



Life Insurance

ETIQA LIFE INSURANCE BERHAD

201701025113 (1239279-P)

(Incorporated in Malaysia)

**Unaudited Interim Condensed Financial Statements
for the six months period ended 30 June 2024**

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**UNAUDITED INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	Note	30.6.2024 RM'000	31.12.2023 RM'000
Assets			
Property, plant and equipment		25,120	26,443
Investment properties		1,006,439	1,006,410
Prepaid land lease payments		875	888
Right-of-use assets ("ROU")		43	61
Intangible assets		38,496	42,203
Investments	12	12,151,310	12,105,679
Financing receivables		25,347	24,745
Reinsurance contract assets	13	60,483	71,477
Other assets	15	192,479	153,975
Derivative assets		72	181
Cash and bank balances		49,224	43,607
Total Assets		<u>13,549,888</u>	<u>13,475,669</u>
Equity			
Share capital		100,000	100,000
Reserves	16	1,323,744	1,594,550
Total Equity		<u>1,423,744</u>	<u>1,694,550</u>
Liabilities			
Insurance contract liabilities	14	11,295,225	10,988,535
Derivative liabilities		172	2,904
Deferred tax liabilities, net		469,282	399,739
Other liabilities	17	337,839	360,389
Current tax liabilities		23,626	29,552
Total Liabilities		<u>12,126,144</u>	<u>11,781,119</u>
Total Equity and Liabilities		<u>13,549,888</u>	<u>13,475,669</u>

The accompanying notes form an integrated part of these interim financial statements.

**UNAUDITED INTERIM CONDENSED STATEMENTS INCOME STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

		1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Insurance revenue	18	293,114	267,040
Insurance service expenses	19	(187,423)	(173,800)
Net (expenses)/income from reinsurance contracts held	20	(20,192)	4,523
Insurance service result		<u>85,499</u>	<u>97,763</u>
Interest revenue from financial assets not measured at Fair Value through Profit or Loss ("FVTPL")	21	41,995	43,946
Net fair value gains on financial assets measured at FVTPL	22	537,201	315,284
Net fair value losses on derecognition of financial assets measured at Fair Value through Other Comprehensive Income ("FVOCI")	23	(4,365)	(3,974)
Other investment income	24	234,377	226,117
Reversal of impairment loss on financial assets	25	102	72
Net foreign exchange income		26,716	58,408
Net investment income	26a	<u>836,026</u>	<u>639,853</u>
Finance expenses from insurance contract issued	26	(712,849)	(533,693)
Finance income from reinsurance contract held	27	1,170	3,940
Net insurance financial result		<u>(711,679)</u>	<u>(529,753)</u>
Total net investment income and net insurance financial result	26b	<u>124,347</u>	<u>110,100</u>
Other income	28	2,996	3,065
Other expenses	29	(5,602)	(4,875)
Net other expenses		<u>(2,606)</u>	<u>(1,810)</u>
Profit before taxation attributable to policyholders		207,240	206,053
Tax expense attributable to policyholders	31	(55,954)	(46,303)
Profit before taxation		<u>151,286</u>	<u>159,750</u>
Tax expense	32	(34,804)	(37,485)
Net profit for the financial period		<u>116,482</u>	<u>122,265</u>
Basic and diluted earnings per share (sen)	33	116.48	122.27

The accompanying notes form an integrated part of these interim financial statements.

**UNAUDITED INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Net profit for the financial period	116,482	122,265
Other comprehensive income/(loss):		
Items that may be subsequently reclassified to income statement:		
Net fair value gains on investments in debt securities measured at FVOCI	26c 18,152	67,535
Net fair value gains on derecognition of financial assets measured at FVOCI	26c 4,365	3,974
Tax effect relating to these items	32 (3,139)	(8,352)
	19,378	63,157
Finance expenses from insurance contracts issued	26 (25,909)	(38,413)
Tax effect relating to these items	32 1,550	1,914
	(24,359)	(36,499)
Items that will not be subsequently reclassified to income statement:		
Change in fair value of equity securities at FVOCI	32 19,588	(5,790)
Tax effect relating to these items	(1,895)	544
	17,693	(5,246)
Other comprehensive income for the period, net of tax	<u>12,712</u>	<u>21,412</u>
Total comprehensive income for the financial period	<u>129,194</u>	<u>143,677</u>

The accompanying notes form an integrated part of these interim financial statements.

**UNAUDITED INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

	<----- Non-distributable ----->				Retained Earnings			Total Equity RM'000
	Share Capital RM'000	FVOCI Reserve RM'000	Insurance/ Reinsurance Finance Reserve RM'000	Revaluation Reserve RM'000	Non- Distributable Life Fund Surplus RM'000	Distributable Retained Profits RM'000	Sub-total Retained Profits RM'000	
At 1 January 2024	100,000	45,472	(63,633)	78,896	1,095,744	438,071	1,533,815	1,694,550
Net profit/(loss) for the financial period	-	-	-	-	121,870	(5,388)	116,482	116,482
Other comprehensive income/ (loss) for the financial period	-	37,071	(24,359)	-	-	-	-	12,712
Total comprehensive income/(loss)	-	37,071	(24,359)	-	121,870	(5,388)	116,482	129,194
Reclassification upon disposal of equity securities	-	(747)	-	-	-	747	747	-
Dividend on ordinary shares	-	-	-	-	-	(400,000)	(400,000)	(400,000)
At 30 June 2024	100,000	81,796	(87,992)	78,896	1,217,614	33,430	1,251,044	1,423,744

UNAUDITED INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY (CONTD.)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024 (CONTD.)

	<----- Non-distributable ----->				Retained Earnings			Total Equity RM'000
	Share Capital RM'000	FVOCI Reserve RM'000	Insurance/ Reinsurance Finance Reserve RM'000	Revaluation Reserve RM'000	Non- Distributable Life Fund Surplus RM'000	Distributable Retained Profits RM'000	Sub-total Retained Profits RM'000	
At 1 January 2023, as previously stated	100,000	(23,749)	-	54,465	937,379	481,526	1,418,905	1,549,621
- Effects of adopting MFRS 17	-	(9,622)	(11,421)	24,431	165,605	(2,697)	162,908	166,296
At 1 January 2023, as restated	100,000	(33,371)	(11,421)	78,896	1,102,984	478,829	1,581,813	1,715,917
Net profit/(loss) for the financial period	-	-	-	-	157,999	(35,734)	122,265	122,265
Other comprehensive income/ (loss) for the financial period	-	57,911	(36,499)	-	-	-	-	21,412
Total comprehensive income/(loss)	-	57,911	(36,499)	-	157,999	(35,734)	122,265	143,677
Dividend on ordinary shares	-	-	-	-	-	(278,000)	(278,000)	(278,000)
At 30 June 2023	100,000	24,540	(47,920)	78,896	1,260,983	165,095	1,426,078	1,581,594

The accompanying notes form an integrated part of these interim financial statements.

**UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

	Note	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		151,286	159,750
<i>Adjustments for:</i>			
Amortisation of:			
- intangible assets	29	4,312	4,205
- prepaid land lease payments	29	13	13
Net amortisation of premiums	24	4,382	4,901
Depreciation of property, plant and equipment	29	3,197	3,665
ROU expenses:			
- Depreciation	29	18	18
- Interest on lease liabilities	29	1	1
Fair value gains on investments	22	(388,301)	(309,593)
Gains on foreign exchange:			
- realised		(1,375)	(9,161)
- unrealised		(25,341)	(49,247)
Gains on disposal of investments		(144,535)	(1,717)
Dividend income	24	(41,883)	(32,408)
Interest income		(211,108)	(219,640)
Rental income	24	(41,071)	(38,412)
Reversal of impairment losses on investments	25	(102)	(72)
(Reversal of)/allowance for impairment losses on financing receivables	28	(137)	98
Reversal of impairment losses on other assets	28	(76)	(38)
Reversal of reinsurance contract assets		(44)	(114)
Increase in insurance finance reserve		(24,359)	(36,499)
Tax expense attributable to policyholders	31	55,954	46,303
Carried forward		<u>(659,169)</u>	<u>(477,947)</u>

**UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024 (CONTD.)**

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
	Note	
Brought forward	(659,169)	(477,947)
(Increase)/decrease in placement of deposits with financial institutions	(59,434)	38,777
Decrease/(increase) in reinsurance contract assets	11,038	(8,209)
Increase in financing receivables	(465)	(13)
Increase in other assets	(46,741)	(6,295)
Increase in insurance contract liabilities	306,690	414,960
Decrease in other liabilities	(28,513)	(4,730)
<i>Operating cash flows before changes in assets and liabilities</i>	<u>(476,594)</u>	<u>(43,457)</u>
Investment income received	220,609	230,806
Dividends received	40,805	32,001
Rental income received	40,961	30,100
Tax paid	(32,176)	(23,478)
<i>Net cash (used in)/generated from operating activities</i>	<u>(206,395)</u>	<u>225,972</u>

**CASH FLOWS FROM INVESTING
ACTIVITIES**

Purchase of:		
- property, plant and equipment	(1,224)	(5,592)
- intangible assets	(1,254)	(1,072)
- investment properties	(29)	(334)
- investments	(1,855,595)	(1,338,197)
Proceeds from disposal of:		
- property, plant and equipment	-	148
- investments	2,470,133	1,376,160
<i>Net cash invested in investing activities</i>	<u>612,031</u>	<u>31,113</u>

**UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024 (CONTD.)**

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
	Note	
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividends	(400,000)	(278,000)
Payment of lease liabilities	(19)	(19)
<i>Net cash used in from financing activities</i>	<u>(400,019)</u>	<u>(278,019)</u>
Net increase/(decrease) in cash and cash equivalents	5,617	(20,934)
Cash and cash equivalents at beginning of financial period	<u>43,607</u>	<u>25,629</u>
Cash and cash equivalents at end of financial period	<u><u>49,224</u></u>	<u><u>4,695</u></u>
Cash and cash equivalents comprise:		
Cash and bank balances:		
Shareholders' funds	629	-
Life Insurance fund	48,595	4,695
	<u>49,224</u>	<u>4,695</u>

The accompanying notes form an integrated part of these interim financial statements.

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 19, Tower C, Dataran Maybank, No. 1, Jalan Maarof, 59000 Kuala Lumpur, Malaysia.

The immediate, penultimate and ultimate holding companies of the Company are Maybank Ageas Holdings Berhad ("MAHB"), Etiqa International Holdings Sdn Bhd ("EIHSB") and Malayan Banking Berhad ("Maybank") respectively, all of which are incorporated in Malaysia. Maybank is a licensed commercial bank listed on the Main Market of Bursa Malaysia Securities Berhad.

The unaudited interim condensed financial statements for the six months ended 30 June 2024 were approved for issue by the Board of Directors on 21 August 2024.

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Statement of compliance

The unaudited interim condensed financial statements of the Company for the financial period ended 30 June 2024 have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting* as issued by the Malaysian Accounting Standards Board ("MASB") and International Accounting Standard ("IAS") 34 *Interim Financial Reporting* as issued by International Accounting Standards Board ("IASB") and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM").

The unaudited interim condensed financial statements of the Company have been prepared on a historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The unaudited interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited annual consolidated financial statements of the Company for the financial year ended 31 December 2023.

The explanatory notes attached to the unaudited interim condensed financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Company since the financial year ended 31 December 2023.

The Company has met the minimum capital requirements as prescribed by the Risk-Based Capital Framework for Insurers ("RBC Framework") issued by BNM as at the reporting date.

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS (CONTD.)

2.2 Functional and presentation currency

The unaudited interim condensed financial statements are presented in Ringgit Malaysia ("RM") and rounded to the nearest thousand ("RM'000") unless otherwise stated.

2.3 Use of estimates and judgements

The preparation of unaudited interim condensed financial statements requires 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 these unaudited interim condensed financial statements, the significant judgements made by management in applying the Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 2023.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information and methods of computation adopted in the unaudited condensed interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2023 except for the adoption of the following accounting amendments to Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board ("MASB") that are effective for the Company's financial year beginning 1 January 2024:

MFRS 16 Leases

(Amendments to MFRS 16) Lease Liability in a Sale and Leaseback

MFRS 101 Presentation of Financial Statements

(Amendments to MFRS 101) Non-current Liabilities with Covenants

MFRS 7 Financial Instruments: Disclosures

(Amendments to MFRS 107 and MFRS 7) Supplier Finance Arrangements

MFRS 107 Statement of Cash Flows

(Amendments to MFRS 107 and MFRS 7) Supplier Finance Arrangements

The adoption of the above pronouncements are not expected to have a significant impact on the Company.

4. AUDITOR'S REPORT ON PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS

The auditor's report on the audited annual financial statements for the financial year ended 31 December 2023 was not qualified.

5. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business of the Company was not materially affected by any seasonal or cyclical fluctuations during the interim financial period ended 30 June 2024.

However, as is common for Insurer, surplus for Life funds will only be transferred at the financial year end upon approval by the Appointed Actuary.

6. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim financial period ended 30 June 2024.

7. CHANGES IN ESTIMATES

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim financial period ended 30 June 2024.

8. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance or repayment of debt and equity securities for the interim financial period ended 30 June 2024.

9. DIVIDENDS PAID

A final single tier dividend of 400 sen per ordinary share on 100,000,000 ordinary shares amounting to RM400,000,000.00 for the financial year ended 31 December 2023 was approved by the shareholder in Annual General Meeting held on 20 May 2024 and paid on 4 June 2024.

10. MATERIAL EVENTS SUBSEQUENT TO END OF REPORTING PERIOD

There were no material events subsequent to the end of the reporting period that require disclosure or adjustments to the unaudited interim condensed financial statements.

11. CHANGES IN THE COMPOSITION OF THE COMPANY

There were no changes in the composition of the Company during the interim financial period ended 30 June 2024.

12. INVESTMENTS

	30.6.2024 RM'000	31.12.2023 RM'000
Malaysian government papers	1,069,570	1,354,761
Equity securities	2,041,582	1,695,982
Debt securities	7,136,344	7,461,500
Unit and property trust funds	1,110,750	869,756
Structured products	222,461	212,511
Deposits with financial institutions	570,603	511,169
	<u>12,151,310</u>	<u>12,105,679</u>

The Company financial investments are summarised by categories as follows:

FVTPL (Note a)		
- Designated upon initial recognition (Note a)(i)	6,383,292	6,875,103
- Held for trading ("HFT")(Note a)(ii)	3,766,979	3,187,545
	<u>10,150,271</u>	<u>10,062,648</u>
FVOCI (Note b)	1,430,436	1,531,862
Amortised Cost ("AC")(Note c)	570,603	511,169
	<u>12,151,310</u>	<u>12,105,679</u>

The following investments mature after 12 months:

FVTPL		
- Designated upon initial recognition	6,225,945	6,632,262
- HFT	770,511	764,647
FVOCI	1,267,681	1,374,068
	<u>8,264,137</u>	<u>8,770,977</u>

(a) FVTPL

(i) Designated upon initial recognition

At fair value

Malaysian government papers	751,494	918,883
Debt securities:		
Unquoted in Malaysia	5,313,475	5,655,816
Unquoted outside Malaysia	95,870	87,901
Structured products	222,453	212,503
Total financial assets designated as FVTPL upon initial recognition	<u>6,383,292</u>	<u>6,875,103</u>

12. INVESTMENTS (CONTD.)

(a) FVTPL (CONTD.)

	30.6.2024 RM'000	31.12.2023 RM'000
(ii) HFT		
<u>At fair value</u>		
Malaysian government papers	81,743	171,194
Equity securities		
Quoted in Malaysia	1,743,096	1,410,578
Quoted outside Malaysia	55,403	55,331
Unquoted in Malaysia	85,329	85,329
Debt securities:		
Unquoted in Malaysia	690,650	595,349
Unit and property trust funds:		
Quoted in Malaysia	15,262	22,491
Quoted outside Malaysia	1,095,488	847,265
Structured products	8	8
Total HFT financial assets	<u>3,766,979</u>	<u>3,187,545</u>

(b) FVOCI

<u>At fair value</u>		
Malaysian government papers	236,333	264,684
Equity securities*:		
Quoted in Malaysia	157,754	144,744
Debt securities:		
Unquoted in Malaysia	1,036,349	1,122,434
Total FVOCI financial assets	<u>1,430,436</u>	<u>1,531,862</u>

* The Company has elected to recognise these equity investments at fair value through other comprehensive income as these investments are held as long term strategic investments that are not expected to be sold in the short term to medium term. Gains or losses on the derecognition of these equity investments are not transferred to profit or loss.

During the period, the Company has disposed selected equity securities from its portfolio of FVOCI financial assets due to rebalancing of portfolio to meet the fund's Strategic Asset Allocation ("SAA") requirement. The realised gains/(losses) recognised on disposal of these securities amounted to RM983,000 (2023 : RM5,810,000)

12. INVESTMENTS (CONTD.)

(b) FVOCI (CONTD.)

Movements in the allowances for impairment losses on financial assets at FVOCI are as follows:

30.6.2024	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	Total ECL RM'000
	12 months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 1 January 2024	191	388	-	579
Net adjustment of loss allowance	(92)	(38)	-	(130)
New financial assets originated of purchased	1	165	-	166
Financial assets that have been derecognised	(16)	(122)	-	(138)
(Reversal of)/allowance for impairment losses	(107)	5	-	(102)
At 30 June 2024	84	393	-	477

31.12.2023	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	Total ECL RM'000
	12 months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 1 January 2023	58	365	-	423
Net adjustment of loss allowance	127	23	-	150
New financial assets originated of purchased	11	-	-	11
Financial assets that have been derecognised	(5)	-	-	(5)
Allowance for impairment losses	133	23	-	156
At 31 December 2023	191	388	-	579

(c) AC

	30.6.2024 RM'000	31.12.2023 RM'000
<u>At cost</u>		
Fixed and call deposits with:		
Licensed financial institutions	566,603	506,169
Other licensed financial institutions	4,000	5,000
Total AC financial assets	570,603	511,169

The carrying amounts of AC financial assets are reasonable approximations of fair values due to the short term maturity of the financial assets.

13. REINSURANCE CONTRACT ASSETS

Composition of Statement of Financial Position

The breakdown of groups of reinsurance contracts held, that is in an asset position is set out in the table below:

	30.6.2024	31.12.2023
	RM'000	RM'000
Reinsurance contracts held		
Non-participating:		
- Proportional Non-Par (Reducing term assurance ("RTA"))	50,988	56,730
- Proportional Non-Par (Non-RTA)	(11,256)	(4,410)
- Non-Proportional Excess of Loss	282	1,599
Investment linked:		
- Proportional: Investment-linked	20,469	17,558
Total reinsurance contracts held	<u>60,483</u>	<u>71,477</u>

13. REINSURANCE CONTRACT ASSETS (CONTD.)

(a) Analysis by remaining coverage and amounts recoverable on incurred claim measured at Premium Allocation Approach ("PAA")

The Company's roll forward of reinsurance contract assets showing assets for remaining coverage ("ARC") and amounts recoverable on incurred claims ("AIC") arising from business ceded to reinsurers is disclosed in the table below:

30.6.2024	ARC	AIC	Total
	Excluding	Present	
	loss recovery	value of	
	component	future	
	RM'000	cash flows	RM'000
	RM'000	RM'000	RM'000
Reinsurance contracts assets at 1 January 2024	(581)	2,124	1,543
Net expense from reinsurance contracts	-	(755)	(755)
Total amount recognised in income statement	-	(755)	(755)
Cash flows			
Premiums paid, net of ceding commission	(984)	-	(984)
Amount received	-	478	478
Total cash flows	(984)	478	(506)
Reinsurance contracts assets at 30 June 2024	(1,565)	1,847	282

13. REINSURANCE CONTRACT ASSETS (CONTD.)

(a) Analysis by remaining coverage and amounts recoverable on incurred claim measured at PAA (contd.)

The Company's roll forward of reinsurance contract assets showing ARC and AIC arising from business ceded to reinsurers is disclosed in the table below (contd.):

	<u>ARC</u> <u>Excluding</u> <u>loss recovery</u> <u>component</u> <u>RM'000</u>	<u>AIC</u> <u>Present</u> <u>value of</u> <u>future</u> <u>cash flows</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
31.12.2023			
Reinsurance contracts assets at 1 January 2023	-	1,285	1,285
Net (expense)/income from reinsurance contracts	(1,047)	1,237	190
Total amount recognised in income statement	<u>(1,047)</u>	<u>1,239</u>	<u>192</u>
Cash flows			
Premiums paid, net of ceding commission	466	-	466
Amount received	-	(400)	(400)
Total cash flows	<u>466</u>	<u>(400)</u>	<u>66</u>
Reinsurance contracts assets at 31 Disember 2023	<u>(581)</u>	<u>2,124</u>	<u>1,543</u>

13. REINSURANCE CONTRACT ASSETS (CONTD.)

(a) Analysis by remaining coverage and amounts recoverable on incurred claim not measured at PAA

The Company's roll forward of reinsurance contract assets showing ARC and AIC arising from business ceded to reinsurers is disclosed in the table below:

	<u>ARC</u> <u>Excluding</u> loss recovery component RM'000	AIC RM'000	Total RM'000
30.6.2024			
Reinsurance contracts assets at 1 January 2024	(1,209)	71,143	69,934
Net (expense)/income from reinsurance contracts	(22,805)	3,368	(19,437)
Finance income from reinsurance contracts	1,167	-	1,167
Effect of changes in non-performance risk of reinsurers	-	2	2
Total amount recognised in income statement	<u>(21,638)</u>	<u>3,370</u>	<u>(18,268)</u>
Cash flows			
Premiums paid, net of ceding commission	38,564	-	38,564
Amount received	-	(30,029)	(30,029)
Total cash flows	<u>38,564</u>	<u>(30,029)</u>	<u>8,535</u>
Reinsurance contracts assets at 30 June 2024	<u>15,717</u>	<u>44,484</u>	<u>60,201</u>

13. REINSURANCE CONTRACT ASSETS (CONTD.)

(a) Analysis by remaining coverage and amounts recoverable on incurred claim not measured at PAA (contd.)

The Company's roll forward of reinsurance contract assets showing ARC and AIC arising from business ceded to reinsurers is disclosed in the table below (contd.):

31.12.2023	ARC		
	Excluding		
	loss recovery	AIC	Total
	component	RM'000	RM'000
	RM'000		RM'000
Reinsurance contracts assets at 1 January 2023	36,117	56,206	92,323
Net (expense)/income from reinsurance contracts	(42,912)	16,269	(26,643)
Finance income from reinsurance contracts	5,390	-	5,390
Effect of changes in non-performance risk of reinsurers	-	2	2
Total amount recognised in income statement	(37,522)	16,271	(21,251)
Cash flows			
Premiums paid, net of ceding commission	196	-	196
Amount received	-	(1,334)	(1,334)
Total cash flows	196	(1,334)	(1,138)
Reinsurance contracts assets at 31 Disember 2023	(1,209)	71,143	69,934

13. REINSURANCE CONTRACT ASSETS (CONTD.)

(b) Analysis showing estimates of present value of future cash flows, risk adjustment and contractual service margin ("CSM") for reinsurance contracts held not measured at PAA

The roll-forward of reinsurance contract assets showing estimates of the present value of future cash flows, risk adjustment, CSM and the impact of the transition approaches adopted to establish CSMs for reinsurance contract held portfolios are shown below:

	Estimate of the present value of future cash flows RM'000	Risk adjustments for non-financial risk RM'000	Total CSM RM'000	CSM			Total RM'000
				New Contracts and contracts measured under the full retrospective approach at transition RM'000	Contracts measured under the modified retrospective approach at transition RM'000	Contracts measured under the fair value approach at transition RM'000	
30.6.2024							
Reinsurance contracts assets at 1 January 2024	(8,939)	69,610	9,263	(190)	719	8,734	69,934
Changes that relate to current services							
CSM recognised for services received	-	-	(2,310)	(765)	(484)	(1,061)	(2,310)
Change in the risk adjustment for non-financial risks for risks expired	-	(3,663)	-	-	-	-	(3,663)
Experience adjustments	(7,845)	-	-	-	-	-	(7,845)
Changes that relate to future services							
Contracts initially recognised in the year	(17,808)	9,799	8,009	8,009	-	-	-
Changes in estimates that adjust the CSM	(17,523)	9,172	8,351	(420)	7,835	936	-
Changes that relate to past services							
Adjustment to liabilities for incurred claims	(5,619)	-	-	-	-	-	(5,619)
Insurance service results	(48,795)	15,308	14,050	6,824	7,351	(125)	(19,437)
Finance (expenses)/income from reinsurance contracts held	(921)	1,781	307	67	92	148	1,167
Effect of changes in non-performance risk of reinsurers	2	-	-	-	-	-	2
Total amount recognised in income statement and OCI	(49,714)	17,089	14,357	6,891	7,443	23	(18,268)
Cash flows							
Premiums paid, net of ceding commission	38,564	-	-	-	-	-	38,564
Amount received	(30,029)	-	-	-	-	-	(30,029)
Total cash flows	8,535	-	-	-	-	-	8,535
Reinsurance contracts assets at 30 June 2024	(50,118)	86,699	23,620	6,701	8,162	8,757	60,201

13. REINSURANCE CONTRACT ASSETS (CONTD.)

(b) Analysis showing estimates of present value of future cash flows, risk adjustment and CSM for reinsurance contracts held not measured at PAA (contd.)

The roll-forward of reinsurance contract assets showing estimates of the present value of future cash flows, risk adjustment, CSM and the impact of the transition approaches adopted to establish CSMs for reinsurance contract held portfolios are shown below (contd.):

31.12.2023	Estimate of the present value of future cash flows RM'000	Risk adjustments for non-financial risk RM'000	Total CSM RM'000	CSM			Total RM'000
				New Contracts and contracts measured under the full retrospective approach at transition RM'000	Contracts measured under the modified retrospective approach at transition RM'000	Contracts measured under the fair value approach at transition RM'000	
Reinsurance contracts assets at 1 January 2023	60,734	54,279	(22,690)	(2,457)	(18,180)	(2,053)	92,323
Changes that relate to current services							
CSM recognised for services received	-	-	(3,385)	(1,112)	253	(2,526)	(3,385)
Change in the risk adjustment for non-financial risks for risks expired	-	(4,389)	-	-	-	-	(4,389)
Experience adjustments	(13,030)	-	-	-	-	-	(13,030)
Changes that relate to future services							
Contracts initially recognised in the year	(18,915)	12,318	6,597	6,597	-	-	-
Changes in estimates that adjust the CSM	(31,075)	2,461	28,614	(3,249)	18,767	13,096	-
Changes that relate to past services							
Adjustment to liabilities for incurred claims	(5,839)	-	-	-	-	-	(5,839)
Insurance service results	(68,859)	10,390	31,826	2,236	19,020	10,570	(26,643)
Finance income/(expenses) from reinsurance contracts held	322	4,941	127	31	(121)	217	5,390
Effect of changes in non-performance risk of reinsurers	2	-	-	-	-	-	2
Total amount recognised in income statement and OCI	(68,535)	15,331	31,953	2,267	18,899	10,787	(21,251)
Cash flows							
Premiums paid, net of ceding commission	196	-	-	-	-	-	196
Amount received	(1,334)	-	-	-	-	-	(1,334)
Total cash flows	(1,138)	-	-	-	-	-	(1,138)
Reinsurance contracts assets at 31 Disember 2023	(8,939)	69,610	9,263	(190)	719	8,734	69,934

13. REINSURANCE CONTRACT ASSETS (CONTD.)

(c) Impact of contracts recognised in the period

The roll-forward of reinsurance contract assets showing estimates of the present value of future cash flows, risk adjustment, CSM and the impact of the transition approaches adopted to establish CSMs for reinsurance contract held portfolios are shown below:

	30.6.2024	31.12.2023
	Contracts	Contracts
	purchased	purchased
	RM'000	RM'000
Estimates of the present value of future cash outflows	(54,429)	(89,878)
Estimates of the present value of future cash inflows	36,621	70,963
Risk adjustment for non-financial risks	9,799	12,318
CSM	8,009	6,597
Cost of retroactive cover on reinsurance contracts assets held at 30 June/31 December	-	-

14. INSURANCE CONTRACT LIABILITIES

Composition of Statement of Financial Position

The breakdown of groups of insurance contracts issued, that is in a liability position is set out in the table below:

	30.6.2024	31.12.2023
	RM'000	RM'000
Insurance contracts issued		
Group	1,560	1,522
Retail		
- Non-participating	2,665,777	2,653,286
- Participating	5,562,582	5,715,281
- Investment linked	3,065,306	2,618,446
Total insurance contracts issued	<u>11,295,225</u>	<u>10,988,535</u>

14. INSURANCE CONTRACT LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims measured at PAA

The overview of the movement for net liability for insurance contracts issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below:

30.6.2024	Excluding loss recovery component RM'000	LRC	LIC		Total RM'000
		Loss component RM'000	Present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	
Insurance contracts liabilities at 1 January 2024	4,080	2,003	12,623	975	19,681
Insurance service revenue	(24,810)	-	-	-	(24,810)
Insurance service expenses	2,639	129	21,247	47	24,062
Insurance service result	(22,171)	129	21,247	47	(748)
Finance expense from insurance contracts held	-	-	146	16	162
Total amount recognised in income statement and OCI	(22,171)	129	21,393	63	(586)
Cash flows					
Premiums received	27,837	-	-	-	27,837
Claims and other insurance service expenses paid	-	-	(24,958)	-	(24,958)
Insurance acquisition cash flow	(2,342)	-	-	-	(2,342)
Total cash flows	25,495	-	(24,958)	-	537
Transfer to other liabilities	-	-	4,744	-	4,744
Insurance contracts liabilities at 30 June 2024	7,404	2,132	13,802	1,038	24,376

14. INSURANCE CONTRACT LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims measured at PAA (contd.)

The overview of the movement for net liability for insurance contracts issued, showing the LRC and the LIC is presented in the table below (contd.):

31.12.2023	Excluding loss recovery component RM'000	LRC	LIC		Total RM'000
		Loss component RM'000	Present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	
Insurance contracts liabilities at 1 January 2023	853	2,726	10,795	839	15,213
Insurance service revenue	(37,150)	-	-	-	(37,150)
Insurance service expenses	5,779	(723)	35,852	111	41,019
Insurance service result	(31,371)	(723)	35,852	111	3,869
Finance expense from insurance contracts held	-	-	224	25	249
Total amount recognised in income statement and OCI	(31,371)	(723)	36,076	136	4,118
Cash flows					
Premiums received	39,131	-	-	-	39,131
Claims and other insurance service expenses paid	-	-	(34,248)	-	(34,248)
Insurance acquisition cash flow	(4,533)	-	-	-	(4,533)
Total cash flows	34,598	-	(34,248)	-	350
Insurance contracts liabilities at 31 December 2023	4,080	2,003	12,623	975	19,681

14. INSURANCE CONTRACT LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims not measured at PAA

The overview of the movement for net liability for insurance contracts issued, showing the LRC and the LIC is presented in the table below:

30.6.2024	LRC		LIC RM'000	Total RM'000
	Excluding loss recovery component RM'000	Loss component RM'000		
Insurance contracts liabilities at 1 January 2024	9,635,707	1,453	1,331,694	10,968,854
Insurance service revenue	(268,303)	-	-	(268,303)
Insurance service expenses	23,004	309	140,049	163,362
Insurance service result	(245,299)	309	140,049	(104,941)
Finance expense from insurance contracts held	738,117	31	446	738,594
Investment components	(1,338,061)	-	1,338,061	-
Total amount recognised in income statement and OCI	(845,243)	340	1,478,556	633,653
Cash flows				
Premiums received	616,394	-	-	616,394
Claims and other insurance service expenses paid	-	-	(846,864)	(846,864)
Insurance acquisition cash flow	(110,615)	-	-	(110,615)
Total cash flows	505,779	-	(846,864)	(341,085)
Transfer to other liabilities	-	-	9,427	9,427
Insurance contracts liabilities at 30 June 2024	9,296,243	1,793	1,972,813	11,270,849

14. INSURANCE CONTRACT LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims not measured at PAA (contd.)

The overview of the movement for net liability for insurance contracts issued, showing the LRC and the LIC is presented in the table below (contd.):

31.12.2023	Excluding loss recovery component RM'000	LRC Loss component RM'000	LIC RM'000	Total RM'000
Insurance contracts liabilities at 1 January 2023	9,873,933	292	474,303	10,348,528
Insurance service revenue	(504,626)	-	-	(504,626)
Insurance service expenses	28,649	1,147	277,237	307,033
Insurance service result	(475,977)	1,147	277,237	(197,593)
Finance expense from insurance contracts held	1,050,003	14	1,532	1,051,549
Investment components	(1,797,200)	-	1,797,200	-
Total amount recognised in income statement and OCI	(1,223,174)	1,161	2,075,969	853,956
Cash flows				
Premiums received	1,142,099	-	-	1,142,099
Claims and other insurance service expenses paid	-	-	(1,230,649)	(1,230,649)
Insurance acquisition cash flow	(157,151)	-	-	(157,151)
Total cash flows	984,948	-	(1,230,649)	(245,701)
Transfer to other liabilities	-	-	12,071	12,071
Insurance contracts liabilities at 31 December 2023	9,635,707	1,453	1,331,694	10,968,854

14. INSURANCE CONTRACT LIABILITIES (CONTD.)

(b) Analysis by liability for remaining coverage and the liability for incurred claims not measured at PAA

The overview of the movement for net liability for insurance contracts issued, showing the LRC and the LIC is presented in the table below:

30.6.2024	Estimate of the present value of future cash flows RM'000	Risk adjustments for non-financial risk RM'000	Total CSM RM'000	CSM			Total RM'000
				New Contracts and contracts measured under the full retrospective approach at transition RM'000	Contracts measured under the modified retrospective approach at transition RM'000	Contracts measured under the fair value approach at transition RM'000	
Insurance contracts liabilities at 1 January 2024	9,702,606	372,322	893,926	92,915	314,606	486,405	10,968,854
Changes that relate to current services							
CSM recognised for services received	-	-	(53,995)	(13,322)	(15,121)	(25,552)	(53,995)
Change in the risk adjustment for non-financial risks for risks expired	-	(24,878)	-	-	-	-	(24,878)
Experience adjustments	(7,557)	-	-	-	-	-	(7,557)
Changes that relate to future services							
Contracts initially recognised in the year	(127,897)	33,809	94,094	94,094	-	-	6
Changes in estimates that adjust the CSM	(81,886)	38,045	43,841	(15,601)	(13,820)	73,262	-
Changes in estimate that do not adjust the CSM	303	-	-	-	-	-	303
Changes that relate to past services							
Adjustment to liabilities for incurred claims	(18,821)	1	-	-	-	-	(18,820)
Insurance service results	(235,858)	46,977	83,940	65,171	(28,941)	47,710	(104,941)
Finance expense from insurance contracts held	727,041	5,130	6,423	3,082	-	3,341	738,594
Total amount recognised in income statement and OCI	491,183	52,107	90,363	68,253	(28,941)	51,051	633,653
Cash flows							
Premiums paid, net of ceding commission	616,394	-	-	-	-	-	616,394
Amount received	(846,864)	-	-	-	-	-	(846,864)
Insurance acquisition cash flow	(110,615)	-	-	-	-	-	(110,615)
Total cash flows	(341,085)	-	-	-	-	-	(341,085)
Transfer to other liabilities	9,427	-	-	-	-	-	9,427
Insurance contracts liabilities at 30 June 2024	9,862,131	424,429	984,289	161,168	285,666	537,455	11,270,849

14. INSURANCE CONTRACT LIABILITIES (CONTD.)

(b) Analysis by liability for remaining coverage and the liability for incurred claims not measured at PAA (contd.)

The overview of the movement for net liability for insurance contracts issued, showing the LRC and the LIC is presented in the table below (contd.):

	Estimate of the present value of future cash flows RM'000	Risk adjustments for non-financial risk RM'000	Total CSM RM'000	CSM			Total RM'000
				New Contracts and contracts measured under the full retrospective approach at transition RM'000	Contracts measured under the modified retrospective approach at transition RM'000	Contracts measured under the fair value approach at transition RM'000	
31.12.2023							
Insurance contracts assets at 1 January 2023	9,159,190	344,749	844,589	26,281	335,365	482,943	10,348,528
Changes that relate to current services							
CSM recognised for services received	-	-	(97,647)	(18,936)	(30,144)	(48,567)	(97,647)
Change in the risk adjustment for non-financial risks for risks expired	-	(42,139)	-	-	-	-	(42,139)
Experience adjustments	(33,940)	-	-	-	-	-	(33,940)
Changes that relate to future services							
Contracts initially recognised in the year	(213,275)	56,786	156,572	156,572	-	-	83
Changes in estimates that adjust the CSM	16,302	1,628	(17,930)	(73,482)	9,385	46,167	-
Changes in estimate that do not adjust the CSM	1,064	-	-	-	-	-	1,064
Changes that relate to past services							
Adjustment to liabilities for incurred claims	(25,018)	4	-	-	-	-	(25,014)
Insurance service results	(254,867)	16,279	40,995	64,154	(20,759)	(2,400)	(197,593)
Finance expense from insurance contracts held	1,031,913	11,294	8,342	2,480	-	5,862	1,051,549
Total amount recognised in income statement and OCI	777,046	27,573	49,337	66,634	(20,759)	3,462	853,956
Cash flows							
Premiums paid, net of ceding commission	1,142,099	-	-	-	-	-	1,142,099
Amount received	(1,230,649)	-	-	-	-	-	(1,230,649)
Insurance acquisition cash flow	(157,151)	-	-	-	-	-	(157,151)
Total cash flows	(245,701)	-	-	-	-	-	(245,701)
Transfer to other liabilities	12,071	-	-	-	-	-	12,071
Insurance contracts liabilities at 31 December 2023	9,702,606	372,322	893,926	92,915	314,606	486,405	10,968,854

14. INSURANCE CONTRACT LIABILITIES (CONTD.)

(c) Impact of contracts recognised in the period

The components of new business for insurance issued is disclosed in the table below:

	30.6.2024			31.12.2023		
	Contract issued			Contract issued		
	Non- Onerous RM'000	Onerous RM'000	Total RM'000	Non- Onerous RM'000	Onerous RM'000	Total RM'000
Estimates of the present value of future cash inflows	(1,142,368)	(404)	(1,142,772)	(1,744,740)	(9,321)	(1,754,061)
Estimates of the present value of future cash outflows	1,014,468	406	1,014,874	1,531,458	9,329	1,540,787
Risk adjustment for non-financial risks	33,806	3	33,809	56,710	76	56,786
CSM	94,094	-	94,094	156,572	-	156,572
Losses on onerous contracts at initial recognition	-	5	5	-	84	84

14. INSURANCE CONTRACT LIABILITIES (CONTD.)

(d) Expected release of CSM

The disclosure of when the CSM is expected to be recognised in income statement in future years is presented below:

	Less than one year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	5 - 10 years	More than 10 years	Total
Insurance contracts	106,118	94,362	84,199	74,994	66,747	240,309	317,560	984,289
Reinsurance contracts	(5,047)	(3,667)	(2,941)	(2,436)	(2,053)	(5,853)	(1,623)	(23,620)

15. OTHER ASSETS

	30.6.2024	31.12.2023
	RM'000	RM'000
Sundry receivables, deposits and prepayments	25,747	13,741
Allowance for impairment losses	<u>(254)</u>	<u>(254)</u>
	<u>25,493</u>	<u>13,487</u>
Income due and accrued	120,653	128,890
Allowance for impairment losses	<u>(80)</u>	<u>(156)</u>
	<u>120,573</u>	<u>128,734</u>
Amounts due from*: (Note 36(ii))		
- Other related companies within the EIHSB Group	192	-
- Other related companies within the MAHB Group	2,505	2,230
Amount due from stockbrokers	43,716	9,204
Amount due from fund manager	<u>-</u>	<u>320</u>
	<u>46,413</u>	<u>11,754</u>
Total other assets	<u>192,479</u>	<u>153,975</u>

15. OTHER ASSETS (CONTD.)

Movements in gross carrying value and allowances for impairment losses recognised for not credit-impaired and credit impaired assets of the Company are as follows:

	Not credit-impaired RM'000	Credit impaired RM'000	Total** RM'000
<u>Gross carrying amount</u>			
At 1 January 2023	135,364	3,404	138,768
Increase/(decrease)	15,484	(659)	14,825
At 31 December 2023	<u>150,848</u>	<u>2,745</u>	<u>153,593</u>
Increase/(decrease)	35,028	(10)	35,018
At 30 June 2024	<u><u>185,876</u></u>	<u><u>2,735</u></u>	<u><u>188,611</u></u>
 <u>Lifetime ECL</u>			
At 1 January 2023	154	582	736
Decrease	(110)	(216)	(326)
At 31 December 2023	<u>44</u>	<u>366</u>	<u>410</u>
Decrease	(27)	(49)	(76)
At 30 June 2024	<u><u>17</u></u>	<u><u>317</u></u>	<u><u>334</u></u>

* Amounts due from related companies are non-trade in nature, unsecured, interest-free and repayable in the short term.

** Movement for impairment losses for other assets is net of prepayments.

The carrying amounts (other than prepayments) are reasonable approximations of fair values due to the relatively short-term maturity of these balances.

16. RESERVES

	Note	30.6.2024 RM'000	31.12.2023 RM'000
Reserves:			
FVOCI reserve	(i)	81,796	45,472
Insurance finance reserve	(ii)	(87,992)	(63,633)
Revaluation reserve	(iii)	78,896	78,896
		<u>72,700</u>	<u>60,735</u>
Retained profits:			
Distributable	(iv)	33,430	438,071
Non distributable Life Funds surplus	(v)	1,217,614	1,095,744
		<u>1,251,044</u>	<u>1,533,815</u>
Total reserves		<u>1,323,744</u>	<u>1,594,550</u>

- (i) The FVOCI reserve of the Company arose from changes in the fair values of the financial assets which are measured at fair value through other comprehensive income.
- (ii) Insurance finance reserve presents the impact of changes in market discount rates on the insurance and reinsurance contract assets and liabilities.
- (iii) The revaluation reserve of the Company represents the difference between the carrying amount of properties previously classified as self-occupied properties and subsequently transferred to investment properties upon the end of owner occupation and its fair value at the date of change in use.
- (iv) The entire distributable profits of the Company may be distributed to the shareholders, subject to certain regulatory and legal requirements in the respective countries.
- (v) Non-distributable Life fund surplus represents the unallocated surplus from the fund. In accordance with the Financial Services Act 2013, in Malaysia, the unallocated surplus is only available for distribution to the shareholders' funds upon approval by the Appointed Actuary of the relevant subsidiaries. Upon such approval, the distribution is presented as a transfer from non-distributable Life fund surplus to distributable retained profits.

17. OTHER LIABILITIES

	30.6.2024	31.12.2023
	RM'000	RM'000
Premium deposits	14,265	6,697
Dividend payable to policyholders	65,307	68,582
Lease liabilities	44	62
Provision for restoration costs	2	2
Amount due to*: (Note 36(ii))		
- Ultimate holding company	10,684	10,650
- Penultimate holding company	372	914
- Immediate holding company	1,764	2,753
- Other related companies within the EIHSB Group	-	3
- Other related companies within the MAHB Group	-	96
- Other related companies within the Maybank Group	42	42
Amounts due to stockbrokers	1,685	17,004
Amount due to fund manager	37	-
Unclaimed monies	21,799	17,594
Service tax payable	1,091	563
Sundry payables and accrued liabilities	206,576	223,356
Other components of insurance contract	14,171	12,071
Total other liabilities	<u>337,839</u>	<u>360,389</u>

* Amounts due to related companies are non-trade in nature, unsecured, interest free and is repayable in the short term.

The carrying amounts of financial liabilities are reasonable approximations of fair values at the reporting date due to the relatively short-term maturity of these balances and the immaterial impact of discounting.

18. INSURANCE REVENUE

The table below presents an analysis of the total insurance contracts recognised in the period:

		1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
	Note		
Contracts not measured under the PAA			
Amounts relating to changes in liabilities for remaining coverage			
- Expected claims and insurance service expenses incurred in the period	(i)	171,409	168,805
- Change in the risk adjustment for non financial risks	(ii)	24,878	20,538
- Amount of CSM recognised in profit or loss	(iii)	53,995	49,751
Amounts relating to recovery of insurance acquisition cash flows	(iv)	19,137	14,897
Experience adjustments for premium receipts		(1,115)	(2,947)
Insurance revenue from contracts not measured under the PAA		<u>268,304</u>	<u>251,044</u>
Insurance revenue from contracts measured under the PAA			
Release of premiums for current period		24,810	15,996
Total insurance revenue		<u>293,114</u>	<u>267,040</u>

(i) Expected insurance service expenses incurred in the period comprise of claims and other expenses which the Company expects to pay on insured events that occurred during the period.

(ii) Change in risk adjustment shows amount of risk which expired during the period.

(iii) The CSM is recognised in profit or loss over the coverage period of the corresponding group of contracts based on the established coverage units.

(iv) Acquisition cash flows are allocated on a straight-line basis over the coverage period of the group of contracts.

19. INSURANCE SERVICE EXPENSES

The table below presents an analysis of the total insurance service expenses recognised in the period:

	1.1.2024	1.1.2023
	to	to
	30.6.2024	30.6.2023
	RM'000	RM'000
Incurring claims and other directly attributable expenses	178,227	160,026
Changes that relate to the past service - adjustment to the LIC	(16,884)	(3,501)
Losses on onerous contracts and reversal of those losses	437	403
Insurance acquisition cash flow amortisation	25,643	16,872
Total insurance service expenses	<u>187,423</u>	<u>173,800</u>

20. NET (EXPENSES)/INCOME FROM REINSURANCE CONTRACT HELD

The Company has disclosed an analysis of the net (expenses)/income from reinsurance contracts held during the period, shown in the table below:

		1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
	Note		
Amounts relating to the changes in the assets for remaining coverage			
Expected recovery for insurance service expenses incurred in the year	(i)	(22,107)	(19,840)
Net cost recognised in profit or loss	(ii)	(4,219)	(2,233)
Allocation of reinsurance premium		<u>(26,326)</u>	<u>(22,073)</u>
Amounts recoverable for claims and other expenses incurred in the year		6,134	26,596
Amounts recoverable from reinsurers		<u>6,134</u>	<u>26,596</u>
Total net (expenses)/income from reinsurance contracts held		<u>(20,192)</u>	<u>4,523</u>

- (i) Expected recovery for insurance service expenses incurred in the period comprise recovery for claims and other expenses which the Company expects to receive from reinsurers on covered events occurred during the period.
- (ii) Net cost/gain is recognised in profit or loss during the coverage period of the corresponding groups of reinsurance contracts held based on established coverage units.

21. INTEREST REVENUE FROM FINANCIAL ASSETS NOT MEASURED AT FVTPL

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Interest income		
(i) Financial Assets at FVOCI		
Investment		
-Malaysian government papers	5,476	6,024
-Debt securities	25,400	26,412
(ii) Financial Assets at AC		
Investment		
-Deposits with financial institutions	10,889	11,299
Financing receivables		
-Staff loans	212	190
-Non-staff loans	18	21
Total interest revenue from financial assets not measured at FVTPL	41,995	43,946

22. NET FAIR VALUE GAINS ON FINANCIAL ASSETS MEASURED AT FVTPL

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Realised gains on disposal on investments	148,900	5,691
Fair value (losses)/gains on:		
Investment		
-Malaysian government papers	(1,761)	35,786
-Equity securities	206,760	(27,022)
-Debt securities	58,929	234,159
-Unit and property trust funds	111,800	65,624
-Structured products	9,950	1,084
-Derivatives	2,623	(38)
Total net fair value gains on financial assets measured at FVTPL	537,201	315,284

23. NET FAIR VALUE LOSSES ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT FVOCI

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Fair value (losses)/gains on:		
-Malaysian government papers	(6,609)	(2,309)
-Debt securities	2,244	(1,665)
Total net fair value losses on derecognition of financial assets measured at FVOCI	<u>(4,365)</u>	<u>(3,974)</u>

24. OTHER INVESTMENT INCOME

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Dividend income:		
-Equity securities	41,186	31,791
-Unit and property trust	697	617
Interest income at FVTPL:		
-Investment	169,113	175,694
Rental income	41,071	38,412
Rental related expenses	(11,671)	(14,030)
Net amortisation of premiums	(4,382)	(4,901)
Investment related expenses, net	(1,636)	(1,466)
Obligations on financial assets sold under repurchase agreements	(1)	-
Total other investment income	<u>234,377</u>	<u>226,117</u>

25. REVERSAL OF IMPAIRMENT LOSS ON FINANCIAL ASSETS

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Reversal of impairment losses on:		
-investment	102	72
Total net reversal of impairment loss on financial assets	<u>102</u>	<u>72</u>

26. FINANCE EXPENSES FROM INSURANCE CONTRACTS ISSUED

	1.1.2024	1.1.2023
	to	to
	30.6.2024	30.6.2023
Note	RM'000	RM'000
<u>Insurance contracts</u>		
Finance expenses from insurance contracts issued		
Changes in fair value of underlying assets of contracts measured under the VFA	(678,751)	(496,975)
Changes in financial risks on LIC claims reserve component - Direct	(4)	(6)
Changes in financial risks on LIC risk adjustment component - Direct	-	(1)
Interest accreted using current financial assumptions	(35,003)	(32,873)
Effect of changes in interest rates and other financial assumptions	(18,980)	(35,926)
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates/ Interest accreted using locked-in-rates	(6,020)	(6,325)
Total finance expenses from insurance contracts issued	<u>(738,758)</u>	<u>(572,106)</u>
Represented by:		
Amount recognised in profit and loss	(712,849)	(533,693)
Amount recognised in OCI	<u>(25,909)</u>	<u>(38,413)</u>
	<u>(738,758)</u>	<u>(572,106)</u>

26. FINANCE EXPENSES FROM INSURANCE CONTRACTS ISSUED (CONTD.)

	1.1.2024	1.1.2023
	to	to
	30.6.2024	30.6.2023
Note	RM'000	RM'000
<u>Net investment result and net finance income/(expenses):</u>		
Represented by:		
Amount recognised in profit and loss		
Net investment income	26a 836,026	639,853
Finance expenses from Insurance Contracts	26 (712,849)	(533,693)
Finance income from Reinsurance Contracts	27 1,170	3,940
	26b 124,347	110,100
Amount recognised in OCI		
Net investment income	26c 22,517	71,509
Finance expenses from Insurance Contracts	26 (25,909)	(38,413)
	(3,392)	33,096

It represents fair value gains or losses on underlying assets and interest income of the Company.

27. FINANCE INCOME FROM REINSURANCE CONTRACTS HELD

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Finance income from reinsurance contracts held		
Interest accreted using current financial assumption	1,414	1,187
Effect of changes in interest rates and other financial assumptions	(123)	2,753
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates/Interest accreted locked-in-rate	(124)	-
Changes in risk non-performance reinsurer	3	-
Total finance income from reinsurance contracts held	<u>1,170</u>	<u>3,940</u>
Represented by:		
Amount recognised in profit and loss	1,170	3,940
Amount recognised in OCI	-	-
	<u>1,170</u>	<u>3,940</u>

28. OTHER INCOME

	1.1.2024 to 30.6.2024	1.1.2023 to 30.6.2023
Reversal/(impairment) losses on:		
- financing receivables	137	(98)
- other assets	76	38
Sundry income	2,783	3,125
Total other income	<u>2,996</u>	<u>3,065</u>

29. OTHER EXPENSES

An analysis of the expenses incurred by the Company in the reporting period is included in the table below:-

	Note	1.1.2024 to 30.06.2024				1.1.2023 to 30.06.2023			
		<i>Insurance service expenses</i>		Other expenses RM'000	Total RM'000	<i>Insurance service expenses</i>		Other expenses RM'000	Total RM'000
		Expenses attributed to insurance acquisition cash flows RM'000	Other directly attributable expenses RM'000			Expenses attributed to insurance acquisition cash flows RM'000	Other directly attributable expenses RM'000		
Commission expenses	(A)	39,706	27,253	-	66,959	26,765	23,848	-	50,613
Other expenses									
Employee benefits expense (a)		17,118	37,539	1,361	56,018	16,229	33,800	1,270	51,299
Directors' remuneration	30	-	-	392	392	(26)	-	470	444
Shariah Committee's remuneration		-	1	-	1	-	1	-	1
Auditors' remuneration:									
- statutory audits		-	329	-	329	-	224	-	224
- regulatory related services		-	134	-	134	-	34	-	34
- other services		-	111	-	111	-	553	-	553
Amortisation of intangible assets		-	4,312	-	4,312	-	4,205	-	4,205
Amortisation of prepaid land lease payments		-	13	-	13	-	13	-	13
Assured medical fees		327	-	-	327	343	-	-	343
Other finance cost		-	2,195	-	2,195	-	2,089	27	2,116
Depreciation of property, plant and equipment		-	3,197	-	3,197	-	3,665	-	3,665
ROU expenses:									
-Depreciation		-	18	-	18	-	18	-	18
-Lease liabilities interest		-	1	-	1	-	1	-	1
Other management fees		193	-	-	193	122	11	-	133
Outside Services & Others		-	(196)	-	(196)	-	267	-	267
Professional fees		-	231	-	231	-	53	-	53
Short term leases		594	1,548	5	2,147	732	1,583	5	2,320
Small value assets		-	-	-	-	-	(1)	-	(1)
Office facilities expenses		-	364	-	364	-	516	-	516
Electronic data processing expenses		676	(111)	-	565	495	1,486	-	1,981
Information technology outsourcing		1,333	3,998	-	5,331	981	265	-	1,246
Postage and stamp duties		299	1,044	3	1,346	253	473	2	728

29. OTHER EXPENSES (CONTD.)

An analysis of the expenses incurred by the Company in the reporting period is included in the table below (contd.):-

	1.1.2024 to 30.06.2024				1.1.2023 to 30.06.2023				
	<u>Insurance service expenses</u>				<u>Insurance service expenses</u>				
	Note	Expenses attributed to insurance acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000	Expenses attributed to insurance acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000
Printing and stationery		-	418	-	418	-	299	-	299
Promotional and marketing cost		11,403	17	224	11,644	10,664	33	65	10,762
Rental of offices/premises		-	-	-	-	-	-	-	-
Training expenses		485	952	1	1,438	359	540	-	899
Utilities, assessment and maintenance		-	720	1	721	-	984	1	985
Entertainment		-	-	65	65	-	-	60	60
Travelling expenses		247	282	6	535	295	229	25	549
Legal fees		-	56	-	56	-	19	-	19
Licence, Subscription and Levies		-	540	-	540	-	533	-	533
Contract staff services		275	847	-	1,122	148	877	2	1,027
Policy Related Expenses		1,277	3,764	175	5,216	1,438	3,617	1	5,056
Others		-	(1,726)	188	(1,538)	-	(1,798)	-	(1,798)
Total other expenses	(B)	34,227	60,598	2,421	97,246	32,033	54,589	1,928	88,550
<u>Other operating expenses</u>									
Sundry expenditure		-	1,104	3,181	4,285	-	1,108	2,947	4,055
Total other operating expenses	(C)	-	1,104	3,181	4,285	-	1,108	2,947	4,055
Total other expenses	(A) + (B) + (C)	73,933	88,955	5,602	168,490	58,798	79,545	4,875	143,218

29. OTHER EXPENSES (CONTD.)

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Represented by:		
Insurance service expenses	162,888	138,343
Other expenses	5,602	4,875
	<u>168,490</u>	<u>143,218</u>
 (a) Employee Benefits Expense:		
Wages, salaries and bonuses	48,542	44,109
Employees Provident Fund ("EPF")	6,576	6,149
Social Security Contributions ("SOCSO")	284	291
Employees' Share Grant Plan ("ESGP")	616	750
	<u>56,018</u>	<u>51,299</u>

30. DIRECTORS' FEES AND REMUNERATION

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Non-executive directors:		
Fees	330	370
Other emoluments	62	74
Total directors' fee and remuneration	<u>392</u>	<u>444</u>

The total remuneration of the directors of the Company are as follows:

	Fees RM'000	Other emoluments RM'000	Total RM'000
1.1.2024 to 30.6.2024			
Non-executive directors:			
Datuk Mohd Najib Bin Abdullah	90	12	102
Mr. Frank Johan Gerard Van Kempen*	60	10	70
Mr. Wong Pakshong Kat			
Jeong Colin Stewart	60	13	73
Dr. Ariffin Bin Datuk Yahaya	60	17	77
Mr. Glenn John Williams*			
<i>(appointed w.e.f. 1 November 2023)</i>	60	10	70
Total remuneration of the directors	<u>330</u>	<u>62</u>	<u>392</u>

1.1.2023 to 30.6.2023

Non-executive directors:			
Datuk Mohd Najib Bin Abdullah	90	12	102
Mr. Philippe Pol Arthur Latour*			
<i>(resigned w.e.f. 1 November 2023)</i>	60	10	70
Mr. Frank Johan Gerard Van Kempen*	60	10	70
Mr. Wong Pakshong Kat			
Jeong Colin Stewart	60	13	73
Puan Norazilla Binti Md Tahir			
<i>(resigned w.e.f. 1 May 2023)</i>	40	14	54
Dr. Ariffin Bin Datuk Yahaya	60	15	75
Total remuneration of the directors	<u>370</u>	<u>74</u>	<u>444</u>

* The directors' fees and other emoluments for nominees of Ageas Insurance International N.V. ("Ageas") are remitted directly to Ageas.

31. TAX EXPENSE ATTRIBUTABLE TO POLICYHOLDERS

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
<u>Income tax:</u>		
Current financial period	27,760	16,682
<u>Deferred taxation:</u>		
Relating to origination and reversal of temporary differences	28,194	29,621
	<u>55,954</u>	<u>46,303</u>

The income tax for borne by policyholders are calculated based on the statutory rate of 8% (2023: 8%) of the estimated assessable investment income net of allowable deductions for the financial period.

32. TAX EXPENSE

The major components of income tax expense for the period ended 30 June 2024 and 30 June 2023 are:

Income Statements:

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
<u>Income tax:</u>		
Current financial period	(1,984)	763
<u>Deferred taxation:</u>		
Relating to origination and reversal of temporary differences	36,788	36,722
	<u>34,804</u>	<u>37,485</u>

Statement of Comprehensive Income:

Deferred income tax related to other comprehensive income:		
- Fair value changes on debt securities at FVOCI	3,139	8,352
- Fair value changes on equity securities at FVOCI	1,895	(544)
- Insurance finance reserve	(1,550)	(1,914)
	<u>3,484</u>	<u>5,894</u>

32. TAX EXPENSE (CONTD.)

Reconciliation between tax expense and accounting profit

The reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company are as follows:

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Profit before taxation	151,286	159,750
Taxation at 24% statutory tax rate (2023: 24%)	36,309	38,340
Income not subject to tax	(313)	(134)
Expenses not deductible for tax purposes	863	433
Deficit arising form Annuity Non-Par fund not subject to tax	(2,055)	(1,154)
Tax expense for the financial period	<u>34,804</u>	<u>37,485</u>

33. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit for the financial period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

	1.1.2024 to 30.6.2024	1.1.2023 to 30.6.2023
Profit attributable to ordinary equity holders (RM'000)	<u>116,482</u>	<u>122,265</u>
Weighted average number of ordinary shares in issue ('000)	<u>100,000</u>	<u>100,000</u>
Basic and diluted earnings per share (sen)	<u>116.48</u>	<u>122.27</u>

There were no potential dilutive effects on the ordinary shares during and at the end of financial period. There have been no other transactions involving ordinary shares between the reporting date and the authorisation date of the financial statements.

34. OPERATING LEASE COMMITMENTS

The Company as a lessor

The Company has entered into operating lease agreements on its portfolio of investment properties. The leases have remaining lease terms of between 1 and 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	30.6.2024 RM'000	31.12.2023 RM'000
Not later than one year	59,747	59,025
Between one and five years	92,458	109,746
	<u>152,205</u>	<u>168,771</u>

Rental income on investment properties recognised in the income statement during the financial year are disclosed in Notes 24.

35. OTHER COMMITMENTS AND CONTINGENCIES

	30.6.2024	31.12.2023
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	7,982	1,642
Intangible assets	2,262	3,621
	<u>10,244</u>	<u>5,263</u>
Approved but not contracted for:		
Property, plant and equipment	<u>13,955</u>	<u>13,192</u>
	30.6.2024	31.12.2023
	Full	Full
	commitment	commitment
	RM'000	RM'000
Derivative financial assets:		
Cross currency swap:		
One year to less than five years	49,300	-
Foreign exchange related contracts:		
Less than a year	-	41,667
	<u>49,300</u>	<u>41,667</u>
Derivative financial liabilities:		
Cross currency swap:		
One year to less than five years	-	49,300
Foreign exchange related contracts:		
Less than a year	59,022	13,807
	<u>59,022</u>	<u>63,107</u>

36. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES

For the purpose of these financial statements, parties are considered to be related to the Company if the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the corresponding party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel, defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel includes the Directors and Chief Executive Officers of the Company.

The Company have related party relationships with its shareholders, subsidiaries, associates, key management personnel and the subsidiaries and associates of a company with significant influence over its shareholders.

Related party transactions have been entered into in the normal course of business under normal trade terms.

- (i) Significant transactions of the Company with related parties during the financial period were as follows:

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
<u>Income/(expenses):</u>		
Ultimate holding company:		
Commission and fee expenses	(47,819)	(34,071)
Dividend income	967	1,000
Interest income	105	123
Rental income	3,031	2,759
Hedging expenses, net	(36)	-
Other expenses	(3,340)	(2,818)
ESGP expenses	(691)	(1,106)
	<hr/>	<hr/>
Immediate holding company:		
Rental income	624	549
Dividend paid	(400,000)	(278,000)
Shared service costs	(9,295)	(9,063)
Remuneration of a seconded employee	-	(68)
	<hr/>	<hr/>

36. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

- (i) Significant transactions of the Company with related parties during the financial period were as follows (contd.):

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
<u>Income/(expenses)(contd.):</u>		
Penultimate holding company:		
Other expenses	(663)	(646)
Fellow subsidiaries within the MAHB Group:		
Rental income	3,537	3,441
Rental expenses	(978)	(924)
Other income	7	19
Other expenses	(444)	(426)
Shared service income	14,049	19,766
Fellow subsidiaries within the EIHSB Group:		
Rental income	625	625
Shared service costs	(213)	(5)
Other related companies within the Maybank Group:		
Interest income	6643	7908
Rental income	2,519	2,625
Information technology outsourcing	(5,331)	-
Companies with significant influence over the Maybank Group:		
Gross insurance premium income	4,388	1,343
Claims paid	(1,985)	(437)

36. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

- (ii) Included in the statements of financial position of the Company are investment placed with, obligations due to and amounts due from/(to) related companies as follows:

	Note	30.6.2024 RM'000	31.12.2023 RM'000
Ultimate holding company:			
Fixed and call deposits		2,463	1,323
Quoted shares		30,024	28,315
Derivatives		51	58
Bank balances		34,664	30,390
Income due and accrued		21	1
Amount due to ultimate holding company	15	(10,684)	(10,650)
Provision for custodian fee		(46)	(214)
Amount due to fund manager		(37)	-
Immediate holding company:			
Amount due to holding company	15	(1,764)	(2,753)
Penultimate holding company:			
Amount due to penultimate holding company	15	(372)	(914)
Fellow subsidiaries within the MAHB Group:			
Amount due from other related companies	13	2,505	2,230
Amount due to other related companies	15	-	(96)
Fellow subsidiaries within the EIHSB Group:			
Amount due from other related companies	13	192	-
Amount due to other related companies	15	-	(3)
Other related companies within the Maybank Group:			
Fixed and call deposits		533,842	350,301
Income due and accrued		1,280	1,483
Amount due to other related companies	15	(42)	(42)
Companies with significant influence over the Maybank Group:			
Insurance receivables		832	695
Insurance payables		(1,043)	(467)

36. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

(iii) The remuneration of key management personnel during the period were as follows:

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Short-term employee benefits		
- Fees	330	370
- Salaries, allowances and bonuses	56	873
- Contribution to EPF	-	129
- Other emoluments	6	23
	<u>392</u>	<u>1,395</u>

(iv) The number of shares awarded for ESGP to key management personnel were as follows:

	30.6.2024 RM'000	31.12.2023 RM'000
Award date		
At 1 January	129	84
Awarded	-	45
Resignation of key management personnel	(129)	-
At 30 June/ 31 December	<u>-</u>	<u>129</u>

37. FAIR VALUE MEASUREMENTS

(a) Valuation principle

The levels of the Fair Value hierarchy as defined by MFRS are an indication of the observability of prices or valuation input. It can be classified into the following hierarchies/levels:

- Level 1 : Active Market – Quoted price

Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Such financial instruments include listed derivatives, quoted equities and unit and property trust funds traded on an exchange.

- Level 2 : No Active Market – Valuation techniques using observable inputs

Refers to inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Examples of level 2 financial instruments include corporate and government bonds, structured products, NCDs/NICDs, and over-the-counter ("OTC") derivatives.

- Level 3 : No Active Market – Valuation techniques using unobservable inputs

Refers to financial instruments where fair values are measured using unobservable market inputs. The valuation technique is consistent with level 2. The chosen valuation technique incorporates management's assumptions and data.

Examples of level 3 instruments include corporate bonds in illiquid markets, private equity investments and investment properties.

37. FAIR VALUE MEASUREMENTS (CONTD.)

(b) Fair value measurements and classification within the fair value hierarchy

	Valuation technique using :			Total RM'000
	Level 1	Level 2	Level 3	
	Quoted market prices RM'000	Using observable inputs RM'000	Using significant unobservable inputs RM'000	
30.6.2024				
<u>Assets</u>				
Investment properties	-	-	1,006,439	1,006,439
Financial investments at FVTPL				
(i) Designated upon initial recognition				
Malaysian government papers	-	751,494	-	751,494
Debt securities and structured products	-	5,631,798	-	5,631,798
(ii) Held-for-trading ("HFT")				
Malaysian government papers	-	81,743	-	81,743
Equity securities	1,798,499	-	85,329	1,883,828
Unit and property trust funds	15,262	1,095,488	-	1,110,750
Debt securities and structured products	-	690,658	-	690,658
Financial investments at FVOCI				
Malaysian government papers	-	236,333	-	236,333
Equity securities	157,754	-	-	157,754
Debt securities and structured products	-	1,036,349	-	1,036,349
Derivative assets	-	72	-	72
Total assets	1,971,515	9,523,935	1,091,768	12,587,218
<u>Liabilities</u>				
Derivative liabilities	-	172	-	172
Total liabilities	-	172	-	172

37. FAIR VALUE MEASUREMENTS (CONTD.)

(b) Fair value measurements and classification within the fair value hierarchy (contd.)

	Valuation technique using :			Total RM'000
	Level 1	Level 2	Level 3	
	Quoted market prices RM'000	Using observable inputs RM'000	Using significant unobservable inputs RM'000	
31.12.2023				
<u>Assets</u>				
Investment properties	-	-	1,006,410	1,006,410
Financial investments at FVTPL				
(i) Designated upon initial recognition				
Malaysian government papers	-	918,883	-	918,883
Debt securities and structured products	-	5,956,220	-	5,956,220
(ii) Held-for-trading ("HFT")				
Malaysian government papers	-	171,194	-	171,194
Equity securities	1,465,909	-	85,329	1,551,238
Unit and property trust funds	22,491	847,265	-	869,756
Debt securities and structured products	-	595,357	-	595,357
Financial investments at FVOCI				
Malaysian government papers	-	264,684	-	264,684
Equity securities	144,744	-	-	144,744
Debt securities and structured products	-	1,122,434	-	1,122,434
Derivative assets	-	181	-	181
Total assets	1,633,144	9,876,218	1,091,739	12,601,101
<u>Liabilities</u>				
Derivative liabilities	-	2,904	-	2,904
Total liabilities	-	2,904	-	2,904

(c) Transfer between Level 1 and Level 2 in the fair value hierarchy

Assets and liabilities of the Company are recognised in the financial statements on a recurring basis. The Company determine whether transfers have occurred between fair value hierarchy levels by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between Level 1 and Level 2 for the Company during the financial period ended 30 June 2024 and 31 December 2023.

37. FAIR VALUE MEASUREMENTS (CONTD.)

(d) Movements of Level 3 assets and financial investments

	Assets and financial investments measured at fair value		
	Investment properties RM'000	Designated at FVTPL RM'000	Total RM'000
30.6.2024			
At 1 January	1,006,410	85,329	1,091,739
Addition, at cost	29	-	29
At 30 June	<u>1,006,439</u>	<u>85,329</u>	<u>1,091,768</u>
31.12.2023			
At 1 January	980,395	81,322	1,061,717
Recognised in income statement:			
Fair value gains	25,159	4,007	29,166
Addition, at cost	856	-	856
At 31 December	<u>1,006,410</u>	<u>85,329</u>	<u>1,091,739</u>
Total gains recognised in income statement for assets and financial instruments measured at fair value at the end of the reporting period	<u>25,159</u>	<u>4,007</u>	<u>29,166</u>

(e) Sensitivity of fair value measurements to changes in unobservable input assumptions

The Company's exposure to financial investments measured with valuation techniques using significant unobservable inputs comprised a small number of financial investments which constitute an insignificant component of the Company's portfolio of financial investments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

37. FAIR VALUE MEASUREMENTS (CONTD.)

(e) Sensitivity of fair value measurements to changes in unobservable input assumptions (contd.)

(i) Investment properties

Recent sale transactions transacted in the real estate market would result in a significant change of estimated fair value for investment properties.

All investment properties of the Company carried at fair values were classified under Level 3. The valuation of investment properties were performed by an accredited independent valuer using a variety of approaches such as the comparison method and the income capitalisation approach.

	Valuation method	Significant unobservable inputs	Range
30.6.2024			
Building	Income capitalisation	Rental per square foot	RM3.70 to RM10.50
Shop lots	Comparison	Sales price per square foot for similar properties	RM65.00 to RM1,145.00
31.12.2023			
Building	Income capitalisation	Rental per square foot	RM3.70 to RM10.50
Shop lots	Comparison	Sales price per square foot for similar properties	RM65.00 to RM1,145.00

Under the comparison method, fair value is estimated by considering the selling price per square foot ("psf") of comparable investment properties sold, adjusted for location, quality and finishes of the building, design and size of the building, title conditions, market trends and time factor. The income capitalisation approach considers the capitalisation of net income of the investment properties such as the gross rental less current maintenance expenses and outgoings. This process also considers the relationships including yield and discount rates. Recent transactions transacted in the market resulting in an increase in these inputs, would result in a significant increase in the estimated fair values of the investment properties.

A significant increase or decrease in the unobservable inputs used in the valuation would result in a correspondingly higher or lower fair value of the investment properties.

37. FAIR VALUE MEASUREMENTS (CONTD.)

(e) Sensitivity of fair value measurements to changes in unobservable input assumptions (contd.)

(ii) Unquoted equity instruments

All unquoted equity instruments of the Company at fair values were classified under Level 3. The fair value of investments in unquoted equity instruments that do not have quoted market prices in an active market, are measured based on the net asset method by referencing to the annual financial statements of the entities that the Company invested in.

Net asset value	Changes in variables	Impact on carrying value	Impact on profit before tax	Impact on equity*
		RM'000	RM'000	RM'000
		<----- Increase/(Decrease) ----->		
30.6.2024	+5%	4,266	4,027	2,815
	-5%	(4,266)	(4,027)	(2,815)
31.12.2023	+5%	4,266	4,027	2,815
	-5%	(4,266)	(4,027)	(2,815)

* Impact on Company's equity is stated net of corporate tax of 24%.

38. REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company as at 30 June 2024 and 31 December 2023, as prescribed under the RBC Framework, is provided below:

	30.6.2024	31.12.2023
	RM'000	RM'000
Eligible Tier 1 Capital		
Paid up share capital	100,000	100,000
Retained earnings	3,314,702	3,433,927
	<u>3,414,702</u>	<u>3,533,927</u>
 Tier 2 Capital		
Revaluation reserve	90,362	90,362
FVOCI reserve	75,250	37,521
	<u>165,612</u>	<u>127,883</u>
 Amount deducted from capital	<u>(40,567)</u>	<u>(47,304)</u>
 Total Capital Available	<u>3,539,747</u>	<u>3,614,506</u>

39. INSURANCE FUNDS

UNAUDITED INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION BY FUNDS
AS AT 30 JUNE 2024

	SHF		Life		Total	
	30.6.2024 RM'000	31.12.2023 RM'000	30.6.2024 RM'000	31.12.2023 RM'000	30.6.2024 RM'000	31.12.2023 RM'000
Assets:						
Property, plant and equipment	-	-	25,120	26,443	25,120	26,443
Investment properties	-	-	1,006,439	1,006,410	1,006,439	1,006,410
Prepaid land lease payments	-	-	875	888	875	888
Right-of-use assets	-	-	43	61	43	61
Intangible assets	-	-	38,496	42,203	38,496	42,203
Investments	96,143	244,909	12,055,167	11,860,770	12,151,310	12,105,679
Financing receivables	23,592	23,045	1,755	1,700	25,347	24,745
Reinsurance contract assets	-	-	60,483	71,477	60,483	71,477
Other assets	2,135	2,698	190,344	151,277	192,479	153,975
Derivative assets	-	-	72	181	72	181
Cash and bank balances	629	792	48,595	42,815	49,224	43,607
Total Assets	122,499	271,444	13,427,389	13,204,225	13,549,888	13,475,669
Equity and liabilities:						
Share capital	100,000	100,000	-	-	100,000	100,000
Reserves	1,323,744	1,594,550	-	-	1,323,744	1,594,550
Total Equity	1,423,744	1,694,550	-	-	1,423,744	1,694,550

39. INSURANCE FUNDS (CONTD.)

UNAUDITED INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION BY FUNDS (CONTD.)
AS AT 30 JUNE 2024 (CONTD.)

	SHF		Life		Total	
	30.6.2024 RM'000	31.12.2023 RM'000	30.6.2024 RM'000	31.12.2023 RM'000	30.6.2024 RM'000	31.12.2023 RM'000
Liabilities:						
Insurance contract liabilities	(5,601)	(2,283)	11,300,826	10,990,818	11,295,225	10,988,535
Derivative liabilities	-	-	172	2,904	172	2,904
Deferred tax liabilities, net	(4,480)	(7,510)	473,762	407,249	469,282	399,739
Other liabilities ¹	(1,279,677)	(1,426,414)	1,617,516	1,786,803	337,839	360,389
Current tax liabilities	(11,487)	13,101	35,113	16,451	23,626	29,552
Total Liabilities	(1,301,245)	(1,423,106)	13,427,389	13,204,225	12,126,144	11,781,119
Total Equity and Liabilities	122,499	271,444	13,427,389	13,204,225	13,549,888	13,475,669

¹ Included in other liabilities are the interfund balances elimination, amount due from life fund to shareholder's fund of RM1,282,000,000 (2023: RM1,429,000,000) which is unsecured, not subject to any interest elements and are repayable in short term.

39. INSURANCE FUNDS (CONTD.)

UNAUDITED INTERIM CONDENSED INCOME STATEMENTS INCOME STATEMENT BY BUSINESS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

	SHF		Life		Total	
	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Insurance revenue	434	655	292,680	266,385	293,114	267,040
Insurance service expenses	(4,012)	(2,611)	(183,411)	(171,189)	(187,423)	(173,800)
Net (expenses)/income from reinsurance contracts held	-	-	(20,192)	4,523	(20,192)	4,523
Insurance service result	(3,578)	(1,956)	89,077	99,719	85,499	97,763
Interest revenue from financial assets not measured at FVTPL	4,505	7,956	37,490	35,990	41,995	43,946
Net fair value gains/(losses) on financial assets measured at FVTPL	1,718	(237)	535,483	315,521	537,201	315,284
Net fair value (losses)/gains on derecognition of financial assets measured at FVOCI	(8,462)	(3,974)	4,097	-	(4,365)	(3,974)
Other investment income	(10)	(147)	234,387	226,264	234,377	226,117
Reversal of/(allowance for) impairment loss on financial assets	115	18	(13)	54	102	72
Net foreign exchange income	-	-	26,716	58,408	26,716	58,408
Net investment income	(2,134)	3,616	838,160	636,237	836,026	639,853

39. INSURANCE FUNDS (CONTD.)

UNAUDITED INTERIM CONDENSED INCOME STATEMENTS INCOME STATEMENT BY BUSINESS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024 (CONTD.)

	SHF		Life		Total	
	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Finance (expenses)/income from insurance contract issued	(136)	3	(712,713)	(533,696)	(712,849)	(533,693)
Finance income from reinsurance contracts held	-	-	1,170	3,940	1,170	3,940
Net insurance financial result	(136)	3	(711,543)	(529,756)	(711,679)	(529,753)
Total net investment income and net insurance financial results	(2,270)	3,619	126,617	106,481	124,347	110,100
Other income	1,354	1,525	1,642	1,540	2,996	3,065
Other expenses	(1,870)	(1,437)	(3,732)	(3,438)	(5,602)	(4,875)
Net other (expenses)/income	(516)	88	(2,090)	(1,898)	(2,606)	(1,810)
Profit before taxation attributable to policyholders	(6,364)	1,751	213,604	204,302	207,240	206,053
Tax expense attributable to policyholders	-	-	(55,954)	(46,303)	(55,954)	(46,303)
Profit before taxation	(6,364)	1,751	157,650	157,999	151,286	159,750
Tax expenses	(34,804)	(37,485)	-	-	(34,804)	(37,485)
Net (loss)/profit for the financial period	(41,168)	(35,734)	157,650	157,999	116,482	122,265