

**Prudential Assurance
Malaysia Berhad**

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

**Unaudited Condensed Interim
Financial Statements
For The Half-Year Ended
30 June 2026
(In Ringgit Malaysia)**

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

<u>Contents</u>	<u>Page</u>
Condensed statement of financial position - unaudited	1
Condensed statement of profit or loss and other comprehensive income - unaudited	2
Condensed statement of changes in equity - unaudited	3 – 4
Condensed statement of cash flows - unaudited	5
Notes to the condensed interim financial statements	6 – 38

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

Condensed statement of financial position

As at 30 June 2026 (Unaudited)

	Note	30.06.2026 RM'000	31.12.2025 RM'000
Assets			
Property and equipment		134,632	122,211
Right-of-use assets		131,177	134,825
Intangible assets		284,129	311,234
Investments, including derivatives	10	55,744,969	54,207,755
Insurance contract assets	11	13,006	6,632
Reinsurance contract assets	12	105,339	102,707
Other receivables		334,310	362,102
Tax recoverable		86,682	121,304
Cash and bank balances		130,174	141,449
Total assets		<u>56,964,418</u>	<u>55,510,219</u>
Equity, policyholders' funds and liabilities			
Share capital		100,000	100,000
Retained earnings		9,001,991	8,786,621
Total equity		<u>9,101,991</u>	<u>8,886,621</u>
Insurance contract liabilities	11	44,120,242	43,048,041
Reinsurance contract liabilities	12	178,695	181,305
Deferred tax liabilities		3,059,381	2,873,432
Derivatives		9,142	-
Lease liabilities		138,918	142,710
Tax payable		24,257	15,314
Other payables and provisions		331,792	362,796
Total liabilities		<u>47,862,427</u>	<u>46,623,598</u>
Total equity, policyholders' funds and liabilities		<u>56,964,418</u>	<u>55,510,219</u>

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

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

Condensed statement of profit or loss and other comprehensive income For the 6 months period ended 30 June 2026 (Unaudited)

	Note	6 months period ended 30.06.2026 RM'000	6 months period ended 30.06.2025 RM'000
Insurance revenue		3,225,004	2,993,052
Insurance service expense for insurance contract issued		(2,546,703)	(2,384,012)
Net expense from reinsurance contracts held		<u>(8,051)</u>	<u>(11,568)</u>
Insurance service result		<u>670,250</u>	<u>597,472</u>
Investment income / (expense)	13	1,293,505	(201,917)
Net insurance finance (expense) / income	14	(1,264,030)	499,223
Net reinsurance finance expense	14	<u>(2,370)</u>	<u>(2,704)</u>
Net investment result		<u>27,105</u>	<u>294,602</u>
Other income	15	23,556	22,921
Other expenditure	16	(7,918)	(3,207)
Finance cost		<u>(3,705)</u>	<u>(3,386)</u>
Profit before taxation		709,288	908,402
Taxation		<u>(243,009)</u>	<u>(191,056)</u>
Net profit/Total comprehensive income for the period		<u>466,279</u>	<u>717,346</u>
Earnings per share (sen)			
Basic		<u>466.28</u>	<u>717.35</u>

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

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

Condensed statement of changes in equity For the 6 months period ended 30 June 2026 (Unaudited)

	Note	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2026		100,000	8,786,621	8,886,621
Net profit/Total comprehensive income for the period		-	466,279	466,279
Group share-based payment transaction*		-	(909)	(909)
Dividend paid during the period	19	-	(250,000)	(250,000)
At 30 June 2026		<u>100,000</u>	<u>9,001,991</u>	<u>9,101,991</u>

* 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))

(Incorporated in Malaysia)

Condensed statement of changes in equity

For the 6 months period ended 30 June 2026 (Unaudited) (continued)

	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2025	100,000	7,546,305	7,646,305
Net profit/Total comprehensive income for the period	-	717,346	717,346
Group share-based payment transaction*	-	(3,058)	(3,058)
At 30 June 2025	<u>100,000</u>	<u>8,260,593</u>	<u>8,360,593</u>

* 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))

(Incorporated in Malaysia)

Condensed statement of cash flows

For the 6 months period ended 30 June 2026 (Unaudited)

	6 months period ended 30.06.2026 RM'000	6 months period ended 30.06.2025 RM'000
Cash flows from operating activities		
Profit before taxation	709,288	908,402
Adjustments for:		
Loss/(gain) on disposal of property and equipment	29	(304)
Fair value (gain)/loss on investments	(151,569)	1,250,726
Depreciation of property and equipment	8,365	8,358
Depreciation of right-of-use assets	20,540	16,871
Amortisation of intangible assets	29,328	28,893
Property and equipment written off	-	261
Interest expense on lease liabilities	3,182	1,853
Operating profit before changes in working capital	619,163	2,215,060
Changes in operating assets and liabilities:		
Investments	(1,376,503)	(1,798,568)
Insurance contract assets	(6,374)	9,663
Reinsurance contract assets	(2,632)	(12,717)
Other receivables	27,787	220,635
Insurance contract liabilities	1,072,201	(497,001)
Reinsurance contract liabilities	(2,610)	2,804
Other payables and provisions	(31,912)	(16,060)
Cash generated from operations	299,120	123,816
Tax paid	(13,496)	(92,855)
Net cash generated from operating activities	285,624	30,961
Cash flows from investing activities		
Acquisition of property and equipment	(22,597)	(10,587)
Acquisition of intangible assets	(436)	(9,717)
Proceeds from disposal of property and equipment	-	2,484
Net cash used in investing activities	(23,033)	(17,820)
Cash flows from financing activities		
Payment of lease liabilities	(20,684)	(17,487)
Interest paid on lease liabilities	(3,182)	(1,853)
Dividend paid to owners of the Company	(250,000)	-
Net cash used in financing activities	(273,866)	(19,340)
Net decrease in cash and bank balances	(11,275)	(6,199)
Cash and bank balances at beginning of period	141,449	83,552
Cash and bank balances at end of period	130,174	77,353

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

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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 2025.

(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 2025, except for the adoption of the following:

Amendments to standards effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures* – *Amendments to the Classification and Measurement of Financial Instruments*
- Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures* – *Contracts Referencing Nature-dependent Electricity*
- Annual improvements to MFRS Accounting Standards – Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*, MFRS 7 *Financial Instruments: Disclosures*, MFRS 9 *Financial Instruments*, MFRS 10 *Consolidated Financial Statements* and MFRS 107 *Statement of Cash Flows*

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 2026 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 2027

- MFRS 18 *Presentation and Disclosure in Financial Statements*
- Amendments to MFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates* – *Translation to a Hyperinflationary Presentation Currency*

Prudential Assurance Malaysia Berhad

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

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 except as mentioned below:

(i) MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures ("MPM"), subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified roles of the primary financial statements ("PFS") and the notes.

In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

MFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. MFRS 18 will apply retrospectively.

The Company is currently assessing the impacts the amendments will have on the primary financial statements and notes to the financial statements.

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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 2025.

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 due to their nature, size or incidence in the current interim period ended 30 June 2026 but the Company wishes to highlight the following:

- (a) The Company, via its legal advisors, have filed the cause papers with the Special Commissioner of Income Tax ("SCIT") for the additional assessment issued by the Inland Revenue Board ("IRB") relating to the Section 110B set-off applied to the actuarial surplus arising from the Unit Linked Funds being disregarded amounting RM26.9 million for the Years of Assessment 2015, 2016 and 2018. The Company paid the full additional tax amount. The Company is of the view, based on advice received from its tax and legal advisors, that there are strong justifications for its appeal against the matter raised by IRB and has treated the full payment of RM26.9 million as a tax recoverable.
- (b) On 9 September 2024, the IRB issued to the Company notices of additional assessment ("Form JA") for the Years of Assessment from 2020 to 2021 and notice of reduced assessment ("Form JR") for Year of Assessment 2022 relating to S110B set-off applied to the actuarial surplus arising from the Unit Linked Funds being disregarded amounting to RM32.9 million. The Company paid the full additional tax amount on 21 November 2024 and filed an appeal to the Special Commissioners of Income Tax ("SCIT") via Form Q against the Form JA and JR. The Company has maintained a similar position as with (a) above and treated the payments of RM32.9 million as a tax recoverable, consistent with the previous payments made in respect of Years of Assessment 2015, 2016 and 2018.

Prudential Assurance Malaysia Berhad

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

5. Changes in estimates

There were no material changes in the basis used for accounting estimates for the current interim period ended 30 June 2026.

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 2026.

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.

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

10. Investments, including derivatives

	30.06.2026 RM'000	31.12.2025 RM'000
Malaysian government securities	5,265,290	4,949,123
Debt securities	16,826,270	15,944,230
Equity securities	21,093,930	21,010,789
Real estate investment trusts ("REITs")	314,167	443,532
Exchange traded fund ("ETF")	174,064	44,344
Unit trust funds	3,021,100	2,595,305
Foreign managed funds	6,158,323	5,597,118
Investment in structured products	3,479	3,730
Derivatives	-	13,160
Loans	939	1,107
Fixed and call deposits with financial institutions	2,887,407	3,605,317
	<u>55,744,969</u>	<u>54,207,755</u>

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

	30.06.2026 RM'000	31.12.2025 RM'000
Amortised cost ("AC")	2,888,346	3,606,424
Fair value through profit or loss ("FVTPL")	52,856,623	50,601,331
	<u>55,744,969</u>	<u>54,207,755</u>

The following investments mature after 12 months:

	30.06.2026 RM'000	31.12.2025 RM'000
AC	227,894	882,122
FVTPL	20,121,346	20,730,431
	<u>20,349,240</u>	<u>21,612,553</u>

(a) Amortised cost

	30.06.2026 RM'000	31.12.2025 RM'000
Fixed and call deposits with financial institutions	2,887,407	3,605,317
Mortgage loans	2	6
Unsecured loans	937	1,101
	<u>2,888,346</u>	<u>3,606,424</u>

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

10. Investments, including derivatives (continued)

(b) Fair value through profit or loss

	30.06.2026 RM'000	31.12.2025 RM'000
Malaysian government securities	5,265,290	4,949,123
Debt securities	16,826,270	15,944,230
Equity securities	21,093,930	21,010,789
Real estate investment trusts ("REITs")	314,167	443,532
Exchange traded fund ("ETF")	174,064	44,344
Unit trust funds	3,021,100	2,595,305
Foreign managed funds	6,158,323	5,597,118
Investment in structured products	3,479	3,730
Derivatives	-	13,160
	<u>52,856,623</u>	<u>50,601,331</u>

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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:

	Assets	Liabilities	Net liabilities /
	RM'000	RM'000	(assets)
			RM'000
As at 30 June 2026			
Estimates of present value of future cash flows	-	33,163,567	33,163,567
Risk adjustment for non-financial risks ("RA")	-	1,813,118	1,813,118
Contractual service margin ("CSM")	-	9,124,690	9,124,690
Insurance contracts not measured under Premium Allocation Approach ("PAA")	-	44,101,375	44,101,375
Insurance contracts measured under PAA	(13,006)	18,867	5,861
Total insurance contract balances	(13,006)	44,120,242	44,107,236
As at 31 December 2025			
Estimates of present value of future cash flows	-	32,194,470	32,194,470
Risk adjustment for non-financial risks ("RA")	-	1,795,886	1,795,886
Contractual service margin ("CSM")	-	9,041,883	9,041,883
Insurance contracts not measured under Premium Allocation Approach ("PAA")	-	43,032,239	43,032,239
Insurance contracts measured under PAA	(6,632)	15,802	9,170
Total insurance contract balances	(6,632)	43,048,041	43,041,409

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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:

	30.06.2026				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total RM'000
	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	
At 1 January 2026					
Opening (assets)	-	(15,182)	8,550	-	(6,632)
Opening liabilities	261,555	40,720,076	13,972	2,052,438	43,048,041
Net opening liabilities	261,555	40,704,894	22,522	2,052,438	43,041,409
Insurance revenue					
Expected incurred claims and other insurance service result	-	(1,902,087)	-	-	(1,902,087)
Change in risk adjustment for non-financial risk expired	-	(76,261)	-	-	(76,261)
CSM recognised for services provided	-	(497,762)	-	-	(497,762)
Recovery of insurance acquisition cash flows	-	(656,163)	-	-	(656,163)
Premium and other adjustments	-	(40,175)	-	-	(40,175)
Contracts measured under PAA	-	(52,556)	-	-	(52,556)
Insurance service expense					
Adjustments to liability for incurred claims	-	-	17,055	128,157	145,212
Amortisation of insurance acquisition cash flows	-	656,163	-	-	656,163
Incurred claims and other expenses	(8,181)	-	27,055	1,736,272	1,755,146
Losses and/or reversal of losses on onerous contracts	(9,818)	-	-	-	(9,818)
Insurance Service Result	(17,999)	(2,568,841)	44,110	1,864,429	(678,301)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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):

	30.06.2026				
	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
Investment components	-	(1,678,101)	-	1,678,101	-
Net insurance finance expense	3,715	1,234,267	-	26,048	1,264,030
Total changes in the Statement of Profit or Loss and Other Comprehensive Income	(14,284)	(3,012,675)	44,110	3,568,578	585,729
Cash flows					
Claims & other insurance services expenses paid	-	-	(47,066)	(3,464,237)	(3,511,303)
Insurance acquisition cash flows	-	(1,435,063)	-	-	(1,435,063)
Premiums and other amounts received for insurance contracts	-	5,426,464	-	-	5,426,464
Total cash flows	-	3,991,401	(47,066)	(3,464,237)	480,098
Net closing liabilities	247,271	41,683,620	19,566	2,156,779	44,107,236
At 30 June 2026					
Closing (assets)	-	(15,431)	2,425	-	(13,006)
Closing liabilities	247,271	41,699,051	17,141	2,156,779	44,120,242
Net closing liabilities	247,271	41,683,620	19,566	2,156,779	44,107,236

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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):

	31.12.2025				
	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
At 1 January 2025					
Opening (assets)	-	(29,771)	(14,297)	-	(44,068)
Opening liabilities	235,173	38,727,959	110	1,872,590	40,835,832
Net opening liabilities	235,173	38,698,188	(14,187)	1,872,590	40,791,764
Insurance revenue					
Expected incurred claims and other insurance service result	-	(3,659,537)	-	-	(3,659,537)
Change in risk adjustment for non-financial risk expired	-	(143,861)	-	-	(143,861)
CSM recognised for services provided	-	(984,485)	-	-	(984,485)
Recovery of insurance acquisition cash flows	-	(1,268,523)	-	-	(1,268,523)
Premium and other adjustments	-	(80,128)	-	-	(80,128)
Contracts measured under PAA	-	(95,417)	-	-	(95,417)
Insurance service expense					
Adjustments to liability for incurred claims	-	-	23,787	113,197	136,984
Amortisation of insurance acquisition cash flows	-	1,268,523	-	-	1,268,523
Incurred claims and other expenses	(20,695)	-	60,795	3,499,675	3,539,775
Losses and/or reversal of losses on onerous contracts	38,117	-	-	-	38,117
Insurance Service Result	17,422	(4,963,428)	84,582	3,612,872	(1,248,552)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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):

	31.12.2025				
	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
Investment components	-	(3,247,452)	-	3,247,452	-
Net insurance finance expense	8,960	2,122,306	-	12,384	2,143,650
Total changes in the Statement of Profit or Loss and Other Comprehensive Income	26,382	(6,088,574)	84,582	6,872,708	895,098
Cash flows					
Claims & other insurance services expenses paid	-	-	(75,522)	(6,668,432)	(6,743,954)
Insurance acquisition cash flows	-	(1,389,091)	-	-	(1,389,091)
Premiums and other amounts received for insurance contracts	-	9,487,592	-	-	9,487,592
Total cash flows	-	8,098,501	(75,522)	(6,668,432)	1,354,547
Other movements	-	(3,221)	27,649	(24,428)	-
Net closing liabilities	261,555	40,704,894	22,522	2,052,438	43,041,409
At 31 December 2025					
Closing (assets)	-	(15,182)	8,550	-	(6,632)
Closing liabilities	261,555	40,720,076	13,972	2,052,438	43,048,041
Net closing liabilities	261,555	40,704,894	22,522	2,052,438	43,041,409

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:

	30.06.2026			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
At 1 January 2026				
Opening liabilities	32,194,470	1,795,886	9,041,883	43,032,239
Net opening liabilities	32,194,470	1,795,886	9,041,883	43,032,239
Changes that relate to current services				
CSM recognised for services provided	-	-	(497,762)	(497,762)
Risk adjustment recognised for the risk expired	-	(76,079)	-	(76,079)
Experience adjustments	(214,353)	-	-	(214,353)
Changes that relate to future services				
Contracts initially recognised in the period	(435,435)	62,201	373,791	557
Changes in estimates that adjust the CSM	(75,676)	9,861	65,815	-
Changes in estimates that do not adjust the CSM	(9,167)	(1,208)	-	(10,375)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	128,157	-	-	128,157
Insurance Service Result	(606,474)	(5,225)	(58,156)	(669,855)
Net insurance finance expense	1,100,610	22,457	140,963	1,264,030
Total changes in the Statement of Profit or Loss and Other Comprehensive Income	494,136	17,232	82,807	594,175

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 (continued):

	30.06.2026			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
Cash flows				
Claims & other insurance services expenses paid	(3,464,237)	-	-	(3,464,237)
Insurance acquisition cash flows	(1,435,063)	-	-	(1,435,063)
Premiums and other amounts received for insurance contracts	5,374,261	-	-	5,374,261
Total cash flows	474,961	-	-	474,961
Net closing liabilities	33,163,567	1,813,118	9,124,690	44,101,375
At 30 June 2026				
Closing liabilities	33,163,567	1,813,118	9,124,690	44,101,375
Net closing liabilities	33,163,567	1,813,118	9,124,690	44,101,375

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 (continued):

	31.12.2025			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
At 1 January 2025				
Opening liabilities	30,074,701	1,591,549	9,159,050	40,825,300
Net opening liabilities	30,074,701	1,591,549	9,159,050	40,825,300
Changes that relate to current services				
CSM recognised for services provided	-	-	(984,485)	(984,485)
Risk adjustment recognised for the risk expired	-	(143,472)	-	(143,472)
Experience adjustments	(261,074)	-	-	(261,074)
Changes that relate to future services				
Contracts initially recognised in the period	(790,062)	106,743	686,004	2,685
Changes in estimates that adjust the CSM	(59,424)	164,124	(104,700)	-
Changes in estimates that do not adjust the CSM	38,516	(3,084)	-	35,432
Changes that relate to past services				
Adjustments to liabilities for incurred claims	113,197	-	-	113,197
Insurance Service Result	(958,847)	124,311	(403,181)	(1,237,717)
Net insurance finance expenses	1,777,610	80,026	286,014	2,143,650
Total changes in the Statement of Profit or Loss and Other Comprehensive Income	818,763	204,337	(117,167)	905,933

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 (continued):

	31.12.2025			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
Cash flows				
Claims & other insurance services expenses paid	(6,668,432)	-	-	(6,668,432)
Insurance acquisition cash flows	(1,389,091)	-	-	(1,389,091)
Premiums and other amounts received for insurance contracts	9,382,957	-	-	9,382,957
Total cash flows	1,325,434	-	-	1,325,434
Other movements	(24,428)	-	-	(24,428)
Net closing liabilities	32,194,470	1,795,886	9,041,883	43,032,239
At 31 December 2025				
Closing liabilities	32,194,470	1,795,886	9,041,883	43,032,239
Net closing liabilities	32,194,470	1,795,886	9,041,883	43,032,239

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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:

	Assets	Liabilities	Net (liabilities) / assets
	RM'000	RM'000	RM'000
As at 30 June 2026			
Estimates of present value of future cash flows	125,688	(178,892)	(53,204)
Risk adjustment for non-financial risks ("RA")	39,971	15,967	55,938
Contractual service margin ("CSM")	(75,725)	(11,740)	(87,465)
Reinsurance contracts not measured under PAA	89,934	(174,665)	(84,731)
Reinsurance contracts measured under PAA	15,405	(4,030)	11,375
Total reinsurance contract balances	105,339	(178,695)	(73,356)
As at 31 December 2025			
Estimates of present value of future cash flows	115,294	(182,900)	(67,606)
Risk adjustment for non-financial risks ("RA")	38,548	16,308	54,856
Contractual service margin ("CSM")	(67,700)	(10,070)	(77,770)
Reinsurance contracts not measured under PAA	86,142	(176,662)	(90,520)
Reinsurance contracts measured under PAA	16,565	(4,643)	11,922
Total reinsurance contract balances	102,707	(181,305)	(78,598)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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:

	30.06.2026				
	Assets for remaining coverage		Assets for incurred claims		
	Loss-recovery component	Excluding loss-recovery component	PAA Estimates of the present value of future cash flows	Non-PAA	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2026					
Opening assets	4,871	(81,561)	8,103	171,294	102,707
Opening (liabilities)	5,813	(327,529)	(144)	140,555	(181,305)
Net opening (liabilities)	10,684	(409,090)	7,959	311,849	(78,598)
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	-	(220,004)	-	-	(220,004)
Amounts recoverable from reinsurers					
Recognition/Reversal of loss-recovery from onerous underlying contracts	547	-	-	-	547
Amounts recoverable for claims and other expenses incurred in the period	-	-	2,696	130,578	133,274
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	8,163	69,969	78,132
Net expense from reinsurance contracts held	547	(220,004)	10,859	200,547	(8,051)
Net reinsurance finance expense	-	(2,370)	-	-	(2,370)
Total changes in the Statement of Profit or Loss and Other Comprehensive Income	547	(222,374)	10,859	200,547	(10,421)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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):

	30.06.2026				
	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	
Cash flows					
Premiums paid	-	193,179	-	-	193,179
Amounts recovered	-	-	-	(177,516)	(177,516)
Total cash flows	-	193,179	-	(177,516)	15,663
Net closing (liabilities)	11,231	(438,285)	18,818	334,880	(73,356)
At 30 June 2026					
Closing assets	5,481	(94,839)	18,883	175,814	105,339
Closing (liabilities)	5,750	(343,446)	(65)	159,066	(178,695)
Net closing (liabilities)	11,231	(438,285)	18,818	334,880	(73,356)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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):

	31.12.2025				
	Assets for remaining coverage		Assets for incurred claims		
	Loss-recovery component	Excluding loss-recovery component	PAA Estimates of the present value of future cash flows	Non-PAA	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2025					
Opening assets	3,267	(33,613)	2,868	109,576	82,098
Opening (liabilities)	843	(366,430)	(82)	171,780	(193,889)
Net opening (liabilities)	4,110	(400,043)	2,786	281,356	(111,791)
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	-	(413,685)	-	-	(413,685)
Amounts recoverable from reinsurers					
Recognition of loss-recovery from onerous underlying contracts	6,574	-	-	-	6,574
Amounts recoverable for claims and other expenses incurred in the period	-	-	10,913	334,582	345,495
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	12,378	35,875	48,253
Net expense from reinsurance contracts held	6,574	(413,685)	23,291	370,457	(13,363)
Net reinsurance finance expense	-	(6,646)	-	-	(6,646)
Total changes in the Statement of Profit or Loss and Other Comprehensive Income	6,574	(420,331)	23,291	370,457	(20,009)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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):

	31.12.2025				
	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
Cash flows					
Premiums paid	-	411,284	-	-	411,284
Amounts recovered	-	-	(18,118)	(339,964)	(358,082)
Total cash flows	-	411,284	(18,118)	(339,964)	53,202
Net closing (liabilities)	10,684	(409,090)	7,959	311,849	(78,598)
At 31 December 2025					
Closing assets	4,871	(81,561)	8,103	171,294	102,707
Closing (liabilities)	5,813	(327,529)	(144)	140,555	(181,305)
Net closing (liabilities)	10,684	(409,090)	7,959	311,849	(78,598)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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:

	30.06.2026			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
At 1 January 2026				
Opening assets	115,294	38,548	(67,700)	86,142
Opening (liabilities)	(182,900)	16,308	(10,070)	(176,662)
Net opening (liabilities)	(67,606)	54,856	(77,770)	(90,520)
Changes that relate to current services				
CSM recognised for services received	-	-	7,920	7,920
Risk adjustment recognised for the risk expired	-	(4,842)	-	(4,842)
Experience adjustments	(80,559)	-	-	(80,559)
Changes that relate to future services				
Contracts initially recognised in the period	631	2,023	(2,566)	88
Changes in estimates that adjust the CSM	10,879	2,833	(13,712)	-
Changes in estimates that do not adjust the CSM	556	-	-	556
Changes that relate to past services				
Changes in amounts recoverable arising from changes in liability for incurred claims	69,968	-	-	69,968
Net expense from reinsurance contracts held	1,475	14	(8,358)	(6,869)
Net reinsurance finance expense	(2,101)	1,068	(1,337)	(2,370)
Total changes in the Statement of Profit or Loss and Other Comprehensive Income	(626)	1,082	(9,695)	(9,239)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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):

	30.06.2026			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
Cash flows				
Premiums paid	192,544	-	-	192,544
Amounts recovered	(177,516)	-	-	(177,516)
Total cash flows	15,028	-	-	15,028
Net closing (liabilities)	(53,204)	55,938	(87,465)	(84,731)
At 30 June 2026				
Closing assets	125,688	39,971	(75,725)	89,934
Closing (liabilities)	(178,892)	15,967	(11,740)	(174,665)
Net closing (liabilities)	(53,204)	55,938	(87,465)	(84,731)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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):

	31.12.2025			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
At 1 January 2025				
Opening assets	94,218	37,618	(63,579)	68,257
Opening (liabilities)	(207,627)	18,961	(940)	(189,606)
Net opening (liabilities)	(113,409)	56,579	(64,519)	(121,349)
Changes that relate to current services				
CSM recognised for services received	-	-	8,429	8,429
Risk adjustment recognised for the risk expired	-	(7,533)	-	(7,533)
Experience adjustments	(55,528)	-	-	(55,528)
Changes that relate to future services				
Contracts initially recognised in the period	6,547	4,850	(11,097)	300
Changes in estimates that adjust the CSM	9,745	(1,633)	(8,112)	-
Changes in estimates that do not adjust the CSM	6,431	-	-	6,431
Changes that relate to past services				
Changes in amounts recoverable arising from changes in liability for incurred claims	35,876	-	-	35,876
Net expense from reinsurance contracts held	3,071	(4,316)	(10,780)	(12,025)
Net reinsurance finance expense	(6,768)	2,593	(2,471)	(6,646)
Total changes in the Statement of Profit or Loss and Other Comprehensive Income	(3,697)	(1,723)	(13,251)	(18,671)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

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):

	31.12.2025			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
Cash flows				
Premiums paid	389,463	-	-	389,463
Amounts recovered	(339,963)	-	-	(339,963)
Total cash flows	49,500	-	-	49,500
Net closing (liabilities)	(67,606)	54,856	(77,770)	(90,520)
At 31 December 2025				
Closing assets	115,294	38,548	(67,700)	86,142
Closing (liabilities)	(182,900)	16,308	(10,070)	(176,662)
Net closing (liabilities)	(67,606)	54,856	(77,770)	(90,520)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

13. Investment income

	6 months period ended 30.06.2026 RM'000	6 months period ended 30.06.2025 RM'000
Realised gains and losses (Note 13 (a))	217,632	153,582
Fair value gains and losses (Note 13 (b))	152,124	(1,250,790)
Other investment income (Note 13 (c))	923,749	895,291
	<u>1,293,505</u>	<u>(201,917)</u>

a) Realised gains and losses

	6 months period ended 30.06.2026 RM'000	6 months period ended 30.06.2025 RM'000
Financial assets at FVTPL		
Realised gains:		
Equity securities		
- quoted in Malaysia	404,921	303,707
Debt securities		
- unquoted in Malaysia	13,281	32,094
Other securities		
- collective investment schemes	232,596	151,799
- investment in structured products	34	26
Derivatives	31,462	14,832
	<u>682,294</u>	<u>502,458</u>
Realised losses:		
Equity securities		
- quoted in Malaysia	(360,257)	(302,928)
Debt securities		
- unquoted in Malaysia	(4,046)	(4,518)
Other securities		
- collective investment schemes	(57,260)	(12,510)
Derivatives	(16,592)	(4,792)
	<u>(438,155)</u>	<u>(324,748)</u>
Net foreign exchange loss	<u>(26,507)</u>	<u>(24,128)</u>
Total net realised gains from FVTPL financial assets	<u>217,632</u>	<u>153,582</u>

b) Fair value gains and losses

	6 months period ended 30.06.2026 RM'000	6 months period ended 30.06.2025 RM'000
Financial assets	<u>152,124</u>	<u>(1,250,790)</u>

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

13. Investment income (continued)

c) Other investment income

	6 months period ended 30.06.2026 RM'000	6 months period ended 30.06.2025 RM'000
Financial assets at FVTPL		
Interest income		
- Malaysian government securities	102,592	110,188
- Cagamas bonds	1,002	1,796
- Unquoted debentures, bonds and loan stocks of corporations	361,573	323,330
Dividend income		
- Equity securities quoted in Malaysia	422,225	405,628
Financial assets at amortised cost		
Interest income		
- Fixed and call deposits	62,466	74,197
Investment expenses	(26,109)	(19,848)
	<u>923,749</u>	<u>895,291</u>

14. Insurance and reinsurance finance income / expense

	6 months period ended 30.06.2026 RM'000	6 months period ended 30.06.2025 RM'000
Insurance finance (expense) / income from insurance contracts issued		
Accretion of interest	(256,914)	(257,876)
Changes in interest rates and other financial assumptions	(129,839)	866,536
Changes in fair value of the underlying assets of insurance contracts	(902,881)	(250,971)
Effect of measuring changes in estimates at current rates and adjusting the CSM at locked-in rates	126	115,503
Net foreign exchange (loss) / gain	(595)	530
Other finance expense	26,073	25,501
Net insurance finance (expense) / income	<u>(1,264,030)</u>	<u>499,223</u>
Reinsurance finance (expense) / income from reinsurance contracts held		
Accretion of interest	(2,457)	(2,923)
Changes in interest rates and other financial assumptions	14	231
Effect of measuring changes in estimates at current rates and adjusting the CSM at locked-in rates	73	(12)
Net reinsurance finance expense	<u>(2,370)</u>	<u>(2,704)</u>
Total net investment income, insurance finance expenses and reinsurance finance expenses		
Represented by amounts recognised in profit or loss	<u>27,105</u>	<u>294,602</u>

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

14. Insurance and reinsurance finance income / expense (continued)

The fair value of underlying items of the Company's direct participating contracts as at 30 June 2026 was RM 31,056,686,693 (30 June 2025: RM 28,150,020,567). The underlying items comprise primarily investments in debt securities, equity securities and collective investment schemes. The underlying items also include policyholders' share of assets of the fund.

15. Other income

	6 months period ended 30.06.2026 RM'000	6 months period ended 30.06.2025 RM'000
Gains on disposal of fixed assets	-	304
Interest and rental income	623	994
Fee and commission income	19,910	18,482
Other operating income	3,023	3,141
	<u>23,556</u>	<u>22,921</u>

16. Other expenditure

	Note	6 months period ended 30.06.2026 RM'000	6 months period ended 30.06.2025 RM'000
Employee benefits expense:			
Wages and salaries		151,414	114,475
Social security contributions		844	844
Contributions to defined contribution plan, EPF		16,240	13,823
Other benefits		12,928	11,576
Directors' remuneration	16(a)	871	827
Auditors' remuneration:			
Audit fees		783	783
Retirement benefits		4,446	3,749
Expenses relating to short-term and low-value leases		2,627	2,013
Foreign exchange loss		2,482	133
Other operating expenses		31,209	31,651
		<u>223,844</u>	<u>179,874</u>
Less: Amount attributed to acquisition cash flows		(107,313)	(84,118)
Less: Amount attributed to non-acquisition cash flows		<u>(108,613)</u>	<u>(92,549)</u>
Total other expenditure		<u>7,918</u>	<u>3,207</u>

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

16. Other expenditure (continued)

(a) Chief Executive Officer and Directors' remuneration

The total remuneration (including benefits-in-kind) of the Chief Executive Officer and Directors are as follows:

	6 months period ended 30.06.2026 RM'000	6 months period ended 30.06.2025 RM'000
Chief Executive Officer:		
Fixed and variable remuneration	2,355	3,287
Shares and share-linked instruments	1,267	1,583
Estimated money value of benefits-in-kind	18	21
	<u>3,640</u>	<u>4,891</u>
Non-Executive Directors:		
- Dato' Seri Dr. Md Hamzah bin Md Kassim	188	-
- Abdul Khalil bin Abdul Hamid	-	180
- Foong Pik Yee	143	135
- Anthony Albert Collingridge	143	135
- Chin Kwai Fatt	143	135
- Mohd Yuzaidi bin Mohd Yusoff	129	121
- Trevor John Matthews	125	121
	<u>871</u>	<u>827</u>
	<u>4,511</u>	<u>5,718</u>

Non-Executive Directors only received director's fees as remuneration.

17. Regulatory capital requirements

The capital structure of the Company as at 30 June 2026, as prescribed under Bank Negara Malaysia's Risk Based Capital Framework for Insurers is provided below:

	30.06.2026 RM'000	31.12.2025 RM'000
Eligible Tier 1 Capital		
Share capital (paid-up)	100,000	100,000
Reserves, including retained earnings	<u>5,154,250</u>	<u>4,854,595</u>
	5,254,250	4,954,595
Deduction		
Intangible assets and deferred tax assets	<u>284,128</u>	<u>311,238</u>
Total capital available	<u>4,970,122</u>	<u>4,643,357</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.

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

18. Capital commitments

The capital commitments are in respect of:

- property and equipment
- intangible assets
- relocation cost

	30.06.2026 RM'000	31.12.2025 RM'000
Authorised and contracted for	<u>31,735</u>	<u>28,614</u>

19. Dividends

For the current interim period ended 30 June 2026, the Company paid a final single tier dividend of 250.0% totalling RM250.0 million for the financial year ended 31 December 2025 on 11 June 2026 and 12 June 2026.

20. Related party disclosures

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

	6 months period ended 30.06.2026 RM'000	6 months period ended 30.06.2025 RM'000
Transactions:		
Outsourcing fees and other charges		
- Prudential Services Asia Sdn Bhd	1,648	8,951
- Prudential Services Singapore Pte Ltd	23,157	1,412
- Pulse Ecosystem Pte Ltd	-	12,514
Recharge expenses		
- Prudential Corporation Holdings Limited	63,822	32,648
Recharge income		
- Prudential BSN Takaful Berhad	(26,190)	(26,716)
Investment management fees		
- Eastspring Investments Berhad	39,230	45,745
- Eastspring Al-Wara' Investments Berhad	2,158	2,113
Advisory fees		
- Prudential Investment Management Private Limited	<u>1,081</u>	<u>757</u>

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

20. Related party disclosures (continued)

	30.06.2026 RM'000	31.12.2025 RM'000
Balances:		
Amount due to related companies:		
- Prudential Services Asia Sdn Bhd	(3,161)	(1,393)
- Prudential Corporation Holdings Limited	(127,009)	(109,491)
- Eastspring Al-Wara' Investments Berhad	(724)	(716)
- Prudential Services Singapore Pte Ltd	(49,524)	(46,202)
- Eastspring Investment Berhad	(13,218)	(13,144)
- Prudential Investment Management Private Limited	(1,037)	(1,974)
Amount due from related companies:		
- Prudential BSN Takaful Berhad	13,306	15,436
- Prudential Hong Kong Limited	<u>57</u>	<u>57</u>

Prudential Assurance Malaysia Berhad

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

21. 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 interim period.

	Financial instruments carried at fair value			Total fair value	Carrying amount
	Level 1	Level 2	Level 3	value	
	RM'000	RM'000	RM'000	RM'000	RM'000
30 June 2026					
Financial assets					
Malaysian government securities	-	5,265,290	-	5,265,290	5,265,290
Debt securities	-	16,779,670	46,600	16,826,270	16,826,270
Equity securities	21,088,634	-	5,296	21,093,930	21,093,930
Real estate investment trusts ("REITs")	314,167	-	-	314,167	314,167
Exchange traded fund ("ETF")	174,064	-	-	174,064	174,064
Unit trust funds	-	3,021,100	-	3,021,100	3,021,100
Foreign managed funds	-	6,158,323	-	6,158,323	6,158,323
Investment in structured products	-	3,479	-	3,479	3,479
	<u>21,576,865</u>	<u>31,227,862</u>	<u>51,896</u>	<u>52,856,623</u>	<u>52,856,623</u>
Financial liability					
Derivatives	-	9,142	-	9,142	9,142

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

21. Fair value information (continued)

	Financial instruments carried at fair value			Total fair value	Carrying amount
	Level 1	Level 2	Level 3	value	
	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2025					
Financial assets					
Malaysian government securities	-	4,949,123	-	4,949,123	4,949,123
Debt securities	-	15,892,630	51,600	15,944,230	15,944,230
Equity securities	21,005,493	-	5,296	21,010,789	21,010,789
Real estate investment trusts ("REITs")	443,532	-	-	443,532	443,532
Exchange traded fund ("ETF")	44,344	-	-	44,344	44,344
Unit trust funds	-	2,595,305	-	2,595,305	2,595,305
Foreign managed funds	-	5,597,118	-	5,597,118	5,597,118
Investment in structured products	-	3,730	-	3,730	3,730
Derivatives	-	13,160	-	13,160	13,160
	<u>21,493,369</u>	<u>29,051,066</u>	<u>56,896</u>	<u>50,601,331</u>	<u>50,601,331</u>

Prudential Assurance Malaysia Berhad

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

21. 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 2026 (30 June 2025: 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
At 1 January 2025	5,296	54,100	59,396
Transfer out of Level 3	-	(2,500)	(2,500)
At 31 December 2025	5,296	51,600	56,896
Transfer out of Level 3	-	(5,000)	(5,000)
At 30 June 2026	5,296	46,600	51,896

The transfer out of Level 3 comprises of a tranche of unquoted debt securities which matured in April 2026.