

Mission Regenerate

Healthy Cities

Over the past nine years, Bupa's Healthy Cities initiative has catalysed a global movement, encouraging people to adopt sustainable and healthy lifestyles, while investing in regenerating urban environments for people to thrive.

In 2024, the programme supported over 500,000 participants, unlocking £3.5m in projects to support urban health and climate resilience in 68 cities. Our nature regeneration efforts focused on deprived urban areas across cities where Bupa has a presence, and peri-urban areas where nature is declining.

Tackling the interconnected challenges of health, climate, and urbanisation requires innovative, cross-sector partnerships, so our regeneration projects are implemented in close collaboration with city leaders and organizations including WWF, the UNEP, Landcare Australia and Trees for Cities.

Nature and sequestration

Our current net zero by 2040 commitment focuses on reducing scope 1, 2 and 3 emissions in line with our near-term Science-Based Targets with remaining emissions re-absorbed and durably stored via carbon dioxide removal measures. The refreshed sustainability strategy, that will be announced during 2025, brings together our nature and net zero goals by supporting Bupa to address our remaining emissions via nature-based solutions.



Learn more about
Healthy Cities

www.bupa.com/healthycities



70+ nature regeneration projects undertaken across our Market Units during 2024, including wetlands restoration, reforestation of land devastated by wildfires, volunteer-based tree planting, coastal regeneration and providing a total of 295 community grants.

Through Healthy Cities, we aim to support people's health in a changing climate, and help people make the link between their health and the environment.

Our goal is to support **1 million** people by the end of 2025.

Sustainability and ESG continued

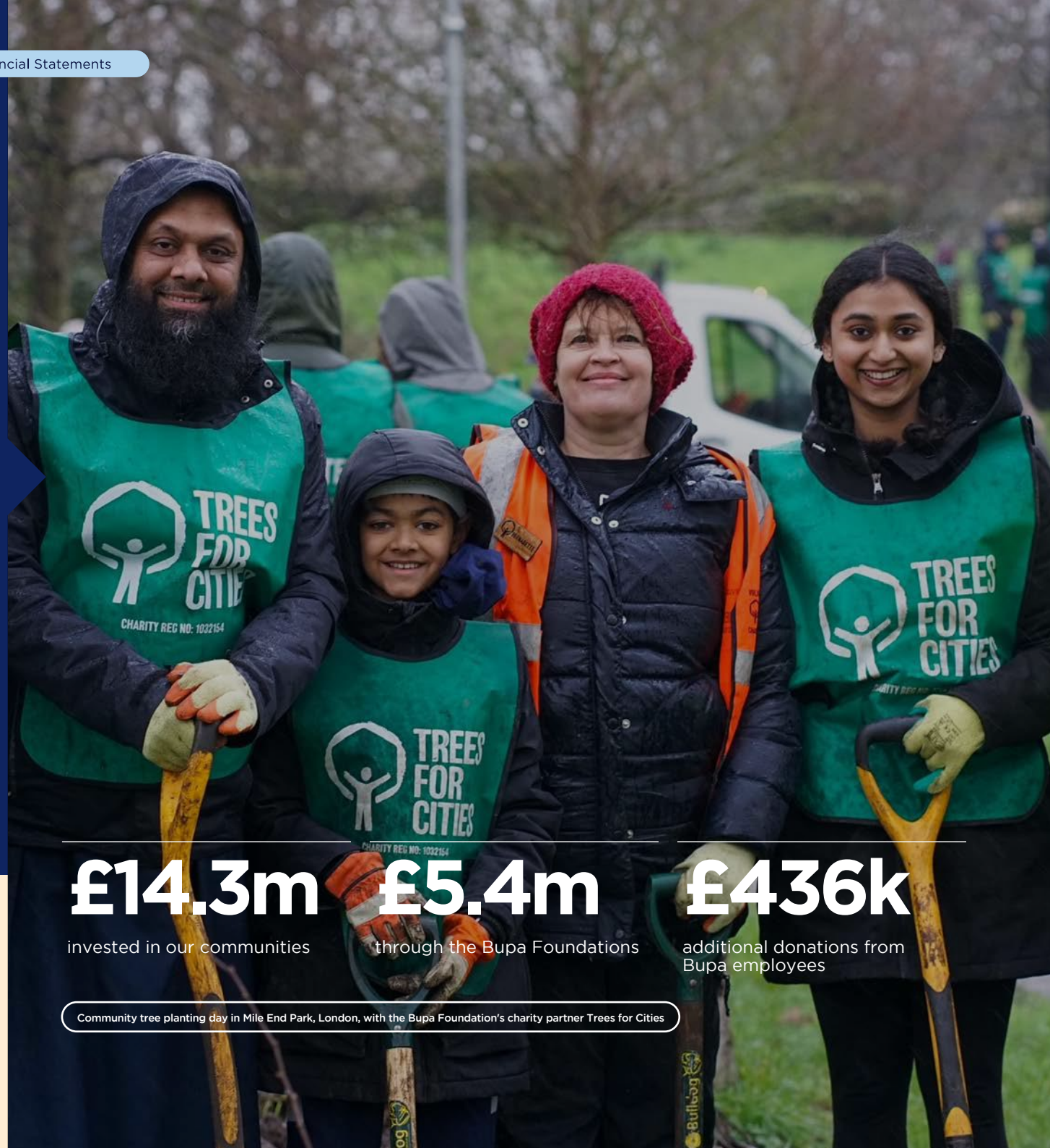
Bupa's contribution to communities

During the year we invested £14.3m in our communities, with over £5.4m of this through the Bupa Foundations. We also enabled a further £436,000 in donations from Bupa employees.

Community investment has been measured using the Business for Societal Impact framework which includes financial donations to charities, funding to the Bupa Foundations in Australia, Spain and the UK, as well as volunteering hours and in-kind support.

Market Units lead local community activity alongside taking part in our global Healthy Cities challenges (see more on p42), as well as support for promoting parasport, disability, and inclusion through National Paralympics Committees in Australia, Chile, Ecuador, Great Britain, Hong Kong, Mexico, New Zealand, Poland and Spain.

See page 45 for more detail



£14.3m

invested in our communities

£5.4m

through the Bupa Foundations

£436k

additional donations from
Bupa employees

Community tree planting day in Mile End Park, London, with the Bupa Foundation's charity partner Trees for Cities

Contribution to communities continued

Highlights from around the world

BGIUK

9,000 hrs

Bupa employees used their paid volunteering days to give back to communities, volunteering more than 9,000 hours to support projects including tree planting, foodbanks and homeless charities.

£1.8m donated

The **Bupa Foundation, BGIUK** donated £1.8m to support communities. This included educating thousands of pupils on sustainability through its national partnership with 'EcoSchools'; funding a solar-powered mobile dental unit for 'Dentaid, the Dental Charity', to provide free dental treatment to vulnerable people; and launching a new partnership with 'The Eden Project' to support their Nature Connections programme which provides horticultural therapy for people experiencing health-related problems.



Bupa volunteers helping The Felix Project rescue surplus food and deliver it to those in need across London

Over £100,000 in employee fundraising was match-funded and 'My Community Grants' supported local schools, sports clubs and youth programmes nominated by employees.

ELA

In a Market Unit deeply affected by geographical and geopolitical crisis during 2024, we have invested £1m to support the health of people affected by natural disasters or refugee displacement. In Poland, this meant ongoing support for Ukrainian refugees, for a third consecutive year, while Sanitas Dental's professionals continued to offer complex surgeries to people in refugee reception centres in Spain. Bupa Türkiye helped to regenerate areas affected by the previous year's earthquake while local teams supported those affected by 2024 floods in Brazil, Poland and Spain as well as wildfires in Chile.

8,500 students

BGLA's collaboration with **ANIA** saw the evolution of its 'Seeds of Change' (Huellas de Cambio) project extend to schools in Ecuador, Peru and the Dominican Republic. Alongside the delivery of 'One Health' workshops, in Chilean and Spanish schools a total of over 8,500 students were reached.



In 2024, the **Sanitas Foundation** invested £1.9m in three key areas of work:

- **Inclusive Sport:** Promoting health and inclusion through sport. Our focus on disability took on a whole new international dimension in 2024, when the Foundation staged the celebration of the world's second Inclusive Games, with 300 Olympic and Paralympic athletes competing in Madrid.
- **Supporting Excellence through Medical & Nursing awards:** the longest award of its kind in Spain that recognises the best in class among final year Residents.
- **Solidarity in action:** Over 100 Sanitas doctors and dentists volunteered pro bono in collaborations with UNICEF, Red Cross, the Spanish Commission for Refugee Aid and the Down Syndrome Association of Spain. Together they supported more than 28,000 people in 2024 across Spain, Peru and Cameroon.

APAC

£4.6m

invested in our communities, an uplift of £1.9m from £2.7m in 2023.

£1.2m

invested for nature regeneration and biodiversity programmes, in collaboration with partners across Australia, New Zealand, and Hong Kong.

In Hong Kong, we continued our partnership with The Green Earth and supported the Run Our City Streetathon, which attracted 16,500 participants for Hong Kong's first city-centred full marathon for charity.

The Bupa Foundation invested £1.7m across Australia and New Zealand in partnerships and initiatives aligned with our focus areas of 'Healthy Minds', fostering mentally healthy and resilient communities, and 'Healthy People, Healthy Planet', addressing the link between human health and environmental sustainability. We supported over 150,000 young people to access free mental health support through our partnerships with Kids Helpline,

The Black Dog Institute, and the Australian Kookaburra Kids Foundation. Our commitment to First Nations health was demonstrated through a new flagship partnership with the National Aboriginal Community Controlled Health Organisation (NACCHO) to establish a diabetes care training program for Aboriginal healthcare workers, a First Nations optical range that raised £58,000 for myopia management, and £57,000 in Dr Evelyn Scott Scholarships to support interns improving First Nations health outcomes. Additionally, the Bupa Foundation's Community Grants Programme awarded £270,000 to 54 community organisations across Australia and New Zealand.

Partnering with the Paralympics

In 2024, we were partners with nine Paralympic associations, having signed agreements with New Zealand, Hong Kong and Ecuador ahead of the Summer Paralympics in Paris.

Paralympians show what it means to keep pushing forward, inspiring not just those with disabilities but everyone. Through each national partnership, we help to keep the Paralympic teams and their families healthy and strong so that they can perform at their best and continue to inspire.



Playing our part in preventing modern slavery

Preventing modern slavery

At Bupa, we recognise our responsibility to help protect, preserve, and promote human rights and are guided by fundamental principles of human rights, such as those in the United Nations Universal Declaration of Human Rights.

For more information, see our Human Rights Statement: www.bupa.com/important-notice/human-rights-statement

In accordance with section 54 of the UK Modern Slavery Act 2015 and the Australian Commonwealth Modern Slavery Act 2018, we publish annually statements setting out the steps taken to prevent modern slavery and human trafficking in our operations and supply chain. We have a suite of enterprise-wide policies that define our minimum requirements and expectations to ensure compliance with all applicable laws and regulations as well as effective risk management. These include enterprise policies on People, Suppliers and Speak Up. The Bupa Code gives us a simple decision-making framework to help us do the right thing by our people, customers, residents and patients. Our Responsible Supply Chain statement specifically references our expectations that suppliers respect all internationally proclaimed human rights, including the prevention of modern slavery, forced labour, human trafficking and child labour.

For more information about the Bupa Code and Responsible Supply Chain statement, see Business Ethics and Conduct on page 47

Across the Group, our whistleblowing service, Speak Up, makes it easy to report any concerns in confidence and can be used by anyone who has a concern about Bupa, our suppliers or our partners. In 2024, no reports were received through Speak Up relating to modern slavery.

We track closely modern slavery related risks and external developments relevant to our operations and/or supply chain. Through this external monitoring, we identified escalating cases of modern slavery among migrant workers in the UK care sector. We responded proactively, developing and implementing an international inclusion programme to support international visa sponsored workers and their managers in our UK care homes and retirement villages. We also stepped-up our training and awareness raising on the issue, including launching dedicated modern slavery online learning modules. In our procurement processes, we enhanced the modern slavery questions we ask at due diligence and during supplier audits and launched guidance for suppliers, to help educate them about modern slavery risk and inform them about our expectations.

Our Australian business uses a supplier assessment framework (SAF) tool administered through APAC's Third Party Management Framework, launched in April 2024, which is designed to identify and help mitigate modern slavery risks associated with the appointment of new (or the continuation of existing) suppliers.

The SAF draws on internationally recognised datasets, with risk indicators including geographic location, sector and procurement category and triggers escalation, due diligence and monitoring for high and medium risk rated suppliers.

To support the development and progression of our anti-slavery agenda, we continued to work with the UK modern slavery charity, Unseen. We ran internal communications campaigns to coincide with Anti-Slavery Day and delivered targeted training. In Australia, we hosted a webinar with Anti-Slavery Australia and rolled out an online modern slavery training module for our people, launched at the end of 2023, which is focused on capacity building and practical ways to understand and address modern slavery risk in their business area (including training to support the adoption of the SAF). This module is now required learning for all senior leaders.

For more information on our latest UK modern slavery statement: www.bupa.com/important-notice/modern-slavery-statement

For more information on our latest Australian modern slavery statement: www.bupa.com.au/about-us/modern-slavery-statement

Business Ethics and Conduct

Business Ethics and Conduct

Our Enterprise-wide People Policy makes clear that the Bupa Code is our global standard for employee conduct and that all our businesses have a formal approach to identify and address conduct issues. The Bupa Code is the moral compass that embodies our culture and values, to guide everyone that works at Bupa and empower them to stand up for what's right for our customers, residents, patients, and for each other. It is integrated in the business through local policies, mandatory training, and people processes, including inductions, performance and reward. The Bupa Code is underpinned by our performance management, risk management and systems, governance and controls, and audit processes. Mandatory training is required to be undertaken by all our people and contractors, and covers ethics issues such as Anti-Bribery and Corruption, Information Security, Health and Safety and Risk Management.

For more information, see our Bupa Code: www.bupa.com/important-notice/bupa-code

Preventing financial crime

We take active steps to ensure that our business, people, and customers are not victims of financial crime, and strive to limit the impact of fraud, whether committed against Bupa, our customers, or the wider communities we serve. The Bupa Code is directly relevant to financial crime risk management, making clear that bribery is prohibited, and our people are required to act in compliance with all applicable laws and regulations.

Bupa's Enterprise Policy on Financial Crime Risk is applicable across the Group and articulates our approach and standards to preventing breaches of economic sanctions, bribery and corruption, fraud, money laundering and tax evasion offences - including all applicable corporate offences, such as the UK's new failure to prevent fraud offence, coming into effect in Q3 2025.

This Policy is supplemented by key controls including regular risk assessments, risk-based third-party due diligence and training initiatives, with oversight and guidance provided by subject matter experts. Ongoing horizon risk scanning ensures Bupa responds appropriately to financial crime risks emerging through legislative changes and geopolitical developments. The Bupa Enterprise Risk Committee oversees the management of all risk types across Bupa, including financial crime risk and other risks relating to business ethics.

For more information, see our Prevention of financial crime statement: www.bupa.com/impact/responsible-business/business-ethics/prevention-of-financial-crime

Speak Up

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

For more information on Bupa Speak Up: www.bupa.com/important-notice/bupa-speak-up

Responsible supply chain

We conduct ESG due diligence when onboarding our suppliers and during the procurement life cycle in accordance with our framework and governance. We expect our suppliers to abide by Bupa policies, fully comply with all applicable laws and regulations and conduct themselves in line with the highest ethical standards. Our Responsible Supply Chain Statement outlines the minimum standards we expect from our suppliers across a range of ESG areas.

For more information, see our Responsible Supply Chain Statement: www.bupa.com/impact/responsible-business/business-ethics/responsible-supply-chain-statement

Approach to tax

Bupa is committed to complying with tax laws responsibly, ensuring that tax is paid in the jurisdictions in which the Group operates based upon applicable laws and practices.

For more information, see Bupa's Approach to tax statement: www.bupa.com/impact/responsible-business/business-ethics/bupas-approach-to-tax

Protecting data and using it responsibly

Our customers and people are at the centre of everything we do at Bupa. Maintaining their trust by ensuring personal data is handled responsibly and securely not only sets the foundation for Bupa's digital ambitions, it is the right thing to do. Information security, technology and privacy risks continue to be high on the agenda of the Bupa Board Risk Committee and Bupa is committed to protecting data, using it responsibly and ensuring compliance with law and regulation. In 2024, we launched Bupa's Responsible AI Principles - transparent, accountable, fair, and safe - which guide our decision making on our journey to using AI tools for great customer outcomes.

Cybersecurity threats are growing globally, and threat actors use ever more sophisticated means of targeting organisations and individuals. In 2024, we continued to further enhance our cybersecurity threat response globally, strengthening capabilities across key control areas from vulnerability management to zero trust and security testing. We continued to build our security culture and develop a group-wide cybersecurity strategy and target operating model to ensure our collective defences continue to be effective.

We enhanced our ability to respond in a crisis, by exercising our response plans through regular crisis management team exercises at Market Unit and Group level, penetration testing of critical systems, red team testing and automated breach and attack simulations. In parallel, each of our Market Units continue to enhance key controls to meet global standards for effectiveness, from Multi-Factor Authentication and Privileged Access Management. The effectiveness of our controls were subject to second line oversight and audited by Internal Audit during the year.

Taskforce on Climate-related Financial Disclosures

Compliance with Non-Financial and Sustainability Information Statement

The following table sets out where the Company's disclosures in relation to the recommendations of the Taskforce on Climate-related Disclosures (TCFD), which are now incorporated into regulation in the FCA's Listing Rules and the Companies Act 2006, can be found in this Annual Report and Accounts.

TCFD recommendation ¹	Details on our progress in 2024 including references to where more information can be found.
Governance	
Describe the Board's oversight of climate-related risks and opportunities (a)	Board engagement and consideration of communities and the environment and its suppliers – Section 172(1) and Engagement Statement on pages 49 to 55 . Board activities during 2024 on page 75 and for considerations by the Board Audit Committee see page 81 , Board Risk Committee see page 86 and Board Sustainability Committee see pages 88 to 89 .
Describe management's role in assessing and managing climate related risks and opportunities (a)	See Risk Management (right column) and the Risk Report, pages 56 to 62 .
Strategy	
Describe the climate related risks and opportunities the organisation has identified over the short, medium, and long term (d)	Climate change, due to its pervasive and cross-cutting nature, has the potential to affect our existing principal risks (e.g. Property, Insurance). We have identified which of our principal risks may be impacted by climate change over the short, medium, and long term. In line with the TCFD recommendations, we present the relevant risk drivers across two different types of risk: <ul style="list-style-type: none"> ■ Transition (i.e. risks resulting from the transition to a lower carbon economy); and ■ Physical (i.e. risks resulting from short-term changes in weather patterns and long-term changes in climate). See Risk Report, pages 56 to 62 for disclosures .
Describe the impact of climate risks and opportunities on the organisation's business, strategy, and planning (e)	As a healthcare company, we are aware of the inextricable link between the health of the planet, climate change, human health, and healthcare. Bupa's sustainability strategy provides a framework for its business to focus investment, and accelerate action, where the business can have the greatest impact. See the Sustainability and ESG report on pages 34 to 48 for these disclosures and Bupa's sustainability strategy at www.bupa.com/sustainability/sustainability-strategy .

TCFD recommendation¹

Details on our progress in 2024 including references to where more information can be found.

Describe the resilience of the organisation's strategy taking into consideration different climate-related scenarios, including a 2°C or lower scenario (f)	In 2024 we continued to develop our approach to scenario analysis. A number of Business Units selected a climate-related narrative to guide their annual local scenario and stress testing. The future health impact of climate change was assessed in several markets, including the potential impacts on insurance claims, as well as potential impacts for provision businesses. For more information on our scenario analysis work, see page 62 .
Risk management	
Describe the organisation's processes for identifying and assessing climate-related risks (b)	We have identified which of our principal risks may be affected by climate change and defined our approach to mitigating these risks. See Risk Report, pages 56 to 62 .
Describe the organisation's processes for managing climate related risks (b)	See Risk Report, pages 56 to 62 .
Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management (c)	We have integrated climate risk management into our existing Group-wide Risk Management Framework (RMF) which sets out how we identify, assess, manage, and report on risks. The Group Risk Function is responsible for the oversight of identification and management of financial, and other, risks from climate change throughout the Group. For more information see Risk Report, pages 56 to 62 .
Metrics and targets	
Disclose the metrics used by the organisation to assess climate-related risk and opportunities in line with its strategy and risk management process (h)	We use a range of metrics to measure and track our progress against key climate targets. These include year-on-year location and market-based scope 1 and 2 absolute carbon reduction, business travel emissions, customer-based, revenue-based, and average employee-based carbon intensity metrics, and the temperature alignment and carbon intensity of our investment portfolio. We are developing a property Climate Change Risk Register. Once this work is complete, we will be able to better define any climate-related metrics and aggregated risk exposure to weather-related catastrophes of our property.
Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas emissions and the related risks (h)	We disclose our 2024 scope 1, 2 and scope 3 category 3 (along with category 6 – business travel) GHG emissions for the Group and UK operations on pages 38 to 39 . The Group's scope 1 and 2 and selected scope 3 GHG emissions will be subject to external limited assurance later in 2024. We aim to disclose our other scope 3 value chain GHG emissions in due course on bupa.com .
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets (g)	Bupa's ambition to be net zero by 2040 is underpinned by 1.5°C aligned science-based targets across all three emission scopes, including a separate 1.5°C temperature alignment target for our investments. These targets have been validated by the Science Based Targets initiative (SBTi).

1. Reference is included to CA414CB (2A) with regard to our Non-Financial and Sustainability Information Statement.

Section 172(1) and Engagement statement

The following provides the Directors' statements, required by the Companies Act 2006 (the Act), 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, which has been signposted and not repeated.

Section 172(1)

During the year, the work of the Board supported Bupa's purpose to help people live longer, healthier, happier lives and make a better world by promoting Bupa's long-term success and sustainability. The Directors are guided in the performance of their broader Section 172 duties and decision-making by Bupa's values and strong governance arrangements, detailed in the Governance section starting on [page 64](#). The Board requested and received regular reports from executive management on the matters set out in Section 172(1) and had regard to business performance, people, strategy, and sustainability when making decisions on financial, operational, and strategic matters, and allocation of resources. They considered the views of Association Members (who perform the governance and certain of the oversight activities usually performed by shareholders) on relevant issues and were focused on maintaining the Group's reputation and high standards of business conduct, given the social context Bupa operates in, its global presence, and how they underpin Bupa's culture and business model detailed earlier in this Strategic Report.

Stakeholders and engagement

The Board considers the Company's stakeholder groups, aligned with Section 172(1), to be customers, people, suppliers and partners, communities and environment, regulators, its Association Members and, with its oversight role for the Group, Bupa Finance plc's bondholders. As the Company is a private UK company limited by guarantee, it has Association Members instead of shareholders.

It has engaged directly and indirectly with each of these groups during the year to ensure that the Directors are informed on the interests and views of all its stakeholders, particularly given that the stakeholder groups have different perspectives which may not align with each other. This holistic view enables the Directors to navigate differences and make complex decisions that deliver, on balance, the best outcome for Bupa's long-term sustainability and success. The Board also encourages all levels of the business to engage with relevant Bupa stakeholders in order to broaden their awareness and understanding of the impact that their business decisions could, and do, have.

The relevance and importance of each stakeholder group and how the Directors have engaged, or been informed, during 2024 as a Board, Board committees, individual Directors, or via management, is set out below.

Stakeholder	Stakeholder engagement and consideration	Further detail
Our customers Customers are fundamental to Bupa, so we need to understand as much as we can about them and their needs and interests to provide the best customer service and experience.	<ul style="list-style-type: none"> ■ The Board was kept informed on the progress and performance of initiatives to achieve the 3x6 Strategy Ambitions, all of which are customer-focused, via reports regularly provided to Board meetings. This was beneficial when developing the new 3x100 Strategy effective from 2025. ■ The Board received detailed reports on the emblematic projects related to the strategy which are designed to drive customer experience improvements. ■ In developing Bupa's new 3x100 Strategy, the Board considered the changing needs and expectations of our actual and potential customers, driven by technology and the demand for more integrated, personalised care. ■ The Board received in depth business updates from the three Market Units during the year, which covered customer matters in each Market Unit. 	Group CEO Review, pages 6 to 7. Spotlight: Customer centricity, pages 12 to 13.

Section 172(1) and Engagement statement continued

Stakeholder	Stakeholder engagement and consideration	Further detail
Our People Our people are central to supporting our customers, living our values and the long-term success and sustainability of Bupa. So it is fundamental we listen to our people and consider their interests to ensure we attract and retain the best people and they feel Bupa is a great place to work, are engaged and empowered to deliver great outcomes for our customers, and they lead healthier and happier lives.	<ul style="list-style-type: none"> ■ The Group Chief Sustainability and People Officer provides regular reports to the Board, covering our people strategy, addressing people-related risks, retaining and developing talent, supporting leadership, and broader training and development. This included updates on the investments being made in the future clinical workforce described on page 32. ■ The Board reviewed the Global People Framework and considered the global priorities for our people. ■ It also received and considered a report on the utilisation of Speak Up, Bupa's whistleblowing service across the Group (detailed on page 47). ■ The Board reviewed the results and analysis of the responses to the biannual People Pulse employee engagement surveys. ■ It also received updates on senior talent and succession from each of the Market Units, as well as on inclusion and wellbeing, and health and safety matters. ■ The three Non-Executive Directors (NEDs), appointed as designated workforce engagement NEDs for Bupa's three largest markets (UK, Spain and Australia), participated in a series of site visits, listening groups, town halls and smaller team meetings and reported the outcomes back to the full Board. ■ Several NEDs engaged with our people on visits to our healthcare facilities and offices in the UK, Australia, Poland and Türkiye. 	Our People and culture, pages 29 to 32.
Association Members As a company limited by guarantee, Bupa appoints Association Members to conduct the governance and certain of the oversight activities that are usually performed by shareholders. It is important that Bupa engages with them regularly from an external governance and challenge perspective.	<ul style="list-style-type: none"> ■ The Board arranged half year and full year results briefing calls with Association Members, which were followed by a question-and-answer session. Regular updates were also provided on the progress of the 3x6 Strategy. ■ All Association Members were invited to the Healthcare Symposium on unboxing digital health, as described on page 27, to gain deeper insight into Bupa, its business initiatives and digital health technology. ■ Association Members engaged with the Chairman, Senior Independent Director, Group CEO and Group CFO at informal lunch meetings. ■ The Group CEO, Chairman, Senior Independent Director, and Group Company Secretary made themselves available to Association Members throughout the year. ■ The Nomination and Governance Committee regularly reviewed the register of Association Members to ensure the membership remains sufficiently engaged and diverse and recruited additional members during the year. 	Corporate Governance Report, page 69.
Our Suppliers and partners Bupa's suppliers and partners support our business needs and help the Group to deliver high-quality service to our customers, from information systems to equipping our healthcare settings. So it is important that we have strong working relationships and operate ethically.	<ul style="list-style-type: none"> ■ Bupa sets minimum standards of business conduct expected of our suppliers and our commitments to them, which can be found in Bupa's Responsible Supply Chain Statement (available at www.bupa.com/important-notice/responsible-supply-chain-statement). Bupa also maintains a Human Rights Statement (available at www.bupa.com/important-notice/human-rights-statement). ■ The Board received and considered matters related to modern slavery and the supply chain and approved the Modern Slavery Statement, which can be found on www.bupa.com/important-notice/modern-slavery-statement. ■ The Board reviewed the Group Suppliers Enterprise Risk Policy that governs the selection, contracting and management of all Bupa's suppliers and partners, and considered supplier relations and risk management during the year. ■ The Board is kept informed of the progress of negotiations and corporate activities with significant suppliers, including hospital groups, and other strategic partners. ■ The Board Risk Committee was regularly briefed during the year on the enhancements to Bupa's operational resilience capabilities and controls related to key third-party risk management. 	Playing our part in preventing modern slavery, page 46. Business Ethics and Conduct, page 47.

Section 172(1) and Engagement statement continued

Stakeholder	Stakeholder engagement and consideration	Further detail
Our communities and environment Bupa operates within a societal context and believes the health of the community and environment we live in has a significant impact on people living longer, healthier, happier lives. We set our 3x6 and Sustainability Strategies from our understanding of how we can make a positive contribution and impact and operate sustainably.	<ul style="list-style-type: none"> ■ The Board reviewed progress on the sustainability strategy and approved the Sustainability Enterprise Risk Policy. ■ The Chair of the Board's Sustainability Committee provided updates to Board meetings on its activities which included monitoring performance and progress on the Sustainability Strategy and supporting initiatives and activities during the year, collaboration with our partners such as the Norman Foster Foundation, and disclosure and reporting matters. ■ The Board was informed by the Chief Risk Officer and via the Board Risk Committee Chair on climate and ESG risks and mitigations. ■ The Board received updates on progress in reducing Scope 1, 2 and 3 emissions from management and from the Chair of the Board Sustainability Committee, whose committee considered these matters in more depth. ■ Following recommendations from the Board Audit Committee and consideration by the Board Sustainability Committee, the Board also considered and approved the 2023 GHG Emissions Report, which was published in August 2024. 	Sustainability and ESG Report, pages 35 to 44. Including, Bupa's Contribution to our communities, pages 43 and 44.
Regulators and governments Bupa's business activities are highly regulated and subject to financial services regulatory regimes in our insurance businesses and care quality regulators in our provision and aged care businesses. Depending on where we operate, our regulators can be independent bodies or national or local governments. Their role is to ensure we have the resources, understanding, and capabilities, to protect our customers and other stakeholders, so it is important we understand their expectations and have strong working relationships with them.	<ul style="list-style-type: none"> ■ The Board received updates on the programme of regular interactions with the Financial Conduct Authority (FCA) and the Group's lead insurance regulator, the Prudential Regulation Authority (PRA), and engaged with them on key Board decisions. ■ The Chairman, chairs of the Board's standing committees, the Group CEO, Group CFO, and certain other senior executives, had regular meetings with the PRA during the year. ■ The Board and its standing committees received routine updates on issues, activities, and interactions with other regulators from Market Unit and Business Unit management teams and subsidiary board directors. ■ The PRA attended a Board meeting and presented its annual Periodic Summary Meeting (PSM) Letter, which was considered by the Board. ■ The Board engaged with the FCA and PRA on Board changes and succession plans. ■ The Board considered regulatory risk to our operations regularly throughout the year, informed by the Board's Risk Committee, and reviewed and approved the Group's Regulatory Compliance and Conduct Risk Policy to ensure high standards of compliance with regulatory requirements in all the markets Bupa operates in. 	
Bondholders Bupa has a series of publicly traded debt securities issued by its subsidiary, Bupa Finance plc. As the ultimate parent company of the Group, Bupa considers the bondholders to be a key stakeholder and seeks to engage with them regarding their investment and support and understand their views.	<ul style="list-style-type: none"> ■ Bondholders were invited to attend briefing calls on the full-year and half-year results of the Company and Bupa Finance plc and had the opportunity to question management on performance and strategy. ■ Roadshows were held for current and prospective bondholders during the year. ■ Significant matters related to the debt securities were reviewed by certain Directors before being communicated externally via regulatory announcements, press releases, and published on our website, www.bupa.com/news. ■ During the year, the Board was briefed by the Group CFO on the outcome of bondholder engagements and their views on the Group's financial performance and strength, and our sustainability and wider ESG activities. 	

Section 172(1) and Engagement statement continued

Key strategic decisions and their impact on stakeholders

Throughout 2024, consideration of Bupa's ambition and purpose, values and culture, and stakeholders featured in some way in all Board papers and discussions. The Directors applied their knowledge and experience, and insights from stakeholder engagement during discussions and were cognisant of the possibilities, impact, and consequences for relevant

stakeholders. The table below sets out some key strategic Board deliberations and decisions during the year, aligned with matters highlighted in the Strategic Report, to illustrate how they had regard to Bupa's stakeholders. Where further information on the matter can be found, this is indicated.

Decision	Considerations, actions and decisions	Further information
Development of 3x100 Strategy Stakeholders impacted Our customers, people, suppliers and partners, communities and environment, regulators and governments, Association Members and Bondholders	<ul style="list-style-type: none"> ■ With the 3x6 Strategy in its final year, the Board spent considerable time in 2024 reflecting on the current strategy and looking forward to the next stage of Bupa's development. Together with the CEC, it oversaw the development of, and the objectives for, Bupa's strategy for the next three-year period, the 3x100 Strategy, to start from 2025. The strategy was developed in an iterative process with senior management, reflecting inputs from the Strategic Development Forum (the 75 most senior executives across the Group). ■ Through the development of the 3x100 Strategy, the Board was mindful of the importance and impact to the Company's stakeholders, and the different interests and perspectives of each were considered: <ul style="list-style-type: none"> ▪ <i>Customers</i> - The Board continues to believe Bupa should aspire to be the world's most customer-centric company and therefore the new strategy should be built around its customers. The Board, informed by management, customer feedback, and external subject matter experts, oversaw the development of the new strategy to ensure it captured and addressed the current and future needs of current and future customers and helped people 'live longer, healthier, happier lives'. It considered the strategic components and aspirations to understand how each could be delivered and would benefit Bupa's customers. ▪ <i>People</i> - Central to the new strategy and ongoing success of Bupa is its people. The Board continued to consider the roles of its people in the new strategy and services to be delivered. In particular, what new skills and opportunities this might present and how people would be supported, developed and retained, cognisant that Bupa's people are also customers via their participation in healthcare benefits and offerings. Ensuring Bupa's new strategy would resonate with and be well understood by Bupa's people would also strengthen Bupa's culture and values ▪ <i>Suppliers and partners</i> - The role of, and relationship with, suppliers and partners, and engaging those with the same values and high standards of conduct, was considered key to elements of the strategy and to the growth of the business. The Board considered what support from partners and suppliers would be needed under the new strategy and how this could develop over time. ▪ <i>Association Members and Bondholders</i> - The Board considered expectations for governing and delivering the strategy and managing the business sustainably and profitably, aligned with its culture and values and mindful of its societal responsibility. It was cognisant of the members' and bondholders' interests in ensuring that Bupa's strategy balances the ambition to generate value with preservation of financial stability, and that profits are appropriately reinvested to deliver Bupa's purpose. ▪ <i>Communities and environment</i> - The Board remained mindful of Bupa's social impact and its focus on sustainability. When considering the strategy and how this would serve stakeholder interests and be conducted sustainably, the Board had regard to how management would align the business model and new strategy with Bupa's sustainability agenda and aspirations. The Board decided to separate out the future sustainability strategy to sit alongside and be complementary to the new strategy, and the new sustainability strategy will be launched later this year. ▪ <i>Regulators and governments</i> - Through development of the strategy, the Board considered the expectations of its UK and local regulators, and regulatory requirements and developments relevant to healthcare insurance, clinical services, and global organisations of its size. Alignment with these in the new strategy was important as these set the parameters for what and how the business can operate, and that Bupa retains its financial strength and perform its obligations to required standards. ■ These considerations informed the Board's views on the strategic components proposed for the new 3x100 Strategy, to build on the progress and success of the 3x6 Strategy and embrace new developments and innovation, in order to ensure Bupa's long-term sustainability and success. ■ The Board being satisfied that all relevant stakeholders had been considered when designing the 3x100 Strategy, it approved the new 3x100 Strategy to come into effect in 2025. 	<p>Delivering our 3x6 Strategy, pages 6 to 11.</p> <p>Our New Strategy for 2025-27, pages 15 to 16.</p> <p>Chairman's Introduction to Governance, page 64.</p> <p>Key Activities in 2024, page 76.</p>

Section 172(1) and Engagement statement continued

Decision	Considerations, actions and decisions	Further information
<p>The integration of Niva Bupa and the listing of its equity shares on Indian stock exchanges in November 2024</p> <p>Stakeholders impacted</p> <p>Our customers, people, regulators (UK and India), Association Members and Bondholders</p>	<ul style="list-style-type: none"> ■ Following the acquisition of the controlling interest in Niva Bupa in January 2024, reported in the last Section 172(1) and engagement statement, the Board and relevant Board committees received updates on Niva Bupa throughout the year. The Group CEO and CFO reported to the Board on its performance and integration into the Group, including the establishment of the expanded BGIUK Market Unit, the Audit Committee considered the acquisition accounting, its inclusion in the Group's financial and non-financial reporting and external assurance, and the Risk Committee considered its risk profile. Niva Bupa's strategy was also considered as part of the Board's annual deep dive into the BGIUK Market Unit. ■ Bupa committed to an IPO of Niva Bupa as part of the agreement to acquire control reached in 2023. The work to prepare for an IPO commenced in April, and the Board was kept apprised of the IPO process, the macro-economic environment and market conditions, and considered the relevant stakeholders that would be impacted, to determine whether, and when, to proceed. <ul style="list-style-type: none"> ▪ <i>Customers</i> – The new capital raised in the IPO would be reinvested in the business for the benefit of customers through services and initiatives. ▪ <i>People</i> – Niva Bupa employees had an existing share option scheme in place allowing the senior management team to participate in the ownership of Niva Bupa to share in its success and act as a retention tool. The current and future employees participating in the share option scheme would benefit from the IPO, and there was also the potential to broaden the opportunity to own shares in Niva Bupa to the wider workforce. The new capital raised would provide new career opportunities as Niva Bupa grows and evolves, which should help to attract and retain talent. ▪ <i>Regulators</i> – Undertaking an IPO on Indian stock exchanges aligns with local regulatory requirements and expectations, and facilitates more local and foreign investors holding shares in the company, whilst complying with the Indian restrictions on the maximum permitted level of foreign ownership. ▪ <i>Association Members and Bondholders</i> – The IPO of Niva Bupa maintains Bupa's controlling interest, thereby enabling Niva Bupa to benefit from the skills and experience of the rest of the Group, whilst strengthening Niva Bupa's capital flexibility and financial stability, enabling greater future investment in the business and accelerating its growth and value generation. ■ With the market environment and conditions considered favourable, and having considered the benefits to, and interests of, the stakeholders and the Company, the Board endorsed proceeding with the IPO in November 2024. The Niva Bupa board approved and executed the IPO and the shares opened to trading on the Indian Stock Exchanges on 14 November 2024. 	<p>Group CEO's Review, page 7.</p> <p>Group CFO's Review, page 17.</p> <p>Note 23 to the Financial Statements, page 195.</p>

Section 172(1) and Engagement statement continued

Decision	Considerations, actions and decisions	Further information
<p>Payment and adjustment plan for Isapre Cruz Blanca SA, Chile following legal and regulatory changes in Chile</p> <p>Stakeholders impacted</p> <p>Our customers, people, communities, regulators and government (UK and Chile), Association Members and Bondholders</p>	<ul style="list-style-type: none"> ■ As a result of the judicial and regulatory action related to the method and implementation of the statutory risk factor tables affecting Bupa's subsidiary, Isapre Cruz Blanca SA, the Board continued to closely monitor the environment in Chile with regard to potential impacts for the business. It received regular updates from the Group CFO and from management of the ELA Market Unit in their reporting to the Board meetings in 2024. ■ When legislation giving clarity over the quantum and steps required for implementation of the retrospective liability relating to the risk factor table came into force in May 2024, the Board considered the application of the retrospective liability and the period allowed for making payment to eligible customers. It discussed matters related to the process for submitting a payment plan and premium increase proposal for regulatory approval, and the longer-term impact for the business model of these matters. The Board created a sub-committee of the Board to review the key developments and management's proposed payments and adjustment plan, before its submission to the Chilean regulator (SIS). ■ The Board sub-committee considered the proposed plan for submission to the SIS, taking account of the financial modelling and profit projections for the Isapre, the timeline for making the payment to eligible customers, and the ability to increase premiums to ensure the future sustainability of the Isapre. In doing so, it had regard to the following impacts on the following stakeholders: <ul style="list-style-type: none"> ▪ <i>Customers</i> – The impact on current and future customers of the payment and pricing proposals and the future sustainability of the Isapre. It considered the appropriate level of the premium increases, the potential impact on lapse rates and on the longer-term future of the sector, and how competitors might respond. ▪ <i>People</i> – In considering the projections and viability of the current and future business model and strategy as a result of these changes, consideration was given to the continued level of employment and roles and career opportunities. ▪ <i>Communities</i> – How the Isapre sector, the Chilean public health system and local communities would be impacted in the short and longer term was considered. ▪ <i>Regulatory and government</i> – The interests of the SIS and the Chilean government to ensure the stability and continuation of the Isapre sector and the need for it to complement the public healthcare system was taken into account. ▪ <i>Association Members and Bondholders</i> – The interests of these stakeholders in the short and medium term, and the financial and reputational aspects of the proposals were considered. There was also regard paid to the key risks of the payments and adjustment plan, such as an impact on the loss ratio, and on liquidity and capital including whether any Group funding would potentially be required to support the Isapre. ■ The Directors, having reviewed and scrutinised management's proposed payments and adjustment plan, endorsed the submission of the plan to SIS by Isapre Cruz Blanca. The SIS subsequently approved the plan. This resolved the uncertainty for the Group outlook which was referred to in the Group's longer-term viability statement in the 2023 Annual Report and Accounts. 	<p>Our Market Units, Europe and Latin America, page 23.</p> <p>Group CFO's Review, page 18.</p> <p>Note 19 to the Financial Statements, pages 189 to 190.</p>

Section 172(1) and Engagement statement continued

Decision	Considerations, actions and decisions	Further information
<p>Expansion of 'Connected Care' model</p> <p>Stakeholders impacted</p> <p>Customers, people, suppliers and partners, communities and the environment, Association Members and Bondholders</p>	<ul style="list-style-type: none"> ■ As part of its delivery of the 3x6 Strategy during 2024, the Board continued to focus on the development and growth of the Connected Care model intended to transform our service delivery models and grow our provision business in the key areas of customer health propositions, integrated digital experience and tools, and our physical health centres. This included Market Unit Updates on the roll-out of the model and the Board considering certain specific transactions because of their size. ■ During the year, there were a number of transactions that the Board had visibility of which were below the threshold that required Board approval. The key decisions here relate to those where the value of the proposals were above the threshold set for the Market Units under delegated authority. For these proposals, the Market Units sought permission from the Board to expand the Connected Care model through acquiring a network of 13 medical centres and 3 urgent care centres in three states in Australia, and redeveloping a building in Madrid as a hospital to serve the local demographic and provide specialist services. ■ For each proposal, the Board considered the business case and alignment with Market Unit strategy and plans, the impact and interests of relevant stakeholders, potential risks, and the financial and infrastructure considerations. <ul style="list-style-type: none"> ■ <i>Customers</i> – The expansion of Connected Care through organic and select inorganic growth is part of both the 3x6 Strategy and the new 3x100 Strategy, and accelerates the expansion of an integrated customer health propositions and experience. Specifically in relation to the new Madrid hospital, the hospital is located in a district with limited private healthcare infrastructure. ■ <i>People</i> – Expansion of Connected Care and acquisitions of more Bupa-owned facilities would provide increased direct employment (with associated benefits) and career and development opportunities for existing and prospective employees, and help to make Bupa the employer of choice. ■ <i>Suppliers and partners</i> – The impact on non-employed GPs and the integration of the business model and range of services would provide increased opportunities for suppliers and partners, both locally and for those able to support a network, and would provide mutual benefits from cost and operational efficiency. ■ <i>Communities and the environment</i> – The Board satisfied itself of the benefits to the local communities via having more locations to access Bupa services, as well as providing opportunities to create local employment and other positive impacts. For sustainability, having Bupa-owned facilities creates more control over energy supply and consumption and how the facilities are developed for their intended use. ■ <i>Association members and Bondholders</i> – Increasing the level of Bupa-owned facilities reduces costs and improves operational efficiency, and provides greater long-term sustainability and stability for the business model. The Board is cognisant of property risks and the potential impact on liquidity and capital, but this risk is well understood and mitigated. ■ After careful appraisal and scrutiny at its meetings, and via specifically created sub-committees, the Board supported management proceeding with its proposals for the Market Unit acquisitions in line with the parameters specified in their papers to the Board. 	<p>Our Market Units, pages 21 to 24.</p>

Risk Review

Bupa's strong risk management culture and system 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's culture and values enables its people to respond to the fast-changing environments and markets it operates in and the evolving regulations that apply to our business. This helps Bupa identify potential risks that could affect its customers and business, in order to mitigate them and adapt if necessary. Together with Bupa's system of risk management and internal controls, its strong risk culture is the foundation of Bupa's business model to serve its customers well, deliver its strategy and meet all of its stakeholders' expectations.

Risk Governance

Bupa's governance framework is set out in the Governance section on [page 68](#), at the start of the Corporate Governance Report. The Bupa Board ultimately sets the system of risk management and internal control for the Group, and delegates oversight duties to its Board Risk Committee. The Board Risk Committee receives reports from management and in particular the Group Chief Risk Officer, Chief Medical Officer, the Group Legal Officer and subsidiary board risk committees. The Group's business and the Group Chief Risk Officer are supported by the Group-wide Risk Function and an executive forum, the Bupa Enterprise Risk Committee, which comprises members of the Bupa executive management team. This forum monitors and oversees risk in the businesses and functions across the Group, ensuring the system of risk management and internal controls is fit for purpose and operating effectively, for example, routinely reviewing policies and processes and undertaking assurance. If it feels changes are necessary, it makes recommendations to the Board Risk Committee, and ultimately the Board. More details on this governance and the Risk Function are set out on [pages 69 and 73](#).

Bupa's system of risk management

Bupa operates within a three-lines approach to risk management: first-line accountability is the Market Units and functions; second-line is Risk assurance; and the third-line is Internal Audit assurance (see [pages 73 and 74](#) for more detail on each of these). 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 our first-line. It ensures that Bupa 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 Risk Management Framework is underpinned by its risk taxonomy, risk appetite statements, Enterprise Policies and Standards, well-established reporting systems, and an annual internal control and risk management assessment (ICRMA). These, together with the Risk Management Framework, are all reviewed by the Board Risk Committee, and approved by the Board, annually.

Bupa's reporting systems ensure that major risks to the businesses are identified, escalated, managed and mitigated. Detailed reviews and in-depth analyses on particular risks are undertaken where required, and Bupa has a stress and scenario testing programme for key risks. These risk management processes include explicit consideration of how future risks to Bupa's strategy might emerge or evolve and what actions should be taken now to mitigate these risks or to benefit from the opportunities they provide. This includes:

- consideration of how technology may evolve
- the future of health and healthcare and the impact of emerging and increasingly prevalent medical conditions
- Bupa's appetite for risk
- how society may evolve including the impacts of ageing populations and geopolitical and economic considerations.

Risk Review continued

Bupa's risk appetite statements set out the degree of risk it is prepared to accept to deliver Bupa's strategy. The core risk appetite statements are focused on:

- the treatment of customers and employees
- management of our financial strength
- operational risk, including information security; privacy and clinical risks.

Bupa's Enterprise Policies and Standards define how Bupa should conduct business in a way consistent with its culture, values and purpose and which appropriately mitigates risk. The policies are reviewed annually and cover all key areas of risk for our health insurance, provision and aged care businesses. These are implemented by the Market Units and in Group functions and are overseen by relevant Group functions to ensure compliance with the requirements in each Market and Business Unit. Each policy has a designated owner with defined roles and responsibilities at both Enterprise and local levels.

The ICRMA tests how effectively Bupa's Risk Management Framework operates in practice. It assesses how well internal control and risk management practices and policy compliance are embedded across Bupa. This is a self-assessment conducted by the first-line, and then reviewed and challenged by the second- and third-lines. The results are presented to a joint meeting of the Board Audit and Risk Committee each year. The conclusions of this years review are set out in the Report of the Directors on [page 114](#).

Risk Culture

This comprehensive risk management programme and Bupa's culture and values set the expectations for risk management and reinforces its importance. It sets appropriate risk behaviours that are well understood by everyone working at, or for, Bupa including its people, suppliers and partners. The importance of risk management is reinforced by its inclusion in executive remuneration and performance considerations, with defined outcomes set for all Market Units. Appropriate risk behaviours are encouraged and rewarded, inappropriate risk behaviours are challenged with appropriate consequences, and risk events are communicated quickly without fear of blame.

The tools that underpin Bupa's culture and its strong risk management include the Bupa Code, Bupa's Speak Up service, and mandatory training. These are all covered in detail in Business Ethics and Conduct on [page 47](#).

Risk Management in 2024

During 2024, Bupa has continued to raise its standards and expectations in order to ensure the right outcomes for our customers, markets and business. Its businesses have continued to be exposed to a wide range of political, regulatory, legal, operational and economic risks. These varied by business type and jurisdiction, given the health insurance, provision and aged care activities have different risk profiles including clinical risks.

Bupa managed its risks, including emerging and strategic risks, by analysing the factors behind the risk relative to each business and to Bupa's balance sheet and liquidity, and assessed how they interact.

It continued to strengthen its risk management approach and capability within its businesses to remain aligned with the business model and strategy set out earlier in the Strategic Report, to support performance and address relevant risks that have evolved globally.

Risk management governance and activities during 2024 included reviews of Bupa's:

- strategic and emerging risk profiles, particularly in relation to potential challenges in the geopolitical environment, for example stress testing of liquidity.
- climate change risk profile, risks associated with the Bupa sustainability strategy.
- investment risk appetite.
- progress on embedding Bupa's integrated management system for key processes (IMS).
- risks associated with the judicial and regulatory changes impacting Isapre Cruz Blanca SA in Chile.
- people risks relating to resilience as well as strategic risks associated with workforce availability.
- progress on improvements to information security to respond to the increased and evolving threats in the external environment, and to privacy controls through data retention reviews.
- enhancement and strengthening of operational resilience capability and controls.
- Group Recovery and Resolution Plans.
- scheduled reviews and refreshment of Enterprise Risk policies.
- annual stress and scenario testing programme, primarily focused for 2024 on adverse economic conditions triggered by increased geopolitical uncertainty and global tensions and conflicts.
- the Group's Own Risk and Solvency Assessment (ORSA) for 2024.
- the annual ICRMA for 2024.

Risk Review continued

Principal risks

Bupa maintains significant economic capital 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 Bupa that cannot be effectively mitigated through holding capital alone. Many of these are operational risks and although we do 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 residual risks and the mitigating actions taken to reduce them. The committees inform the BERC about key areas of specific concern. This provides management with a view of the priority areas to focus its resources.

The following table sets out the principal risks to the Group. The defined principal risks are those risks that could result in events or circumstances that might threaten Bupa's business model, future performance, solvency or liquidity, or result in significant value erosion.

Risk	Description	Comment and outlook	Mitigating actions
Risks related to managing the financial strength of the Group			
Property valuation risk	<p>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.</p> <p>This includes capital associated with leased properties.</p>	<ul style="list-style-type: none"> ■ We generally own rather than rent property. This could leave us exposed to falls in property values. ■ Care home valuations are based on their trading potential based on discounted cash flow techniques. ■ The properties are subject to external valuations at least triennially and management valuations in intervening years. 	<ul style="list-style-type: none"> ■ By maintaining a geographic spread of businesses across a number of countries, we are able to diversify exposure to national or regional property markets and trading conditions. ■ 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.
Insurance risk	<p>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>	<ul style="list-style-type: none"> ■ Health insurance is short-tailed, with lower outstanding claims as a percentage of revenue than most general insurers. ■ Insurance risk exposure will grow in step with planned growth in premium income of the insurance businesses. ■ Medical inflation continues to impact the costs of treatments and the overall affordability of healthcare. 	<ul style="list-style-type: none"> ■ The relatively short-tailed nature of Bupa's products allows us to respond to market changes quickly, although this can be limited by government-set pricing controls in some markets. ■ 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. ■ We have robust control mechanisms in place, including holding an appropriate risk margin, to mitigate against the risk of higher-than-expected claims costs. ■ The geographical diversity of Bupa offers further mitigation against insurance risk.
Liquidity risk	<p>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>	<ul style="list-style-type: none"> ■ Liquidity risk is addressed not through capital but by holding liquid assets and maintaining appropriate controls. ■ Policyholder liabilities are predominantly backed by liquid assets held locally in our insurance businesses. 	<ul style="list-style-type: none"> ■ 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. ■ We continue to monitor the markets to ensure that we appropriately fund the Group and any obligations including pension liabilities. ■ Our stress-testing programme considers the liquidity impacts of potential adverse scenarios.

Risk Review continued

Risk	Description	Comment and outlook	Mitigating actions
Operational risks			
Operational (including conduct risk and clinical 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.	<ul style="list-style-type: none"> ■ We are committed to managing operational risks effectively. This includes continued close attention to management of regulatory risk and proactive engagement with regulators. 	<ul style="list-style-type: none"> ■ Maintaining internal control processes and governance frameworks, approving risk policies and assessing compliance help to mitigate this risk. ■ We have specific dedicated internal governance committees focusing on specific areas of risk. These are sub-committees of the BERC. ■ We have a range of activities underway to develop our operational resilience capabilities.
Cyber and Information security	The risk of significant financial and reputational impacts due to a failure to appropriately secure information (including personal information).	<ul style="list-style-type: none"> ■ Information security remains a critical challenge for all businesses, particularly those in the healthcare sector. ■ The threats to our businesses evolve constantly and therefore our responses need to continue to do so as well. ■ This risk will remain elevated given the challenging macroeconomic and geopolitical environment and several incidents targeting the healthcare sector. ■ Management of this risk is a key focus of management and the risk governance structure. 	<ul style="list-style-type: none"> ■ We are continuing to invest in a range of activities and actions to enhance security as we further digitalise customer experiences. ■ All staff are required to complete appropriate mandatory training. ■ We have well-established and tested data breach incident response plans in place across the Group.
Strategic risks			
Government, legal and regulatory change and compliance risk	The risk of failure to anticipate or influence changes in governmental and regulatory environment which may impact our customers and the viability or profitability of our business.	<ul style="list-style-type: none"> ■ Our 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. ■ Bupa'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. 	<ul style="list-style-type: none"> ■ All our 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.
Geopolitical uncertainty	The risks associated with geopolitical uncertainty and increasing nationalistic policies globally including in many of the markets the Group operates in.	<ul style="list-style-type: none"> ■ This has been an emerging and increasing trend for some time and likely to continue for the foreseeable future. ■ We have seen elections in multiple markets across the 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. 	<ul style="list-style-type: none"> ■ We continue to focus on heightening our supplier monitoring, management and communications to help minimise disruption. ■ We actively monitor the geopolitical landscape and consider the implications of potential changes such as the possibility of trade tariffs being introduced.

Risk Review continued

Risk	Description	Comment and outlook	Mitigating actions
Data ownership, use and governance	The risks associated with the ownership, use and governance of data which could impact on the delivery of the Group Strategy. This includes the risks associated with data privacy and of failing to use the data we do have to deliver the strategy.	<ul style="list-style-type: none"> Data is fundamental to the delivery of the Group strategy and will continue to remain a key area of focus for some time. 	<ul style="list-style-type: none"> We have a range of initiatives and programmes in place across the Group focused on the ownership, use and governance of data. This included introducing Bupa's Responsible AI Principles which guide our decision making for using AI tools. We have also reviewed and enhanced our data retention practices.
Strategic workforce risks	The strategic risks associated with a lack of available workforce, particularly clinical staff.	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Workforce availability remains a key area of focus for senior management with a range of activities under way in each market to address challenges. For more information, see People and Culture on pages 29 to 32.
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.	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> We continue to focus on heightening our supplier monitoring, management and communications to help minimise future disruption. Our 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 our strategy are monitored. These are assessed to determine the potential impact the risks may have on Bupa's individual businesses and the Group 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 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 these themes present will continue to increase the further out they are assessed.

- Customer and societal demands/expectations will inexorably increase;
- Geopolitical and economic uncertainty and deglobalisation 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 treatment 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; and
- Climate change and how the world response to this threat will have a significant and rapidly growing strategic impact.

Financial risks associated with climate change

Climate risk management is integrated into our existing Group-wide Risk Management Framework ('RMF'), which sets out how risks are identified, assessed, managed and reported on. Bupa will continue to ensure that climate-related risks are considered appropriately throughout our governance arrangements, including the policy framework and management committees' responsibilities. It will continue to reflect on changes in regulatory expectations while embedding climate risk management through the RMF.

Risk Review continued

As a result, the financial risks from climate change do not appear separately in Bupa's principal risks above, as they are already captured within these risks. The table below does show how different risks are potentially impacted by different key climate risk drivers.

Risk drivers	Relevant risks and potential impact	Mitigating actions
Transition: Policy and legal	<p>Government, legal and regulatory change risk</p> <p>We must continue to prepare for, and then comply with, emerging regulations (primarily driven through our insurance business but becoming increasingly relevant for all businesses globally). As such, there is a risk of fines, penalties, and litigation in the event of regulatory non-compliance, which could also result in reputational damage.</p> <p>We are also exposed to potential non-regulatory litigation risk, including the risk of class actions.</p> <p>Short, medium and long term.</p>	<ul style="list-style-type: none"> ■ Our horizon scanning process continues to identify relevant legislative and regulatory changes across a broad spectrum of topics, including consideration of ESG-related (including climate change) developments.
Transition: Reputation	<p>Brand and Reputation Management</p> <p>Stakeholder expectations on all ESG-related areas, including climate change, are increasing. As such, there is a risk of reputational damage and loss of trust in our brand – across the Group – occurring as a result of not taking appropriate action to meet those expectations, not meeting commitments, or by greenwashing.</p> <p>Short, medium and long term.</p>	<ul style="list-style-type: none"> ■ The sustainability strategy focuses on building a healthier future for people and planet. There are governance structures in place to oversee the delivery of the sustainability strategy. ■ Bupa engages in industry coalitions and partnerships to accelerate the delivery of net zero, patient-centric health systems through collaboration and innovation. ■ Communication policies and procedures, and disclosure governance in place to reduce likelihood of publishing misleading sustainability claims.
Transition: Market	<p>Property valuation risk</p> <p>Changes in severity, frequency, and variability in weather patterns may result in decreases in property valuations. This could be caused by reduced demand for services in areas more prone to climate change, additional operating costs and capital expenditure required to adapt properties to either meet or anticipate increasing market demands and future regulation in response to changes in weather-related events and decarbonisation agenda, and/or by the availability and affordability of insurance.</p> <p>Medium and long term.</p> <p>Market risk</p> <p>Our investment portfolio is exposed to potential adverse valuation impacts driven by both transition and physical risk exposures in the companies in which we invest.</p> <p>Medium and long term.</p>	<ul style="list-style-type: none"> ■ We continue to perform a range of climate-related stress testing to explore possible impacts to property valuations (which are not currently believed to be material to our business). ■ Geographical spread of properties helps to diversify exposure. ■ Merger and Acquisition decision-making process also incorporates climate risk (physical) as a factor to consider. ■ We concluded a facilities-related global scope 1 and 2 decarbonisation modelling project which provided insights to enable the planning of our decarbonisation efforts in order to meet our 2030 Science-based Target and Net Zero ambition. These insights are now being adopted within business planning. ■ Decarbonisation underway at appropriate selected sites. ■ We place exposure limits on the sectors and countries most at risk from climate change. Our primary target for our investment portfolio, which has been validated by the Science Based Targets Initiatives (SBTi), is to achieve Temperature Alignment of 1.5°C by 2040. We are taking action to reduce the GHG emissions of our investments, while helping to finance the transition to a low-carbon economy.

Risk Review continued

Risk drivers	Relevant risks and potential impact	Mitigating actions
Physical: Acute and chronic	<p>Operational resilience including supply chain disruption and third-party reliance</p> <p>Climate change may increasingly cause operational disruption (directly or indirectly through, for example, third parties and supply chain), which could compromise Bupa's ability to deliver products and services safely to customers, patients, and residents; the health and safety of Bupa's people could also be impacted.</p> <p>Short, medium and long term.</p> <p>Insurance</p> <p>Shifts in global temperatures and weather patterns will affect the acute and chronic healthcare needs of our customers and may lead to increased insurance claims via changes to frequency or disease severity requiring shifts in the treatments required. This impact could be more pronounced in markets with multi-year policy contracts in place. Separately, decarbonization and other sustainability-related efforts by third-party healthcare providers used by Bupa to service insurance claims may also contribute to higher claims inflation.</p> <p>Medium and long term</p>	<ul style="list-style-type: none"> ■ The Operational Resilience Framework considers broader customer disruption and the same principles apply to extreme weather events. ■ Business Continuity Plans are produced and updated in accordance with the Enterprise Operational Resilience Policy and associated Standards. ■ Guidance documents are in place for managing the potential impact of heatwaves and flooding across our aged care facilities. ■ Governance forums and communication channels are in place to enable the timely reporting and escalation of any climate change related risks or incidents. ■ We know that people will be more unwell in a world that experiences greater weather variability due to climate change. The short-tailed nature of most of our insurance products allows us to respond through pricing, although this can be limited by pricing controls in some markets. The affordability impacts from price increases would need to be carefully considered. Overall, the impact is likely to vary by type of product and coverage (comprehensive; complementary/supplementary) and based on the interactions between private medical insurance and the public health system. ■ Bupa is currently deepening its understanding of the potential long-term impacts of climate change on customers' health and claims in some markets, and based on the assessment will consider how best to respond and adapt its insurance product offerings accordingly (e.g. product benefits, financial incentives, target market).

1. Short term (1-3 years). Medium term (3-5 years). Long term (5+ years).

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

The following sets out some of the key highlights from tests performed in 2024:

The latest Stress and Scenario Testing programme helped Bupa better understand localised climate change risks as well as a range of potential impacts which could be driven by climate change (although not exclusively) over the planning period. Scenarios assessed included: impacts of increased inflation on insurance claims and expenses across all businesses (possibly a potential outcome of an energy price shock and/or carbon pricing); impacts of strategic workforce risks (including workforce shortages, increased attrition, and higher staff costs), supply chain disruption risk, and regulatory changes.

In 2024, a number of Business Units selected a climate-related narrative to guide their annual local scenario and stress testing. The future health impact of climate change was assessed in several markets, including the potential impacts on insurance claims, as well as potential impacts for provision businesses (hospitals and clinics mostly) should these be able to respond to the changing population health needs given physical risks from climate change. Beyond extreme weather events, the impacts of air pollution and water shortages were also considered though to a lesser extent. This work compliments results from scenario analysis performed in prior years, including a 'Late Action': a -2C global warming by 2100; a disorderly transition scenario; and 'No Additional Action', a 4C global warming by 2100 scenario with high physical risk. The results of these remain relevant.

Bupa will continue to focus on building and assessing its specific climate scenarios in 2025.

Governance

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Chairman's introduction to Governance

The Governance section of the Annual Report explains Bupa's governance arrangements and how the Board and its Committees have operated and performed their duties throughout 2024 and to the date of this Report

"Having strong and robust governance arrangements is the foundation to Bupa's purpose, values, strategy and our culture."

Roger Davis,
Chairman



The Board and its Committees have continued to provide oversight of the Group, its management and its businesses throughout 2024 and up to the date of this report.

We have provided the direction, support and challenge, as appropriate, in accordance with our governance arrangements and the expectations of our Association Members and other stakeholders. We have continued to set the cultural tone to support Bupa's purpose and values, how we conduct ourselves and our performance, and to ensure our people and partners understand and apply this in everything we do.

An overview of the main activities of the Board during 2024 are set out on [page 76](#) of the Corporate Governance report and the key activities of each Board committee during 2024 are set out in their respective reports in this section.

Board changes

During 2024 there were a number of Board changes and announcements.

Aligned with our succession plans and activities, we were pleased to welcome Simon Blair and Clare Bousfield to the Board during January 2024, strengthening the Board's financial and risk management skills and increasing the level of healthcare and financial services experience.

Simon was appointed as a member of the Board's Audit, Remuneration and Risk Committees following his appointment and Clare was appointed as a member of the Audit and Risk Committees. Their full biographies can be found in 'Board of Directors' that follows ([pages 65 to 67](#)).

Simon then took over the role of Risk Committee Chair in April following receipt of regulatory approval. We are very grateful to Paul Evans for stepping in as Interim Chair of the Risk Committee from November 2023 to March 2024, at what was a very busy time of Bupa's governance cycle.

Gunjan Bhow retired from the Board in April 2024 in order to focus on his other business commitments. We thank him for his contribution to the Board during his time with us, particularly in relation to the development of our digital strategy, and we wish him well in his future endeavours.

Board focus for 2025

In 2025 the Board will spend considerable time overseeing the transition from our 3x6 Strategy to our new 3x100 Strategy, explained in the Strategic Report.

To support its oversight of the implementation and delivery of the new 3x100 Strategy, the Board will continue to focus on digital technology development, including artificial intelligence and healthcare technology.

We will also be focused on the refreshed sustainability strategy for Bupa. Sustainability was previously a strategic pillar under the 3x6 Strategy, but from 2025 there will be a distinct but complementary sustainability strategy reflective of its importance to Bupa and the Board.

As you would expect, the Board will also continue to keep succession planning as a key area of focus in 2025. It is important we ensure orderly, phased transitions to maintain a strong Board whilst also refreshing our skills and experience to support Bupa's strategy and growth ambitions.

Chair succession

I was delighted that Bupa has appointed Don Robert as my successor, following a robust and thorough selection process led by Cath Keers, our Senior Independent Director (SID). The process leading to Don's appointment is covered in detail on [page 77](#). His outstanding experience will provide the Board with the leadership required to support the continued transformation of the Group. As you would expect, we have begun a programme of induction activities, to ensure a smooth handover to Don, who will take over as Board Chair when I retire in May.

I have been honoured to serve as Chairman of Bupa since 2019. I am proud of the significant strategic progress Bupa has made during my time as Chairman, combined with improved financial performance and a strong focus on delivering the best experience for our customers. I would like to thank everyone at Bupa for their hard work, care and commitment, which has provided the strong foundations for our success as an organisation. I am confident that Bupa will go from strength to strength.

Roger Davis
Chairman

Board of Directors

Committee key

C Committee Chairman	Re Remuneration
A Audit	Ri Risk
N Nomination & Governance	S Board Sustainability



Roger Davis
Chairman

Appointed: 2015, Chair 2019

Committees: **N** **Re**

Board skills and experience

Roger brings extensive international business, risk management and regulatory experience from a wide-ranging executive career in financial services. In his executive career he held roles at Robert Fleming (in equity sales, corporate broking, and investment banking) and Barclays plc, becoming executive director and Head of UK Banking.

Career

He also brings previous non-executive and chairman experience from his roles as Chairman of Sainsbury's Bank and as a non-executive director of Experian plc, where he also chaired the remuneration committee.

Other appointments

Chairman of Global RadioData Communications and as a non-executive director of ABM Communications Limited.



Iñaki Ereño
Group Chief
Executive Officer

Appointed: 2021

Committees: **S**

Board skills and experience

Iñaki joined Bupa in 2005 and, prior to his appointment as Group Chief Executive Officer, gained a deep knowledge of the business through roles as CEO of Sanitas and of the ELA Market Unit, putting him in a strong position of knowledge and experience.

Career

Prior to Bupa, he held senior positions at the Telefonica Group and Carrefour as well as founding an online start-up. Iñaki has a degree in law and an MBA from IESE Business School.

Other appointments

No external appointments.



James Lenton
Group Chief
Financial Officer

Appointed: 2021

Committees:

Board skills and experience

James brings significant experience in financing, capital allocation and business transformation, including steering organisations through periods of substantial change.

Career

His previous roles included Chief Financial Officer of Hammerson plc, a FTSE 250 owner and manager of properties with a European portfolio, Chief Financial Officer of AIG's European Group, and Partner at EY.

Other appointments

No external appointments.



Cath Keers
Senior Independent
Director

Appointed: 2019

Committees: **N** **Re** **S**

Board skills and experience

Cath brings valuable digital consumer expertise to the Bupa Board, with significant professional and leadership experience across retail, consumer, digital and technology sectors from small to large, listed businesses, and considerable experience chairing remuneration committees.

Career

She has previously held executive roles as Chief Marketing Officer at The Sage Group plc and Telefonica O2 Holdings Limited. Cath chaired Tesco Mobile Limited, Trustedhousesitters Group Limited and Ustwo Limited, a digital design and gaming business and was a non-executive director of Royal Mail plc and Telefonica Europe. She has also been a non-executive director and Chair of the Remuneration Committee of Funding Circle Holdings plc, Home Retail Group plc and Liverpool Victoria Friendly Society Limited, and a member of the remuneration committee while a non-executive director of The Sage Group plc.

Other appointments

No external appointments.



Don Robert, CBE
Non-Executive
Director

Appointed: 2025

Committees: **N**

Board skills and experience

Don has a strong track record in global financial services, international business and mergers and acquisitions. He has a deep understanding of technology, data and analytics and significant executive and non-executive listed board experience.

Career

He spent 18 years at the global financial data, analytics and technology group, Experian plc, where he latterly served as Chairman. Prior to that he was Group Chief Executive and CEO of its North American business. Don has served in a variety of senior roles including Chair of the US Consumer Data Industry Association, Senior Independent Director of Compass Group plc, and Chair of video games services company, Keywords Studios plc. He also served as a Technology Advisor to the Bank of England and was a Non-Executive Director of the Court of Directors of the Bank of England.

Other appointments

Chairman of London Stock Exchange Group, Founding Partner of Corten Capital and Chair of Ekco, Chair of Council, The London School of Hygiene & Tropical Medicine, Non-Executive Director Validis Group Holdings Limited and FlexCharge, Visiting Fellow at Oxford University and Honorary Group Captain, Royal Air Force.

Board of Directors continued



Simon Blair
Non-Executive
Director

Reappointed: 2024

Committees: **A Ri Re**

Board skills and experience

Simon brings extensive international financial services experience from a career spent in the health care and financial services industries. His past governance experience includes non-executive directorships of three banks and three insurance companies across four countries.

Career

He has previously held a number of senior roles over ten years at Commonwealth Bank of Australia (CBA), including Group Executive, International Financial Services and Managing Director and CEO of Sovereign Assurance Company Limited. Before joining CBA, he was Chief Operating Officer of Medibank Private in Australia and CEO of Australia's largest hospital group. He has also been CEO of two other large healthcare companies in New Zealand and Australia and previously held executive roles in both the World Bank and the IFC based in Washington DC. He was also a non-executive director for Bupa from 2016-2019.

Other appointments

Currently chair of the board of Bupa's subsidiary in Chile, Bupa Chile S.A.



Clare Bousfield
Non-Executive
Director

Appointed: 2024

Committees: **A Ri**

Board skills and experience

Clare brings deep UK financial services expertise from former roles at M&G Plc, where she served as both Group CFO and latterly CEO, Retail & Savings, and as CEO, Insurance for Prudential UK & Europe.

Career

She started her career at PwC and has previously served as a non-executive director and audit committee chair of RSA Insurance Group plc, a board member of the Association of British Insurers and held senior roles at Aegon and Swiss Re Group.

Other appointments

Non-executive director and chair of the audit and risk committee of IVC Evidensia, a non-executive director of Legal & General Group Plc, Recipharm AB and Nucleus Financial.



Sally Clark
Non-Executive
Director

Appointed: 2022

Committees: **A Ri Re**

Board skills and experience

Sally has significant experience in internal audit and risk management in financial services.

Career

She has previously held executive roles at JPMorgan and RBS and, most recently, as Chief Internal Auditor at Barclays. She was a council member and Deputy President of the Chartered Institute of Internal Auditors and chaired the committee rewriting the Code of Practice for the IA profession.

Other appointments

Non-executive director and chair of the audit committee at Citigroup Global Markets Limited, and a non-executive director of AIB Group (UK) Plc and two fintech companies, Acin Limited and Kore Labs Limited.



Paul Evans
Non-Executive
Director

Appointed: 2018

Committees: **A N Ri**

Board skills and experience

Paul provides health insurance expertise from his executive career, where he held various senior roles and been Group Chief Executive Officer of AXA's global Life, Savings and Health businesses.

Career

Previously he has held roles at PricewaterhouseCoopers LLP, as Chairman of the Association of British Insurers and as a non-executive director of Swiss Re Europe SA and Swiss Re International SE.

Other appointments

Chair of Allianz Insurance, LV General Insurance and Petplan (collectively Allianz Holdings) and a member of the board of M&G plc. Within Bupa, he is a non-executive director of Bupa's UK regulated insurance subsidiaries and a member of the CEO Advisory Oversight Committee of the BGIUK Market Unit.



**Michael Hawker
AM**
Non-Executive
Director

Appointed: 2019

Committees: **A Re S**

Board skills and experience

Mike has considerable knowledge and global experience of financial services and risk management, gained from his significant experience in the banking and insurance sectors around the world, both in an executive and non-executive capacity.

Career

Previously he has been a non-executive director of Macquarie Group, Aviva PLC and Westpac Banking Corporation, Chairman of the Insurance Council of Australia, and CEO and managing director of Insurance of Australia Limited. He was also previously a director of Washington H Soul Pattinson Pty Company Ltd and Altium Limited. He was made a 'Member of the Order of Australia' for services to the community in 2010.

Other appointments

Non-executive director of the ASX-listed Vicinity Centres Limited, Allianz Australia and of a number of non-profit organisations, including the Museum of Contemporary Art in Sydney. He is also a non-executive director and Deputy Chairman of Bupa's Australia and New Zealand business and is a member of its audit, remuneration, risk and technology committees.

Board of Directors continued



Pia Heidenmark Cook
Non-Executive Director

Appointed: 2022

Committees: **N S**

Board skills and experience

Pia has considerable corporate ESG and sustainability expertise, as well as innovation and transformation experience from a significant executive career leading sustainability strategies in large corporates, as well as managing large multinational teams.

Career

Pia has previously held roles as Head of Sustainability, Retail & Expansion, then Chief Sustainability Officer at Ingka Group (IKEA), and prior to that Vice President of Corporate Social Responsibility at Rezidor Hotel Group and Co-chair of The Retailers' Environmental Action Programme.

Other appointments

Non-executive director and member of the audit and nominating and corporate governance committees of Origin Materials Inc (US) and Max Burgers AB (Sweden), Senior Adviser at Teneo (ESG and Sustainability team) and Eurozeo Planetary Impact Fund. She is also chairman to the Advisory Board of the Do Group (Germany), and a member of the Advisory Board of the Boards Impact Forum (Nordic chapter of the Climate Governance Initiative (in collaboration with the World Economic Forum)).



Matías Rodríguez Inciarte
Non-Executive Director

Appointed: 2019

Committees: **A Ri**

Board skills and experience

Matías brings significant experience of Spanish financial services, risk management and government to the Board.

Career

He has previously held roles in the Spanish civil service and as a Minister in the Spanish Government, and executive roles at Banco Santander S.A., including as Executive Vice President and Chief Financial Officer, and Vice Chairman and Head of Risk Management.

Other appointments

Chairman of Union de Creditos Inmobiliarios, S.A., E.F.C., a non-executive director of Financiera El Corte Ingles E.F.C., S.A., both credit institutions, and an independent director of Financiera Ponferrada S.A. Sicav, a Spanish investment fund. He is also Head of Santander Universities, a Department of Banco Santander, and in charge of Santander's Program with Universities. He is also chairman of Sanitas S.A. de Seguros, Bupa's Spanish health insurance business, a member of its audit and risk committees, and is a chair of the ELA Market Unit



Professor Melvin Samsom
Non-Executive Director

Appointed: 2019

Committees: **N Ri S**

Board skills and experience

Melvin has substantial international research, clinical and management experience from his career in gastroenterology and as a hospital chief executive.

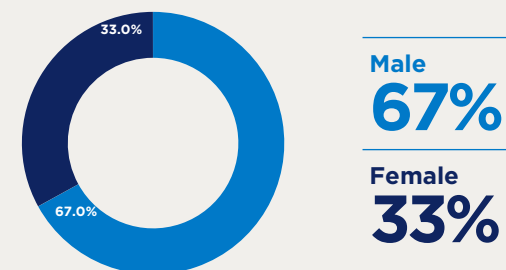
Career

He has previously held roles as Chief Medical Officer and Chief Executive of Radboud University Medical Center, and Chief Executive of Karolinska University Hospital in Sweden. He has also been Vice-Chairman of the Dutch Federation of University Medical Centers, Chairman of the Dutch Gastroenterology Society, Chairman of the Supervisory Board of Stockholm Care AB, a member of the Supervisory Board for TIAS School for Business and Society, as well as a senior advisor to Saudi Arabia and Sector Head of Health, Wellbeing and Biotech for NEOM in Saudi Arabia.

Other appointments

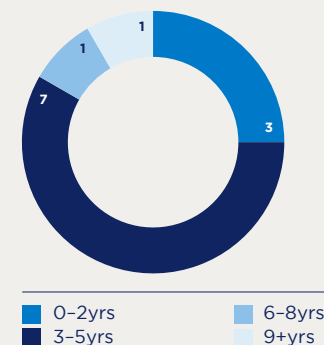
Chair of the Supervisory Board of OncoCode Institute, Senior International Advisor to KPMG Advisory, and Professor at the Radboud University Medical Center in the Netherlands.

Gender breakdown at 31 December 2024 (%)



■ Male
■ Female

Tenure breakdown at 31 December 2024 (years)



■ 0-2yrs ■ 6-8yrs
■ 3-5yrs ■ 9+yrs

Corporate Governance Report

Corporate Governance statement

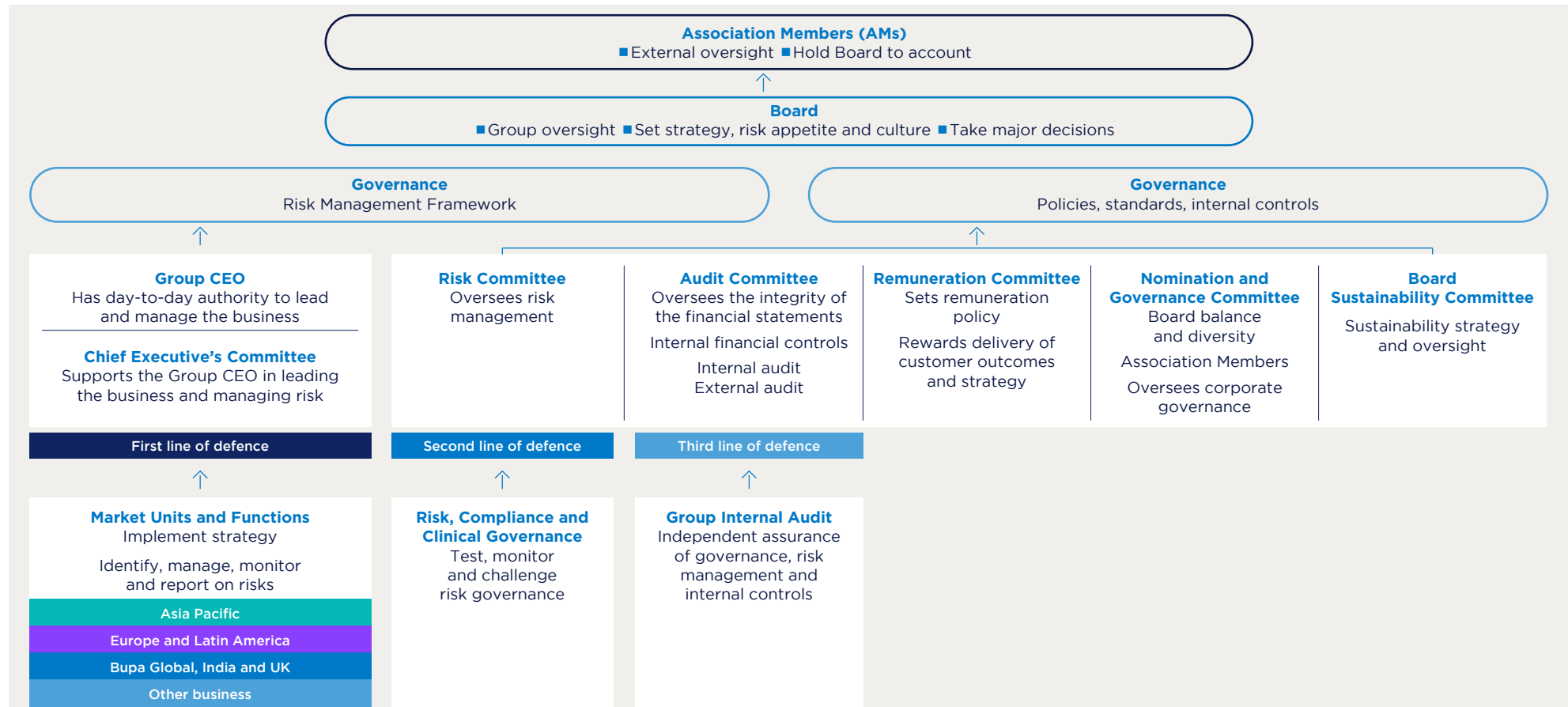
The Company meets the thresholds of the UK Companies Act 2006 to apply a corporate governance code. It also has subsidiaries that are regulated under various financial services regimes and have securities listed on the London Stock Exchange, National Stock Exchange of India Ltd and Bombay Stock Exchange. Bupa has therefore chosen to apply the FRC's UK Corporate Governance Code 2018 (the Code) to the extent it is appropriate and relevant given it is a company limited by guarantee without shareholders. The Code is publicly available at www.frc.org.uk.

This Corporate Governance report explains Bupa's corporate governance arrangements, how it has applied the principles and provisions of the Code, and explains areas of the Code where

it has departed from them. These areas of departure relate to Code principles and provisions that can only be applied in a relevant way by companies with shares and shareholders; because the Company is a private company limited by guarantee without shareholders, it does not comply with them.

Our Governance structure

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



Corporate Governance Report continued

Association Members

As a private company limited by guarantee, Bupa has Association Members and not shareholders, as explained earlier in the Section 172 and Engagement Statement. These Association Members perform a governance and oversight role, undertaking many of the activities that would be performed by shareholders as custodians of the Company. These activities include voting on resolutions at the Company's Annual General Meeting that shareholders of a UK public listed company would typically be asked to approve.

Bupa's Association Members are eminent individuals in their own field, coming from a diverse range of sectors that include international businesses with an emphasis on insurance and financial services, healthcare, academia, Non-Government Organisations, regulatory and public services.

A substantial majority of the Association Members are independent of Bupa and have been selected by the Board due to their significant recent and relevant knowledge and experience related to the markets in which Bupa operates and their capacity to contribute. They are appointed in accordance with the Company's Articles of Association and normally serve for a term of ten years, which can be extended for further terms of five years.

Board Leadership and company purpose

The Board

The Board is collectively responsible for promoting the long-term success and sustainability of Bupa, generating and preserving value for the benefit of all our stakeholders, and making a positive contribution to the societies we operate in. It sets Bupa's values, risk appetite and strategy, which determine our corporate culture and guide Bupa's people and business in how we operate. While the Board may appoint Directors during the year, their appointment is confirmed by Association Members, who elect new Directors at the Company's next Annual General Meeting following their initial appointment. In accordance with the Code, they, together with all existing Directors, are then subject to annual re-election by the Association Members at every Annual General Meeting.

There is a Schedule of Matters Reserved for the Board that sets out the Board's role and responsibilities and those responsibilities which it delegates. It covers setting Bupa's strategy and risk appetite, overseeing management's implementation of the strategy, establishing, and monitoring its systems of control and risk management, ensuring Bupa's culture aligns with its purpose and values, management of its capital and resources, approval of major transactions, Group structure changes and significant expenditure. The document is reviewed annually and published on www.bupa.com/about-us/governance. Through these activities the Board has regard to its stakeholders and engages within them regularly. Details of its considerations and engagement through 2024 are disclosed on [pages 49 to 55](#) in the Section 172 and Engagement Statement.

Board committees

The Board has established five standing Board Committees to which it has delegated certain activities, to ensure that there is sufficient time for oversight and challenge on the matters within their respective remits and to allow the Board to focus on key strategic matters and decisions. Whilst it has delegated certain activities, the Board remains collectively responsible. The roles and activities of its Audit Committee, Nomination and Governance Committee, Risk Committee, Remuneration Committee and Sustainability Committee are set out in their respective reports included later on [pages 77 to 96](#).

The Board has also established a small number of Board committees which would be stood up to manage specific contingencies effectively in the event of specific circumstances arising. These are not currently operational, nor were they at any time during 2024 and to the date of this report

Executive governance

The Board has delegated specific matters and levels of authority to the Group Chief Executive Officer (CEO) in order to undertake the day-to-day leadership and running of the Group. He has authority to sub-delegate elements of this authority to the business and Group functions and is supported in his role by his executive management team and the Chief Executive's Committee (CEC). The Chief Executive's Committee drives the performance of the business and delivery of the strategy. It currently comprises the Group CEO and the Group's CFO, Chief Brand and External Communications Officer, Chief New Technologies Officer, Chief Legal Officer, Chief Medical Officer, Chief Sustainability and People Officer, Chief Risk Officer (Group CRO), the Chief Audit Officer, the Group Company Secretary and the three Market Unit CEOs.

Three Lines Model

The three lines model provides accountability, monitoring and assurance over the operations of the Group to manage its risk. Further details, including on Group Internal Audit, are set out in on [pages 73 to 74](#).

Conflicts of Interest

Each Director is required to notify the Company as soon as possible of any actual or potential conflicts of interest, and all Directors have complied with this requirement during the year. The Nomination and Governance Committee has delegated authority to review actual or potential conflicts and the Group Company Secretary carries out an annual review of the Board's conflicts register. In the event of an authorised potential or actual conflict, the Director is required to recuse themselves from discussions and voting on any matter they may be conflicted on.

Board composition and division of responsibilities

Board composition

The Board currently comprises 13 directors, consisting of a Non-Executive Chairman, two Executive Directors and ten independent NEDs (including the Chair-elect, Don Robert CBE). Details of each Director are set out in Board of Directors on [pages 65 to 67](#).

Division of responsibilities

Certain specific roles have been allocated to Directors on the Board and are described below. Consistent with the Code, the roles of the Chairman and Group CEO are separate and distinct. For more information, see our division of responsibilities: www.bupa.com/company/about-us/governance

Corporate Governance Report continued

Chairman

The Chairman is responsible for leading the Board and ensuring its focus on strategic matters, overseeing the Group's business, and setting high governance standards. He plays a pivotal role in fostering the effectiveness of the Board and individual Directors, inside and outside the boardroom. He is also responsible for ensuring effective communication with the Association Members, acting as a sounding board for the Group CEO and representing the Group externally. With the support of the Group Company Secretary, he ensures the Board receives accurate, timely and clear information.

Roger Davis was appointed as Chairman from 1 January 2019, having been an independent Non-Executive Director since July 2015. He was reappointed by the Board for a further three-year term as Chairman from 1 January 2022, and during 2024 his tenure was extended to May 2025. The Board was satisfied he met the independence criteria in the Code at the time of his appointment as Chair, and following a reduction in external appointments the Board was satisfied his current external appointments do not hinder him from providing sufficient time to discharge his duties at Bupa. Details of his other appointments are set out in his biography on [page 65](#).

In the 2023 Annual Report, the Board indicated that it had begun a search for Roger's successor when he retires from the Board. Therefore, whilst Roger remained as Chair beyond the ninth anniversary of his first appointment to the Board, at that time the search for his successor was already underway. Accordingly, the Board was comfortable with the limited period Roger's tenure would exceed nine years on the Board whilst the right candidate was found, regulatory approval was obtained, and a smooth handover took place. The Board announced on 5 November 2024 that, subject to regulatory approval, Don Robert CBE would succeed Roger as Chair, with the expectation he would take over the role in May 2025. Don Robert was appointed to the Board on 27 February 2025 as Chair-elect, following receipt of regulatory approval to be the next Chair of the Board. The Board was satisfied that Mr Robert met the independence criteria in the Code at the time of his appointment as Chair-elect. The Board was also satisfied his current external appointments do not hinder him from providing sufficient time to his expected duties at Bupa. Details of his other appointments are set out in his biography on [page 65](#). The details of the selection and appointment process is set out on [page 77](#).

Group CEO

As set out above, the Group CEO, Iñaki Ereño, is responsible for the day-to-day leadership and management of the business, aligned with Bupa's purpose and values, and within the risk appetite and strategy set by the Board. Iñaki has been given specific delegated authorities by the Board that are documented in the 'Matters Reserved to the Board' and Delegated Authority Framework.

Senior Independent Director

Cath Keers is the Senior Independent Director (SID). She acts as a conduit for Directors and Association Members who may have concerns that have not been resolved through other channels, acts as a sounding board for the Chairman and Group CEO and leads the annual performance review for the Chairman. During the year she led the Chair Selection Committee and the recruitment process for the appointment of the new Chair.

Non-Executive Directors

The NEDs provide an independent perspective, check and challenge to Bupa. They hold management to account for decisions, performance, and implementation of strategy within the Group's governance structure and risk appetite. They are appointed by the Board, upon the recommendation of the Nomination and Governance Committee, by way of a Letter of Engagement for an initial three-year term, which may be extended to a second three-year term, followed by up to three further one-year terms to support a phased succession plan and the regular refreshment of the Board.

Independence

The Board comprises a majority of independent directors. All current NEDs were deemed independent upon appointment and are reviewed annually against the independence criteria in the Code by the Nomination and Governance Committee prior to recommending they are eligible for appointment or reappointment at the Company's Annual General Meeting.

Time commitment

The Board sets out the expected time commitment for NEDs to ensure they can devote sufficient time to perform their role effectively. The Nomination and Governance Committee assesses NEDs on appointment with particular regard to other appointments and roles external to Bupa and undertakes an annual review of their external commitments.

Group Company Secretary

The Group Company Secretary provides governance advice and support to the Board, ensuring adherence to Bupa's governance requirements and Articles of Association, and that it has the information and resources to function effectively and efficiently. He assists with the performance review of the Board and its Committees, NED succession planning and appointment, NED inductions and training, engagement with Association Members, and the arrangements for the Annual General Meeting.

Corporate Governance Report continued

Board Skills, Succession and Evaluation

Board Skills and Experience

The composition of the Board is kept under review to ensure it has the currently and foreseeably required skills and expertise needed in relation to the delivery of Bupa's purpose and strategy, including experience of its businesses and operating markets, and that diversity of thought and a range of different attributes and backgrounds are represented. The skills and expertise required are captured in a skills matrix that is regularly reviewed and considered by the Board's Nomination and Governance Committee on its behalf.

The current Board skills matrix for NEDs, including the Chair, at the end of 2024 is as follows:

Board skills as at 31 December 2024

Proportion of the Board (%)

Board and Committee oversight skills

Leadership, Strategy & Development

100

Audit & Financial Reporting

80

Risk Management

90

Operational Skills and Experience

Financial Services Sector

80

Healthcare Sector

60

Customer Centricity

100

People, Talent Management & Remuneration

60

International Commercial Experience

90

Innovation and Emerging Technology

40

Commercial and Business Acumen

80

Sustainability

60

During 2024 the format of the skills matrix was redesigned, with greater clarity between Board and Committee oversight skills required of the NEDs, and their areas of operational experience. With the appointment of Simon Blair and Clare Bousfield we strengthened both the financial reporting and financial services experience on the Board, as well as improved the healthcare expertise. A focus for 2025 will be to consider how best to enhance the skills of the Board in relation to digital transformation.

Board Diversity statement

Bupa has a Board Diversity Policy which is available on www.bupa.com/about-us/governance. The policy requires all Board appointments to be made on merit and objective criteria reflecting the skills, knowledge and experience required for a balanced and effective board, but does not contain targets. Bupa considers diversity includes race, social, educational and professional background, disability, gender, sexual orientation, religion, belief and age, culture, personality, work style, and cognitive and personal strengths.

Diversity of thought includes providing a different perspective, and the Board seeks candidates that represent our customers and people and who can understand and relate to the societies and markets we serve and Bupa's businesses. When looking for Board or senior executives, Bupa uses search and selection agencies that are all signatories to the Voluntary Code of Conduct for Executive Search Firms, to ensure candidates are sought from as wide a pool as possible.

Bupa voluntarily discloses on a comply or explain basis against FCA Listing Rules targets of: 40% of the board should be women, at least one board member in a senior board position should be a woman, and there should be at least one board member from a non-White ethnic minority background. The numerical data and disclosures for the Company's Board and executive team are collected from the information provided by the individuals upon appointment and are set out and explained below. For details on diversity and inclusion in relation to our people, please refer to 'Our People and Culture' on [pages 29 to 32](#).

Table 1: Reporting table on sex/gender representation as at 31 December 2024

	Number of Board members	Percentage of Board	Number of senior positions on the Board (Chair, CEO, CFO and SID)	Number in executive management	Percentage of executive management
Men	8	67%	3	9	64%
Women	4	33%	1	5	36%
Other	-	-	-	-	-
Not specified/ prefer not to say	-	-	-	-	-

At the end of 2024 the Board comprised 12 members following the appointment during the year of Clare Bousfield and Simon Blair and the retirement of Gunjan Bhow. These changes marginally increased representation of women on the Board to 33% compared with 31 December 2023 (27%) but did not meet the Listing Rules target of 40%. The Company did meet the target for at least one woman in a senior board position, through Cath Keers being Senior Independent Director.

Corporate Governance Report continued

Table 2: Reporting table on ethnicity representation as at 31 December 2024

	Number of Board members	Percentage of Board	Number of senior positions on the Board (Chair, CEO, CFO and SID)	Number in executive management	Percentage of executive management
White British or other White	12	100%	4	13	93%
Mixed/Multiple ethnic groups	-	-	-	-	-
Asian/Asian British	-	-	-	-	-
Black/African/Caribbean/Black British	-	-	-	1	7%
Other	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-

Following the retirement of Gunjan Bhow during 2024, the Board ceased to meet the ethnic diversity target in the FCA's Listing Rule 6.6.6R(9) that at least one member of the Board is from a non-White minority ethnic background, and this remained the case at 31 December 2024. As detailed above, the Board Diversity Policy takes a broad view of diversity and, as such, the Company continues to have a diverse, international Board representing the culture of Bupa's key geographic markets, with a majority of Directors from non-UK backgrounds.

As stated above, the Board has not set diversity targets per se but is nevertheless committed to achieving greater gender and minority ethnic diversity representation on the Board. It continues to seek opportunities to address this through succession planning and Board refreshment activities and always encourages the broadest candidate pool with the requisite skills and experience to apply. This commitment had been confirmed in the Board's briefings and specifications to search agencies.

Board succession

The Board maintains board succession plans that consider length of service, skills and experience of the current Directors, Board roles and requirements, and any foreseeably required future skills and experience. The plans are regularly reviewed by the Board and its Nomination and Governance Committee to ensure there is a phased replacement of NEDs who are reaching the end of their tenure. This ensures there is continuity on the Board and maintains the appropriate balance of skills and experience on the Board and its Committees during refreshment and any handovers required. As the Board is refreshed, it seeks to address any skill and experience gaps and diversity targets.

The Board also reviews the succession plans for senior executives to ensure that Bupa maintains a strong bench and pipeline of diverse executive talent within the business and its functions.

Induction and training

On appointment, all Directors are provided with a comprehensive induction to the Group. They are provided with all relevant Board and corporate information, access to all the Company's minutes and past Board papers, constitutional and performance documents and meet with members of the Board, Group, and relevant Market Unit executive teams to ensure they have all the knowledge required and establish key relationship early. Visits are also arranged to Bupa's sites in the UK and overseas.

All Directors are required to keep up to date on matters and developments relevant to Bupa and their role(s). Management and, where appropriate, external advisers provide regular briefings on developments in the Market Units, and topical matters. During 2024, members of the Board participated in briefings on each of the Market Units, general artificial intelligence developments, the use of data and artificial intelligence within Bupa, and economic capital modelling. Briefings on technical issues and developments were also provided when required to individual Directors to support them in their roles.

During the year NEDs also visited Bupa's business locations in the UK, Poland, Türkiye and Australia with the executive directors or members of the executive team.

Board and Committee performance

Progress on 2023 evaluation actions

The Board is satisfied with the progress it made on its actions identified for 2024, including Board succession (in particular, the Board Chair search and the appointment of Simon Blair as Board Risk Committee Chair), deep dives on business disruption risks and strategic risks, reviewing the governance cadence of Board and Committee meetings and training in artificial intelligence, medical technology and digital.

During 2024, the Chair Selection Committee established in 2023 oversaw the Board Chair succession process, which was successfully concluded in November 2024. A report from the Committee is on [page 77](#). The Board received briefings on the requested risk and training topics from both internal and external experts. These assisted with the Board's work on the development of the new 3x100 Strategy.

Corporate Governance Report continued

The Board and Committee meeting cadence was reviewed and refined to ensure the required oversight, business needs and regulatory expectations were continued to be addressed. The number of Board meetings in 2024 was reduced by one.

2024 performance review

An internally-facilitated performance review was undertaken for the Board and Board committees in respect of 2024. In line with the UK Corporate Governance Code, the Board conducts an externally-facilitated performance review every three years, and the next one will be due in 2025.

The Board evaluation and the evaluations of each Board Committee were very strong and indicated that they all were effective. For the Board, positive feedback was received on the process and engagement relating to the development and approval of the Group's new 3x100 Strategy, the level of confidence in the strategy and the Group CEO's ability to execute it, the support and information provided to the Board to perform its duties, and the coverage of talent and culture, including management succession planning. The leadership of the Board continued to be scored very highly. Comments were made on ensuring the optimal balance between financial performance and doing good for customers and other stakeholders, in pursuance of delivering the Company's purpose. Some Directors believed there was further scope to refine the cadence of governance meetings and optimise the use of Board time, Committee time and pre-briefings. The Board was comfortable overall with its current composition, but the ongoing need to provide effective oversight of the strategy indicated that greater representation of digital/technology, retail/consumer and healthcare skills and expertise would all be important factors in future Board recruitment.

Directors were also interested in receiving more training and briefings in the areas of healthcare technology, artificial intelligence and sustainability. Lastly, the evaluation was used as an additional means of gathering suggestions and advice for the new Chair, when he takes over in May, and the outputs were shared with him by the Senior Independent Director.

Areas for focus in 2025 were identified for the Board and each of its Committees and these can be found at the end of this report for the Board, and at the end of each respective Committee report that follows.

Audit, risk, and internal control

Risk management system

Bupa has a Risk Management Framework that follows the 'three lines' approach to risk, which is common in financial service organisations. It 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 Group. Details on Bupa's key risks, risk profile, and how the risks are mitigated and managed are set out earlier in the Risk section of the Strategic Report on [pages 56 to 62](#). Board oversight and monitoring of the systems of internal control and risk management has been delegated to the Board's Audit and Risk Committees, respectively. Details of the purpose, remit, and performance of each of these Board Committees are included in their reports in this Governance section.

The Committees advise and make recommendations to the Board where Board approvals and decisions are required. This includes the annual review of the Group's systems of internal control and risk management that covers the Group's material controls including financial, operational and compliance.

Three Lines Model

First-line accountability

All of our people have first-line accountability to have awareness of the risks relevant to their role and work, and to manage them in accordance with our policies, the Bupa Code and relevant laws and regulations. This keeps us all safe, including our customers. The programme to develop a Group-wide Integrated Management System (IMS) to map and document Bupa's risks and processes continued through 2024 and is designed to enhance first-line accountability. The IMS is now embedded at different levels of maturity across the Group and work is continuing to enhance its coverage and completeness in all areas. All Bupa'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 Risk Function, led by the Group CRO. The function operates across the Group and each Market Unit has its own chief risk officer. The Risk Function monitors risks and the application of the Risk Management Framework, operation of controls and adherence to the risk appetites in the first-line. It reports to an executive forum, the Bupa Enterprise Risk Committee (BERC), comprised of the Chief Executive's Committee (CEC) members.

The BERC also supports the Group CRO to perform his Group oversight role in respect of Bupa's UK regulated subsidiaries, required by the Senior Managers and Certification Regime (SMCR).

The Risk Function provide reports to the Board Risk Committee to enable its independent monitoring and oversight of risk management and risk management effectiveness, on behalf of the Board. These include a second-line view on the effectiveness of internal controls and the management of risks within appetite.

The Clinical Governance (CG) Function, led by the Chief Medical Officer (CMO) is responsible for establishing and overseeing Bupa's Clinical Governance framework. The CG Function works closely with the Risk Function to ensure that clinical risks are effectively reported, with the CMO also providing risk reporting to the Risk Committee and the Board. The CMO reports directly to the Group CEO.

Third-line assurance – Internal Audit

The third-line assurance is performed by the Group Internal Audit Function which operates globally and undertakes independent assurance on behalf of the Board and the Board Audit Committee. The Function is headed by the Group Chief Audit Officer, who is appointed by the Board Audit Committee. Group Internal Audit operates in line with: the Global Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF) (including all mandatory elements of the Global Internal Audit Standards, Topical Requirements, and Global Guidance); 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 Group's Internal Audit Charter that is reviewed and approved annually by the Board Audit Committee.

Corporate Governance Report continued

Each year Group Internal Audit develops a risk-based assurance plan, taking account of the Group's key risks, business plans, regulatory requirements, and other relevant information. The plan contains both fixed and flexible assurance work. It is reviewed and approved by the Board Audit Committee and relevant subsidiary audit committees and is updated periodically as required. The internal audits are globally coordinated and/or typically performed by Market Unit or Business Unit internal audit teams, which 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 Board Audit Committee and subsidiary audit and risk committees receive summary reports from the Group or Market Unit Chief Audit Officer on all of Group Internal Audit's work, including summary observations relating to the effectiveness of the Group's risk management and internal control framework.

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

Details of the role of the Board Audit Committee, and its activities during 2024, can be found on [pages 81 to 85](#).

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 Group's Annual Report Accounts as well as other review and limited assurance activities. The process for PwC's appointment (including the tender), reappointment, and removal has been delegated to the Board's Audit Committee.

It also approves the scope, terms, and fee for the External Auditor's work, 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 PwC to undertake work outside of the scope of the external audit. In order to ensure that PwC's objectivity and independence is preserved, the Group has a Non-Audit Services Policy that 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 are monitored, and where required approved, by the Board Audit Committee during the year. The fees paid to PwC in 2024, are set out in Note 2.3.2 to the Financial Statements on [page 151](#).

The Group last tendered the audit in 2019 and PwC was selected and appointed with effect from 1 January 2021. Each year the external audit process, and the External Auditor, are assessed by the Board Audit Committee taking into account applicable UK professional and regulatory requirements.

It then makes a recommendation to the Board to consider whether PwC should be proposed for reappointment as the Group's External Auditor to the Association Members at the Annual General Meeting, and seeks authority from the Association Members for the Board to agree the External Auditor's remuneration. Details of its review and conclusions for 2024 can be found in the Board Audit Committee report on [page 84](#).

Remuneration and Risk

The Board has responsibility for setting and reviewing remuneration of all the Directors, and the remuneration policies and practices for executives and the wider employee population, to ensure these support the purpose, values and strategy of Bupa and its long-term sustainability and success.

No Director is involved in deciding their own remuneration outcome and the Board seeks to ensure that remuneration does not incentivise inappropriate risk-taking and is commensurate with roles and responsibilities.

The Board has delegated the activities of monitoring and overseeing remuneration arrangements, policies, practices, procedures and outcomes to its Board Remuneration Committee. Comprehensive reporting in accordance with the Code, legal and regulatory requirements and best practice on remuneration governance, on Bupa's arrangements, remuneration outcomes and the Board Remuneration Committee's activities during 2024, is set out in the Directors' Remuneration Report on [pages 90 to 113](#).

Corporate Governance Report continued

Board activities in 2024

Board and Committee meeting attendance 2024

Chair	Board		Audit Committee		Nomination & Governance Committee		Remuneration Committee		Risk Committee		Sustainability Committee	
	Roger Davis		Paul Evans		Roger Davis		Cath Keers		Simon Blair ¹		Prof. Melvin Samsom	
	Scheduled Meetings	Ad hoc Meetings	Scheduled Meetings	Ad hoc Meetings	Scheduled Meetings	Ad hoc Meetings	Scheduled Meetings	Ad hoc Meetings	Scheduled Meetings	Ad hoc Meetings	Scheduled Meetings	Ad hoc Meetings
No. of meetings	9	0	7²	0	3	1	6	1	5³	0	4	0
Roger Davis	9/9	-	-	-	3/3	1/1	5/6 ⁴	1/1	-	-	-	-
Iñaki Ereño	9/9	-	-	-	-	-	-	-	-	-	4/4	-
James Lenton	9/9	-	-	-	-	-	-	-	-	-	-	-
Gunjan Bhow ⁵	3/3 ⁶	-	-	-	-	-	-	-	1/1 ⁷	-	-	-
Simon Blair ⁸	9/9	-	6/6	-	-	-	4/4	1/1	5/5	-	-	-
Clare Bousfield ⁹	9/9	-	7/7	-	-	-	-	-	5/5	-	-	-
Sally Clark	9/9	-	6/7 ¹⁰	-	-	-	6/6	1/1	5/5	-	-	-
Paul Evans	9/9	-	7/7	-	3/3	1/1	-	-	4/5 ¹¹	-	-	-
Mike Hawker	9/9	-	7/7	-	-	-	6/6	1/1	-	-	4/4	-
Pia Heidenmark Cook	9/9	-	-	-	3/3	1/1	-	-	-	-	4/4	-
Cath Keers	9/9	-	-	-	2/3 ¹²	1/1	6/6	1/1	-	-	2/4 ¹³	-
Matias Rodriguez Inciarte	9/9	-	7/7	-	-	-	-	-	5/5	-	-	-
Prof Melvin Samsom	9/9	-	-	-	3/3	1/1	-	-	5/5	-	4/4	-

1. Simon Blair was appointed Chair of the Risk Committee from 1 April 2024. Paul Evans served as interim Risk Committee Chair from 1 November 2023 until 31 March 2024.

2. The seven scheduled meetings includes one scheduled joint Audit and Risk Committees meeting that was held at the end of Audit Committee meeting.

3. The five scheduled meetings includes one scheduled joint Audit and Risk Committees meeting that was held at the start of the Risk Committee meeting.

4. Roger Davis was unable to attend one scheduled meeting due to a prior commitment.

5. Gunjan Bhow retired as a Director on 10 May 2024.

6. Gunjan Bhow attended all three scheduled Board meetings up to the date he retired from the Board.

7. Gunjan Bhow attended the only Risk Committee meeting which took place during the year before his retirement from the Board.

8. Simon Blair was appointed to the Board on 25 January 2024 and the three Board Committees of which he is a member on 5 February 2024. He attended all meetings of the Board and the Board committees of which he is a member during his tenure.

9. Clare Bousfield was appointed to the Board and to two Board Committees on 25 January 2024.

10. Sally Clark was unable to attend a scheduled meeting due to a prior commitment.

11. Paul Evans was unable to attend a scheduled meeting due to a prior commitment.

12. Cath Keers was unable to attend a scheduled Nomination and Governance Committee meeting due to a prior commitment.

13. Cath Keers was unable to attend two scheduled Sustainability Committee meetings due to prior commitments.

During the year a number of Directors were unable to attend a particular meeting for the reasons set out in the footnotes to the Board and Committee meeting attendance above. The Directors provided their input via the chairs of the meetings so their views could be fed into discussions and taken into account.

Corporate Governance Report continued

Key activities in 2024

Strategy Oversight and Development Detailed on pages 6 to 16 .	<p>The Board continued to oversee management's progress on implementation and delivery of Bupa's 3x6 Strategy throughout 2024 and detailed updates on different pillars of the strategy were considered at each scheduled Board meeting. These covered progress on the key elements of the current strategy, including development of Bluea and the Group's data and analytics capabilities, the execution of the sustainability strategy, the development of Connected Care in the UK and Australia (including potential acquisitions), progress on Cloud transformation and migration, and growth and development opportunities across the Market Units.</p> <p>In addition, together with the CEC, the Board developed the Group's strategy for 2025 onwards, the 3x100 Strategy. The Board considered the elements of the strategy at the majority of its meetings in 2024 and at its dedicated annual off-site strategy day. The Strategic Report gives more detail on the progress and delivery of Bupa's 3x6 Strategy during its final year, and of the new 3x100 Strategy in place from 2025 onwards.</p>
Oversight of Business Strategy and Performance Detailed on pages 6 to 24 .	<p>The Board received regular presentations and updates on strategy delivery, business performance, and portfolio management, from Group and Market Unit executives. Many of the Directors visited different parts of the Group during 2024, as set out earlier in this report on page 72, to engage with our people and other local stakeholders, and to visit and get a better understanding of local facilities, resources, business environments and markets.</p>
Horizon scanning	<p>During the year the Board considered briefings on the future of healthcare, focusing on artificial intelligence, early detection capabilities using genome sequencing, growing virtual and remote care, changes and innovations in drug development.</p>
Performance and Risk Performance detailed on pages 17 to 19 , and Risk Review detailed on pages 56 to 62 .	<p>In addition to the activities above, the Board scrutinised and made decisions on routine matters covered in the Group CEO's, CFO's, CRO's and Chief Legal Officer's reports to its meetings. These included financial, operational, procurement and risk management performance, financial, non-financial, environmental, and regulatory reporting and submissions; and legal and regulatory matters. The Board reviewed and/or approved enterprise risk policies and Global Standards, regulatory and financial reports and disclosures, the effectiveness of the systems of internal control and risk management, the Own Risk and Solvency Assessment (ORSA), the outcomes of stress testing, capital modelling, liquidity and capital risk management, the Group's draft recovery and resolutions plans, the half-yearly financial statements and the 2023 and 2024 Annual Report and Accounts.</p>
People and culture Detailed on pages 29 to 32 .	<p>The Board regularly discussed people matters and monitored culture, receiving reports from management and from the designated NEDs assigned to be responsible for Board-level workforce engagement in the Group's major territories, and reviewing the biannual People Pulse survey results, as well as received focused reports on executive succession, people development, Speak Up (whistleblowing), diversity and inclusion, wellbeing, and health and safety.</p>
Board committees Detailed in individual Committee reports, pages 77 to 96 .	<p>Following meetings of the Board's Audit, Nomination and Governance, Risk, Remuneration and Sustainability Committees, the Board received verbal reports from their respective chairs on matters discussed at each of their meetings, engagement with subsidiaries, issues of note, any points of escalation, and any recommendations for action or approvals.</p>
Acquisition of majority shareholding in Niva Bupa Detailed on page 53 .	<p>As disclosed in the 2023 Annual Report and covered in more detail in the Strategic Report, the Board considered matters relative to Niva Bupa throughout 2024. In particular, it considered the acquisition of a majority shareholding in Niva Bupa in India at the start of the year. It monitored the integration of Niva Bupa into the Group throughout the year, and considered, reviewed, and provided Group oversight over, the public listing of Niva Bupa's equity shares on the Indian stock exchanges in November 2024.</p>
Isapre Cruz Blanca Detailed on page 54 .	<p>As covered in more detail in the Strategic Report, the Board continued to closely monitor the impact of legal and regulatory developments in Chile throughout 2024 on the Group's subsidiary in Chile, Isapre Cruz Blanca relating to the methodology and implementation of the statutory risk factor table. It considered reports from the Board Audit Committee on the financial impact and external reporting implications of various potential resolution scenarios and reports from management and the Bupa Chile board. The Board considered the policyholder payments plan before its submission to the Chilean regulator, details of which are set out in the S.172(1) and Engagement Statement on page 54.</p>

Board focus for 2025

- Oversight of the implementation of the 3x100 Strategy
- Successful transition to the new Board Chair, and the ongoing refreshment of the Board
- Ensuring the optimal balance between financial and other objectives in the delivery of the Company's purpose and strategy
- Deep dives and briefings focused on healthcare technology, artificial intelligence and sustainability connected to the 3x100 Strategy and the new sustainability strategy
- Maintain the effectiveness and efficiency of the Board by optimising use of Board and Committee time and pre-briefings

Chair Selection Committee

Cath Keers
Chair Selection
Committee Chair



Committee purpose

The Committee was established by a resolution of the Board in September 2023 and met regularly until its recommendation to appoint Don Robert was approved by the Board in September 2024.

In line with best practice, although Roger Davis has been consulted at various points in the search and selection process, he has not played an active part in the search for his replacement.

Committee membership

The Chair of the Committee was Cath Keers, the SID, and the members were Iñaki Ereño, Mike Hawker, Pia Heidenmark Cook and Matias Rodriguez Inciarte.

Committee operation

The Committee routinely invited the Group Sustainability and People Officer and the Group Company Secretary, and consultants from Russell Reynolds Associates, to attend and report at all or part of its meetings.

Selection Process

The candidate profile was agreed by the Committee at its meeting in December 2023, following a consultation process run by the Committee Chair that included input from all members of the Board on the key attributes needed for the next Chair.

Three independent external search firms were invited to pitch for the Chair search. Following a competitive process, Russell Reynolds Associates was selected in January 2024. The firm has no connections to the Company or the Directors.

During February and March 2024, Russell Reynolds Associates met with all members of the Board individually to gain insight on the qualities needed.

Informed by the candidate profile agreed with the Committee and meetings between Russell Reynolds Associates and Board members, Russell Reynolds Associates resented a long list of about 20 potential candidates to the Committee. Following Committee feedback a revised list was prepared and considered. This meeting resulted in a shortlist of candidates for interview being identified.

Short-listed candidates were interviewed in May, June and early July. Additional interviews, and meetings with the Group CEO, then took place with the most promising short-listed candidates, for the purpose of selecting the final round of candidates and ensuring there could be a strong working relationship between the potential Chair and the Group CEO. Final round interviews were scheduled with the rest of the Board through August and September.

The Committee met in September after completion of the final round of interviews and receipt of personal references. The Committee was satisfied that a robust process had been undertaken and concluded that, following consideration of the feedback of all Board members, it did not need to consider further candidates, and recommended Mr Robert to the Board for approval.

The Board approved Mr Robert's appointment to the Board, subject to, and effective from the date of receipt of, his regulatory approval to perform the Board Chair role. The intention was that Mr Robert would be appointed initially as an ordinary NED while handover activities took place. Mr Robert would then assume the Chair role when Roger Davis retires in May 2025.

Considerations of the Committee

Skills and experience

Mr Robert is currently chair of London Stock Exchange Group plc. He has also served on the Court of Directors of the Bank of England and on the board of Compass Group plc. He previously served as CEO and then Chair of Experian plc. Before Experian, he worked in a number of financial services roles in the US. In addition to his strong experience, the Committee concluded Mr Robert possessed the other skills which the Committee was seeking in the next Chair.

Independence and conflicts of interest

Mr Robert was considered to meet the independence criteria set out in the UK Corporate Governance Code 2018 and no actual or potential conflicts were identified during the interview process, which was confirmed during the screening and regulatory application process.

Mr Robert satisfied the Committee he would have sufficient time for the role, and indicated that he would be stepping down from one of his other directorships: his role as Chair of Keywords Studios plc, from which he resigned in October 2024.

Timing of appointment to the Board

Mr Robert was appointed to the Board as a NED and Chair-elect on 27 February 2025, following receipt of the regulatory approvals.

Cath Keers

Chair Selection Committee Chair

Nomination & Governance Committee Report

Roger Davis
Nomination & Governance Committee Chair



Committee purpose

The purpose of the Committee is to lead the process for Board appointments and ensure there is orderly succession for Board roles. It also oversees the recruitment and appointment of Association Members and NEDs of the Company's major subsidiaries and monitors the Company's corporate governance arrangements. The Committee's full Terms of Reference are available on www.bupa.com/company/about-us/governance/board-committees

During 2024 the Committee did not lead on the Chair selection and nomination process, as detailed in the Corporate Governance Report. This was undertaken by a committee specially created for this purpose, the Chair Selection Committee, to recuse the Chair from leading his own succession and to enable the Group

CEO to be involved, given the importance of a good working relationship between the Group CEO and new Chair. A report on the process and the activities of that committee are set out before this report on 77.

Committee membership

The Committee currently comprises six members, the Board Chair and five independent NEDs, all of whom have the relevant skills and experience for the work of the Committee. All members served throughout the year and to the date of this report, except Don Robert who joined the Committee on 27 February 2025. The Board ensures there is cross-membership between the Committee and its other Board committees. This is important to ensure an integrated approach on governance and reporting. Details of each of the Committee members can be found in their biographies in the Board of Directors on [pages 65 to 67](#).

Committee operation

During 2024 the Committee met four times and discharged all of the duties delegated to it by the Board. Details of members' attendance at these meetings can be found on [page 75](#) in the Corporate Governance Report.

The Committee routinely invited the Group CEO and Group Chief Sustainability and People Officer to attend and report at all or part of its meetings.

Key activities in 2024

The Committee's key activities and considerations in 2024 and to the date of this Annual Report were:

Activities

Board composition and skills

Review of the composition, diversity, and skills of the Board.

Pages 69 to 71 in the Corporate Governance report.

Succession Planning

Ensure plans are in place for orderly succession of the Board.

Page 72 in the Corporate Governance report.

Committee considerations

The Committee has reviewed the memberships of the Board and its Committees to ensure they remained appropriate and that each Committee had members with the relevant skills and experience. This was aligned with the annual Board and Committee performance reviews.

As part of the composition and skills review, the Committee considered Board diversity and the skills and experience in the Board's skills matrix. This enabled the Committee to evaluate the current and future skills and experience needed, and identify any gaps to address when a

Director retired from the Board. It also enabled the Committee to keep under review the optimum size and composition of the Board overall.

Aligned to the setting of the new 3x100 Strategy, during the year the Committee refreshed the Board Skills matrix, reviewing and updating the skills and experience required, and the NEDs assessed themselves against the new metrics and criteria to ensure the Board had the required knowledge and attributes to oversee the execution of the 3x100 Strategy from 2025 onwards.

The Committee continued to spend time in 2024 focused on the Board's succession plan, in order to phase appointments and retirements and maintain stability and continuity. It considered this a priority for focus, given the number of NEDs nearing the end of their second term of office, and in particular, the tenure of the key roles of Board Chairman and Committee chairs.

A change in the tenure policy for NEDs in 2023 was made to permit up to three one-year terms after completion of the second three-year terms.

This will support phasing of the four NEDs whose second three-year terms expire between November 2024 and April 2025, to preserve Board stability and continuity. Accordingly, the Committee considered the succession and phasing of these NEDs during 2024 and up to the date of this report. It recommended the first of the three potential one-year extensions for Paul Evans and Matias Rodriguez Inciarte.

Following the search in 2023, the Committee recommended, and the Board approved, the appointment of Clare Bousfield and Simon Blair as Directors in January 2024.

Nomination & Governance Report continued

Key activities in 2024 continued

Activities

Board searches, selection and nominations

To identify and nominate candidates to fill board vacancies and execute succession planning, including specific role appointments, and make recommendations to the Board.

Committee considerations

The Committee appointed the independent external search firm, Russell Reynolds Associates, that has no connections to the Company or Directors, to search for potential Risk Committee Chair candidates in 2023. Through this search it also identified Clare Bousfield as a candidate whose skills and experience would be beneficial to the Board, and she was appointed to the Board in January 2024. Simon Blair received regulatory approval to become Board Risk Committee Chair in Q1 2024. Simon undertook a thorough induction programme and regulatory handover and assumed the role of Risk Committee Chair from Paul Evans (Interim Risk Committee Chair) at the start of April 2024.

The Board established a separate Chairman Selection Committee chaired by the SID, Cath Keers. That committee oversaw the search, reviewed the candidate specification and requested Russell Reynolds Associates pay close attention to diversity in accordance with the Board Diversity Policy.

The Committee continued to receive process and progress updates on the Board Chair search during the year.

Board performance reviews

Upon appointment, and annually, review the time required from NEDs, and their independence, and performance, and make recommendations to the Board regarding their continued appointment.

During 2024, the Committee routinely reviewed Board training and development, and the Conflicts of Interests register and policy.

It also assessed whether NEDs had sufficient time and capacity to fulfil their roles on the Board and that they had avoided any risk of over-boarding. It considered whether they remained independent in light of their external interests, any conflicts of interest and their tenure on the Board for the years-ended 31 December 2023 and 2024. In doing so it took into account reports compiled by the Group Company Secretarial team on the above, the outcome of any fit and proper reviews, biannual

NED confirmations and the individual performance reviews undertaken by the Chairman.

Following its reviews, the Committee recommended to the Board that all Directors were suitable for re-election and election, to the Board in 2024, which the Board agreed. All re-elections and elections were approved by the Association Members at the 2024 Annual General Meeting. The Committee also concluded its reviews and recommended to the Board that all Directors are eligible for re-election, and Don Robert for election, for proposal at the Annual General Meeting in May 2025, which the Board has agreed.

Association Members

Identify and nominate Association Members and oversee orderly succession.

Throughout 2024 the Committee has paid considerable focus to Association Member activities.

It has reviewed the contribution, skills, tenure and experience of the existing Association Members, and considered the management of retirements, as well as the range of engagement activities with the members.

During the year the Committee successfully expanded the membership, recruiting 10 new members who were predominantly recommended by existing members, who are independent of the Company. This included candidates from a more diverse range of backgrounds and with knowledge and experience of the Group's key markets. The Committee is grateful for the support of the existing members in recruiting new members.

Governance developments and standards

Monitor corporate governance developments and the Company's arrangements and compliance with the Code.

The Committee received updates on Code compliance, narrative reporting on governance in the Annual Report (including this report), and other corporate governance issues for the 2023 and 2024 Annual Report and Accounts in 2024 and up to the date of this report.

Alongside the Audit Committee, the Committee has had briefings on the

FRC's UK Corporate Governance Code 2024 and considered the changes effective in the 2025 and 2026 financial years and their respective impacts, and how Bupa will address these. It also monitored the broader UK corporate governance and audit reforms until they were put on hold ahead of the UK general election in May 2024.

Nomination & Governance Report continued

Subsidiary oversight and engagement

The Committee has oversight responsibility for subsidiary governance arrangements and the Group's Subsidiary Governance Policy, which is reviewed biennially. During the year it received a report on governance from the CEO of the APAC Market Unit and the Chair of the Bupa ANZ board, the subsidiary board which oversees the Group's activities in Australia and New Zealand. It also reviewed subsidiaries' NED tenure and succession plans, and the board evaluations of the major insurance subsidiaries in the UK, Australia, and Spain.

Liaison with other Board Committees

As covered above in its activities during 2024 and to-date, the Committee has continued to work closely with other Board committees, leveraging the benefit of members' cross-Committee memberships to assist with succession planning, the appointment of the Risk Committee Chair, and the monitoring and consideration of the 2024 UK Corporate Governance Code published in January 2024, as detailed above.

Committee effectiveness review

The Committee undertook an internally-facilitated review of its effectiveness at the end of 2024. The results confirmed that the Committee continued to perform strongly and operate effectively, with strong results across its role and operations, composition, leadership, and processes and procedures. The Committee considered how it could further improve its effectiveness in 2025. It also reviewed its Terms of Reference to ensure they remained appropriate and up-to-date for 2025, including the relevant changes arising from the 2024 Code, and confirmed that it had fully discharged its duties in 2024.

The Committee reviewed progress on its focus areas for 2024 identified through its 2023 internally-facilitated Committee performance review. It was satisfied with the state of the Board's succession planning, given the prospective appointment of the new Chair and the operation of the updated policy on NED tenure to enable orderly succession. The revised Board skills matrix was approved and reflected the skills, knowledge and experience needed on the Board for the future.

Focus for 2025

The priorities and continued areas of focus for the Committee in 2025, including those identified from the 2024 internal effectiveness review process, are:

- **Board and Committee Composition and Succession** - the NED pipeline and succession.
- **NED search and selection process** - make enhancements from recent searches to make future processes more efficient.
- **NED skills and capacity** - ensure the range of skills on the Board remains reflective of the skills required of the Board for the next stage of the Group's strategy.
- **Chair Onboarding** - support the induction and onboarding of Don Robert as he joins the Board and becomes Board Chair.

Roger Davis

Nomination & Governance Committee Chair

Audit Committee Report

Paul Evans
Audit Committee
Chair



Committee purpose

The purpose of the Committee is to monitor the integrity of the Company's and Bupa Finance plc's financial statements and external announcements regarding financial performance, regulatory returns, GHG reporting, the effectiveness of the Group's internal financial control system, and the effectiveness, performance, independence and objectivity of internal audit and the External Auditor. The Committee's full Terms of Reference are available on www.bupa.com/about-us/governance.

Committee Membership

The Committee currently comprises six independent NEDs, all of whom are considered to have recent and relevant financial experience gained through their executive and non-executive careers, including two chartered accountants.

At the beginning of 2024 the Committee comprised four independent NEDs until the appointment of Clare Bousfield as a member of the Committee on 25 January 2024 and Simon Blair as a member of the Committee on 5 February 2024.

The Board ensures there is cross-membership between the Committee and its other Board committees to ensure an integrated approach on internal controls and risk management, non-financial reporting and assurance, quality of earnings and control issues when setting targets and assessing remuneration outcomes, and sustainability and ESG disclosures. Details of Committee members can be found with their biographies in Board of Directors on [pages 65 to 67](#).

Committee operation

During 2024 the Committee met seven times, which included a joint meeting with the Board's Risk Committee. It discharged all of the duties delegated to it by the Board. Details of meeting attendance can be found on [page 75](#) in the Corporate Governance Report.

The Committee routinely invited the Group CEO, Group CFO, Group Chief Audit Officer, Group Chief Risk Officer, Group Chief Actuary, Group Performance and Finance Transformation Director, Director of Group Financial and Regulatory Reporting, and the External Auditor, PwC, to attend and report at meetings. Other management or advisers are invited on an ad hoc, subject-specific basis. It also met privately with the External Auditor, Group Chief Audit Officer and the Group Chief Actuary, individually and without management present.

Key activities in 2024

The Committee's key activities and considerations in 2024 and to the date of this Annual Report were:

Activities

Accounting judgements and estimates

The Committee is responsible for reviewing application of significant accounting policies, accounting methodology, and adoption of appropriate accounting standards and policies for estimates and judgements and significant or unusual transactions, and disclosures.

For more information see Note 1.3 of the Financial statements on pages 137 to 138.

Committee considerations

The Committee critically reviewed and challenged management's key accounting judgements and estimates during 2024 and to the date of signing of this Annual Report. It also considered the External Auditor's views and reports.

Areas of particular focus included reviews of:

- asset impairment assessments and conclusions on the need for impairments, and the External Auditor's view of management's assessments.
- property revaluations and the External Auditor's view on the valuations and appropriateness of disclosures.
- insurance reserving including the level of IFRS insurance reserves, the Group Chief Actuary's view, compliance with Bupa's Claims Reserving and Liability Adequacy Standards, the decision to discount reserves in Türkiye, loss components, and the External Auditor's reporting on insurance reserves.
- the Group's tax position.
- management's assessments and conclusions regarding provisions, and in particular the reporting and approach to the Isapre Cruz Blanca exposure in Chile as the legal and regulatory position evolved through 2024 (described in detail in Notes 19 and 20 to the Financial Statements). The Committee scrutinised management's assessment of the potential impact and outcomes, and the External Auditor's views.
- management's assessments and approach to Niva Bupa accounting and its accounting issues and judgements, including the Group accounting on acquisition of the majority holding, goodwill impairment testing and the impact of the IPO. More detail on these are set out in Notes 3 and 23 to the Financial Statements.
- the assumptions in the pension valuation performed by the independent scheme actuary and the External Auditor's benchmarking assessment on the assumptions used.

Audit Committee Report continued

Key activities in 2024 continued

Activities

Financial, non-financial and sustainability reporting

The Committee supports the Board by reviewing the financial statements, preliminary announcements and other announcements of the Company and Bupa Finance plc, including the financial performance and narrative reporting and disclosures, in the annual and half-year reports and accounts, regulatory reports and GHG reporting, to ensure they are true, fair, balanced and understandable, and provide the information necessary for each company's stakeholders to assess their position, performance, business model and strategy.

For more information, see the Directors Responsibility statement on page 116.

Going concern and longer-term viability

The Committee reviews the assessment of going concern and the long-term viability of the Company in relation to the financial statements and any significant considerations and material uncertainties that have informed the assessment, to inform the Board when making its statements.

For more information, see statements on going concern and long-term viability in the Report of Directors on page 115.

Committee considerations

The Committee reviewed the Annual Report and Accounts and half year results. It received reports and assurance from management regarding the completeness and appropriateness of disclosure and the financial reporting controls process underpinning their preparation, and reports from the External Auditor. In undertaking its review, it assessed in particular:

- the consistency of narrative reporting with the financial statements, including the key judgements and significant issues covered above (in particular the reporting and disclosures regarding Niva Bupa and Isapre Cruz Blanca), and that all applicable accounting standards and legal and regulatory requirements had been met.
- the statutory and alternative performance measures to ensure they reflected relevant business performance measures and were appropriately disclosed.

In arriving at the reported position in the half year report and in this Annual Report and Accounts, the Committee critically reviewed and challenged management's assessment, including the following:

- matters identified as significant and any material uncertainties.
- analysis of the Group's base plan and forecasted impact on Bupa's solvency, liquidity, borrowings, and profitability, as well as contingent liabilities, guarantees and commitments.
- outcomes from local and Group-wide stress test scenarios, including the Group 'reverse stress test'.

- the clarity and articulation of Bupa's business model and strategy, stakeholders and its strategic progress.
- the appropriateness of the detail, presentation and language of the Annual Report and Accounts.

It also reviewed and recommended to the Board for approval:

- the content and disclosures for GHG emissions reporting, management's accounting and the internal and external assurance; and
- the Company's regulatory reporting: Solvency and Financial Condition Report, Annual Quantitative Reporting Template, and Regular Supervisory Report.

- the completeness and appropriateness of going concern and longer-term viability disclosures.

It received regular management updates and papers on implementation activities, key application judgements and analysis to support its understanding of the prior period restatements.

Audit Committee Report continued

Key activities in 2024 continued

Activities

Internal Controls

The Committee reviews the Group's internal financial controls systems that identify, assess, manage, and monitor financial risks, and other internal control and risk management systems. For information on internal and risk management systems, see the Risk Report on pages 56 to 57, the Corporate Governance Report on pages 73 to 74, and the Report of the Directors on pages 114.

Legal and regulatory developments

The Committee keeps abreast of developments in applicable accounting standards, and legal and regulatory requirements that impact areas under its remit.

Committee considerations

During the year the Committee reviewed:

- the Group financial and non-financial reporting controls.
- Group policies on financial controls and reporting, and Solvency II.
- Financial Crime (including fraud and bribery) and Speak Up controls and effectiveness.
- Non-Audit Services reviews, approvals and policy.
- management's application of accounting policies and methodologies.
- management control effectiveness assessments performed to support IFRS financial statements, results and disclosures.
- External Auditor reports.
- internal and external limited assurance on sustainability and ESG disclosures.
- together with the Risk Committee, the Group's integrated assurance report in respect of the effectiveness of Bupa's systems of internal control and risk management, and the Group Chief Audit Officer's opinion.

The Committee continued to closely monitor relevant developments throughout 2024:

- it received regular management updates on the reforms to UK audit and corporate governance (UK Corporate Reform) including the impact of the FRC's new 2024 Code. It reviewed management's assessment and proposed approach to the changes that would come into effect for accounting periods beginning on or after, 1 January 2025, but primarily focused on the changes from 1 January 2026, to provide a Board attestation on the effectiveness of material internal controls and to disclose any material controls not operating effectively;

- the Company's annual statement on the effectiveness of the internal control and risk management systems, taking into account input from the Board's Risk Committee. The Committee concluded that Bupa has maintained, overall, sound risk management systems and internal control during 2024, underpinned by the established three lines model, with some weaknesses that are being addressed by management and monitored by this Committee and the Risk Committee. See statement in the Report of Directors on [page 114](#).
- On behalf of the Board, it received the Actuarial Function Report and reviewed the recommendations of the Group Chief Actuary.

It also reviewed and considered ad hoc matters, such as management reports on: the Finance Transformation Programme; and the Actuarial Transformation Programme.

- it reviewed the requirements, implementation dates and the impact to Group entities and the Group from the global standards on sustainability disclosures published by the International Sustainability Standards Board (ISSB) and the European Union's Corporate Sustainability Reporting Directive (CSRD).

The Committee was also kept informed on the ongoing prudential regulatory reporting developments relating to International Capital Standards and the changes to reporting requirements related to the transition of Solvency II into UK prudential requirements.

Audit Committee Report continued

Key activities in 2024 continued

Activities

Internal Audit

The Committee reviews and approves the role and mandate of internal audit and the Group Chief Audit Officer to ensure they are unrestricted and have the necessary resources, skills, experience, and information to fulfil their mandate, and reviews their performance and effectiveness.

For more information on the role of internal audit, see the Corporate Governance Report on pages 73 to 74.

External Audit

The Committee recommends the appointment of the External Auditor, reviews its fees, terms of engagement and External Audit Plan, considers its findings, and reviews its performance and effectiveness.

For more information on the role of the External Auditor, see the Corporate Governance Report on page 74.

Committee considerations

During 2024, the Committee:

- reviewed and approved the role and mandate of internal audit, the Group Internal Audit Charter, and the annual Internal Audit Plan and budget to ensure the activities are aligned to the key risks of the business.
 - reviewed regular reports from the Group Chief Audit Officer on activities, progress against the Internal Audit plan, key findings from internal audits and the progress of actions to address any issues found.
 - met privately, without management present, with the Group Chief Audit Officer, in addition to regular meetings between the Committee Chair and Group Chief Audit Officer.
 - assessed the performance and effectiveness of the internal audit function to determine the quality, expertise and experience were appropriate for the business.
- The Committee:
- reviewed and approved the scope, terms, fees, and plan for the Group external audit and the limited assurance on the GHG emissions report.
 - reviewed External Auditor reports and considered its views, findings, and recommendations throughout the year.
 - reviewed the non-audit services policy and approvals for non-audit services provided by the External Auditor (see Note 2.3.2 of the Financial Statements on [page 151](#) for audit and non-audit fees).
 - assessed the performance of the External Auditor, including its independence, objectivity, expertise, and effectiveness, and confirmed it had complied with the FRC's Ethical Standard for Auditors.
 - began to consider the impact of the five-year mandatory rotation of external audit partners at Group and subsidiaries, as PwC were appointed the external auditor in 2021, and how this could be phased to effectively manage and minimise risk and disruption to the audit.
 - met privately with the External Auditor, without management present, in addition to regular meetings between the Committee Chair and Group audit partner, to ensure it had the opportunity to raise any concerns.
 - recommended to the Board that approval for the reappointment of PwC as the External Auditor should be sought from Association Members at the 2025 Annual General Meeting.

Audit Committee Report continued

Subsidiary oversight and engagement

Throughout 2024 the Committee received reports from subsidiary audit committees and minutes of their meetings. Each chair of a subsidiary audit committee and the respective internal audit officer also attended one of the Committee's meetings. The Committee Chair also met with subsidiary internal audit officers, attended a meeting of each subsidiary audit committee, and provided a report back to the Committee. The Committee valued these interactions and considered them highly effective to provide it with regular, and deeper, insight on matters around the Group and gave it additional context on material issues, such as the Isapre Cruz Blanca situation where it had the opportunity to discuss the perspective of the Chile Audit Committee on the impact of the changes flowing from the regulatory and judicial actions. The Committee also valued the insight from the subsidiary's internal audit team in addition to management and External Auditor views.

Liaison with other Board Committees

The Committee continued to work closely with all of the other Board committees through the year, and had cross-memberships with all of them. During 2024 it worked with the Board Risk Committee on risk-related disclosures in the Annual Report and Accounts and with the Board Remuneration Committee on the setting of financial performance targets and assessing remuneration outcomes. It also worked with the Board Sustainability Committee in relation to the internal and external assurance on sustainability and ESG disclosures, including in particular the Bupa GHG Emissions Report for the year ended 31 December 2023.

Committee effectiveness review

The Committee undertook an internally-facilitated review of its effectiveness in 2024. The results confirmed that the Committee continued to operate effectively, with positive comments received about its role and operations, composition, leadership, and processes and procedures.

Members considered the priority areas for focus in 2025, which broadly aligned with those in 2024.

It also reviewed its Terms of Reference to ensure they remained appropriate and up-to-date, and aligned with the 2024 Code changes effective 1 January 2025, and confirmed that all of its duties had been fully discharged in 2024.

The Committee reviewed its progress against the focus areas for 2024 that had been identified in the internally-facilitated Committee performance review for 2023. It was satisfied that throughout 2024 it had sufficiently considered internal control assessment and reporting changes arising from the FRC's changes to the Code in January 2024, and enhancements to documentation and testing on internal financial controls. It had also received an increased level of information on the controls over non-financial data and narrative reporting. It was satisfied it had addressed Committee composition and succession planning, and that new members had been well supported and inducted to the Committee.

Focus for 2025

Areas for Committee focus in 2025, including those identified from the 2024 internal performance review process, are:

- Continue its focus on the Group's preparations for the UK Corporate Reform and other Group external reporting changes, including the Board attestation on internal controls for the financial year-end 2026 under the 2024 Code.
- On internal controls, the simplification, documentation and testing of the Group's key controls.
- The phased rotation of the Group's (lead and subsidiary) external audit engagement partners.

Paul Evans
Audit Committee Chair

Risk Committee Report

Simon Blair
Risk Committee
Chair



Committee purpose

The purpose of the Committee is to provide oversight of the principal and emerging risks for the Group and of its risk management systems. The Committee's full Terms of Reference are available on www.bupa.com/company/about-us/governance/board-committees.

Committee Membership

The Committee currently comprises six independent NEDs, with relevant experience gained through their executive and non-executive careers. Clare Bousfield was appointed as a member on 25 January 2024 and Simon Blair was reappointed a member on 5 February 2024 after he rejoined the Board. Gunjan Bhow ceased to be a member when he retired from the Board in May 2024.

Following a thorough induction, onboarding and regulatory handover process with the Interim Risk Committee Chair, Paul Evans, Simon Blair was reappointed Risk Committee Chair effective 1 April 2024. Simon previously performed the role of Committee Chair in 2018 during his prior tenure on the Board. The Committee is grateful to Paul for stepping in as Chair on an interim basis between November 2023 and March 2024.

As noted in other committee reports, the Board ensures there is cross-membership between the Committee and other Board committees to ensure an integrated approach and understanding of Bupa's risks and risk management. Detail on the members of the Committee can be found in Board of Directors on [pages 65 to 67](#).

Committee operation

During 2024 the Committee met five times including meeting jointly with the Audit Committee at the start of one of its meetings. Details on meetings and attendance can be found on [page 75](#) in the Corporate Governance Report. The Committee routinely invited the Group CEO, Group CFO, Group CAO, Group CRO, Group Chief Medical Officer, and the External Auditor, PwC, to attend and report at meetings. Other management or advisers are invited on an ad hoc, subject-specific basis. The Committee met privately with the Group CRO at the end of its meetings.

Key activities in 2024

The Committee's key activities and considerations in 2024 and to the date of this Annual Report, were:

Activities	Committee considerations
<p>Risk appetite, tolerance, and strategy Review Bupa's risk appetite, tolerance and strategy, market conditions and its principal and emerging risks. For more information, see Risk Review on pages 56 to 62.</p>	<p>During the year, the Committee reviewed and challenged the Group risk appetites and statements. It also reviewed the systems of risk management, including the Group Risk Management Framework and statements of Group Systems of Governance and the validation of their operation, and Group enterprise risk policies.</p> <p>It reviewed and approved updates to certain enterprise risk policies specified by the Board. Following its consideration it</p> <p>recommended the policies to the Board for approval, where Board approval is needed in line with the policy approval framework.</p> <p>The Committee also took part in a briefing on Bupa's recovery and resolutions plans and governance and development of the Group Economic Capital Model. The revised draft plans for recovery and resolution were considered by the Committee and recommended to the Board for approval.</p>
<p>Risk assessments Review stress testing performed by management and mitigating actions. For more information, see Risk Review on page 56.</p>	<p>The Committee critically reviewed and challenged the Own Risk and Solvency Assessment (ORSA) and its components, including:</p> <ul style="list-style-type: none"> ■ worldwide and local scenarios proposed for stress testing. ■ outcomes for the selected scenarios. ■ reverse stress test and climate change stress testing outcomes. ■ liquidity stress testing. <ul style="list-style-type: none"> ■ the economic capital model assessments, second-line validation, and the calibration review. ■ the Group Specific Parameter (GSP) annual recalculation review and second line validation. ■ the ORSA assumptions and text of the 2025 ORSA report.
<p>Strategic risks Review and advise the Board on any risk considerations in relation to proposed strategic actions/activities.</p>	<p>The Risk Committee's terms of reference require it to consider management propositions regarding new business activities or projects, commencing activity in a new jurisdiction, material offshoring, material corporate activities and any material changes in</p> <p>financial mitigation or changes to strategy, in order to consider any strategic risks. Matters it considered included a proposed new line of business in Spain, and establishment of new entities in Kenya and Poland.</p>

Risk Committee Report continued

Key activities in 2024 continued

Activities	Committee considerations	
<p>Risk management Oversee the Group's risk profile and assess the performance and effectiveness of its risk management, and its culture.</p> <p>For more information see Risk report on pages 58 to 62.</p>	<p>At each meeting, the Committee received a comprehensive report from the Group CRO that included updates on Bupa's risk profile and risk performance, the macro-economic and geopolitical environment, legal and regulatory risk, updates on the Group's principal and emerging risks, changes in the Group's risk environment, adherence to risk appetite statements, and operation of the risk system (including SAI360 and progress on implementation of IMS) and updates on actions arising from the Group's 2023 Periodic Summary Meeting (PSM) letter from the PRA and reviewed submissions to the PRA responding to the PSM actions and where appropriate recommended them to the Board.</p> <p>At each meeting the Committee considered information security risk and progress on the programme to enhance IS and operational resilience risk. It also received updates on clinical governance from the Chief Medical Officer.</p> <p>During the year, the Committee also reviewed and debated reports and deep dives on specific risks, including: Strategic and emerging</p>	<p>risks, Strategic Technology risk, the new Group Economic Capital Model, Insurance Capital Standards results and emerging capital regimes, and the Niva Bupa risk profile.</p> <p>It received and reviewed the Group Investment Review, its strategy and risk appetite.</p> <p>The Committee also reviewed the annual updates on tax risk, people risk, privacy risk and policy, regulatory compliance and conduct risk, ESG risk, risk measures affecting executive remuneration policy and remuneration outcomes for 2024, and actions in respect of the 2024 PSM letter from the PRA received at the end of the year.</p> <p>In its annual joint meeting with the Audit Committee in February 2024 and 2025, it scrutinised management's integrated assurance report, containing the view of the first, second and third lines of defence, related to the effectiveness of the Group's internal controls and risk management systems.</p>
<p>Risk Function and Group CRO Oversee the independence and resources of the Group CRO and Risk function, and assess their performance.</p>	<p>During the year the Committee reviewed the second-line risk and compliance plan and discussed the regulatory relationships, and the Periodic Summary Meeting and Firm Evaluation Letters.</p> <p>In the private meetings between the Committee and Group CRO, it considered the independence, remit, resources and performance of the Risk and Compliance Function.</p>	<p>Without the Group CRO present, it considered the independence and performance of the Group CRO and the scorecard and objectives for the following year.</p>

Subsidiary oversight and engagement

In 2024 subsidiary risk committees submitted reports and minutes of their meetings to the Committee, and the chair of each subsidiary risk committee and the respective subsidiary chief risk officer attended one of the Committee's meetings. Paul Evans (whilst he was performing the role) and Simon Blair (once he took on the role) attended meetings of each subsidiary risk committee and reported back to Committee members at the following meeting. The Committee valued these interactions and considered them effective for keeping up-to-date with current and emerging risks and topical issues around the Group.

Liaison with other Board Committees

The Committee continued to work closely with the Board Audit Committee on risk-related matters and disclosures in the Annual Report. In respect of the Board Remuneration Committee, it met privately with the Performance and Reward Director and Group CRO to receive an update on risk and reward, and the Committee, via its Chair, provided input to ensure risk is considered in performance objectives and weightings that promote ethical behaviour aligned with risk appetite and conduct expectations and on 2024 risk performance to be considered in the remuneration decisions and awards.

Committee effectiveness review

The Committee undertook an internally-facilitated review of its effectiveness for 2024. The results confirmed the Committee had continued to perform strongly and is effective. It was noted the Committee had sufficiently focused on its priority areas in 2024 in its meetings throughout the year.

The Committee discussed areas that could drive further improvement, including feedback to management on ways to enhance the reporting to the Committee, and balance the agenda to facilitate the key risk areas for focus in 2025.

Focus for 2025

The areas of focus for 2025, including those identified from the 2024 internal review process, are:

- Maintaining focus on key risks including cyber and information security risk, operational resilience (including third party risk) and clinical governance culture.
- Keep abreast of emerging risks to the Group.
- Evaluate risks related to the new 3x100 Strategy, including the expansion of Connected Care across the Market Units.

Simon Blair
Risk Committee Chair

Board Sustainability Committee Report

Melvin Samsom
Board Sustainability
Committee
Chair



Committee purpose

The purpose of the Committee is to support and advise the Board on its sustainability strategy, and provide oversight and monitoring of sustainability initiatives, in line with Bupa's purpose and values and the sustainability strategy, including disclosures and reporting on ESG matters. The Committee's full Terms of Reference are available on www.bupa.com/companyabout-us/governance/board-committees.

Details of the sustainability strategy and its progress can be found in the Sustainability and ESG report in Strategic Report, [pages 35 to 44](#).

Committee Membership

The Committee currently comprises five members, four independent NEDs and the Group CEO, all of whom are considered to have relevant skills and experience. The Board ensures there is cross-membership between the Committee and other Board committees to ensure a combined review of on sustainability and ESG reporting and consideration when setting remuneration policy and determining remuneration outcomes. Detail of the members of the Committee can be found on [pages 65 to 67](#) in Board of Directors.

Committee operation

During 2024 the Committee met four times and discharged all the duties delegated to it by the Board. Details of meeting attendance can be found on [page 75](#) in the Corporate Governance Report. The Committee routinely invited the Group CFO and Group Chief Sustainability and People Officer to attend and report at meetings, and other management or advisers on an ad hoc, subject-specific basis.

Key activities in 2024

The Committee's key activities and considerations during 2024 and to-date, were:

Activities

Sustainability Strategy

Oversee execution and consider any proposed changes, to the strategy and review progress, compliance, and the effectiveness of sustainability and ESG risk management.

For more information on sustainability, see Sustainability and ESG on pages 35 to 36.

Committee considerations

During 2024, the Committee continued to focus heavily on the implementation of the sustainability strategy and its link into the broader Bupa 3x6 Strategy. This included considering the progress made on the three Mission pillars of the current sustainability strategy, Missions Zero, Accelerate and Regenerate

It considered updates from management on decarbonisation initiatives, the utilisation of the Group Investment Fund for sustainability initiatives, and the longer-term carbon reduction strategy.

The Committee received and monitored updates on progress across the Market Units on the three Mission pillars of the strategy at each meeting.

It considered its training needs, was regularly briefed on the eco-Disruptive programme, and received quarterly updates on the Group's Scopes 1, and 2, and specific scope 3 greenhouse gas

emissions. Following the acquisition of a controlling interest in Niva Bupa in January 2024 and the resulting consolidation into the Group's corporate footprint in India, the Committee considered its impact on the overall Group emissions and ways to mitigate them and reviewed progress through 2024 and kept the Board updated.

During 2024 it reviewed the development of the 3x100 Strategy and considered management's proposals for a revised sustainability strategy intended to align with the wider, new 3x100 Strategy. The Committee reviewed and provided feedback on the proposed new sustainability strategy ahead of its consideration by the Board in early 2025.

The Committee also considered and approved changes to the Sustainable Investment Framework in 2024, refreshing Bupa's approach to sustainable investing.

Board Sustainability Committee Report continued

Key activities in 2024 continued

Activities

Community and Partnerships

Oversee and assess Bupa's overall contribution to, and impact on, our communities.

For more information see Sustainability and ESG on pages 40 to 45.

Governance and Disclosures

Review and endorse external reporting on sustainability and ESG matters.

Developments and trends

Consider relevant emerging issues and external developments and their impact on Bupa and make any recommendations to the Board

Committee considerations

The Committee closely monitored Bupa's commitment to having a positive impact on its stakeholders, and in particular the communities we operate in, our people and our partnerships. It received reports on community activities and was updated at each meeting on progress and the impact of the initiatives, in particular the Healthy Cities programme, as well as support for community-focused environmental projects around the world (see [pages 43 to 44](#)).

It received and considered management's updates on Bupa's partnerships and coalitions that the Group participates in. It was

briefed on the ongoing collaboration with The Norman Foster Foundation to develop new research on climate and health in cities, and on the Sustainable Markets Initiative related to health and wellbeing. It also received an update on the 2024 Community Investment data and the work of the Bupa Foundations in the Group's key markets.

Throughout the year the Committee received updates on the Healthy Cities programme, which expanded to more countries and participants.

The Committee reviewed the Enterprise Sustainability Policy and recommended it to the Board for approval. Alongside the Board Audit Committee, the Committee considered the disclosures on sustainability, climate and ESG disclosures in the Annual Report and

Accounts, as well as the Group's greenhouse gas emissions report for the year ended 31 December 2023, including the limited assurance over that report provided by the External Auditor, PwC.

The Committee was kept abreast on topical issues and emerging developments by management, including receiving a briefing on COP29 and on management's participation in New York Climate Week 2024.

It also reviewed and update on scope 3 greenhouse gas emissions and considered the footprint for 2022 and updates to Bupa's scope 3

methodology. It received updates on the EU Directive, CSRD that would apply to Bupa's EU-incorporated subsidiaries from the 2024 financial year onwards, and the Group as a whole from 2028, to understand its impact and monitor progress of preparations and assessments. It also considered the ISSB's sustainability standards that would apply to ANZ. It liaised with the Audit Committee on both CSRD and ISSB.

Subsidiary oversight and engagement

The Committee made progress on its oversight and engagement with the boards of its subsidiaries on sustainability and ESG. NEDs from the Group's operations in the UK, Australia and Spain have participated in one of the Committee's meetings over the last 12 months, along with the members of the local management teams with responsibility for sustainability. They each shared insights on the areas of focus within their Market Unit. The Committee now has an established programme of inviting a NED from each of its Market Units to its meetings once a year.

Liaison with other Board Committees

The Committee worked with other Board committees and leveraged the benefit of its members' cross-memberships. It liaised with the Board Audit Committee on external

reporting and disclosures, as disclosed above. It also liaised with the Board Remuneration Committee on sustainability and ESG matters, in the context of the remuneration policy and remuneration outcomes. The Committee Chair also attended a meeting of the Audit Committee during the year to understand better management's process for collating and reporting information for CSRD in the EU.

Committee effectiveness review

The Committee undertook an internally-facilitated review of its effectiveness for 2024. It scored highly in all areas of its role and operations, composition, leadership, and processes and procedures. It was concluded the Committee continued to perform well and effectively.

It reviewed progress against the focus areas for 2024 identified through the 2023

internally-facilitated Committee effectiveness review: evolution of the sustainability Strategy to remain relevant to the business and business model; enhance the quality of the emissions reduction data and other MI presented to the Committee; and undertaken knowledge-development sessions on the sustainability landscape and ESG developments. The Committee was comfortable it had sufficiently covered these areas during 2024.

Focus for 2025

The areas of focus for 2025, including those identified from the 2024 internal review process, are:

- The refreshment of the new Group sustainability strategy and its implementation during 2025, ensuring that the strategy is sufficiently ambitious and

that the targets are measurable and achievable.

- Monitor the external landscape and developments and expectations relating to sustainability, participating in additional knowledge-development sessions as appropriate.
- Given the increasing scale and importance of external reporting on sustainability issues, enhancing its work with the Audit Committee to ensure the Committee's work on sustainability strategy, and the Audit Committee's focus on reporting and assurance, are fully aligned to the fast-changing landscape.

Professor Melvin Samsom

Board Sustainability Committee Chair

Directors' Remuneration Report

Part 1: Committee Chair's letter

Cath Keers
Remuneration
Committee Chair



Dear Association Members

Dear Association Members, on behalf of the Board and the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the 2024 financial year.

Following the Chair's Letter, you will find Remuneration At a Glance, the Annual Report on Remuneration and the Directors' Remuneration Policy.

Committee purpose

The purpose of the Committee is to determine the remuneration policy for the Executive Directors, set the remuneration for the Bupa Board Chair, its Executives and Designated Individuals (DIs), review workforce remuneration and related policies, and review the alignment of incentives and rewards with culture. The Committee's full Terms of Reference are available on bupa.com.

Committee membership

The Committee currently comprises five members: the Senior Independent Director (Committee Chair) and four independent NEDs, all of whom have the relevant skills and experience for the work of the Committee. All members served throughout the year and to the date of this report, with the exception of Simon Blair who was appointed on 5 February 2024. As noted in other Committee reports, the Board ensures there is cross-membership between the Committee and its other Board committees. This is important to ensure an integrated approach to risk and reward, inputs into and analysis of metrics, and the performance and reporting of remuneration outcomes. Details of the members of the Committee can be found on [pages 65 - 67](#).

Committee operation

During 2024, the Committee met seven times and discharged all of the duties delegated to it by the Board. Members' attendance at meetings can be found on [page 75](#) in the Corporate Governance Report. The Committee routinely invited the Group CEO, Group CFO, Group Chief Sustainability and People Officer and the Performance and Reward Director to attend and report at all or part of its meetings. The Chair of the Risk Committee is already a member of the Remuneration Committee, in addition, the Chairs of the Audit Committee and Sustainability Committee are invited to attend annually to provide input on incentive outcomes. It also invited its independent remuneration adviser, Deloitte, to attend relevant meetings and provide advice and briefings on corporate governance matters.

Directors' Remuneration Report

Part 1: Committee Chair's letter continued

Key activities in 2024

The Committee's key activities and considerations during 2024 and to the date of signing this Annual Report were:

Activities

Incentive outcomes

To monitor and determine if performance targets have been satisfied and approve the total annual payments under incentive schemes and plans and to exercise the discretion specified in the rules of the incentives and oversee incentive administration.

See pages 98 to 101 of the Directors' Remuneration Report for the incentive outcomes.

Committee considerations

Management Bonus Scheme (MBS)

The Management Bonus Scheme is the Group's annual bonus plan for leaders and managers across Bupa.

The Committee reviewed and approved the 2024 MBS results:

- Group profit was ahead of the stretch target due to strong underlying performance and higher investment returns across Market Units (MUs) and Bupa Arabia.
- Revenue was above target performance, driven by higher volumes and pricing.
- All MUs continued to make good progress on customer performance metrics, an outcome of Bupa's customer-centric strategy.

Alongside the measures that make up the MBS scorecard, the MBS outcome is subject to an overall adjustment relating to risk management behaviours. Assisted by advice from the Risk Committee and the Risk Review Panel, the Committee determined that no business-wide risk adjustments would apply.

Based on strong performance against profit, revenue and customer metrics, the Business Performance Multiplier (BPM) for the Group CEO and CFO was 136.4%. The Individual Performance Multiplier (IPM) for the Group CEO and CFO, based on their performance during the year, was 140%. As a result, the Committee approved bonuses of 95.5% of maximum opportunity for the Group CEO and CFO. For Executive Directors 50% of the bonus payout is deferred for three years.

2022-2024 Strategic Performance Plan (SPP)

The 2022-24 SPP scheme was designed during 2021 and implemented in 2022 to support the 3x6 Strategy. The SPP has been successful in incentivising the behaviours we needed to support the strategy. The four measures are entirely aligned with the 3x6 Strategy and as a result of the significant focus that has been placed on them since 2022, the 2022-24 SPP vested at 193.8%.

- SPP ROCE has outperformed the stretch target as a result of over achievement against target across all years which is consistent with the trading outperformance after adjusting for tax, adding back interest costs and excluding certain unrealised and non-cash-like items. Return outperformance was slightly offset by higher average capital employed across the three-year period.
- There has been significant focus placed on increasing the proportion of customer healthcare touchpoints owned by Bupa, and as a result of the connected care strategies in the Markets Units (MUs), the main three insurance Business Units (BUs) have all significantly increased the proportion of Bupa-owned customer healthcare touchpoints during the 3x6 period.
- Growth in customer numbers since 2022 has been very strong, across both the insurance and provision parts of our business. As a result of this strong performance, Bupa has outperformed the 3-year average stretch target by 9.1m customers.
- The inclusion of a CO₂ reduction measure in the SPP has driven even greater focus across all BUs than was seen before. As a result of the focus on CO₂, we have outperformed our 40% stretch target reduction in CO₂ emissions, mainly driven by management's drive to increase the use of renewable electricity.

As with the MBS, the Committee also reviewed risk management behaviours across Bupa and determined that no adjustment was required¹.

1. SPP ROCE is ROCE excluding surplus capital as defined by the SPP and based on actual FX (subject to +/- 0.1% cap / collar) (see page 99 for details)

Directors' Remuneration Report

Part 1: Committee Chair's letter continued

Activities

Committee considerations

Annual Pay Awards

To approve the total individual remuneration of executives and Designated Individuals.

The Committee approved base salary recommendations in 2024 of 6% for the Group CEO and 10.2% for the Group CFO, to reflect continued strong performance in role and their role in Bupa's transformation. This increase is seen as appropriate in the context of market competitiveness and will ensure continued focus on financial strength and stability of the Group.

It also considered and approved the base salary recommendations for the CEC and Group DIs. All pay awards, including those for the Executive Directors, were considered with regard to their alignment with the wider employee pay and remuneration arrangements and considered market and economic conditions, stakeholder interests and input from its independent adviser, Deloitte.

Incentive Targets

To review and approve the design of, and performance targets of, the incentive plans and policy for making of awards.
See part 2 for the incentive targets.

At the start of 2024, the Committee considered the 2024 MBS non-financial targets and the 2024-26 SPP targets, and the maximum payout levels for both.

It carefully considered the amendments to the SPP for the 2024-26 award in respect of the SPP ROCE weighting, customer number target and weighting for sustainability, to reflect that the award would span the last year of the 3x6 Strategy (2022-24) and two years of the new 3x100 Strategy (2025-27), and the refresh of Bupa's sustainability strategy. These changes were reflected in the version of the Directors' Remuneration Policy which was approved by the Association Members at the 2024 AGM.

Workforce remuneration and remuneration

To review the remuneration policy and workforce remuneration and related policies.
See part 2 for the incentive outcomes.

Throughout the year, the Committee received updates from management on wider workforce remuneration and benefits. The Committee took these inputs into account when considering executive pay in accordance with Provision 33 of the Code.

Directors' Remuneration Report

Part 1: Committee Chair's letter continued

Activities

Design of the 2025 long-term incentive plan award

To review the design of, and approve any amendments to, incentive plans.

Committee considerations

As a key initiative for 2024 and as disclosed in the 2023 Directors' remuneration report, the Company committed to undertake a review of the SPP, to ensure it remained aligned to Bupa's strategy as it evolves.

Through the course of the year the Committee met to discuss and design the new incentive. There were four key design principles:

- A strong link to the new 3x100 Strategy, supporting the key elements of the strategy through an updated balanced scorecard
- A scorecard multiplier to incentivise leaders to meet the stretch level of ambition in the new strategy
- Alignment with the incentive structures of UK listed companies to recognise the principle of a "growth" element, which an executive would receive in a listed company
- Increased maximum opportunity from 200% of target to 400% of target but only when the multiplier is activated for exceptional outperformance.

The Committee considered how execution of the strategy is measured through the scorecard and that will be the primary determinant of any payout. The multiplier would only come into effect when the level of outperformance is sufficiently high and has met the stretching targets set by the Remuneration Committee.

The Committee is satisfied that SPP applies to Bupa's senior leaders and Executive Directors, and will work as follows:

- An individual will be invited to join the scheme at the beginning of the three-year performance period, subject to individual performance.
- To meet the targets at the end of the three-year performance period, the Committee will assess Bupa's performance using a balanced scorecard capturing financial and non-financial measures and a scorecard multiplier based on a SPP ROCE measure and payout will be confirmed to participants.

Key SPP design features

Balanced scorecard

As the business evolves with its new strategy, the Committee considered that the SPP is necessary to the optimal delivery of our strategy and purpose, success and our ambition to be the world's most customer-centric healthcare company. The Committee considered that the SPP remains necessary to not only support the key elements of the strategy, but also incentivise participants to deliver the increased level of ambition.

The Committee has reviewed proposed measures and targets for the balanced scorecard and have agreed the split of financial (40%) and non-financial (60%) measures to ensure the plan incentivises the behaviours required for the successful delivery of the 3x100 Strategy. Details of the measures will be communicated to AMs ahead of the AGM in May 2025. Targets are not disclosed at this time due to commercial sensitivity and will be made available following the end of the plan period.

Scorecard multiplier

3-year average annual SPP ROCE

The Committee continues to hold the view that SPP ROCE is a good measure of Bupa's performance as it ensures that we use our capital efficiently. We have a wide range of businesses in our portfolio and are focused on ensuring we operate these efficiently and profitably to enable us to create a strong and sustainable business. SPP ROCE is an existing metric in our current SPP that is well tracked and monitored. Accordingly, it is a well understood measure and a key element of the current and future strategy.

Directors' Remuneration Report

Part 1: Committee Chair's letter continued

Activities

Design of the 2025 long-term incentive plan award (continued)

Committee considerations

Risk

Risk continues to be an overall adjustment, and the Committee will consider whether a risk adjustment is required at the time it determines the payout.

The performance measures are open to review each year, and in line with best practice, will evolve where necessary.

Award level

The Committee reviewed alignment of the new SPP with the ambitious three-year goals and delivery of the 3x100 Strategy. There will be no change to the Executive Director target award levels (Group CEO 150% of salary and Group CFO 137.5% of salary) or the maximum available under the scorecard (this remains at 200% of target for Group CEO and CFO). However, only in the event of exceptional financial performance, there is the opportunity for a scorecard multiplier of between 1x to 2x to apply to increase the overall maximum to 400% of target. Therefore, the maximum award level for exceptional performance will be 600% of salary (target 150%) for the Group CEO and 550% of salary (target 137.5%) for the Group CFO.

Achieving a maximum payout would require significant effort and a material increase in Company performance.

Summary of design outcomes of the new SPP

- An increase in overall maximum payout opportunity from 200% to 400% of target award, noting that this would only apply with both maximum financial and non-financial performance under the scorecard when the multiplier is activated for exceptional performance.
- Remains straightforward, with all participants aligned to the new strategy and with a clear line of sight on the Group's performance.
- Based on three-year performance, promoting long-term sustainable performance.

Directors' Remuneration Policy

To determine Bupa's remuneration policy and practice, set the remuneration to support strategy, promote long-term sustainable success of Bupa, align to Bupa's purpose and values and link to its strategy.

To design and invoke safeguards, including malus and clawback provisions to protect against reward for failure.

See Part 3 for the Policy details.

When reviewing the Remuneration Policy during the year, the Committee assessed general workforce metrics and factored in the remuneration of the broader employee population, related policies, and the alignment of incentives and rewards with culture. It was also mindful to ensure that the Policy complied with the provisions of the Code), so far as they are applicable to a company without shares or shareholders, in particular Provisions 33 and 37 to 40, in order to retain talent and align the Company's and Executive Directors' interests.

It also considered the 2024 Remuneration Policy Statement as required under the UK's Solvency II requirements.

Directors' Remuneration Report

Part 1: Committee Chair's letter continued

Activities

Committee considerations

Remuneration approvals

To approve the total individual remuneration of executives and Designated Individuals, Board Chair fees, subsidiary NED fees, and NED expenses policy; and consider and recommend policy and application of termination payments and compensation for Executive Directors and Designated Individuals.

See Part 2 for the remuneration of the Executive Directors, Board Chair and NEDs.

During the year the Committee considered and approved remuneration proposals for certain executives, endorsed approvals previously made by the Committee Chair under delegated authority, and approved remuneration parameters and packages for certain incoming and outgoing individuals in accordance with its responsibilities under its terms of reference.

The Committee also considered and approved certain non-executive fees, including the fees for the current and incoming Board Chair, and the Chair and NED fees for the Group's subsidiaries.

Compliance, controls and reporting

To review policies and compliance with all applicable laws and regulations and published guidelines for jurisdictions in which the Group operates, including Code compliance.

See the Corporate Governance Report for more details.

As the Committee undertook its work on the design, determination and communication of remuneration and remuneration policy, it had regard to complying with the provisions and principles of the Code. In particular, it paid close attention to the six principles of Provision 40 of the Code: clarity, proportionality, simplicity, risk, predictability and alignment with culture. To aid understanding of these, it sought to ensure: communications were clear, simple and transparent; the structure of rewards were kept simple; there was clear alignment of pay awards and incentive targets with strategy, company performance, and individual performance and behaviours (to support culture); that it was clear and understood that undue risk taking was unacceptable, any risk events would be reflected in remuneration outcomes, and remuneration could be further adjusted for malus and clawback.

The Committee was satisfied that Bupa's Remuneration Framework is well-aligned with Provision 40 of the Code.

Throughout the year the Committee also undertook its routine responsibilities to review and approve the Global Reward Standard that supports the Enterprise People Policy. It reviewed, advised and recommended external reporting and disclosures to other Committees and the Board for approval, such as those set out in the Annual Report and Accounts for 2023 and 2024. It also considered Bupa's external gender pay gap reporting.

Directors' Remuneration Report

Part 1: Committee Chair's letter continued

Subsidiary oversight and engagement

The Committee works with the boards of subsidiaries (including subsidiary board committees) to ensure the remuneration policy is applied appropriately in the subsidiaries, and approves exceptions to the policy where required to comply with local legislation or be competitive with local market practice. During the year it received reports on governance from the remuneration committees of the UK and Australian regulated entities and it also reviewed subsidiary Chair and NED fees and approvals required under the Group's Subsidiary Governance Policy.

Liaison with other Board Committees

As covered in its key activities during 2024 and to the date of the Annual Report, the Committee has continued to work closely with other Board committees, leveraging the benefit of members' cross-Committee memberships to assist with remuneration considerations, approvals and reporting, as detailed above.

Committee effectiveness review

The Committee undertook an internally-facilitated review of its effectiveness. The results confirmed that the Committee continued to perform strongly and operate effectively, with strong results across its role and operations, composition, leadership, and processes and procedures. The Committee considered how it could further improve its effectiveness during 2025. It also reviewed its Terms of Reference to ensure they remained appropriate, up-to-date and that its duties were fully discharged in 2024.

The Committee reviewed progress against the focus areas for 2024 identified through the 2023 internally-facilitated review of its effectiveness. It was satisfied the Committee had given sufficient focus to the areas it set for 2024, which included: remuneration design should be aligned with the new strategy; target setting should be sufficiently stretching, rewarding true out-performance; minimal adjustments should be made to financial performance targets; Committee members should continue to have the skills and experience to challenge performance and proposed changes to remuneration structures and arrangements; and wider remuneration issues should be considered including consideration of the focus areas in the wider context of remuneration

Focus for 2025

The areas of focus for 2025, including those identified from its 2024 review of its effectiveness, are:

- Incentive design – consider broader Group regulatory reporting requirements during incentive design and ensure incentives align with the 3x100 Strategy;
- Implementing the new 2025-27 SPP – ensuring incentives generate the right behaviours and actions, have robust metrics and targets and continue to align definitions and measures with best practice;
- Remuneration policy – ensure front line remuneration remains competitive and that Bupa people on lower incomes are supported.

Voting on remuneration

In accordance with the Code, resolutions proposing (i) the Director's Remuneration Report (excluding the Directors' Remuneration Policy) and (ii) the Directors' Remuneration Policy will be proposed to the AMs at the 2025 AGM. Although both resolutions are for an advisory vote of the AMs, Bupa intends to be bound by the result of the vote on the Directors' Remuneration Policy.

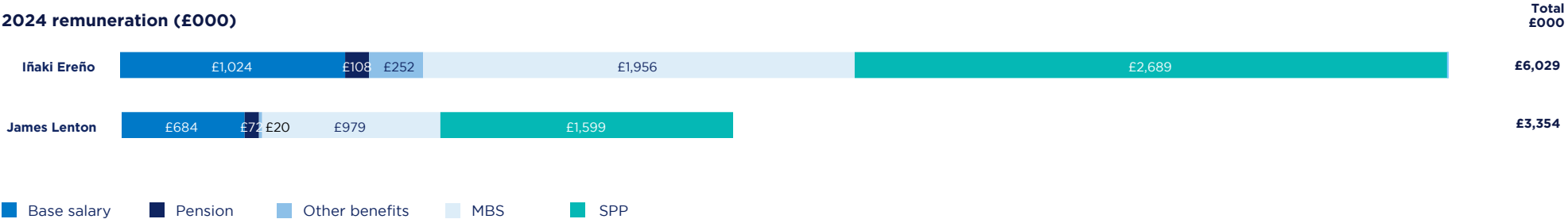
Cath Keers

Remuneration Committee Chair

Directors' Remuneration Report

Part 1: Committee Chair's letter continued

Our executive remuneration at a glance



The chart above is representative of the implementation of the Directors' Remuneration Policy and represents the total received in the year by each Executive. The chart shows salary, pension and benefits paid in 2024, and the total payout of the 2024 MBS, 50% of which is deferred until March 2028, and the 2022-24 Strategic Performance Plan award.

2024 MBS outcome

Measure	Performance of measure against target ¹
Group profit (65% weighting)	Above target level of performance (160.7% of target)
Revenue (10% weighting)	Above target level of performance (105.3% of target)
Customer objectives (6.25% weighting)	Above target level of performance (139.2% of target)
Customer NPS (18.75% weighting)	Above target level of performance (131.3% of target)

1. To determine payout, this is converted into a Business Performance Multiplier (BPM) and the final calculated payout is the product of the Business Performance Multiplier and the Individual Performance Multiplier (IPM).

Directors' remuneration report

Part 2: Annual Report on Remuneration

This section sets out the details of the Executive Directors' and NEDs' remuneration, showing how the Remuneration Policy has been implemented in 2024 and how it will be applied in 2025. As well as disclosing remuneration figures for the Executive Directors, it includes details on how well performance targets have been met and the resulting level of MBS payout.

Certain disclosures of the detailed information about the Directors' remuneration set out below have been audited by the Group's external auditor, PwC.

Single total figure of remuneration 2024 – Executive Directors (audited)

Director	Year	Salary £000	Benefits £000	MBS ¹ £000	SPP	Pension ² £000	Total £000	Total fixed remuneration	Total variable remuneration
Iñaki Ereño	2024	1,024	252³	1,956	2,689	108	6,029	1,384	4,645
Group CEO	2023	971	245	1,805		102	3,123	1,318	1,805
James Lenton	2024	684	20⁴	979	1,599	72	3,354	776	2,578
Group CFO	2023	629	18	846		66	1,559	713	846

1. MBS refers to incentive earned in respect of 2024 performance with 50% deferred until March 2028. In the deferral period, continued employment is required for payout.

2. Pension figures reflect a cash allowance paid to Executive Directors in lieu of company contributions into a pension scheme and are in line with the wider workforce. Executive Directors are not included in any defined benefit scheme.

3. Iñaki Ereño's benefit figure includes a housing allowance of £120,000 (net) and tax support services, both of which are grossed up to meet the costs of the appropriate tax. In addition, private medical insurance and a car allowance are included in the overall figure.

4. James Lenton's benefit figure includes private medical insurance and a car allowance.

2024 MBS measures and performance (Audited)

For 2024, the Group CEO's target MBS opportunity was 100% of salary, with a maximum of 200% of salary. The Group CFO's target MBS opportunity was 75% of salary, with a maximum of 150% of salary.

For 2024, the Committee agreed to change the MBS scorecard by removing cost efficiency and adding its 10% weighting to the profit measure, aiming to simplify the scorecard and further incentivise the delivery of the plan.

The performance measures used to determine the 2024 MBS for our Executive Directors were as follows:

- Group profit (65% of award)¹ – is based on the externally reported result with the same adjustments as revenue and also excludes pension net interest returns.
- Group revenue (10% of award) – externally reported result adjusted to exclude Bupa Chile and include Bupa's proportionate share of revenue from associates and joint ventures, UK Insurance non-insurance revenue, outward reinsurance premiums ceded and intra-group revenues which are not included within the consolidated view of revenue. An adjustment is also made to use the local accounting policy rather than the IFRS Service Concession Arrangement accounting basis for a contract in our Spanish hospital business, to eliminate the volatility associated with inflationary movements.
- Customer objectives (6.25% of award) – this measure includes targets to increase the number of customer experience improvements.
- Customer NPS (18.75% of award) – this is a measure to drive improvement of our Net Promoter Score.

1. Performance measured on plan target exchange rates.

Alongside the measures that make up the MBS scorecard, the MBS outcome is subject to an overall adjustment relating to risk management across Bupa as determined by the Committee, assisted by input from the Risk Committee and the Risk Review Panel. The overall result generates a Business Performance Multiplier (BPM) that is applied along with the Individual Performance Multiplier (IPM) to target bonus generating the annual MBS payout for each individual.

As detailed in the table on the below, the Group CEO and CFO achieved BPMs of 136.4% on the back of strong financial performance with respect to group profit and revenue as well as strong performance against customer metrics.

Directors' remuneration report

Part 2: Annual Report on Remuneration continued

The Group CEO received an IPM of 140% in recognition of an outstanding year, demonstrating exceptional leadership, delivering strong underlying financial performance, and driving transformation in line with our 3x6 Strategy.

The Group CFO received an IPM of 140% in recognition of a strong year, and continued high performance, supporting significant strategic progress towards our 3x6 Strategy and delivering strong financial performance.

The financial targets and actual performance for the 2024 MBS are set out in the tables below.

2024 MBS payout ¹	% weighting of measure	Threshold performance level £(m) or % if indicated	On target (100%) performance level £(m) or % if indicated	Stretch (140%) performance level £(m) or % if indicated	Actual performance level £(m) or % if indicated	Business Performance Multiplier	Final Weighted Business Performance Multiplier
Group profit ²	65%	527.9	586.5	645.2	942.7	140.0%	91.0%
Group revenue ³	10%	16,106.4	17,896.0	19,685.6	18,846.2	121.2%	12.1%
Customer objectives	6.25%		see footnote ⁴		139.2%	139.2%	8.7%
Customer NPS	18.75%		see footnote ⁴		131.3%	131.3%	24.6%
Total BPM outcome	100%						136.4%

1. For financial performance, threshold is 90% of target performance and stretch 110%. Payout for threshold is 0%, target is 100%, and stretch is 140%, with straight-line vesting in between.

2. Group profit is adjusted to exclude Bupa Chile, pension net interest returns and uses the local accounting policy for a contract in our Spanish hospital business.

3. Group revenue is adjusted to exclude Bupa Chile and the local accounting policy for a contract in our Spanish hospital business. Also included is Bupa's proportionate share from associates and joint ventures, UKI non-insurance, outward reinsurance premiums ceded and intra-group numbers which are not included within the consolidated reported figure.

4. For Customer, payout for threshold is 50%; on-target 100%; stretch 140%, with straight line vesting in between. Customer objectives and NPS performance targets are set at business unit level within each Market Unit, with the results rolled up into a Market Unit result. The Group result is based on the average of the three Market Unit results (APAC; BGIUK; and ELA).

Executive Director	Salary ¹ (£'000)	Target award amount (% of salary)	BPM% (0-140%)	IPM% (0-140%)	2024 MBS payment ² (£'000)	% of maximum Award
Iñaki Ereño	1,024	100%	136.4%	140.0%	1,956	95.5%
James Lenton	684	75%	136.4%	140.0%	979	95.5%

1. Salary refers to that earned in respect of 2024.

2. 50% of MBS payment is deferred for three years with payment dependent on continued employment until date of payment.

2022-24 SPP measures and performance (audited)

As reported in the 2021 annual report, we disclosed details of the new 2022-24 Strategic Performance Plan and in 2022 the 2022-24 SPP awards were granted to the Executive Directors. The cash-based plan covers the three-year performance period to 31 December 2024. The 2022-24 SPP vesting was based on SPP ROCE (55%), Customer Healthcare touchpoints (15%), Customer numbers (15%) and CO₂ reduction (15%). In 2022 we did not disclose the targets for reasons of commercial sensitivity, and these are now disclosed in the table below following the end of the plan period.

- Aligned with the strong performance of the business over the last three years, the performance of the 2022-24 SPP has reflected the success of the 3x6 Strategy with each element of the scorecard exceeding target, and with the exception of customer healthcare touchpoints, also exceeding the stretch performance target. The Remuneration Committee was satisfied with the overall formulaic outcome of the scheme and did not exercise discretion in relation to the payout of SPP.
- SPP ROCE has performed above stretch across all three years of the SPP, consistent with strong trading outperformance. The formulaic outcome of 9.9% is based on the SPP ROCE methodology agreed with the Remuneration Committee, which included using the actual FX rate with a cap and collar where FX has a positive or negative impact on the 3-year average SPP ROCE of greater than 0.1%. The Remuneration Committee noted that on an Actual Exchange Rate basis (without the FX cap/collar) average annual SPP ROCE over the three-year performance period is 9.1%.

Directors' remuneration report

Part 2: Annual Report on Remuneration continued

- There has been strong focus placed on increasing the proportion of customer healthcare touchpoints owned by Bupa, and as a result of the successful delivery of the connected care strategies in the MUs, our three main insurance businesses have all increased their customer healthcare touchpoints during the 3x6 Strategy period. Sanitas Seguros delivered incremental KPI growth, whilst both UK Insurance (UKI) and Australia Health Insurance (AHI) delivered growth from increased owned provision and uptake of our Bluea digital health offering.
- Growth in customer numbers since 2022 has been very strong across the insurance and provision parts of our business. Notable drivers of the growth have been LuxMed, Australia Health Insurance, Sanitas Seguros, Bupa Dental UK, UK Health Services, Sanitas New Services & Hospitals and Niva Bupa. As a result of this strong performance, the Group outperformed the 3-year average stretch target by 9.1m customers.
- The inclusion of a CO₂ reduction measure in the scorecard has created a significant focus across all BUs than was seen before and the 2022-24 SPP. This has been delivered through (1) decarbonising our scope 1 emissions, (2) securing 100% renewable electricity across a number of businesses including Australia and Hong Kong, and (3) increasing our use of renewables across LUXMED and Chile.

As with the MBS, the Committee also reviewed risk management behaviours across Bupa using contributions from the Risk Committee and Risk Review Panel and determined that no business wide adjustment was required this year. Overall financial and non-financial performance led to a calculated payout of 96.9% of the maximum award.

Performance Measure	Weighting	Threshold	Target	Stretch	Actual	Performance Achieved ¹ (% payout for scorecard measure)	Vesting Outcome
SPP ROCE	55%	6.1%	6.8%	7.8%	9.9%	200.0%	110.0%
Customer healthcare touchpoints	15%	15%	20%	30%	25.9%	158.9%	23.8%
Customer numbers (m)	15%	40.9	41.7	42.5	51.6	200.0%	30.0%
CO ₂ reduction	15%	20%	30%	40%	58.0%	200.0%	30.0%
TOTAL (as % of target award)							193.8%

1. Payout for threshold is 20%, target is 100%, and stretch is 200%. Straight line vesting in between.

Interests awarded during 2024 (audited)

During the year, awards for the 2024–26 SPP were made to the Executive Directors. The plan covers the performance period to 31 December 2026. Vesting of the award is subject to the satisfaction of the performance conditions over the performance period. Subject to the potential application of malus, any cash award will be paid in March 2027.

Executive Director	Year	Threshold award (% of salary)	Threshold award (£)	Target award (% of salary)	Target award (£)	Maximum award (% of salary)	Maximum award (£)
Iñaki Ereño	2024	30%	294,000	150%	1,470,000	300%	2,940,000
James Lenton	2024	27.5%	174,625	137.5%	873,125	275%	1,746,250

The payout for the Group CEO and Group CFO is based on the Committee's assessment of Bupa's performance against a scorecard for the 2024-26 financial years, details of which are set out in the table below.

Directors' remuneration report

Part 2: Annual Report on Remuneration

continued

2024-26 Strategic Performance Plan (SPP) (audited)

2024-26 SPP scorecard

SPP scorecard measures	Scorecard weighting	Alignment to strategy
SPP Return on capital employed (SPP ROCE)	50%	SPP ROCE is a good measure of Bupa's performance as it ensures that we use our capital efficiently to generate profit. We have a wide range of businesses in our portfolio and need to focus on ensuring we operate these efficiently and profitably to create a strong and sustainable business. We can do this by increasing the performance of all of our businesses as well as actively managing our portfolio.
Customer healthcare touchpoints	15%	This measure directly links to one of our 3x6 ambitions. In order to become the world's most customer-centric healthcare company we need to ensure we support customers with their health and wellbeing and truly understand their needs. Owning more customer healthcare touchpoints will provide us with more data/insight on our customers, support our move towards becoming more digitally enabled and ultimately lead us to tailoring our support to each customer's needs to provide better outcomes.
Customer numbers	20%	One of the key outcomes of being a more customer-centric company is having more customers. We want to retain our existing customers while finding new customers, and to do that we need to be continually implementing improvements based on feedback. Focusing on this measure ensures that we continue to have a strong and sustainable business.
Sustainability	10%	Our purpose demonstrates the role we have to play in the health of the planet. We have committed to science based targets and will be a net zero business across all emission scopes by 2040. We strongly believe that business and sustainability go hand in hand and believe it is important to incentivise our senior leaders on this basis.
	5%	10% of the weighting is related to overall scope 1 and 2 CO ₂ reduction from the 2019 baseline. 5% of the weighting is related to the percentage of our Top 100 suppliers aligned with our carbon reduction commitments.

Targets for SPP measures are not disclosed at this time due to commercial sensitivity and will be made available following the end of the plan period.

Directors' remuneration report

Part 2: Annual Report on Remuneration continued

CEO pay ratio

The table below compares the single total figure of remuneration for the CEO since 2019 with that of the UK employees who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile) of its employee population.

Year	Method		Ratio with the 25th percentile employee	Ratio with the 50th percentile employee	Ratio with the 75th percentile employee
2024	Option B	Total pay and benefits	238:1	197:1	132:1
		Salary only	43:1	37:1	25:1
2023	Option B	Total pay and benefits	130:1	115:1	73:1
		Salary only	41:1	40:1	25:1
2022	Option B	Total pay and benefits	123:1	122:1	68:1
		Salary only	41:1	40:1	24:1
2021	Option B	Total pay and benefits	206:1	215:1 ¹	123:1
		Salary only	41:1	44:1 ¹	27:1
2020	Option B	Total pay and benefits	226:1	225:1	126:1
		Salary only	44:1	42:1	26:1
2019	Option B	Total pay and benefits	197:1	143:1	116:1
		Salary only	43:1	37:1	29:1

1. The 2021 50th percentile salary shown in the table above is lower than the lower quartile salary as a result of the Gender Pay Gap data methodology. The Gender Pay Gap data is a snapshot of hourly pay as at 5 April and it is this snapshot that is used to identify the 25th, 50th and 75th percentile employees for this table in line with the CEO Pay Ratio regulations. The table above details actual pay earned through the year for those employees identified at the 25th, 50th and 75th percentile.

Of the three options available for calculating the pay ratio we have chosen Option B, which uses the most recent gender pay gap information (April 2024) to identify and select employees at the 25th, 50th and 75th percentile. This method has been chosen as it makes use of our gender pay data which provides a readily available and robust dataset. This is made up of all UK employees from Bupa's insurance, corporate functions and health provision businesses. To ensure that the results are representative of the employee population's pay and benefits at those quartiles, Bupa has chosen to use a median value of the pay and benefits for the 15 employees above and below, and including, the individual at the given quartile. This approach was taken to allow for any leavers through the year, given Bupa's large and diverse workforce. The annual remuneration figures are taken across the full year ending 31 December 2024.

Changes to the CEO pay ratio in 2022 and 2023 compared to 2024 (and previous years) with regards to total pay and benefits is in part a result of the reduced single total figure for the Group CEO in 2022 and 2023 due to changes in the vesting schedule of Bupa's long-term incentive schemes as outlined in previous reports.

In reviewing the employee pay data, the Committee is comfortable that the overall picture presented by the ratios is consistent with our pay, reward and progression policies for UK employees.

In the table above, the Committee has chosen to provide information relating to salary in addition to the total remuneration calculations. As incentive pay can significantly vary year on year, the Committee determined that the salary ratio provides helpful context beyond that of the single figure.

Directors' remuneration report

Part 2: Annual Report on Remuneration continued

UK employees	25th percentile	50th percentile	75th percentile
2024 total pay and benefits	£25,336	£30,555	£45,858
2024 salary only	£24,074	£27,682	£40,912
2023 total pay and benefits	£23,971	£27,186	£43,031
2023 salary only	£23,473	£24,569	£38,360
2022 total pay and benefits	£24,112	£24,287	£43,745
2022 salary only	£22,721	£23,301	£38,339
2021 total pay and benefits	£22,584	£21,632	£37,930
2021 salary only	£22,358	£21,120	£34,889
2020 total pay and benefits	£21,392	£21,528	£38,371
2020 salary only	£20,340	£21,373	£34,085
2019 total pay and benefits	£21,899	£25,412	£31,468
2019 salary only	£20,325	£23,543	£29,914

Relative importance of spend on pay

The table below shows the relative importance of spend on pay. Given that Bupa does not have shareholders and therefore does not pay dividends, cash flow used in investing activities has been shown as an alternative measure.

	2024 (£m)	2023 (£m)	Difference 2024-2023 (£m)
Remuneration paid to all employees ¹	3,219	2,897	322
Cash flow used in investing activities	983	154	829

1. Remuneration paid to all employees includes staff costs relating to wages and salaries as found in note 2.3.1 (page 151)

Directors' remuneration report

Part 2: Annual Report on Remuneration continued

Percentage change in remuneration of Directors and employees

The table below shows the change in salary/fees, benefits and short-term incentives (annual bonus) for Executive Directors and Non-Executive Directors in 2024 compared to the four years prior, alongside a corresponding average figure for the Bupa employee comparator group. As the Group CEO is located in the UK, the UK salaried population has been chosen by the Committee as the most appropriate comparison. The percentage change in salary is a snapshot of 1 April 2024 increases only and does not reflect increases awarded through the year.

	% change in salary/fees					% change in benefits (excl. pension)					% change in short-term incentives				
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
Executive Directors															
Iñaki Ereño ¹	n/a	2.8%	1.9%	3.9%	6.0%	n/a	136%	-6%	-4%	3%	n/a	17%	26%	8%	8%
James Lenton ²	n/a	0.5%	2.0%	3.8%	10.2%	n/a	-65%	25%	-10%	11%	n/a	n/a	53%	20%	16%
Non-Executive Directors															
Roger Davis (Chairman) ³	0.0%	0.9%	2.1%	3.0%	4.9%	-13%	-23%	20%	-58%	60%	n/a	n/a	n/a	n/a	n/a
Gunjan Bhow ⁴	n/a	n/a	n/a	9.9%	11.2%	n/a	n/a	n/a	50%	-71%	n/a	n/a	n/a	n/a	n/a
Simon Blair ⁵	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Clare Bousfield ⁶	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sally Clark ⁷	n/a	n/a	n/a	8.2%	5.2%	n/a	n/a	n/a	25%	40%	n/a	n/a	n/a	n/a	n/a
Paul Evans ⁸	3.4%	0.6%	25.3%	10.3%	1.3%	-59%	43%	110%	10%	22%	n/a	n/a	n/a	n/a	n/a
Michael Hawker ⁹	1.3%	2.3%	6.9%	5.3%	24.9%	-100%	n/a	n/a	5%	0%	n/a	n/a	n/a	n/a	n/a
Pia Heidenmark Cook ¹⁰	n/a	n/a	n/a	2.4%	7.1%	n/a	n/a	n/a	160%	-43%	n/a	n/a	n/a	n/a	n/a
Cath Keers ¹¹	23.1%	0%	4.2%	14.0%	22.8%	250%	-71%	100%	-25%	33%	n/a	n/a	n/a	n/a	n/a
Matías Rodríguez Inciarte ¹²	6.4%	12.7%	16.4%	5.3%	5.9%	-100%	n/a	400%	70%	-22%	n/a	n/a	n/a	n/a	n/a
Melvin Samsom ¹³	-2.5%	8.9%	16.3%	8.0%	6.5%	-35%	-88%	150%	20%	0%	n/a	n/a	n/a	n/a	n/a
Average UK employee¹⁴	1.8%	1.7%	2.1%	5.1%	5.2%	No material change					25%	7%	33%	32%	30%

1. Iñaki Ereño was appointed Group CEO in January 2021.

2. James Lenton joined Bupa as Group CFO in September 2021 with formal approval to the position in November 2021.

3. Roger Davis' increase in benefits relates to the increased travel-based expenses, including use of a car, in 2024.

4. Gunjan Bhow stepped down as a NED on 10 May 2024. To allow for a year on year comparison, an annualised figure for 2024 fees has been used to calculate the percentage change in fees for 2024. The percent change in benefits for 2024 reflects the actual change.

5. Simon Blair was reappointed as a NED on 25 January 2024 having previously served on the Board between January 2016 and January 2019.

6. Clare Blousfield was appointed as a NED on 25 January 2024.

7. Sally Clark was appointed as a NED on 1 July 2022. The increase in benefit costs for Sally Clark reflect a small increase in spend on travel in 2024.

8. Increased travel has resulted in increased overall benefit costs for Paul Evans.

9. Michael Hawker's increase in fees is as a result of changes in the Bupa and Bupa Australia and New Zealand board fees.

10. Pia Heidenmark Cook was appointed as a NED on 1 April 2022. The reduced benefit costs are a result of reduced travel. In addition, tax support was not provided in 2024.

11. Increase in fees paid in 2024 are a result of changes full year membership of the Nomination and Governance Committee as well as a full year in position as the Senior Independent NED. Increased travel in 2024 gave an increase in benefit costs.

12. Reduced travel resulted in reduced overall benefit costs.

13. The increase in benefit costs relate to increased travel costs in 2024.

14. All permanent employees in the UK who were in employment during the two calendar year periods of 2023 and 2024 were selected as the most appropriate comparator.

Directors' remuneration report

Part 2: Annual Report on Remuneration continued

Historical

The table below shows levels of payout to the Group CEO against the maximum incentive opportunity for the last ten years.

Year	CEO	Single figure of total remuneration (£'000)	Annual bonus payout against maximum opportunity %	Long-term incentive vesting rates against maximum opportunity %	GPP vesting rates against maximum opportunity %	(2019) GPP Transition Award vesting rates against maximum opportunity %
2024	Iñaki Ereño ¹	6,029	95.5%	97%	n/a	n/a
2023	Iñaki Ereño	3,123	93%	n/a	n/a	n/a
2022	Iñaki Ereño	2,966	89%	n/a	n/a	n/a
2021	Iñaki Ereño	4,653	72%	n/a	80%	n/a
2020	Evelyn Bourke ²	4,838	64%	50%	57%	n/a
2019	Evelyn Bourke	3,646	10%	–%	49%	49%
2018	Evelyn Bourke	2,078	45%	16%	n/a	n/a
2017	Evelyn Bourke	2,511	64%	41%	n/a	n/a
2016	Evelyn Bourke ³	1,837	56%	44%	n/a	n/a
2016	Stuart Fletcher ⁴	1,315	46%	44%	n/a	n/a
2015	Stuart Fletcher	2,081	62%	30%	n/a	n/a

1. Details of Iñaki Ereño's 2024 incentive payout are laid out on page 99.

2. Evelyn Bourke retired as Group CEO on 31 December 2020.

3. Evelyn Bourke was appointed Group CEO on 25 July 2016.

4. Stuart Fletcher left Bupa on 31 May 2016; his annual bonus reflects a pro-rated payment.

Statement of implementation of Remuneration Policy in 2025

The remuneration of the Group CEO and Group CFO for 2024 was reviewed by the Committee in the context of the Remuneration Policy as described on [pages 108 to 113](#). Having reviewed the salaries, the Committee approved salary increases for the Group CEO and for the Group CFO of 4%, to reflect their performance in the role and position against external market practice as well as considering alignment with the broader workforce.

	Salary (effective from 1 April 2025)	Pension (effective from 1 Jan 2025)	Management Bonus Scheme ¹	Strategic Performance Plan ²
Iñaki Ereño	£1,081,000	12% salary	Threshold opportunity – 0% salary	Threshold scorecard opportunity – 30% salary (£311,700)
Group CEO			Target opportunity – 100% salary	Target scorecard opportunity – 150% salary (£1,558,500)
			Maximum opportunity – 200% salary	Maximum scorecard opportunity – 300% salary (£3,117,000)
				Overall maximum opportunity – 600% salary (£6,324,000)
James Lenton	£728,000	12% salary	Threshold opportunity – 0% salary	Threshold opportunity – 27.5% salary (£192,500)
Group CFO			Target opportunity – 75% salary	Target opportunity – 137.5% salary (£962,500)
			Maximum opportunity – 150% salary	Maximum scorecard opportunity – 275% salary (£1,925,000)
				Overall maximum opportunity – 550% salary (£3,850,000)

1. Based on salary earned in 2025.

2. SPP award based on salary as of 1 March 2025.

Directors' remuneration report

Part 2: Annual Report on Remuneration continued

The MBS has been designed, in line with the Remuneration Policy, to support Bupa's strategy. The targets and the weighting of the measures were carefully considered to ensure the right balance of financial and non-financial measures, and to support strong and sustainable performance.

Measure	Management Bonus Scheme weighting per measure
Group profit	65%
Revenue	10%
Customer ¹	25%

1. The customer measure is a combination of customer experience improvements and NPS

Targets for MBS measures are not disclosed at this time due to commercial sensitivity and will be made available following the end of the plan period. The outcome for MBS is subject to a risk assessment.

Payments to former Directors (audited)

There were no payments to former Directors for 2024.

Payments for loss of office to Directors (audited)

There were no payments for loss of office to Directors for 2024. Those NEDs who stepped down during the year did not receive any payment for loss of office.

Chairman and Non-Executive Director fees

During 2024, the fee for the Chairman was reviewed by the Committee and the fees for the Non-Executive Directors were reviewed by the Chairman and the Executive Directors. The fees for the

Chairman and the basic fee for Non-Executive Directors were increased in line with the broader UK-based population.

The current fee levels are set out in the table below.

		2023 Fee	2024 Fee
Chairman fee		£460,000	£485,000
Non-Executive Director basic		£76,500	£85,000
Senior Independent Director		£25,000	£25,000
Committee chairmanship	Audit Committee ¹	£25,000	£40,000
	Remuneration Committee	£25,000	£25,000
	Risk Committee	£40,000	£40,000
	Sustainability Committee	£15,000	£15,000
Committee membership	Audit Committee ¹	£8,000	£15,000
	Remuneration Committee	£8,000	£8,000
	Risk Committee	£15,000	£15,000
	Sustainability Committee	£4,500	£4,500
	Nomination & Governance	£4,500	£4,500

1. The Audit Committee fees were reviewed and increased in 2024 to reflect the increasing accountability of the Audit Committee and the level of time commitment, which is comparable to the Risk Committee.

Directors' remuneration report

Part 2: Annual Report on Remuneration continued

Single total figure of remuneration 2024 – NEDs (audited)

	Fees £000		Benefits ¹ £000		Total £000	
	2024	2023	2024	2023	2024	2023
Non Executive Directors						
Roger Davis	473	451	8	5	481	456
Gunjan Bhow	34	89	27	92	61	181
Simon Blair ²	202	-	70	-	272	-
Clare Bousfield	101	-	1	-	102	-
Sally Clark	115	105	7	5	122	110
Paul Evans ³	238	235	28	23	266	258
Michael Hawker ⁴	246	197	55	55	301	252
Pia Heidenmark Cook ⁵	90	84	16	28	106	112
Cath Keers	140	114	4	3	144	117
Matías Rodríguez	253	239	18	23	271	262
Melvin Samsom ⁷	115	108	16	16	131	124
Total	2,007	1,622	250	250	2,257	1,872

- Travel and subsistence expenses for attending meetings at Bupa's head office are treated as taxable income. All NED expenses in relation to this are grossed up to meet the costs of the additional tax and NIC. The benefits figures reflect this approach.
- The 2024 figures for Simon Blair include €57,400 for services as Chair of Bupa Chile S.A and €31,000 for serving as a member on both the Audit and Risk Committees of Bupa Chile. Simon Blair has been a director of Bupa Chile S.A. since 2019.
- The 2024 figures for Paul Evans include fees of £25,500 for membership of the BGIUK MU Advisory Oversight Committee and £73,398 of fees, in respect of his services as a NED of Bupa Insurance Limited and Bupa Insurance Services Limited.
- The 2024 figures for Michael Hawker include AU\$269,278, for membership of the Bupa Australia and New Zealand Board. The 2023 figures for Michael Hawker include AU\$179,101, for membership of the Bupa Australia and New Zealand Board. The benefit and total figures for 2023 have been corrected.
- The benefit and total figures for 2023 for Pia Heidenmark Cook have been corrected.
- The 2024 figures for Matías Rodríguez Inciarte includes fees of €40,000 for membership of the ELA MU Advisory Oversight Committee and €129,560 in respect of his services as a NED of Sanitas, S.A. de Seguros. The benefit and total figures for 2023 have been corrected.
- The benefit and total figures for 2023 have been corrected for Melvin Samsom.

Committee Governance

Cath Keers has chaired the Remuneration Committee since 1 January 2020.

The Committee presented the 2023 Directors' remuneration report and Directors' remuneration policy at the AGM in May 2024 and it was approved by AMs.

Deloitte was appointed by the Remuneration Committee as its independent adviser from 1 May 2021, following a selection process involving a number of advisory firms. The appointment is reviewed regularly. The Committee is of the view that Deloitte provides independent remuneration advice and does not have any connections with Bupa that may impair its independence. Deloitte is a member of the Remuneration Consultants' Group and voluntarily operates under this Group's code of conduct when providing advice on executive remuneration in the UK. Deloitte's fees for services to the Committee in 2024 were £90,900 on a time and materials basis. During the year, Deloitte advised on market practice, corporate governance and regulations, remuneration benchmarking and other matters that the Committee was considering. Other teams within Deloitte provided unrelated tax and consulting services to Bupa during the year.

The Terms of Reference of the Committee were reviewed by the Committee and adopted by the Board in December 2024. A full description of the Committee's role is set out in its Terms of Reference here on [bupa.com](https://www.bupa.com).

Directors' remuneration report

Part 3: Directors' Remuneration Policy

The Remuneration Committee seeks to align the Company's Directors' Remuneration Policy (the 'Policy') with the Group's business strategy, workforce arrangements, market practice, views expressed by the AMs, the economic environment and underlying financial performance of the Group throughout the year. The Policy is intended to promote Bupa's long-term success and motivate management to deliver strong, sustainable business performance aligned with Bupa's purpose, culture and values. The Policy allows Bupa to offer competitive remuneration compared to companies of a similar scale and complexity.

The proposed Policy is subject to an advisory vote by AMs at the 2025 AGM and, if approved, will apply immediately, for up to three years. The Directors' Remuneration Policy is available on Bupa's website under the 'Financials' heading in the Directors' Remuneration Report of the Annual Report and Accounts.

The key changes between the Directors' Remuneration Policy approved 15 May 2024 and the Policy proposed for 2025, are detailed below:

- Increase in maximum long term incentive opportunity from 300% to 600% of salary. This is to facilitate the potential use of the scorecard multiplier. As noted in the Committee Chair's letter, there will be no change to the Executive Director target award levels (Group CEO 150% of salary and Group CFO 137.5% of salary) or the maximum available under the scorecard (this remains at 200% of target for Group CEO and CFO). An increase in overall maximum payout opportunity from 200% to 400% of target award, noting that this would only apply with both maximum financial and non-financial performance under the scorecard combined with exceptional Strategic Performance Plan (SPP) ROCE performance under the multiplier. Therefore, the overall maximum award level for exceptional performance will be 600% of salary (target 150%) for the Group CEO and 550% of salary (target 137.5%) for the Group CFO.
- The minimum weighting of financial measures in the SPP is reduced from 55% to 40%.

Remuneration Policy table – Executive Directors

	Purpose and link to strategy	Operation	Maximum Opportunity	Performance metrics
Base Salary	Core element of remuneration set to attract and retain Executive Directors, reflecting their role and contribution.	<p>Salary levels are reviewed annually with any changes becoming effective in April. Factors considered include:</p> <ul style="list-style-type: none"> ■ Level of skill, experience and scope of responsibilities. ■ Overall business performance, scarcity of talent, economic climate and market conditions. ■ General increases across Bupa. ■ External market data. 	<p>Salary increases are normally in line with those of the Bupa employee population. Larger increases may be given in certain circumstances, such as a new appointment to rebase the remuneration with market rate.</p> <p>There is no specific maximum salary level.</p>	None
Management bonus scheme (MBS)	<p>To drive behaviour and to promote focus on the business priorities for the year.</p> <p>To motivate and incentivise delivery of performance over the annual operating plan.</p>	<p>Bonus award levels and their measures and weightings are reviewed annually to align with the business strategy.</p> <p>Performance is assessed against stretching financial and non-financial performance targets set at the start of the financial year.</p> <p>Typically, 50% of any bonus awarded will be deferred for up to three years, with the remaining 50% paid immediately in cash.</p>	<p>The maximum bonus opportunity will not exceed 200% of base salary.</p> <p>There is no payout for threshold performance.</p>	MBS payments are based on the achievement of challenging financial and non-financial objectives. No less than 60% of the annual bonus will be subject to the achievement of financial measures aligned with the strategic priorities of the business.

Directors' remuneration report

Part 3: Policy continued

	Purpose and link to strategy	Operation	Maximum Opportunity	Performance metrics
Long-term incentive plan	To motivate and incentivise delivery of strong sustained performance over the long term aligned with Bupa's strategic objectives.	As Bupa cannot provide equity-based incentives, it provides a deferred cash Long Term Incentive Plan (LTIP) through the Strategic Performance Plan (SPP), that is broadly aligned to equity plans in comparative companies. Awards are usually made on an annual basis and relate to performance over a three-year period. Vesting depends on meeting performance targets, set and assessed by the Committee. Any payments will be made following the end of the performance period.	The maximum award will not exceed 600% of base salary. Note that this maximum would only apply in the event of both maximum financial and non-financial performance under the scorecard combined with maximum performance under the multiplier and is therefore dependent on exceptional performance.	Vesting of awards is based on performance against financial and non-financial measures. No less than 40% of the SPP will be based on financial measures, with the remainder linked to key strategic priorities Threshold performance results in payout of 30% of salary.
Pension	To provide an income after retirement.	The Company operates a defined contribution pension scheme. Executive Directors have the option to take any employer contribution as a cash allowance or a combination of pension contribution and cash allowance.	Executive Directors receive employer contributions in line with the rest of the workforce.	None.
Benefits	Other benefits are provided to: <ul style="list-style-type: none"> ■ attract and retain Executive Directors, health and wellbeing benefits are provided to them and their families. ■ facilitate talent mobility to ensure execution of strategy across the Group. 	Executive Directors are entitled to benefits such as private health cover for themselves and their family, an annual health assessment for themselves and their partner, life insurance, income protection, car allowance (or alternately for the Group CEO, the use of a company car and driver) and 30 days' annual holiday. The benefits offered may differ from time to time to reflect changing circumstances. Authorised travel expenses are reimbursed along with the additional tax and NIC incurred where these are treated as taxable income. Where, in exceptional circumstances, spouses or partners are required to travel for business purposes, their travel and subsistence expenses are reimbursed along with the additional tax and NIC. Executive Directors who are relocated or reassigned in the Group, receive relevant benefits to assist them and their dependants to move home and settle in the new location.	There is no specific maximum benefit spend.	None.

Directors' remuneration report

Part 3: Policy continued

Remuneration Policy on recruitment of an Executive Director

The Policy approach regarding remuneration upon recruitment, is to pay at an appropriate level to attract the right talent to the role.

The Directors' Remuneration Policy set out on [pages 108 and 109](#) outlines the components of an Executive Director package. New appointments typically follow the existing Policy for Executive Directors with salaries reflecting skills and experience of the individual, and may be set at a level to allow future salary progression to reflect performance in the role.

To facilitate recruitment, the Committee may offer compensatory payments for forfeited remuneration from a previous employer, aiming to match its value, time horizon and performance conditions. Additional arrangements may include relocation expenses and international assignment allowances. For internal promotions, existing commitments may be honoured unless an alternative approach, more closely aligned with the prevailing policy, is agreed by the Committee.

Any special joining arrangements may include malus and/or clawback; for example, tied to leaving within a predefined period.

The structure and quantum of the variable pay elements are expected to align with the Policy set out in the table opposite.

Remuneration Policy on loss of office of Executive Directors

The Committee has the authority to approve any remuneration payments or payments for loss of office where the terms of the payment were agreed: (i) before the Remuneration Policy came into effect, or (ii) at a time when the relevant individual was not a Director of the Company, and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company.

The table summarises the key elements of our policy on payment for loss of office in compliance with the relevant plan rules and local employment legislation.

Any payments made due to loss of office may take into account malus or clawback provisions as set out on [page 112](#).

Policy	Committee response
Notice period and compensation for loss of office in service contracts	<ul style="list-style-type: none"> ■ 12 months' notice from the Company to the Executive Director. ■ Up to 12 months' base salary (in line with the notice period). Notice period payments will either be made as normal (if the Executive Director continues to work during the notice period or is on 'gardening leave') or at the termination date for any unexpired notice period.
Treatment of MBS on loss of office under plan rules	<ul style="list-style-type: none"> ■ The Committee may make an MBS payment for the year of cessation depending on the reason for leaving. Typically, the Committee will take into consideration the period served during the year and the individual's performance up to cessation. ■ Any such payment is at the discretion of the Committee. Any MBS will be paid at the normal time following the end of the performance year.
Treatment of SPP on loss of office under plan rules	<ul style="list-style-type: none"> ■ An Executive Director's award will vest in accordance with the terms of the plan and satisfaction of performance conditions measured at the normal completion of the performance period if the reason for leaving is redundancy, pre-agreed retirement, early retirement on the grounds of ill health, death or any other special circumstance agreed by the Committee. In these cases, final awards may be pro-rated based on completed months of service. The period of active employment excludes any period of 'gardening leave' or other such period when the Executive Director was legally employed but not required to actively carry out their duties. For any other reason, they will not be eligible for an SPP payment. ■ Any SPP payment will be paid at the normal time, e.g. following the end of the performance period, or two years later for any deferral.

Directors' remuneration report

Part 3: Policy continued

Illustrations of the application of the Remuneration Policy

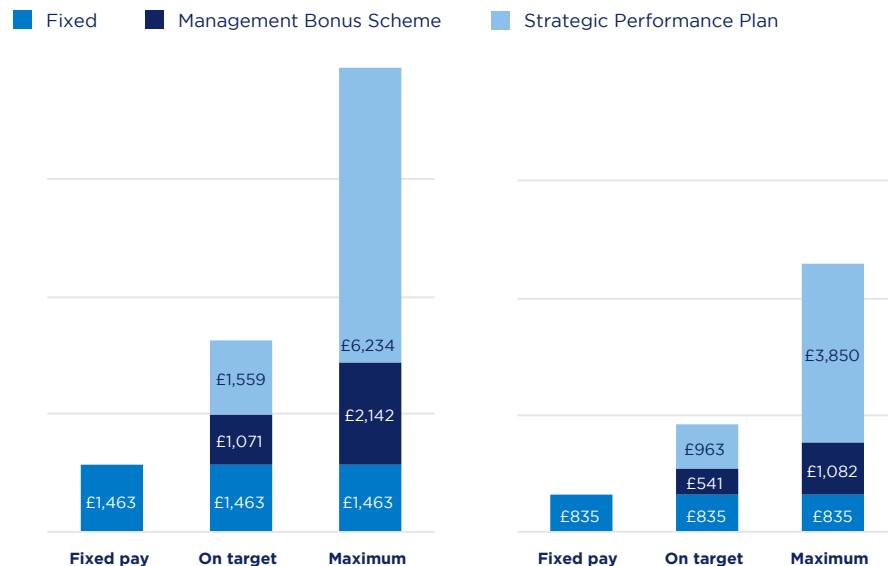
Bupa aims to provide a balance of fixed and variable compensation that provides stability and incentivises outstanding business performance, whilst not encouraging undue risk taking. At target, over 50% of the Executive Directors' remuneration is based on individual and Company performance.

This graph illustrates the potential remuneration outcomes for different levels of performance using the respective Director's bonus-able salary in 2025 to calculate the MBS values and 1 March 2025 to calculate the SPP values.

Remuneration at various levels of performance (£000)

Iñaki Ereño, Group CEO

James Lenton, Group CFO



Differences between the remuneration policies for Executive Directors and other employees

The Remuneration Policy for the Executive Directors is designed to be broadly similar to the policy applicable to Bupa employees to ensure that they are both aligned with delivering sustainable business performance. While opportunities vary, the underlying principles of salary review, MBS and SPP are consistent for senior executives.

A small number of senior executives across Bupa participate in the SPP, with award levels calculated as a percentage of salary and based on their level of seniority and accountability. Vesting of the awards is dependent on performance against specific financial and non-financial measures over a three-year performance period.

Directors' remuneration report

Part 3: Policy continued

Performance measures and target setting

Measures and targets for the MBS are aligned with delivery of Bupa's Annual Operating Plan and may include personal objectives that change from year to year.

Measures and targets for the SPP are set by the Committee, taking into account internal and external reference points that include historic Bupa performance, internal forecasts and broader market trends. Targets are set for vesting at threshold, target and maximum performance levels.

Committee discretion

The Committee has ultimate discretion over all incentive plans relating to the Executive Directors and other individuals within its remit. This includes but is not limited to:

- Determining the size of the award/payment.
- Determining whether minimum levels of performance have been met or underlying performance is satisfactory before determining the vesting of any awards.
- Determining whether the management of risk has been acceptable, or whether any downward adjustments are required.
- Selecting or adjusting performance measures within the Remuneration Policy and the plan rules.
- Determining whether individuals are 'good leavers' for incentive plan purposes, based on plan rules.
- Making one-off adjustments in exceptional circumstances.

Malus and clawback

The Committee may apply malus and clawback provisions to awards granted under the MBS, GPP and SPP. Malus enables awards to be reduced, cancelled or made subject to additional conditions before payment. Clawback requires repayment of cash awards for up to three years after payment.

Circumstances in which the operation of these provisions may be considered include:

- Misstatement of results.
- An error in assessing any relevant performance metric or in the information or assumptions on which the MBS or SPP is determined.
- Serious reputational damage to Bupa or a relevant Business Unit.
- A scenario in which significant risk has been taken which is outside of Bupa's or a relevant Business Unit's risk appetite.

- An employee enters into any hedging transaction or transactions that might undermine the intended performance and/or risk alignment of any awards under the Plan, including any deferred amount.
- An act or omission which justifies, or in the opinion of the Board would have justified, summary dismissal or service of notice of termination of employment on the grounds of misconduct on the part of an employee.
- Gross misconduct or material breach of employment contract.
- New information presenting itself, highlighting that performance (Company or eligible employee) was incorrectly assessed.
- Any other circumstance which the Committee in its discretion considers to be similar in nature or effect to the above.

The clawback period of three years from payment was chosen as being fair and proportionate, aligns with the deferral period for MBS and GPP and the performance period for SPP, and ensures consistency in all Bupa incentives. If an investigation into the conduct or actions of the participant or any Group Company has started before, but has not been completed on or before, the payment of the award and/or the end of the clawback time period: the Committee may in its absolute discretion determine that the payment date and/or the end of the clawback time period be such later date as it may reasonably determine, to allow for the investigation to be completed and allow the Committee a reasonable opportunity to consider the outcome(s) of the investigation.

Service contracts for Executive Directors

Executive Directors have a 12-month rolling employment contract. The notice requirement is 12 months from both the Company and the individual, which may be payable in lieu. These contracts also include specific post-termination restrictions. Executive Directors are usually permitted, subject to the Board's approval, to have one external NED role and to accept and retain the fee for this appointment. This is on the condition that any external appointment does not give rise to a conflict of interest.

Directors' remuneration report

Part 3: Policy continued

Remuneration Policy table – NEDs

Terms of engagement for NEDs

The terms of engagement for the Non-Executive Directors (NEDs) of Bupa set out the fees and benefits to which they are entitled as well as the expectation of the time commitment required to effectively perform their role. Copies of the terms of engagement are available [here](#) on bupa.com. The table describes the Remuneration Policy as it applies to the Chairman and NEDs.

Element	Purpose and link to strategy	Operation
Fees	To attract and provide stability, reflecting the complexity of the role and time commitment required	<p>The Chairman receives an all-inclusive fee. NEDs receive a fixed basic fee. Additional fees are paid for chairing or membership of Board Committees and for the Senior Independent Director role. Fees for additional work in relation to subsidiaries are paid for by the relevant subsidiary.</p> <p>Fees are reviewed annually by the Board. Key factors considered include:</p> <ul style="list-style-type: none"> ■ Overall business performance. ■ Scope and responsibility of the role. ■ Appropriate market data. ■ That NEDs are not eligible for any form of variable pay.
Benefits	To provide health and wellbeing benefits aligned with Bupa's purpose	During their time in office, NEDs are entitled to private health cover for themselves and their family and an annual health assessment for themselves and their partner. These benefits are taxable. Authorised travel expenses are reimbursed along with the additional tax and NIC incurred where these are treated as taxable income and, in exceptional circumstances. Where spouses or partners are required to travel for business purposes, travel and subsistence expenses are reimbursed along with the additional tax and NIC.

Report of the Directors

Disclosure compliance

The following disclosures, including those referenced in the disclosure table, provided in accordance with the Act and related regulations, or required in the Annual Report under Listing Rule 6.6.1 and DTR 4.1, are all incorporated by reference into this Report of the Directors:

- The Strategic Report and statement on [pages 2 to 62](#).
- The audited financial statements presented on [pages 130 to 135, and 213 to 214](#).
- The Governance reports on [pages 64 to 116](#).
- Disclosures:

Disclosure	Location
Financial instruments	Notes 10 and 11 to the Financial Statements, pages 172 to 175
Risk management objectives and policies in relation to the use of financial instruments	Note 25 to the Financial Statements, page 198 to 211
Likely future business developments	Strategic Report pages 7 and 15 to 16
Acquisitions and disposals	Note 23 to the Financial Statements, pages 194 to 196
Post-balance sheet events	Note 1.8 to the Financial Statements, page 139
Financial performance	Group CFO's review pages 17 to 19
Engaging with our people and employment of disabled persons	People and culture pages 29 to 31 and Section 172(1) and Engagement Statement page 50
Relationships with suppliers, customers and others	Section 172(1) and Engagement statement pages 49 to 51
Greenhouse gas emissions, energy consumption and energy efficiency action	Sustainability and ESG report pages 37 to 39
Long-term incentive schemes	Directors' remuneration report pages 90 to 113

Insurance and indemnities

Bupa has a directors' and officers' insurance policy in place, 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. They 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.

Political donations

Bupa's policy is to not make donations to political parties or to independent election candidates and we will not do so without specific endorsement from our Association Members. We have not made any political donations, nor incurred any political expenditure within the definition in section 364 of the Act during 2024.

As the broad definitions used in the Act make it possible for the normal business activities of the Company, which might not be thought of as political expenditure or donations to political organisations in the usual sense, to be caught, we will continue to propose a resolution at our 2025 Annual General Meeting to authorise the Group to make political donations, given the wide definition in section 364 of the Act regarding what constitutes a political donation. This is in accordance with best practice for listed companies. Bupa has no intention of making use of this resolution.

Branches

The Company has an inactive branch in Cyprus.

Articles of Association

The Company is limited by guarantee and has no share capital nor any traded securities. Each of the Association Members has one vote on business at general meetings. The Company's Articles of Association require all Directors to be Association Members. The Directors have the authority to exercise all the powers of the Company. A Director may be appointed by ordinary resolution of the Association Members or by a decision of the Directors. All Directors must offer themselves for election or re-election at each Annual General Meeting.

A Director's appointment ceases upon: resignation, prohibition from being a director by law, bankruptcy, ceasing to be an Association Member, incapacity or being removed from a medical register if a qualified medical practitioner, a written request from at least three-quarters of the other Directors, by Board resolution if the Director has missed four consecutive meetings, or by ordinary resolution given on special notice.

Effectiveness of the internal control and risk management system

The Directors completed their annual review of the Company's risk management and internal controls systems in 2024 covering all material codes, that included financial, operational and compliance controls, in accordance with provision 29 of the Code. They took into consideration the work of its Audit and Risk Committees and reports provided to the Committees from the first, second and third-lines. They also considered an integrated assurance report that set out the overall assessment of the Group's systems of risk management and internal control in 2024. Following this review, the Board concluded that the Company has maintained overall sound risk management and internal control systems during 2024, underpinned by the established three-lines model, with some weaknesses that are being addressed by management and will be monitored by the Board's Audit and Risk Committees.

Report of the Directors continued

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 1.4 on [page 138](#) 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 the Group, as required by provision 31 of the Code, and assessed our ability to operate and meet our liabilities as they fall due over a three-year period.

Bupa's new 3x100 Strategy is the driving force behind our planning process. A three-year assessment period was chosen for the longer-term viability assessment because it ties in with our internal planning process. Bupa's 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.

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. A scenario in which worsening geopolitical conflicts and the potential knock-on impacts on global growth and economic conditions that would lead to a global economic recession in 2025 was considered. 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 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 Bupa's risk profile. It also sets out the management actions, identified as part of the Group's Recovery Plan, that are available to address challenges to the 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 the Risk Review on [pages 56 to 62](#), 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 Bupa will be able to continue in operation and meet its liabilities as they fall due throughout the three-year planning period up to 31 December 2027.

Report of the Directors continued

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Accounts and the Group and Parent Company financial statements, in accordance with applicable law and regulations. UK company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they have elected to prepare the Group and the Parent 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 Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent 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 Parent 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 Parent Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent 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 AMs to assess the Group's position and performance, business model and strategy.

The Directors have decided to prepare, voluntarily, a Directors' remuneration report in accordance with Schedule 8 to The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 made under the Act, as if those requirements were to apply to the Company.

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 [pages 65 to 67](#), 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 confirm that, so far as they are each aware, there is no relevant audit information of which the 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 reappoint PricewaterhouseCoopers LLP as External Auditor will be put to the Company's Annual General Meeting in May 2025.

By order of the Board.

Colin Campbell

Group Company Secretary
5 March 2025

Company number: 432511

Financial Statements

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Independent auditors' report to the members of The British United Provident Association Limited

Report on the audit of the financial statements

Opinion

In our opinion, The British United Provident Association Limited'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 and Company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within 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 and Company Statements 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

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 31 components. These were selected based on our assessment of inherent risk and their financial significance to the consolidated financial results.
- We selected 24 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 82% of IFRS Profit before taxation expense.

Independent auditors' report to the members of The British United Provident Association Limited continued

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)
- Valuation of defined benefit pension obligation (Company)

Materiality

- Overall Group materiality: £42.5 million (FY23: £40.3 million) based on 5% of Profit before taxation expense adjusted for certain non-recurring items.
- Overall Company materiality: £9.3 million (FY23: £9.3 million) based on 1% of Total Assets.
- Performance materiality: £31.9 million (FY23: £30.2 million) (Group) and £7.0 million (FY23: £7.0 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 The British United Provident Association Limited continued

Key audit matter	How our audit addressed the key audit matter
<p>Acquisition of Niva Bupa (Group) <i>Refer to Audit Committee Report and Note 23 (for accounting policy and financial disclosures)</i></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 The British United Provident Association Limited continued

	Key audit matter	How our audit addressed the key audit matter
<p>Valuation of the estimates of the present value of future cash flows within the liability for incurred claims (Insurance contract liabilities) (Group)</p> <p><i>Refer to Audit Committee Report, and Note 12 (for accounting policy and financial disclosures)</i></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 The British United Provident Association Limited continued

	Key audit matter	How our audit addressed the key audit matter
Valuation of freehold property and investment property (Group) <i>Refer to Audit Committee Report and Notes 4 and 5 (for accounting policy and financial disclosures)</i>	<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</p> <p>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</p> <p>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 The British United Provident Association Limited continued

	Key audit matter	How our audit addressed the key audit matter
<p>Impairment of goodwill or reversal of previous impairments to other intangible and tangible assets (Group)</p> <p><i>Refer to Audit Committee Report and Note 3 (for accounting policy and financial disclosures)</i></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 The British United Provident Association Limited continued

	Key audit matter	How our audit addressed the key audit matter
<p>Classification, valuation and disclosure of certain liabilities relating to Isapre Cruz Blanca (Bupa Chile) (Group)</p> <p>Refer to the Audit Committee Report and 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>Valuation of defined benefit pension obligation (Company)</p> <p>Refer to Audit Committee Report and Note 7 and Note D (for accounting policy and financial disclosures).</p>	<p>The Company operates several defined benefit funded pension schemes. The present value of the funded obligations is £1,032m (2023: £1,125m) with net assets recognised of £331m (2023: £381m).</p> <p>The most significant scheme is The Bupa Pension Scheme which closed to future accrual as of 31 December 2020. The estimate of the defined benefit pension obligations is inherently uncertain and requires expert judgement.</p> <p>External expert actuarial advice has been used in setting the key assumptions for the IAS 19 valuation, including the mortality, rates of inflation, salary increases and discount rate assumptions. Small changes in these assumptions can have a significant impact on the defined benefit pension obligations and the Company's net pension surplus.</p>	<p>For the valuation of defined benefit pension obligations, we performed the following procedures:</p> <ul style="list-style-type: none"> Assessed the qualifications and experience of the external actuary to determine if they have the knowledge and experience required to perform the valuation of the defined benefit pension schemes; and Challenged the key assumptions, including mortality, rates of inflation, salary increases and discount rates. In critically assessing the key assumptions, we have utilised our own pension valuation experts and considered benchmarking against available market data. <p>Based on the procedures performed and the evidence obtained, we consider the valuation of the defined benefit pension obligations to be appropriate.</p>

Independent auditors' report to the members of The British United Provident Association Limited 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 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 24 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, 82% of Group profit before taxation expense and 70% 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 Task Force on Climate-related Financial disclosure ("TCFD") report, as well as the Delivering Sustainability and ESG, Risk and Board Sustainability Committee reports.

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.

Independent auditors' report to the members of The British United Provident Association Limited continued

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.

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

	Financial statements - Group	Financial statements - Company
Overall materiality	£42.5 million (FY23: £40.3 million).	£9.3 million (FY23: £9.3 million).
How we determined it	5% of Profit before taxation expense adjusted for certain non-recurring items	1% of Total Assets
Rationale for benchmark applied	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 Total assets was the most appropriate benchmark. The primary purpose of the Company is as a holding company.

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 £31.9 million (FY23: £30.2 million) for the Group financial statements and £7.0 million (FY23: £7.0 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 £0.5 million (Company audit) (FY23: £0.5 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.

Independent auditors' report to the members of The British United Provident Association Limited continued

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.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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 Report of the Directors, 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 Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors 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 Report of the Directors.

Corporate governance statement

ISAs (UK) require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code, which the Company has voluntarily adopted as though it was subject to the Listing Rules of the Financial Conduct Authority. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Independent auditors' report to the members of The British United Provident Association Limited continued

Our review of the Directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the audit committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

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 pension legislation, 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 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;

Independent auditors' report to the members of The British United Provident Association Limited continued

- 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.

Other voluntary reporting

Directors' remuneration

The Company voluntarily prepares a Directors' Remuneration Report in accordance with the provisions of the Companies Act 2006. The Directors requested that we audit the part of the Directors' Remuneration Report specified by the Companies Act 2006 to be audited as if the company were a quoted company.

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

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	(4,960)	(4,443)
Other income and charges	2.4	331	42
Total other expenses, income and charges		(4,546)	(4,335)
Profit before financial income and expense		767	456
Financial income and expense			
Financial income	2.5	509	363
Financial expense	2.5	(197)	(192)
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	108

	Note	2024 £m	2023 £m
Profit before taxation expense		972	564
Taxation expense	2.6	(212)	(140)
Profit for the year		760	424
Attributable to:			
Bupa		772	422
Non-controlling interests	22	(12)	2
Profit for the year		760	424

Notes 1-27 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		760	424
Other comprehensive income/(expense)			
Items that will not be reclassified to the Income Statement			
Unrealised gain/(loss) on revaluation of property	4	123	(15)
Remeasurement loss on pension schemes	7	(65)	(40)
Taxation (charge)/credit on income and expenses recognised directly in other comprehensive income	2.6	(18)	14
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		(225)	(264)
Comprehensive income for the year		535	160
Attributable to:			
Bupa		547	160
Non-controlling interests		(12)	-
Comprehensive income for the year		535	160

Notes 1-27 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	3,178	2,705
Property, plant and equipment	4	3,737	3,629
Investment property	5	756	776
Equity-accounted investments	6	1,016	1,056
Post-employment benefit net assets	7	333	384
Deferred taxation assets	8	193	208
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		19	54
Inventories	13	67	76
Trade and other receivables	14	822	815
Assets held for sale	15	28	48
Cash and cash equivalents	16	1,992	2,278
Total assets		17,126	15,873
Liabilities			
Subordinated liabilities	17	(772)	(747)
Other interest-bearing liabilities	17	(759)	(1,090)
Post-employment benefit net liabilities	7	(46)	(51)
Lease liabilities	18	(884)	(900)
Deferred taxation liabilities	8	(195)	(243)
Share purchase liability	2.5, 23	(6)	-
Derivative liabilities	11	(40)	(63)
Provisions for liabilities and charges	19	(345)	(352)
Insurance contract liabilities	12.1	(3,064)	(2,608)
Current taxation liabilities		(68)	(35)
Trade and other payables	20	(2,869)	(2,462)
Liabilities associated with assets held for sale	15	(39)	(9)
Total liabilities		(9,087)	(8,560)
Net assets		8,039	7,313

	Note	2024 £m	2023 £m
Equity			
Foreign exchange translation reserve		21	241
Property revaluation reserve		668	601
Cash flow hedge reserve		-	(7)
Income and expenditure reserve		6,918	6,163
Equity attributable to the Company		7,607	6,998
Restricted Tier 1 notes	21	297	297
Non-controlling interests	22	135	18
Total equity		8,039	7,313

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

Roger Davis
Chairman

James Lenton
Group CFO

Notes 1-27 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		972	564
Adjustments for:			
Net financial income		(291)	(151)
Net monetary loss	1.7	16	18
Depreciation, amortisation and impairment	3, 4, 15	509	525
Other non-cash items ¹		(526)	(182)
Changes in working capital and provisions:			
Increase in insurance contract liabilities		336	342
Increase in reinsurance contract assets		(8)	(18)
Funded pension scheme employer contributions		(3)	(2)
(Increase)/decrease in trade and other receivables, and other assets		(51)	1
Increase in trade and other payables, and other liabilities		513	246
Cash generated from operations		1,467	1,343
Income taxation paid		(201)	(167)
Decrease in cash held in restricted assets		2	6
Net cash generated from operating activities		1,268	1,182
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	(170)	(122)
Purchase of property, plant and equipment	4	(311)	(266)
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)

	Note	2024 £m	2023 £m
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	240
Net cash used in investing activities		(983)	(154)
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 to non-controlling interests		(3)	(2)
Net cash used in financing activities		(465)	(69)
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

1. 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 23).

2. 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 1-27 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Note	Foreign exchange translation reserve £m	Property revaluation reserve £m	Cash flow hedge reserve £m	Income and expenditure reserve £m	Total attributable to the Company £m	Restricted Tier 1 notes £m	Non- controlling interests £m	Total equity £m
2024									
Balance as at 1 January 2024		241	601	(7)	6,163	6,998	297	18	7,313
Profit/(loss) for the year		-	-	-	772	772	-	(12)	760
Other comprehensive income/(expense)									
Unrealised gain on revaluation of property	4	-	123	-	-	123	-	-	123
Realised revaluation profit on disposal of property		-	(9)	-	9	-	-	-	-
Remeasurement loss on pension schemes	7	-	-	-	(65)	(65)	-	-	(65)
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	25.3	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)	-	4	(20)	-	(1)	(21)
Other comprehensive (expense)/income for the year, net of taxation		(220)	67	7	(79)	(225)	-	-	(225)
Total comprehensive (expense)/income for the year		(220)	67	7	693	547	-	(12)	535
Payment of Restricted Tier 1 coupon, net of taxation	2.6, 21	-	-	-	(9)	(9)	-	-	(9)
Recognition of share purchase liability	23	-	-	-	(111)	(111)	-	-	(111)
Release of share purchase liability	23	-	-	-	120	120	-	-	120
Gain on disposal/dilution of shares	23	-	-	-	62	62	-	-	62
Changes in non-controlling interests	22	-	-	-	-	-	-	132	132
Dividends paid to non-controlling interests		-	-	-	-	-	-	(3)	(3)
Balance as at 31 December 2024		21	668	-	6,918	7,607	297	135	8,039

Notes 1-27 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity continued

for the year ended 31 December 2024

	Note	Foreign exchange translation reserve £m	Property revaluation reserve £m	Cash flow hedge reserve £m	Income and expenditure reserve £m	Total attributable to the Company £m	Restricted Tier 1 notes £m	Non- controlling interests £m	Total equity £m
2023									
Balance as at 1 January 2023		437	634	-	5,777	6,848	297	20	7,165
Profit for the year		-	-	-	422	422	-	2	424
Other comprehensive income/(expense)									
Unrealised loss on revaluation of property	4	-	(15)	-	-	(15)	-	-	(15)
Realised revaluation profit on disposal of property		-	(5)	-	5	-	-	-	-
Remeasurement loss on pension schemes	7	-	-	-	(40)	(40)	-	-	(40)
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	25.3	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)
Taxation credit on income and expense recognised directly in other comprehensive income	2.6	-	-	-	14	14	-	-	14
Other comprehensive expense for the year, net of taxation		(196)	(33)	(7)	(26)	(262)	-	(2)	(264)
Total comprehensive (expense)/income for the year		(196)	(33)	(7)	396	160	-	-	160
Payment of Restricted Tier 1 coupon, net of taxation	2.6, 21	-	-	-	(10)	(10)	-	-	(10)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(2)	(2)
Balance as at 31 December 2023		241	601	(7)	6,163	6,998	297	18	7,313

Notes 1-27 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

Note 1: Basis of preparation

Basis of preparation in brief

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

The British United Provident Association Limited ('Bupa' or the 'Company'), a company limited by guarantee and incorporated in England and Wales and domiciled in the United Kingdom, 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 the ultimate parent entity of the 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).

Notes to the Consolidated Financial Statements continued

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.

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
Defined benefit pension obligations	<p>The Group's principal defined benefit scheme is in the UK, The Bupa Pension Scheme. The scheme closed to future accrual as at 31 December 2020, although members retain any ongoing salary link, with future benefits payable dependent upon member salary at the date of leaving or retirement.</p> <p>Sources of estimation uncertainty External actuarial advice has been taken in setting the key assumptions used in the valuation of the defined benefit pension obligations, which are the discount rate, rates of inflation, salary increases and mortality. As defined benefit schemes are long-term in nature these assumptions can be subject to uncertainty. In particular, inflation assumptions are term dependent and, due to the high inflationary environment, will reflect higher inflation expectations in the near term followed by an assumed fall back to more average rates over the longer term.</p>	7
Insurance contracts	<p>Accounting judgements Premium allocation approach (PAA) 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 Best estimate of claims provisioning 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

Notes to the Consolidated Financial Statements continued

Area	Details	Note
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</p> <p>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>	23
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</p> <p>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.

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 1-62](#). The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Group CFO's Review on [pages 17-19](#). The Directors' assessment of the Group's longer-term viability over a three-year period is described on [page 115](#).

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.

Notes to the Consolidated Financial Statements continued

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.

(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

Note 2: Operating segments

Operating segments in brief

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	<i>Bupa Health Insurance:</i> Health insurance, international health cover in Australia.
	<i>Bupa Health Services:</i> Health provision business, comprising dental, optical, audiology, medical assessment services, health centres and healthcare for the Australian Defence Force.
	<i>Bupa Villages and Aged Care Australia:</i> Nursing, residential, respite care and residential villages.
	<i>Bupa Villages and Aged Care New Zealand:</i> Nursing, residential, respite care and residential villages.
	<i>Bupa Hong Kong:</i> Domestic health insurance, primary healthcare and day care clinics including diagnostics.

Reportable segments Service and products

Europe and Latin America	<i>Sanitas Seguros:</i> Health insurance and related products in Spain.
	<i>Sanitas Dental:</i> Insurance and dental services through clinics and third-party networks in Spain.
	<i>Sanitas Hospitales and New Services:</i> Management and operation of hospitals, rehabilitation centres and health clinics in Spain.
	<i>Sanitas Mayores:</i> Nursing, residential and respite care in care homes and day centres in Spain.
	<i>LUX MED:</i> Medical subscriptions, health insurance, and the management and operation of diagnostics, health clinics and hospitals in Poland.
	<i>Bupa Acibadem Sigorta:</i> Domestic health insurance, related products and dental services through clinics in Türkiye.
	<i>Bupa Chile:</i> Domestic health funding and the management and operation of health clinics and hospitals in Chile.
	<i>Care Plus:</i> Domestic health insurance, dental services through clinics and a vaccination centre in Brazil.
	<i>Bupa Mexico:</i> Health insurance and the management and operation of a hospital in Mexico.
	<i>Bupa Global Latin America:</i> International health insurance.
Bupa Global, India and UK	<i>Bupa UK Insurance:</i> Domestic health insurance, and administration services for Bupa health trusts.
	<i>Bupa Dental Care UK:</i> Dental services and related products.
	<i>Bupa Care Services:</i> Nursing, residential, respite care and care villages.
	<i>Bupa Health Services:</i> Clinical services, health assessment related products and management and operation of a private hospital.
	<i>Bupa Global:</i> International health insurance to individuals, small businesses and corporate customers.
	<i>Associate:</i> Highway to Health (United States of America) (operating as GeoBlue).
Other businesses	From 2024:
	<i>Niva Bupa (India):</i> Health insurance and related products in India.
	<i>Associate:</i> Bupa Arabia (Kingdom of Saudi Arabia).
	Prior to 2024:
	<i>Associate:</i> Niva Bupa (India): Health insurance and related products in India.

Notes to the Consolidated Financial Statements continued

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.
- Net property revaluation gains/losses – short-term fluctuations which do not reflect underlying trading performance. This includes deficit 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.

Notes to the Consolidated Financial Statements continued

(i) Revenues

	Bupa Asia Pacific	Europe and Latin America	Bupa Global, India and UK	Other businesses	Group Functions	Adjustment ¹	Total
	£m	£m	£m	£m	£m	£m	£m
2024							
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
	£m	£m	£m	£m	£m	£m	£m
2023							
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

(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	446	442	230	97	(145)	-	1,070
Borrowing costs	-	-	(2)	-	(84)	-	(86)
Group investment funding	-	-	-	-	(70)	-	(70)
Consolidated underlying profit before taxation expense	446	442	228	97	(299)	-	914
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)	(6)	-	(26)
Net property revaluation gain	3	1	5	-	-	-	9
Realised and unrealised FX (loss)/gain	-	(2)	23	-	1	(12)	10
Amortisation of bed licenses	(13)	-	-	-	-	-	(13)
Other non-underlying items ^{2, 4}	(1)	(199)	(20)	309	-	-	89
Total non-underlying items							58
Consolidated profit before taxation expense							972

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 23).

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.

Notes to the Consolidated Financial Statements continued

2023	Bupa Asia Pacific	Europe and Latin America	Bupa Global and UK	Other businesses	Group Functions	Adjustment ¹	Total
	£m	£m	£m	£m	£m	£m	£m
Underlying profit	154	355	269	85	(130)	-	733
Borrowing costs	-	-	-	-	(82)	-	(82)
Group investment funding	-	-	-	-	(52)	-	(52)
Consolidated underlying profit before taxation expense	154	355	269	85	(264)	-	599
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)	(23)	27	-	-	(13)
Total non-underlying items							(35)
Consolidated profit before taxation expense							564

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

(iii) Other information

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

	Bupa Asia Pacific £m	Europe and Latin America £m	Bupa Global, India and UK £m	Other businesses £m	Group Functions £m	Total £m
2024						
Amortisation and depreciation costs	(152)	(191)	(134)	-	(6)	(483)
Unrealised gain on investment property	27	-	-	-	-	27
Surplus on revaluation of property	3	1	5	-	-	9
Share of profits from associates	-	-	5	89	-	94
2023						
Amortisation and depreciation costs	(179)	(194)	(117)	-	(6)	(496)
Unrealised gain on investment property	29	-	2	-	-	31
Deficit on revaluation of property	(3)	-	(18)	-	-	(21)
Share of profits from associates	-	-	3	80	-	83

Notes to the Consolidated Financial Statements continued

(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 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £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	2,912	2,739
Rest of the World	1,144	921	53	43	181	243
Total	12,233	10,770	4,691	4,346	8,732	8,206

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 £m	2023 £m	2024 £m	2023 £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

Note 2.1: Insurance service result

Insurance service result in brief

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.

	Note	2024 £m	2023 £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.

	Note	2024 £m	2023 £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

Note 2.2: Non-insurance revenues

Revenues in brief

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

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

	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

Notes to the Consolidated Financial Statements continued

Note 2.3: Other operating expenses

Other operating expenses in brief

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.

Other operating expenses

	Note	Expenses attributed to insurance acquisition cash flows ¹		Other directly attributable insurance expenses ¹		Other operating expenses		Total	
		2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Staff costs	2.3.1	149	108	944	834	2,366	2,163	3,459	3,105
Commissions		650	485	-	-	-	-	650	485
Medical supplies and fees		-	-	250	218	1,140	1,121	1,390	1,339
Property costs		4	2	57	59	247	264	308	325
Lease rentals and other expenses ²		2	3	7	5	28	22	37	30
Marketing costs		62	55	77	69	60	40	199	164
Catering and housekeeping costs		-	-	7	6	64	63	71	69
Consultancy fees		4	11	106	129	79	50	189	190
Net loss on foreign exchange transactions		-	-	10	4	1	-	11	4
Amortisation of intangible assets	3	4	-	66	65	98	117	168	182
Depreciation expense	4	2	-	87	82	239	236	328	318
Other operating expenses (including auditors' remuneration) ³	2.3.2	31	23	434	396	638	367	1,103	786
Total other operating expenses		908	687	2,045	1,867	4,960	4,443	7,913	6,997

1. 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.

2. Includes short-term and low-value lease rentals, and other lease expenses.

3. 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.

Notes to the Consolidated Financial Statements continued

2.3.1 Staff costs

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

	2024 £m	2023 £m
Wages and salaries	3,219	2,897
Social security costs	174	159
Contributions to defined contribution schemes	79	63
Other pension costs	(13)	(14)
Total staff costs	3,459	3,105

Information concerning individual Director's emoluments, interest and transactions is detailed in the Directors' Remuneration Report included on [pages 90-113](#) of this report. For the purposes of the disclosure required by Schedule 5 to the Companies Act 2006, the total aggregate emoluments of the Directors in respect of 2024 were £12m (2023: £7m). Employer contributions to pensions for Executive Directors for qualifying periods were £nil (2023: £nil).

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	32,056	24,273
Group Functions	619	539
Total average employee numbers	100,120	87,132

1. 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.

2.3.2 Auditors' remuneration

	2024 £m	2023 £m
Audit fees for the audit of the Company's annual accounts	1.1	0.9
<i>Fees payable to the Company's auditor and its associates for:</i>		
Audit fees for audit of Company's subsidiaries required by legislation	9.2	9.6
Audit fees for audit-related assurance services	1.6	1.4
Audit fees to the Company's auditors	11.9	11.9
<i>Fees payable to the Company's auditor and its associates for other services:</i>		
All other non-audit services	0.8	0.6
Total non-audit fees	0.8	0.6
Total auditors' remuneration	12.7	12.5

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

Notes to the Consolidated Financial Statements continued

Note 2.4: Other income and charges

Other income and charges in brief

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

	Note	2024 £m	2023 £m
Gain on dilution of ownership in Niva Bupa	6	-	27
Fair value gain on acquisition of Niva Bupa	23	309	-
Net loss on disposal and restructuring of businesses		(15)	(1)
Gain/(loss) on revaluation of property	4	9	(21)
Research and Development tax credit		1	-
Net gain on disposal of property, plant and equipment		-	6
Surplus on fair value of investment property		27	31
Total other income and charges		331	42

Note 2.5: Financial income and expense

Financial income and expense in brief

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.

	2024 £m	2023 £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 23 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 £m	2023 £m
Interest expense on financial liabilities at amortised cost	102	117
Finance charges in respect of leases and restoration provisions	51	51
Other financial expense	44	24
Total financial expense	197	192

Notes to the Consolidated Financial Statements continued

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.

Note 2.6: Taxation expense

Taxation expense in brief

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 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	18	12
UK taxation adjustments in respect of prior periods	11	5
Total UK current taxation expense	29	17
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	283	154
Deferred taxation (income)/expense		
Origination and reversal of temporary differences	(77)	(6)
Adjustments in respect of prior periods	6	(8)
Total deferred taxation income	(71)	(14)
Taxation expense	212	140

Notes to the Consolidated Financial Statements continued

(ii) Reconciliation of effective taxation rate

	2024 £m	2023 £m
Profit before taxation expense	972	564
UK corporation taxation rate	25%	23.5%
Tax at the UK corporation taxation rate	243	133
Effects of recurring taxation reconciliation items:		
Different taxation rates in foreign jurisdictions	(15)	5
Deductions not allowable for taxation purposes	40	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
	16	7
Effects of non-recurring taxation reconciliation items:		
Taxation adjustments in respect of prior periods	13	(9)
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)	-
Pension surplus deferred taxation liability revaluation ⁴	(47)	-
Non-residential buildings tax depreciation removal ⁵	22	-
	(47)	-
Taxation expense at the effective rate of 22% (2023: 25%)	212	140

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. The deferred taxation liability on the Bupa Pension Scheme surplus was revalued following a change in the UK taxation rate applying to authorised payments from 35% to 25%.

5. 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.

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

	2024 £m	2023 £m
Deferred taxation (charge)/credit in respect of:		
Unrealised gain on revaluation of property	(25)	-
Remeasurement loss on pension schemes	7	14
Other items including foreign exchange translation differences	(3)	-
Taxation (charge)/credit on income and expenses recognised directly in other comprehensive income	(21)	14
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

Notes to the Consolidated Financial Statements continued

Note 3: Goodwill and intangible assets

Goodwill and intangible assets in brief

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 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).

Notes to the Consolidated Financial Statements continued

	Goodwill £m	Computer software £m	Brands/ trademarks £m	Customer relationships £m	Other ¹ £m	Total £m
2024						
Cost						
At beginning of year	3,295	1,221	308	961	312	6,097
Arising on business combinations	574	3	2	40	1	620
Additions	-	147	-	-	23	170
Disposals	(8)	(41)	-	-	(1)	(50)
Other	-	(2)	-	-	-	(2)
Foreign exchange	(143)	(27)	(17)	(25)	(10)	(222)
At end of year	3,718	1,301	293	976	325	6,613
Amortisation and impairment loss						
At beginning of year	1,334	830	203	783	242	3,392
Amortisation for year	-	109	8	29	22	168
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	895	200	792	258	3,435
Net book value at end of year	2,428	406	93	184	67	3,178
Net book value at beginning of year	1,961	391	105	178	70	2,705

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

	Goodwill £m	Computer software £m	Brands/ trademarks £m	Customer relationships £m	Other ¹ £m	Total £m
2023						
Cost						
At beginning of year	3,349	1,198	322	956	326	6,151
Arising on business combinations	37	1	1	20	-	59
Additions	-	122	-	-	-	122
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	1,221	308	961	312	6,097
Amortisation and impairment loss						
At beginning of year	1,368	796	202	769	213	3,348
Amortisation for year	-	105	8	29	40	182
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	830	203	783	242	3,392
Net book value at end of year	1,961	391	105	178	70	2,705
Net book value at beginning of year	1,981	402	120	187	113	2,803

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

Notes to the Consolidated Financial Statements continued

Goodwill and intangible assets of £3,178m (2023: £2,705m) 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 £406m (2023: £391m) include £285m (2023: £279m) attributable to capitalised internal development costs. The cost attributable to these assets is £708m (2023: £663m). £119m of costs (2023: £102m) 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 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	-

Notes to the Consolidated Financial Statements continued

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

	2024 £m	2023 £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 23) 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 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.

Notes to the Consolidated Financial Statements continued

Note 4: Property, plant and equipment

Property, plant and equipment in brief

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

	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	1,320	335	1,654	19	5,459
Arising on business combinations	5	17	-	7	-	29
Additions	37	89	42	232	3	403
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	1,355	356	1,786	20	5,644
Depreciation and impairment loss						
At beginning of year	58	577	176	1,008	11	1,830
Depreciation charge for year	36	133	23	132	4	328
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	183	1,057	13	1,907
Net book value at end of year	2,085	743	173	729	7	3,737
Net book value at beginning of year	2,073	743	159	646	8	3,629

	Freehold property £m	Right-of-use asset property £m	Leasehold improvements £m	Owned equipment £m	Right-of-use asset equipment £m	Total £m
2023						
Cost or valuation						
At beginning of year	2,247	1,294	345	1,580	19	5,485
Arising on business combinations	3	-	-	2	-	5
Additions	37	74	38	191	3	343
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	1,320	335	1,654	19	5,459
Depreciation and impairment loss						
At beginning of year	37	540	192	991	10	1,770
Depreciation charge for year	36	133	23	122	4	318
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	176	1,008	11	1,830
Net book value at end of year	2,073	743	159	646	8	3,629
Net book value at beginning of year	2,210	754	153	589	9	3,715

Notes to the Consolidated Financial Statements continued

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.

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).

Notes to the Consolidated Financial Statements continued

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

	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).

Note 5: Investment property

Investment property in brief

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

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.

Notes to the Consolidated Financial Statements continued

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).

Note 6: Equity-accounted investments

Equity-accounted investments in brief

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 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 23.

Notes to the Consolidated Financial Statements continued

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 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £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 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £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

Note 7: Post-employment benefits

Post-employment benefits in brief

The Group operates several funded defined benefit and defined contribution pension schemes for the benefit of employees and Directors, in addition to an unfunded scheme and a post-retirement medical benefit scheme.

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 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 the net interest cost and 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 amounts (credited)/charged to other operating expenses for the year are:

	2024 £m	2023 £m
Net interest income on defined benefit liability/asset	(16)	(18)
Administrative expenses	2	4
Total amount credited to the Consolidated Income Statement	(14)	(14)

The charge to operating expenses in respect of cash contributions to defined contribution schemes is £79m (2023: £63m).

(ii) Amounts recognised directly in other comprehensive income

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

	2024 £m	2023 £m
Actual return less expected return on assets	167	28
(Gain)/loss arising from changes to financial assumptions	(122)	8
Loss arising from changes to experience assumptions	23	65
Gain arising from changes to demographic assumptions	(3)	(61)
Total remeasurement loss charged directly to equity	65	40

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. Contributions by employees and by Group companies were paid into separate funds administered by a corporate trustee. Following the closure of this scheme to future accrual, existing members retain any ongoing salary link, with future benefits payable dependent upon member salary at the date of leaving or retirement. Existing current employees who were members of The Bupa Pension Scheme were automatically enrolled into the defined contribution pension scheme, the My Bupa LifeSight Plan from 1 January 2021.

The recognised surplus in relation to The Bupa Pension Scheme is limited to the present value of any future refunds from the scheme in the event of a wind up. There are no minimum funding requirements in place and the Trustees do not have the unilateral power to trigger a wind up of the scheme. Once all members have left the scheme, the Group can wind up the scheme and is entitled to any remaining surplus.

Contributions by Group companies to this scheme have been made in accordance with the recommendations of the independent scheme actuary.

The independent scheme actuary for The Bupa Pension Scheme performs detailed triennial valuations together with annual interim reviews. Both triennial and interim valuations use the attained age method, recognising the closure of the scheme to new entrants.

Notes to the Consolidated Financial Statements continued

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 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.

In June 2023, the High Court handed down a decision in the Virgin Media Ltd versus NTL Pension Trustees II Ltd, which considered the implications of section 37 of the Pension Schemes Act 1993, which required that the rules of a salary-related contracted-out pension scheme cannot be altered, in relation to post April 1997 service, unless the actuary confirmed that the scheme would continue to satisfy the statutory standards. The High Court found that, where the required actuarial confirmation was not supplied, the effect of section 37 was to render the relevant amendment to any contracted-out right automatically void. It also held that references in the legislation included both past and future service rights and that the requirement for actuarial confirmation applied to all amendments to the rules of a contracted-out scheme. This decision was appealed to the Court of Appeal and, in July 2024, the Court of Appeal upheld the decision of the High Court.

The Group is awaiting the assessments of the Trustees of the defined benefit pension schemes which is yet to begin because the Trustees, acting on advice, are awaiting more clarity as to whether any subsequent actions or amendments to liabilities are required and will continue to monitor developments. The Group has considered information available to it and has concluded not to make any allowance for the possible impact of the ruling in its IAS 19 liabilities as it is currently unclear whether any additional liabilities might arise, and if they were to arise, how they would be reliably measured.

Unfunded schemes

Unfunded defined benefit pension arrangements exist for certain former employees to provide benefits in addition to the funded pension arrangements provided by the Group. There are no separate funds or assets in the Consolidated Statement of Financial Position

to support the unfunded schemes; however, cash deposits included in the Consolidated Statement of Financial Position in respect of these liabilities and assets are ring-fenced to support these liabilities (see Note 9).

The latest valuation of these arrangements was performed as at 31 December 2024 under IAS 19 by the Group's independent actuary. The charge to the Consolidated Income Statement in respect of these arrangements and the assessment of the related pension liability as at 31 December 2024 have been made in accordance with this latest valuation, which used the same principal assumptions as adopted as at 31 December 2024 under IAS 19 for The Bupa Pension Scheme.

Post-retirement medical benefit scheme

The Group also provides unfunded post-retirement medical benefits for certain former employees. These benefits were granted under an agreement which closed to new entrants in 1992. The latest valuation of this scheme was performed on 31 December 2024 by an actuary employed by the Group using the same principal assumptions as adopted as at 31 December 2024 under IAS 19 for The Bupa Pension Scheme.

Assets and liabilities of schemes

	Pension schemes		Post-retirement medical benefit scheme		Total	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Present value of funded obligations	(1,084)	(1,180)	-	-	(1,084)	(1,180)
Fair value of scheme assets	1,412	1,556	-	-	1,412	1,556
Net assets of funded schemes	328	376	-	-	328	376
Present value of unfunded obligations	(38)	(40)	(3)	(3)	(41)	(43)
Net recognised assets/(liabilities)	290	336	(3)	(3)	287	333
In the Consolidated Statement of Financial Position:						
Net liabilities					(46)	(51)
Net assets					333	384
Net recognised assets					287	333

Notes to the Consolidated Financial Statements continued

Present value of schemes' obligations

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

	Pension schemes		Post-retirement medical benefit scheme		Total	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
At beginning of year	1,220	1,202	3	4	1,223	1,206
Current service costs	1	-	-	-	1	-
Interest on obligations	57	59	-	-	57	59
Administration expenses	-	2	-	-	-	2
(Gain)/loss from changes to financial assumptions	(122)	8	-	-	(122)	8
Loss from changes to experience assumptions	23	65	-	-	23	65
Gain from changes to demographic assumptions	(3)	(61)	-	-	(3)	(61)
Benefits paid	(54)	(54)	-	(1)	(54)	(55)
Foreign exchange	-	(1)	-	-	-	(1)
At end of year	1,122	1,220	3	3	1,125	1,223

(iii) Fair value of funded schemes' assets

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

	2024 £m	2023 £m
At beginning of year	1,556	1,561
Interest income	73	77
Return on assets excluding interest income	(167)	(28)
Contributions by employer	3	2
Administration expenses	(2)	(2)
Benefits paid	(51)	(53)
Foreign exchange	-	(1)
At end of year	1,412	1,556

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

	2024 £m	2024 %	2023 £m	2023 %
Pooled investment funds	482	34	601	39
Corporate bonds	435	31	533	34
Loans	196	14	190	12
Cash/other assets	277	20	147	9
Government bonds	58	4	100	7
Equities	19	1	17	1
Derivatives	(55)	(4)	(32)	(2)
Total market value	1,412	100	1,556	100

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

Aside from sole investor funds reported in the pooled investment funds line above, amounts reported include those held through pooled investment funds in which Bupa is not the sole investor, as well as direct investments.

Notes to the Consolidated Financial Statements continued

The Group's sole investor fund comprises:

	2024 £m	2023 £m
Government bonds	626	743
Derivatives	(250)	(275)
Cash/other assets	106	133
Total market value	482	601

The Group has previously taken steps to de-risk The Bupa Pension Scheme's investment strategy. The main return-seeking asset class in the scheme, including the underlying assets of the pooled investment funds, is credit; there is minimal remaining market risk from equities or property. The scheme's liabilities will fluctuate in line with interest rates and inflation. However, The Bupa Pension Scheme's investment strategy aims to hedge against interest and inflation risk as measured on a long-term funding basis, via a liability-driven investment strategy that utilises a combination of high-quality gilts and swaps. This means that on a funding valuation basis, assets will move broadly in the same direction as the liabilities, although this can differ under the IAS 19 valuation.

Given the scheme's asset holdings, the key remaining risk in The Bupa Pension Scheme's investment strategy is credit risk. This is managed via limits on credit quality of counterparties, collateral arrangements in the case of derivatives and repurchase agreements and regular monitoring of investment managers. Holdings of corporate instruments are highly diversified by issuer, economic sector and geography. The specific risks associated with the derivatives used in the hedging programme are managed via limits on leverage, stress testing of collateral requirements, and by maintaining a prudent buffer of liquid assets to meet potential collateral calls.

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:

	Funded schemes		Unfunded schemes	
	2024 %	2023 %	2024 %	2023 %
Inflation rate	3.2	3.2	3.2	3.2
Rate of increase in salaries	3.7	3.7	-	-
Rate of increase of pensions in payment	3.9	3.0	3.9	3.9
Rate of increase of pensions in deferment	2.9	3.0	3.9	3.9
Discount rate for scheme assets and obligations	5.6	4.8	5.6	4.8
Medical cost trend	-	-	6.1	5.5

(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.

Notes to the Consolidated Financial Statements continued

Sensitivity analysis of the principal assumptions used to measure scheme liabilities

The sensitivity analysis provided below is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and experience variations for some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the pension liability recognised within the Consolidated Statement of Financial Position.

	Discount rate	Rate of inflation	Rate of increase in salaries	Life expectancy
2024				
Change in assumption	Increase/decrease by 0.5%	Increase/decrease by 0.25%	Increase/decrease by 0.25%	Increase/decrease by 1 year
Indicative impact on scheme liabilities	Decrease £65m/increase £76m	Increase/decrease £33m	Increase/decrease £2m	Increase/decrease £30m
2023				
Change in assumption	Increase/decrease by 0.5%	Increase/decrease by 0.25%	Increase/decrease by 0.25%	Increase/decrease by 1 year
Indicative impact on scheme liabilities	Decrease £78m/increase £89m	Increase/decrease £37m	Increase/decrease £2m	Increase/decrease £33m

(b) Mortality assumptions

The Trustees of The Bupa Pension Scheme undertook a scheme-specific mortality investigation as part of the 1 July 2023 triennial valuation. Assumptions have been adopted in line with this analysis for the purposes of IAS 19 valuation as at 31 December 2024.

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 13 years (2023: approximately 14 years).

Notes to the Consolidated Financial Statements continued

Note 8: Deferred taxation assets and liabilities

Deferred taxation assets and liabilities in brief

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 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Accelerated capital allowances	52	66	(116)	(56)	(64)	10
Post-employment benefits	3	2	(75)	(128)	(72)	(126)
Employee benefits (other than post-employment)	84	84	-	(4)	84	80
Revaluation of properties to fair value	3	1	(104)	(84)	(101)	(83)
Provisions	104	112	-	-	104	112
Taxation value of losses carried forward	149	84	-	-	149	84
Goodwill and intangible assets	9	10	(117)	(116)	(108)	(106)
Other	18	37	(12)	(43)	6	(6)
Deferred taxation (before allowable netting)	422	396	(424)	(431)	(2)	(35)
Allowable netting of deferred taxation	(229)	(188)	229	188	-	-
Deferred taxation - net	193	208	(195)	(243)	(2)	(35)

The UK deferred tax liability relating to the pension surplus at 1 January 2024 was reduced by £38m following a change in the UK tax rate applying to authorised payments from defined benefit pension schemes from 35% to 25%. The UK deferred tax liability of £83m (2023: £134m) relating to the Bupa Pension Scheme surplus has not been offset with other UK deferred tax assets on the basis that an authorised surplus repayment charge may not be reduced by the utilisation of tax losses arising in the UK group of entities.

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

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	10	(78)	-	1	-	3	(64)
Post-employment benefits	(126)	47	7	-	-	-	(72)
Employee benefits (other than post-employment)	80	9	-	-	-	(5)	84
Revaluation of properties to fair value	(83)	-	(25)	-	-	7	(101)
Provisions	112	8	-	(5)	-	(11)	104
Taxation value of losses carried forward	84	59	-	9	-	(3)	149
Goodwill and intangible assets	(106)	(1)	-	(10)	-	9	(108)
Other	(6)	27	(3)	1	(15)	2	6
Total	(35)	71	(21)	(4)	(15)	2	(2)

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	28	(15)	-	-	-	(3)	10
Post-employment benefits	(128)	(12)	14	-	-	-	(126)
Employee benefits (other than post-employment)	61	21	-	-	-	(2)	80
Revaluation of properties to fair value	(86)	(2)	-	-	-	5	(83)
Provisions	117	4	-	-	-	(9)	112
Taxation value of losses carried forward	63	25	-	-	(1)	(3)	84
Goodwill and intangible assets	(123)	14	-	-	(1)	4	(106)
Other	10	(21)	-	-	-	5	(6)
Total	(58)	14	14	-	(2)	(3)	(35)

Notes to the Consolidated Financial Statements continued

Note 9: Restricted assets

Restricted assets in brief

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 £m	2023 £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 the unfunded pension scheme obligations (see Note 7). Included in current restricted assets is £103m (2023: £85m) cash in respect of claims funds held on behalf of corporate customers.

Note 10: Financial investments

Financial investments in brief

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 25.5.

Notes to the Consolidated Financial Statements continued

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

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

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

Notes to the Consolidated Financial Statements continued

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).

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

Level 3	2024 £m	2023 £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

Note 11: Derivatives

Derivatives in brief

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 25 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 £m	2023 £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

Note 12: Insurance and reinsurance contracts

Insurance and reinsurance contracts in brief

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.

Notes to the Consolidated Financial Statements continued

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 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.

Notes to the Consolidated Financial Statements continued

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 Acibadem 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 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 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £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

12.1 Insurance contracts roll forward

	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 ²	Risk adjustment £m	£m
For year ended 31 December 2024					
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)	(159)	-	102
Non-distinct investment components	(23)	-	23	-	-
Cash flows					
Premiums received	12,518	-	-	-	12,518
Claims and other expenses paid	-	-	(11,361)	-	(11,361)
Insurance acquisition cash flows	(106)	-	-	-	(106)
Total cash flows	12,412	-	(11,361)	-	1,051
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 23.

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 £159m 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

	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component £m	Loss component £m	Estimates of present value of future cash flows £m ¹	Risk adjustment £m	£m
For year ended 31 December 2023					
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.

Notes to the Consolidated Financial Statements continued

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.

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 23.

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.

Notes to the Consolidated Financial Statements continued

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.

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 LFR. 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.

Notes to the Consolidated Financial Statements continued

Note 13: Inventories

Inventories in brief

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.

Note 14: Trade and other receivables

Trade and other receivables in brief

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

	Note	2024 £m	2023 £m
Trade receivables	(a)	435	414
Other receivables	(a)	153	157
Service concession receivables	(b)	-	30
Prepayments		156	152
Contract costs		2	3
Accrued income		76	59
Total trade and other receivables		822	815
Non-current		27	23
Current		795	792

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 25.5.

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 25.5. 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.

Notes to the Consolidated Financial Statements continued

Note 15: Assets and liabilities held for sale

Assets and liabilities held for sale in brief

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.

Assets and liabilities classified as held for sale

	2024 £m	2023 £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.

Note 16: Cash and cash equivalents

Cash and cash equivalents in brief

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 and which are subject to an insignificant risk of change in value.

	2024 £m	2023 £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.

Notes to the Consolidated Financial Statements continued

Note 17: Borrowings

Borrowings in brief

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.

	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 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £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.

Notes to the Consolidated Financial Statements continued

On 25 June 2020, Bupa Finance plc 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 Bupa Finance plc, the claims of the bondholders are subordinated to the claims of other creditors of that company.

On 8 December 2016, Bupa Finance plc 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 Bupa Finance plc, the claims of the bondholders are subordinated to the claims of other creditors of that company.

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

(b) Senior unsecured bonds

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

On 12 October 2023, Bupa Finance plc issued €500m of senior unsecured bonds, guaranteed by the Company, 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, Bupa Finance plc issued £300m of senior unsecured bonds, guaranteed by the Company, 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 25.4 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).

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The facility was undrawn at 31 December 2024 (2023: undrawn). Drawings under the £900m facility are guaranteed by the Company. 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.

Notes to the Consolidated Financial Statements continued

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).

Note 18: Leases

Leases in brief

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.

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.

Notes to the Consolidated Financial Statements continued

	2024 £m	2023 £m
Lease liabilities		
At beginning of the year	900	932
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	884	900
Non-current	752	769
Current	132	131

See Note 25.6 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.

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).

Notes to the Consolidated Financial Statements continued

Note 19: Provisions for liabilities and charges

Provisions for liabilities and charges in brief

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 £m	Customer remediation and legal provisions £m	Insurance provisions £m	Provision for underpayment of employee entitlements £m	Property restoration provision £m	NHS dental contract clawback provision £m	Contract provisions £m	Chile payment plan provision £m	Other £m	Total £m
2024										
At beginning of year	101	15	17	23	27	56	57	-	56	352
Arising on business combinations	2	-	-	-	-	-	-	-	-	2
Interest on obligations	-	-	-	-	1	-	-	-	-	1
Charge for year	63	16	10	9	3	42	16	215	22	396
Released in year	(2)	(8)	-	(1)	(1)	(8)	-	(215)	(8)	(243)
Utilised in year	(41)	(1)	(15)	(11)	(1)	(58)	(6)	-	(11)	(144)
Foreign exchange	(10)	(2)	-	(3)	(1)	-	(1)	-	(2)	(19)
Total provisions for liabilities and charges	113	20	12	17	28	32	66	-	57	345
Non-current	29	12	9	-	22	-	47	-	21	140
Current	84	8	3	17	6	32	19	-	36	205

Notes to the Consolidated Financial Statements continued

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.

Insurance provisions

Insurance provisions are in respect of the Group's self-insurance and cover the excess that arises on claims made in relation to losses arising from damage to property, business interruption and medical, employee or public liability. Any outflows relating to this provision are dependent on the frequency and value of claims submitted as well as the excess amount specified within individual policies with insurers. The fund is actuarially assessed twice a year to ensure that the provision is adequate.

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.

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.

Notes to the Consolidated Financial Statements continued

Note 20: Trade and other payables

Trade and other payables in brief

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

	Note	2024 £m	2023 £m
Accruals		1,037	911
Refundable accommodation deposits	(a)	474	464
Trade payables		345	311
Other payables ¹		432	197
Occupational right agreement liabilities	(b)	377	387
Deferred revenue	(c)	136	116
Social security and other taxes		68	76
Total trade and other payables		2,869	2,462
Non-current		201	49
Current		2,668	2,413

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 25.6.

(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.

(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 £m	2023 £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.

Notes to the Consolidated Financial Statements continued

Note 21: Restricted Tier 1 (RT1) notes

RT1 notes in brief

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 £m	2023 £m
Restricted Tier 1 notes	297	297

On 24 September 2021, Bupa Finance plc 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 Bupa Finance plc, 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 Bupa Finance plc on the occurrence of certain trigger events.

Note 22: Non-controlling interests

Non-controlling interests in brief

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

(a) 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 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 23.

In November 2024, Niva Bupa successfully completed an IPO, reducing the Group's shareholding to 55.98% (See Note 23).

	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

Notes to the Consolidated Financial Statements continued

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)/income 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 Bupa¹ 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.

(b) 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.

Notes to the Consolidated Financial Statements continued

Note 23: Business combinations and disposals

Business combinations and disposals in brief

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.

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

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 £971m for the year ended 31 December 2024.

Notes to the Consolidated Financial Statements continued

(b) 2024 disposals

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

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 £567m 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.

Notes to the Consolidated Financial Statements continued

Note 24: Capital management

Capital management in brief

Bupa is a company limited by guarantee, with no shareholders. It is funded through retained earnings and borrowings. The Group'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 the Group's business for the benefit of current and future customers.

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

The Group 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.

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

The Group's capital resources are managed in line with the Group Capital Management Policy. While the Group is subject to the UK Solvency II requirements at a Group 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, the Group 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, the Group 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.

The Group has target ranges for solvency and leverage ratios with a view to maintaining investment grade access to both senior and subordinated bond markets. The Group 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 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 the Group's strategy and risk appetite. The conclusions from these activities are summarised in the ORSA report which is reviewed by the Risk Committee, approved by the Board and submitted to the PRA annually.

The Group's eligible Own Funds include the 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, the Group'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 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.

Notes to the Consolidated Financial Statements continued

Note 25: Risk management

Risk management in brief

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 56-62](#).

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.

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

25.1 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.

Notes to the Consolidated Financial Statements continued

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.

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 25.3.

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.

Notes to the Consolidated Financial Statements continued

25.2 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.

25.3 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.

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.

Notes to the Consolidated Financial Statements continued

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.

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.

Notes to the Consolidated Financial Statements continued

	2024 £m	2023 £m
Notional amounts	26	261
Carrying amount – Liabilities	–	(7)
Financial statement line item	Derivative assets/liabilities	Derivative assets/liabilities
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.

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.

Notes to the Consolidated Financial Statements continued

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 £m	2023 £m
Notional amounts	1,340	1,527
Carrying amount – Assets	44	22
Carrying amount – Liabilities ¹	(429)	(458)
Financial statement line item	Derivative assets/ Derivative liabilities/Other interest-bearing liabilities	Derivative assets/ Derivative liabilities/Other interest-bearing liabilities
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 £m	Currency contracts £m	Net currency exposure including hedges £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	70%		57%

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.

	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	72%		58%

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

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	30%	1%	29%

	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	27%	1%	26%

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.

	Strengthening 10%		Weakening 10%	
	(Losses)/gains included in Consolidated Income Statement £m	(Losses)/gains included in equity £m	Gains/(losses) included in Consolidated Income Statement £m	Gains/(losses) included in equity £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 £m	(Losses)/gains included in equity £m	Gains included in Consolidated Income Statement £m	Gains/(losses) included in equity £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

Notes to the Consolidated Financial Statements continued

25.4 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).

25.5 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

Notes to the Consolidated Financial Statements continued

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.

	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
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.

Notes to the Consolidated Financial Statements continued

Information regarding the ageing and impairment of financial assets is shown below.

	Not past due £m	0-3 months £m	3-6 months £m	6 months - 1 year £m	Greater than 1 year £m	Total carrying value £m
2024						
Trade and other receivables gross value	391	128	44	52	124	739
ECL	(22)	(6)	(3)	(8)	(36)	(75)
Trade and other receivables net value¹	369	122	41	44	88	664

¹ Comprises trade receivables, other receivables, service concession receivables and accrued income detailed in Note 14.

	Not past due £m	0-3 months £m	3-6 months £m	6 months - 1 year £m	Greater than 1 year £m	Total carrying value £m
2023						
Trade and other receivables gross value	354	135	57	56	115	717
ECL	(10)	(3)	(5)	(9)	(30)	(57)
Trade and other receivables net value¹	344	132	52	47	85	660

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 £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
2024												
At beginning of year	547	(3)	1,074	(1)	1,091	(1)	717	(57)	122	-	2,278	-
Recognition and settlement ²	410	(1)	762	(2)	26	-	59	(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	-	739	(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 23.

Notes to the Consolidated Financial Statements continued

	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
2023												
At beginning of year	490	(3)	1,156	(1)	1,231	(1)	816	(38)	119	-	1,403	-
Recognition and settlement	67	-	(33)	-	(93)	-	(43)	(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)	717	(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

Notes to the Consolidated Financial Statements continued

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.

25.6 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).

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)	(177)	(2,897)	(2,445)	(10)	(5,592)
2026	(437)	(30)	(153)	(122)	(54)	(1)	(797)
2027	(17)	(323)	(136)	(34)	(26)	(29)	(565)
2028	(17)	(21)	(118)	(9)	(19)	-	(184)
2029	(17)	(21)	(100)	(2)	(17)	-	(157)
2030-2034	(101)	(434)	(277)	-	(89)	-	(901)
After 2034	(357)	-	(249)	-	(73)	-	(679)
Total	(983)	(855)	(1,210)	(3,064)	(2,723)	(40)	(8,875)
Carrying value in the Consolidated Statement of Financial Position	(772)	(759)	(884)	(3,064)	(2,665)	(40)	(8,184)

1. Comprises accruals, refundable accommodation deposits, trade payables, other payables and occupational rights agreement liabilities detailed in Note 20.

Notes to the Consolidated Financial Statements continued

	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)	(2,227)	(21)	(5,277)
2025	(34)	(56)	(166)	(65)	(26)	(8)	(355)
2026	(434)	(27)	(143)	(18)	(10)	-	(632)
2027	(14)	(325)	(128)	(4)	(5)	(34)	(510)
2028	(14)	(22)	(135)	(2)	(2)	-	(175)
2029-2033	(73)	(476)	(294)	(6)	-	-	(849)
After 2033	(372)	-	(259)	(38)	-	-	(669)
Total	(976)	(1,235)	(1,315)	(2,608)	(2,270)	(63)	(8,467)
Carrying value in the Consolidated Statement of Financial Position	(747)	(1,090)	(900)	(2,608)	(2,270)	(63)	(7,678)

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.

Notes to the Consolidated Financial Statements continued

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:

	Cash and cash equivalents £m	Deposits with credit institutions £m	Government debt securities £m	Corporate debt securities, other loans and equities £m	Pooled investment funds £m	Total £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 £m	Deposits with credit institutions £m	Government debt securities £m	Corporate debt securities, other loans and equities £m	Pooled investment funds £m	Total £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

Notes to the Consolidated Financial Statements continued

Note 26: Related party transactions

Related party transactions in brief

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 associated pension arrangements. 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 £12m (2023: £7m) as disclosed on [pages 90-113](#) of this report.

The total remuneration of the Market Unit Chief Executive Officers is as follows:

	2024 £'000	2023 £'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).

(ii) Transactions in relation to the non-registered pension arrangements

The Company has made pension commitments to certain former Executive Directors and key management personnel through a non-registered unfunded pension arrangement which mirrors the terms of The Bupa Pension Scheme (see Note 7). These unfunded benefits are governed by The Law Debenture Pension Trust Corporation plc which is the Trustee of the unfunded scheme and is secured by a charge over £32m (2023: £33m) of cash deposits (see Note 9).

Note 27: Commitments and contingencies

Commitments and contingencies in brief

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.

Financial Statements of the Company

Statement of Financial Position

as at 31 December 2024

	Note	2024 £m	2023 £m
Assets			
Intangible assets	A	33	45
Property, plant and equipment	B	26	24
Investment in subsidiaries	C	200	200
Post-employment benefit net assets	D	331	382
Deferred taxation assets	E	112	83
Current taxation asset		53	38
Trade and other receivables	F	179	159
Total assets		934	931
Liabilities			
Post-employment benefit net liabilities	D	(39)	(43)
Lease liabilities	G	(6)	(6)
Deferred taxation liabilities	E	(83)	(134)
Provisions for liabilities and charges	H	(12)	(17)
Current taxation liabilities		(1)	-
Trade and other payables	I	(267)	(218)
Total liabilities		(408)	(418)
Net assets		526	513
Equity			
Income and expenditure reserve		526	513
Total equity		526	513

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

Roger Davis
Chairman

James Lenton
Group CFO

Notes A-L form the associated notes to the Company financial statements.

The Company accounting policies are aligned with those of the Group, described in Notes 1-27, except as described in Notes A-L below.

Income Statement and Statement of Comprehensive Income

For the year ended 31 December 2024

The profit for the year recorded within the financial statements of the Company, The British United Provident Association Limited (Bupa), is £71m (2023: profit of £16m). In accordance with the exemption granted under Section 408 of the Companies Act 2006, a separate Income Statement and Statement of Comprehensive Income for the Company have not been presented. The average number of employees, including Executive Directors, employed by the Company during the year was 2,555 (2023: 2,450).

Financial Statements of the Company continued

Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Operating activities			
Loss before taxation expense ¹		(20)	(19)
<i>Adjustments for:</i>			
Net financial expense		-	2
Depreciation, amortisation and impairment		27	29
Other non-cash items		(17)	(20)
<i>Changes in working capital and provisions:</i>			
Funded pension scheme employer contributions	D	(1)	(1)
(Decrease)/increase in provisions for liabilities and charges		(4)	2
Increase in trade and other receivables, and other assets		(20)	(1)
Increase in trade and other payables, and other liabilities		49	12
Cash generated from operations		14	4
Income taxation payments received for group relief		4	8
Net cash generated from operating activities		18	12
Cash flow from investing activities			
Purchase of intangible assets	A	(8)	(5)
Purchase of property, plant and equipment	B	(10)	(6)
Interest received		-	1
Net cash used in investing activities		(18)	(10)
Cash flow from financing activities			
Interest paid		-	(2)
Net cash used in financing activities		-	(2)
Net change in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		-	-

1. Loss before taxation expense includes £164m (2023: £134m) income related to dividends received.

Notes A-L form the associated notes to the Company financial statements.

The Company accounting policies are aligned with those of the Group, described in Notes 1-27, except as described in Notes A-L below.

Statement of Changes in Equity

For the year ended 31 December 2024

	Note	Income and expenditure reserve £m	Total equity £m
2024			
Balance as at 1 January 2024		513	513
Profit for the year		71	71
Other comprehensive income/(expense)			
Remeasurement loss on pension schemes	D	(65)	(65)
Taxation credit on income and expense recognised directly in other comprehensive income	E	7	7
Other comprehensive expense for the year, net of taxation		(58)	(58)
Total comprehensive income for the year		13	13
Balance as at 31 December 2024		526	526
		Income and expenditure reserve £m	Total equity £m
2023			
Balance as at 1 January 2023		523	523
Profit for the year		16	16
Other comprehensive income/(expense)			
Remeasurement loss on pension schemes	D	(40)	(40)
Taxation credit on income and expense recognised directly in other comprehensive income	E	14	14
Other comprehensive expense for the year, net of taxation		(26)	(26)
Total comprehensive expense for the year		(10)	(10)
Balance as at 31 December 2023		513	513

Notes A-L form the associated notes to the Company financial statements.

The Company accounting policies are aligned with those of the Group, described in Notes 1-27, except as described in Notes A-L below.

Notes to the Financial Statements of the Company

A. Intangible assets

Intangible assets are non-physical assets held by the Company and consist of computer software only.

	2024 £m	2023 £m
Cost		
At beginning of year	171	166
Additions	8	5
Disposals	(1)	-
At end of year	178	171
Amortisation and impairment loss		
At beginning of year	126	103
Amortisation for year	19	23
At end of year	145	126
Net book value at end of year	33	45
Net book value at beginning of year	45	63

Notes to the Financial Statements of the Company continued

B. Property, plant and equipment

Property, plant and equipment are the physical assets utilised by the Company to carry out business activities and generate revenues and profits. The majority of the assets relate to office buildings, IT and other office 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	6	15	48	69	6	14	43	63
Additions	-	2	8	10	-	1	5	6
At end of year	6	17	56	79	6	15	48	69
Depreciation and impairment loss								
At beginning of year	-	11	34	45	-	10	29	39
Depreciation charge for year	-	1	7	8	-	1	5	6
At end of year	-	12	41	53	-	11	34	45
Net book value at end of year	6	5	15	26	6	4	14	24
Net book value at beginning of year	6	4	14	24	6	4	14	24

Notes to the Financial Statements of the Company continued

C. Investment in subsidiaries

Investments in subsidiaries are carried at cost less impairment in the Company's financial statements.

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 Income Statement.

Dividends received from subsidiaries are recognised in the Income Statement when the right to receive the dividend is established.

As at 31 December 2024, the Company held investments in subsidiaries of £200m (2023: £200m). In accordance with Section 409 of the Companies Act 2006, a full list of subsidiaries, associated undertakings and significant holdings in undertakings other than subsidiaries, the registered addresses and the effective percentage of equity owned, as at 31 December 2024, is disclosed after the Company financial statements.

D. Post-employment benefits

The Company operates defined benefit schemes and a defined contribution pension scheme for the benefit of employees and Directors, in addition to an unfunded pension scheme and a post-retirement medical benefit scheme.

The main defined benefit scheme 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, although members retain any ongoing salary link, with future benefits payable dependent upon member salary at the date of leaving or retirement. Existing current employees who were members of The Bupa Pension Scheme were automatically enrolled into a defined contribution scheme, the My Bupa LifeSight Plan, from 1 January 2021.

The recognised surplus in relation to The Bupa Pension Scheme is limited to the present value of any future refunds from the scheme in the event of a wind up. There are no minimum funding requirements in place and the Trustees do not have the unilateral power to trigger a wind up of the Scheme. Once all members have left the scheme, the Company can wind up the scheme and is entitled to any remaining surplus.

During the year, deficit reduction contributions of £1m (2023: £1m) were paid and a further deficit reduction contribution of £1m is due for 2025 in respect of the smaller defined benefit scheme.

The Company is the sponsoring employer for The Bupa Pension Scheme, the unfunded pension scheme and post-retirement medical benefit scheme described in Note 7.1. The actuarial assumptions underlying the valuation of obligations are detailed in Note 7.2.

Notes to the Financial Statements of the Company continued

(i) Assets and liabilities of schemes

The assets and liabilities in respect of the defined benefit funded pension schemes, unfunded pension scheme and post-retirement medical benefit scheme are as follows:

	Note	Pension schemes		Post-retirement medical benefit scheme		Total	
		2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Present value of funded obligations	(ii)	(1,032)	(1,125)	-	-	(1,032)	(1,125)
Fair value of plan assets	(iii)	1,363	1,506	-	-	1,363	1,506
Net assets of funded schemes		331	381	-	-	331	381
Present value of unfunded obligations	(ii)	(36)	(39)	(3)	(3)	(39)	(42)
Net recognised assets/(liabilities)		295	342	(3)	(3)	292	339
In the Statement of Financial Position:							
Net assets						331	382
Net liabilities						(39)	(43)
Net recognised assets						292	339

(ii) Present value of the schemes' obligations

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

	Pension schemes		Post-retirement medical benefit scheme		Total	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
At beginning of year	1,164	1,148	3	4	1,167	1,152
Interest on obligations	55	56	-	-	55	56
(Gain)/loss arising from changes to financial assumptions	(119)	7	-	-	(119)	7
Loss arising from changes to experience assumptions	23	64	-	-	23	64
Gain arising from changes to demographic assumptions	(3)	(60)	-	-	(3)	(60)
Benefits paid	(52)	(51)	-	(1)	(52)	(52)
At end of year	1,068	1,164	3	3	1,071	1,167

Notes to the Financial Statements of the Company continued

(iii) Fair value of funded schemes' assets:

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

	2024 £m	2023 £m
At beginning of year	1,506	1,512
Interest income	71	74
Return on assets excluding interest income	(164)	(29)
Contributions by employer	1	1
Administration expenses	(2)	(2)
Benefits paid	(49)	(50)
At end of year	1,363	1,506

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

	2024 £m	2023 £m
Pooled investment funds	482	601
Corporate bonds	425	523
Loans	195	189
Cash/other assets	269	140
Government bonds	45	83
Equities	2	2
Derivatives	(55)	(32)
Total market value	1,363	1,506

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

Aside from sole investor funds reported in the pooled investment funds line above, amounts reported include those held through pooled investment funds in which Bupa is not the sole investor as well as direct investments.

(iv) Amounts recognised in the Income Statement

The amounts (credited)/charged to other operating expenses for the year are:

	2024 £m	2023 £m
Net interest income on defined benefit liability/asset	(16)	(18)
Administrative expenses	2	2
Total amount credited to the Income Statement	(14)	(16)

(v) Amounts recognised directly in other comprehensive income

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

	2024 £m	2023 £m
Actual return less expected return on assets	164	29
(Gain)/loss arising from changes to financial assumptions	(119)	7
Loss arising from changes to experience assumptions	23	64
Gain arising from changes to demographic assumptions	(3)	(60)
Total remeasurement loss charged directly to equity	65	40

Notes to the Financial Statements of the Company continued

E. 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.

Recognised deferred taxation assets and liabilities

Deferred taxation assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Accelerated capital allowances	18	32	-	-	18	32
Post-employment benefits	-	-	(73)	(126)	(73)	(126)
Employee benefits (other than post-employment)	15	20	-	-	15	20
Provisions	4	7	-	-	4	7
Taxation value of losses carried forward	65	16	-	-	65	16
Deferred taxation (before allowable netting)	102	75	(73)	(126)	29	(51)
Allowable netting of deferred taxation	10	8	(10)	(8)	-	-
Net deferred taxation asset/(liability)	112	83	(83)	(134)	29	(51)

The UK deferred tax liability relating to the pension surplus at 1 January 2024 was reduced by £38m following a change in the UK tax rate applying to authorised payments from defined benefit pension schemes from 35% to 25%. The UK deferred tax liability of £83m (2023: £134m) relating to the Bupa Pension Scheme surplus has not been offset with other UK deferred tax assets on the basis that an authorised surplus repayment charge may not be reduced by the utilisation of tax losses arising in the UK group of entities.

Recognised deferred taxation assets

Deferred taxation assets relating to the carry forward of employee benefits, other provisions, unused taxation losses and other deferred taxation assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

Movement in net deferred taxation (liabilities)/assets:

	At beginning of year £m	Recognised in Income Statement £m	Recognised in other comprehensive income £m	At end of year £m
2024				
Accelerated capital allowances	32	(14)	-	18
Post-employment benefits	(126)	46	7	(73)
Employee benefits (other than post-employment)	20	(5)	-	15
Provisions	7	(3)	-	4
Taxation value of losses carried forward	16	49	-	65
Total	(51)	73	7	29

	At beginning of year £m	Recognised in Income Statement £m	Recognised in other comprehensive income £m	At end of year £m
2023				
Accelerated capital allowances	23	9	-	32
Post-employment benefits	(130)	(10)	14	(126)
Employee benefits (other than post-employment)	14	6	-	20
Provisions	5	2	-	7
Taxation value of losses carried forward	12	4	-	16
Total	(76)	11	14	(51)

Notes to the Financial Statements of the Company continued

F. Trade and other receivables

Trade and other receivables are carried at amortised cost less impairment losses.

	2024 £m	2023 £m
Amounts owed by subsidiaries	126	118
Other receivables	2	2
Prepayments	51	39
Total trade and other receivables	179	159
Non-current	2	-
Current	177	159

There are currently no lifetime expected credit losses held in respect of these receivable balances. For further details see Note J.

G. Lease liabilities

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 amount of lease liabilities at the beginning and end of the year is £6m and is non-current.

H. Provisions for liabilities and charges

Provisions for liabilities and charges relate specifically to company self-insurance and are amounts that require settlement in the future as a result of a past event.

	2024 £m	2023 £m
At beginning of year	17	14
Charge for year	10	11
Utilised in year	(15)	(8)
At end of year	12	17
Non-current	9	12
Current	3	5

I. Trade and other payables

Trade and other payables are carried at amortised cost.

	2024 £m	2023 £m
Amounts owed to subsidiaries	68	55
Other payables	2	4
Social security and other taxes	1	2
Accruals	196	157
Total trade and other payables	267	218
Non-current	28	33
Current	239	185

J. Risk management

The Board is responsible for identifying, evaluating and managing risks faced by the Company and considers the acceptable level of risk, the likelihood of these risks materialising, how to reduce the risk and the cost of operating particular controls relative to the benefit from managing the related risks.

The Group's risk management strategy is outlined in detail within Note 25 of the Group accounts. The risks of the Company are considered within those faced by the wider Group. The Company is the sponsoring employer of The Bupa Pension Scheme; risk management for this scheme is outlined within Note 7 of the Group accounts.

The Company monitors the credit quality of receivables, with provisions made for expected credit losses when appropriate. There are currently no expected credit losses held in respect of the Company's receivables and the Company considers the maximum credit risk exposure to be £2m (2023: £2m), which comprises total trade and other receivables. This excludes amounts owed by subsidiaries; based on the Company's assessment, these are deemed to carry an insignificant credit risk and prepayments.

The financial liabilities held by the Company comprise total trade and other payables and lease liabilities. The contractual maturities of these liabilities, including estimated interest payments, are £239m (2023: £184m) falling due within one year and £37m (2023: £43m) falling due after more than one year.

Notes to the Financial Statements of the Company continued

K. Related party transactions

These are transactions between the Company and individuals, or entities related by nature of influence or control. The Company has such relationships with its subsidiaries, key management personnel and associated pension arrangements. The disclosure of transactions with these parties enables readers to form a view about the impact of related party relationships on the Company. The Company has a related party relationship with its key management personnel and with its subsidiaries (see related undertakings on **pages 223-232**).

(i) Transactions with key management personnel

The key management personnel for the Company are its Directors. These transactions are disclosed in Note 26. The total remuneration of key management personnel is included in staff costs (see Note 2.3).

(ii) Transactions in relation to the non-registered pension arrangements

These transactions are disclosed in Note 26.

(iii) Transactions and balances with subsidiaries

	2024 £m		2023 £m	
Income Statement				
Management charges received	371		337	
Expenses paid	(13)		(15)	
Dividends received	164		134	
	Transactions during the year		Balance as at 31 December	
	2024 £m	2023 £m	2024 £m	2023 £m
Statement of Financial Position				
Amounts owed by subsidiaries	8	(1)	126	118
Amounts owed to subsidiaries	(13)	(5)	(68)	(55)

L. Commitments, guarantees and contingencies

Commitments to future expenditure at the reporting date primarily consist of contracted capital expenditure. Contingent liabilities include bank loan and bond issue guarantees.

(i) Capital commitments

Capital expenditure for the Company contracted as at 31 December 2024 but for which no provision has been made in the Company financial statements amounted to £nil (2023:£nil).

(ii) Guarantees

The Company has given guarantees in respect of senior unsecured bonds issued by Bupa Finance plc; £300m senior unsecured bonds maturing in 2027 and €500m senior unsecured bonds maturing in 2030.

The Company is party to a £900m revolving credit facility. The revolving credit facility was undrawn at 31 December 2024 (2023: undrawn). Drawings under the facility are guaranteed by the Company, and the Company has joint and several liability for other overdraft facilities across the Group.

(iii) Contingent assets and liabilities

The Company has no contingent assets and liabilities.

(iv) Pension contributions

The Company has an obligation to make a deficit reduction contribution to the smaller defined benefit scheme amounting to £1m for the year ending 31 December 2025.

Related undertakings

The British United Provident Association Limited – Related Undertakings as at 31 December 2024

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		

Name	Share Class	Proportion of class held (%)	Effective % ownership
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
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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		
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		

Related undertakings continued

Name	Share Class	Proportion of class held (%)	Effective % ownership
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 Valparaiso, 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 Imogeneologia 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		
Examenes 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		
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Name	Share Class	Proportion of class held (%)	Effective % ownership
Denmark			
Axeltorv 2, 1609, Copenhagen V, Denmark			
Bupa Denmark Services A/S	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		
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Ecuador

Av. Republica de El Salvador N34-229, 4th Floor, Quito, Ecuador

Bupa Ecuador S.A. Compania de Seguros ²	USD1.00 Capital Stock		
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Egypt

Building 55, Street 18, Maadi, Cairo, Egypt

Bupa Egypt Insurance S.A.E.	EGP10.00 Ordinary		
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Mivida Business Park, Building 3/B1, 5th Settlement, New Cairo, 11835, Egypt

Bupa Egypt Services LLC	EGP100.00 Ordinary		
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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.	GTQ1.00 Ordinary		
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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 ³	HKD Ordinary		

Related undertakings continued

Name	Share Class	Proportion of class held (%)	Effective % ownership
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 ⁴	INR10.00 Ordinary	55.98	55.98
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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		

Name	Share Class	Proportion of class held (%)	Effective % ownership
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Kenya

KPMG East Africa, Waiyaki Way, Nairobi, Nairobi County, Kenya

Bupa Global Insurance Limited	KES100.00 Ordinary		
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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.	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		
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Related undertakings continued

Name	Share Class	Proportion of class held (%)	Effective % ownership
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		
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		

Name	Share Class	Proportion of class held (%)	Effective % ownership
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		
Rowninna 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 Benefity 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		

Related undertakings continued

Name	Share Class	Proportion of class held (%)	Effective % ownership
ul. Elblaska 135, 80-718, Gdańsk, Poland			
"Centrum Opieki Medycznej Comed" Sp. z o.o. ⁵	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		
ul. Obornicka 262, 60-693 Poznań, 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 Toruń, 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. Wrocławska 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
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Singapore

600, North Bridge Road, #05-01 Parkview Square, 188778, Singapore

Bupa Singapore Holdings Pte. Ltd.	SGD Ordinary
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Name	Share Class	Proportion of class held (%)	Effective % ownership
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 ⁶	€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		

Sweden

Box 27093, 102 51, Stockholm, Sweden

LMG Forsakrings AB	€1,000.00 Ordinary
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Related undertakings continued

Name	Share Class	Proportion of class held (%)	Effective % ownership
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	£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	£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		

Name	Share Class	Proportion of class held (%)	Effective % ownership
Bupa Care Homes (CFG) Limited	£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	£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	£1.00 Ordinary		
Bupa Care Services (Commissioning) Limited	£1.00 Ordinary		
Bupa Care Services Limited	£0.20 Ordinary		
Bupa Finance plc ⁷	£1.00 Ordinary		
Bupa Foundation	Guarantee Membership Interest		
Bupa Global Holdings Limited	€1.00 Ordinary, €0.01 Ordinary, £1.00 Ordinary		
Bupa Healthcare Services Limited	£1.00 Ordinary		
Bupa Home Healthcare Pension Scheme Trustee Limited	£1.00 Ordinary		
Bupa Insurance Limited	£1.00 Ordinary		
Bupa Insurance Services Limited	£1.00 Ordinary		
Bupa International Markets Limited	£1.00 Ordinary		
Bupa Investments Limited	£1.00 Ordinary		

Related undertakings continued

Name	Share Class	Proportion of class held (%)	Effective % ownership
Bupa Investments Overseas Limited	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	£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	£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	£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		

Name	Share Class	Proportion of class held (%)	Effective % ownership
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		
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		

Related undertakings continued

Name	Share Class	Proportion of class held (%)	Effective % ownership
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		

Name	Share Class	Proportion of class held (%)	Effective % ownership
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		
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		

Related undertakings continued

Name	Share Class	Proportion of class held (%)	Effective % ownership
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	£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		

Name	Share Class	Proportion of class held (%)	Effective % ownership
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	£1.00 A Ordinary
Medical Services International Limited	£1.00 Ordinary

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
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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. 0.000015% held by nominee
3. 0.000001% held directly by the Company
4. Part held by nominee
5. In voluntary liquidation
6. The Sanitas Foundation
7. Held directly by the Company

Related undertakings continued

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 Mohammediyah 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

Name	Share Class	Proportion of class held (%)	Effective ownership %
Spain			
Calle Libertad, Number 31, Mostoles, Madrid, Spain			
Resonancia Abierta Ibermedic, S.L.	€1.00 Ordinary	50.00	50.00
CI Marques De Mendigorría 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	£1.00 A Ordinary	100.00	20.00
	£1.00 E Ordinary	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	100.00	38.90
	£1.00 Ordinary	17.91	
United States			
745 Fort St, Ste 1100, Honolulu HI 96813, United States			
HTH Re, Ltd	US\$1.00 Ordinary	100.00	49.00
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

Glossary

A

AER	Actual Exchange Rates
AFIC	Asset for Incurred Claims
AFRC	Asset for Remaining Coverage
AGM	Annual General Meeting
AI	Artificial Intelligence
AM	Association Member
APAC	Asia Pacific Market Unit

B

BERC	Bupa Enterprise Risk Committee
BGLA	Bupa Global Latin America
BGIUK	Bupa Global, India and UK Market Unit
BHI	Bupa Health Insurance (Australia)
BPM	Business Performance Multiplier

C

CAO	Chief Audit Office
CBES	Climate Biennial Exploratory Scenario
CEC	Chief Executive Committee
CEO	Chief Executive Officer
CER	Constant Exchange Rates
CFO	Chief Financial Officer
CGU	Cash Generating Unit
COP	United Nations Climate Change Conference of Parties
COR	Combined Operating Ratio
CPI	Consumer Price Index
CRO	Chief Risk Officer
CSM	Contractual Service Margin
CSRD	Corporate Sustainability Reporting Directive

D

DAC	Deferred Acquisition Costs
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E

ECA	Economic Capital Assessment
ECL	Expected Credit Losses
ECM	Economic Capital Model
EIOPA	European Insurance and Occupational Pensions Authority
ELA	Europe and Latin America Market Unit
ESG	Environmental, Social Impact and Governance

F

FCA	Financial Conduct Authority
FRC	Financial Reporting Council
FVOCI	Fair Value Through Other Comprehensive Income
FX	Foreign Exchange
FY	Full Year

G

GES	Garantias Explicitas en Salud (Explicit Health Guarantees)
GHG	Greenhouse Gas
GM	General Manager
GMM	General Measurement Model
GP	General Practitioner
GSP	Group Specific Parameter

Glossary continued

H

HPC	Health Promotion Charity
HY	Half Year

I

IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
IMS	Integrated Management System
IPM	Individual Performance Multiplier
IPMI	International Private Medical Insurance
ISAs	International Standards on Auditing
ISSB	International Sustainability Standards Board
IT	Information Technology

K

KPI	Key Performance Indicator
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L

LFIC	Liability for Incurred Claims
LFRC	Liability for Remaining Coverage

M

MBS	Management Bonus Scheme
MM	Micromoment

N

N2O	Nitrous Oxide
NED	Non-Executive Director
NGFS	Network for Greening the Finance System
NGO	Non-Governmental Organisation
NHS	National Health Service
NIC	National Insurance Contributions
NPS	Net Promoter Score

O

ORSA	Own Risk and Solvency Assessment
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P

PAA	Premium Allocation Approach
PMI	Private Medical Insurance
PPP	Public Private Partnership
PRA	Prudential Regulation Authority
PSM	Periodic Summary Meeting
PwC	PricewaterhouseCoopers

Glossary continued

R

RCF	Revolving Credit Facility
RFT	Risk Factor Table
RMF	Risk Management Framework
ROCE	Return on Capital Employed
RSR	Regular Supervisory Report
RT1	Restricted Tier 1 notes

S

SAF	Supplier Assessment Framework
SBT	Science-Based Targets
SBTi	Science-Based Targets initiative
SCR	Solvency Capital Requirement
SECR	Streamlined Energy and Carbon Reporting
SFCR	Solvency and Financial Condition Report
SID	Senior Independent Director
SIS	Superintendent of Health (Chile)
SMCR	Senior Managers and Certification Regime
SME	Small and medium-sized enterprises
SPP	Strategic Performance Plan

T

TCFD	Taskforce on Climate-related Financial Disclosures
tCO₂e	Tonnes of Carbon Dioxide Equivalent

W

WACC	Weighted Average Cost of Capital
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Notes

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