

Prudential BSN Takaful Berhad
(Company No. 200601020898 (740651-H))
(Incorporated in Malaysia)

**Unaudited condensed interim
financial statements
for the half-year ended
30 June 2022**

CONTENTS**Page**

| | |
|--|--------|
| Unaudited statement of financial position | 1 |
| Unaudited statement of profit or loss and other comprehensive income | 2 - 3 |
| Unaudited statement of changes in equity | 4 |
| Unaudited statement of cash flows | 5 |
| Notes to condensed interim financial statements | 6 - 15 |

Prudential BSN Takaful Berhad

(Company No. 200601020898 (740651-H))

(Incorporated in Malaysia)

Condensed interim financial statements

Unaudited statements of financial position as at 30 June 2022

| | ← As at 30 June 2022 → | | | ← As at 31 December 2021 → | | | |
|-------------------------------------|------------------------|---------------------|------------------|----------------------------|---------------------|------------------|-----------|
| | Takaful operator | Family takaful fund | Company | Takaful operator | Family takaful fund | Company | |
| Note | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| Assets | | | | | | | |
| Property and equipment | 26,857 | - | 26,857 | 25,763 | - | 25,763 | |
| Right-of-use assets | 67,454 | - | 67,454 | 70,832 | - | 70,832 | |
| Intangible assets | 144,840 | - | 144,840 | 146,505 | - | 146,505 | |
| Investments | 2 | 331,416 | 4,854,061 | 5,182,168 | 324,516 | 4,803,287 | 5,125,192 |
| Deferred tax assets | 2,971 | 21,684 | 24,655 | 62 | - | 62 | |
| Retakaful assets | 3 | - | 64,333 | 64,333 | - | 54,630 | 54,630 |
| Trade and other receivables | 445,622 | 163,492 | 184,951 | 355,152 | 142,568 | 164,050 | |
| Current tax assets | 16,487 | - | 16,487 | 831 | - | 831 | |
| Cash and cash equivalents | 72,088 | 395,333 | 467,421 | 128,601 | 442,612 | 571,213 | |
| Total assets | 1,107,735 | 5,498,903 | 6,179,166 | 1,052,262 | 5,443,097 | 6,159,078 | |
| Equity | | | | | | | |
| Capital | 100,000 | - | 100,000 | 100,000 | - | 100,000 | |
| Reserves | 383,412 | - | 383,412 | 388,376 | - | 388,376 | |
| Total equity | 483,412 | - | 483,412 | 488,376 | - | 488,376 | |
| Liabilities | | | | | | | |
| Participants' fund | 4 | - | 4,607,155 | 4,603,846 | - | 4,738,828 | 4,736,217 |
| Takaful contract liabilities | 5 | - | 255,651 | 255,651 | - | 264,763 | 264,763 |
| Provision for wakalah fees | 80,686 | - | 80,686 | 74,860 | - | 74,860 | |
| Takaful payables | - | 31,206 | 31,206 | - | 12,477 | 12,477 | |
| Trade and other payables | 471,939 | 595,004 | 642,780 | 415,015 | 406,940 | 488,285 | |
| Lease liabilities | 71,698 | - | 71,698 | 74,011 | - | 74,011 | |
| Current tax liabilities | - | 9,887 | 9,887 | - | 6,717 | 6,717 | |
| Deferred tax liabilities | - | - | - | - | 13,372 | 13,372 | |
| Total liabilities | 624,323 | 5,498,903 | 5,695,754 | 563,886 | 5,443,097 | 5,670,702 | |
| Total equity and liabilities | 1,107,735 | 5,498,903 | 6,179,166 | 1,052,262 | 5,443,097 | 6,159,078 | |

These unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2021.

Prudential BSN Takaful Berhad

(Company No. 200601020898 (740651-H))

(Incorporated in Malaysia)

Condensed interim financial statements

Unaudited statements of profit or loss and other comprehensive income for the period ended 30 June 2022

| | ← As at 30 June 2022 → | | | ← As at 30 June 2021 → | | |
|---|------------------------|---------------------|-----------|------------------------|---------------------|-----------|
| | Takaful operator | Family takaful fund | Company | Takaful operator | Family takaful fund | Company |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Operating revenue | 461,106 | 1,448,649 | 1,452,751 | 427,502 | 1,272,563 | 1,280,343 |
| Wakalah fee income | 455,933 | - | - | 418,749 | - | - |
| Gross contributions | - | 1,388,541 | 1,387,470 | - | 1,211,769 | 1,210,796 |
| Contributions ceded to retakaful | - | (57,277) | (57,277) | - | (28,038) | (28,038) |
| Net earned contributions | 455,933 | 1,331,264 | 1,330,193 | 418,749 | 1,183,731 | 1,182,758 |
| Surplus sharing from family takaful fund | 65,500 | - | - | 86,500 | - | - |
| Investment income | 5,173 | 60,108 | 65,281 | 8,753 | 60,794 | 69,547 |
| Realised (losses)/gains | (79) | (6,975) | (7,054) | 1,274 | 14,216 | 15,490 |
| Fair value losses | (4,730) | (438,763) | (443,493) | (8,678) | (210,093) | (218,771) |
| Other operating income | - | 2,881 | 2,881 | (91) | 2,608 | 2,517 |
| Other income | 65,864 | (382,749) | (382,385) | 87,758 | (132,475) | (131,217) |
| Gross benefits and claims paid | - | (560,758) | (560,758) | - | (385,209) | (385,209) |
| Claims ceded to retakaful companies | - | 37,754 | 37,754 | - | 16,599 | 16,599 |
| Gross change in contract liabilities | - | 9,112 | 9,112 | - | (18,484) | (18,484) |
| Change in contract liabilities ceded to retakaful companies | - | 10,172 | 10,172 | - | 11,682 | 11,682 |
| Net benefits and claims | - | (503,720) | (503,720) | - | (375,412) | (375,412) |

Prudential BSN Takaful Berhad

(Company No. 200601020898 (740651-H))

(Incorporated in Malaysia)

Condensed interim financial statements

Unaudited statements of profit or loss and other comprehensive income for the period ended 30 June 2022 (continued)

| | ← As at 30 June 2022 → | | | ← As at 30 June 2021 → | | |
|--|------------------------|---------------------|------------------|------------------------|---------------------|------------------|
| | Takaful operator | Family takaful fund | Company | Takaful operator | Family takaful fund | Company |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Surplus sharing to takaful operator | - | (65,500) | - | - | (86,500) | - |
| Wakalah fee expense | - | (455,933) | - | - | (418,749) | - |
| Management expenses | (229,025) | - | (229,025) | (205,436) | - | (205,436) |
| Commission expenses | (279,256) | - | (279,256) | (243,191) | - | (243,191) |
| Increase in provision for wakalah fees | (5,826) | - | (5,826) | (7,749) | - | (7,749) |
| Other operating expenses | (7,561) | (21,383) | (28,944) | (5,118) | (1,762) | (6,880) |
| Other expenses | (521,701) | (542,816) | (543,084) | (461,494) | (507,011) | (463,256) |
| (Deficit)/surplus attributable to participants before taxation | - | (98,021) | - | - | 168,833 | - |
| Tax expense attributable to participants | - | 31,885 | 31,885 | - | 12,303 | 12,303 |
| Surplus distributed to participants | - | (65,068) | (65,068) | - | (86,500) | (86,500) |
| Net deficit/(surplus) attributable to participants | - | 131,204 | 132,275 | - | (94,636) | (93,663) |
| Profit before zakat and taxation | 96 | - | 96 | 45,013 | - | 45,013 |
| Zakat | (1,270) | - | (1,270) | (3,010) | - | (3,010) |
| Tax expense | (3,790) | - | (3,790) | (20,402) | - | (20,402) |
| Net (loss)/profit and total comprehensive (loss)/income | (4,964) | - | (4,964) | 21,601 | - | 21,601 |

These unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2021.

Prudential BSN Takaful Berhad

(Company No. 200601020898 (740651-H))

(Incorporated in Malaysia)

Condensed interim financial statements

Unaudited statement of changes in equity for the period ended 30 June 2022

| | ← Non-distributable → | | | ← Distributable → | | | Total equity RM'000 |
|--|-------------------------|-------------------------|--------------------------------|----------------------------|---------------------|---------|------------------------|
| | ← Capital → | | | ← Retained earnings → | | | |
| | ← Takaful operator → | | | | Family takaful fund | Company | |
| | Share capital RM'000 | Share premium RM'000 | Revaluation reserves RM'000 | Takaful operator RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2021 | 100,000 | - | 1,925 | 376,298 | - | 376,298 | 478,223 |
| Net profit and total comprehensive income for the year | - | - | - | 10,153 | - | 10,153 | 10,153 |
| At 31 December 2021/1 January 2022 | 100,000 | - | 1,925 | 386,451 | - | 386,451 | 488,376 |
| Net loss and total comprehensive loss for the period | - | - | - | (4,964) | - | (4,964) | (4,964) |
| At 30 June 2022 | 100,000 | - | 1,925 | 381,487 | - | 381,487 | 483,412 |

These unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2021.

Prudential BSN Takaful Berhad

(Company No. 200601020898 (740651-H))

(Incorporated in Malaysia)

5

Condensed interim financial statements

Unaudited statement of cash flows for the period ended 30 June 2022

| | 30 June 2022 RM'000 | 30 June 2021 RM'000 |
|---|------------------------|------------------------|
| Cash flows from operating activities | | |
| Profit before zakat and taxation | 96 | 45,013 |
| Adjustments for: | | |
| Depreciation on property and equipment | 1,477 | 1,718 |
| Reversal of provisions of intangible assets and property and equipment | 3,348 | 2,219 |
| Depreciation of right-of-use assets | 2,979 | 3,083 |
| Amortisation of intangible assets | 7,547 | 8,081 |
| Investment income | (65,281) | (69,547) |
| Realised losses/(gains) on disposal on investments | 7,054 | (15,490) |
| Fair value losses on investments | 443,493 | 218,771 |
| Losses/(gains) on disposal of property and equipment | 847 | (158) |
| Intangible assets and property and equipment written off | 33 | - |
| Increase in provision for wakalah fee | 5,826 | 7,749 |
| Profit from operations before changes in operating assets and liabilities | 407,419 | 201,439 |
| (Decrease)/increase in family takaful fund | (132,371) | 92,026 |
| Increase in retakaful assets | (9,703) | (9,893) |
| Increase in trade and other receivables | (20,872) | (47,397) |
| (Decrease)/increase in takaful contract liabilities | (9,112) | 18,484 |
| Increase in takaful payables | 18,729 | 3,744 |
| Increase in trade and other payables | 121,338 | 176,942 |
| Tax paid | (22,354) | (16,000) |
| Net cash generated from operating activities | 353,074 | 419,345 |
| Cash flows from investing activities | | |
| Investment income received | 65,252 | 66,405 |
| Investment in intangible asset | (9,230) | (15,474) |
| Proceeds from maturity/disposal of investments | 29,027,183 | 18,730,310 |
| Proceeds from disposal of property and equipment | 66 | 247 |
| Purchase of investments | (29,534,706) | (19,259,360) |
| Purchase of property and equipment | (3,517) | (488) |
| Net cash used in investing activities | (454,952) | (478,360) |
| Cash flows from financing activities | | |
| Payment of lease liabilities | (1,914) | (1,927) |
| Net cash used in financing activities | (1,914) | (1,927) |
| Net decrease in cash and cash equivalents | (103,792) | (60,942) |
| Cash and cash equivalents at 1 January | 571,213 | 210,501 |
| Cash and cash equivalents at 30 June | 467,421 | 149,559 |
| Cash and cash equivalents comprise: | | |
| Cash and bank balances | | |
| - Takaful operator | 72,088 | 83,786 |
| - Family takaful fund | 395,333 | 65,773 |
| | 467,421 | 149,559 |

These unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2021.

Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting*

1. Basis of preparation

The unaudited condensed interim financial statements of the Company for the period ended 30 June 2022 have been prepared in accordance with MFRS 134 Interim Financial Reporting.

The significant accounting policies applied in the unaudited condensed interim financial statements are consistent with those adopted in the audited annual financial statement of the Company for the financial year ended 31 December 2021, except for the adoption of the following accounting standards, amendments and interpretations that are effective during the current financial period:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- (i) Amendment to MFRS 16, Leases - Covid-19-Related Rent Concessions beyond 30 June 2021

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- (i) Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- (ii) Amendments to MFRS 116, *Property, Plant and Equipment - Proceeds before Intended Use*
- (iii) Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts–Cost of Fulfilling a Contract*

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Company for the financial year ended 31 December 2021. The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the year ended 31 December 2021.

Prudential BSN Takaful Berhad

(Company No. 200601020898 (740651-H))

(Incorporated in Malaysia)

2. Investments

| | ← 30 June 2022 → | | | ← 31 December 2021 → | | |
|---------------------------------------|----------------------------|-------------------------------|-------------------|----------------------------|-------------------------------|-------------------|
| | Takaful operator RM'000 | Family takaful fund RM'000 | Company RM'000 | Takaful operator RM'000 | Family takaful fund RM'000 | Company RM'000 |
| Malaysian government investment issue | 7,493 | 212,609 | 220,102 | 8,020 | 176,952 | 184,972 |
| Islamic debt securities | 78,805 | 1,699,197 | 1,778,002 | 81,889 | 1,544,284 | 1,626,173 |
| Equity securities | - | 1,984,464 | 1,984,464 | - | 2,163,132 | 2,163,132 |
| Unit trust funds | 90,385 | 478,941 | 569,326 | 56,026 | 224,759 | 280,785 |
| Deposits with financial institutions | 151,424 | 478,850 | 630,274 | 175,970 | 694,160 | 870,130 |
| Investment-linked funds | 3,309 | - | - | 2,611 | - | - |
| | <u>331,416</u> | <u>4,854,061</u> | <u>5,182,168</u> | <u>324,516</u> | <u>4,803,287</u> | <u>5,125,192</u> |

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

| | ← 30 June 2022 → | | | ← 31 December 2021 → | | |
|--|----------------------------|-------------------------------|-------------------|----------------------------|-------------------------------|-------------------|
| | Takaful operator RM'000 | Family takaful fund RM'000 | Company RM'000 | Takaful operator RM'000 | Family takaful fund RM'000 | Company RM'000 |
| Receivables | | | | | | |
| - Deposits with financial institutions | 151,424 | 478,850 | 630,274 | 175,970 | 694,160 | 870,130 |
| Fair value through profit or loss (Held-for-trading) | | | | | | |
| Malaysian government investment issue | 7,493 | 212,609 | 220,102 | 8,020 | 176,952 | 184,972 |
| Islamic debt securities | 78,805 | 1,699,197 | 1,778,002 | 81,889 | 1,544,284 | 1,626,173 |
| Equity securities | - | 1,984,464 | 1,984,464 | - | 2,163,132 | 2,163,132 |
| Unit trust funds | 90,385 | 478,941 | 569,326 | 56,026 | 224,759 | 280,785 |
| Investment-linked funds | 3,309 | - | - | 2,611 | - | - |
| | <u>179,992</u> | <u>4,375,211</u> | <u>4,551,894</u> | <u>148,546</u> | <u>4,109,127</u> | <u>4,255,062</u> |
| | <u>331,416</u> | <u>4,854,061</u> | <u>5,182,168</u> | <u>324,516</u> | <u>4,803,287</u> | <u>5,125,192</u> |

Prudential BSN Takaful Berhad

(Company No. 200601020898 (740651-H))

(Incorporated in Malaysia)

2. Investments (continued)

(b) Carrying values of financial investments are as follows:

| Company | Receivables RM'000 | FVTPL RM'000 | Total RM'000 |
|--|-------------------------------|-------------------------|-------------------------|
| At 1 January 2021 | 806,212 | 3,914,396 | 4,720,608 |
| Purchases | 38,177,098 | 9,142,303 | 47,319,401 |
| Maturities/disposals | (38,113,180) | (8,596,946) | (46,710,126) |
| Fair value losses recognised in profit or loss | - | (204,691) | (204,691) |
| At 31 December 2021/1 January 2022 | 870,130 | 4,255,062 | 5,125,192 |
| Purchases | 22,041,457 | 7,493,249 | 29,534,706 |
| Maturities/disposals | (22,281,313) | (6,752,924) | (29,034,237) |
| Fair value losses recognised in profit or loss | - | (443,493) | (443,493) |
| At 30 June 2022 | <u>630,274</u> | <u>4,551,894</u> | <u>5,182,168</u> |

Prudential BSN Takaful Berhad

(Company No. 200601020898 (740651-H))

(Incorporated in Malaysia)

2. Investments (continued)

(c) Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

| Company | Fair value of 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 | Total RM'000 | | |
| 30 June 2022 | | | | | | |
| Malaysian government investment issue | - | 220,102 | - | 220,102 | 220,102 | 220,102 |
| Islamic debt securities | - | 1,766,719 | 11,283 | 1,778,002 | 1,778,002 | 1,778,002 |
| Equity securities | 1,984,464 | - | - | 1,984,464 | 1,984,464 | 1,984,464 |
| Unit trust funds | 569,326 | - | - | 569,326 | 569,326 | 569,326 |
| | <u>2,553,790</u> | <u>11,283</u> | <u>11,283</u> | <u>4,551,894</u> | <u>4,551,894</u> | <u>4,551,894</u> |
| At 31 December 2021 | | | | | | |
| Malaysian government investment issue | - | 184,972 | - | 184,972 | 184,972 | 184,972 |
| Islamic debt securities | - | 1,614,890 | 11,283 | 1,626,173 | 1,626,173 | 1,626,173 |
| Equity securities | 2,163,132 | - | - | 2,163,132 | 2,163,132 | 2,163,132 |
| Unit trust funds | 280,785 | - | - | 280,785 | 280,785 | 280,785 |
| | <u>2,443,917</u> | <u>1,799,862</u> | <u>11,283</u> | <u>4,255,062</u> | <u>4,255,062</u> | <u>4,255,062</u> |

There are no financial instruments which are not carried at fair value.

2. Investments (continued)

(c) Fair value information (continued)

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2021: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

Financial assets measured at fair value based on Level 3:

| | 30 June 2022 | 31 December 2021 |
|---|---------------------|-------------------------|
| | RM'000 | RM'000 |
| Islamic debt securities | | |
| As at 1 January 2022/2021 | 11,283 | - |
| Fair value gains in profit or loss | - | 11,283 |
| Balance as at 30 June 2022/31 December 2021 | <u>11,283</u> | <u>11,283</u> |

The following table shows the valuation techniques used in the determination of fair values within level 3, as well as the key observable inputs used in the valuation models.

Financial instruments carried at fair value

| Type | Description of valuation technique and inputs used | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|-------------------------|---|---|---|
| Islamic debt securities | The fair value of unquoted/defaulted sukuk is based on estimated recovery rates measure against trading prices referenced from a credit rating agency report. | Estimated recovery rate (2021: 40% - 65%) | The estimated fair value would increase/decrease if the estimated recovery rate were higher/lower |

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(Company No. 200601020898 (740651-H))

(Incorporated in Malaysia)

3. Retakaful assets

| | Note | ← 30 June 2022 → | | ← 31 December 2021 → | |
|--|-------|----------------------------|----------------|----------------------------|----------------|
| | | Family takaful fund RM'000 | Company RM'000 | Family takaful fund RM'000 | Company RM'000 |
| Retakaful for actuarial liabilities | 4 (i) | 27,782 | 27,782 | 28,251 | 28,251 |
| Retakaful for takaful contract liabilities | 5 | 36,551 | 36,551 | 26,379 | 26,379 |
| | | <u>64,333</u> | <u>64,333</u> | <u>54,630</u> | <u>54,630</u> |

4. Participants' fund

(i) Family takaful fund

Family takaful fund at end of the period/year comprise the following:

| | ← 30 June 2022 → | | | ← 31 December 2021 → | | |
|-----------------------|------------------|---------------------------|------------------|----------------------|---------------------------|------------------|
| | Gross RM'000 | Retakaful (Note 3) RM'000 | Net RM'000 | Gross RM'000 | Retakaful (Note 3) RM'000 | Net RM'000 |
| Actuarial liabilities | 281,187 | (27,782) | 253,405 | 276,482 | (28,251) | 248,231 |
| Seed money | 3,309 | - | 3,309 | 2,611 | - | 2,611 |
| Participants' account | 4,322,659 | - | 4,322,659 | 4,459,735 | - | 4,459,735 |
| | <u>4,607,155</u> | <u>(27,782)</u> | <u>4,579,373</u> | <u>4,738,828</u> | <u>(28,251)</u> | <u>4,710,577</u> |

Prudential BSN Takaful Berhad

(Company No. 200601020898 (740651-H))

(Incorporated in Malaysia)

4. Participants' fund (continued)

(i) Family takaful fund (continued)

The total participant`s fund and its movements are analysed as follows:

| | ← 30 June 2022 → | | | ← 31 December 2021 → | | |
|---|------------------|---------------------------------|------------------|----------------------|---------------------------------|------------------|
| | Gross RM'000 | Retakaful (Note 3) RM'000 | Net RM'000 | Gross RM'000 | Retakaful (Note 3) RM'000 | Net RM'000 |
| Total Participants' fund | | | | | | |
| At 1 January | 4,738,828 | (28,251) | 4,710,577 | 4,195,971 | (28,735) | 4,167,236 |
| Gross earned contributions | 1,388,541 | (57,277) | 1,331,264 | 2,622,495 | (96,574) | 2,525,921 |
| Benefits and claims paid during the year | (560,758) | 37,754 | (523,004) | (829,497) | 83,455 | (746,042) |
| Experience variation | (708) | 19,992 | 19,284 | (143,825) | 13,603 | (130,222) |
| Fees deducted | (474,435) | - | (474,435) | (884,326) | - | (884,326) |
| Credit of profit or change in unit-prices | (385,630) | - | (385,630) | (69,185) | - | (69,185) |
| Surplus sharing to takaful operator | (65,500) | - | (65,500) | (143,500) | - | (143,500) |
| Profit paid to participants | (65,068) | - | (65,068) | (19,435) | - | (19,435) |
| Tax expense | 31,885 | - | 31,885 | 10,130 | - | 10,130 |
| At 30 June/31 December | <u>4,607,155</u> | <u>(27,782)</u> | <u>4,579,373</u> | <u>4,738,828</u> | <u>(28,251)</u> | <u>4,710,577</u> |

Prudential BSN Takaful Berhad

(Company No. 200601020898 (740651-H))

(Incorporated in Malaysia)

4. Participants' fund (continued)

Participants' fund at end of the period/year comprise the following:

| | ← 30 June 2022 → | | | ← 31 December 2021 → | | |
|-----------------------|------------------|---------------------------------|------------------|----------------------|---------------------------------|------------------|
| | Gross RM'000 | Retakaful (Note 3) RM'000 | Net RM'000 | Gross RM'000 | Retakaful (Note 3) RM'000 | Net RM'000 |
| (ii) Company | | | | | | |
| Actuarial liabilities | 281,187 | (27,782) | 253,405 | 276,482 | (28,251) | 248,231 |
| Participants' account | 4,322,659 | - | 4,322,659 | 4,459,735 | - | 4,459,735 |
| | <u>4,603,846</u> | <u>(27,782)</u> | <u>4,576,064</u> | <u>4,736,217</u> | <u>(28,251)</u> | <u>4,707,966</u> |

5. Takaful contract liabilities

Family takaful fund and Company

| | ← 30 June 2022 → | | | ← 31 December 2021 → | | |
|---|------------------|---------------------------------|----------------|----------------------|---------------------------------|----------------|
| | Gross RM'000 | Retakaful (Note 3) RM'000 | Net RM'000 | Gross RM'000 | Retakaful (Note 3) RM'000 | Net RM'000 |
| Provision for claims reported by participants | 112,352 | (36,551) | 75,801 | 115,063 | (26,379) | 88,684 |
| Provision for IBNR | 143,299 | - | 143,299 | 149,700 | - | 149,700 |
| Provision for outstanding claims | <u>255,651</u> | <u>(36,551)</u> | <u>219,100</u> | <u>264,763</u> | <u>(26,379)</u> | <u>238,384</u> |
| At 1 January | 264,763 | (26,379) | 238,384 | 118,461 | (10,301) | 108,160 |
| Claims incurred during the period/year | 558,047 | (47,926) | 510,121 | 885,003 | (99,533) | 785,470 |
| Benefits and claims paid during the period/year | (560,758) | 37,754 | (523,004) | (829,497) | 83,455 | (746,042) |
| (Decrease)/increase in IBNR | (6,401) | - | (6,401) | 90,796 | - | 90,796 |
| At 30 June/31 December | <u>255,651</u> | <u>(36,551)</u> | <u>219,100</u> | <u>264,763</u> | <u>(26,379)</u> | <u>238,384</u> |

Prudential BSN Takaful Berhad

15

(Company No. 200601020898 (740651-H))

(Incorporated in Malaysia)

6. Investment-linked business

Unaudited statement of financial position as at 30 June 2022

| | 30 June 2022 RM'000 | 31 December 2021 RM'000 |
|--|------------------------|----------------------------|
| Assets | | |
| Investments | 2,759,278 | 2,861,215 |
| Income due and accrued | 5,172 | 6,539 |
| Amount due from family takaful fund | 138,069 | 139,515 |
| Other receivables | 77 | 4,188 |
| Cash and bank balances | 2,031 | 4,123 |
| Deferred tax assets | 16,523 | - |
| Total investment-linked business assets | <u>2,921,151</u> | <u>3,015,580</u> |
| Liabilities | | |
| Other payables | 8,626 | 2,958 |
| Current tax Liabilities | 2,290 | 1,652 |
| Amount due to takaful operator | 6,114 | 6,114 |
| Deferred tax liabilities | - | 13,481 |
| Total investment-linked business liabilities | <u>17,030</u> | <u>24,205</u> |
| Net asset value of funds | <u>2,904,121</u> | <u>2,991,375</u> |
| Represented by: | | |
| Unit holders' account | <u>2,904,121</u> | <u>2,991,375</u> |

Unaudited statement of profit or loss and other comprehensive income for the period ended 30 June 2022

| | 30 June 2022 RM'000 | 30 June 2021 RM'000 |
|----------------------------|------------------------|------------------------|
| Investment income | 45,428 | 49,679 |
| Realised (losses)/gains | (4,937) | 14,939 |
| Fair value losses | (375,095) | (153,746) |
| Investment management fees | (19,416) | (17,552) |
| Other operating income | 2,742 | 2,409 |
| Deficit before taxation | <u>(351,277)</u> | <u>(104,271)</u> |
| Tax expense | (638) | (1,851) |
| Loss after taxation | <u>(351,915)</u> | <u>(106,122)</u> |

7. Regulatory capital requirement

The capital structure of the Company as at 30 June 2022, as prescribed under the Risk Based Capital Framework for Takaful Operators (RBCT) is provided below:

| | 30 June 2022 | 31 December 2021 |
|---------------------------------------|---------------------|-------------------------|
| | RM'000 | RM'000 |
| Eligible Tier 1 Capital | | |
| Ordinary share | 100,000 | 100,000 |
| Reserves, including retained earnings | 479,164 | 466,759 |
| | <u>579,164</u> | <u>566,759</u> |
| Tier 2 Capital | | |
| Revaluation reserves | 1,925 | 1,925 |
| | <u>1,925</u> | <u>1,925</u> |
| Amounts deducted from capital | (192,029) | (179,224) |
| Total capital available | <u>389,060</u> | <u>389,460</u> |

8. Seasonal or Cyclical Factors

The Company's business operations were not materially affected by any seasonal or cyclical factors during the period ended 30 June 2022.

9. Unusual items

There were no items of unusual nature and amount affecting assets, liabilities, equity, net income or cash flows of the Company during the period ended 30 June 2022.

10. Change in estimates

There were no material changes in the basis used for the accounting estimates during the period ended 30 June 2022.

11. Debt and equities securities

There were no issuance, repurchase and repayment of debt, equity and securities by the Company during period ended 30 June 2022.

12. Dividends

No dividend was declared and paid during the period ended 30 June 2022.

13. Subsequent events

There were no other significant events subsequent to the end of the reporting date that require disclosure or adjustment to the unaudited condensed interim financial statements.

14. Changes in the composition of the Company

There was no change in the composition of the Company during the period ended 30 June 2022.

15. Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2021 was not qualified.