



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 2025**

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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
<u>Assets</u>			
Property, plant and equipment		27,090	28,384
Investment properties		1,027,517	1,027,510
Prepaid land lease payments		849	862
Right-of-use assets ("ROU")		7	28
Intangible assets		34,972	36,531
Investments	12	12,167,834	12,265,208
Financing receivables		23,552	23,874
Reinsurance contract assets	13	62,300	71,246
Other assets	15	198,148	161,028
Derivative assets		1,747	5,679
Current tax assets		44,866	21,098
Cash and bank balances		41,418	87,111
Total Assets		13,630,300	13,728,559
<u>Equity</u>			
Share capital		100,000	100,000
Reserves	16	1,538,265	1,454,201
Total Equity		1,638,265	1,554,201
<u>Liabilities</u>			
Insurance contract liabilities	14	11,082,132	11,310,129
Derivative liabilities		153	665
Deferred tax liabilities		528,300	508,179
Other liabilities	17	381,450	355,385
Total Liabilities		11,992,035	12,174,358
Total Equity and Liabilities		13,630,300	13,728,559

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	18	312,393	293,114
Insurance service expenses	19	(202,136)	(187,423)
Net expenses from reinsurance contracts held	20	(8,596)	(20,192)
Insurance service result		101,661	85,499
Interest revenue from financial assets not measured at Fair Value through Profit or Loss ("FVTPL")	21	42,192	41,995
Net fair value gains on financial assets measured at FVTPL	22	18,035	537,201
Net fair value gains/(losses) on derecognition of financial assets measured at Fair Value through Other Comprehensive Income ("FVOCI")	23	3,932	(4,365)
Other investment income	24	217,845	234,377
(Allowance for)/reversal of impairment loss on financial assets	25	(146)	239
Net foreign exchange (losses)/gains		(56,810)	26,716
Net investment income		225,048	836,163
Finance expenses from insurance contract issued	26	(204,322)	(712,849)
Finance income from reinsurance contract held	27	130	1,170
Net insurance financial result		(204,192)	(711,679)
Total net investment income and net insurance financial result		20,856	124,484
Other expenses, net	28	(8,030)	(2,743)
Profit before taxation attributable to policyholders		114,487	207,240
Tax expense attributable to policyholders	31	(11,746)	(55,954)
Profit before taxation		102,741	151,286
Tax expense	32	(24,719)	(34,804)
Net profit for the financial period		78,022	116,482
Basic and diluted earnings per share (sen)	33	78.02	116.48

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
	Note		
Net profit for the financial period		78,022	116,482
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		38,090	18,152
Net fair value (losses)/gains on derecognition of financial assets measured at FVOCI		(3,931)	4,365
Tax effect relating to these items	32	(3,616)	(3,139)
		30,543	19,378
Finance expenses from insurance contracts issued	26	(13,972)	(25,909)
Tax effect relating to these items	32	638	1,550
		(13,334)	(24,359)
Items that will not be subsequently reclassified to income statement:			
Change in fair value of equity securities at FVOCI		(12,752)	19,588
Tax effect relating to these items	32	1,585	(1,895)
		(11,167)	17,693
Other comprehensive income for the financial period, net of tax		<u>6,042</u>	<u>12,712</u>
Total comprehensive income for the financial period		<u>84,064</u>	<u>129,194</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 2025**

	Note	<----- 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 Shareholder's Fund Surplus RM'000	Sub-total Retained Profits RM'000	
At 1 January 2025		100,000	90,513	(93,285)	78,896	1,326,662	51,415	1,378,077	1,554,201
Net profit/(loss) for the financial period		-	-	-	-	83,332	(5,310)	78,022	78,022
Other comprehensive income/ (loss) for the financial period		-	19,376	(13,334)	-	-	-	-	6,042
Total comprehensive income/(loss)		-	19,376	(13,334)	-	83,332	(5,310)	78,022	84,064
At 30 June 2025		100,000	109,889	(106,619)	78,896	1,409,994	46,105	1,456,099	1,638,265

**UNAUDITED INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY (CONTD.)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025 (CONTD.)**

	Note	<----- 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 Shareholder's Fund Surplus 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

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
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		102,741	151,286
<i>Adjustments for:</i>			
Amortisation of:			
- intangible assets	29	3,995	4,312
- prepaid land lease payments	29	13	13
Net amortisation of premiums	24	4,134	4,382
Depreciation of property, plant and equipment	29	2,971	3,197
ROU expenses:			
- depreciation	29	21	18
- interest on lease liability	29	-	1
Fair value losses/(gains) on investments	22	16,507	(388,301)
Losses/(gains) on foreign exchange:			
- realised		526	(1,375)
- unrealised		56,284	(25,341)
Gains on disposal of investments		(38,474)	(144,535)
Dividend income	24	(40,725)	(41,883)
Interest income	21, 24	(198,568)	(211,108)
Rental income	24	(41,062)	(41,071)
Reversal of impairment losses on investments	25	(7)	(102)
Allowance for/(reversal of) impairment losses on financing receivables	25	153	(137)
Allowance for/(reversal of) impairment losses on other assets	28	104	(76)
Reversal of reinsurance contract assets		(5)	(44)
Tax expense incurred on behalf of policyholders	31	11,746	55,954
Carried forward		(119,646)	(634,810)

**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
Note		
CASH FLOWS FROM OPERATING ACTIVITIES (CONTD.)		
Operating cash flows before working capital changes, brought forward	(119,646)	(634,810)
Changes in working capital:		
Decrease/(increase) in placement of deposits with financial institutions	121,634	(59,434)
Decrease in reinsurance contract assets	8,951	11,038
Decrease/(increase) in financing receivables	169	(465)
Increase in other assets	(39,211)	(46,741)
(Decrease)/increase in insurance contract liabilities	(241,331)	282,331
Increase/(decrease) in other liabilities	25,534	(28,513)
<i>Operating cash flows after working capital changes</i>	(243,900)	(476,594)
Investment income received	204,285	220,609
Dividends received	36,598	40,805
Rental income received	41,460	40,961
Tax paid	(42,145)	(32,176)
<i>Net cash used in operating activities</i>	(3,702)	(206,395)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of:		
- property, plant and equipment	(2,182)	(1,224)
- investment properties	(7)	(29)
- intangible assets	(2,436)	(1,254)
- investments	(1,819,587)	(1,855,595)
Proceeds from disposal of:		
- property, plant and equipment	505	-
- investments	1,781,738	2,470,133
<i>Net cash (used in)/invested in investing activities</i>	(41,969)	612,031

**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
Note		
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividends	-	(400,000)
Payment of lease liabilities	(22)	(19)
<i>Net cash used in from financing activities</i>	<u>(22)</u>	<u>(400,019)</u>
Net (decrease)/increase in cash and cash equivalents	(45,693)	5,617
Cash and cash equivalents at beginning of financial period	<u>87,111</u>	<u>43,607</u>
Cash and cash equivalents at end of financial period	<u>41,418</u>	<u>49,224</u>
Cash and cash equivalents comprise:		
Cash and bank balances of:		
Shareholders' funds	-	629
Life insurance fund	41,418	48,595
	<u>41,418</u>	<u>49,224</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 19 August 2025.

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 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. 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 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 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 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.

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 2025.

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 2025.

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

There were no dividend paid for the interim financial period ended 30 June 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 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	1,081,735	1,179,656
Equity securities	2,280,707	2,276,738
Debt securities	6,937,949	6,865,470
Unit and property trust funds	1,194,946	1,111,193
Structured products	181,647	219,667
Deposits with financial institutions	490,850	612,484
	<u>12,167,834</u>	<u>12,265,208</u>

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

FVTPL (Note a):		
- Designated upon initial recognition	5,917,970	6,140,596
- Held for trading ("HFT")	4,031,339	4,005,476
	<u>9,949,309</u>	<u>10,146,072</u>
FVOCI (Note b)	1,727,675	1,506,652
Amortised Cost ("AC")(Note c)	490,850	612,484
	<u>12,167,834</u>	<u>12,265,208</u>

Of which, the following investments mature after 12 months:

FVTPL		
- Designated upon initial recognition	5,415,753	5,990,103
- HFT	714,420	785,627
FVOCI	1,518,915	1,331,545
	<u>7,649,088</u>	<u>8,107,275</u>

(a) FVTPL

(i) Designated upon initial recognition

At fair value

Malaysian government papers	604,098	663,055
Debt securities:		
Unquoted in Malaysia	4,974,852	5,156,536
Unquoted outside Malaysia	157,465	101,430
Structured products	181,555	219,575
Total financial assets designated as FVTPL upon initial recognition	<u>5,917,970</u>	<u>6,140,596</u>

12. INVESTMENTS (CONTD.)

(a) FVTPL (CONTD.)

	30.6.2025 RM'000	31.12.2024 RM'000
(ii) HFT		
<u>At fair value</u>		
Malaysian government papers	49,222	138,522
Equity securities		
Quoted in Malaysia	1,885,642	1,909,385
Quoted outside Malaysia	59,530	60,595
Unquoted in Malaysia	136,781	136,781
Debt securities:		
Unquoted in Malaysia	705,126	648,908
Unit and property trust funds:		
Quoted in Malaysia	66,790	15,951
Quoted outside Malaysia	1,128,156	1,095,242
Structured products	92	92
Total HFT financial assets	4,031,339	4,005,476

(b) FVOCI

<u>At fair value</u>		
Malaysian government papers	428,415	378,079
Equity securities*:		
Quoted in Malaysia	198,754	169,977
Debt securities:		
Unquoted in Malaysia	1,100,506	958,596
Total FVOCI financial assets	1,727,675	1,506,652

* 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.

In the previous year, the Company has disposed selected equity securities from its portfolio of FVOCI financial assets as the securities no longer aligned with the long term investment strategies of the Company as high dividend yielding stocks. The total fair value on the date of sales (gross of tax) are RM11,468,000 and the realised gains recognised on disposal of these securities amounted to RM214,000.

(c) AC

Fixed and call deposits with:		
Licensed financial institutions	478,700	591,371
Other licensed financial institutions	12,150	21,113
Total AC financial assets	490,850	612,484

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:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12 months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
	RM'000	impaired	impaired	Total
30.6.2025	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	72	443	-	515
Net adjustment of loss allowance	4	(15)	-	(11)
New financial assets originated of purchased	10	-	-	10
Financial assets that have been derecognised	(6)	-	-	(6)
Allowance for/(reversal of) impairment losses	8	(15)	-	(7)
At 30 June 2025	<u>80</u>	<u>428</u>	<u>-</u>	<u>508</u>
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12 months	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
	RM'000	impaired	impaired	Total
31.12.2024	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	191	388	-	579
Net adjustment of loss allowance	(102)	(6)	-	(108)
New financial assets originated of purchased	4	183	-	187
Financial assets that have been derecognised	(21)	(122)	-	(143)
(Reversal of)/allowance for impairment losses	(119)	55	-	(64)
At 31 December 2024	<u>72</u>	<u>443</u>	<u>-</u>	<u>515</u>

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 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:

	30.6.2025 RM'000	31.12.2024 RM'000
Reinsurance contracts held		
Non-participating:		
- Proportional Non-Par	39,060	52,981
- Non-Proportional Excess of Loss	176	1,359
	<u>39,236</u>	<u>54,340</u>
Investment linked:		
- Proportional: Investment-linked	23,064	16,906
	<u>23,064</u>	<u>16,906</u>
Total reinsurance contracts held	<u>62,300</u>	<u>71,246</u>
Of which:		
Measured at PAA	176	1,359
Not measured at PAA	62,124	69,887
	<u>62,300</u>	<u>71,246</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:

	ARC	AIC	
	Excluding	Present	
	loss recovery	value of	
	component	future	
	RM'000	cash flows	Total
		RM'000	RM'000
30.6.2025			
Reinsurance contracts assets at 1 January 2025	-	1,359	1,359
Net expense from reinsurance contracts held	(848)	(397)	(1,245)
Total amount recognised in profit or loss	(848)	(397)	(1,245)
Cash flows			
Premiums paid, net of ceding commission	112	-	112
Recoveries from reinsurer	-	(50)	(50)
Total cash flows	112	(50)	62
Reinsurance contracts assets at 30 June 2025	(736)	912	176

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.):

	ARC	AIC	
	Excluding loss recovery component RM'000	Present value of future cash flows RM'000	Total RM'000
31.12.2024			
Reinsurance contracts assets at 1 January 2024	(581)	2,125	1,544
Net (expense)/income from reinsurance contracts held	(2,663)	1,800	(863)
Total amount recognised in profit or loss	(2,663)	1,800	(863)
Cash flows			
Premiums paid, net of ceding commission	3,244	-	3,244
Recoveries from reinsurer	-	(2,566)	(2,566)
Total cash flows	3,244	(2,566)	678
Reinsurance contracts assets at 31 Disember 2024	-	1,359	1,359

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:

	ARC		
	Excluding		
	loss recovery		
	component	AIC	Total
	RM'000	RM'000	RM'000
30.6.2025			
Reinsurance contracts assets at 1 January 2025	31,254	38,633	69,887
Net (expense)/income from reinsurance contracts held	(27,819)	20,468	(7,351)
Finance income from reinsurance contracts held	132	-	132
Effect of changes in non-performance risk of reinsurers	-	(2)	(2)
Total amount recognised in profit or loss	(27,687)	20,466	(7,221)
Cash flows			
Premiums paid, net of ceding commission	17,008	-	17,008
Recoveries from reinsurer	-	(17,550)	(17,550)
Total cash flows	17,008	(17,550)	(542)
Reinsurance contracts assets at 30 June 2025	20,575	41,549	62,124

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.):

	ARC		
	Excluding		
	loss recovery		
	component	AIC	Total
31.12.2024	RM'000	RM'000	RM'000
Reinsurance contracts assets at 1 January 2024	(1,209)	71,142	69,933
Net (expense)/income from reinsurance contracts held	(50,672)	22,299	(28,373)
Finance income from reinsurance contracts held	2,662	-	2,662
Effect of changes in non-performance risk of reinsurers	-	4	4
Total amount recognised in profit or loss	(48,010)	22,303	(25,707)
Cash flows			
Premiums paid, net of ceding commission	80,473	-	80,473
Recoveries from reinsurer	-	(54,812)	(54,812)
Total cash flows	80,473	(54,812)	25,661
Reinsurance contracts assets at 31 Disember 2024	31,254	38,633	69,887

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 adjustment 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	
30.6.2025							
Reinsurance contracts assets at 1 January 2025	(52,403)	92,585	29,705	13,309	8,373	8,023	69,887
Changes that relate to current services							
CSM recognised for services received	-	-	(4,292)	(2,173)	(732)	(1,387)	(4,292)
Change in the risk adjustment for non-financial risks for risks expired	-	(4,282)	-	-	-	-	(4,282)
Experience adjustments	(23,508)	-	-	-	-	-	(23,508)
Changes that relate to future services							
Contracts initially recognised in the period	(14,039)	6,409	7,630	7,630	-	-	-
Changes in estimates that adjust the CSM	(15,061)	(15,950)	31,011	15,838	5,234	9,939	-
Changes that relate to past services							
Changes in amounts recoverable arising from changes in liability for incurred claims	24,731	-	-	-	-	-	24,731
Insurance service results	(27,877)	(13,823)	34,349	21,295	4,502	8,552	(7,351)
Finance (expenses)/income from reinsurance contracts held	(3,786)	3,261	657	339	159	159	132
Effect of changes in non-performance risk of reinsurers	(2)	-	-	-	-	-	(2)
Total amount recognised in profit or loss	(31,665)	(10,562)	35,006	21,634	4,661	8,711	(7,221)
Cash flows							
Premiums paid, net of ceding commission	17,008	-	-	-	-	-	17,008
Recoveries from reinsurer	(17,550)	-	-	-	-	-	(17,550)
Total cash flows	(542)	-	-	-	-	-	(542)
Reinsurance contracts assets at 30 June 2025	(84,610)	82,023	64,711	34,943	13,034	16,734	62,124

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.):

	Estimate of the present value of future cash flows RM'000	Risk adjustment 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	
31.12.2024							
Reinsurance contracts assets at 1 January 2024	(8,940)	69,610	9,263	(190)	719	8,734	69,933
Changes that relate to current services							
CSM recognised for services received	-	-	(5,661)	(2,144)	(1,172)	(2,345)	(5,661)
Change in the risk adjustment for non-financial risks for risks expired	-	(7,694)	-	-	-	-	(7,694)
Experience adjustments*	(22,780)	-	-	-	-	-	(22,780)
Changes that relate to future services							
Contracts initially recognised in the period	(32,828)	17,479	15,349	15,349	-	-	-
Changes in estimates that adjust the CSM	(19,335)	9,371	9,964	39	8,569	1,356	-
Changes that relate to past services							
Changes in amounts recoverable arising from changes in liability for incurred claims*	7,762	-	-	-	-	-	7,762
Insurance service results	(67,181)	19,156	19,652	13,244	7,397	(989)	(28,373)
Finance (expenses)/income from reinsurance contracts held	(1,947)	3,819	790	255	257	278	2,662
Effect of changes in non-performance risk of reinsurers	4	-	-	-	-	-	4
Total amount recognised in profit or loss	(69,124)	22,975	20,442	13,499	7,654	(711)	(25,707)
Cash flows							
Premiums paid, net of ceding commission	80,473	-	-	-	-	-	80,473
Recoveries from reinsurer	(54,812)	-	-	-	-	-	(54,812)
Total cash flows	25,661	-	-	-	-	-	25,661
Reinsurance contracts assets at 31 Disember 2024	(52,403)	92,585	29,705	13,309	8,373	8,023	69,887

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

13. REINSURANCE CONTRACT ASSETS (CONTD.)

(c) Impact of contracts recognised in the period

The components of new business for Life reinsurance held portfolios is disclosed in the table below:

	30.6.2025	31.12.2024
	Contracts	Contracts
	purchased	purchased
	RM'000	RM'000
Estimates of the present value of future cash outflows	(39,519)	(99,909)
Estimates of the present value of future cash inflows	25,480	67,081
Risk adjustment for non-financial risks	6,409	17,479
CSM	7,630	15,349
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:

	30.6.2025 RM'000	31.12.2024 RM'000
Insurance contracts issued		
Group	2,446	2,169
Retail		
- Non-participating	2,744,453	2,665,493
- Participating	5,375,315	5,550,201
- Investment linked	2,959,918	3,092,266
	<u>11,079,686</u>	<u>11,307,960</u>
Total insurance contracts issued	<u>11,082,132</u>	<u>11,310,129</u>
 Of which:		
Measured at PAA	15,427	17,634
Not measured at PAA	<u>11,066,705</u>	<u>11,292,495</u>
	<u>11,082,132</u>	<u>11,310,129</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:

		LRC		LIC	
		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustments for non-financial risk
	Note	RM'000	RM'000	RM'000	RM'000
30.6.2025					Total RM'000
Insurance contracts liabilities at 1 January 2025		2,817	1,114	12,861	842
Insurance service revenue		(21,210)	-	-	-
Insurance service expenses		2,091	717	14,870	(28)
Insurance service result		(19,119)	717	14,870	(28)
Finance expense from insurance contracts issued		-	-	139	14
Total amount recognised in profit or loss and OCI		(19,119)	717	15,009	(14)
Cash flows					
Premiums received		19,893	-	-	-
Claims and other insurance service expenses paid		-	-	(15,030)	-
Insurance acquisition cash flows		(2,798)	-	-	-
Total cash flows		17,095	-	(15,030)	-
Transfer to other liabilities	(i)	-	-	(865)	-
Insurance contracts liabilities at 30 June 2025		793	1,831	11,975	828

Note:

- (i) These are the amounts that are classified as deemed settlement. Deemed settlement includes payables to intermediaries on commission of premiums in the course of collection and withholding tax on amount payables.

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.):

	LRC		LIC		
	Excluding loss component RM'000	Loss component RM'000	Present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	Total RM'000
31.12.2024					
Insurance contracts liabilities at 1 January 2024	4,917	2,003	11,786	975	19,681
Insurance service revenue	(48,941)	-	-	-	(48,941)
Insurance service expenses	5,250	(889)	41,016	(163)	45,214
Insurance service result	(43,691)	(889)	41,016	(163)	(3,727)
Finance expense from insurance contracts issued	-	-	292	30	322
Total amount recognised in profit or loss and OCI	(43,691)	(889)	41,308	(133)	(3,405)
Cash flows					
Premiums received	46,542	-	-	-	46,542
Claims and other insurance service expenses paid	-	-	(38,849)	-	(38,849)
Insurance acquisition cash flows	(4,951)	-	-	-	(4,951)
Total cash flows	41,591	-	(38,849)	-	2,742
Transfer to other liabilities	-	-	(1,384)	-	(1,384)
Insurance contracts liabilities at 31 December 2024	2,817	1,114	12,861	842	17,634

Note:

- (i) These are the amounts that are classified as deemed settlement. Deemed settlement includes payables to intermediaries on commission of premiums in the course of collection and withholding tax on amount payables.

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

	Note	LRC		LIC RM'000	Total RM'000
		Excluding loss component RM'000	Loss component RM'000		
30.6.2025					
Insurance contracts liabilities at 1 January 2025		8,960,722	1,633	2,330,140	11,292,495
Insurance service revenue		(291,183)	-	-	(291,183)
Insurance service expenses		24,265	6,134	154,087	184,486
		(266,918)	6,134	154,087	(106,697)
Investment components		(648,196)	-	648,196	-
Insurance service result		(915,114)	6,134	802,283	(106,697)
Finance expense from insurance contracts issued		217,675	122	344	218,141
Total amount recognised in profit or loss and OCI		(697,439)	6,256	802,627	111,444
Cash flows					
Premiums received		490,522	-	-	490,522
Claims and other insurance service expenses paid		-	-	(734,394)	(734,394)
Insurance acquisition cash flows		(95,703)	-	-	(95,703)
Total cash flows		394,819	-	(734,394)	(339,575)
Transfer to other liabilities	(i)	-	-	2,341	2,341
Insurance contracts liabilities at 30 June 2025		8,658,102	7,889	2,400,714	11,066,705

Note:

- (i) These are the amounts that are classified as deemed settlement. Deemed settlement includes payables to intermediaries on commission of premiums in the course of collection and withholding tax on amount payables.

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.):

	Note	LRC		LIC RM'000	Total RM'000
		Excluding loss component RM'000	Loss component RM'000		
31.12.2024					
Insurance contracts liabilities at 1 January 2024		9,623,417	1,453	1,343,984	10,968,854
Insurance service revenue		(541,189)	-	-	(541,189)
Insurance service expenses		44,945	123	276,573	321,641
		(496,244)	123	276,573	(219,548)
Investment components		(2,135,763)	-	2,135,763	-
Insurance service result		(2,632,007)	123	2,412,336	(219,548)
Finance expense from insurance contracts issued		972,381	57	279	972,717
Total amount recognised in profit or loss and OCI		(1,659,626)	180	2,412,615	753,169
Cash flows					
Premiums received		1,140,609	-	-	1,140,609
Claims and other insurance service expenses paid		-	-	(1,428,338)	(1,428,338)
Insurance acquisition cash flows		(143,678)	-	-	(143,678)
Total cash flows		996,931	-	(1,428,338)	(431,407)
Transfer to other liabilities	(i)	-	-	1,879	1,879
Insurance contracts liabilities at 31 December 2024		8,960,722	1,633	2,330,140	11,292,495

Note:

- (i) These are the amounts that are classified as deemed settlement. Deemed settlement includes payables to intermediaries on commission of premiums in the course of collection and withholding tax on amount payables.

14. INSURANCE CONTRACT LIABILITIES (CONTD.)

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

The table below presents a roll-forward of the liability showing estimates of the present value of future cash flows, risk adjustment, CSM and the impact on the current year of the transition approaches adopted to establishing CSMs for Life insurance contracts.

	Note	Estimate of the present value of future cash flows RM'000	Risk adjustment 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	
30.6.2025								
Insurance contracts liabilities at 1 January 2025		9,856,209	435,467	1,000,819	251,407	225,464	523,948	11,292,495
Changes that relate to current services								
CSM recognised for services provided		-	-	(72,158)	(20,975)	(12,152)	(39,031)	(72,158)
Change in the risk adjustment for non-financial risks for risks expired		-	(24,754)	-	-	-	-	(24,754)
Experience adjustments		(54,211)	-	-	-	-	-	(54,211)
Changes that relate to future services								
Contracts initially recognised in the period		(118,498)	25,462	93,036	93,036	-	-	-
Changes in estimates that adjust the CSM		26,896	(36,678)	9,782	(69,553)	42,420	36,915	-
Changes in estimate that do not adjust the CSM		6,134	-	-	-	-	-	6,134
Changes that relate to past services								
Adjustment to liabilities for incurred claims		38,202	90	-	-	-	-	38,292
Insurance service results		(101,477)	(35,880)	30,660	2,508	30,268	(2,116)	(106,697)
Finance expense from insurance contracts issued		200,850	9,441	7,850	4,772	-	3,078	218,141
Total amount recognised in profit or loss and OCI		99,373	(26,439)	38,510	7,280	30,268	962	111,444
Cash flows								
Premiums received		490,522	-	-	-	-	-	490,522
Claims and other insurance service expenses paid		(734,394)	-	-	-	-	-	(734,394)
Insurance acquisition cash flows		(95,703)	-	-	-	-	-	(95,703)
Total cash flows		(339,575)	-	-	-	-	-	(339,575)
Transfer to other liabilities	(i)	2,341	-	-	-	-	-	2,341
Insurance contracts liabilities at 30 June 2025		9,618,348	409,028	1,039,329	258,687	255,732	524,910	11,066,705

Note:

- (i) These are the amounts that are classified as deemed settlement. Deemed settlement includes payables to intermediaries on commission of premiums in the course of collection and withholding tax on amount payables.

14. INSURANCE CONTRACT LIABILITIES (CONTD.)

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

The table below presents a roll-forward of the liability showing estimates of the present value of future cash flows, risk adjustment, CSM and the impact on the current year of the transition approaches adopted to establishing CSMs for Life insurance contracts (contd.):

	Note	Estimate of the present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	Total CSM RM'000	CSM			Total RM'000
					New Contracts and contracts measured 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	
31.12.2024								
Insurance contracts assets at 1 January 2024		9,702,613	372,315	893,926	92,915	314,606	486,405	10,968,854
Changes that relate to current services								
CSM recognised for services provided		-	-	(113,023)	(32,584)	(27,872)	(52,567)	(113,023)
Change in the risk adjustment for non-financial risks for risks expired		-	(49,672)	-	-	-	-	(49,672)
Experience adjustments		(63,847)	-	-	-	-	-	(63,847)
Changes that relate to future services								
Contracts initially recognised in the period		(257,864)	64,683	193,187	193,187	-	-	6
Changes in estimates that adjust the CSM		(52,819)	39,091	13,728	(8,226)	(61,270)	83,224	-
Changes in estimate that do not adjust the CSM		117	-	-	-	-	-	117
Changes that relate to past services								
Adjustment to liabilities for incurred claims		6,871	-	-	-	-	-	6,871
Insurance service results		(367,542)	54,102	93,892	152,377	(89,142)	30,657	(219,548)
Finance expense from insurance contracts issued		950,666	9,050	13,001	6,115	-	6,886	972,717
Total amount recognised in profit or loss and OCI		583,124	63,152	106,893	158,492	(89,142)	37,543	753,169
Cash flows								
Premiums received		1,140,609	-	-	-	-	-	1,140,609
Claims and other insurance service expenses paid		(1,428,338)	-	-	-	-	-	(1,428,338)
Insurance acquisition cash flows		(143,678)	-	-	-	-	-	(143,678)
Total cash flows		(431,407)	-	-	-	-	-	(431,407)
Transfer to other liabilities	(i)	1,879	-	-	-	-	-	1,879
Insurance contracts liabilities at 31 December 2024		9,856,209	435,467	1,000,819	251,407	225,464	523,948	11,292,495

Note:

(i) These are the amounts that are classified as deemed settlement. Deemed settlement includes payables to intermediaries on commission of premiums in the course of collection and withholding tax on amount payables.

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:

	30.6.2025			31.12.2024		
	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	(735,511)	-	(735,511)	(1,981,735)	(404)	(1,982,139)
Estimates of the present value of future cash outflows:			-			
Benefits/claims payable and other expenses	562,800	-	562,800	1,590,117	405	1,590,522
Insurance acquisition cash flows	54,213	-	54,213	133,751	2	133,753
Risk adjustment for non-financial risks	25,462	-	25,462	64,680	3	64,683
CSM	93,036	-	93,036	193,187	-	193,187
Losses on onerous contracts at initial recognition	-	-	-	-	6	6

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 RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	5 - 10 years RM'000	More than 10 years RM'000	Total RM'000
30.6.2025								
Insurance contracts	118,638	104,911	93,373	82,868	73,546	257,540	308,453	1,039,329
Reinsurance contracts	(10,184)	(7,995)	(6,705)	(5,740)	(5,007)	(16,141)	(12,939)	(64,711)
	Less than one year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	5 - 10 years RM'000	More than 10 years RM'000	Total RM'000
31.12.2024								
Insurance contracts	110,131	97,642	86,926	77,236	68,669	245,090	315,125	1,000,819
Reinsurance contracts	(5,851)	(4,322)	(3,523)	(2,944)	(2,523)	(7,444)	(3,098)	(29,705)

15. OTHER ASSETS

	30.6.2025 RM'000	31.12.2024 RM'000
Sundry receivables, deposits and prepayments	27,374	33,156
Allowance for impairment losses	(253)	(254)
	<u>27,121</u>	<u>32,902</u>
Income due and accrued*	117,747	119,838
Allowance for impairment losses	(191)	(86)
	<u>117,556</u>	<u>119,752</u>
Amounts due from**: (Note 36(ii))		
- Other related companies within the EIHSB Group	127	111
- Other related companies within the MAHB Group	2,271	1,804
Amount due from stockbrokers	51,073	6,459
	<u>53,471</u>	<u>8,374</u>
Total other assets	<u>198,148</u>	<u>161,028</u>

* Included in the income due and accrued are mainly consist of 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) are reasonable approximations of fair values due to the relatively short-term maturity of these balances.

16. RESERVES

	Note	30.6.2025 RM'000	31.12.2024 RM'000
Reserves:			
FVOCI reserve	(i)	109,889	90,513
Insurance finance reserve	(ii)	(106,619)	(93,285)
Revaluation reserve	(iii)	78,896	78,896
		<u>82,166</u>	<u>76,124</u>
Retained profits:			
Distributable	(iv)	46,105	51,415
Non distributable Life Funds surplus	(v)	1,409,994	1,326,662
		<u>1,456,099</u>	<u>1,378,077</u>
Total reserves		<u>1,538,265</u>	<u>1,454,201</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
- (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

	30.6.2025 RM'000	31.12.2024 RM'000
Premium deposits	6,015	4,466
Dividend payable to policyholders	65,600	68,875
Lease liabilities	6	28
Provision for restoration costs	2	2
Amount due to*: (Note 36(ii))		
- Ultimate holding company	2,585	12,104
- Penultimate holding company	58	93
- Immediate holding company	5,224	3,814
- Other related companies within the EIHSB Group	-	24
- Other related companies within the MAHB Group	-	17
- Other related companies within the Maybank Group	42	42
Amounts due to stockbrokers	26,824	24,605
Amount due to fund manager	23	337
Unclaimed monies	39,282	32,728
Service tax payable	2,160	853
Sundry payables and accrued liabilities**	223,528	195,820
Other components of insurance contract liabilities	10,101	11,577
Total other liabilities	381,450	355,385

* 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.

18. INSURANCE REVENUE

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

		1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 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)	171,572	171,409
- Change in the risk adjustment for non financial risks	(ii)	24,754	24,878
- Amount of CSM recognised in profit or loss	(iii)	72,158	53,995
Amounts relating to recovery of insurance acquisition cash flows	(iv)	24,265	19,137
Experience adjustments for premium receipts		(1,566)	(1,115)
Insurance revenue from contracts not measured under the PAA		<u>291,183</u>	<u>268,304</u>
Insurance revenue from contracts measured under the PAA			
Release of premiums for current period		21,210	24,810
Total insurance revenue		<u>312,393</u>	<u>293,114</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:

	1.1.2025 to 30.6.2025			1.1.2024 to 30.6.2024*		
	PAA RM'000	Non-PAA RM'000	Total RM'000	PAA RM'000	Non-PAA RM'000	Total RM'000
Incurred claims and other directly attributable expenses*	21,347	115,795	137,142	26,148	112,813	138,961
Changes that relate to the past service - adjustment to the LIC*	(6,504)	38,292	31,788	(4,854)	27,236	22,382
Losses on onerous contracts and reversal of those losses	717	6,134	6,851	128	309	437
Insurance acquisition cash flow amortisation	2,090	24,265	26,355	2,640	23,003	25,643
Total insurance service expenses	17,650	184,486	202,136	24,062	163,361	187,423

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

20. NET EXPENSES FROM REINSURANCE CONTRACT HELD

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

	1.1.2025 to 30.6.2025			1.1.2024 to 30.6.2024*			
	PAA	Non-PAA	Total	PAA	Non-PAA	Total	
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Amounts relating to the changes in the assets for remaining coverage							
Expected recovery for insurance service expenses incurred in the period	(i)	-	(19,245)	(19,245)	-	(18,444)	(18,444)
Net cost recognised in profit or loss	(ii)	(848)	(4,292)	(5,140)	(1,673)	(2,546)	(4,219)
Change in the risk adjustment for non-financial risks	(iii)	-	(4,282)	(4,282)	-	(3,663)	(3,663)
Allocation of reinsurance premium		<u>(848)</u>	<u>(27,819)</u>	<u>(28,667)</u>	<u>(1,673)</u>	<u>(24,653)</u>	<u>(26,326)</u>
Amounts recoverable for claims and other expenses incurred in the period*		(563)	(4,263)	(4,826)	339	1,437	1,776
Changes in amounts recoverable arising from changes in liability for incurred claims*		166	24,731	24,897	579	3,779	4,358
Amounts recoverable from reinsurers		<u>(397)</u>	<u>20,468</u>	<u>20,071</u>	<u>918</u>	<u>5,216</u>	<u>6,134</u>
Total net expenses from reinsurance contracts held		(1,245)	(7,351)	(8,596)	(755)	(19,437)	(20,192)

Notes:

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

- (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 recognised in profit or loss during the coverage period of the corresponding groups of reinsurance contracts held based on established coverage units.
- (iii) Change in risk adjustment reflects the amount of risk which has expired during the period.

21. INTEREST REVENUE FROM FINANCIAL ASSETS NOT MEASURED AT FVTPL

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Interest income		
(i) Financial Assets at FVOCI		
Investment		
- Malaysian government papers	8,714	5,476
- Debt securities	23,617	25,400
(ii) Financial Assets at AC		
Investment		
- Deposits with financial institutions	9,648	10,889
Financing receivables		
- Staff loans	186	212
- Non-staff loans	27	18
Total interest revenue from financial assets not measured at FVTPL	42,192	41,995

22. NET FAIR VALUE 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	34,542	148,900
Fair value gains/(losses) on:		
Investment		
- Malaysian government papers	14,538	(1,761)
- Equity securities	(212,639)	206,760
- Debt securities	103,144	58,929
- Unit and property trust funds	81,891	111,800
- Structured products	(21)	9,950
- Derivatives	(3,420)	2,623
Total net fair value gains on financial assets measured at FVTPL	18,035	537,201

23. NET FAIR VALUE GAINS/(LOSSES) 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
Fair value gains/(losses) on:		
- Malaysian government papers	839	(6,609)
- Debt securities	3,093	2,244
Total net fair value gains/(losses) on derecognition of financial assets measured at FVOCI	3,932	(4,365)

24. 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	40,228	41,186
- Unit and property trust	497	697
Interest income from financial assets at FVTPL:		
- Investment	156,376	169,113
Rental income	41,062	41,071
Rental related expenses	(14,578)	(11,671)
Net amortisation of premiums	(4,134)	(4,382)
Investment related expenses, net	(1,606)	(1,636)
Obligations on financial assets sold under repurchase agreements	-	(1)
Total other investment income	217,845	234,377

25. (ALLOWANCE FOR)/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
(Allowance for)/reversal of impairment losses on:		
- financing receivables	(153)	137
- investment	7	102
Total net (allowance for)/reversal of impairment loss on financial assets	(146)	239

26. FINANCE EXPENSES FROM INSURANCE CONTRACTS ISSUED

	1.1.2025 to 30.6.2025			1.1.2024 to 30.6.2024		
	PAA	Non-PAA	Total	PAA	Non-PAA	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Finance expenses from insurance contracts issued						
Changes in fair value of underlying assets of contracts measured under the VFA	-	(144,520)	(144,520)	-	(678,751)	(678,751)
Change in financial risk on LIC claims reserve component - Direct	(8)	-	(8)	(4)	-	(4)
Interest accreted using current financial assumptions	(145)	(11,852)	(11,997)	(159)	(34,844)	(35,003)
Effect of changes in interest rates and other financial assumptions	-	(63,983)	(63,983)	-	(18,980)	(18,980)
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates/Interest accreted using locked-in-rates	-	2,214	2,214	-	(6,020)	(6,020)
Finance expenses from insurance contracts issued	<u>(153)</u>	<u>(218,141)</u>	<u>(218,294)</u>	<u>(163)</u>	<u>(738,595)</u>	<u>(738,758)</u>
Represented by:						
Amount recognised in profit and loss	(153)	(204,169)	(204,322)	(163)	(712,686)	(712,849)
Amount recognised in OCI	-	(13,972)	(13,972)	-	(25,909)	(25,909)
	<u>(153)</u>	<u>(218,141)</u>	<u>(218,294)</u>	<u>(163)</u>	<u>(738,595)</u>	<u>(738,758)</u>

27. FINANCE INCOME FROM REINSURANCE CONTRACTS HELD

	1.1.2025 to 30.6.2025			1.1.2024 to 30.6.2024		
	PAA	Non-PAA	Total	PAA	Non-PAA	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Finance income from reinsurance contracts held						
Interest accreted using current financial assumptions	-	1,182	1,182	-	1,414	1,414
Effect of changes in interest rates and other financial assumptions	-	880	880	-	(123)	(123)
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates/interest accreted using locked-in-rates	-	(1,930)	(1,930)	-	(124)	(124)
Changes in risk non-performance reinsurer	-	(2)	(2)	-	3	3
Finance income from reinsurance contracts held	-	130	130	-	1,170	1,170
Represented by:						
Amount recognised in profit or loss	-	130	130	-	1,170	1,170

27. FINANCE INCOME FROM REINSURANCE CONTRACTS HELD (CONTD.)

	1.1.2025 to 30.6.2025			1.1.2024 to 30.6.2024		
	PAA	Non-PAA	Total	PAA	Non-PAA	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Net investment result and net finance income/(expenses):</u>						
Represented by:						
Amount recognised in profit or loss						
Net investment income	-	225,048	225,048	-	836,163	836,163
Finance expense from insurance contracts	(153)	(204,169)	(204,322)	(163)	(712,686)	(712,849)
Finance income from reinsurance contracts	-	130	130	-	1,170	1,170
	<u>(153)</u>	<u>21,009</u>	<u>20,856</u>	<u>(163)</u>	<u>124,647</u>	<u>124,484</u>
Amount recognised in OCI						
Net investment income	-	34,159	34,159	-	22,517	22,517
Finance expense from insurance contracts	-	(13,972)	(13,972)	-	(25,909)	(25,909)
	<u>-</u>	<u>20,187</u>	<u>20,187</u>	<u>-</u>	<u>(3,392)</u>	<u>(3,392)</u>

28. OTHER EXPENSES, NET

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
(A) Other income		
(Allowance for)/reversal of impairment losses on:		
- other assets	(104)	76
Sundry income	433	1,567
Total other income	<u>329</u>	<u>1,643</u>
(B) Total other expenses (Note 29)	<u>(8,359)</u>	<u>(4,386)</u>
Total other expenses, net	<u>(8,030)</u>	<u>(2,743)</u>

29. OTHER EXPENSES

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

	Note	1.1.2025 to 30.06.2025				1.1.2024 to 30.06.2024			
		<i>Insurance service expenses*</i>				<i>Insurance service expenses*</i>			
		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)	30,164	24,134	-	54,298	39,706	27,253	-	66,959
Other expenses									
Employee benefits expense (a)		17,373	36,862	1,027	55,262	17,118	37,539	1,361	56,018
Directors' remuneration	30	-	-	398	398	-	-	392	392
Shariah Committee's remuneration		-	-	-	-	-	1	-	1
Auditors' remuneration:									
- statutory audits		-	317	-	317	-	329	-	329
- regulatory related services		-	176	-	176	-	134	-	134
- other services		-	174	-	174	-	111	-	111
Amortisation of intangible assets		-	3,995	-	3,995	-	4,312	-	4,312
Amortisation of prepaid land									
lease payments		-	13	-	13	-	13	-	13
Assured medical fees		224	-	-	224	327	-	-	327
Other finance cost		-	1,940	-	1,940	-	2,195	-	2,195
Depreciation of property, plant and equipment		-	2,971	-	2,971	-	3,197	-	3,197
Right-of-use expenses:									
-Depreciation		-	21	-	21	-	18	-	18
-Lease liabilities interest		-	-	-	-	-	1	-	1
Other management fees		(24)	17	(4)	(11)	193	-	-	193
Outside Services & Others		-	248	-	248	-	(196)	-	(196)
Professional fees		-	625	-	625	-	231	-	231
Short term leases		560	1,857	4	2,421	594	1,548	5	2,147
Small value assets		-	-	-	-	-	-	-	-
Office facilities expenses		-	318	-	318	-	364	-	364
Electronic data processing expenses		1,213	1,513	-	2,726	676	(111)	-	565
Information technology outsourcing		1,164	3,491	-	4,655	1,333	3,998	-	5,331
Postage and stamp duties		241	744	2	987	299	1,044	3	1,346

29. OTHER EXPENSES (CONTD.)

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

	Note	1.1.2025 to 30.06.2025				1.1.2024 to 30.06.2024			
		<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
Printing and stationery		-	227	-	227	-	418	-	418
Promotional and marketing cost		13,893	189	290	14,372	11,403	17	224	11,644
Training expenses		334	218	1	553	485	952	1	1,438
Utilities, assessment and maintenance		-	548	1	549	-	720	1	721
Entertainment		-	-	72	72	-	-	65	65
Travelling expenses		238	220	1	459	247	282	6	535
Legal fees		-	48	-	48	-	56	-	56
Licence, Subscription and Levies		-	542	-	542	-	540	-	540
Contract staff services		113	725	1	839	275	847	-	1,122
Policy Related Expenses		2,133	4,643	1	6,777	1,277	3,764	175	5,216
Others		-	66	157	223	-	(1,726)	188	(1,538)
Total other expenses	(B)	<u>37,462</u>	<u>62,708</u>	<u>1,951</u>	<u>102,121</u>	<u>34,227</u>	<u>60,598</u>	<u>2,421</u>	<u>97,246</u>
<u>Other operating expenses</u>									
Sundry expenditure		-	513	6,408	6,921	-	1,104	1,965	3,069
Total other operating expenses	(C)	<u>-</u>	<u>513</u>	<u>6,408</u>	<u>6,921</u>	<u>-</u>	<u>1,104</u>	<u>1,965</u>	<u>3,069</u>
Total other expenses	(A) + (B) + (C)	<u>67,626</u>	<u>87,355</u>	<u>8,359</u>	<u>163,340</u>	<u>73,933</u>	<u>88,955</u>	<u>4,386</u>	<u>167,274</u>

29. 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	154,981	162,888
Other expenses	8,359	4,386
	<u>163,340</u>	<u>167,274</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	47,398	48,542
Employees Provident Fund ("EPF")	6,687	6,576
Social Security Contributions ("SOCSSO")	310	284
Employees' Share Grant Plan ("ESGP")	867	616
	<u>55,262</u>	<u>56,018</u>

Included in employee benefits expense above are remuneration of CEOs of the Company amounting to RM994,000 (2024: Nil) further disclosed in Note 29(b) below

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

Salary	664	-
EPF	106	-
ESGP	202	-
Other emoluments	22	-
	<u>994</u>	<u>-</u>

30. DIRECTORS' FEES AND REMUNERATION

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Non-executive directors:		
Fees	338	330
Other emoluments	60	62
Total directors' fee and remuneration	398	392

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

	Fees RM'000	Other emoluments RM'000	Total RM'000
1.1.2025 to 30.6.2025			
Non-executive directors:			
Datuk Mohd Najib Bin Abdullah	95	11	106
Mr. Frank Johan Gerard Van Kempen*	65	9	74
Mr. Wong Pakshong Kat			
Jeong Colin Stewart	65	13	78
Dr. Ariffin Bin Datuk Yahaya	65	18	83
Dr. Siew Chan Cheong (appointed w.e.f. 17 February 2025)	48	9	57
Total remuneration of the directors	338	60	398

	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*	60	10	70
Total remuneration of the directors	330	62	392

* 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

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
<u>Income tax:</u>		
Current financial period	18,179	27,760
<u>Deferred taxation:</u>		
Relating to origination and reversal of temporary differences	(6,433)	28,194
	<u>11,746</u>	<u>55,954</u>

Taxation of Life Insurance business

The income tax for borne by policyholders are calculated based on the statutory rate of 8% (2024: 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 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	198	(1,984)
<u>Deferred taxation:</u>		
Relating to origination and reversal of temporary differences	24,521	36,788
	<u>24,719</u>	<u>34,804</u>

Statement of Comprehensive Income:

Deferred income tax related to other comprehensive income:		
- Fair value changes on debt securities at FVOCI	3,616	3,139
- Fair value changes on equity securities at FVOCI	(1,585)	1,895
- Insurance finance reserve	(638)	(1,550)
	<u>1,393</u>	<u>3,484</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:

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Profit before taxation	102,741	151,286
Taxation at 24% statutory tax rate (2024: 24%)	24,658	36,309
Income not subject to tax	(9)	(313)
Expenses not deductible for tax purposes	1,305	863
Deficit arising from Annuity Non-Par fund not subject to tax	(1,235)	(2,055)
Tax expense for the financial period	24,719	34,804

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	1.1.2024 to 30.6.2024
Profit attributable to ordinary equity holders (RM'000)	78,022	116,482
Weighted average number of ordinary shares in issue ('000)	100,000	100,000
Basic and diluted earnings per share (sen)	78.02	116.48

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:

	30.6.2025 RM'000	31.12.2024 RM'000
Not later than one year	66,915	61,646
Between one and five years	88,772	74,757
	155,687	136,403

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

35. OTHER COMMITMENTS AND CONTINGENCIES

	30.6.2025 RM'000	31.12.2024 RM'000
Approved and contracted for:		
Property, plant and equipment	7,416	4,352
Intangible assets	-	21
	<u>7,416</u>	<u>4,373</u>
Approved but not contracted for:		
Property, plant and equipment	<u>26,289</u>	<u>14,080</u>
	30.6.2025 Full commitment RM'000	31.12.2024 Full commitment RM'000
Derivative financial instruments:		
- Cross currency swap		
Less than a year	46,691	49,300
- Foreign exchange related contract:		
Less than a year	<u>172,971</u>	<u>129,249</u>
	<u>219,662</u>	<u>178,549</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:		
Commission and fee expenses	(36,964)	(47,819)
Dividend income	914	967
Interest income	-	105
Rental income	3,177	3,031
Hedging expenses, net	(212)	(36)
Other expenses	(4,365)	(3,340)
ESGP expenses	(582)	(691)
Immediate holding company:		
Rental income	498	624
Dividend paid	-	(400,000)
Shared service costs	(26,441)	(9,295)
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:		
Rental income	118	-
Shared service costs	90	-
Reimbursement of expenses	<u>(483)</u>	<u>(663)</u>
Fellow subsidiaries within the MAHB Group:		
Rental income	3,566	3,537
Rental expenses	(899)	(978)
Other income	-	7
Other expenses	(376)	(444)
Shared service income	<u>7,795</u>	<u>14,049</u>
Fellow subsidiaries within the EIHSB Group:		
Rental income	622	625
Shared service costs	<u>(114)</u>	<u>(213)</u>
Other related companies within the Maybank Group:		
Interest income	8,007	6,643
Rental income	2,775	2,519
Information technology outsourcing	<u>(4,655)</u>	<u>(5,331)</u>
Companies with significant influence over the Maybank Group:		
Gross insurance premium income	4,446	4,388
Claims paid	<u>(1,217)</u>	<u>(1,985)</u>

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	30.6.2025 RM'000	31.12.2024 RM'000
Ultimate holding company:			
Quoted shares		27,976	29,592
Derivatives assets		421	5,679
Derivatives liabilities		(153)	(132)
Bank balances		20,583	69,758
Amount due to ultimate holding company	15	(2,585)	(12,104)
Provision for custodian fee		(46)	(212)
Rental receivable		8	8
Sundry receivables, deposits and prepayments		33	583
Sundry payables and accrued liabilities		(57)	(921)
Immediate holding company:			
Amount due to holding company	15	(5,224)	(3,814)
Penultimate holding company:			
Amount due to penultimate holding company	15	(58)	(93)
Fellow subsidiaries within the MAHB Group:			
Amount due from other related companies	13	2,271	1,804
Amount due to other related companies	15	-	(17)
Rental receivable		4	4
Fellow subsidiaries within the EIHSB Group:			
Amount due from other related companies	13	127	111
Amount due to other related companies	15	-	(24)
Other related companies within the Maybank Group:			
Fixed and call deposits		449,439	329,766
Income due and accrued		1,042	763
Rental receivable		11	11
Amount due to other related companies	15	(42)	(42)
Companies with significant influence over the Maybank Group:			
Insurance receivables		995	645
Insurance payables		-	(1,674)

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	338	330
- Salaries, allowances and bonuses	715	56
- Contribution to EPF	106	-
- Share option granted under ESGP	202	-
- Other emoluments	31	6
	<u>1,392</u>	<u>392</u>

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

	30.6.2025 '000	31.12.2024 '000
At 1 January	-	129
Appointment	57	-
Awarded	19	-
Vested	(18)	-
Forfeited	(1)	-
Resignation of key management personnel	-	(129)
At 30 June/ 31 December	<u>57</u>	<u>-</u>

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 are as follows:

	<----- Not credit-impaired ----->			<----- Credit-impaired ----->			<----- Total ----->		
	Financing receivables RM'000	Reinsurance contract assets* RM'000	Other assets** RM'000	Financing receivables RM'000	Reinsurance contract assets* RM'000	Other assets** RM'000	Financing receivables RM'000	Reinsurance contract assets* RM'000	Other assets** RM'000
<u>Gross carrying amount</u>									
At 1 January 2024	22,862	3,325	152,548	775	923	2,745	23,637	4,248	155,293
Increase/(decrease)	1,060	2,279	3,915	(339)	(579)	(168)	721	1,700	3,747
At 31 December 2024	23,922	5,604	156,463	436	344	2,577	24,358	5,948	159,040
(Decrease)/increase	(626)	(1,686)	33,347	457	(179)	81	(169)	(1,865)	33,428
At 30 June 2025	23,296	3,918	189,810	893	165	2,658	24,189	4,083	192,468
<u>Lifetime ECL</u>									
At 1 January 2024	37	20	44	555	123	366	592	143	410
Decrease	(12)	(5)	(31)	(96)	(80)	(39)	(108)	(85)	(70)
At 31 December 2024	25	15	13	459	43	327	484	58	340
Increase/(decrease)	4	17	10	149	(22)	94	153	(5)	104
At 30 June 2025	29	32	23	608	21	421	637	53	444

* Including receivables from reinsurers net of impairment.

** Other assets is stated net of prepayments, deposits and service tax recoverable.

38. 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.

38. 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	
30.6.2025				
<u>Assets</u>				
Investment properties	-	-	1,027,517	1,027,517
Financial investments at FVTPL				
(i) Designated upon initial recognition				
Malaysian government papers	-	604,098	-	604,098
Debt securities and structured products	-	5,313,872	-	5,313,872
(ii) Held-for-trading ("HFT")				
Malaysian government papers	-	49,222	-	49,222
Equity securities	1,945,172	-	136,781	2,081,953
Unit and property trust funds	66,790	1,128,156	-	1,194,946
Debt securities and structured products	-	705,218	-	705,218
Financial investments at FVOCI				
Malaysian government papers	-	428,415	-	428,415
Equity securities	198,754	-	-	198,754
Debt securities and structured products	-	1,100,506	-	1,100,506
Derivative assets	-	1,747	-	1,747
Total assets	2,210,716	9,331,234	1,164,298	12,706,248
<u>Liabilities</u>				
Derivative liabilities	-	153	-	153
Total liabilities	-	153	-	153

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	-	-	1,027,510	1,027,510
Financial investments at FVTPL				
(i) Designated upon initial recognition				
Malaysian government papers	-	663,055	-	663,055
Debt securities and structured products	-	5,477,541	-	5,477,541
(ii) Held-for-trading ("HFT")				
Malaysian government papers	-	138,522	-	138,522
Equity securities	1,969,980	-	136,781	2,106,761
Unit and property trust funds	15,951	1,095,242	-	1,111,193
Debt securities and structured products	-	649,000	-	649,000
Financial investments at FVOCI				
Malaysian government papers	-	378,079	-	378,079
Equity securities	169,977	-	-	169,977
Debt securities and structured products	-	958,596	-	958,596
Derivative assets	-	5,679	-	5,679
Total assets	2,155,908	9,365,714	1,164,291	12,685,913
<u>Liabilities</u>				
Derivative liabilities	-	665	-	665
Total liabilities	-	665	-	665

(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 2025 and 31 December 2024.

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	1,027,510	136,781	1,164,291
Addition, at cost	7	-	7
At 30 June	<u>1,027,517</u>	<u>136,781</u>	<u>1,164,298</u>
31.12.2024			
At 1 January	1,006,410	85,329	1,091,739
Recognised in income statement:			
Fair value gains	20,626	51,452	72,078
Addition, at cost	474	-	474
At 31 December	<u>1,027,510</u>	<u>136,781</u>	<u>1,164,291</u>
Total gains recognised in income statement for assets and financial instruments measured at fair value at the end of the reporting period	<u>20,626</u>	<u>51,452</u>	<u>72,078</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.

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 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
30.6.2025			
Building	Income capitalisation	Rental per square foot	RM3.70 to RM11.00
Shop lots	Comparison	Sales price per square foot for similar properties	RM65.00 to RM1,163.00
31.12.2024			
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

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.

38. 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 RM'000	Impact on profit before tax RM'000	Impact on equity* RM'000
		<----- Increase/(Decrease) ----->		
30.6.2025	+5%	6,839	6,839	4,782
	-5%	(6,839)	(6,839)	(4,782)
31.12.2024	+5%	6,839	6,839	4,782
	-5%	(6,839)	(6,839)	(4,782)

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

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 RM'000	31.12.2024 RM'000
Eligible Tier 1 Capital		
Paid up share capital	100,000	100,000
Retained earnings	3,149,293	3,287,957
	<u>3,249,293</u>	<u>3,387,957</u>
Tier 2 Capital		
Revaluation reserve	90,362	90,362
FVOCI reserve	103,784	83,207
	<u>194,146</u>	<u>173,569</u>
Amount deducted from capital	<u>(35,133)</u>	<u>(36,531)</u>
Total Capital Available	<u>3,408,306</u>	<u>3,524,995</u>

40. INSURANCE FUNDS

UNAUDITED INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2025

	SHF		Life		Total	
	30.6.2025 RM'000	31.12.2024 RM'000	30.6.2025 RM'000	31.12.2024 RM'000	30.6.2025 RM'000	31.12.2024 RM'000
<u>Assets:</u>						
Property, plant and equipment	-	-	27,090	28,384	27,090	28,384
Investment properties	-	-	1,027,517	1,027,510	1,027,517	1,027,510
Prepaid land lease payments	-	-	849	862	849	862
Right-of-use assets	-	-	7	28	7	28
Intangible assets	-	-	34,972	36,531	34,972	36,531
Investments	26,324	41,649	12,141,510	12,223,559	12,167,834	12,265,208
Financing receivables	23,552	23,874	-	-	23,552	23,874
Reinsurance contract assets	-	-	62,300	71,246	62,300	71,246
Other assets	1,491	889	196,657	160,139	198,148	161,028
Derivative assets	-	-	1,747	5,679	1,747	5,679
Current tax assets	66,144	38,382	(21,278)	(17,284)	44,866	21,098
Cash and bank balances	-	637	41,418	86,474	41,418	87,111
Total Assets	117,511	105,431	13,512,789	13,623,128	13,630,300	13,728,559
<u>Equity and liabilities:</u>						
Share capital	100,000	100,000	-	-	100,000	100,000
Reserves	1,538,265	1,454,201	-	-	1,538,265	1,454,201
Total Equity	1,638,265	1,554,201	-	-	1,638,265	1,554,201

40. INSURANCE FUNDS (CONTD.)

UNAUDITED INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION BY FUNDS
AS AT 30 JUNE 2025 (CONTD.)

	SHF		Life		Total	
	30.6.2025 RM'000	31.12.2024 RM'000	30.6.2025 RM'000	31.12.2024 RM'000	30.6.2025 RM'000	31.12.2024 RM'000
Liabilities:						
Insurance contract liabilities	(11,564)	(8,181)	11,093,696	11,318,310	11,082,132	11,310,129
Derivative liabilities	-	-	153	665	153	665
Deferred tax liabilities, net	(2,571)	(1,995)	530,871	510,174	528,300	508,179
Other liabilities ¹	(1,506,619)	(1,438,594)	1,888,069	1,793,979	381,450	355,385
Total Liabilities	(1,520,754)	(1,448,770)	13,512,789	13,623,128	11,992,035	12,174,358
Total Equity and Liabilities	117,511	105,431	13,512,789	13,623,128	13,630,300	13,728,559

¹ Included in other liabilities are the interfund balances elimination, amount due from life fund to shareholder's fund of RM1,510,000,000 (2024: RM1,441,000,000) which is unsecured, not subject to any interest elements and are repayable in short term.

40. INSURANCE FUNDS (CONTD.)

UNAUDITED INTERIM CONDENSED INCOME STATEMENTS INCOME STATEMENT BY BUSINESS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

	SHF		Life		Total	
	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Insurance revenue	329	434	312,064	292,680	312,393	293,114
Insurance service expenses	(5,216)	(4,012)	(196,920)	(183,411)	(202,136)	(187,423)
Net expenses from reinsurance contracts held	-	-	(8,596)	(20,192)	(8,596)	(20,192)
Insurance service result	(4,887)	(3,578)	106,548	89,077	101,661	85,499
Interest revenue from financial assets not measured at FVTPL	727	4,505	41,465	37,490	42,192	41,995
Net fair value (losses)/gains on financial assets measured at FVTPL	(401)	1,718	18,436	535,483	18,035	537,201
Net fair value gains/(losses) on derecognition of financial assets measured at FVOCI	1,807	(8,462)	2,125	4,097	3,932	(4,365)
Other investment income	(2)	(10)	217,847	234,387	217,845	234,377
(Allowance for)/reversal of impairment loss on financial assets	(148)	252	2	(13)	(146)	239
Net foreign exchange (expenses)/income	-	-	(56,810)	26,716	(56,810)	26,716
Net investment income	1,983	(1,997)	223,065	838,160	225,048	836,163

40. INSURANCE FUNDS (CONTD.)

UNAUDITED INTERIM CONDENSED INCOME STATEMENTS INCOME STATEMENT BY BUSINESS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025 (CONTD.)

	SHF		Life		Total	
	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Finance expenses						
from insurance contract issued	(250)	(136)	(204,072)	(712,713)	(204,322)	(712,849)
Finance income from						
reinsurance contracts held	-	-	130	1,170	130	1,170
Net insurance financial result	(250)	(136)	(203,942)	(711,543)	(204,192)	(711,679)
Total net investment income and net insurance financial results	1,733	(2,133)	19,123	126,617	20,856	124,484
Other expenses, net	(2,128)	(653)	(5,902)	(2,090)	(8,030)	(2,743)
(Loss)/profit before taxation attributable to policyholders	(5,282)	(6,364)	119,769	213,604	114,487	207,240
Tax expense attributable to policyholders	-	-	(11,746)	(55,954)	(11,746)	(55,954)
(Loss)/profit before taxation	(5,282)	(6,364)	108,023	157,650	102,741	151,286
Taxation	(24,719)	(34,804)	-	-	(24,719)	(34,804)
Net (loss)/profit for the financial period	(30,001)	(41,168)	108,023	157,650	78,022	116,482