



ETIQA GENERAL INSURANCE BERHAD

197001000276 (9557-T)

(Incorporated in Malaysia)

**Unaudited Interim Condensed Financial Statements
for the six months period ended 30 June 2025**

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ETIQA GENERAL INSURANCE BERHAD
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UNAUDITED INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	30.6.2025 RM'000	31.12.2024 RM'000
Assets			
Property, plant and equipment		18,124	18,488
Investment properties		353,361	353,080
Right-of-use assets ("ROU assets")		4,467	5,070
Intangible assets		16,464	19,032
Investments	12	2,050,546	2,058,672
Financing receivables		30,084	30,354
Reinsurance contract assets	13	4,016,036	4,128,347
Insurance contract assets	14	291,867	15,261
Other assets	15	98,368	62,891
Derivative assets		320	-
Current tax assets	16	16,006	16,006
Cash and bank balances		17,118	44,476
Total Assets		6,912,761	6,751,677
Equity and Liabilities:			
Share capital		229,879	229,879
Reserves	17	1,106,092	1,096,835
Total Equity		1,335,971	1,326,714
Liabilities			
Insurance contract liabilities	14	4,699,926	4,603,918
Reinsurance contract liabilities	13	612,599	533,691
Derivative liabilities		-	119
Deferred tax liabilities, net		87,675	83,199
Other liabilities	18	163,682	192,298
Current tax liabilities		12,908	11,738
Total Liabilities		5,576,790	5,424,963
Total Equity and Liabilities		6,912,761	6,751,677

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 2025

		1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
	Note		
Insurance revenue	19	1,255,525	1,207,521
Insurance service expenses	20	(435,306)	(989,166)
Net expenses from reinsurance contracts held	21	(778,075)	(211,308)
Insurance service result		42,144	7,047
Interest revenue from financial assets not measured at Fair Value through Profit or Loss ("FVTPL")	22	35,439	34,425
Net fair value (losses)/gains on financial assets measured at FVTPL	23	(12,342)	23,425
Net fair value gains on derecognition of financial assets measured at Fair Value of Comprehensive Income ("FVOCI")	24	2,912	1,652
Other investment income	25	10,848	10,114
Reversal of impairment loss on financial assets	26	235	365
Net foreign exchange (losses)/gains		(873)	(354)
Net investment income		36,219	69,627
Finance expenses from insurance contract issued	27	(71,399)	(57,087)
Finance income from reinsurance contract held	28	66,098	49,348
Net Insurance financial result		(5,301)	(7,739)
Total net investment income and net insurance financial results		30,918	61,888
Other expenses, net	29	(1,026)	(330)
Profit before taxation		72,036	68,605
Taxation	32	(16,594)	(18,508)
Net profit for the financial period		55,442	50,097
Basic Earnings per share (sen)		0.24	0.22

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 2025

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Net profit for the financial period	55,442	50,097
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	22,260	10,918
Net fair value losses on derecognition of financial assets measured at FVOCI	(2,912)	(1,652)
Tax effect relating to these items	(4,643)	(2,224)
	14,705	7,042
Items that will not be subsequently reclassified to income statements:		
Change in fair value of equity securities at FVOCI	(5,179)	5,548
Tax effect relating to these items	1,243	(1,332)
	(3,936)	4,216
Currency translation	9	(47)
Other comprehensive income for the period, net of tax	10,778	11,211
Total comprehensive income for the financial period	66,220	61,308

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

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UNAUDITED INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

	----- Non-distributable -----				Non-Distributable	
	Share	FVOCI	Currency	Revaluation	Retained	Total
	Capital	Reserve	Translation	Reserve	Profits	Equity
	RM'000	RM'000	Reserve	Reserve	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	229,879	19,916	16,155	76,391	984,373	1,326,714
Net profit for the financial period	-	-	-	-	55,442	55,442
Other comprehensive income for the financial period	-	10,769	9	-	-	10,778
Total comprehensive income	-	10,769	9	-	55,442	66,220
Dividend on ordinary shares	-	-	-	-	(56,963)	(56,963)
At 30 June 2025	229,879	30,685	16,164	76,391	982,852	1,335,971
At 1 January 2024	229,879	7,149	18,286	76,391	968,137	1,299,842
Net profit for the financial period	-	-	-	-	50,097	50,097
Other comprehensive income/(loss) for the financial period	-	11,258	(47)	-	-	11,211
Total comprehensive income/(loss)	-	11,258	(47)	-	50,097	61,308
Dividend on ordinary shares	-	-	-	-	(97,696)	(97,696)
At 30 June 2024	229,879	18,407	18,239	76,391	920,538	1,263,454

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 2025

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	72,036	68,605
<i>Adjustments for:</i>		
Amortisation of Intangible assets	2,695	3,305
Net amortisation of premiums on investments	886	735
Depreciation of property, plant and equipment	1,577	1,173
ROU expenses:		
Depreciation	1,043	416
Interest on lease liabilities	52	54
Fair value losses/(gains) on investment	16,129	(15,010)
Gains on disposal of investment	(6,699)	(10,067)
Dividend income	(5,260)	(4,505)
Interest and rental income	(44,558)	(43,285)
(Reversal of)/allowance for impairment losses on:		
- investments	(30)	(225)
- financing receivables	(205)	(140)
- Insurance contract assets	1,881	(196)
- Resurance contract assets	(274)	2,261
- Other assets	-	(1)
Bad debts written off	158	-
Net loss on foreign exchange	873	355
Decrease/(increase) in:		
- Fixed and call deposits	(41,617)	(62,393)
- Financing receivables	475	(35)
- Other assets	(39,693)	(4,275)
Increase/(decrease) in:		
- Insurance and reinsurance contracts, net	8,856	87,928
- Other liabilities	(24,163)	28,776
Investment income received	45,397	43,673
Dividends received	4,622	4,225
Tax paid	(14,347)	(9,197)
Foreign exchange fluctuations	9	(47)
<i>Net cash (used in)/generated from operating activities</i>	<u>(20,157)</u>	<u>92,130</u>

UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025 (CONTD.)

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) of:		
- property, plant and equipment	(1,214)	(3,028)
- intangible assets	(127)	(1,115)
- investment properties	(281)	-
- investment	(368,760)	(300,450)
Proceed from disposal of:		
- investment	421,185	306,332
<i>Net cash generated from investing activities</i>	<u>50,803</u>	<u>1,739</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividends	(56,963)	(97,696)
Payment of lease liabilities	(1,041)	(1,032)
<i>Net cash used in financing activities</i>	<u>(58,004)</u>	<u>(98,728)</u>
Net decrease in cash and cash equivalents	(27,358)	(4,859)
Cash and cash equivalents at beginning of financial year	44,476	22,188
Cash and cash equivalents at end of financial period	<u>17,118</u>	<u>17,329</u>
Cash and cash equivalents comprise:		
Cash and bank balances:		
Shareholder's fund	5	127
General fund	17,113	17,202
	<u>17,118</u>	<u>17,329</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 2025

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 2025 were approved for issue by the Board of Directors on 20 August 2025.

2. BASIS OF PREPARATION

2.1 The unaudited interim condensed financial statements of the Company for the financial period ended 30 June 2025 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 2024.

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 2024.

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.

2.2 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. BASIS OF PREPARATION (CONTD.)

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 2024.

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 2024 except for the adoption of the following accounting amendments to MFRS issued by the MASB that are effective for the Company's financial year beginning 1 January 2025:

MFRS 121 The Effects of Changes in Foreign Exchange Rates
(Amendments to MFRS 121) Lack of Exchangeability

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 2024 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 2025.

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 2025.

7. CHANGES IN ESTIMATES

The preparation of these condensed consolidated interim financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the annual consolidated audited financial statements except the change in accounting estimates and judgements upon adoption of MFRS 17 as disclosed in Note 4.

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 2025.

9. DIVIDENDS PAID

A final single tier dividend of 26.85 sen per ordinary share on 212,151,399 ordinary shares amounting to RM59,963,000 for the financial year ended 31 December 2024 was approved by the shareholder in Annual General Meeting held on 16 May 2025.

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 GROUP OR THE COMPANY

There were no changes in the composition of the Company during the interim financial period ended 30 June 2025.

12. INVESTMENTS

	30.6.2025 RM'000	31.12.2024 RM'000
Malaysian government papers	160,754	224,272
Debt securities	1,209,016	1,252,891
Equity securities	310,822	272,242
Unit and property trust funds	6,925	-
Structured products	11,852	29,701
Negotiable Islamic certificates of deposit ("NICD")	29,994	-
Deposits with financial institutions	321,183	279,566
	<u>2,050,546</u>	<u>2,058,672</u>

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

Fair value through profit and loss ("FVTPL")(Note a)		
- Designated upon initial recognition (Note a)(i)	72,440	89,805
- Held for trading ("HFT")(Note a)(ii)	261,192	224,168
Fair value through other comprehensive income ("FVOCI")(Note b)	1,395,731	1,465,133
Amortised Cost ("AC")(Note c)	321,183	279,566
	<u>2,050,546</u>	<u>2,058,672</u>

Of which, the following investments mature after 12 months:

FVTPL		
- Designated upon initial recognition	66,502	60,105
FVOCI	1,249,863	1,317,246
	<u>1,316,365</u>	<u>1,377,351</u>

(a) FVTPL

(i) Designated upon initial recognition

At fair value

Debt securities:

Unquoted in Malaysia	60,588	60,104
Structured products	11,852	29,701

**Total financial assets designated as FVTPL
upon initial recognition**

<u>72,440</u>	<u>89,805</u>
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(ii) HFT

At fair value

Equity securities:

Quoted in Malaysia	169,301	139,202
Unquoted in Malaysia	84,966	84,966

Unit and property trust funds:

Quoted in Malaysia	6,925	-
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Total HFT financial assets

<u>261,192</u>	<u>224,168</u>
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Total FVTPL financial assets

<u>333,632</u>	<u>313,973</u>
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12. INVESTMENTS (CONTD.)

	30.6.2025 RM'000	31.12.2024 RM'000
(b) FVOCI		
<u>At fair value</u>		
Malaysian government papers	160,754	224,272
Equity securities*		
Quoted in Malaysia	56,555	48,074
Debt securities:		
Unquoted in Malaysia	1,132,079	1,179,851
Unquoted outside Malaysia	16,349	12,936
NICD	29,994	-
Total FVOCI financial assets	1,395,731	1,465,133

- * 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.

(c) AC

	30.6.2025 RM'000	31.12.2024 RM'000
<u>At cost</u>		
Fixed and call deposits with:		
Licensed financial institutions	290,938	269,566
Other licensed financial institutions	30,245	10,000
Total AC financial assets	321,183	279,566

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

12. INVESTMENTS (CONTD.)

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

30.6.2025	Stage 1	Stage 2	Stage 3	
	12 months	Lifetime ECL	Lifetime ECL	Total
	ECL	not credit	credit	ECL
	RM'000	impaired	impaired	RM'000
	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	96	636	-	732
Net adjustment at loss allowance	(3)	(26)	-	(29)
New financial assets originated of purchased	9	-	-	9
Financial assets that have been derecognised	(10)	-	-	(10)
At 30 June 2025	92	610	-	702
31.12.2024	Stage 1	Stage 2	Stage 3	
	12 months	Lifetime ECL	Lifetime ECL	Total
	ECL	not credit	credit	ECL
	RM'000	impaired	impaired	RM'000
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	243	679	-	922
Write-back	(135)	(43)	-	(178)
New financial assets originated of purchased	16	-	-	16
Financial assets that have been derecognised	(28)	-	-	(28)
At 31 December 2024	96	636	-	732

Fair Value of Investments

An analysis of the different fair value measurement bases used in the determination of the fair values of investments are further disclosed in Note 38(b).

13. REINSURANCE CONTRACT ASSET/LIABILITIES

Composition of Statement of Financial Position

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

	30.06.2025			31.12.2024		
	Asset RM'000	Liability RM'000	Net RM'000	Asset RM'000	Liability RM'000	Net RM'000
Reinsurance contracts held						
Motor	2,877	(15,742)	(12,865)	2,210	(19,861)	(17,651)
Fire	1,808,284	(117,543)	1,690,741	1,717,853	(93,744)	1,624,109
Marine, Aviation, Cargo and Transit	2,058,386	(200,169)	1,858,217	2,094,422	(128,629)	1,965,793
Miscellaneous	146,489	(279,145)	(132,656)	313,862	(291,457)	22,405
Total Reinsurance contracts held	4,016,036	(612,599)	3,403,437	4,128,347	(533,691)	3,594,656

13. REINSURANCE CONTRACT ASSET/LIABILITIES (CONTD.)

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 and liabilities 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:

	Note	ARC	AIC		Total RM'000
		Excluding loss recovery component RM'000	Present value of future cash flows RM'000	Risk adjustments RM'000	
30.6.2025					
Reinsurance contracts assets as at 1 January		1,129,631	2,678,470	320,246	4,128,347
Reinsurance contracts liabilities as at 1 January		(993,735)	421,630	38,414	(533,691)
Net reinsurance contracts assets as at 1 January		135,896	3,100,100	358,660	3,594,656
Net (expense)/income from reinsurance contracts held	21	(857,309)	119,040	(39,806)	(778,075)
Finance income from reinsurance contracts held	28	-	59,913	6,185	66,098
Cash flows					
Premiums paid net of ceding commission		836,728	-	-	836,728
Amount received		-	(315,970)	-	(315,970)
Total cash flows		836,728	(315,970)	-	520,758
Net balance as at end of the period		115,315	2,963,083	325,039	3,403,437
Represented by:					
Reinsurance contracts assets as at 30 June		1,186,302	2,542,524	287,210	4,016,036
Reinsurance contracts liabilities as at 30 June		(1,070,987)	420,559	37,829	(612,599)
Net reinsurance contracts assets as at 30 June		115,315	2,963,083	325,039	3,403,437

13. REINSURANCE CONTRACT ASSET/LIABILITIES (CONTD.)

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

		ARC	AIC		Total
			Present value of future cash flows	Risk adjustments	
	Note	Excluding loss recovery component RM'000	RM'000	RM'000	RM'000
31.12.2024					
Reinsurance contracts assets as at 1 January		483,484	2,282,023	206,846	2,972,353
Reinsurance contracts liabilities as at 1 January		(487,009)	54,538	5,914	(426,557)
Net reinsurance contracts (liabilities)/assets as at 1 January		(3,525)	2,336,561	212,760	2,545,796
Net (expense)/income from reinsurance contracts held	21	(1,469,252)	875,662	137,408	(456,182)
Finance income from reinsurance contracts held	28	-	92,491	8,492	100,983
Cash flows					
Premiums paid net of ceding commission		1,608,673	-	-	1,608,673
Amount received		-	(204,614)	-	(204,614)
Total cash flows		1,608,673	(204,614)	-	1,404,059
Net balance as at end of the period		135,896	3,100,100	358,660	3,594,656
Represented by:					
Reinsurance contracts assets at 31 December		1,129,631	2,678,470	320,246	4,128,347
Reinsurance contracts liabilities at 31 December		(993,735)	421,630	38,414	(533,691)
Net reinsurance contracts assets at 31 December		135,896	3,100,100	358,660	3,594,656

14. INSURANCE CONTRACT ASSET/LIABILITIES

Composition of Statement of Financial Position

The breakdown of groups of Insurance contracts issued, that are in an asset position and those in a liability position is set out in the table below:

	30.06.2025			31.12.2024		
	Asset RM'000	Liability RM'000	Net RM'000	Asset RM'000	Liability RM'000	Net RM'000
Innsurance contracts						
certificates held						
Motor	(2)	103,799	103,797	(2)	421,739	421,737
Fire	(570)	2,788,182	2,787,612	(14,585)	1,116,227	1,101,642
Marine, Aviation, Cargo and Transit	(130,712)	1,675,114	1,544,402	(542)	2,410,957	2,410,415
Miscellaneous	(160,583)	132,831	(27,752)	(132)	654,995	654,863
Total Insurance contracts						
certificates held	(291,867)	4,699,926	4,408,059	(15,261)	4,603,918	4,588,657

14. INSURANCE CONTRACT ASSET/LIABILITIES (CONTD.)

Analysis by liability for remaining coverage and the liability for incurred claims measured at Premium Allocation Approach ("PAA")

The overview of the movement for net asset or 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:

		LRC	LIC	
		Excluding loss component RM'000	Present value of future cash flows RM'000	Risk adjustments RM'000
	Note			Total RM'000
30.6.2025				
Insurance contracts liabilities at 1 January		570,934	3,640,064	392,920
Insurance contracts assets at 1 January		(15,604)	341	2
Net insurance contracts liabilities at 1 January		555,330	3,640,405	392,922
Insurance revenue	19	(1,255,525)	-	-
Insurance service expenses	20	106,606	370,740	(42,040)
Insurance service results		(1,148,919)	370,740	(42,040)
Finance expense from insurance contracts issued	27	-	64,579	6,821
Cash flows				
Premiums received		1,240,018	-	-
Claims and other insurance service expenses paid		-	(559,835)	-
Insurance acquisition cash flows		(111,962)	-	-
Total cash flows		1,128,056	(559,835)	-
Net balance as at end of the period		534,467	3,515,889	357,703
Represented by:				
Insurance contracts liabilities at 30 June		1,297,969	3,090,571	311,386
Insurance contracts assets at 30 June		(763,502)	425,318	46,317
Net insurance contracts liabilities at 30 June		534,467	3,515,889	357,703

14. INSURANCE CONTRACT ASSET/LIABILITIES (CONTD.)

Analysis by liability for remaining coverage and the liability for incurred claims measured at Premium Allocation Approach ("PAA")(contd.)

	Note	LRC	LIC		Total RM'000
		Excluding loss component RM'000	Present value of future cash flows RM'000	Risk adjustments RM'000	
31.12.2024					
Insurance contracts liabilities at 1 January		680,342	2,663,146	236,670	3,580,158
Insurance contracts assets at 1 January		(286,174)	91,480	9,477	(185,217)
Net insurance contracts liabilities as at 1 January		394,168	2,754,626	246,147	3,394,941
Insurance revenue	19	(2,216,470)	-	-	(2,216,470)
Insurance service expenses	20	199,331	1,377,332	137,099	1,713,762
Insurance service results		(2,017,139)	1,377,332	137,099	(502,708)
Finance expense from insurance contracts issued	27	-	107,992	9,681	117,673
Effect of movement in exchange rate		-	-	(5)	(5)
Cash flows					
Premiums received		2,401,512	-	-	2,401,512
Claims and other insurance service expenses paid		-	(599,545)	-	(599,545)
Insurance acquisition cash flows		(223,211)	-	-	(223,211)
Total cash flows		2,178,301	(599,545)	-	1,578,756
Net balance as at end of the period		555,330	3,640,405	392,922	4,588,657
Represented by:					
Insurance contracts liabilities at 31 December		570,934	3,640,064	392,920	4,603,918
Insurance contracts assets at 31 December		(15,604)	341	2	(15,261)
Net insurance contracts liabilities at 31 December		555,330	3,640,405	392,922	4,588,657

15. OTHER ASSETS

	30.6.2025	31.12.2024
	RM'000	RM'000
Sundry receivables, deposits and prepayments	5,470	6,334
Income and accrued*	17,758	17,959
Amounts due from**:		
- Other related companies within the MAHB Group (Note 37)	2,156	2,184
- Other related companies within the Maybank Group (Note 37)	243	242
Amount due from stockbrokers	36,497	59
Share of net assets in the Malaysian Motor Insurance Pool ("MMIP")*	36,244	36,113
	<u>75,140</u>	<u>38,598</u>
Total other assets	<u>98,368</u>	<u>62,891</u>

* Included in the income and profits due and accrued are mainly consist on interest, rental and dividend receivables.

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

The carrying amounts (other than prepayments and share of net assets in MMIP are reasonable approximations of fair values due to the relatively short-term maturity of these balances.

16. CURRENT TAX ASSETS

	30.6.2025	31.12.2024
	RM'000	RM'000
At 30 June/31 December	<u>16,006</u>	<u>16,006</u>

- (a) The current tax assets arise from the appeals made by the Company prior to its Conversion of Composite Licence to Single Licenses ("Licence Split") on 28 December 2017. The Inland Revenue Board of Malaysia ("IRBM") had raised additional assessments to the Company for Years of Assessment ("YA") 2013 to 2016.
- (b) On 24 November 2021, IRBM had raised additional assessments for YA 2016 amounting RM3,102,000 in respect to the profit commission earned on reinsurance ceded for life business as incidental income of the Company under Section 60(8) of the Income Tax Act, 1967 and disallowing the deduction of expenses directly attributable to rental income of its investment properties.
- (c) The Ministry of Finance ("MOF") has issued pronouncement on 25 February 2022 in response to letter of application submitted by Persatuan Insurans Hayat Malaysia ("LIAM") dated 7 December 2020, to conclude that the profit commission earned on reinsurance ceded for life business should not be treated under incidental income of the Company under Section 60(8) of the Income Tax Act, 1967, hence not subject to tax. The Settlement Agreement submitted and awaiting from IRBM to issue Notice of Reduced Assessment ("Form JR") for the issue once the term is mutually agreed.

The date fixed for hearing for the matter concerning the disallowance of expense deductions directly attributable to rental income from investment properties is on 28 April 2026 and 29 April 2026.

17. RESERVES

	Note	30.6.2025 RM'000	31.12.2024 RM'000
Reserves:			
FVOCI Reserve	(i)	30,685	19,916
Currency translation reserve	(ii)	16,164	16,155
Revaluation reserve	(iii)	76,391	76,391
		<u>123,240</u>	<u>112,462</u>
Retained profits:			
Distributable	(iv)	982,852	984,373
		<u>982,852</u>	<u>984,373</u>
Total reserves		<u>1,106,092</u>	<u>1,096,835</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) The currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Company.
- (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 under the sigle-tier system

18. OTHER LIABILITIES

	30.6.2025	31.12.2024
	RM'000	RM'000
ROU lease liabilities	4,617	5,168
ROU restoration cost	1,225	1,225
Amount due to*:		
- Ultimate holding company (Note 37)	2,371	7,489
- Immediate holding company (Note 37)	5,737	3,958
- Penultimate holding company (Note 37)	13	56
- Other related companies within the MAHB Group (Note 37)	180	-
- Other related companies within the Maybank Group (Note 37)	72	884
Amounts due to subsidiary (Note 37)	1,598	1,600
Provision for land development costs	160	160
Sundry payables and accrued liabilities**	147,709	171,758
	<u>163,682</u>	<u>192,298</u>

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

** Included in the sundry payables and other liabilities are mainly consist of provision for bonus, accrual, payroll payable and other miscellaneous or provision of expenses.

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.

19. INSURANCE REVENUE

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

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Contracts measure under the PAA		
Release of premiums for current period	1,255,525	1,207,521
Total Insurance Revenue (Note 14)	1,255,525	1,207,521

20. INSURANCE SERVICE EXPENSES

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

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Insurance service expenses		
Incurring claims and other directly attributable expenses*	(641,589)	(473,855)
Changes that relate to the past services - adjustment to the Liabilities Incurred Claim ("LIC")*	312,889	(409,212)
Insurance acquisition cash flow amortisation	(106,606)	(106,098)
Total insurance service expenses (note 14)	(435,306)	(989,165)

* Certain amounts have been reclassified between the line items to confirm with the current period's presentation and disclosure requirements.

21. NET EXPENSES FROM REINSURANCE CONTRACT HELD

The Company has disclosed an analysis of the net expenses from reinsurance contracts held during the year, shown in the table below:

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Changes in the assets for the remaining coverage		
Net cost/gain recognised in profit or loss*	(857,310)	(840,487)
Allocation of reinsurance premiums contributions	<u>(857,310)</u>	<u>(840,487)</u>
Amounts recoverable for incurred claims and other expense incurred in the period*	349,348	277,163
Changes in amounts recoverable arising from changes in liability for incurred claims*	(270,113)	352,016
Loss recovery from onerous contracts		
Amounts recoverable from reinsurers	<u>79,235</u>	<u>629,179</u>
Total net expenses from reinsurance contracts held (Note 13)	<u>(778,075)</u>	<u>(211,308)</u>

* Certain amounts have been reclassified between the line items to confirm with the current period's presentation and disclosure requirements.

22. INTEREST INCOME FROM FINANCIAL ASSETS NOT MEASURE AT FVTPL

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Interest income		
<u>Financial Assets at FVOCI</u>		
Investment		
Malaysian government papers	3,826	5,439
Debt securities	25,221	24,457
<u>Financial Assets at AC</u>		
Investment		
Deposit with financial institution	6,139	4,245
Financing receivables		
Staff loans	239	277
Non-staff loans	14	7
Total interest income from financial assets not measure at FVTPL	<u>35,439</u>	<u>34,425</u>

23. NET FAIR VALUE (LOSSES)/GAINS ON FINANCIAL ASSETS MEASURED AT FVTPL

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Realised gains on financial assets, net	3,787	8,415
Fair value gains/(losses) on:		
Equity securities	(17,202)	14,763
Debt securities	634	359
Derivatives	439	(112)
		-
Total net fair value (losses)/gains on financial assets measured at FVTPL	(12,342)	23,425

24. NET FAIR VALUE GAINS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT FVOCI

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Financial Assets at FVOCI		
Debts securities	2,371	1,540
Malaysian government papers	541	112
Total net fair value gains on derecognition of financial ofassets measured at FVOCI	2,912	1,652

25. OTHER INVESTMENT INCOME

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Dividend income:		
Equity securities	5,247	4,426
Unit and property trust	13	79
Interest income at FVTPL:		
Investment	2,045	1,770
Realised losses on disposal of:		
Subsidiary and associate		-
Rental income	7,074	7,090
Rental related expenses	(2,260)	(2,206)
Net amortisation of premiums	(886)	(735)
Investment related expenses, net	(385)	(310)
Total other investment income	10,848	10,114

26. REVERSAL OF IMPAIRMENT LOSS ON FINANCIAL ASSETS

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Reversal of impairment loss on:		
- investment	30	225
- financing receivables	205	140
Total reversal of impairment loss on financial assets	235	365

27. FINANCE EXPENSE FROM INSURANCE CONTRACT ISSUED

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
<u>Insurance contracts</u>		
Finance (expenses)/income from Insurance contracts issued		
Interest accreted using current financial assumptions	(61,318)	(57,706)
Effect of changes in interest rates and other financial assumptions	(10,081)	619
Total finance expenses from insurance contracts issued (Note 14)	(71,399)	(57,087)
Amount recognised in profit and loss	(71,399)	(57,087)

27. FINANCE EXPENSE FROM INSURANCE CONTRACT ISSUED (CONTD.)

		1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
<u>Net investment result and net finance income/(expenses):</u>			
Represented by:			
Amount recognised in profit and loss			
Net investment income		36,219	69,627
Finance expense from insurance contracts	27	(71,399)	(57,087)
Finance Income from reinsurance contracts	28	66,098	49,348
		<u>30,918</u>	<u>61,888</u>

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

28. FINANCE INCOME FROM REINSURANCE CONTRACT HELD

		1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
<u>Reinsurance contracts</u>			
Finance income/(expenses) from reinsurance contracts held			
Interest accreted using current financial assumptions		52,135	49,717
Effect of changes in interest rates and other financial assumptions		8,515	(567)
Changes in risk non performers reinsurers		5,448	198
Total finance (expenses)/income from reinsurance contracts (Note 13)		<u>66,098</u>	<u>49,348</u>
Amount recognised in profit and loss		<u>66,098</u>	<u>49,348</u>

29. OTHER INCOME/EXPENSES, NET

		1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
(A) Other income			
Reversal/(impairment) losses on:			
- other assets			1
Sundry income		277	692
Total other income		<u>277</u>	<u>693</u>
(B) Total other expenses (Note 30)		<u>(1,303)</u>	<u>(1,023)</u>
Total other expenses, net		<u>(1,026)</u>	<u>(330)</u>

30. OTHER EXPENSES

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

	1.1.2025 to 30.6.2025				1.1.2024 to 30.6.2024			
	<u>Insurance service expenses*</u>				<u>Insurance service expenses*</u>			
	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
Commission expenses (A)	66,066	216	-	66,282	68,818	220	-	69,038
<u>Other expenses</u>								
Employee benefits expense (a)	22,626	32,072	1,085	55,783	19,585	34,237	970	54,792
Directors' remuneration	-	-	457	457	-	-	550	550
Auditors' remuneration:								
- statutory audits	110	129	8	247	84	141	5	230
- regulatory related services	17	20	1	38	15	22	-	37
- other services	22	25	1	48	12	18	1	31
Amortisation of intangible assets	1,217	1,478	-	2,695	1,341	1,964	-	3,305
Auto assist service	-	1,931	-	1,931	-	2,019	-	2,019
Other finance cost	817	1,798	-	2,615	627	1,641	-	2,268
Depreciation of property, plant and equipment	466	1,107	4	1,577	474	695	4	1,173
Right-of-use expenses:								
-Depreciation	-	1,043	-	1,043	-	416	-	416
-Lease liabilities interest	-	52	-	52	-	54	-	54
-Termination expenses	-	-	-	-	-	(34)	-	(34)
Other management fees	17	138	-	155	90	76	-	166
Outside Services & Others	26	42	-	68	25	178	-	203
Professional fees	4,446	666	4	5,116	4,558	685	1	5,244
Short term leases	972	1,436	16	2,424	874	1,432	13	2,319

ETIQA GENERAL INSURANCE BERHAD
197001000276 (9557-T)
(Incorporated in Malaysia)

30. OTHER EXPENSES (CONTD.)

	1.1.2025 to 30.6.2025				1.1.2024 to 30.6.2024			
	<u>Insurance service expenses*</u>				<u>Insurance service expenses*</u>			
	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
Small value assets	3	64	-	67	2	63	-	65
Office facilities expenses	137	160	3	300	121	178	3	302
Electronic data processing expenses	632	741	-	1,373	765	1,121	-	1,886
Expensed Assets	-	-	-	-	-	-	-	-
Information technology outsourcing	1,762	2,069	-	3,831	462	677	-	1,139
Postage and stamp duties	37	79	5	121	22	28	4	54
Printing and stationery	22	45	-	67	30	26	-	56
Promotional and marketing cost	6,035	304	256	6,595	6,284	305	518	7,107
Training expenses	144	151	1	296	260	373	-	633
Utilities, assessment and maintenance	185	349	4	538	205	422	3	630
Entertainment	-	-	177	177	-	-	161	161
Travelling expenses	163	227	2	392	135	221	1	357
Legal fees	6	27	-	33	15	33	-	48
Licence, Subscription and Levies	333	1,461	3	1,797	295	1,344	-	1,639
Contract staff services	352	677	1	1,030	262	940	-	1,202
Policy Related Expenses	68	486	16	570	106	488	1	595
Others	24	28	-	52	-	-	-	-
Total other expenses (B)	40,639	48,805	2,044	91,488	36,649	49,763	2,235	88,647
Other operating expenses								
Sundry expenditure/(income), net	584	573	(741)	416	301	865	(1,212)	(46)
Total other operating expenses (C)	584	573	(741)	416	301	865	(1,212)	(46)
Total other expenses (A)+(B)+(C)	107,289	49,594	1,303	158,186	105,768	50,848	1,023	157,639

30. OTHER EXPENSES (CONTD.)

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Represented by:		
Insurance service expenses	49,594	50,848
Other expenses	1,303	1,023
	<u>50,897</u>	<u>51,871</u>

* Insurance service expenses include acquisition and maintenance expenses which are directly attributable to group of Insurance contracts. Insurance acquisition cash flow is subjected to amortisation.

(a) Employee Benefits Expense:

Wages, salaries and bonuses	40,128	40,277
EPF and CPF	6,229	6,218
SOCSSO	336	291
ESGP	859	645
Other benefits	8,231	7,361
	<u>55,783</u>	<u>54,792</u>

(b) The details of remuneration of CEO during the period are as follows:

Salary	496	474
Bonus	560	450
EPF and Pension Scheme	173	151
ESGP	297	140
Other emoluments	47	47
	<u>1,573</u>	<u>1,262</u>

31. DIRECTORS' FEES AND REMUNERATION

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Executive directors:		
Fees	95	60
Other emoluments	11	12
	<u>106</u>	<u>72</u>
Non-executive directors:		
Fees	256	390
Other emoluments	95	88
	<u>351</u>	<u>478</u>
Total remuneration	<u>457</u>	<u>550</u>

31. DIRECTORS' FEES AND REMUNERATION (CONTD.)

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

	Fees	Other	Total
	RM'000	emoluments	RM'000
	RM'000	RM'000	RM'000
1.1.2025 to 30.6.2025			
Executive director:			
Puan Siti Nita Zuhra Binti Mohd Nazri	95	11	106
	95	11	106
Non-executive directors:			
Datuk Mohd Najib Bin Abdullah			-
(Chairman)	87	19	106
Thomas Caris	54	11	65
Ms. Daniela Adaggi	11	-	11
Encik Mohamad Shukor Bin Ibrahim	58	24	82
Mr. John Tan Kwang Kherng	46	41	87
	256	95	351
Total remuneration of the directors	351	106	457
1.1.2024 to 30.6.2024			
Executive director:			
Datuk Normala @ Noraizah binti A. Manaf	60	12	72
	60	12	72
Non-executive directors:			
			-
Datuk Mohd Najib bin Abdullah	90	12	102
(Chairman)			
Mr. Frank J.G. Van Kempen	60	10	70
Ms. Serina binti Abdul Samad	60	15	75
Ms. Daniela Adaggi	60	12	72
Mr. Mohamad Shukor bin Ibrahim	60	17	77
Mr. John Tan Kwang Kherng	60	22	82
	390	88	478
Total remuneration of the directors	450	100	550

32. TAXATION

Major components of income tax expense

The major components of income tax expense for the period ended 30 June 2025 and 30 June 2024 are:

Income Statements

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
<u>Income tax:</u>		
Current financial period		
- Malaysia	15,517	11,570
<u>Deferred taxation:</u>		
Relating to origination and reversal of temporary differences	1,077	6,938
	<u>16,594</u>	<u>18,508</u>

Statement of Comprehensive

Income:

Deferred income tax related to other comprehensive income/(losses):

- Fair value changes on debt securities at FVOCI	4,643	2,224
- Fair value changes on equity securities at FVOCI	(1,243)	1,332
	<u>3,400</u>	<u>3,556</u>

32. TAXATION (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:

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Profit before taxation	72,036	68,605
Taxation at 24% statutory tax rate (2024: 24%)	17,288	16,465
Income not subject to tax	(1,553)	(1,549)
Expenses not deductible for tax purposes	859	3,592
Tax expense for the financial period	16,594	18,508

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.

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Profit attributable to ordinary equity holders	55,442	50,097
Weighted average number of ordinary shares in issue (unit'000)	212,151	212,151
Basic and diluted earnings per share (sen)	26.13	23.61

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:

	30.6.2025	31.12.2024
	RM'000	RM'000
Not later than one year	6,699	11,434
Between one and five years	24,043	44,458
	<u>30,742</u>	<u>55,892</u>

35. OTHER COMMITMENTS AND CONTINGENCIES

	30.6.2025	31.12.2024
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	5,759	150
	<u>5,759</u>	<u>150</u>
Approved but not contracted for:		
Property, plant and equipment	4,137	5,756
	<u>4,137</u>	<u>5,756</u>
	-	-
	Full	Full
	commitment	commitment
	RM'000	RM'000

Derivative financial instruments:

Forward foreign exchange contracts:

Less than a year

16,260	12,344
<u>16,260</u>	<u>12,344</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:

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
<u>Income/(expenses):</u>		
Ultimate Holding company:		
Gross premium	6,987	7,337
Commission and fee expenses	(13,111)	(9,396)
Claims paid	(193)	(198)
Interest income	88	134
Rental Income	250	244
ESGP	(505)	(575)
Other expenses, net	(268)	(297)
Holding company:		
Gross insurance premium	5	15
Rental income	252	197
Dividend paid	(56,963)	(97,696)
Shared service cost	(25,491)	(8,229)
Remuneration of a seconded employee	(54)	-

36. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

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

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
<u>Income/(expenses)(contd.):</u>		
Penultimate holding company:		
Reimbursement expenses	(134)	-
Shared service cost	(206)	-
Rental income	70	-
Other expenses, net	-	(195)
	<hr/>	<hr/>
Subsidiaries within MAHB Group:		
Gross premium income	335	355
Premium ceded to reinsurers	(737)	(70)
Commissions and fee income/(expenses)	11	22
Reinsurance commission expenses	(8)	(7)
Claims paid	(2,439)	(859)
Changes in claims recoverable	742	(2,078)
Rental income	4,732	4,923
Rental expenses	(1,061)	(1,104)
Shared service cost	9,023	18,149
Other income/(expenses)	-	4
	<hr/>	<hr/>
Fellow subsidiaries within the EIHSB Group:		
Consultation fees	(351)	(349)
	<hr/>	<hr/>
Other related companies within the Maybank Group:		
Gross premium income	2,515	2,850
Claims paid	(4)	(55)
Commission expense	(489)	-
Interest income	3,653	2,467
Information technology outsourcing	(3,831)	(3,622)
	<hr/>	<hr/>
Companies with significant influence over the Maybank Group:		
Gross premium	23,989	43,770
Claims paid	(628)	(3,784)
	<hr/>	<hr/>

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:

	30.6.2025	31.12.2024
	RM'000	RM'000
Ultimate holding company:		
Fixed and call deposits	7,410	7,361
Derivatives	42	(41)
Bank balances	10,962	40,379
Income due and accrued	55	45
Outstanding premiums	160	158
Claim liabilities	(5,463)	(12,059)
Provision for custodian fee	(33)	(33)
Amount due to ultimate holding company (Note 18)	<u>(2,371)</u>	<u>(7,489)</u>
Immediate holding company:		
Amount due to immediate holding company (Note 18)	<u>(5,737)</u>	<u>(3,958)</u>
Penultimate holding company:		
Amount due to penultimate holding company (Note 18)	<u>(13)</u>	<u>(56)</u>
Fellow subsidiaries within the MAHB Group:		
Amount due to reinsurers and cedants	(34,702)	(32,422)
Claims liabilities	(13,064)	(15,094)
Reinsurance liabilities	1,941	1,941
Outstanding claim recoveries	2,451	2,417
Amount due from other related companies (Note 15)	2,156	2,184
Amount due to other related companies (Note 18)	<u>(180)</u>	<u>(40)</u>
Other related companies within the Maybank Group:		
Fixed and call deposits	207,406	203,472
Income due and accrued	640	365
Claims liabilities	(33)	(113)
Premium liabilities	(45)	-
Amount due from other related companies (Note 15)	243	242
Amount due to other related companies (Note 18)	<u>(72)</u>	<u>(844)</u>
Companies with significant influence over Maybank Group:		
Claims liabilities	<u>(12,210)</u>	<u>(42,741)</u>
Subsidiary:		
Amount due to Subsidiary (Note 18)	<u>(1,598)</u>	<u>(1,600)</u>

36. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

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

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Short-term employee benefits		
- Fees	351	450
- Salaries, allowances and bonuses	1,162	1,024
- Contribution to EPF and pension scheme	173	151
- Share option granted under ESOS	297	140
- Other emoluments	47	47
	2,030	1,812

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

	30.6.2025 RM'000	31.12.2024 RM'000
Award date		
At 1 January	118	101
Awarded	45	45
Vested	(29)	(15)
Forfeited	1	(13)
At 30 June/ 31 December	135	118

37. OTHER FINANCIAL ASSETS - RECONCILIATION OF ALLOWANCE ACCOUNT

The Company applied the Simplified Approach where the ECL is measured at initial recognition of the financial assets using a provision matrix based on historical data or also known as the roll rate approach. Estimation of credit losses will use a provision matrix where insurance and reinsurance receivables are grouped based on different sales channels and different reinsurance arrangements respectively with forward looking elements being applied to it.

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----->			<----- Credit-impaired----->			<----- Total ----->		
	Reinsurance contract assets & Insurance contract assets*			Reinsurance contract assets & Insurance contract assets*			Reinsurance contract assets & Insurance contract assets*		
	Financing receivables		Other assets**	Financing receivables		Other assets**	Financing receivables		Other assets**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross carrying amount									
At 1 January 2024	29,436	318,743	20,745	4,499	60,700	-	33,935	379,443	20,745
Increase/(decrease)	972	(8,300)	5,974	179	29,177	-	1,151	20,877	5,974
At 31 December 2024	30,408	310,443	26,719	4,678	89,877	-	35,086	400,320	26,719
Increase/(decrease)	(286)	(122,117)	31,459	(190)	35,032	-	(476)	(87,085)	31,459
At 30 June 2025	30,122	188,326	58,178	4,488	124,909	-	34,610	313,235	58,178
ECL									
At 1 January 2024	177	628	1	4,499	1,992	-	4,676	2,620	1
Increase/(decrease)	(123)	(161)	(1)	179	1,760	-	56	1,599	(1)
At 31 December 2024	54	467	-	4,678	3,752	-	4,732	4,219	-
Increase/(decrease)	(16)	(292)		(190)	(96)	-	(206)	(388)	-
At 30 June 2025	38	175	-	4,488	3,656	-	4,526	3,831	-

* Including receivables from reinsurers and outstanding premiums net of impairment.

** Excluding non-financial assets such as prepayments, deposits, net share of MMIP assets and service tax recoverable.

38. FAIR VALUE MEASUREMENTS

(a) Valuation principle

The levels of the Fair Value hierarchy as defined by MFRS Accounting Standards 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.

38. FAIR VALUE MEASUREMENTS (CONTD.)

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

	Valuation technique using :			Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Using observable inputs RM'000	Level 3 Using significant unobservable inputs RM'000	
<u>30.6.2025</u>				
<u>Assets</u>				
Investment properties	-	-	353,361	353,361
Financial investments at FVTPL				
(i) Designated upon initial recognition				
Debt securities and structured products	-	72,440	-	72,440
(ii) Held-for-trading ("HFT")				
Equity securities	169,301	-	84,966	254,267
Unit and property trust funds	6,925	-	-	6,925
Financial investments at FVOCI				
Malaysian government papers	-	160,754	-	160,754
Equity securities	56,555	-	-	56,555
Debt securities, structured products, NCDs and NICDs	-	1,178,422	-	1,178,422
Derivative assets	-	320	-	320
Derivative assets	-	-	-	-
Total assets	232,781	1,411,936	438,327	2,083,044

38. 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	
31.12.2024				
<u>Assets</u>				
Investment properties	-	-	353,080	353,080
Financial investments at FVTPL				
(i) Designated upon initial recognition				
Debt securities	-	89,805	-	89,805
(ii) Held-for-trading ("HFT")				
Equity securities	139,202	-	84,966	224,168
Financial investments at FVOCI				
Malaysian government papers	-	224,272	-	224,272
Equity securities	48,074	-	-	48,074
Debt securities	-	1,192,787	-	1,192,787
Total assets	187,276	1,506,864	438,046	2,132,186

(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 2023 and financial year ended 31 December 2022.

38. 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
30.6.2025			
At 1 January /at 30 June	353,080	84,966	438,046
Addition	281	-	281
At 30 June	<u>353,361</u>	<u>84,966</u>	<u>438,327</u>
Total gains recognised in income statement for assets and financial instruments measured at fair value at the end of the reporting period	<u>-</u>	<u>-</u>	<u>-</u>
31.12.2024			
At 1 January	337,920	84,612	422,532
Recognised in income statement:			
Fair value gains	15,018	354	15,372
Addition, at cost	142	-	142
At 31 December	<u>353,080</u>	<u>84,966</u>	<u>438,046</u>
Total gains recognised in income statement for assets and financial instruments measured at fair value at the end of the reporting period	<u>15,018</u>	<u>354</u>	<u>15,372</u>

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

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 Group'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.

38. 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 Group 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
30.6.2025			
Building	Income capitalisation	Rental per square foot	RM5.00 to RM11.00
Land	Comparison	Sales price per square foot for similar properties	RM 4,400.00
Shop lots	Comparison	Sales price per square foot for similar properties	RM1.00 to RM1,163
31.12.2024			
Building	Income capitalisation	Rental per square foot	RM5.00 to RM7.50
Land	Comparison	Sales price per square foot for similar properties	RM 4,400.00
Shop lots	Comparison	Sales price per square foot for similar properties	RM1.00 to RM930

38. FAIR VALUE MEASUREMENTS (CONTD.)

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

(i) Investment properties (contd.)

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.

(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 to Investments RM'000	Impact on profit before tax RM'000	Impact on equity* RM'000
		<----- Increase/(Decrease) ----->		
30.6.2025	+5%	4,248	4,248	3,229
	-5%	(4,248)	(4,248)	(3,229)
31.12.2024	+5%	4,248	4,248	3,229
	-5%	(4,248)	(4,248)	(3,229)

* Impact on equity is computed after tax at the statutory tax rate.

39. REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company as at 30 June 2025 and 31 December 2024, as prescribed under the RBC Framework, is provided below:

	30.6.2025	31.12.2024
	RM'000	RM'000
Eligible Tier 1 Capital		
Paid up share capital	229,879	229,879
Retained earnings	894,278	901,682
	<u>1,124,157</u>	<u>1,131,561</u>
Tier 2 Capital		
Revaluation reserve	76,391	76,391
FVOCI reserve	27,254	19,916
Currency translation reserve	16,165	16,155
	<u>119,810</u>	<u>112,462</u>
Amount deducted from capital	<u>(14,464)</u>	<u>(19,032)</u>
Total Capital Available	<u>1,229,503</u>	<u>1,224,991</u>

40. UPDATE ON THE MALAYSIA COMPETITION COMMISSION (“MYCC”) AGAINST THE GENERAL INSURANCE ASSOCIATION OF MALAYSIA (“PIAM”) AND ITS 22 GENERAL INSURERS

On 22 February 2017, the Malaysia Competition Commission (“MyCC”) has issued a Proposed Decision against the General Insurance Association of Malaysia (“PIAM”) and its 22 general insurers, including the Etiqa General Insurance Berhad (“the Company”) for an alleged infringement of the Competition Act 2010 (“CA 2010”). The MyCC alleged that PIAM and all 22 general insurers were parties to an anti-competitive agreement to fix the parts trade discount for certain vehicle makes and labour hourly rates for PIAM Approved Repairers Scheme workshops.

PIAM and all the 22 general insurers have filed their respective written representations with the MyCC. The Company, represented by its legal counsel, Messrs Raja Darryl & Loh (“RDL”) has filed its written representations with the MyCC on 25 April 2017 and has further made oral representations on 14 December 2017 and 17 June 2019 to defend its position, in line with PIAM and other general insurers.

40. UPDATE ON THE MALAYSIA COMPETITION COMMISSION (“MYCC”) AGAINST THE GENERAL INSURANCE ASSOCIATION OF MALAYSIA (“PIAM”) AND ITS 22 GENERAL INSURERS (CONTD.)

The MyCC on 25 September 2020 issued their final decision (which is dated 14 September 2020) under Section 40 of the CA 2010 (“Final Decision”) and the financial penalty for the Company has been determined. The Company filed an appeal against the Final Decision with the Competition Appeal Tribunal (“CAT”) on 14 October 2020 and a stay of the financial penalty was imposed. The Final Decision also sets out a financial penalty levied against the Company in the sum of RM3,810,328.

The CAT unanimously allowed the stay applications on 23 March 2021 that the cease and desist order as well as the financial penalty imposed be stayed pending the disposal of the appeal.

The Case Management was held on 30 August 2021 and the CAT has heard the opening written and oral submissions by the Company regarding the appeal against the Final Decision on 16 November 2021.

The hearing dates for the submission of answers from the lawyers for MyCC took place on March 17, 2022 and March 21, 2022. The objection hearings from the respective lawyers for the Insurers took place on March 24, 2022, April 6, 2022, April 7, 2022 and April 21, 2022.

The CAT on 2 September 2022 unanimously allowed the appeal filed by PIAM and the general insurance company. The entire MYCC final result dated 14 September 2020 is set aside. The Tribunal made no order as to costs.

On 6 December 2022, the Company's lawyers informed that MyCC had applied to the High Court to try and obtain permission (permission) to initiate judicial review proceedings against the CAT decision which set aside MyCC's final decision.

Counsels for all the general insurers have discussed the matter in detail and the majority have advised their respective clients to proceed with the object at the ex parte leave stage in the High Court (where the Company has also taken similar steps) – in other words, to obtain permission from the Court to appear and be heard as the alleged respondents during the ex parte leave stage and to argue against the granting of permission for which the trial date has been set on 8 May 2023.

All the lawyers representing the insurance companies appeared in the High Court on 30 November 2023 to oppose MyCC's application for permission to initiate a Judicial Review. The High Court on 16 January 2024 rejected MyCC's Application for Permission to initiate Judicial Review proceedings against the CAT decision which set aside MyCC's final decision at a cost of RM10,000.00 to all Respondents. Lawyers informed that MyCC will likely appeal to the Court of Appeal.

The MyCC's appeal has been fixed for a physical hearing before the Court of Appeal on 30 April 2026.

41. DEREGISTRATION AND CLOSURE OF ETIQA GENERAL INSURANCE BERHAD ("EGIB") BASED IN BRUNEI

On 28 November 2024, EGIB received a letter dated 27 November 2024 from Brunei Darussalam Central Bank ("BDCB") granting EGIB's request to deregister EGIB Brunei under the Insurance Order 2006, effective 14 days after the date of the BDCB's letter.

On 27 December 2024, EGIB has repatriated the fund held in Maybank Brunei amounting to BND9.27million (comprising BND8million in fixed deposit and BND1.27million in current account) back to Malaysia. EGIB Management is targeting to obtain Board approval in August 2025 to proceed with the final steps in the closure of EGIB Brunei, with full completion expected within the year.