

**Prudential Assurance  
Malaysia Berhad**

(Company No. 198301012262 (107655-U))  
(Incorporated in Malaysia)

**Unaudited Condensed Interim  
Financial Statements  
For The Half-Year Ended  
30 June 2024  
(In Ringgit Malaysia)**

# Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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# Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

## Condensed statement of financial position As at 30 June 2024 (Unaudited)

	Note	30.06.2024 RM'000	31.12.2023 RM'000
<b>Assets</b>			
Property and equipment		178,218	180,632
Right-of-use assets		134,649	140,841
Intangible assets		305,797	308,180
Investments, including derivatives	10	48,269,547	44,099,238
Insurance contract assets	11	36,222	36,420
Reinsurance contract assets	12	81,966	110,494
Other receivables		343,338	300,211
Tax recoverable		156,906	123,170
Cash and bank balances		90,281	105,463
<b>Total assets</b>		<u>49,596,924</u>	<u>45,404,649</u>
<b>Equity, policyholders' funds and liabilities</b>			
Share capital		100,000	100,000
Retained earnings		<u>6,967,185</u>	<u>6,512,627</u>
<b>Total equity</b>		<u>7,067,185</u>	<u>6,612,627</u>
Insurance contract liabilities	11	39,552,717	36,209,523
Reinsurance contract liabilities	12	178,503	201,945
Deferred tax liabilities		2,347,736	1,967,263
Derivatives		534	-
Lease liabilities		145,690	149,900
Tax payable		78,825	41,504
Other payables and provisions		225,734	221,887
<b>Total liabilities</b>		<u>42,529,739</u>	<u>38,792,022</u>
<b>Total equity, policyholders' funds and liabilities</b>		<u>49,596,924</u>	<u>45,404,649</u>

The accompanying notes are an integral part of these condensed interim financial statements.

# Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

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## Condensed statement of profit or loss and other comprehensive income For the 6 months period ended 30 June 2024 (Unaudited)

	6 months period ended 30.06.2024 RM'000	6 months period ended 30.06.2023 RM'000
Insurance revenue	2,776,239	2,443,138
Insurance service expense for insurance contract issued	(2,137,765)	(1,987,642)
Net expense from reinsurance contracts held	<u>(31,830)</u>	<u>(16,846)</u>
<b>Insurance service result</b>	<u>606,644</u>	<u>438,650</u>
Investment income	3,587,653	589,098
Total insurance finance expense	(3,216,907)	(416,775)
Total reinsurance finance expense	<u>(4,750)</u>	<u>(1,462)</u>
<b>Net investment result</b>	<u>365,996</u>	<u>170,861</u>
Other income	34,901	43,129
Other expenditure	(4,119)	(3,692)
Finance cost	<u>(3,404)</u>	<u>(3,552)</u>
<b>Profit before taxation</b>	1,000,018	645,396
Taxation	<u>(445,503)</u>	<u>(177,622)</u>
<b>Net profit/Total comprehensive income for the period</b>	<u>554,515</u>	<u>467,774</u>
<b>Earnings per share (sen)</b>		
Basic	<u>554.52</u>	<u>467.77</u>

The accompanying notes are an integral part of these condensed interim financial statements.

# Prudential Assurance Malaysia Berhad

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## Condensed statement of changes in equity For the 6 months period ended 30 June 2024 (Unaudited)

	Note	Share capital RM'000	Retained earnings			Total equity RM'000
			Non-Distributable* RM'000	Distributable RM'000	Total RM'000	
<b>At 1 January 2024</b>		100,000	5,773,892	738,735	6,512,627	6,612,627
Net profit/Total comprehensive income for the period		-	557,290	(2,775)	554,515	554,515
Group share-based payment transaction**		-	-	43	43	43
Dividends paid during the period	15	-	-	(100,000)	(100,000)	(100,000)
<b>At 30 June 2024</b>		<u>100,000</u>	<u>6,331,182</u>	<u>636,003</u>	<u>6,967,185</u>	<u>7,067,185</u>

\* Non-distributable retained earnings comprise of the shareholders' share of participating life fund's estate and the surplus from participating and non-participating life insurance business, net of deferred tax. This amount is only distributable upon the annual recommendation by the Appointed Actuary to transfer a requisite amount of the Life fund surplus to the shareholder's fund.

\*\* Group share-based payment transaction is the recognition of the settlement of share option scheme granted by the ultimate holding company, Prudential plc, to the eligible agents.

The accompanying notes are an integral part of these condensed interim financial statements.

# Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))  
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## Condensed statement of changes in equity For the 6 months period ended 30 June 2024 (Unaudited) (continued)

	Note	Share capital RM'000	Retained earnings			Total equity RM'000
			Non-Distributable* RM'000	Distributable RM'000	Total RM'000	
<b>At 1 January 2023</b>		100,000	5,075,783	921,974	5,997,757	6,097,757
Net profit/Total comprehensive income for the period		-	472,316	(4,542)	467,774	467,774
Group share-based payment transaction**		-	-	(1,319)	(1,319)	(1,319)
Dividends paid during the period	15	-	-	(271,000)	(271,000)	(271,000)
<b>At 30 June 2023</b>		<u>100,000</u>	<u>5,548,099</u>	<u>645,113</u>	<u>6,193,212</u>	<u>6,293,212</u>

\* Non-distributable retained earnings comprise of the shareholders' share of participating life fund's estate and the surplus from participating and non-participating life insurance business, net of deferred tax. This amount is only distributable upon the annual recommendation by the Appointed Actuary to transfer a requisite amount of the Life fund surplus to the shareholder's fund.

\*\* Group share-based payment transaction is the recognition of the settlement of share option scheme granted by the ultimate holding company, Prudential plc, to the eligible agents.

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## Condensed statement of cash flows

For the 6 months period ended 30 June 2024 (Unaudited)

	6 months period ended 30.06.2024 RM'000	6 months period ended 30.06.2023 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	1,000,018	645,396
Adjustments for:		
Gain on disposal of property and equipment	(135)	(197)
Fair value (gain)/loss on investments	(2,423,367)	228,210
Depreciation of property and equipment	8,587	8,787
Depreciation of right-of-use assets	16,923	16,536
Amortisation of intangible assets	24,275	22,957
Property and equipment written off	163	145
Interest expense on lease liabilities	3,109	3,224
<b>Operating profit before changes in working capital</b>	<b>(1,370,427)</b>	<b>925,058</b>
Changes in operating assets and liabilities:		
Investments	(1,746,408)	(1,024,837)
Insurance contract assets	198	21,483
Reinsurance contract assets	28,528	(17,401)
Other receivables	(43,127)	(129,663)
Insurance contract liabilities	3,343,194	686,993
Reinsurance contract liabilities	(23,442)	17,905
Other payables and provisions	3,890	2,866
<b>Cash generated from operations</b>	<b>192,406</b>	<b>482,404</b>
Tax paid	(61,445)	(144,273)
<b>Net cash from operating activities</b>	<b>130,961</b>	<b>338,131</b>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	(6,336)	(22,052)
Acquisition of intangible assets	(21,892)	(8)
Proceeds from disposal of property and equipment	135	197
<b>Net cash used in investing activities</b>	<b>(28,093)</b>	<b>(21,863)</b>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(14,941)	(15,837)
Interest paid on lease liabilities	(3,109)	(3,224)
Dividend paid to owners of the Company	(100,000)	(271,000)
<b>Net cash used in financing activities</b>	<b>(118,050)</b>	<b>(290,061)</b>
<b>Net (decrease)/increase in cash and bank balances</b>	<b>(15,182)</b>	<b>26,207</b>
<b>Cash and bank balances at beginning of period</b>	<b>105,463</b>	<b>70,745</b>
<b>Cash and bank balances at end of period</b>	<b>90,281</b>	<b>96,952</b>

The accompanying notes are an integral part of these condensed interim financial statements.

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## Notes to the condensed interim financial statements

### 1. Basis of preparation

#### (a) Statement of compliance

These condensed interim financial statements of the Company are unaudited and have been prepared in accordance with Malaysia Financial Reporting Standards (“MFRS”) 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and International Accounting Standard (“IAS”) 34, *Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”). They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2023.

#### (b) Changes in accounting policies

The accounting policies and presentation adopted by the Company for the condensed interim financial statements are consistent with those adopted in the Company’s audited financial statements for the financial year ended 31 December 2023, except for the adoption of the following:

##### ***Amendments to standards effective for annual periods beginning on or after 1 January 2024***

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 7, *Financial Instruments: Disclosures* and MFRS 107, *Statement of Cash Flows – Supplier Finance Arrangements*

The initial application of the abovementioned pronouncements did not have any material financial impact to the current and prior periods financial statements upon their first adoption.

#### (c) Standards, interpretations, and amendments that are issued but not yet effective

The accounting standards and amendments to standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but not yet effective for annual periods beginning on or after 1 January 2024 are disclosed below. The Company plans to adopt these accounting standards, interpretations, and amendments, if applicable, when they become effective:

##### ***Amendments to Standard effective for annual periods beginning on or after 1 January 2025***

- Amendment to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

##### ***MFRSs and amendments to Standard effective for annual periods beginning on or after 1 January 2027***

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments*



# Prudential Assurance Malaysia Berhad

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## 1. Basis of preparation (continued)

### (c) Standards, interpretations, and amendments that are issued but not yet effective (continued)

#### *Amendments to Standard of which the effective date has yet to be confirmed*

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The adoption of the above pronouncements are not expected to have a material financial impact to the financial statements of the Company in the period of initial application.

## 2. Critical accounting policies, estimates and judgements

The preparation of condensed interim financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgements are based on management's best knowledge of current events and actions, actual results may differ.

In preparing the condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for the financial year ended 31 December 2023.

## 3. Comments on seasonality or cyclicity

The business operations of the Company were not significantly affected by seasonality or cyclical factors for the period under review.

## 4. Unusual item affecting assets, liabilities, equity, net income or cash flows

There were no items affecting assets, liabilities, equity, net income or cash flows which are unusual because of their nature, size or incidence in the current interim period ended 30 June 2024 other than the following:

- (a) Messrs. Raja Darryl & Loh ("RDL") have filed the cause papers with the Special Commissioner of Income Tax ("SCIT") for the additional assessment issued by the Inland Revenue Board of Malaysia ("IRB") relating to the S110B set-off applied to the actuarial surplus arising from the Unit Linked Investment Funds being disregarded, amounting to RM26.9 million. The Company paid the full additional tax amount. The Company is of the view that there are strong justifications for its appeal against the matter raised by IRB and has treated the full payment as a tax recoverable. As at the date of the condensed interim financial statements, the Company is in discussion with IRB exploring potential resolutions and SCIT has fixed the next hearing date on 7 August 2024 for both parties to provide an update.

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## 5. Changes in estimates

There were no material changes in the basis used for accounting estimates for the current interim period ended 30 June 2024.

## 6. Issues, repurchases and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company in the current interim period ended 30 June 2024.

## 7. Events after the interim period

There were no material events after the interim period that have not been reflected in the condensed interim financial statements for the interim period.

## 8. Effect of changes in the composition of the Company

There were no changes in the composition of the Company during the period under review.

## 9. Changes in contingent liabilities or contingent assets

There were no material changes in the Company's contingent liabilities and contingent assets since the last annual balance sheet date.

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## 10. Investments, including derivatives

	<b>30.06.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysian government securities	5,225,903	4,535,166
Debt securities	13,598,518	13,303,563
Equity shares	18,772,290	16,782,142
Real estate investment trusts ("REITs")	311,509	319,751
Exchange traded fund ("ETF")	17,780	-
Unit trust funds	2,007,918	1,455,244
Foreign managed funds	4,572,610	3,829,314
Investment in structured products	4,648	4,969
Derivatives	-	5,692
Loans	1,426	1,636
Deposits with financial institutions	3,756,945	3,861,761
	<u>48,269,547</u>	<u>44,099,238</u>

The Company's financial investments are summarised by categories as follows:

	<b>30.06.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Amortised cost ("AC")	3,758,371	3,863,397
Fair value through profit or loss ("FVTPL")	44,511,176	40,235,841
	<u>48,269,547</u>	<u>44,099,238</u>

The following investments mature after 12 months:

	<b>30.06.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Amortised cost ("AC")	259,325	259,614
Fair value through profit or loss ("FVTPL")	18,351,571	17,515,913
	<u>18,610,896</u>	<u>17,775,527</u>

### (a) Amortised Cost

	<b>30.06.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed and call deposits with financial institutions	3,756,945	3,861,761
Mortgage loans	23	32
Other loans	1,403	1,604
	<u>3,758,371</u>	<u>3,863,397</u>

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## 10. Investments, including derivatives (continued)

### (b) Fair value through profit or loss

	<b>30.06.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysian government securities	5,225,903	4,535,166
Debt securities	13,598,518	13,303,563
Equity shares	18,772,290	16,782,142
Real estate investment trusts ("REITs")	311,509	319,751
Exchange traded fund ("ETF")	17,780	-
Unit trust funds	2,007,918	1,455,244
Foreign managed funds	4,572,610	3,829,314
Investment in structured products	4,648	4,969
Derivatives	-	5,692
	<u>44,511,176</u>	<u>40,235,841</u>

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## 11. Insurance contract assets/liabilities

The table below provides an analysis of the portfolio of insurance contract assets and liabilities issued on the Company's condensed statement of financial position:

	<b>Assets</b>	<b>Liabilities</b>	<b>Net liabilities / (assets)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 30 June 2024</b>			
Estimates of present value of future cash flows	-	28,830,526	28,830,526
Risk adjustment for non-financial risks ("RA")	-	1,422,683	1,422,683
Contractual service margin ("CSM")	-	9,291,577	9,291,577
Insurance contracts not measured under Premium Allocation Approach ("PAA")	-	39,544,786	39,544,786
Insurance contracts measured under PAA	(36,222)	7,931	(28,291)
Total insurance contract balances	<u>(36,222)</u>	<u>39,552,717</u>	<u>39,516,495</u>
<b>As at 31 December 2023</b>			
Estimates of present value of future cash flows	-	25,666,154	25,666,154
Risk adjustment for non-financial risks ("RA")	-	1,383,399	1,383,399
Contractual service margin ("CSM")	-	9,153,516	9,153,516
Insurance contracts not measured under Premium Allocation Approach ("PAA")	-	36,203,069	36,203,069
Insurance contracts measured under PAA	(36,420)	6,454	(29,966)
Total insurance contract balances	<u>(36,420)</u>	<u>36,209,523</u>	<u>36,173,103</u>

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## 11. Insurance contract assets/liabilities (continued)

a) Roll-forward of the net asset/liability of insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims:

	30.06.2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Loss component RM'000	Excluding loss component RM'000	PAA Estimates of the present value of future cash flows RM'000	Non-PAA RM'000	Total RM'000
<b>At 1 January 2024</b>					
Opening (assets)	-	(26,091)	(10,329)	-	(36,420)
Opening liabilities	203,695	34,256,831	1,727	1,747,270	36,209,523
<b>Net opening liabilities/(assets)</b>	203,695	34,230,740	(8,602)	1,747,270	36,173,103
<b>Insurance revenue</b>					
Expected incurred claims and other insurance service result	-	(1,507,515)	-	-	(1,507,515)
Change in risk adjustment for non-financial risk expired	-	(60,904)	-	-	(60,904)
CSM recognised for services provided	-	(501,183)	-	-	(501,183)
Recovery of insurance acquisition cash flows	-	(547,403)	-	-	(547,403)
Premium and other adjustments	-	(121,010)	-	-	(121,010)
Contracts measured under PAA	-	(38,224)	-	-	(38,224)
<b>Insurance service expense</b>					
Adjustments to liability for incurred claims	-	-	13,621	68,031	81,652
Amortisation of insurance acquisition cash flows	-	547,403	-	-	547,403
Incurred claims and other expenses	(7,421)	-	5,433	1,513,061	1,511,073
Losses and/or reversal of losses on onerous contracts	(2,363)	-	-	-	(2,363)
<b>Insurance Service Result</b>	(9,784)	(2,228,836)	19,054	1,581,092	(638,474)

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## 11. Insurance contract assets/liabilities (continued)

- a) Roll-forward of the net asset/liability of insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued):

	30.06.2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Loss component RM'000	Excluding loss component RM'000	PAA Estimates of the present value of future cash flows RM'000	Non-PAA RM'000	Total RM'000
<b>Investment components</b>	-	(1,381,049)	-	1,381,049	-
<b>Net insurance finance expense</b>	3,707	3,175,868	-	37,332	3,216,907
<b>Total changes in the Statement of Profit or Loss and Other Comprehensive Income</b>	(6,077)	(434,017)	19,054	2,999,473	2,578,433
<b>Cash flows</b>					
Claims & other insurance services expenses paid	-	-	(18,468)	(2,908,231)	(2,926,699)
Insurance acquisition cash flows	-	(725,570)	-	-	(725,570)
Premiums and other amounts received for insurance contracts	-	4,417,228	-	-	4,417,228
<b>Total cash flows</b>	-	3,691,658	(18,468)	(2,908,231)	764,959
<b>Net closing liabilities</b>	197,618	37,488,381	(8,016)	1,838,512	39,516,495
<b>At 30 June 2024</b>					
Closing (assets)	-	(27,784)	(8,438)	-	(36,222)
Closing liabilities	197,618	37,516,165	422	1,838,512	39,552,717
<b>Net closing liabilities/(assets)</b>	197,618	37,488,381	(8,016)	1,838,512	39,516,495

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## 11. Insurance contract assets/liabilities (continued)

- a) Roll-forward of the net asset/liability of insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued):

	31.12.2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Loss component RM'000	Excluding loss component RM'000	PAA Estimates of the present value of future cash flows RM'000	Non-PAA RM'000	Total RM'000
<b>At 1 January 2023</b>					
Opening (assets)	-	(26,301)	(14,413)	-	(40,714)
Opening liabilities	191,596	31,881,532	1,238	1,598,379	33,672,745
<b>Net opening liabilities/(assets)</b>	<b>191,596</b>	<b>31,855,231</b>	<b>(13,175)</b>	<b>1,598,379</b>	<b>33,632,031</b>
<b>Insurance revenue</b>					
Expected incurred claims and other insurance service result	-	(2,807,959)	-	-	(2,807,959)
Change in risk adjustment for non-financial risk expired	-	(110,756)	-	-	(110,756)
CSM recognised for services provided	-	(968,758)	-	-	(968,758)
Recovery of insurance acquisition cash flows	-	(1,034,488)	-	-	(1,034,488)
Premium and other adjustments	-	(84,255)	-	-	(84,255)
Contracts measured under PAA	-	(60,425)	-	-	(60,425)
<b>Insurance service expense</b>					
Adjustments to liability for incurred claims	-	-	11,177	31,154	42,331
Amortisation of insurance acquisition cash flows	-	1,034,488	-	-	1,034,488
Incurred claims and other expenses	(18,943)	-	25,664	2,963,007	2,969,728
Losses and/or reversal of losses on onerous contracts	23,483	-	-	-	23,483
<b>Insurance Service Result</b>	<b>4,540</b>	<b>(4,032,153)</b>	<b>36,841</b>	<b>2,994,161</b>	<b>(996,611)</b>



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## 11. Insurance contract assets/liabilities (continued)

- a) Roll-forward of the net asset/liability of insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued):

	31.12.2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Loss component RM'000	Excluding loss component RM'000	PAA Estimates of the present value of future cash flows RM'000	Non-PAA RM'000	Total RM'000
<b>Investment components</b>	-	(2,804,472)	-	2,804,472	-
<b>Net insurance finance expense</b>	7,559	2,059,835	-	44,280	2,111,674
<b>Total changes in the Statement of Profit or Loss and Other Comprehensive Income</b>	12,099	(4,776,790)	36,841	5,842,913	1,115,063
<b>Cash flows</b>					
Claims & other insurance services expenses paid	-	-	(32,268)	(5,694,022)	(5,726,290)
Insurance acquisition cash flows	-	(1,043,638)	-	-	(1,043,638)
Premiums and other amounts received for insurance contracts	-	8,195,937	-	-	8,195,937
<b>Total cash flows</b>	-	7,152,299	(32,268)	(5,694,022)	1,426,009
<b>Net closing liabilities</b>	203,695	34,230,740	(8,602)	1,747,270	36,173,103
<b>At 31 December 2023</b>					
Closing (assets)	-	(26,091)	(10,329)	-	(36,420)
Closing liabilities	203,695	34,256,831	1,727	1,747,270	36,209,523
<b>Net closing liabilities/(assets)</b>	203,695	34,230,740	(8,602)	1,747,270	36,173,103

# Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

## 11. Insurance contract assets/liabilities (continued)

- b) Roll-forward of the net asset/liability of insurance contracts issued that are not measured under the premium allocation approach, showing the estimates of the present value of future cash flows, risk adjustment and CSM:

	<b>30.06.2024</b>			
	<b>Estimates of the present value of future cash flows RM'000</b>	<b>Risk adjustment RM'000</b>	<b>Contractual service margin RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2024</b>				
Opening (assets)	-	-	-	-
Opening liabilities	25,666,154	1,383,399	9,153,516	36,203,069
<b>Net opening liabilities</b>	<b>25,666,154</b>	<b>1,383,399</b>	<b>9,153,516</b>	<b>36,203,069</b>
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	(501,183)	(501,183)
Risk adjustment recognised for the risk expired	-	(60,708)	-	(60,708)
Experience adjustments	(129,000)	-	-	(129,000)
<b>Changes that relate to future services</b>				
Contracts initially recognised in the period	(371,612)	52,026	322,296	2,710
Changes in estimates that adjust the CSM	(177,108)	10,003	167,105	-
Changes in estimates that do not adjust the CSM	(4,844)	(228)	-	(5,072)
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims	68,031	-	-	68,031
<b>Insurance Service Result</b>	<b>(614,533)</b>	<b>1,093</b>	<b>(11,782)</b>	<b>(625,222)</b>
<b>Net insurance finance expense</b>	<b>3,028,873</b>	<b>38,191</b>	<b>149,843</b>	<b>3,216,907</b>
<b>Total changes in the Statement of Profit or Loss and Other Comprehensive Income</b>	<b>2,414,340</b>	<b>39,284</b>	<b>138,061</b>	<b>2,591,685</b>

# Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

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## 11. Insurance contract assets/liabilities (continued)

- b) Roll-forward of the net asset/liability of insurance contracts issued that are not measured under the premium allocation approach, showing the estimates of the present value of future cash flows, risk adjustment and CSM (continued):

	<b>30.06.2024</b>			
	<b>Estimates of the present value of future cash flows RM'000</b>	<b>Risk adjustment RM'000</b>	<b>Contractual service margin RM'000</b>	<b>Total RM'000</b>
<b>Cash flows</b>				
Claims & other insurance services expenses paid	(2,908,231)	-	-	(2,908,231)
Insurance acquisition cash flows	(720,530)	-	-	(720,530)
Premiums and other amounts received for insurance contracts	4,378,793	-	-	4,378,793
<b>Total cash flows</b>	<b>750,032</b>	<b>-</b>	<b>-</b>	<b>750,032</b>
<b>Net closing liabilities</b>	<b>28,830,526</b>	<b>1,422,683</b>	<b>9,291,577</b>	<b>39,544,786</b>
<b>At 30 June 2024</b>				
Closing (assets)	-	-	-	-
Closing liabilities	28,830,526	1,422,683	9,291,577	39,544,786
<b>Net closing liabilities</b>	<b>28,830,526</b>	<b>1,422,683</b>	<b>9,291,577</b>	<b>39,544,786</b>

# Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))  
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## 11. Insurance contract assets/liabilities (continued)

- b) Roll-forward of the net asset/liability of insurance contracts issued that are not measured under the premium allocation approach, showing the estimates of the present value of future cash flows, risk adjustment and CSM (continued):

	31.12.2023			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
<b>At 1 January 2023</b>				
Opening (assets)	-	-	-	-
Opening liabilities	23,316,822	1,259,940	9,094,515	33,671,277
<b>Net opening liabilities</b>	23,316,822	1,259,940	9,094,515	33,671,277
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	(968,758)	(968,758)
Risk adjustment recognised for the risk expired	-	(110,348)	-	(110,348)
Experience adjustments	36,842	-	-	36,842
<b>Changes that relate to future services</b>				
Contracts initially recognised in the period	(695,523)	98,613	604,170	7,260
Changes in estimates that adjust the CSM	(193,788)	68,224	125,564	-
Changes in estimates that do not adjust the CSM	11,030	5,194	-	16,224
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims	30,421	733	-	31,154
<b>Insurance Service Result</b>	(811,018)	62,416	(239,024)	(987,626)
<b>Net insurance finance expenses</b>	1,752,606	61,043	298,025	2,111,674
<b>Total changes in the Statement of Profit or Loss and Other Comprehensive Income</b>	941,588	123,459	59,001	1,124,048

# Prudential Assurance Malaysia Berhad

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## 11. Insurance contract assets/liabilities (continued)

- b) Roll-forward of the net asset/liability of insurance contracts issued that are not measured under the premium allocation approach, showing the estimates of the present value of future cash flows, risk adjustment and CSM (continued):

	<b>31.12.2023</b>			
	<b>Estimates of the present value of future cash flows RM'000</b>	<b>Risk adjustment RM'000</b>	<b>Contractual service margin RM'000</b>	<b>Total RM'000</b>
<b>Cash flows</b>				
Claims & other insurance services expenses paid	(5,694,022)	-	-	(5,694,022)
Insurance acquisition cash flows	(1,035,900)	-	-	(1,035,900)
Premiums and other amounts received for insurance contracts	8,137,666	-	-	8,137,666
<b>Total cash flows</b>	<b>1,407,744</b>	<b>-</b>	<b>-</b>	<b>1,407,744</b>
<b>Net closing liabilities</b>	<b>25,666,154</b>	<b>1,383,399</b>	<b>9,153,516</b>	<b>36,203,069</b>
<b>At 31 December 2023</b>				
Closing (assets)	-	-	-	-
Closing liabilities	25,666,154	1,383,399	9,153,516	36,203,069
<b>Net closing liabilities</b>	<b>25,666,154</b>	<b>1,383,399</b>	<b>9,153,516</b>	<b>36,203,069</b>

# Prudential Assurance Malaysia Berhad

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## 12. Reinsurance contract assets/liabilities

The table below provides an analysis of the portfolio of reinsurance contract assets and liabilities held on the Company's condensed statement of financial position:

	<b>Assets</b>	<b>Liabilities</b>	<b>Net (liabilities) / assets</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 30 June 2024</b>			
Estimates of present value of future cash flows	86,648	(187,150)	(100,502)
Risk adjustment for non-financial risks ("RA")	18,096	5,159	23,255
Contractual service margin ("CSM")	(38,521)	7,917	(30,604)
Reinsurance contracts not measured under PAA	66,223	(174,074)	(107,851)
Reinsurance contracts measured under PAA	15,743	(4,429)	11,314
Total reinsurance contract balances	<u>81,966</u>	<u>(178,503)</u>	<u>(96,537)</u>
<b>As at 31 December 2023</b>			
Estimates of present value of future cash flows	117,964	(212,942)	(94,978)
Risk adjustment for non-financial risks ("RA")	17,131	2,703	19,834
Contractual service margin ("CSM")	(34,846)	14,087	(20,759)
Reinsurance contracts not measured under PAA	100,249	(196,152)	(95,903)
Reinsurance contracts measured under PAA	10,245	(5,793)	4,452
Total reinsurance contract balances	<u>110,494</u>	<u>(201,945)</u>	<u>(91,451)</u>

# Prudential Assurance Malaysia Berhad

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## 12. Reinsurance contract assets/liabilities (continued)

a) Roll-forward of the net asset/liability of reinsurance contracts held showing the asset for remaining coverage and the asset for incurred claims:

	30.06.2024				
	Assets for remaining coverage		Assets for incurred claims		
	Loss-recovery component RM'000	Excluding loss-recovery component RM'000	PAA Estimates of the present value of future cash flows RM'000	Non-PAA RM'000	Total RM'000
<b>At 1 January 2024</b>					
Opening assets	2,169	(157,614)	19,453	246,486	110,494
Opening (liabilities)	368	(362,626)	(1,614)	161,927	(201,945)
<b>Net opening assets/(liabilities)</b>	<b>2,537</b>	<b>(520,240)</b>	<b>17,839</b>	<b>408,413</b>	<b>(91,451)</b>
<b>Allocation of reinsurance premiums</b>					
Amounts relating to the changes in the assets for remaining coverage	-	(175,238)	-	-	(175,238)
<b>Amounts recoverable from reinsurers</b>					
Recognition/Reversal of loss-recovery from onerous underlying contracts	850	-	-	-	850
Amounts recoverable for claims and other expenses incurred in the period	-	-	1,859	120,887	122,746
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	5,870	13,942	19,812
<b>Net income/(expense) from reinsurance contracts held</b>	<b>850</b>	<b>(175,238)</b>	<b>7,729</b>	<b>134,829</b>	<b>(31,830)</b>
<b>Reinsurance finance expense</b>	<b>-</b>	<b>(4,750)</b>	<b>-</b>	<b>-</b>	<b>(4,750)</b>
<b>Total changes in the Statement of Profit or Loss and Other Comprehensive Income</b>	<b>850</b>	<b>(179,988)</b>	<b>7,729</b>	<b>134,829</b>	<b>(36,580)</b>

# Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))  
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## 12. Reinsurance contract assets/liabilities (continued)

- a) Roll-forward of the net asset/liability of reinsurance contracts held showing the asset for remaining coverage and the asset for incurred claims (continued):

	30.06.2024				
	Assets for remaining coverage		Assets for incurred claims		Total RM'000
	Loss-recovery component RM'000	Excluding loss-recovery component RM'000	PAA Estimates of the present value of future cash flows RM'000	Non-PAA RM'000	
<b>Cash flows</b>					
Premiums paid	-	338,693	-	-	338,693
Amounts recovered	-	-	(19,861)	(287,338)	(307,199)
<b>Total cash flows</b>	-	338,693	(19,861)	(287,338)	31,494
<b>Net closing assets/(liabilities)</b>	3,387	(361,535)	5,707	255,904	(96,537)
<b>At 30 June 2024</b>					
Closing assets	2,866	(79,925)	5,742	153,283	81,966
Closing (liabilities)	521	(281,610)	(35)	102,621	(178,503)
<b>Net closing assets/(liabilities)</b>	3,387	(361,535)	5,707	255,904	(96,537)



# Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))  
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## 12. Reinsurance contract assets/liabilities (continued)

- a) Roll-forward of the net asset/liability of reinsurance contracts held showing the asset for remaining coverage and the asset for incurred claims (continued):

	31.12.2023				
	Assets for remaining coverage		Assets for incurred claims		Total RM'000
	Loss-recovery component RM'000	Excluding loss-recovery component RM'000	PAA Estimates of the present value of future cash flows RM'000	Non-PAA RM'000	
<b>At 1 January 2023</b>					
Opening assets	1,342	(120,248)	7,693	207,997	96,784
Opening (liabilities)	156	(273,821)	174	95,012	(178,479)
<b>Net opening (liabilities)/assets</b>	<b>1,498</b>	<b>(394,069)</b>	<b>7,867</b>	<b>303,009</b>	<b>(81,695)</b>
<b>Allocation of reinsurance premiums</b>					
Amounts relating to the changes in the assets for remaining coverage	-	(307,736)	-	-	(307,736)
<b>Amounts recoverable from reinsurers</b>					
Recognition of loss-recovery from onerous underlying contracts	1,039	-	-	-	1,039
Amounts recoverable for claims and other expenses incurred in the period	-	-	7,525	241,307	248,832
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	5,120	15,566	20,686
<b>Net income/(expense) from reinsurance contracts held</b>	<b>1,039</b>	<b>(307,736)</b>	<b>12,645</b>	<b>256,873</b>	<b>(37,179)</b>
<b>Reinsurance finance expense</b>	<b>-</b>	<b>(2,870)</b>	<b>-</b>	<b>-</b>	<b>(2,870)</b>
<b>Total changes in the Statement of Profit or Loss and Other Comprehensive Income</b>	<b>1,039</b>	<b>(310,606)</b>	<b>12,645</b>	<b>256,873</b>	<b>(40,049)</b>

# Prudential Assurance Malaysia Berhad

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## 12. Reinsurance contract assets/liabilities (continued)

- a) Roll-forward of the net asset/liability of reinsurance contracts held showing the asset for remaining coverage and the asset for incurred claims (continued):

	31.12.2023				
	Assets for remaining coverage		Assets for incurred claims		
	Loss-recovery component RM'000	Excluding loss-recovery component RM'000	PAA Estimates of the present value of future cash flows RM'000	Non-PAA RM'000	Total RM'000
<b>Cash flows</b>					
Premiums paid	-	184,435	-	-	184,435
Amounts recovered	-	-	(2,673)	(151,469)	(154,142)
<b>Total cash flows</b>	-	184,435	(2,673)	(151,469)	30,293
<b>Net closing assets/(liabilities)</b>	2,537	(520,240)	17,839	408,413	(91,451)
<b>At 31 December 2023</b>					
Closing assets	2,169	(157,614)	19,453	246,486	110,494
Closing (liabilities)	368	(362,626)	(1,614)	161,927	(201,945)
<b>Net closing assets/(liabilities)</b>	2,537	(520,240)	17,839	408,413	(91,451)

# Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))  
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## 12. Reinsurance contract assets/liabilities (continued)

- b) Roll-forward of the net asset/liability of reinsurance contracts held that are not measured under the premium allocation approach, showing the estimates of the present value of future cash flows, risk adjustment and CSM:

	30.06.2024			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
<b>At 1 January 2024</b>				
Opening assets	117,964	17,131	(34,846)	100,249
Opening (liabilities)	(212,942)	2,703	14,087	(196,152)
<b>Net opening (liabilities)/assets</b>	<b>(94,978)</b>	<b>19,834</b>	<b>(20,759)</b>	<b>(95,903)</b>
<b>Changes that relate to current services</b>				
CSM recognised for services received	-	-	1,180	1,180
Risk adjustment recognised for the risk expired	-	(2,898)	-	(2,898)
Experience adjustments	(45,264)	-	-	(45,264)
<b>Changes that relate to future services</b>				
Contracts initially recognised in the period	1,252	1,205	(2,292)	165
Changes in estimates that adjust the CSM	3,975	4,372	(8,347)	-
Changes in estimates that do not adjust the CSM	690	-	-	690
<b>Changes that relate to past services</b>				
Changes in amounts recoverable arising from changes in liability for incurred claims	13,942	-	-	13,942
<b>Net expense from reinsurance contracts held</b>	<b>(25,405)</b>	<b>2,679</b>	<b>(9,459)</b>	<b>(32,185)</b>
<b>Net reinsurance finance (expense)/income</b>	<b>(5,106)</b>	<b>742</b>	<b>(386)</b>	<b>(4,750)</b>
<b>Total changes in the Statement of Profit or Loss and Other Comprehensive Income</b>	<b>(30,511)</b>	<b>3,421</b>	<b>(9,845)</b>	<b>(36,935)</b>

# Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))  
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## 12. Reinsurance contract assets/liabilities (continued)

- b) Roll-forward of the net asset/liability of reinsurance contracts held that are not measured under the premium allocation approach, showing the estimates of the present value of future cash flows, risk adjustment and CSM (continued):

	<b>30.06.2024</b>			
	<b>Estimates of the present value of future cash flows RM'000</b>	<b>Risk adjustment RM'000</b>	<b>Contractual service margin RM'000</b>	<b>Total RM'000</b>
<b>Cash flows</b>				
Premiums paid	312,325	-	-	312,325
Amounts recovered	(287,338)	-	-	(287,338)
<b>Total cash flows</b>	24,987	-	-	24,987
<b>Net closing (liabilities)/assets</b>	(100,502)	23,255	(30,604)	(107,851)
<b>At 30 June 2024</b>				
Closing assets	86,648	18,096	(38,521)	66,223
Closing (liabilities)	(187,150)	5,159	7,917	(174,074)
<b>Net closing (liabilities)/assets</b>	(100,502)	23,255	(30,604)	(107,851)

# Prudential Assurance Malaysia Berhad

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## 12. Reinsurance contract assets/liabilities (continued)

- b) Roll-forward of the net asset/liability of reinsurance contracts held that are not measured under the premium allocation approach, showing the estimates of the present value of future cash flows, risk adjustment and CSM (continued):

	31.12.2023			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
<b>At 1 January 2023</b>				
Opening assets	88,254	15,252	(17,880)	85,626
Opening (liabilities)	(202,377)	7,509	20,109	(174,759)
<b>Net opening (liabilities)/assets</b>	<b>(114,123)</b>	<b>22,761</b>	<b>2,229</b>	<b>(89,133)</b>
<b>Changes that relate to current services</b>				
CSM recognised for services received	-	-	1,509	1,509
Risk adjustment recognised for the risk expired	-	(5,882)	-	(5,882)
Experience adjustments	(48,627)	-	-	(48,627)
<b>Changes that relate to future services</b>				
Contracts initially recognised in the period	79	1,401	(887)	593
Changes in estimates that adjust the CSM	24,105	(470)	(23,635)	-
Changes in estimates that do not adjust the CSM	448	-	-	448
<b>Changes that relate to past services</b>				
Changes in amounts recoverable arising from changes in liability for incurred claims	15,566	-	-	15,566
<b>Net expense from reinsurance contracts held</b>	<b>(8,429)</b>	<b>(4,951)</b>	<b>(23,013)</b>	<b>(36,393)</b>
<b>Net reinsurance finance (expense)/income</b>	<b>(4,919)</b>	<b>2,024</b>	<b>25</b>	<b>(2,870)</b>
<b>Total changes in the Statement of Profit or Loss and Other Comprehensive Income</b>	<b>(13,348)</b>	<b>(2,927)</b>	<b>(22,988)</b>	<b>(39,263)</b>

# Prudential Assurance Malaysia Berhad

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## 12. Reinsurance contract assets/liabilities (continued)

- b) Roll-forward of the net asset/liability of reinsurance contracts held that are not measured under the premium allocation approach, showing the estimates of the present value of future cash flows, risk adjustment and CSM (continued):

	31.12.2023			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
<b>Cash flows</b>				
Premiums paid	183,962	-	-	183,962
Amounts recovered	(151,469)	-	-	(151,469)
<b>Total cash flows</b>	32,493	-	-	32,493
<b>Net closing (liabilities)/assets</b>	(94,978)	19,834	(20,759)	(95,903)
<b>At 31 December 2023</b>				
Closing assets	117,964	17,131	(34,846)	100,249
Closing (liabilities)	(212,942)	2,703	14,087	(196,152)
<b>Net closing (liabilities)/assets</b>	(94,978)	19,834	(20,759)	(95,903)

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## 13. Regulatory capital requirements

The capital structure of the Company as at 30 June 2024, as prescribed under Bank Negara Malaysia's Risk Based Capital Framework for Insurers is provided below:

	<b>30.06.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Eligible Tier 1 Capital</b>		
Share capital (paid-up)	100,000	100,000
Reserves, including retained earnings	<u>4,556,380</u>	<u>4,240,208</u>
	4,656,380	4,340,208
<b>Deduction</b>		
Intangible assets and deferred tax assets	<u>305,797</u>	<u>308,482</u>
<b>Total capital available</b>	<u><u>4,350,583</u></u>	<u><u>4,031,726</u></u>

For life insurer with participating business, the Capital Adequacy Ratio ("CAR") shall be computed as the lower of CAR which takes into account all the insurance and shareholders funds; and CAR which takes into account all the insurance and shareholders funds, excluding the participating life insurance fund.

The Company is in compliance with the RBC Framework.

## 14. Capital commitments

The capital commitments are in respect of:

- property and equipment
- intangible assets
- relocation cost

	<b>30.06.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Authorised and contracted for	<u>33,203</u>	<u>16,482</u>

## 15. Dividends

In the prior interim period ended 30 June 2023, the Company paid a final single tier dividend of 271.0% totalling RM271.0 million for the year ended 31 December 2022 on 30 May 2023.

In the current interim period ended 30 June 2024, the Company paid a final single tier dividend of 100.0% totalling RM100.0 million for the year ended 31 December 2023 on 6 June 2024.

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## 16. Related party disclosures

The significant related party transactions and balances of the Company are as follows:

	<b>6 months period ended 30.06.2024 RM'000</b>	<b>6 months period ended 30.06.2023 RM'000</b>
<b>Transactions:</b>		
Outsourcing fees and other charges		
- Prudential Services Asia Sdn Bhd	6,584	7,259
- Prudential Services Singapore Pte Ltd	4,699	4,303
- Pulse Ecosystem Pte Ltd	37,647	31,886
- Prudential Investment Management Private Limited	630	-
Recharge expenses		
- Prudential Corporation Holdings Limited	19,832	22,126
Recharge income		
- Prudential BSN Takaful Berhad	(33,632)	(53,050)
Investment management fees		
- Eastspring Investments Berhad	45,629	41,674
- Eastspring Al-Wara' Investments Berhad	1,789	2,185
	<b>30.06.2024 RM'000</b>	<b>31.12.2023 RM'000</b>
<b>Balances:</b>		
Amount due to related companies:		
- Prudential Services Asia Sdn Bhd	(24,112)	(3,813)
- Prudential Corporation Holdings Limited	(71,957)	(68,715)
- Eastspring Al-Wara' Investments Berhad	(739)	(344)
- Prudential Services Singapore Pte Ltd	(3,817)	(100)
- Eastspring Investment Berhad	(15,212)	(6,032)
- Prudential Life Assurance (Thailand) PCL	-	(317)
- Pulse Ecosystem Pte Ltd	(59,820)	(24,364)
- Prudential Investment Management Private Limited	(705)	-
Amount due from related companies:		
- Prudential BSN Takaful Berhad	15,212	33,803
- Prudential Foundation Ltd	159	231
- Sri Han Suria Sdn Bhd	-	1



# Prudential Assurance Malaysia Berhad

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## 17. Fair value information

The carrying amounts of fixed and call deposits with financial institutions, mortgage loans, unsecured loans, cash and bank balances, short-term receivables and short-term payables reasonably approximate their fair value due to relatively short-term nature of these financial instruments.

The table below analyses financial instruments carried at fair value by valuation hierarchy. There are no financial instruments not carried at fair value for which fair value is disclosed during the financial period.

	Financial instruments carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
<b>30 June 2024</b>					
<b>Financial assets</b>					
Malaysian government securities	-	5,225,903	-	5,225,903	5,225,903
Debt securities	-	13,544,418	54,100	13,598,518	13,598,518
Equity shares	18,766,994	-	5,296	18,772,290	18,772,290
Real estate investment trusts ("REITs")	311,509	-	-	311,509	311,509
Exchange traded fund ("ETF")	-	17,780	-	17,780	17,780
Unit trust funds	-	2,007,918	-	2,007,918	2,007,918
Foreign managed funds	-	4,572,610	-	4,572,610	4,572,610
Investment in structured products	-	4,648	-	4,648	4,648
	<u>19,078,503</u>	<u>25,373,277</u>	<u>59,396</u>	<u>44,511,176</u>	<u>44,511,176</u>
<b>Financial liability</b>					
Derivatives	-	534	-	534	534

# Prudential Assurance Malaysia Berhad

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## 17. Fair value information (continued)

	Financial instruments carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
<b>31 December 2023</b>					
<b>Financial assets</b>					
Malaysian government securities	-	4,535,166	-	4,535,166	4,535,166
Debt securities	-	13,246,963	56,600	13,303,563	13,303,563
Equity shares	16,776,846	-	5,296	16,782,142	16,782,142
Real estate investment trusts ("REITs")	319,751	-	-	319,751	319,751
Unit trust funds	-	1,455,244	-	1,455,244	1,455,244
Foreign managed funds	-	3,829,314	-	3,829,314	3,829,314
Investment in structured products	-	4,969	-	4,969	4,969
Derivatives	-	5,692	-	5,692	5,692
	<u>17,096,597</u>	<u>23,077,348</u>	<u>61,896</u>	<u>40,235,841</u>	<u>40,235,841</u>

# Prudential Assurance Malaysia Berhad

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## 17. Fair value information (continued)

### Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 1 principally includes exchange listed equities, mutual funds with quoted prices and exchange traded derivatives such as futures and options, unless there is evidence that trading in a given instrument is so infrequent that the market could not possibly be considered active.

### Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 2 principally includes corporate bonds, foreign managed funds, national and non-national government debt securities which are valued using observable inputs, together with over-the-counter derivatives such as forward exchange contracts, unit and property trust funds and structured products.

There has been no transfer between Level 1 and 2 fair values during the current interim period ended 30 June 2024 (30 June 2023: no transfer in either directions).

### Level 3: Significant inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Level 3 principally includes investment in unquoted equities and debt securities which are internally valued or subject to a significant number of unobservable assumptions. The inherent nature of the vast majority of these assets means that, in normal market conditions, there is unlikely to be significant change in the specific underlying assets classified as Level 3.

Financial assets measured at fair value based on Level 3:

	Unquoted equity securities RM'000	Unquoted debt securities RM'000	Total RM'000
<b>At 1 January 2023</b>	5,296	59,100	64,396
Transfer out of Level 3	-	(2,500)	(2,500)
<b>At 31 December 2023</b>	5,296	56,600	61,896
Transfer out of Level 3	-	(2,500)	(2,500)
<b>At 30 June 2024</b>	5,296	54,100	59,396

The transfer out of Level 3 comprises of a tranche of unquoted debt securities which matured in April 2024.