mcis LIFE

member of Sanlam group

Rooted Stability

Strong Foundation · Secure Futures

ANNUAL REPORT 2024

OUR CORE VALUES

CARE AND RESPECT

Care because we respect others

INNOVATION

Grow value through innovation and superior performance

INTEGRITY AND ACCOUNTABILITY

Have discipline, take responsibility for actions and act with integrity

BOLD AND HUMBLE

Lead confidently and serve with humility

TABLE OF CONTENTS

SECTION 1

Corporate Snapshot

SECTION 2

Financial Insights

SECTION 3

Shareholders & Our Footprint

SECTION 1

Corporate Snapshot

Notice of Twenty-Eighth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Eighth Annual General Meeting of the Company will be conducted fully via Remote Participation and Voting (video-conferencing) on Tuesday, 24 June 2025 at 10.00 a.m with the Main Venue at Cape Town (MCIS Boardroom) at Wisma MCIS, Level 1 Tower 1, Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan for the purpose of transacting the following businesses:

AGENDA

As Ordinary Business

1	To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Directors' and Auditors' Reports therein.	**Please refer to Explanatory Note 1**
2	To approve the Directors' remuneration and benefits of up to RM2.5 million for the period from 25 June 2025 until the conclusion of the next AGM.	**Ordinary Resolution 1** **Please refer to Explanatory Note 2**
3	To re-elect the following Directors retiring in accordance with Article 70 of the Company's Articles of Association and being eligible, they offer themselves for re-election:	
	(i) Kokula Krishnan Ganesalingam	**Ordinary Resolution 2**
	(ii) Nuraini Ismail	**Ordinary Resolution 3**
4	To re-elect the following Director retiring in accordance with Article 72 of the Company's Articles of Association and being eligible, they offer themselves for re-election:	
	(i) Gopala Krishnan K Sundaram	**Ordinary Resolution 4**
	(ii) Abdul Rahman Talib	**Ordinary Resolution 5**
	(iii) Velile Hamilton Memela	**Ordinary Resolution 6**
5	To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 7**

As Special Business

To consider and, if thought fit, to pass the following Ordinary Resolution:

6	Authority to Directors pursuant to Section 75 and 76 of the Companies Act, 2016 "THAT pursuant to Section 75 and 76 of the Companies Act, 2016, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued and paid-up share capital of the Company for the time being and that the Directors be further empowered to obtain the approval of the relevant authorities and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."	**Ordinary Resolution 8** **Please refer to Explanatory Note 3**
7	To transact any other business of which due notice in writing shall have been given.	

By Order of the Board

MARY CONSTANCIA D'SILVA (MAICSA 7020517), (Practicing Certificate 202008003164)
Company Secretary

Petaling Jaya
30 May 2025

Notice of Twenty-Eighth Annual General Meeting

EXPLANATORY NOTES

(1) Audited Financial Statements for the Financial Year ended 31 December 2024

Agenda item number 1 is meant for discussion only as the provision of Section 340(1) of the Companies Act, 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda will not be put forward for voting.

(2) Directors' Benefits Payable

The proposed Directors' benefits payable comprises allowances and other benefits.

The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board and Board Committees meetings for the current financial year ending 31 December 2024 until the next Annual General Meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

(3) Authority to Allot Shares Pursuant to Section 75 and 76 of the Companies Act, 2016

The proposed Ordinary Resolution 8 is the renewal of the mandate obtained from members at the last Annual General Meeting ("the previous mandate"). As at the date of this Notice, the Company did not allot any shares pursuant to the mandate granted to the Directors at the Twenty-Seventh Annual General Meeting held on 20 June 2024 as there were no requirements for such fund raising activities.

The proposed Ordinary Resolution 8, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to further placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the total number of issued shares of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier.

Get to Know Our Board of Directors

MOHAMMAD NIZAR BIN IDRIS

Chairman and Non-Independent,
Non-Executive Director

Mr. Mohammad Nizar bin Idris was appointed as an independent, non-executive director of the Company on 23 March 2016. He was then appointed as Chairman of the Board on 1 April 2020. He obtained his Bachelor in Law (Honours) Degree from the University of Singapore in 1967. He was admitted as an Advocate and Solicitor of the High Court of Malaya and attended the Advance Management Programme by Harvard University, Boston in 1994.

He started his career in the judicial and legal service of the government. He was the Senior Federal Counsel responsible for tax and treasury matters. Thereafter, he left the government service to join the private sector. He joined Royal Dutch Shell ("Shell") and worked in Malaysia, the Netherlands and in the UK. During his last posting in Shell London, he was the Head of the Legal Division responsible for Shell's investment, joint ventures, mergers and acquisitions worldwide. Before retiring from Shell, he returned to Malaysia to assume the position of Deputy Chairman and Executive Director of the Shell Companies in Malaysia. He was also the Chairman of Shell Chemicals Malaysia and Chairman of holding company Shell Malaysia Ltd.

After his retirement, he was appointed as a director on the boards of several companies including a bank, investment bank and Khazanah Nasional Bhd. He has resigned from the Boards of all these companies.

CASPARUS JACOBUS HENDRIK KROMHOUT

Non-Independent,
Non-Executive Director

Mr. Casparus Jacobus Hendrik Kromhout was appointed as non-independent, non-executive director of the Company on 21 October 2019. He also serves as a member of the Company's Audit, Strategic Capability and Remuneration Committees.

He is currently the Managing Director and CEO of Shriram Life Insurance in Hyderabad, India, a position which he has held since December 2015. Having begun his career in South Africa in 1991, he worked as an Industrial Engineer with Iscor Mining (later Kumba), where he focused on mining and logistics optimization projects and economic feasibility studies for new mine developments. He joined the Life Insurance industry with the opportunity to be part of the large strategic programme to reengineer Sanlam's business processes and policy administration systems. He worked as a Business Consultant and Project Manager with both Sanlam and Old Mutual, delivering multiple strategic projects. He later focused on project portfolio value management in Sanlam, which includes value tree work, concept development, business case governance and benefit realisation.

Early 2010 Sanlam requested Mr. Kromhout to take the COO assignment with Shriram Life Insurance, where he has been supporting and building the operational capabilities of this young company. Shriram Life's key focus is to reach out to the rural India, where the loss of a breadwinner can have disastrous financial impacts on the family.

Get to Know Our Board of Directors

KOKULA KRISHNAN GANESALINGAM (GOPI GANESALINGAM)

Independent,
Non-Executive Director

Mr. Kokula Krishnan Ganesalingam (a.k.a Gopi Ganesalingam) was appointed as an independent, non-executive director of the Company on 19 August 2020. He is also the chairperson of the Company's Board Risk Management and Strategic Capability Committees, a member of the Audit Committee and Nominations and Remuneration Committee.

Gopi Ganesalingam, a Fellow at Certified Practising Accountant Australia (CPA Australia), is an accomplished corporate leader with a career spanning over three decades in the private and public sectors. Known for his dynamic leadership and innovative thinking, Gopi brings a wealth of experience in business strategy, technology, and talent development to the MCIS Life Board.

Graduating with a degree in finance, Gopi worked with some of the world's most renowned brands like Matsushita, American Express, Alcatel- Lucent, Telstra of Australia, and moving on to be an entrepreneur by founding Lava Protocols Sdn Bhd to represent Salesforce.com & Google, Gopi honed his skills early in his career through rigorous training and coaching, which led him to helm regional leadership roles. His journey also includes a successful decade at Malaysia Digital Economy Corporation (MDEC) as Senior Vice President, where he played a pivotal role in driving the Malaysia's digital economy agenda.

As a strong advocate for continuous learning and reinvention, Gopi emphasizes the importance of upskilling and reskilling to remain relevant in a rapidly evolving world. His passion for empowering the next generation extends to his role as Chairman and Trustee of Junior Achievement (JA) Malaysia, where he actively mentors and inspires young talent to unlock their potential. Gopi is also an Adjunct Professor at Asia Pacific University, Malaysia.

Gopi's achievements have earned him recognition as a transformational leader. Most recently, he was honored with the prestigious "Dare to Do" Award by GovInsider, highlighting his exceptional contributions to innovation and leadership.

Deeply committed to fostering diversity and unity, Gopi believes in leveraging Malaysia's unique cultural tapestry as a cornerstone for growth. His rich insights and strategic mindset are invaluable assets to MCIS Life as it continues its mission to deliver meaningful and inclusive insurance solutions to Malaysians.

NURAINI BINTI ISMAIL

Independent,
Non-Executive Director

Puan Nuraini binti Ismail was appointed to the Board on 19 August 2022. She is currently the Chairperson of the Audit Committee, Chairperson of the Nominations Remuneration Committee and a member of the Board Risk Management Committee. She is also an Independent, Non-Executive Director of Bank Islam Malaysia Berhad, IIUM Holdings Berhad, GDEX Berhad, IIUM Edu Care Sdn Bhd, Daya Bersih Sdn Bhd, LBS Bina Group Berhad and on a Board of Trustee of Yayasan Universiti Teknologi Petronas.

Puan Nuraini is a Fellow member of the Association of Chartered Certified Accountants (FCCA) with more than 35 years of working experience. Her working experience includes in the areas of finance, treasury, corporate finance, debt capital markets, trade finance, banking, financial, credit and trading risks, audit & governance, corporate planning, logistics and operations. Being a Jabatan Perkhidmatan Awam (JPA) scholar, she started her career at the Accountant General Office in 1985 and there after joined an audit firm to secure her professional working experience.

Prior to her appointment to the Board of MCIS Insurance Berhad, Puan Nuraini was with PETRONAS for 29 years since 1992 and the last position held prior to her retirement in 2021 was the Vice-President of Treasury. Prior to assuming this role, she had held various senior positions in PETRONAS Group including Senior General Manager, Group Treasury of PETRONAS, General Manager, Finance & Accounts Services and General Manager, Commercial Services of Malaysian International Trading Corporation Sdn Bhd. She was also appointed as a Non-Independent Non-Executive Director of Petronas Dagangan Berhad from 11 November 2011 till 31 May 2021 and was a member of the Audit Committee from 1 December 2013 till 31 May 2021.

Prior to joining PETRONAS, she had served in various organizations including Bank Bumiputra Malaysia Berhad, Bumiputra Merchant Bankers and Maybank Finance Berhad.

Get to Know Our Board of Directors

GOPALA KRISHNAN A/L K. SUNDARAM

Independent,
Non-Executive Director

Mr. Gopala Krishnan a/l K. Sundaram was appointed as an Independent Non-Executive Director of the Company on 10 March 2025. He also serves as the Chairman of the Governance Committee of the Board and as a member of Audit Committee.

Mr. Gopal graduated 1982 with a Bachelor of Law (Hons) degree from the University of Malaya under a Bank Negara Malaysia scholarship. He is currently a partner of Abdullah Chan & Co., Kuala Lumpur. Prior to joining Abdullah Chan & Co., he served for 30 years in various capacities at Bank Negara Malaysia from 1982 until his retirement as Assistant Governor of the Bank in 2011. After retirement, he was appointed for over a year as Project Advisor for the drafting of the Financial Services Act 2013 and the Islamic Financial Services Act 2013.

He is the only member of the International Monetary Law Committee of the International Law Association (MOCOMILA) from ASEAN. He is also a member of the Panel of Experts of P.R. I.M.E. Finance, based at the Peace Palace in The Hague.

With over 42 years working experience in regulatory, legal, and related fields Mr. Gopal has also undertaken consultancy assignments for the World Bank and served as an International Regulatory Expert with the Asian Development Bank.

He currently sits on the Boards of Tenaga Nasional Berhad and YTL Digital Bank Berhad as an Independent Director and had previously held a similar role at Kuwait Finance House (Malaysia) Berhad.

ABDUL RAHMAN BIN TALIB

Independent,
Non-Executive Director

Mr. Abdul Rahman Bin Talib was appointed as Independent Non-Executive Director of the Company on 16 April 2025. He serves as a member of Nominations Remuneration Committee and the Board Risk Management Committee.

He holds a Masters in Business Administration (MBA) and Bachelor in Business Administration from the University of Miami, Coral Gables, Florida, USA. He is a Fellow of Asian Institute of Insurance and Member of Institute of Corporate Directors Malaysia.

Mr. Rahman retired as the Chief Executive Officer of Pacific & Orient Insurance Company Berhad (P&O) in 2018 after serving as CEO and Director for 20 years. He joined P&O in 1997 as General Manager, Investment where he was responsible for formulating and executing the company's general investment policies of the company and strategies.

Mr. Rahman currently serves as an Independent Director in Syarikat Takaful Malaysia Am Berhad and ARTAB Sdn Bhd.

Get to Know Our Board of Directors

VELILE HAMILTON MEMELA

Executive Director

Mr. Velile Hamilton Memela was appointed as a director of the Company on 16 April 2025. He also serves as a member of the Governance Committee.

He is currently the Group Chief Legal Officer and Chief Compliance Officer at Sanlam Limited. With 19 years of legal and compliance experience across both public and private sectors, he brings deep expertise in corporate and commercial law, banking and finance, and regulatory risk management.

Mr. Memela began his legal career at Spoor & Fisher, focusing on intellectual property law, before progressing to roles at Cliffe Dekker Hofmeyr, Eskom, and global institutions including Barclays plc, Mayer Brown (New York), Merrill Lynch (New York), and FirstRand Bank. Prior to his current role, he held the position of Head of Legal at Sanlam Specialised Finance, where he advised on high-value mergers and acquisitions, corporate finance transactions, and complex legal risk matters.

His responsibilities at Sanlam span legal strategy, compliance oversight, governance frameworks, and financial crime risk management across the Group's multinational operations. He plays a central role in regulatory engagements and supports executive and board-level decision-making.

Mr. Memela holds a Bachelor of Laws (LLB) degree from the University of Natal (Durban), an MBA from the Gordon Institute of Business Science (GIBS), and an Advanced Company Law Certificate from the University of the Witwatersrand. He also completed the International Executive Development Program at Duke University and is an admitted attorney of the High Court of South Africa.

He is a member of the Association of Corporate Counsel and continues to contribute thought leadership to the evolving landscape of legal and compliance governance within the African financial services sector.

Corporate Information

BOARD OF DIRECTORS

Mohammad Nizar Idris
Chairman and Non-Independent, Non-Executive Director

Casparus Jacobus Hendrik Kromhout
Non-Independent, Non-Executive Director

Kokula Krishnan Ganesalingam (Gopi Ganesalingam)
Independent, Non-Executive Director

Nuraini Ismail
Independent, Non-Executive Director

Gopala Krishnan K. Sundaram
Independent, Non-Executive Director

Abdul Rahman Talib
Independent, Non-Executive Director

Velile Hamilton Memela
Executive Director

AUDIT COMMITTEE

Nuraini Ismail
Chairman

Casparus Jacobus Hendrik Kromhout

Gopala Krishnan K. Sundram

TRANSFORMATION AND INNOVATION COMMITTEE

Kokula Krishnan Ganesalingam (Gopi Ganesalingam)
Chairman

Casparus Jacobus Hendrik Kromhout

BOARD RISK MANAGEMENT COMMITTEE

Kokula Krishnan Ganesalingam (Gopi Ganesalingam)
Chairman

Mohammad Nizar Idris

Abdul Rahman Talib

GOVERNANCE COMMITTEE

Gopala Krishnan K. Sundram
Chairman

Velile Hamilton Memela

Nuraini Ismail

NOMINATIONS REMUNERATION COMMITTEE

Nuraini Ismail
Chairman

Mohammad Nizar Idris

Abdul Rahman Talib

COMPANY SECRETARY

Mary Constancia D'Silva *ACIS*

REGISTERED OFFICE

Wisma MCIS
Jalan Barat,
46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.
Tel : +603 7652 3388
Fax : +603 7957 5964
E-mail : info@mcis.my
Website : www.mcis.my

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.
Tel : +603 7890 4700
Fax : +603 7890 4670

AUDITORS

KPMG PLT
10th Floor, KPMG Tower,
No. 8 First Avenue,
Bandar Utama,
47800 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.

Executive Management Committee

From left to right (seated front row)

1. **Nurliana Binti Mat Lazim**
Chief Risk Officer

2. **Susan Cecelia Conradie**
Chief Technology Officer

3. **Prasheem Seebran**
Chief Executive Officer

4. **Noor Hayati Binti Abu Yaziz @ Mohamad**
Chief Internal Auditor

From left to right (back row)

5. **Anesh Junak**
Chief Product Officer

6. **Norlin Fatima Binti Albakri**
Chief Compliance Officer

7. **Woo Chee Chang**
Appointed Actuary

8. **Wan Mohd Fakruddin Razi Bin Wan Abd Ghani**
Chief Investment Officer

9. **Koo Chee Min**
Chief People Officer

10. **Hiten Narottam Asher**
Chief Financial Officer

11. **Ahmad Zubir Bin Aziz**
Chief Agency Officer

12. **Chitra Sridharan**
Chief Customer Experience & Marketing Officer

13. **Gan Teong Kiat**
Chief Corporate Development Officer

14. **Khoo Han Chuan**
Chief Strategy Officer

Chairman's Statement

Dear Shareholders,

The year 2024 proved to be a particularly challenging period for MCIS Life. The Company faced considerable uncertainty stemming from the proposed divestment by our major shareholder, Sanlam Group. While this created a period of concern among both internal and external stakeholders, stability was restored in the third quarter of the year when Sanlam reaffirmed its long-term commitment to MCIS Life. This assurance provided confidence and clarity, allowing the Company to refocus on its core strategic objectives.

MOHAMMAD NIZAR IDRIS
Chairman and Non-Independent, Non-Executive Director

Chairman's Statement

Amidst these uncertainties, I and the Board remained committed to steering the Company with a clear strategic direction. Despite the challenges, we maintained focus on **our long-term goals and continued to make progress** in other key areas of the business.

ANNUAL PREMIUM EQUIVALENT (APE)

RM219.7 million

GROSS PREMIUMS

RM767.1 million

From an operational standpoint, 2024 presented notable challenges. A key development was the implementation of a new approach to the treatment and reallocation of expenses related to policyholder funds. This accounting change led to a substantial increase in expenses absorbed by shareholders through a reduction in the Contractual Service Margin (CSM), which negatively affected profitability.

Compounding these challenges was a surge in medical claims, which substantially impacted our bottom line. The broader insurance industry also experienced heightened medical losses, prompting a recalibration of strategic priorities and resource allocation. Guided by Bank Negara Malaysia's directives on medical repricing, MCIS Life undertook targeted initiatives to contain escalating costs while ensuring continued access to medical and health insurance products. These measures were carefully designed to balance affordability and sustainability for our policyholders.

Amidst these uncertainties, I and the Board remained committed to steering the Company with a clear strategic direction. Despite the challenges, we maintained focus on our long-term goals and continued to make progress in other key areas of the business.

RESILIENCE AMID CHALLENGES: FINANCIAL HIGHLIGHTS OF 2024

As we reflect on a challenging and eventful year, I present the financial narrative of the Annual Report for 2024 with transparency and resolve. While the year brought financial setbacks, it also provided valuable lessons and reaffirmed our commitment to long-term growth, resilience, and delivering sustainable value to our stakeholders. In 2024, our Annual Premium Equivalent (APE) increased by 13.7% to RM219.7 million. Gross premiums rose to RM767.1 million, reflecting the resilience of our core business amid a volatile operating environment.

Nevertheless, MCIS Life reported a loss before tax of RM0.5 million in 2024, compared to a profit before tax of RM40.9 million in 2023. As noted earlier, the decline was largely attributable to the new accounting treatment, further exacerbated by an increase in the medical claims. Notwithstanding the above, our capital adequacy ratio (CAR) remained strong, ensuring we remain well-positioned to pursue future strategic growth.

Chairman's Statement

SHAREHOLDER COMMITMENT AND STRATEGIC REALIGNMENT

Sanlam's reaffirmation of its long-term commitment to MCIS Life brought much-needed clarity and stability, allowing us to re-evaluate our short-term and medium-term priorities with greater confidence. This clarity enabled closer alignment with Sanlam's overarching value creation goals, setting a clear direction for the Company's future. The impact on staff morale was immediate and uplifting, infusing the organisation with renewed energy and a stronger sense of purpose.

In response, we introduced a refreshed three-year strategy emphasizing cost efficiency, market expansion, and innovation. A key priority is to broaden our presence in underserved segments, where demand for protection remains high. We also carried out a comprehensive overhaul of our product development approach to better align with evolving customer needs. These initiatives aim to bolster our financial resilience while reaffirming our strong commitment to customer centricity—ensuring policyholder needs remain central to every decision.

CHARTING THE COURSE FOR GROWTH IN 2025

As we enter 2025, I do so with optimism, renewed confidence and a clear vision for a stronger, more dynamic year ahead. Our strategic focus is firmly set on growth through diversification into untapped markets and underserved demographics, and by expanding our product offerings to address unmet needs.

We are committed to delivering innovative products, leveraging cutting-edge technology, and elevating the customer experience at every touchpoint. Our path forward is defined by disciplined execution, the intelligent use of digital and human capital, and an unwavering commitment to creating value for all our stakeholders.

With enhanced capabilities, sharper clarity, and the steadfast backing of our shareholder, MCIS Life is poised to enter the next phase of growth with purpose and determination. By upgrading our technological infrastructure, automating critical processes, and integrating advanced data analytics, we aim to strengthen our distribution channels and broaden access, significantly improve internal efficiencies as well as accelerate turnaround times.

ACKNOWLEDGEMENTS

I would like to express my deepest appreciation to our dedicated staff, agents, business partners, and leadership team. Your unwavering commitment, resilience, and adaptability in navigating a dynamic environment have been the cornerstone of MCIS Life's progress.

I am also immensely grateful to our board members for their support and wise counsel. Together, our combined efforts fortified our pledge to protect and serve our stakeholders with integrity and excellence.

Mohammad Nizar Idris
Chairman and Non-Independent Non-Executive Director

Chief Executive Officer's Statement

Dear Shareholders,

2024 was a defining year for the insurance industry - marked by global economic volatility, surging healthcare costs and evolving customer expectations. Against this backdrop, MCIS Life remained steadfast in our purpose: to protect lives, create enduring value, and strengthen our relevance in the communities we serve.

PRASHEEM SEEBRAN
Chief Executive Officer

Chief Executive Officer's Statement

RESILIENCE, RELEVANCE AND RENEWAL IN A YEAR OF TRANSFORMATION

2024 was a defining year for the insurance industry - marked by global economic volatility, surging healthcare costs and evolving customer expectations. Against this backdrop, MCIS Life remained steadfast in our purpose: to protect lives, create enduring value, and strengthen our relevance in the communities we serve.

Through strategic clarity, operational agility, and a value-driven culture, we navigated uncertainty with conviction and emerged stronger, more focused, and better prepared for the road ahead.

HEALTHCARE COST PRESSURES AND SHAREHOLDER EXPENSE IMPACTS

One of the most pressing challenges in 2024 was the surging cost of healthcare, which continued to strain the sustainability of insurance offerings. Across the industry, escalating medical claims led to sharply higher loss ratios, putting significant pressure on insurers' profitability and testing the resilience of current pricing models.

In response to these industry-wide pressures, we will implement a measured and customer-focused repricing strategy in 2025 - one that aligns with regulatory guidance and reflects our commitment to balancing affordability with long-term sustainability. This initiative is part of our broader mission to ensure continued access to healthcare protection while preserving the financial soundness of our offerings.

Separately, a regulatory change in the treatment of expenses allocated to policyholder funds, as directed by Bank Negara Malaysia, resulted in a material increase in expenses borne directly by shareholders. This shift had a significant adverse impact on our bottom line, compounding the financial strain during an already challenging year.

STRATEGIC REALIGNMENT AND OPERATIONAL REFOCUS

The second half of 2024 marked a pivotal turning point in our strategic journey. In response to both internal challenges and external headwinds, we undertook a focused realignment of priorities to strengthen core performance and operational resilience.

A significant catalyst for this shift was the reaffirmation of long-term support from our major shareholder, Sanlam. This strategic commitment not only dispelled speculation of a potential divestment but also provided renewed clarity on Group alignment and expectations. The endorsement served as a stabilising force internally - reinvigorating confidence, enhancing strategic cohesion, and lifting staff morale at a time when uncertainty had begun to affect engagement.

Guided by this clarity, we placed immediate emphasis on containing expense overruns and managing medical underwriting losses, through disciplined cost control, pricing actions, and claims optimisation. Simultaneously, we launched initiatives to diversify our agency force, with targeted efforts to build a more inclusive and geographically distributed network capable of driving sustained growth across market segments.

Our territorial footprint was expanded with localised recruitment and capability building, while our product development lifecycle underwent a comprehensive overhaul - moving towards modular, insight-driven design with shorter deployment times and stronger alignment to emerging customer needs.

These initiatives collectively signal a transition from reactive adjustment to proactive transformation - anchored in shareholder confidence, and shaped by a vision for long-term relevance, agility, and market leadership.

FINANCIAL PERFORMANCE: NAVIGATING PRESSURES WITH PRUDENCE

Despite persistent macroeconomic challenges and sector-wide margin pressures, 2024 was a year of measurable progress and commercial momentum for MCIS Life. We achieved solid growth across our core business lines, reflecting the market's continued confidence in our value proposition and the increasing relevance of our solutions.

Our Annual Premium Equivalent (APE) rose by 13.7% to RM219.7 million, supported by growth across both the agency and group distribution channels. In particular, the Employee Benefits portfolio continued to expand, driven by rising demand for medical top-up plans and modular group insurance packages - demonstrating our ability to respond to evolving protection needs in the workplace and beyond.

Gross premiums grew to RM767.1 million, driven by robust new business activity and improved persistency, resulting in year-on-year growth of 5.9%.

The last quarter showed positive results from our agency transformation initiatives, which included enhanced training, productivity tools, and structured incentive programmes. We expect these efforts to translate into improved agent

Chief Executive Officer's Statement

activation, persistency, and sales quality, particularly among newly recruited and geographically diversified segments.

From an operational standpoint, we delivered key milestones in our transformation journey. Significant progress in the implementation of a new Policy Administration System (PAS) for Group and Affinity business marked a major leap forward in our digitisation efforts. This platform will improve scalability, reduce operational complexity, and strengthen service turnaround, particularly for high-volume corporate clients.

While these achievements reflect positive momentum, it is important to note that we recorded a RM0.5 million operating loss for the year. This result was largely attributable to elevated claims in our medical portfolio and pressure from ongoing cost commitments. However, the narrow magnitude of the loss amid a high-claims environment signals the early impact of the strategic cost and portfolio interventions we began implementing in the second half of the year.

We remain confident that our focused execution, expense discipline, and repricing strategies - together with continued distribution and operational optimisation - will support a return to operating profitability in the near term.

DIGITAL TRANSFORMATION AND DATA-DRIVEN INNOVATION

Digital innovation remained central to our transformation agenda. We accelerated enhancements across the value chain - from onboarding and underwriting to claims servicing and agent enablement.

Automation in back-office functions has driven gains in processing speed, accuracy, and cost efficiency.

Furthermore, we advanced our use of data analytics, enabling sharper risk insights, improved segmentation, and personalised engagement, paving the way for smarter, more adaptive decision-making.

GOVERNANCE, INVESTMENT DISCIPLINE, AND ESG FOCUS

We continued to reinforce our governance frameworks, particularly in areas such as AML/CFT compliance and enterprise risk management. Our dedication to transparency, accountability, and regulatory alignment remains unwavering.

Chief Executive Officer's Statement

The MCIS Life Legacy Forest initiative expanded with the planting of native trees, supporting biodiversity and carbon offsetting as part of our 2050 net-zero commitment. ESG factors are now integral to our investment decision-making, driving alignment between financial returns and societal impact.

Despite challenging market conditions, our investment portfolio delivered commendable performance, supported by a disciplined approach focused on long-term capital preservation and ESG integration. These returns helped cushion the financial impact of elevated claims and expense adjustments, supporting solvency and capital strength.

Our social impact efforts remained central to our mission. The MCIS Life Purple Truck, in partnership with the National Cancer Society Malaysia, provided preventive screenings and free HPV vaccinations to over 22,000 Malaysians - a tangible demonstration of inclusive, community-based care.

We made tangible progress on our sustainability journey. Our solar-powered Purple Truck now includes enhanced accessibility features, reflecting our inclusive, low-carbon approach to health outreach.

The MCIS Life Legacy Forest initiative expanded with the planting of native trees, supporting biodiversity and carbon offsetting as part of our 2050 net-zero commitment. ESG factors are now integral to our investment decision-making, driving alignment between financial returns and societal impact.

We also broadened our offering with modular, customisable insurance solutions tailored to specific employer and employee needs, reinforcing our commitment to inclusive financial protection.

EMPOWERING PEOPLE AND STRENGTHENING PARTNERSHIPS

In 2024, we reinforced our focus on human capital development. We onboarded 610 new agents, expanding our distribution force to 2,435 professionals. Our Chairman's Elite Club (CEC) grew to 17 top-performing Chief Agency Managers, reflecting both business excellence and culture transformation.

Leadership development was a key focus, with structured mentorship, succession planning, and performance enablement rolled out across teams.

LOOKING AHEAD: BUILDING ON MOMENTUM WITH PURPOSE

As we step into 2025, we carry forward the lessons, resilience, and momentum of the past year. MCIS Life remains anchored in its values - integrity, innovation, and inclusivity - and committed to a more sustainable, customer-centric, and digitally enabled future.

With clarity of purpose and the strength of our people, we will continue to adapt, innovate, and lead - delivering value not just for shareholders, but for customers, partners, and society at large.

APPRECIATION

To our Board of Directors, I extend my sincere thanks for your guidance and stewardship. To senior leadership, MCIS staff and agency force, your resilience, professionalism, and commitment are the foundation of our continued progress.

To our policyholders, partners, and communities, thank you for your trust. I remain confident that, together, we will shape a future defined by relevance, resilience, and opportunity.

Warm regards

Prasheem Seebran
Chief Executive Officer

Sustainability Report

2024 Key Achievement at a Glance

ENVIRONMENT

Carbon intensity of
2.65 $MTCO_2e$ / Full Time Employee (FTE)

Recycled over **8000** plastic bottles over the period of **3** months

6,280 endemic trees of **101** species planted at MCIS Life Legacy Forest

98.14% of Investment are in ESG compliances company

30% reduction of electricity consumption since year 2018

Targeting to publish
1st TCFD Report by 2025

SOCIAL

Zero
work related fatalities / incidents

Carried out
181
training programs with total of
18,699
training hours

95%
of staff achieved
24
learning hours & more

Awarded **Company of the Year** (Insurance) under Community & Environment Care Category by CSR Malaysia

6 Wellness Campaign conducted with a favorable score of **79%**

Sustainability Report

15 Certified & Trained Mental Health 1st Aiders

14,976 cancer screening at **157** different location by MCIS's Purple Truck

Hybrid Working Model for staff & monthly **2 hours** well-being time off

Launched

MI Medic Pro

which provide insurance coverage to registered refugees, foreigners and Malaysians

120 staffs trained on Financial Literacy

66% workforce comprises of female staff

Ensure all staff completed all 4 compulsory Governance Training (AMLA, PDPA, FTFC, ABC)

Comply with BNM's CRMSA, CRST & CCPT Requirements

Developed **Diversity, Equity, Inclusion & Belonging** (DEIB) Policy

Adopted **5 Power Skills** from Future Skills Framework launched by BNM

Embedded Sustainability Performance into Remuneration

Sustainability Report

2024 Sustainability Journey

Our organization has made significant strides in promoting sustainability through various initiatives aimed at supporting both our community and our internal staff. Notable achievements were Free Cancer Screening via Purple Truck. In our commitment to supporting public health, we partnered with National Cancer Society Malaysia (NCSM) to provide free cancer screenings to staff and the under marginalized local community. The Purple Truck initiative brought essential healthcare services directly to workplace and rural areas making it easier for individuals to get checked and take proactive steps toward their health. We also launched Financial Literacy Program for our internal staff designed to empower our employees with the knowledge and tools to manage their finances effectively. By offering workshops and resources, we aim to support the long-term financial well-being of our team. Besides, in our efforts to promote sustainability within the workplace, we organized a recycling competition among staff. This initiative encouraged employees to take an active role in reducing waste, recycling materials, and promoting environmental awareness within our office environment. Finally, to promote mental and physical health, we hosted a series of wellness campaign carnival at the office. This event offered a variety of activities, from health checks to mindfulness sessions, encouraging employees to adopt healthy habits and prioritize their well-being. Through these initiatives, we have successfully enhanced our RAM's R1ESGO ratings to "Good". This commitment reflects our focus on long-term value creation, responsible business operations, and our proactive approach towards meeting evolving ESG standards to ensure a positive impact.

2025 Sustainability Aspiration

Looking ahead, our organization is committed to deepening our impact on both the community and the environment through targeted sustainability initiatives. Our key aspirations and plans are commitment on achieving carbon net-zero emissions by 2050, with an interim target of 50% of our energy from renewable sources by 2030. This ambitious goal underscores our dedication to sustainability and innovation, as we strive to contribute positively to the environment and support a cleaner, greener future. Our next aim includes Supporting Financial Inclusion for the Community. We aim to further our efforts in promoting financial inclusion by working with underserved communities to increase access to financial services and education. By collaborating with local partners and leveraging digital solutions, we hope to empower individuals and families to better manage their finances and improve their economic opportunities. Next will be on enhancing Free Cancer Screening via Purple Truck. Building on the success of our current cancer screening initiatives, we plan to expand the reach of the Purple Truck service to other states in Malaysia. This expansion will enable us to provide life-saving screenings to more people across the country, increasing access to early detection and treatment options, particularly in rural or underserved areas. We are also exploring to expand Financial Literacy Awareness Among the Community. We are committed to enhancing financial literacy across various communities by offering accessible workshops, resources, and support. Through partnerships with local organizations, we will work to raise awareness about personal finance management, savings, and investment strategies, empowering individuals to make informed financial decisions. Through these initiatives, we strive to build a more inclusive and sustainable future for all, supporting both the well-being of individuals and the broader health of the community.

SECTION 2

Financial Insights

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Contents	**Page**

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Directors' report

The directors hereby submit their report together with the audited financial statements of the Company for the year ended 31 December 2024.

Principal activity

The Company is principally engaged in the underwriting of life and investment linked insurance. There has been no significant change in the principal activity during the financial year.

Results

	RM'000
Net loss for the year	(14,105)

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

There were no dividends paid since the end of the previous financial year. The Directors have not recommended any final dividend to be paid for the current financial period under review.

Share capital and debentures

There was no change in the issued and paid-up capital of the Company and no debentures issued during the financial year.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Directors

The names of the directors of the Company since the end of the previous financial year to the date of this report are:

Mr. Mohammad Nizar bin Idris (Chairman)
Independent, non-executive director

Datin Seri Sunita Mei-Lin Rajakumar
Independent, non-executive director

Mr. Prasheem Seebran
Managing director and Chief Executive Officer

Mr. Casparus Jacobus Hendrik Kromhout
Non-independent, non-executive director

Mr. Kokula Krishnan Ganesalingam
Independent, non-executive director

Puan Nuraini binti Ismail
Independent, non-executive director

Directors' benefits

Neither at the end of the financial year, nor at any time during that period, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown below), by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Directors' benefits (cont'd.)

The directors' benefits paid to or receivable by directors in respect of the financial year ended 31 December 2024 are as follows:

	From the Company RM'000
Allowances and other emoluments	1,574
Directors and officers' liability insurance	50
Remuneration for an executive director	3,970
	5,594

Non-executive directors

Mr. Mohammad Nizar bin Idris	406
Datin Seri Sunita Mei-Lin Rajakumar	287
Mr. Casparus Jacobus Hendrik Kromhout	268
Mr. Kokula Krishnan Ganesalingam	333
Puan Nuraini binti Ismail	280
	1,574

During the financial year, the total amount of indemnity given to, or insurance effected for the directors or officers of the Company, through its ultimate holding company, Sanlam Limited, are up to ZAR2,000,000,000 (equivalent to RM498,582,000) in aggregate on a group basis. The indemnity premium is borne by Sanlam Limited.

In addition, a directors and officers' liability insurance has been entered into by the Company for the financial year ended 31 December 2024 pursuant to Section 289 of the Companies Act, 2016. The details of the insurance is as follows:

	Premium paid RM'000	Sum insured RM'000
Directors and officers' liability insurance	50	10,000

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over shares in its related corporations during the financial year were as follows:

	Number of ordinary shares			
	1.1.2024	Acquired	Sold	31.12.2024
Sanlam Limited				
Mr. Prasheem Seebran	-	19,001	(19,001)	-

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Directors' interests (cont'd.)

	Number of restricted shares under the Executive Share Incentive Scheme			
	1.1.2024	**Granted**	**Exercised**	**31.12.2024**
<u>Sanlam Limited</u>				
Mr. Prasheem Seebran	87,322	19,259	(19,001)	87,580

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Corporate governance disclosures

The Company has complied with the prescriptive requirements of, and adopted management practices that are consistent with the principles prescribed under Bank Negara Malaysia's ("BNM") Policy Document on Corporate Governance, as disclosed from pages 7 to 29.

Holding companies

The immediate and ultimate holding companies are Sanlam Emerging Markets Proprietary Limited ("SEM") and Sanlam Limited respectively. Both companies are incorporated in South Africa.

Other statutory information

(a) Before the statement of financial position and statement of profit or loss of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent; and

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Other statutory information (cont'd.)

(b) At the date of this report, the directors are not aware of any circumstances which would render (cont'd.):

(ii) render the values attributed to current assets in the financial statements of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

For the purpose of paragraphs (e) and (f) above, contingent or other liabilities do not include liabilities arising from insurance contracts underwritten in the ordinary course of business of the Company.

(g) Before the statement of financial position and statement of profit or loss of the Company were made out, the directors took reasonable steps to ascertain that there was adequate provision for insurance contract liabilities in accordance with the requirements of MFRS 17 *Insurance Contracts* issued by the Malaysian Accounting Standards Board ("MASB").

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept the re-appointment.

The total amount paid to or receivable by the auditors as remuneration for their services as auditors is RM800,000.

There was no indemnity given to, or insurance effected for auditors of the Company during the financial year.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 7 March 2025.

Mr. Mohammad Nizar bin Idris

Puan Nuraini binti Ismail

Petaling Jaya, Malaysia
7 March 2025

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (as referred to in the Directors' Report)

Directors' profiles

Mr. Mohammad Nizar bin Idris was appointed as an independent, non-executive director of the Company on 23 March 2016. He was then appointed as Chairman of the Board on 1 April 2020. He obtained his Bachelor in Law (Honours) Degree from the University of Singapore in 1967. He was admitted as an Advocate and Solicitor of the High Court of Malaya and attended the Advance Management Programme by Harvard University, Boston in 1994.

He started his career in the judicial and legal service of the government. He was the Senior Federal Counsel responsible for tax and treasury matters. Thereafter, he left the government service to join the private sector. He joined Royal Dutch Shell (“Shell”) and worked in Malaysia, the Netherlands and in the UK. During his last posting in Shell London, he was the Head of the Legal Division responsible for Shell’s investment, joint ventures, mergers and acquisitions worldwide. Before retiring from Shell, he returned to Malaysia to assume the position of Deputy Chairman and Executive Director of the Shell Companies in Malaysia. He was also the Chairman of Shell Chemicals Malaysia and Chairman of holding company Shell Malaysia Ltd.

After his retirement, he was appointed as a director on the boards of several companies including a bank, investment bank and Khazanah Nasional Bhd. He has resigned from the Boards of all these companies.

Datin Seri Sunita Mei-Lin Rajakumar was appointed as an independent, non-executive director of the Company on 24 March 2016. She was the chairperson of the Company’s Nominations Committee and Remuneration Committee until September 2024. The committees subsequently combined and renamed as Nominations Remuneration Committee and she remained as a member. She is also a member of the Company’s Strategic Capability Committee.

She is the Founder and Chairperson of Climate Governance Malaysia, the country chapter of the World Economic Forum’s Climate Governance Initiative; a Fellow of the Institute of Corporate Directors Malaysia; Adjunct Professor in Climate Governance and Sustainability at Unitar International University; sits on the External Advisory Committee for Sunway University’s Master in Sustainable Development Management; and supports the CEO Action Network, an industry led initiative to increase sustainability and climate resilience.

Her other board appointments are as Chairman of Bursa-listed Dutch Lady Milk Industries and independent non-executive director at Bursa-listed Petronas Chemicals, HSBC Malaysia and Zurich General Insurance, as well as trustee of 4 charitable foundations.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Directors' profiles (cont'd.)

Mr. Prasheem Seebran was appointed as a non-independent, non-executive director of the Company on 11 May 2016. On 15 March 2019, he assumed the role of Executive Director following his appointment as Chief Executive Officer (CEO) and Managing Director.

A qualified actuary, Mr. Seebran is a Fellow of both the South African and Malaysian Actuarial Societies, with 24 years of experience in the insurance and financial services industries. As a proven leader, he excels in inspiring and developing high-performance teams while fostering a culture of collaboration and excellence. Mr. Seebran has consistently demonstrated his leadership by driving transformative, industry-first initiatives, including pioneering insurance telematics, initiating the development of internal capital models, creating innovative insurance solutions, and designing structured risk solutions that have set new industry benchmarks.

Mr. Seebran has held several key leadership positions, including Regional Head for Sanlam Group in Southeast Asia, where he oversaw the group's investments in the region, and Executive Head of Actuarial and Analytics at Telesure Group, a prominent multi-brand insurer with operations in South Africa, Australia, Turkey, and the UK. Additionally, he has served as a director on various boards, including P&O Insurance in Malaysia as well as Shriram General Insurance and Shriram Life Insurance in India.

In addition to his Fellowships, Mr. Seebran holds a Bachelor of Science Honours degree in Actuarial Science and several executive management and leadership qualifications. He is also an alumnus of INSEAD Business School in France.

Mr. Casparus Jacobus Hendrik Kromhout was appointed as non-independent, non-executive director of the Company on 21 October 2019. He also serves as a member of the Company's Audit, Strategic Capability and Remuneration Committees.

He is currently the Managing Director and CEO of Shriram Life Insurance in Hyderabad, India, a position which he has held since December 2015. Having begun his career in South Africa in 1991, he worked as an Industrial Engineer with Iscor Mining (later Kumba), where he focused on mining and logistics optimization projects and economic feasibility studies for new mine developments. He joined the Life Insurance industry with the opportunity to be part of the large strategic programme to reengineer Sanlam's business processes and policy administration systems. He worked as a Business Consultant and Project Manager with both Sanlam and Old Mutual, delivering multiple strategic projects. He later focused on project portfolio value management in Sanlam, which includes value tree work, concept development, business case governance and benefit realisation.

Early 2010 Sanlam requested Mr. Kromhout to take the COO assignment with Shriram Life Insurance, where he has been supporting and building the operational capabilities of this young company. Shriram Life's key focus is to reach out to the very tough lower middle and mass market segment in rural India, where the loss of a breadwinner can have disastrous financial impacts on the family.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Directors' profiles (cont'd.)

Mr. Kokula Krishnan Ganesalingam (a.k.a Gopi Ganesalingam) was appointed as an independent, non-executive director of the Company on 19 August 2020. He is also the chairperson of the Company's Board Risk Management and Strategic Capability Committees, a member of the Audit Committee and Nominations and Remuneration Committee.

Gopi Ganesalingam, a Fellow at Certified Practising Accountant Australia (CPA Australia), is an accomplished corporate leader with a career spanning over three decades in the private and public sectors. Known for his dynamic leadership and innovative thinking, Gopi brings a wealth of experience in business strategy, technology, and talent development to the MCIS Life Board.

Graduating with a degree in finance, Gopi worked with some of the world's most renowned brands like Matsushita, American Express, Alcatel- Lucent, Telstra of Australia, and moving on to be an entrepreneur by founding Lava Protocols Sdn Bhd to represent Salesforce.com & Google, Gopi honed his skills early in his career through rigorous training and coaching, which led him to helm regional leadership roles. His journey also includes a successful decade at Malaysia Digital Economy Corporation (MDEC) as Senior Vice President, where he played a pivotal role in driving the Malaysia's digital economy agenda.

As a strong advocate for continuous learning and reinvention, Gopi emphasizes the importance of upskilling and reskilling to remain relevant in a rapidly evolving world. His passion for empowering the next generation extends to his role as Chairman and Trustee of Junior Achievement (JA) Malaysia, where he actively mentors and inspires young talent to unlock their potential. Gopi is also an Adjunct Professor at Asia Pacific University, Malaysia.

Gopi's achievements have earned him recognition as a transformational leader. Most recently, he was honored with the prestigious "Dare to Do" Award by GovInsider, highlighting his exceptional contributions to innovation and leadership.

Deeply committed to fostering diversity and unity, Gopi believes in leveraging Malaysia's unique cultural tapestry as a cornerstone for growth. His rich insights and strategic mindset are invaluable assets to MCIS Life as it continues its mission to deliver meaningful and inclusive insurance solutions to Malaysians.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Directors' profiles (cont'd.)

Puan Nuraini binti Ismail was appointed to the Board on 19 August 2022. She is currently the Chairperson of the Audit Committee, Chairperson of the Nominations Remuneration Committee and a member of the Board Risk Management Committee. She is also an Independent, Non-Executive Director of Bank Islam Malaysia Berhad, IIUM Holdings Berhad, GDEX Berhad, IIUM Edu Care Sdn Bhd, Daya Bersih Sdn Bhd, LBS Bina Group Berhad and on a Board of Trustee of Yayasan Universiti Teknologi Petronas.

Puan Nuraini is a Fellow member of the Association of Chartered Certified Accountants (FCCA) with more than 35 years of working experience. Her working experience includes in the areas of finance, treasury, corporate finance, debt capital markets, trade finance, banking, financial, credit and trading risks, audit & governance, corporate planning, logistics and operations. Being a Jabatan Perkhidmatan Awam (JPA) scholar, she started her career at the Accountant General Office in 1985 and there after joined an audit firm to secure her professional working experience.

Prior to her appointment to the Board of MCIS Insurance Berhad, Puan Nuraini was with PETRONAS for 29 years since 1992 and the last position held prior to her retirement in 2021 was the Vice-President of Treasury. Prior to assuming this role, she had held various senior positions in PETRONAS Group including Senior General Manager, Group Treasury of PETRONAS, General Manager, Finance & Accounts Services and General Manager, Commercial Services of Malaysian International Trading Corporation Sdn Bhd. She was also appointed as a Non-Independent Non-Executive Director of Petronas Dagangan Berhad from 11 November 2011 till 31 May 2021 and was a member of the Audit Committee from 1 December 2013 till 31 May 2021.

Prior to joining PETRONAS, she had served in various organizations including Bank Bumiputra Malaysia Berhad, Bumiputra Merchant Bankers and Maybank Finance Berhad.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Board of Directors

The Board of Directors ("the Board") consists of 4 independent, non-executive directors, 1 executive director and 1 non-independent, non-executive director. The attendance of the Board at the 10 board meetings held during the financial year was as follows:

	Attendance
Chairman:	
Mr. Mohammad Nizar bin Idris	10/10
Directors:	
Datin Seri Sunita Mei-Lin Rajakumar	10/10
Mr. Prasheem Seebran	10/10
Mr. Casparus Jacobus Hendrik Kromhout	9/10
Mr. Kokula Krishnan Ganesalingam	10/10
Puan Nuraini binti Ismail	9/10

The Board assumes overall responsibility for leading, governing, guiding and monitoring the performance of the Company, including but not limited to:

(a) reviewing and adopting strategic plans for the Company;

(b) overseeing the conduct of the Company's business to determine whether the business is being properly managed;

(c) approving risk appetites and overseeing the implementation of governance framework and internal control framework;

(d) overseeing succession planning, including ensuring all candidates appointed to senior management positions are of sufficient calibre and programs are in place to provide for the orderly succession of senior management;

(e) overseeing the development and implementation of shareholder communications policy for the Company; and

(f) reviewing the adequacy and the integrity of the Company's management information and internal control systems.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Board of Directors (cont'd.)

Directors' remuneration

The remuneration of each of the directors during the financial year was as follows:

	<----------------- Non-deferred ----------------->		
	<-------- Cash-based remuneration ------->		
	Fixed RM'000	**Variable RM'000**	**Total RM'000**
Mr. Mohammad Nizar bin Idris	176	230	406
Datin Seri Sunita Mei-Lin Rajakumar	120	167	287
Mr. Casparus Jacobus Hendrik Kromhout	120	148	268
Mr. Kokula Krishnan Ganesalingam	120	213	333
Puan Nuraini binti Ismail	120	160	280
Mr. Prasheem Seebran	2,338	1,632	3,970
	2,994	2,550	5,544

The Company maintained a directors' and officers' liability insurance during the financial year with premium paid amounting to RM50,210.

There was no deferred remuneration awarded to the directors during the financial year. There was no other type of remuneration awarded to the directors (in their capacity as directors) apart from cash-based remuneration as stated above.

The details of the directors' remuneration are disclosed in Directors' benefits.

Directors' training

The Board understands the importance of continuous training, and is encouraged to keep abreast with the latest developments, trends and insights and regulatory requirements related to insurance industry.

All the directors attended the Financial Institutions Directors' Education ("FIDE") programme organised by the International Centre for Leadership in Finance.

Some of the directors attended the programme as listed below:

FIDE Forum

- Fireside Chat with Former Central Bank Governors
- BNM-FIDE FORUM: Responsibility Mapping Engagement with Directors of Financial Institutions
- Data Innovation to Drive Financial Inclusion - Pushing New Frontiers
- Distinguished Board Leadership Series 2024: Digital Transformation in the World's Best Bank
- Launch of the Directors' Remuneration Report 2024
- Director's Liabilities within Their Respective Institution's AML Frameworks

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Board of Directors (cont'd.)

Directors' training (cont'd.)

Some of the directors attended the programme as listed below: (cont'd.)

- Leading the Way: Developing Credible Transition Plans for Financial Institutions
- Economic Outlook & Post-Budget 2025 Forum, organised by the British Malaysian Chamber of Commerce (BMCC)
- Preventing Fraud; Board's Roles & Responsibilities

Others

- BNM engagement on AR2023, Economic and monetary review and financial stability review
- Sanlam Group Anti Money Laundering course
- InsureTech Connect Asia 2024 (Singapore)
- Cracking the code of embedded insurance, the most promising insurance growth opportunity (Singapore)
- Enhanced Conflict of Interest and Disclosure Obligations- Unpacking the Implications & Disclosure Obligations of Listed Issuers , their Directors and Key Officers
- Building a Future -Proof Strategy;- Navigating Technological Disruptions
- Leadership and Governance in Digitalisation
- Digitalisation; Opportunities & Risks
- Rising to the Challenges;Board Dynamics in Digital Transformation.
- Cybercrime and Fraud in Today 's Digital Age
- Climate Risk Management-What Insurance Company Directors Need to Know
- An update on Technology and Cybersecurity Risks
- CXO Roundtable on Artificial Intelligence by AT Kearny
- How Big Corporate Scandals Happen And What Boards Can to Prevent It
- Asset Liability Management
- AML/CFT/CFS ; Key Challenges and Trends
- Anti Bribery and Anti-Corruption in relation to Section 17 A MACC Act 2009 - Corporate Liability Provision
- Securities Commission; AOB conversations with Audit Committees AMLATFPUAA

In-House Training

- Cyber Resilence into Business DNA ; Safeguarding our Digital Assets in new age of threats (MCIS)- Cyber Resilience Awareness
- Board AML/CFT Knowledge Sharing Session
- Anti Bribery and Corruption Talk
- AML/CFT/CPF and TFS (e-learning)
- Anti Bribery and Corruption (ABC) (e-learning)
- MCIS Whistleblowing (e-learning)
- Personal Data Protection Act (PDPA) (e-learning)
- Personal Data Protection Act 2010
- Cognisant on Use Cases for Artificial Intelligence

Directors with professional memberships met their Continuing Professional Development ("CPD") hours requirement.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Board of Directors (cont'd.)

Directors' training (cont'd.)

The BNM's policy document, *Corporate Governance* focuses on clarifying the role of the Board and senior management, enhancing the Board effectiveness through strengthening its composition, sets out broad principles and structures in which the Company should adopt in making good corporate governance an integral part of the Company's business dealings and culture. The Company has complied with all the prescriptive requirements, and adopts management practices that are consistent with the principles prescribed under the guideline.

The Board is supported by the Board Audit Committee ("BAC"), the Board Risk Management Committee ("BRMC"), the Nominations Committee ("NC"), the Remuneration Committee ("RC"), (which was combined to the Nominations Remuneration Committee ("NRC")) and Strategic Capability Committee ("SCC"). The memberships, roles and terms of reference of the committees are as follows:

(i) Board Audit Committee ("BAC")

The BAC comprises 2 independent, non-executive directors and 1 non-independent, non-executive director. The attendance of the members of the committee at the 4 Audit Committee meetings held during the financial year was as follows:

	Attendance
Chairperson:	
Puan Nuraini binti Ismail	4/4
Members:	
Mr. Kokula Krishnan Ganesalingam	4/4
Mr. Casparus Jacobus Hendrik Kromhout	4/4

The BAC supports the Board in ensuring that there is a reliable and transparent financial reporting process within the Company. They also oversee the effectiveness of the internal audit function by:

(a) Reviewing and approving the Annual Audit Plan and its revision;

(b) Reviewing key audit reports and ensuring that Senior Management takes necessary corrective actions on a timely manner to address control weaknesses, non-compliance with laws and regulatory requirements, policies and other issues identified by the Internal Audit Division and other control functions;

(c) Reviewing the independence and reporting relationships of Internal Audit Division as well as the adequacy and relevance of the scope, functions, competency and resources and the necessary authority to carry out its work; and

(d) Establishing a mechanism to assess the performance and effectiveness of the Internal Audit function.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Board of Directors (cont'd.)

(i) Board Audit Committee ("BAC") (cont'd.)

In addition, the BAC fosters a quality audit of the Company by exercising oversight over the external auditor in accordance with the expectations set out in the BNM guidelines. The main duties and responsibilities of the AC on the external auditor are:

(a) Making recommendations to the Board on the appointment, removal and remuneration of the external auditor;

(b) Monitoring and assessing the independence of the external auditor including approval of the provision of non-audit services by the external auditor;

(c) Monitoring and assessing the effectiveness of the external audit, including by meeting with the external auditor without the presence of senior management at least annually;

(d) Maintaining regular, timely, open and honest communication with the external auditor, and requiring the external auditor to report to BAC on significant matters; and

(e) Ensuring that senior management takes necessary corrective actions in a timely manner to address external audit findings and recommendations.

(ii) Board Risk Management Committee ("BRMC")

The BRMC comprises 3 independent, non-executive directors. The attendance of the members of the committee at the 4 committee meetings held during the financial year was as follows:

	Attendance
Chairman:	
Mr. Kokula Krishnan Ganesalingam	4/4
Members:	
Mr. Mohammad Nizar bin Idris	4/4
Puan Nuraini binti Ismail	4/4

The role of the BRMC is to advise and assist the Board in fulfilling its responsibility with regard to overseeing the design and implementation of Company's risk assurance framework and responsibilities in accordance with BNM guidelines and SEM group policies. The BRMC assists the Board, including but not limited to:

(a) determining the risk appetite and level of risk tolerance for the Company;

(b) setting and implementing the Company risk assurance framework and supporting policies;

(c) setting and implementing compliance related policies;

(d) evaluating the adequacy and efficiency of the risk management system;

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Board of Directors (cont'd.)

(ii) Board Risk Management Committee ("BRMC") (cont'd.)

The role of the BRMC is to advise and assist the Board in fulfilling its responsibility with regard to overseeing the design and implementation of Company's risk assurance framework and responsibilities in accordance with BNM guidelines and SEM group policies. The BRMC assists the Board, including but not limited to: (cont'd.)

(e) identifying the build-up and concentration of the various risks to which the Company is exposed;

(f) establishing an independent risk management function;

(g) establishing a process for appropriate risk disclosures to stakeholders;

(h) ensuring that a formal assessment of the risk management processes is undertaken; and

(i) overseeing the state of IT governance and information management and security across the Company.

(iii) Nominations Remuneration Committee ("NRC")

The Nominations Committee and Remuneration Committee were combined to Nominations Remuneration Committee on 19 September 2024.

The NRC comprises 4 independent, non-executive directors and 1 non-independent, non-executive director. The attendance of the members of the committee at the 1 committee meeting held during the financial year was as follows:

	Attendance
Chairman:	
Puan Nuraini binti Ismail (appointed 19 September 2024)	1/1
Members:	
Mr. Mohammad Nizar bin Idris	1/1
Mr. Casparus Jacobus Hendrik Kromhout	1/1
Datin Seri Sunita Mei-Lin Rajakumar	1/1
Mr. Kokula Krishnan Ganesalingam	1/1

The primary objective of the Nominations Remuneration Committee (“NRC”) is to:

- Support the Board in carrying out its functions in the following matters concerning the Board, Senior Management and Company Secretary:

  (a) appointments and removals;
  (b) composition;
  (c) performance evaluation and development; and
  (d) fit and proper assessments;

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Board of Directors (cont'd.)

(iii) Nominations Remuneration Committee ("NRC") (cont'd.)

- Support the Board in actively overseeing the design and operation of the Company's remuneration system and periodically review the remuneration of directors on the Board, particularly on whether remuneration remains appropriate to each director's contribution, taking into account the level of expertise, commitment and responsibilities undertaken.

(iv) Nominations Committee ("NC")

The NC comprises 4 independent, non-executive directors, 1 non-independent, non-executive director and 1 executive director. The attendance of the members of the committee at the 5 committee meetings held during the financial year was as follows:

	Attendance
Chairman:	
Datin Seri Sunita Mei-Lin Rajakumar	5/5
Members:	
Mr. Mohammad Nizar bin Idris	5/5
Mr. Casparus Jacobus Hendrik Kromhout (appointed on 24 July 2024)	2/2
Mr. Kokula Krishnan Ganesalingam (appointed 24 July 2024)	2/2
Puan Nuraini binti Ismail (appointed 24 July 2024)	2/2
Mr. Prasheem Seebran (resigned on 24 July 2024)	3/3

NC is responsible for making recommendations to the Board on all new appointments to the Board and its committees. It undertakes a formal process of reviewing the balance and effectiveness of the Board and its committees to ensure the Board and its committees remain effective and focused. This includes a regular review of the composition of the Board committees and identifying the skills needed and the individuals to provide such skills in a fair and efficient manner. It also includes assisting the Chairman with the annual evaluation of Board and Board Committee performance. It is responsible for identifying appropriate Board candidates and evaluating them against the specific disciplines and areas of expertise required.

Succession planning is a key focus area within the Company. The NC considers the composition of the Board and its committees on an on-going basis. The NC assist the management in managing the Company's top talent.

NC is responsible in overseeing the appointments and removals, succession planning and performance evaluation of senior management and company secretary of the Company. The NC will ensure the proper execution of the management succession planning framework that seeks to provide a pool of competent candidates to fill key positions in the Company in the medium to long term.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Board of Directors (cont'd.)

(v) Remuneration Committee ("RC")

The RC comprises 2 independent, non-executive directors and 1 non-independent, non-executive director. The attendance of the members of the committee at the 1 committee meetings held during the financial year was as follows:

	Attendance
Chairman:	
Datin Seri Sunita Mei-Lin Rajakumar	1/1
Members:	
Mr. Mohammad Nizar bin Idris	1/1
Mr. Casparus Jacobus Hendrik Kromhout	1/1

The RC is responsible for developing the remuneration strategy of the Company and presenting it to the Board for approval. Its activities include approving the guidelines and philosophy to be applied in formulating mandates for all bonus and setting remuneration packages of the directors, CEO, senior management and company secretary, relative to industry benchmarks. The RC has the prerogative to make all remuneration decisions it deems appropriate within an approved framework and may propose amendments to any part of the Company's remuneration policy as necessitated by changing circumstances. To fulfil the role described above, the RC undertakes the following:

(a) develops and recommends to the Board for approval bonus incentive schemes for the Company. It includes the setting of guidelines for annual allocations and a regular review of the appropriateness and structure of the schemes to ensure alignment with the Company strategy and shareholder and other stakeholder interests;

(b) develops and recommends to the Board for approval the remuneration strategy as far as the remuneration of Company's directors, CEO, senior management and company secretary;

(c) review the management of the employment contracts of Company's directors, CEO and senior management to ensure that their terms are aligned with good practice principles; and

(d) develops and recommends to the Board for approval incentive schemes for the directors, CEO and senior management. It includes the setting of annual targets, monitoring those targets and reviewing the incentive schemes on a regular basis to ensure that there is a clear link between the schemes and performance in support of the Company strategy.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Board of Directors (cont'd.)

(vi) Strategic Capability Committee ("SCC")

The SCC comprises 2 independent, non-executive directors and 1 non-independent, non-executive director. The attendance of the members of the committee at the 4 committee meetings held during the financial year was as follows:

	Attendance
Chairman:	
Mr. Kokula Krishnan Ganesalingam	4/4
Members:	
Mr. Casparus Jacobus Hendrik Kromhout	3/4
Datin Seri Sunita Mei-Lin Rajakumar	3/4

The role of the SCC is to advise and assist the Board in fulfilling its oversight responsibilities with respect to other sustainability activities of the Company, over and above technology, including but not limited to the monitoring and measurement of the Company's impact and its sustainability activities. SCC assist the Board including and not limited to:

(a) Strategy

(i) Ensure effective implementation of the Digital Framework to drive the company's business strategy;
(ii) Review and assess the effectiveness of Data Strategy and Practices in the Company, and how the Company is utilizing data in business decisions in order to optimize the use of Company resources;
(iii) Review and assess the Customer Experience Strategy and Practices of the company, and how it finds application in the business practices and technology of the Company; and
(iv) Review and assess how the data, customer experience and efficiency strategies of the Company shape the Enterprise Architecture of the Company.

(b) Technology Governance

(i) Review and ensure that the company is operated within the technology risk appetite which is aligned with the Company's risk appetite statement including the corresponding risk tolerances for technology-related events and ensure key performance indicators and forward-looking risk indicators are in place;
(ii) Review and recommend the Company's IT strategies, frameworks, and policies for the approval by the Board;
(iii) Review and assess the Company's adequacy of IT policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively and supports implementation; and
(iv) Ensure that the Technology functions (include but not limited to IT and Security) is set up to be commensurate with the Company's size, nature of operations and complexity of its business as well as having adequate resources and staffed by an appropriate number of experienced and qualified employees to achieve the company's strategic objectives.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Board of Directors (cont'd.)

(vi) Strategic Capability Committee ("SCC") (cont'd.)

(c) Cybersecurity

Oversee the adequacy of the Company's IT and cybersecurity strategic plans that addresses the Company's requirements on infrastructure, control measures to mitigate IT, cyber risk and financial and non-financial resources performance indicators and forward-looking risk, indicators are in place.

(d) Performance Measurement and Monitoring

(i) Review and assess the impact of new and emerging technology projects on the Key Value drivers and business matrix of the company, performance indicators and forward-looking risk indicators are in place;
(ii) Review and assess the benefit realization of implemented projects against the forecasted value drivers and business matrix; and
(iii) Review and access the company's sustainability key matrix.

SCC was renamed Transformation and Innovation Committee ("TIC") on 27 November 2024.

Its primary objective to assist the Board of Directors in fulfilling its oversight responsibilities with respect to the Company strategic initiatives in the areas of Technology, Data and Management Information Systems (MIS), Sustainability and Climate Change, and Outsourcing to the extent that any matter under the oversight of the Committee is outsourced.

The TIC will ensure that the Company's innovation and transformation activities align with the overall business strategy, comply with regulatory requirements, support sustainability objectives, and will position the Company for long-term growth and financial and operational resilience, and will monitor the outcomes of these.

The Committee shall monitor the actions which safeguard the Company's resilience against the adverse impacts of climate change. In fulfilling this role, the Committee shall evaluate the risks and opportunities arising from climate change on a periodic basis and consider these risks and opportunities in assessing and approving the strategies and business plan.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Remuneration policies and practices

Remuneration philosophy

The Company's remuneration philosophy is to attract and retain qualified employees and achieve high performance through its people by paying fair and competitive remuneration packages consistent with the economic capacity of the Company, and commensurate with those of the industry in which the Company operates. The Company remuneration philosophy aims to:

(i) Pay for performance taking into consideration:

- (a) the interest of the Company's stakeholders;
- (b) the performance of the Company as a whole;
- (c) the performance of the respective business and support divisions; and
- (d) the performance of the individual staff.

(ii) Fair and equitable

The salaries paid to the employees are internally equitable, relative to similar jobs in the Company.

(iii) Competitive

Consideration is also given to remain market competitive with the insurance and financial services group.

Remuneration governance

Policies related to remuneration for individual contributors and management employees are subject to the Talent Management & Remuneration Committee and Board's approval. This includes remuneration budgets, revision of salary ranges, collective agreements with executive union and national union of commercial workers as well as determining the overall performance bonus pool.

The individual appointments, performance appraisal and remuneration packages of the senior management and company secretary are also subject to the Board's approval.

Performance metrics

Performance management is used to focus and align the Company, department and individual's performance and behaviour towards the achievement of its short, medium and long term goals and aspirations. The metrics used in performance management are reviewed periodically and seek to provide optimal direct line of sight to longer term aspirations and motivate employees towards the desired outcomes and observed core values.

Key performance metrics are applied as below:

Employees' performance and remuneration distributions are subject to robust moderation review by the Chief Executive Officer and Executive Management Committee members to ensure fairness and alignment to Company's performance in terms of financials, growth and risk. The moderation review allows for multiple level input and therefore minimises excesses or biasness in performance and remuneration practices. Particular focus on compliance and risk management is in place and set up to 20% of the total performance requirement for employees.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Remuneration policies and practices (cont'd.)

Performance metrics (cont'd.)

Key performance areas	Revenue generating employees	Support employees	Control employees
Corporate Scorecard	✓	✓	
Governance (Risk, Compliance & Audit)	✓	✓	✓
Shared KPI - Acheivement of ROGEV	✓	✓	
Value Creation & Portfolio Management - Achievement of ROGEV	✓	✓	
Divisional & Individual	✓	✓	
Finance			✓
Effectiveness & Efficiency			✓
Sustainability	✓	✓	✓

There has been no changes to the remuneration elements or structure during the financial year. The Company has implemented a long-term variable pay plan ("LTV") aimed at achievement of its long-term goals and aspirations. The LTV deferred reward payment differentiated by levels of accountability is subject to achievement of company annual target embedded value and the performance of members of senior management and other material risk takers.

Types of remuneration	Fixed	Variable
Basic salary and allowances	✓	-
Cash-based performance bonus	-	✓
LTV	-	✓
Benefits	✓	-

Senior management and other material risk takers

(i) Senior management

Senior management of the Company is the highest level of management who direct and oversee the day-to-day operations of the Company. They typically are heads of the Company's functional divisions and departments. They possess significant influence over their departments in aligning the direction of the departments to the Company.

During the financial year, senior management comprises 14 key personnel who undertook the following roles:

1. Chief Executive Officer
2. Chief Agency Officer
3. Chief Technology Officer

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Remuneration policies and practices (cont'd.)

Senior management and other material risk takers (cont'd.)

(i) <u>Senior management (cont'd.)</u>

During the financial year, senior management comprises 14 key personnel who undertook the following roles: (cont'd.)

4. Chief Financial Officer
5. Chief Investment Officer
6. Chief People Officer
7. Chief Compliance Officer*
8. Chief Risk Officer*
9. Chief Strategy Officer
10. Chief Internal Auditor*
11. Chief Corporate Development Officer
12. Chief Customer Experience & Marketing Officer
13. Chief Product Officer
14. Appointed Actuary*

* Senior management at control function

(ii) <u>Other material risk takers</u>

Other material risk takers as defined in the BNM guidelines on Corporate Governance are employees who may or may not be a member of the senior management and:

(a) can materially commit or control significant amounts of the Company’s resources or whose actions are likely to have a significant impact on its risk profile; or

(b) is among the most highly remunerated officers in the Company.

During the financial year, other material risk takers comprise 2 key personnel who undertook the following roles:

1. Head, Legal
2. Company Secretary

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Remuneration policies and practices (cont'd.)

Senior management and other material risk takers (cont'd.)

Total remuneration and number of senior management and other material risk takers received the remuneration during the financial year are as follows:

	Senior management and other material risk takers			CEO
	Unrestricted Amount RM'000	Number of officers	Deferred Amount RM'000	Unrestricted Amount RM'000
Non-deferred				
Fixed remuneration				
Cash based	9,792	16	-	2,218
Others	796	16	-	120
Variable remuneration				
Cash based	3,953	16	-	1,093
Others	2,189	16	-	539
	16,730		-	3,970

13 senior management and other material risk takers are entitled for the deferred remuneration. There was no deferred remuneration paid during the financial year.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Key internal control and risk management processes

(i) Governance and risk management framework

The Company has established a governance and risk management framework ("the framework") to serve as an overarching document that guides the Company's governance and risk management policies and procedures. The framework outlines the roles and responsibilities of the oversight functions within the Company in relation to governance and risk management matters. The framework also provides standard and common risk management philosophies and methodologies across all risk types and risk environments within the Company. The Company's Compliance Policy outlines the roles and responsibilities of the Board, senior management, heads of departments, oversight functions and all staff in overseeing and ensuring effective management of compliance risks within the Company. In addition, the Compliance Policy provides guiding principles and minimum standards in relation to compliance risk. The Compliance Policy was enhanced in 2024 to include clarifications on roles and responsibilities of Board and senior management, and updating communication protocols with regulators.

Corporate independence

The Company has complied with the requirements of BNM's Guidelines on Related Party Transactions (BNM/RH/GL 018-6) in respect of all its related party undertakings. Necessary disclosures were made to the Board and where required, the Board's prior approval for the transaction has also been obtained. All material related party transactions have been disclosed in the financial statements.

Enterprise Risk Management (ERM) Framework

The Company has established a structured approach to enterprise-wide risk management within its risk management framework. This approach is supported by comprehensive risk frameworks, policies, and procedures that facilitate consistent risk identification, assessment, and management across the organization. The ERM framework is developed and continuously updated to align with prevailing regulatory requirements and best practices. It also draws from globally recognized risk management standards, such as ISO 31000 and the COSO ERM Framework, ensuring the Company's risk management practices remain robust, dynamic, and effective in a changing risk environment.

Risk Appetite Statements and Risk Tolerance Level

The Company's Risk Appetite Statement (RAS) aims to articulate the types and quantum of risk it is prepared to take in pursuit of its strategic objectives. It sets out quantitative and qualitative boundaries on risk-taking activities which apply across the organization supplemented with the breakdown of these high-level statements into more detailed limits under the Risk Tolerance Levels. The risk appetite criteria have been specified for each of the risk categories affecting the Company as specified in the ERM framework and Risk Taxonomy.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Key internal control and risk management processes (cont'd.)

(i) Governance and risk management framework (cont'd.)

Risk Governance

The Company’s risk governance framework adopts the "Three-Lines-of-Defence" model in managing the risks. It provides a formal, transparent and effective risk governance structure to promote active involvement from the Board, senior management and all employees in the risk management process across the Company.

The first line of defence rests upon the business units and support functions involved in risk taking who are responsible for ensuring that effective and appropriate processes are in place at all times in accordance with the framework. The amount of risk taken at each level of the organisation must be within the Company’s risk appetite.

The second line of defence comprised of oversight functions namely Risk Management and Compliance that report directly to BRMC and BoD respectively, who are responsible for driving the overall risk management and compliance framework of the Company.

The third line of defence is assumed by the Internal Audit Division which is responsible for providing independent assurance and advisory insights over the design, effectiveness and implementation of the overall system of internal controls put in place by business units as well as the risk management and compliance functions.

The BRMC meets regularly, at least every quarter in a financial year, to review risk management reports of the Company.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Key internal control and risk management processes (cont'd.)

(i) Governance and risk management framework (cont'd.)

Risk Processes, Monitoring and Reporting

The Company has implemented comprehensive self-assessment processes across all business units and support functions to continuously evaluate the effectiveness of systems, internal controls, and compliance with regulatory requirements. The risk management process involves key activities, including the identification, analysis, and evaluation of risks, the implementation of mitigation measures, regular monitoring and review, and effective communication and consultation among stakeholders. Risk owners, such as Heads of Departments, are responsible for identifying risks within their areas, assessing the adequacy of existing controls, evaluating the likelihood and impact of these risks, and regularly monitoring and addressing them. The results of these evaluations are reviewed by the Risk Management team and reported to senior management and the Board to ensure robust oversight and informed decision-making.

The Company’s Enterprise Risk Management (ERM) Policy also outlines processes for the monitoring, escalation, and reporting of Top Key Risks, Key Risk Indicators (KRIs), and metrics related to Operational, Financial, and Technology risks. These reports are presented monthly and quarterly to Management and the BRMC, ensuring effective governance and a proactive approach to managing risks.

Risk Culture

As part of “Tone from the Top”, the Board and Senior Management emphasise in communications to employees on the need for good governance and strong risk and compliance, e.g. townhalls. The Company promotes risk management and compliance culture among all employees through regular departmental and divisional risk and compliance meetings and targeted risk and compliance awareness programmes such as road shows, workshops and knowledge sharing sessions.

(ii) Internal audit function

The Internal Audit function operates in compliance with the Bank Negara Malaysia Guidelines on the Effective Internal Audit Function for Licensed Institutions and the International Professional Practices Framework (IPPF) established by the Institute of Internal Auditors (IIA). The IPPF serves as a foundation for stakeholders including the Board Audit Committee (BAC), Senior Management, and Regulators to evaluate how effectively the Internal Audit function achieves its mission and objectives. It also provides clear criteria for assessing the function's effectiveness, performance, and quality.Commencing January 2025, a new Global Internal Audit Standard issued by the IIA will be replacing IPPF to align with modern governance and risk practices.

The Internal Audit function is pivotal in advancing the Company's objectives by employing an objective and disciplined approach to evaluate and enhance the effectiveness of risk management, internal control systems, and governance processes. This function acts as a crucial advisory resource for the BAC, providing valuable insights into weaknesses or deficiencies within internal processes. These insights enable the Company to implement appropriate remedial measures, thereby strengthening its operational frameworks.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Key internal control and risk management processes (cont'd.)

(ii) Internal audit function (cont'd.)

The internal audit function is under the purview of the Internal Audit Division (IAD) which operate autonomously within the Company, conducting independent assessments, consulting activities, and providing impartial assurance on the effectiveness of internal controls, risk management, and governance processes. The IAD personnel maintain independence from the Company's daily operations, ensuring they have unrestricted access to all activities.

The IAD plays a crucial role in enhancing and safeguarding the Company's value. It achieves this by providing advice and insights into the efficiency, effectiveness, and business relevance of internal processes, all aimed at realizing the Company's vision and strategic objectives.

To reinforce and uphold their roles within the company, the IAD operates in accordance with the Internal Audit Charter. This comprehensive document defines the Objectives, Mission, Purpose, Authority, Responsibilities, Independence, Objectivity, Standards, and the Quality Assurance & Improvement Program that guide the Internal Audit function.

In addition, the IAD is guided by the Internal Audit Standard Operating Procedures, the Internal Audit Grading Framework, relevant guidelines from the Sanlam Group, and established frameworks such as the COSO Internal Control Framework and the COSO Enterprise Risk Management Framework. These resources enable the IAD to effectively evaluate and report on the adequacy and effectiveness of the Company's internal control, risk management, and governance design and implementation.

Independence

The independence of the Internal Audit function is firmly established through the Chief Internal Auditor's (CIA) direct functional reporting to the BAC. This structure safeguards the CIA's autonomy from the activities being audited, including managerial decisions related to operations, business matters, and internal control processes across the Company. The direct reporting line to the BAC ensures the CIA has unrestricted access to sensitive issues, enhancing the organizational standing of the function. Additionally, administrative reporting to the CEO grants the CIA the authority to execute duties without hindrance and to address challenging issues with Senior Management effectively.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (cont'd.)

Key internal control and risk management processes (cont'd.)

(ii) Internal audit function (cont'd.)

Annual Audit Plan

The IAD employs a risk-based and agile methodology to develop its Annual Audit Plan. This approach integrates Company-wide governance, risk, and compliance factors alongside insights from initiatives undertaken by other lines of defense. The plan prioritizes a range of critical factors, including financial performance, risk exposure, control issues, prior audit opinions, regulatory requirements, and management requests or concerns. The audit scope covers a comprehensive range of auditable areas across the Company.

The proposed Annual Audit Plan undergoes review and approval by the BAC, with regular progress updates provided during the year. In line with the agile methodology, the IAD continually assesses the plan to ensure that high-risk areas are prioritized, and resources are allocated efficiently. Any revisions or deviations to the plan are presented to the BAC for their review and approval, maintaining alignment with the Company's evolving risk landscape.

Investigation

The Internal Audit Division proactively addresses investigations concerning whistleblowing reports and specific incidents that may contravene internal policies or regulatory requirements. These investigations focus on areas such as confidentiality breaches and financial misconduct, especially those with significant potential impact on the Company.

Communicating Results and Monitoring Action Plans

The findings from internal audit reviews, including observations, identified risks, root causes, recommendations, Management's responses, and action plans, are presented to the BAC for thorough evaluation and discussion. The IAD closely monitors the implementation of action plans to ensure that remediation efforts are appropriate, effective, and completed within agreed-upon timelines.

When extensions to deadlines for rectification or remediation are necessary, the matter is escalated to the Executive Management Committee (EMC) and ultimately approved by the BAC. This structured approach ensures a rigorous and accountable process for addressing and resolving internal audit observations.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Statement by directors
Pursuant to Section 251(2) of the Companies Act, 2016

We, Mr. Mohammad Nizar bin Idris and Puan Nuraini binti Ismail, being two of the directors of MCIS Insurance Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 34 to 170 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 7 March 2025.

Mr. Mohammad Nizar bin Idris

Puan Nuraini binti Ismail

Petaling Jaya, Malaysia
7 March 2025

Statutory declaration
Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Mr. Prasheem Seebran, being the Director primarily responsible for the financial management of MCIS Insurance Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 34 to 170 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed Mr. Prasheem Seebran)
at Petaling Jaya in Selangor Darul Ehsan)
on 7 March 2025)

Mr. Prasheem Seebran

Before me,

PESURUHJAYA SUMPAH
B 459
GUNALAN A/L MUNUSAMY
1.1.2025 - 31.12.2027
MALAYSIA

NO: 13, (TINGKAT 1) JALAN 52/10
PJ NEW TOWN
46200 PETALING JAYA, SELANGOR.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
Fax +60 (3) 7721 3399
Website www.kpmg.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCIS INSURANCE BERHAD

(Company No. 199701019821 (435318-U))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MCIS Insurance Berhad, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 34 to 170.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information obtained at the date of this auditors' report is the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 7 March 2025

Lee Yeit Yeen
Approval Number: 03484/02/2026 J
Chartered Accountant

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Statement of financial position
As at 31 December 2024

	Note	2024 RM'000	2023 RM'000
Assets			
Property and equipment	3	55,873	45,369
Investment properties	4	-	300
Right-of-use assets	5	11,126	14,046
Intangible assets	6	20,034	24,508
Investments	7	4,333,191	4,301,073
Insurance contract assets	8	37,490	32,973
Reinsurance contract assets	8	147,779	76,791
Other receivables	9	43,752	50,109
Current tax assets		9,826	5,118
Cash and bank balances		28,723	38,856
		4,687,794	4,589,143
Non-current assets held for sale	10	946	696
Total assets		4,688,740	4,589,839
Equity			
Share capital	11	125,024	125,024
Retained profits	12	207,468	221,573
Total equity		332,492	346,597
Liabilities			
Insurance contract liabilities	8	3,904,880	3,855,909
Reinsurance contract liabilities	8	131,720	51,534
Deferred tax liabilities	13	56,773	54,193
Lease liabilities	14	11,970	14,926
Other payables	15	51,686	67,528
Subordinated notes	16	199,219	199,152
Total liabilities		4,356,248	4,243,242
Total equity and liabilities		4,688,740	4,589,839

The accompanying notes form an integral part of the financial statements.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Statement of profit or loss
For the financial year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Insurance revenue	17	460,692	411,946
Insurance service expenses	18	(489,941)	(375,211)
Net income from reinsurance contracts	19	6,042	3,431
Insurance service result		(23,207)	40,166
Investment income	20	175,305	175,866
Realised gains	21	4,424	12,241
Fair value gains	22	112,837	147,760
Investment return		292,566	335,867
Net finance expense from insurance contracts	23	(251,500)	(315,692)
Net finance income from reinsurance contracts	23	55	601
Net financial results		41,121	20,776
Other operating expenses		(7,170)	(8,526)
Finance cost		(11,283)	(11,469)
(Loss)/Profit before taxation		(539)	40,947
Taxation	24	(13,566)	(31,422)
Net (loss)/profit for the year		(14,105)	9,525
(Loss)/Earnings per share (sen)			
Basic and diluted	25	(14.1)	9.5

The accompanying notes form an integral part of the financial statements.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Statement of changes in equity
For the financial year ended 31 December 2024

		<---------- Non-distributable			---------->	Distributable		
			Retained profits					
	Note	**Share capital RM'000**	**Unallocated surplus of non-participating funds RM'000**	**Accumulated losses of participating fund RM'000**	**Retained profits of life fund* RM'000**	**Retained profits of shareholders' fund RM'000**	**Sub-total RM'000**	**Total equity RM'000**
At 1 January 2023		125,024	188,982	(62,971)	126,011	95,032	221,043	346,067
Net profit for the year		-	17,686	9,943	27,629	(18,104)	9,525	9,525
Dividends paid during the year	26	-	-	-	-	(8,995)	(8,995)	(8,995)
At 31 December 2023		125,024	206,668	(53,028)	153,640	67,933	221,573	346,597
At 1 January 2024		125,024	206,668	(53,028)	153,640	67,933	221,573	346,597
Net loss for the year		-	(14,581)	3,504	(11,077)	(3,028)	(14,105)	(14,105)
At 31 December 2024		125,024	192,087	(49,524)	142,563	64,905	207,468	332,492

* Non-distributable retained earnings comprise of the unallocated surplus and accumulated losses of the Life fund (which includes participating and non-participating funds), net of deferred tax, which is wholly attributable to the shareholders. This amount is only distributable upon the actual transfer of surplus from Life fund to the Shareholder's fund as recommended by the Appointed Actuary of the Company.

The accompanying notes form an integral part of the financial statements.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Statement of cash flows
For the financial year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Operating activities			
Cash generated from operating activities	27	23,269	21,579
Interest paid on lease liabilities		(699)	(850)
Interest paid on subordinated notes	16	(10,658)	(10,600)
Income tax paid		(15,694)	(18,628)
Net cash flows used in operating activities		(3,782)	(8,499)
Investing activities			
Net proceeds from disposal of non-current assets held for sale		-	550
Purchase of property and equipment	3	(18,646)	(20,052)
Purchase of intangible assets	6	(123)	(302)
Net cash flows used in investing activities		(18,769)	(19,804)
Financing activities			
Dividends paid	26	-	(8,995)
Payment of principal portion of lease liabilities	5	(4,806)	(5,642)
Net cash flows used in financing activities		(4,806)	(14,637)
Cash and cash equivalents			
Net decrease in cash and cash equivalents		(27,357)	(42,940)
Cash and cash equivalents at beginning of year		287,817	330,757
Cash and cash equivalents at end of year		260,460	287,817
Cash and cash equivalents comprise of:			
Cash and bank balances		28,723	38,856
Short term deposits with original maturity periods of less than 3 months	7(a)	231,737	248,961
		260,460	287,817

The accompanying notes form an integral part of the financial statements.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Notes to the financial statements
For the financial year ended 31 December 2024

1. Corporate information

The Company is principally engaged in the underwriting of life and investment linked insurance. There was no significant change in the principal activity during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The principal place of business of the Company is located at Wisma MCIS, Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan.

The immediate and ultimate holding companies are Sanlam Emerging Markets Proprietary Limited ("SEM") and Sanlam Limited respectively. Both companies are incorporated in South Africa.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 7 March 2025.

2. Material accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting Standards”), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

At the beginning of the financial year, the Company had fully adopted new and amended MFRS Accounting Standards and interpretation to standards as described in Note 2.3. Standards, interpretations and amendments that have been issued by MASB but have not been adopted by the Company are described in Note 2.4.

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise stated in the accounting policies below.

As at the reporting date, the Company has met the minimum capital adequacy requirements as prescribed under the Risk-Based Capital ("RBC") Framework issued by Bank Negara Malaysia ("BNM").

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.1 Basis of preparation (cont'd.)

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Income and expense will not be offset in the income statement unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM’000) except when otherwise indicated.

2.2 Summary of material accounting policies

(a) Property and equipment and depreciation

All items of property and equipment are initially recorded at cost. Subsequent to initial recognition, property and equipment, except for land and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings are stated at revalued amounts, which is the fair value at the date of the revaluation less any accumulated depreciation and any accumulated impairment losses. Fair value is determined from market-based evidence by appraisals that are undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity of at least once in every three years with additional valuations in the intervening years where market conditions indicate that the carrying values of the revalued assets are materially different from the fair values. Any increase in the carrying amount arising from the revaluation of land and buildings is credited to an asset revaluation reserve as a revaluation surplus in the insurance contract liabilities of the participating funds or statement of comprehensive income of the non-participating funds, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the income statement in which case the increase is recognised in the income statement to the extent of the decrease previously recognised.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(a) Property and equipment and depreciation (cont'd.)

A revaluation deficit is first offset against previously recognised revaluation surplus in respect of the same asset in the statement of financial position, and any remaining deficit is thereafter recognised in profit or loss.

Freehold land has an unlimited useful life and therefore is not depreciated. Work-in-progress are also not depreciated until the assets are ready for their intended use.

Depreciation of other property and equipment is computed on a straight-line basis over its estimated useful life at the following annual rates:

Freehold and leasehold buildings	Over the remaining useful period or 50 years which ever is lower
Motor vehicles	20%
Furniture, fixtures and fittings	10%
Office equipment	10%
Computer equipment	20%
Office renovation	20%

The residual values, useful lives and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property and equipment.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets are not capitalised and expenditure is reflected in the income statement in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of five to ten years.

Costs associated with maintaining computer software programmes are recognised as an expense when incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include employee costs incurred as a result of developing software and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised using the straight line method over their estimated useful lives, not exceeding a period of ten years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

The carrying amount of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(c) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) The Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Company recognises right-of-use assets at the lease commencement date. Right-of-use assets are measured at cost, less any accumulated amortisation and impairment losses, and adjusted for any re-measurement of lease liabilities, except for those leasehold lands, which are measured in accordance with MFRS 116 *Property, Plant and Equipment* .

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful lives of the assets.

The right-of-use assets are also subject to impairment as described in Note 2.2(d).

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(c) Leases (cont'd.)

(i) The Company as lessee (cont'd.)

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase or extension option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

(c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. these leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Company also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(c) Leases (cont'd.)

(ii) The Company as lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sublease as an operating lease.

Rental income arising is accounted for as an straight-line basis over the lease term.

(d) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of the net realisable value and the value in use, which is measured by reference to discounted cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

An impairment loss is recognised in profir or loss in the period in which it arises. Subsequent increases in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. A reversal of impairment loss is recognised in the income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(e) Financial instruments

On initial recognition, a financial asset is classified as measured at amortised cost or fair value through profit or loss (“FVTPL”).

<u>Amortised cost</u>

The Company has designated its loan receivables which meet the condition as instruments at amortised cost.

<u>FVTPL</u>

All financial assets not classified as measured at amortised cost are measured at FVTPL. Any gains or losses from changes in fair value and interest are recognised in the income statement. On initial recognition the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Company has designated all its debt securities, which meet the above condition, as FVTPL, as the fair value option was elected.

All financial assets, except for those measured at FVTPL and equity investments measured at FVOCI, are subject to impairment assessment (see Note 2.2(g)).

(f) Fair value measurement

The Company measures financial instruments and non-financial assets such as investment properties and right-of-use assets, at fair value at each reporting date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(f) Fair value measurement (cont'd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy 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.

The fair value of financial instruments is determined by reference to marked-to-market prices for assets and offer prices for liabilities, at the close of business on the reporting date.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is carried out annually by Finance and Property Department of the Company. Selection criteria include market knowledge, experience, reputation, independence and whether professional standards are maintained. A valuation is done on an annual basis.

At each reporting date, the Finance and Property Department analyses the movements in the values of assets which are required to be re-measured or re-assessed in accordance with the Company's accounting policies.

The Property Department and the Company's external valuers also compare the changes in the fair value of each property with relevant external sources to determine whether the changes are reasonable.

The valuation results, as performed by the Company's external valuers, are presented to the Board in the year the valuation is performed.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability, and the level of the fair value hierarchy as described in note 36.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(g) Impairment of financial assets

Financial instruments that are not measured at FVTPL

The Company recognises loss allowances for expected credit losses ("ECL") on loans receivables measured at amortised cost.

The Company assesses on a forward looking basis the ECL associated with loans receivables measured at amortised cost. The Company recognises a loss allowance for ECL at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company measures loss allowances at an amount equal to lifetime ECL, except for financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL represents the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

(h) Derecognition of financial assets/liabilities

Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when the obligation under the liabilities are discharged, cancelled or expired.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(i) Insurance and reinsurance contracts

Classification

Contracts under which the Company accepts significant insurance risk are classified as insurance contracts. Contracts held by the Company under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Company to financial risk.

The Company does not accept insurance risk from other insurers.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Company, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to ‘insurance contracts’ and ‘reinsurance contracts’ include contracts issued, initiated or acquired by the Company, unless otherwise stated.

Insurance contracts are classified as direct participating contracts or contracts without direct participation features. Direct participating contracts are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;

- the Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and

- the Company expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

All other insurance contracts and all reinsurance contracts are classified as contracts without direct participation features. Some of these contracts are measured under the PAA (see Note 2.2 (j) - Measurement – Contracts measured under the PAA).

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(i) Insurance and reinsurance contracts (cont'd.)

<u>Separating components from insurance and reinsurance contracts</u>

At inception, the Company assesses the features of the insurance and reinsurance contracts whether the following components are present and require separation from the insurance and reinsurance contracts:

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument; and

- distinct investment components: i.e. investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

The Company currently does not issue any insurance contracts or enter into any reinsurance contracts that include the above components.

After separating any financial instrument components, the Company separates any promises to transfer to policyholders distinct goods or services other than insurance coverage and investment services and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the Company provides a significant service of integrating the good or service with the insurance component.

The Company currently does not issue any insurance contracts which provides distinct services or goods to the policyholders.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(i) Insurance and reinsurance contracts (cont'd.)

Aggregation and recognition of insurance and reinsurance contracts

Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts (i.e. by year of issue) and each annual cohort into three groups based on the profitability of contracts:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

An insurance contract issued by the Company is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Company provides services in respect of any premiums within the boundary of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

An insurance contract acquired in a transfer of contracts or a business combination is recognised on the date of acquisition. The Company did not acquire any insurance contracts during the financial year. When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(i) Insurance and reinsurance contracts (cont'd.)

Aggregation and recognition of insurance and reinsurance contracts (cont'd.)

Reinsurance contracts

Groups of reinsurance contracts are determined by identifying the underlying direct contracts it covers, the corresponding reinsurer and dividing each portfolio into annual cohorts (i.e. by year of issue). Each annual cohort is categorized into three groups based on the profitability of the reinsurance contracts:

- a group of reinsurance contracts that are at a net gain to the Company at initial recognition, if any;
- a group of reinsurance contracts that at initial recognition have no significant possibility of becoming a net gain to the Company, if any; and
- a group of the remaining reinsurance contracts in the portfolio, if any.

Some reinsurance contracts provide cover for underlying contracts that are included in different groups. However, the Company concludes that the reinsurance contract's legal form of a single contract reflects the substance of the Company's contractual rights and obligations, considering that the different coverages lapse together and are not sold separately. As a result, the reinsurance contract is not separated into multiple insurance components that relate to different underlying groups.

A group of reinsurance contracts is recognised on the following dates.

- *Reinsurance contracts initiated by the Company that provide proportionate coverage:* The beginning of the coverage period of the group of reinsurance contracts. However, the Company will delay the recognition of a group of reinsurance contracts until the date on which any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts. This applies to the Company's quota share reinsurance contracts.

- *Other reinsurance contracts initiated by the Company:* The beginning of the coverage period of the group of reinsurance contracts. However, if the Company recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date (see 'Reinsurance of onerous underlying insurance contracts' under Note 2.2 (j) Measurement - Contracts not measured under the PAA Reinsurance contracts (i)). This applies to the Company's surplus reinsurance contracts and excess of loss and stop loss reinsurance contracts.

- *Reinsurance contracts acquired:* The date of acquisition.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(i) Insurance and reinsurance contracts (cont'd.)

Insurance acquisition cash flows

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.

If insurance acquisition cash flows are directly attributable to a group of contracts (e.g. non-refundable commissions paid on issuance of a contract), then they are allocated to that group and to the groups that will include renewals of those contracts.

If insurance acquisition cash flows are directly attributable to a portfolio but not to a group of contracts, then they are allocated to groups in the portfolio using a systematic and rational method.

At each reporting date, the Company revises the amounts allocated to groups to reflect any changes in assumptions that determine the inputs to the allocation method used. Amounts allocated to a group are not revised once all contracts have been added to the group.

Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows.

Insurance contracts

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services).

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(i) Insurance and reinsurance contracts (cont'd.)

Contract boundaries (cont'd.)

Insurance contracts (cont'd.)

A substantive obligation to provide services ends when:

- the Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or

- the Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The reassessment of risks considers only risks transferred from policyholders to the Company, which may include both insurance and financial risks, but exclude lapse and expense risks.

Reinsurance contracts

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or

- has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Company’s substantive rights and obligations and, therefore, may change over time.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(j) Insurance and reinsurance contracts - Measurement

<u>Contracts not measured under the Premium Allocation Approach ("PAA")</u>

Insurance contracts – Initial measurement

On initial recognition, the Company measures a group of insurance contracts as the total of (a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM. The fulfilment cash flows of a group of insurance contracts do not reflect the Company’s non-performance risk.

The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of insurance contracts represents the unearned profit that the Company will recognise as it provides services under those contracts. On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows under (iii), if any) is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognised as a loss in profit or loss. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue (see Note 2.2 (k) - Presentation).

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(j) Insurance and reinsurance contracts - Measurement (cont'd.)

Contracts not measured under the PAA (cont'd.)

Insurance contracts – Subsequent measurement

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

(i) Insurance contracts without direct participation features

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows.

Changes relating to future services	Adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
Changes relating to current or past services	Recognised in the insurance service result in profit or loss
Effects of the time value of money, financial risk and changes therein on estimated future cash flows	Recognised as insurance finance income or expenses

The CSM of each group of contracts is calculated at each reporting date as follows.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;

- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(j) Insurance and reinsurance contracts - Measurement (cont'd.)

Contracts not measured under the PAA (cont'd.)

Insurance contracts – Subsequent measurement (cont'd.)

(i) Insurance contracts without direct participation features (cont'd.)

- changes in fulfilment cash flows that relate to future services, except to the extent that:

  - any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in profit or loss and creates a loss component (see Note 2.2 (k) - Presentation); or

  - any decreases in the fulfilment cash flows are allocated to the loss component, reversing losses previously recognised in profit or loss (see Note 2.2 (k) - Presentation);

- the effect of any currency exchange differences on the CSM; and

- the amount recognised as insurance revenue because of the services provided in the year (see Note 2.2 (k) - Presentation).

Changes in fulfilment cash flows that relate to future services comprise:

- experience adjustments arising from premiums received in the year that relate to future services and related cash flows, measured at the discount rates determined on initial recognition;

- changes in estimates of the present value of future cash flows in the liability for remaining coverage, measured at the discount rates determined on initial recognition, except for those that arise from the effects of the time value of money, financial risk and changes therein;

- differences between (a) any investment component expected to become payable in the year, determined as the payment expected at the start of the year plus any insurance finance income or expenses (see Note 2.2 (k) - Presentation) related to that expected payment before it becomes payable; and (b) the actual amount that becomes payable in the year;

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(j) Insurance and reinsurance contracts - Measurement (cont'd.)

Contracts not measured under the PAA (cont'd.)

Insurance contracts – Subsequent measurement (cont'd.)

(i) Insurance contracts without direct participation features (cont'd.)

- differences between (a) any loan to a policyholder expected to become repayable in the year, determined as the repayment expected at the start of the year plus any insurance finance income or expenses (see Note 2.2 (k) - Presentation) related to that expected repayment before it becomes repayable; and (b) the actual amount that becomes repayable in the year; and

- changes in the risk adjustment for non-financial risk that relate to future services.

Changes in discretionary cash flows are regarded as relating to future services and accordingly adjust the CSM (see Note 8).

(ii) Direct participating contracts

Direct participating contracts (see Note 2.2 (i)) are contracts under which the Company's obligation to the policyholder is the net of:

- the obligation to pay the policyholder an amount equal to the fair value of the underlying items; and

- a variable fee in exchange for future services provided by the contracts, being the amount of the Company's share of the fair value of the underlying items less fulfilment cash flows that do not vary based on the returns on underlying items. The Company provides investment services under these contracts by promising an investment return based on underlying items, in addition to insurance coverage.

When measuring a group of direct participating contracts, the Company adjusts the fulfilment cash flows for the whole of the changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items. These changes do not relate to future services and are recognised in profit or loss. The Company then adjusts any CSM for changes in the amount of the Company's share of the fair value of the underlying items, which relate to future services, as explained below.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(j) Insurance and reinsurance contracts - Measurement (cont'd.)

Contracts not measured under the PAA (cont'd.)

Insurance contracts – Subsequent measurement (cont'd.)

(ii) Direct participating contracts (cont'd.)

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- the change in the amount of the Company’s share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:
  - a decrease in the amount of the Company’s share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss (included in insurance service expenses) and creating a loss component (see Note 2.2 (k) - Presentation); or
  - an increase in the amount of the Company’s share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, is allocated to the loss component, reversing losses previously recognised in profit or loss (included in insurance service expenses) (see Note 2.2 (k) - Presentation);
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue because of the services provided in the year (see Note 2.2 (k) - Presentation).

Changes in fulfilment cash flows that relate to future services include the changes relating to future services specified above for contracts without direct participation features (measured at current discount rates) and changes in the effect of the time value of money and financial risks that do not arise from underlying items – e.g. the effect of financial guarantees.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(j) Insurance and reinsurance contracts - Measurement (cont'd.)

Contracts not measured under the PAA (cont'd.)

Reinsurance contracts

To measure a group of reinsurance contracts, the Company applies the same accounting policies as are applied to insurance contracts without direct participation features, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset or liability for remaining coverage and the asset for incurred claims at the portfolio level. The asset or liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Company measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Company to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group, (c) any cash flows arising at that date and (d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date (see ‘Reinsurance of onerous underlying insurance contracts’ below).

However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the Company recognises the cost immediately in profit or loss as an expense.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(j) Insurance and reinsurance contracts - Measurement (cont'd.)

Contracts not measured under the PAA (cont'd.)

Reinsurance contracts (cont'd.)

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- income recognised in profit or loss in the year on initial recognition of onerous underlying contracts (see below);
- reversals of a loss-recovery component (see ‘Net expenses from reinsurance contracts’ under Note 2.2 (k) - Presentation) to the extent that they are not changes in the fulfilment cash flows of the group of reinsurance contracts;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless they result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in profit or loss because of the services received in the year.

(i) Reinsurance of onerous underlying insurance contracts

The Company adjusts the CSM of the group to which a reinsurance contract belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract is entered into before or at the same time as the onerous underlying contracts are recognised. The adjustment to the CSM is determined by multiplying:

- the amount of the loss that relates to the underlying contracts; and
- the percentage of claims on the underlying contracts that the Company expects to recover from the reinsurance contracts.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(j) Insurance and reinsurance contracts - Measurement (cont'd.)

<u>Contracts not measured under the PAA (cont'd.)</u>

Reinsurance contracts (cont'd.)

(i) Reinsurance of onerous underlying insurance contracts (cont'd.)

If the reinsurance contract covers only some of the insurance contracts included in an onerous group of contracts, then the Company uses a systematic and rational method to determine the portion of losses recognised on the onerous group of contracts that relates to underlying contracts covered by the reinsurance contract.

A loss-recovery component is created or adjusted for the group of reinsurance contracts to depict the adjustment to the CSM, which determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid (see 'Net expenses from reinsurance contracts' under Note 2.2 (k) - Presentation).

<u>Contracts measured under the PAA</u>

The Company uses the PAA to simplify the measurement of groups of contracts when the following criteria are met at inception.

- Insurance contracts: The coverage period of each contract in the group is one year or less.

- Loss-occurring reinsurance contracts: The coverage period of each contract in the group is one year or less.

- Risk-attaching reinsurance contracts: The Company reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies in Note 2.2 (j) - Measurement – Contracts not measured under the PAA. When comparing the different possible measurements, the Company considers the impact of the different release patterns of the asset for remaining coverage to profit or loss and the impact of the time value of money. If significant variability is expected in the fulfilment cash flows during the period before a claim is incurred, then this criterion is not met.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(j) Insurance and reinsurance contracts - Measurement (cont'd.)

<u>Contracts measured under the PAA (cont'd.)</u>

Insurance contracts

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group. The Company has chosen to expense insurance acquisition cash flows when they are incurred.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any premiums received and decreased by the amount recognised as insurance revenue for services provided (see Note 2.2 (k) - Presentation). On initial recognition of each group of contracts, the Company expects that the time between providing each part of the services and the related premium due date is no more than a year. Accordingly, the Company has chosen not to adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Company recognises a loss in profit or loss and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows are discounted (at current rates) if the liability for incurred claims is also discounted (see below).

The Company recognises the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows are discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(j) Insurance and reinsurance contracts - Measurement (cont'd.)

Contracts measured under the PAA (cont'd.)

Reinsurance contracts

The Company applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

If a loss-recovery component (see ‘Reinsurance of onerous underlying insurance contracts’ under Note 2.2 (j) Contracts not measured under the PAA Reinsurance contracts (i)) is created for a group of reinsurance contracts measured under the PAA, then the Company adjusts the carrying amount of the asset for remaining coverage instead of adjusting the CSM.

Derecognition and contract modification

The Company derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Company also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

On derecognition of a contract from within a group of contracts not measured under the PAA:

- the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;
- the CSM of the group is adjusted for the change in the fulfilment cash flows, except where such changes are allocated to a loss component; and
- the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group (see Note 2.2 (k) - Presentation).

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(j) Insurance and reinsurance contracts - Measurement (cont'd.)

Derecognition and contract modification (cont'd.)

If a contract is derecognised because it is transferred to a third party, then the CSM is also adjusted for the premium charged by the third party, unless the group is onerous. If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Company entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the Company received the premium that it would have charged less any additional premium charged for the modification.

(k) Insurance and reinsurance contracts - Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows under (i) are included in the carrying amount of the related portfolios of contracts.

The Company disaggregates amounts recognised in the statement of comprehensive income into (a) an insurance service result, comprising insurance revenue and insurance service expenses; and (b) insurance finance income or expenses.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

The Company disaggregates the financial component within changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for the financial risk component is presented in insurance finance income or expenses.

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance and reinsurance contracts - Presentation (cont'd.)

Insurance revenue – Contracts not measured under the PAA

The Company recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Company expects to receive consideration, and comprises the following items.

- A release of the CSM, measured based on coverage units provided (see 'Release of the CSM' below).

- Changes in the risk adjustment for non-financial risk relating to current services.

- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts (see Note 2.2 (j) - Contracts not measured under the PAA), which are recognised as insurance revenue and insurance service expenses at that date.

- Other amounts, including experience adjustments for premium receipts for current or past services and amounts related to incurred policyholder tax expenses (see Note 24).

In addition, the Company allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Company recognises the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance and reinsurance contracts - Presentation (cont'd.)

Release of the CSM (see also Note 8)

The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each year is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

Services provided by insurance contracts include insurance coverage and, for all direct participating contracts, investment services for managing underlying items on behalf of policyholders. In addition, life non-participating contracts may also provide investment services for generating an investment return for the policyholder, but only if:

- an investment component exists or the policyholder has a right to withdraw an amount (e.g. the policyholder's right to receive a surrender value on cancellation of a contract);
- the investment component or withdrawal amount is expected to include an investment return; and
- the Company expects to perform investment activities to generate that investment return.

The expected coverage period reflects expectations of lapses and cancellations of contracts, as well as the likelihood of insured events occurring to the extent that they would affect the expected coverage period. The period of investment services ends no later than the date on which all amounts due to current policyholders relating to those services have been paid.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance and reinsurance contracts - Presentation (cont'd.)

Insurance revenue – Contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Company allocates the expected premium receipts to each period on the basis of the passage of time.

Loss components

For contracts not measured under the PAA, the Company establishes a loss component of the liability for remaining coverage for onerous groups of insurance contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the liability for remaining coverage excluding the loss component on a systematic basis.

The systematic basis is determined by the proportion of the loss component relative to the total estimate of the present value of the future cash outflows plus the risk adjustment for non financial risk at the beginning of each year (or on initial recognition if a group of contracts is initially recognised in the year).

Changes in fulfilment cash flows relating to future services and changes in the amount of the Company's share of the fair value of the underlying items for direct participating contracts are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of contracts.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance and reinsurance contracts - Presentation (cont'd.)

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items.

- *Incurred claims and other insurance service expenses:* For some non-participating contracts, incurred claims also include premiums waived on detection of critical illness.

- *Amortisation of insurance acquisition cash flows:* For contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Company recognises acquisition costs in the profit and loss as incurred.

- Losses on onerous contracts and reversals of such losses.

- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.

- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses, if any.

Net expenses from reinsurance contracts

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Company recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset or liability for remaining coverage that relate to services for which the Company expects to pay consideration.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance and reinsurance contracts - Presentation (cont'd.)

Net expenses from reinsurance contracts (cont'd.)

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Company establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and

- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Company expects to recover from the reinsurance contracts.

Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses (see Note 2.2 (j) - Contracts not measured under the PAA). They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

For both contracts with or without participation features, the Company presents insurance finance income or expenses in profit or loss only.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(l) Insurance and reinsurance contracts - Transition

The Company's transition approaches applied at the date of transition to MFRS 17 (1 January 2022) continue to impact a significant part of how the CSM balance as at 31 December 2024 and 31 December 2023 has been determined.

At 1 January 2022, the Company applied the following approaches to identify and measure all groups of contracts on transition to MFRS 17.

Year of issue	Transition approach
On or after 2022	- All groups: Full retrospective approach
Before 2022	- All groups: Fair value approach

Insurance and reinsurance contracts – Fair value approach

Under the fair value approach, the CSM (or the loss component) at 1 January 2022 was determined as the difference between the fair value of a group of contracts at that date and the fulfilment cash flows at that date.

For all contracts measured under the fair value approach, the Company used reasonable and supportable information available at 1 January 2022 to determine:

- how to identify groups of contracts;
- whether a contract meets the definition of a direct participating contract; and
- how to identify discretionary cash flows for contracts with direct participation features.

Some groups of contracts measured under the fair value approach contain contracts issued more than one year apart. For these groups, the discount rates on initial recognition were determined at 1 January 2022 instead of at the date of initial recognition.

For groups of reinsurance contracts covering onerous underlying contracts, the Company established a loss-recovery component at 1 January 2022. The Company determined the loss-recovery component by multiplying:

- the amount of the loss component that relates to the underlying contracts at 1 January 2022; and
- the percentage of claims on the underlying contracts that the Company expected to recover from the reinsurance contracts.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(m) Other revenue recognition

Revenue is recognised when it satisfies a performance obligation by transferring a promised good or service to a customer, which is when the customer obtains control of that good or service. The following specific recognition criteria must also be met before revenue is recognised.

Rental income

Rental income from property is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

Interest income

Interest income is recognised on an accrual basis using the effective yield method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective yield of the instrument. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Dividend income

Dividend income is recognised when the Company’s right to receive payment is established.

Realised gains and losses on investments

Realised gains and losses on investments recorded in the income statement include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on occurrence of the sale transaction.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(n) Income tax

Income tax on profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is provided for using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised as income or an expense and included in profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

(o) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(p) Employee benefits

Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the income statement as incurred. As required by law, the Company makes such contributions to the Employees Provident Fund (“EPF”).

Defined benefit plans

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(q) Foreign currencies

The financial statements are presented in Ringgit Malaysia which is also the functional currency of the Company.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in foreign currency are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. All foreign exchange differences are taken to profit or loss, except for differences relating to items where gains or losses are recognised directly in equity, in which case, the gain or loss is recognised net of the exchange component in equity.

(r) Financial liabilities

Financial liabilities are recognised when the Company becomes a party to contractual provisions of the instruments and measured on initial recognition at the fair value of the consideration received plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective yield method.

(s) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at bank and deposits held at call with financial institutions with original maturities of three months or less.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.3 Changes in material accounting policies

The accounting policies and presentation adopted are consistent with those of the previous financial year, except as follows:

On 1 January 2024, the Company adopted the following MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2024:

MFRS Accounting Standards, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024:
(i) Amendments to MFRS 16 *Leases - Lease Liability in a Sale and Leaseback*
(ii) Amendments to MFRS 101 *Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
(iii) Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures - Supplier Finance Arrangements*

The adoption of the above amendments to MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MASB") in the current financial year do not have any material impact to the financial statements of the Company.

2.4 Standards issued but not yet effective

The following are standards, amendments to standards and interpretation to the MFRS Accounting Standards that have been issued by MASB, but not yet effective, up to the date of this report. The Company intends to adopt these standards, amendments to standards and interpretations to standards, if applicable, when they become effective:

Description	**Effective for annual periods beginning on or after**
Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*	1 January 2025
Amendments to MFRS 9 and MFRS 7 *Financial Instruments - Classification and Measurement of Financial Instruments*	1 January 2026
Amendments that are part of Annual Improvements -Volume 11 • Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* • Amendments to MFRS 7 *Financial Instruments: Disclosures* • Amendments to MFRS 9 *Financial Instruments* • Amendments to MFRS 10 *Consolidated Financial* • Amendments to MFRS 107 *Statement of Cash Flows*	1 January 2026

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.4 Standards issued but not yet effective (cont'd.)

The following are standards, amendments to standards and interpretation to the MFRS Accounting Standards that have been issued by MASB, but not yet effective, up to the date of this report. The Company intends to adopt these standards, amendments to standards and interpretations to standards, if applicable, when they become effective: (cont'd.)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity*	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Yet to be confirmed

The initial application of the abovementioned accounting standards, interpretations and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Company except as mentioned below:

MFRS 18, Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101, Presentation of Financial Statements and applies for annual periods beginning on or after 1 January 2027. The new accounting standard introduces the following key requirements:

Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal.

Management-defined performance measures (“MPMs”) are disclosed in a single note in the financial statements.

Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is currently assessing the impact of adopting MFRS 18.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.5 Use of estimates and judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These factors could include:

(a) Critical judgments made in applying accounting policies

The following are judgments made by management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(i) Deferred tax assets (Note 13)

Deferred tax assets are recognised for various allowances and provisions to the extent that it is probable that taxable profit will be available against which these allowances and provisions can be utilised. Significant judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing of future taxable profits together with future tax planning strategies.

(ii) Income taxes (Note 24)

The Company is subject to income tax and other taxes and significant judgment is required in estimating the provision for income taxes. There are many transactions and interpretations of tax law for which the final outcome may not be established until later. Liabilities for taxation are recognised based on estimates of whether additional taxes will be payable. The estimation process includes seeking advice on the tax treatments where appropriate.

Where the final liability for taxation is different from the amounts that were initially recorded, the differences will affect the income tax and deferred tax provisions in the period in which the estimate is revised or the final liability is established.

(iii) Property and equipment (Note 3)

Property and equipment requires the review of the residual value and remaining useful life of an item of property and equipment at least at each financial year end.

Management estimates that the residual values and remaining useful lives are appropriate for the current financial year.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.5 Use of estimates and judgments (cont'd.)

(a) Critical judgments made in applying accounting policies (cont'd.)

(iv) Classification between investment properties and property and equipment (Notes 3 and 4)

The Company has developed certain criteria based on MFRS 140 *Investment Property* in making judgments whether a property qualifies to be classified as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for administrative purpose. If these portions could be sold separately (or leased out separately under finance lease), the Company would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for administrative purposes.

(v) Impairment of receivables (Note 34 (d))

Measurement of ECL

The key inputs into the measurement of ECL are the term structures of the following variables:

- probability of default ("PD");
- loss given default ("LGD"); and
- exposure at default ("EAD").

To determine lifetime and 12-month PDs, the Company uses a provision matrix (a simplified approach) which is based on its historical observed default rates over the expected life of the receivables. Additional macro-economic and forward looking information is considered when determining PD, such as the Company's internal assessment of the correlation between the receivables and external factors.

(vi) Insurance contract classification (Note 8)

Contracts are classified as insurance contracts where they transfer significant insurance risk from the policyholder to the Company. The Company exercises judgment about the level of insurance risk transferred. The level of insurance risk is assessed by considering whether the Company is required to pay significant additional benefits in excess of amounts payable when the insured event occurs. These additional benefits include claims liability and assessment costs, but exclude the loss of the ability to charge the policyholder for future services.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.5 Use of estimates and judgments (cont'd.)

(a) Critical judgments made in applying accounting policies (cont'd.)

(vi) Insurance contract classification (Note 8) (cont'd.)

The assessment covers the whole of the expected term of the contract where such additional benefits could be payable. Some contracts contain options for the policyholder to purchase insurance risk protection at a later date; these insurance risks are deemed not significant.

(vii) Right-of-use assets (Note 5) and lease liabilities (Note 14)

Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its liability to exercise or not to exercise the option to renew or to terminate.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.5 Use of estimates and judgments (cont'd.)

(a) Critical judgments made in applying accounting policies (cont'd.)

(vii) Right-of-use assets (Note 5) and lease liabilities (Note 14) (cont'd.)

Determining the lease term of contracts with renewal and termination options (cont'd.)

The Company included the renewal period as part of the lease term for leases of property with shorter non-cancellable period (i.e., three years). The Company typically exercises its option to renew for these leases because the rented properties are generally branches of the Company and it is highly likely that the Company continues to rent the premises to serve the policyholders and agents. The renewal periods for leases of rented properties with longer non-cancellable periods (i.e., above 3 years) are not included as part of the lease term as these are not reasonably certain to be exercised.

Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease. Therefore, the Company applies judgement and assumptions in determining the incremental borrowing rate ("IBR") of the respective leases. The Company determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

(viii) Intangible assets (Note 6)

Computer applications software

The Company recognises the costs of significant development of knowledge based software and computer applications as intangible assets with finite useful lives. Such software and applications are unique to the requirements of the insurance business and the Company establishes that these development costs will generate economic benefits beyond one year.

The Company estimates the useful lives of these software costs to be between 5 to 10 years.

The Company expects that amortisation on software under development will only commence after the software and computer applications are available to be used and generate future economic benefits.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

2. Material accounting policies (cont'd.)

2.5 Use of estimates and judgments (cont'd.)

(b) Key sources of estimation uncertainty and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Fair value of financial assets determined using valuation techniques (Note 36)

Fair value, in the absence of an active market, is estimated by using valuation techniques, such as recent arm's length transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis and/or option pricing models. For reference to similar instruments, instruments must have similar credit ratings.

For discounted cash flow analysis, estimated future cash flows and discount rates are based on current market information and rates applicable to financial instruments with similar yields, credit quality and maturity characteristics. Estimated future cash flows are influenced by factors such as economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity and financial conditions of counter-parties. Discount rates are influenced by risk-free interest rates and credit risk.

The fair value of the unquoted equity securities is estimated by approximating the net assets value of the investee, which was adjusted by the historical profit growth of the investee.

The valuation techniques described above are calibrated annually.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

3. Property and equipment

	At valuation			At cost					
	Properties								
2024	**Freehold land RM'000**	**Buildings on freehold land RM'000**	**Buildings on leasehold land 50 years or more RM'000**	**Motor vehicles RM'000**	**Furniture, fixtures and fittings RM'000**	**Office and computer equipment RM'000**	**Office renovation RM'000**	**Work-in progress RM'000**	**Total RM'000**
Cost/Valuation									
At 1 January 2024	6,500	3,100	250	657	9,449	43,950	16,049	8,787	88,742
Additions	-	-	-	437	516	865	598	16,230	18,646
Write-offs	-	-	-	-	(13)	(1,418)	-	-	(1,431)
Reclassification									
- property and equipment	-	-	-	-	-	1,313	141	(1,454)	-
- intangible asset (Note 6)	-	-	-	-	-	-	-	(414)	(414)
At 31 December 2024	6,500	3,100	250	1,094	9,952	44,710	16,788	23,149	105,543
Accumulated depreciation									
At 1 January 2024	-	161	20	246	5,297	28,068	9,581	-	43,373
Charge for the year (Note 18)	-	171	10	168	636	4,899	1,835	-	7,719
Write-offs	-	-	-	-	(4)	(1,418)	-	-	(1,422)
At 31 December 2024	-	332	30	414	5,929	31,549	11,416	-	49,670
Net carrying amount									
At 31 December 2024	6,500	2,768	220	680	4,023	13,161	5,372	23,149	55,873

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

3. Property and equipment (cont'd.)

	<--- At valuation ---	--- Properties --->		<--- At cost					
2023	**Freehold land RM'000**	**Buildings on freehold land RM'000**	**Buildings on leasehold land 50 years or more RM'000**	**Motor vehicles RM'000**	**Furniture, fixtures and fittings RM'000**	**Office and computer equipment RM'000**	**Office renovation RM'000**	**Work-in progress RM'000**	**Total RM'000**
Cost/Valuation									
At 1 January 2023	6,500	3,100	250	303	7,049	33,290	9,515	13,071	73,078
Additions	-	-	-	354	1,540	3,845	2,169	12,144	20,052
Write-offs	-	-	-	-	-	(6)	-	-	(6)
Reclassification									
- property and equipment	-	-	-	-	860	6,821	4,365	(12,046)	-
- intangible asset (Note 6)	-	-	-	-	-	-	-	(4,382)	(4,382)
At 31 December 2023	6,500	3,100	250	657	9,449	43,950	16,049	8,787	88,742
Accumulated depreciation									
At 1 January 2023	-	-	10	189	4,664	23,834	7,427	-	36,124
Charge for the year (Note 18)	-	161	10	57	633	4,240	2,154	-	7,255
Write-offs	-	-	-	-	-	(6)	-	-	(6)
At 31 December 2023	-	161	20	246	5,297	28,068	9,581	-	43,373
Net carrying amount									
At 31 December 2023	6,500	2,939	230	411	4,152	15,882	6,468	8,787	45,369

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

3. Property and equipment (cont'd.)

Included in the cost of property and equipment of the Company are the cost of fully depreciated assets which are still in use amounting to RM29,984,000 (2023: RM24,557,000).

Properties

The revalued lands and buildings consist of an office building, a shop office and an apartment, which are located in various states in Malaysia.

The fair value of the properties was determined by using the cost method, other than fair value of an apartment which was determined by using the sales comparison method. Under the cost method, the apportionment value attributable to the lands is adopted whilst making due allowances for factors such as location, plot, size, accessibility and other relevant factors in determining the value of the lands, while current estimates on construction costs to erect equivalent buildings. Appropriate adjustments are then made for factors of obsolescence and existing physical condition of the building in determining the cost of the building. The comparison method entails comparing and adopting recent sales evidences involving other similar properties in the vicinity, adjusted for differences in location, size and shapes, accessibility, infrastructure available, improvements made on the site and other value considerations.

The properties' fair values are based on valuations performed by Raine & Horne International Zaki + Partners Sdn. Bhd., a registered independent valuer.

The Company has determined that the highest and best use of the properties is their current use.

Reconciliation of Level 3 fair value measurement:

	Apartment RM'000	Shop office RM'000	Office building RM'000	Total RM'000
As at 1 January 2023	240	5,999	3,601	9,840
Depreciation recognised in profit or loss under management expenses	(10)	(77)	(84)	(171)
As at 31 December 2023	230	5,922	3,517	9,669

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

3. Property and equipment (cont'd.)

Properties (cont'd.)

Reconciliation of Level 3 fair value measurement: (cont'd.)

	Apartment RM'000	Shop office RM'000	Office building RM'000	Total RM'000
As at 1 January 2024	230	5,922	3,517	9,669
Depreciation recognised in profit or loss under management expenses	(10)	(83)	(88)	(181)
As at 31 December 2024	220	5,839	3,429	9,488

Fair value hierarchy disclosures for the properties have been provided in Note 36.

Description of valuation techniques used and key inputs to valuation of the properties are stated below:

Type of property	Valuation techniques	Key inputs	Weighted average	
Apartment	Comparison method	Price per square foot	Building	RM226
Multi-storey shop office /shop house	Cost method	Price per square foot	Land Building	RM1,834 RM120
7 ½-storey office building	Cost method	Price per square foot	Land Building	RM599 RM95

Significant increases/(decreases) in unobservable inputs in isolation would result in a significantly higher/(lower) fair value of the properties.

If land and buildings were measured using the cost model, the carrying amounts would be as follows:

	2024 RM'000	2023 RM'000
Cost	1,500	1,500
Accumulated depreciation	(1,020)	(995)
Net carrying amount	480	505

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

4. Investment properties

	2024 RM'000	2023 RM'000
Investment properties	300	300
Fair value loss (Note 22)	(50)	-
Transfer to non-current assets held for sale (Note 10)	(250)	-
	-	300

The fair value of investment properties was determined by using cost method. Under the cost method, the apportionment value attributable to the land is adopted and making due allowances to factors of location, plot, size, accessibility and other relevant factor in determining the value of the land, while current estimates on constructional costs to erect equivalent buildings with appropriate adjustments are then made for factors of obsolescence and existing physical condition of the building are adopted in determining the cost of the building.

The properties' fair values are based on valuations performed by Raine & Horne International Zaki + Partners Sdn. Bhd., a registered independent valuer.

The Company has determined that the highest and best use of the properties is their current use.

Fair value hierarchy disclosures for investment properties have been provided in Note 36.

Description of valuation techniques used and key inputs to valuation on investment properties are stated below:

Type of property	Valuation technique	Key inputs	Weighted average	
Multi-storey shop office /shop house	Cost method	Price per square foot	Land Building	RM75 RM65

Significant increases/(decreases) in unobservable inputs in isolation would result in a significantly higher/(lower) fair value of the properties.

The amount of income and expenses recorded in profit or loss in respect of investment properties of the Company are as follows:

	2024 RM'000	2023 RM'000
Direct operating expenses (including repairs and maintenance) generating rental income	(4)	(3)
Net expense arising from investment properties	(4)	(3)

There are no restrictions on the realisability of investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements, other than routine building maintenance.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

5. Right-of-use assets

The Company as lessee

The Company has entered into various lease agreements for office premises, with lease terms between 1 and 3 years. The Company also leases certain equipment, software and services with lease term of 12 months or less or with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Reconciliation of Level 3 fair value measurement:

	Office premises RM'000
As at 1 January 2023	17,585
Additions (Note 14)	2,042
Termination of lease	(725)
Amortisation (Note 18)	(4,856)
As at 31 December 2023/1 January 2024	14,046
Additions (Note 14)	3,085
Termination of lease	(1,166)
Amortisation (Note 18)	(4,839)
As at 31 December 2024	11,126

The amount of expenses recorded in profit or loss of the Company are as follows:

	2024 RM'000	2023 RM'000
Management expense:		
Amortisation of right-of-use assets (Note 18)	4,839	4,856
Expense relating to leases of low-value assets	232	270
Interest expense on lease liabilities	699	850
	5,770	5,976

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

5. Right-of-use assets (cont'd.)

Cash outflows for leases as a lessee

	2024 RM'000	2023 RM'000
Included in net cash from operating activities:		
Payment relating to leases of low-value assets	232	270
Interest paid in relation to lease liabilities	699	850
Included in net cash from financing activities:		
Payment of principal portion of lease liabilities	4,806	5,642
Total cash outflows for leases	5,737	6,762

Extension and termination options

The Company has several lease contracts that include extension and termination options. These options are negotiated by the Company to provide operational flexibility in managing the properties portfolio and align with the Company's business needs. The Company exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

As of 31 December 2024, the Company has included all potential future cash flows of exercising the extension options in the lease liability.

The Company determines that the termination options are likely not to be exercised.

6. Intangible assets

	2024 RM'000	2023 RM'000
Computer software		
Cost		
At 1 January	56,557	51,873
Additions	123	302
Reclassification from property and equipment (Note 3)	414	4,382
At 31 December	57,094	56,557
Accumulated amortisation		
At 1 January	32,049	26,570
Charge for the year (Note 18)	5,011	5,479
At 31 December	37,060	32,049
Net carrying amount		
At 31 December	20,034	24,508

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

7. Investments

	2024 RM'000	2023 RM'000
Malaysian Government securities	974,018	979,509
Government investment issues	227,001	224,221
Malaysian Government guaranteed bonds	395,976	426,656
Unquoted debt securities	1,486,519	1,603,545
Quoted equity securities	473,615	423,004
Quoted exchange traded funds	213,136	173,447
Quoted unit and property trust funds	141,522	46,527
Unquoted equity securities	60,750	48,750
Unquoted unit trust funds	127,256	124,628
Deposits with financial institutions	231,737	248,961
Loans receivables	1,661	1,825
Total	4,333,191	4,301,073

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

	2024 RM'000	2023 RM'000
FVTPL	4,331,530	4,299,248
Amortised cost	1,661	1,825
	4,333,191	4,301,073

(a) FVTPL

	2024 RM'000	2023 RM'000
Mandatorily measured:		
Quoted equity securities	473,615	423,004
Quoted exchange traded funds	213,136	173,447
Quoted unit and property trust funds	141,522	46,527
Unquoted equity securities (Note 7(c))	60,750	48,750
Unquoted unit trust funds	127,256	124,628
	1,016,279	816,356
Designated upon initial recognition:		
Malaysian Government securities	974,018	979,509
Government investment issues	227,001	224,221
Malaysian Government guaranteed bonds	395,976	426,656
Unquoted debt securities	1,486,519	1,603,545
Deposits with financial institutions	231,737	248,961
	3,315,251	3,482,892
	4,331,530	4,299,248

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

7. Investments (cont'd.)

(a) FVTPL (cont'd.)

Included in deposits with financial institutions of the Company are short term deposits with original maturity periods of less than 3 months amounting to RM231,737,000 (31.12.2023: RM248,961,000), which have been classified as cash and cash equivalents for the purpose of the statement of cash flows.

	2024 RM'000	2023 RM'000
(b) Amortised cost		
Loans receivables:		
Mortgage loans	2,430	2,503
Other loans	100	100
	2,530	2,603
Loss allowances (Note 34(d))	(869)	(778)
	1,661	1,825

The carrying value of the other loans are reasonable approximations of fair value due to the insignificant impact of discounting.

The fair values of the mortgage loans have been established by comparing current market interest rates for similar financial instruments to the rates offered when the mortgage loans were first recognised together with appropriate market credit adjustments. As there are no significant differences between these rates, the carrying value of mortgage loans approximates fair value as at 31 December 2024 and 31 December 2023.

(c) Reconciliation of Level 3 fair value measurement:

	2024 RM'000	2023 RM'000
Unquoted equity securities		
As at 1 January	48,750	47,950
Fair value gains	12,000	800
As at 31 December	60,750	48,750

The carrying amount disclosed above approximate the fair values at the end of the reporting period.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

7. Investments (cont'd.)

(d) Carrying values of financial instruments

	Amortised cost RM'000	FVTPL RM'000	Total RM'000
At 1 January 2023	2,015	4,262,709	4,264,724
Purchases (Note 27)	-	664,517	664,517
Disposals (Note 27)	-	(751,286)	(751,286)
Fair value gains (Note 22)	-	147,760	147,760
Realised gains (Note 21)	-	12,241	12,241
Decrease in loans receivables (Note 27)	(121)	-	(121)
Decrease in deposits with financial institutions:			
- short term deposits with original maturity periods of less than 3 months	-	(34,379)	(34,379)
Impairment loss on loans receivable (Note 27)	(69)	-	(69)
Net amortisation of premiums (Note 20)	-	(2,314)	(2,314)
At 31 December 2023/1 January 2024	1,825	4,299,248	4,301,073
Purchases (Note 27)	-	399,665	399,665
Disposals (Note 27)	-	(464,880)	(464,880)
Fair value gains	-	112,887	112,887
Realised gains (Note 21)	-	4,424	4,424
Decrease in loans receivables (Note 27)	(73)	-	(73)
Decrease in deposits with financial institutions:			
- short term deposits with original maturity periods of less than 3 months	-	(17,224)	(17,224)
Impairment loss on loans receivable (Note 27)	(91)	-	(91)
Net amortisation of premiums (Note 20)	-	(2,590)	(2,590)
At 31 December 2024	1,661	4,331,530	4,333,191

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

7. Investments (cont'd.)

(e) Fair values of financial instruments

The following tables show investments recorded at fair value analysed by the different bases as follows:

	2024 RM'000	2023 RM'000
FVTPL		
Quoted market price	828,273	642,978
Valuation techniques:		
- market observable inputs	3,442,507	3,607,520
- unobservable inputs	60,750	48,750
	4,331,530	4,299,248

Included in the quoted category are financial instruments that are measured in whole or in part by reference to marked-to-market prices. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange.

Financial instruments measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are instruments for which pricing is obtained via pricing services but where prices have not been determined in an active market, instruments with fair values based on broker quotes, investment in unit and property trusts with fair values obtained via fund managers and instruments that are valued using the Company’s own models whereby the majority of assumptions are market observable.

(f) Range of effective interest rates

The range of effective interest rates per annum for each class of interest-bearing investment and placements with licensed financial institutions are as below:

	2024 %	2023 %
Malaysian Government securities	3.41 - 4.09	3.43 - 4.21
Government investment issues	3.86 - 4.10	3.91 - 4.26
Malaysian Government guaranteed bonds	3.73 - 4.13	3.78 - 4.25
Unquoted debt securities	3.42 - 4.60	3.65 - 4.69
Deposits with financial institutions	3.05 - 4.10	2.95 - 4.20
Loans receivables	4.00 - 9.75	4.00 - 9.75

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

7. Investments (cont'd.)

(g) Interest-bearing contractual re-pricing or maturity dates

The earlier of the contractual re-pricing or maturity dates for each class of interest-bearing investment and placements with licensed financial institutions are as below:

	Interest-bearing contractual re-pricing or maturity dates (whichever is earlier)			
	1 year or less RM'000	1 year to 5 years RM'000	More than 5 years RM'000	Total RM'000
2024				
Malaysian Government securities	12,577	230,538	730,903	974,018
Government investment issues	-	7,329	219,672	227,001
Malaysian Government guaranteed bonds	8,264	50,734	336,978	395,976
Unquoted debt securities	304,650	438,927	742,942	1,486,519
Deposits with financial institutions	231,737	-	-	231,737
Loans receivables	1,210	131	320	1,661
	558,438	727,659	2,030,815	3,316,912
2023				
Malaysian Government securities	10,574	137,047	831,888	979,509
Government investment issues	-	7,311	216,910	224,221
Malaysian Government guaranteed bonds	23,245	64,356	339,055	426,656
Unquoted debt securities	150,052	509,724	943,769	1,603,545
Deposits with financial institutions	248,961	-	-	248,961
Loans receivables	1,243	158	424	1,825
	434,075	718,596	2,332,046	3,484,717

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts

The comparative amount is restated to conform to current period's presentation.

	2024			
	Life risk RM'000	Participating RM'000	Short-term RM'000	Total RM'000
Insurance contracts				
Insurance contract assets	-	216	37,274	37,490
Insurance contract liabilities				
Liabilities for remaining coverage and liabilities for incurred claims	(623,536)	(3,129,081)	(144,731)	(3,897,348)
Revaluation reserve net of tax	-	(7,532)	-	(7,532)
	(623,536)	(3,136,613)	(144,731)	(3,904,880)
Reinsurance contracts				
Reinsurance contract assets	12,714	7,003	128,062	147,779
Reinsurance contract liabilities	(18)	(472)	(131,230)	(131,720)

	2023			
	Life risk RM'000	Participating RM'000	Short-term RM'000	Total RM'000
Insurance contracts				
Insurance contract assets	-	58	32,915	32,973
Insurance contract liabilities				
Liabilities for remaining coverage and liabilities for incurred claims	(507,346)	(3,162,844)	(178,187)	(3,848,377)
Revaluation reserve net of tax	-	(7,532)	-	(7,532)
	(507,346)	(3,170,376)	(178,187)	(3,855,909)
Reinsurance contracts				
Reinsurance contract assets	14,424	743	61,624	76,791
Reinsurance contract liabilities	(42)	(1,030)	(50,462)	(51,534)

The following table sets out the carrying amounts of insurance and reinsurance contracts expected to be (recovered)/ settled more than 12 months after the reporting date.

	2024 RM'000	2023 RM'000
Insurance contract assets	347	174
Insurance contract liabilities	(3,575,349)	(3,489,425)
Reinsurance contract assets	(23,233)	(13,434)
Reinsurance contract liabilities	(738)	(1,371)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts

(a) Life risk - Insurance contracts

Analysis by remaining coverage and incurred claims

	2024			
	Liabilities for remaining coverage			
	Excluding loss component RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Total RM'000
Opening assets	-	-	-	-
Opening liabilities	(445,684)	(12,668)	(48,994)	(507,346)
Net opening balance	(445,684)	(12,668)	(48,994)	(507,346)
Changes in the statement of profit or loss				
Insurance revenue				
Contracts under the fair value transition approach	54,640	-	-	54,640
Other contracts	22,702	-	-	22,702
	77,342	-	-	77,342
Insurance service expenses				
Incurred claims and other insurance service expenses	(326)	1,524	(88,721)	(87,523)
Amortisation of insurance acquisition cash flows	(5,096)	-	-	(5,096)
Losses and reversal of losses on onerous contracts	-	(600)	-	(600)
Adjustments to liabilities for incurred claims	-	-	768	768
	(5,422)	924	(87,953)	(92,451)
Investment components	21,203	-	(21,203)	-
Insurance service result	93,123	924	(109,156)	(15,109)
Net finance expenses from insurance contracts	(8,810)	(433)	-	(9,243)
Total changes in the statement of profit or loss	84,313	491	(109,156)	(24,352)
Cash flows				
Premiums received	(215,771)	-	-	(215,771)
Claims and other insurance service expenses paid, including investment components	-	-	98,573	98,573
Insurance acquisition cash flows	25,360	-	-	25,360
Total cash flows	(190,411)	-	98,573	(91,838)
Net closing balance	(551,782)	(12,177)	(59,577)	(623,536)
Closing assets	-	-	-	-
Closing liabilities	(551,782)	(12,177)	(59,577)	(623,536)
Net closing balance	(551,782)	(12,177)	(59,577)	(623,536)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(a) Life risk - Insurance contracts (cont'd.)

Analysis by remaining coverage and incurred claims (cont'd.)

	2023			
	Liabilities for remaining coverage			
	Excluding loss component RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Total RM'000
Opening assets	(270)	-	360	90
Opening liabilities	(386,525)	(3,981)	(34,862)	(425,368)
Net opening balance	(386,795)	(3,981)	(34,502)	(425,278)
Changes in the statement of profit or loss				
Insurance revenue				
Contracts under the fair value transition approach	60,883	-	-	60,883
Other contracts	11,458	-	-	11,458
	72,341	-	-	72,341
Insurance service expenses				
Incurred claims and other insurance service expenses	(57)	1,125	(82,705)	(81,637)
Amortisation of insurance acquisition cash flows	(2,814)	-	-	(2,814)
Losses and reversal of losses on onerous contracts	-	(9,625)	-	(9,625)
Adjustments to liabilities for incurred claims	-	-	168	168
	(2,871)	(8,500)	(82,537)	(93,908)
Investment components	18,440	-	(18,440)	-
Insurance service result	87,910	(8,500)	(100,977)	(21,567)
Net finance expenses from insurance contracts	(3,843)	(187)	-	(4,030)
Total changes in the statement of profit or loss	84,067	(8,687)	(100,977)	(25,597)
Cash flows				
Premiums received	(161,634)	-	-	(161,634)
Claims and other insurance service expenses paid, including investment components	-	-	86,485	86,485
Insurance acquisition cash flows	18,678	-	-	18,678
Total cash flows	(142,956)	-	86,485	(56,471)
Net closing balance	(445,684)	(12,668)	(48,994)	(507,346)
Closing assets	-	-	-	-
Closing liabilities	(445,684)	(12,668)	(48,994)	(507,346)
Net closing balance	(445,684)	(12,668)	(48,994)	(507,346)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(a) Life risk - Insurance contracts (cont'd.)

Analysis by measurement component - Contracts not measured under PAA

	2024					
			CSM			
	Estimate of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	Other contracts	Subtotal	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	-	-	-	-	-	-
Opening liabilities	(455,402)	(18,698)	(14,831)	(18,415)	(33,246)	(507,346)
Net opening balance	(455,402)	(18,698)	(14,831)	(18,415)	(33,246)	(507,346)
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services provided	-	-	879	1,987	2,866	2,866
Change in risk adjustment for non-financial risk for risk expired	-	22	-	-	-	22
Experience adjustments	(18,165)	-	-	-	-	(18,165)
Changes that relate to future services						
Contracts initially recognised in the year	31,107	(5,057)	-	(28,080)	(28,080)	(2,030)
Changes in estimates that adjust the CSM	(33,654)	5,175	4,936	23,543	28,479	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	1,430	-	-	-	-	1,430
Changes that relate to past services						
Adjustments to liabilities for incurred claims	768	-	-	-	-	768
Insurance service result	(18,514)	140	5,815	(2,550)	3,265	(15,109)
Net finance expenses from insurance contracts	(6,755)	(707)	(575)	(1,206)	(1,781)	(9,243)
Total changes in the statement of profit or loss	(25,269)	(567)	5,240	(3,756)	1,484	(24,352)
Cash flows	(91,838)	-	-	-	-	(91,838)
Net closing balance	(572,509)	(19,265)	(9,591)	(22,171)	(31,762)	(623,536)
Closing assets	-	-	-	-	-	-
Closing liabilities	(572,509)	(19,265)	(9,591)	(22,171)	(31,762)	(623,536)
Net closing balance	(572,509)	(19,265)	(9,591)	(22,171)	(31,762)	(623,536)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(a) Life risk - Insurance contracts (cont'd.)

Analysis by measurement component - Contracts not measured under PAA (cont'd.)

	2023					
			CSM			
	Estimate of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	Other contracts	Subtotal	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	876	(108)	(617)	(61)	(678)	90
Opening liabilities	(368,489)	(17,328)	(24,787)	(14,764)	(39,551)	(425,368)
Net opening balance	(367,613)	(17,436)	(25,404)	(14,825)	(40,229)	(425,278)
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services provided	-	-	1,126	1,730	2,856	2,856
Change in risk adjustment for non-financial risk for risk expired	-	1,098	-	-	-	1,098
Experience adjustments	(16,064)	-	-	-	-	(16,064)
Changes that relate to future services						
Contracts initially recognised in the year	31,690	(2,512)	-	(31,201)	(31,201)	(2,023)
Changes in estimates that adjust the CSM	(38,892)	1,671	10,328	26,893	37,221	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	(7,602)	-	-	-	-	(7,602)
Changes that relate to past services						
Adjustments to liabilities for incurred claims	168	-	-	-	-	168
Insurance service result	(30,700)	257	11,454	(2,578)	8,876	(21,567)
Net finance expenses from insurance contracts	(618)	(1,519)	(881)	(1,012)	(1,893)	(4,030)
Total changes in the statement of profit or loss	(31,318)	(1,262)	10,573	(3,590)	6,983	(25,597)
Cash flows	(56,471)	-	-	-	-	(56,471)
Net closing balance	(455,402)	(18,698)	(14,831)	(18,415)	(33,246)	(507,346)
Closing assets	-	-	-	-	-	-
Closing liabilities	(455,402)	(18,698)	(14,831)	(18,415)	(33,246)	(507,346)
Net closing balance	(455,402)	(18,698)	(14,831)	(18,415)	(33,246)	(507,346)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(a) Life risk - Reinsurance contracts

Analysis by remaining coverage and incurred claims

	2024			
	Assets for remaining coverage			
	Excluding loss-recovery component RM'000	Loss-recovery component RM'000	Assets for incurred claims RM'000	Total RM'000
Opening assets	(12,763)	6,502	20,685	14,424
Opening liabilities	(39)	-	(3)	(42)
Net opening balance	(12,802)	6,502	20,682	14,382
Changes in the statement of profit or loss				
Allocation of reinsurance premiums paid	(14,135)	-	-	(14,135)
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses	-	-	18,228	18,228
Recoveries and reversals of recoveries of losses on onerous underlying contracts	(237)	(863)	-	(1,100)
	(237)	(863)	18,228	17,128
Investment components	(1,123)	-	1,123	-
Net expenses from reinsurance contracts	(15,495)	(863)	19,351	2,993
Net finance income from reinsurance contracts	206	-	-	206
Total changes in the statement of profit or loss	(15,289)	(863)	19,351	3,199
Cash flows				
Premiums paid	10,177	-	-	10,177
Amounts received	-	-	(15,062)	(15,062)
Total cash flows	10,177	-	(15,062)	(4,885)
Net closing balance	(17,914)	5,639	24,971	12,696
Closing assets	(17,892)	5,639	24,967	12,714
Closing liabilities	(22)	-	4	(18)
Net closing balance	(17,914)	5,639	24,971	12,696

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(a) Life risk - Reinsurance contracts (cont'd.)

Analysis by remaining coverage and incurred claims (cont'd.)

	2023			
	Assets for remaining coverage			
	Excluding loss-recovery component RM'000	Loss-recovery component RM'000	Assets for incurred claims RM'000	Total RM'000
Opening assets	2,466	2,449	7,373	12,288
Opening liabilities	(13,682)	-	9,438	(4,244)
Net opening balance	(11,216)	2,449	16,811	8,044
Changes in the statement of profit or loss				
Allocation of reinsurance premiums paid	(13,449)	-	-	(13,449)
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses	-	-	15,300	15,300
Recoveries and reversals of recoveries of losses on onerous underlying contracts	(68)	4,053	-	3,985
	(68)	4,053	15,300	19,285
Investment components	(1,162)	-	1,162	-
Net expenses from reinsurance contracts	(14,679)	4,053	16,462	5,836
Net finance income from reinsurance contracts	1,050	-	-	1,050
Total changes in the statement of profit or loss	(13,629)	4,053	16,462	6,886
Cash flows				
Premiums paid	12,043	-	-	12,043
Amounts received	-	-	(12,591)	(12,591)
Total cash flows	12,043	-	(12,591)	(548)
Net closing balance	(12,802)	6,502	20,682	14,382
Closing assets	(12,763)	6,502	20,685	14,424
Closing liabilities	(39)	-	(3)	(42)
Net closing balance	(12,802)	6,502	20,682	14,382

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(a) Life risk - Reinsurance contracts (cont'd.)

Analysis by measurement component - Contracts not measured under PAA

	2024					
			CSM			
	Estimate of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	Other contracts	Subtotal	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	20,898	3,330	(7,727)	(2,077)	(9,804)	14,424
Opening liabilities	(39)	3	(6)	-	(6)	(42)
Net opening balance	20,859	3,333	(7,733)	(2,077)	(9,810)	14,382
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services provided	-	-	1,642	133	1,775	1,775
Change in risk adjustment for non-financial risk for risk expired	-	(284)	-	-	-	(284)
Experience adjustments	2,602	-	-	-	-	2,602
Changes that relate to future services						
Contracts initially recognised in the year	1,593	230	-	(973)	(973)	850
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(1,886)	986	(900)	(900)
Changes in estimates that adjust the CSM	(3,108)	(370)	2,347	1,131	3,478	-
Changes in estimates that relate to losses and reversal of losses on onerous underlying contracts	(1,050)	-	-	-	-	(1,050)
Net expenses from reinsurance contracts	37	(424)	2,103	1,277	3,380	2,993
Net finance income from reinsurance contracts	484	125	(291)	(112)	(403)	206
Total changes in the statement of profit or loss	521	(299)	1,812	1,165	2,977	3,199
Cash flows	(4,885)	-	-	-	-	(4,885)
Net closing balance	16,495	3,034	(5,921)	(912)	(6,833)	12,696
Closing assets	16,493	3,033	(5,900)	(912)	(6,812)	12,714
Closing liabilities	2	1	(21)	-	(21)	(18)
Net closing balance	16,495	3,034	(5,921)	(912)	(6,833)	12,696

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(a) Life risk - Reinsurance contracts (cont'd.)

Analysis by measurement component - Contracts not measured under PAA (cont'd.)

	2023					
			CSM			
	Estimate of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	Other contracts	Subtotal	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	10,842	2,049	(27)	(576)	(603)	12,288
Opening liabilities	(1,054)	1,427	(4,285)	(332)	(4,617)	(4,244)
Net opening balance	9,788	3,476	(4,312)	(908)	(5,220)	8,044
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services provided	-	-	1,600	130	1,730	1,730
Change in risk adjustment for non-financial risk for risk expired	-	(268)	-	-	-	(268)
Experience adjustments	389	-	-	-	-	389
Changes that relate to future services						
Contracts initially recognised in the year	2,328	392	-	(1,816)	(1,816)	904
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	3,367	47	3,414	3,414
Changes in estimates that adjust the CSM	8,187	(490)	(8,243)	546	(7,697)	-
Changes in estimates that relate to losses and reversal of losses on onerous underlying contracts	(333)	-	-	-	-	(333)
Net expenses from reinsurance contracts	10,571	(366)	(3,276)	(1,093)	(4,369)	5,836
Net finance income from reinsurance contracts	1,048	223	(145)	(76)	(221)	1,050
Total changes in the statement of profit or loss	11,619	(143)	(3,421)	(1,169)	(4,590)	6,886
Cash flows	(548)	-	-	-	-	(548)
Net closing balance	20,859	3,333	(7,733)	(2,077)	(9,810)	14,382
Closing assets	20,898	3,330	(7,727)	(2,077)	(9,804)	14,424
Closing liabilities	(39)	3	(6)	-	(6)	(42)
Net closing balance	20,859	3,333	(7,733)	(2,077)	(9,810)	14,382

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(b) Participating - Insurance contracts

Analysis by remaining coverage and incurred claims

	2024			
	Liabilities for remaining coverage			
	Excluding loss component	Loss component	Liabilities for incurred claims	Total
	RM'000	RM'000	RM'000	RM'000
Opening assets	174	-	(116)	58
Opening liabilities	(3,007,004)	(24,069)	(131,771)	(3,162,844)
Net opening balance	(3,006,830)	(24,069)	(131,887)	(3,162,786)
Changes in the statement of profit or loss				
Insurance revenue				
Contracts under the fair value transition approach	115,885	-	-	115,885
Other contracts	36,961	-	-	36,961
	152,846	-	-	152,846
Insurance service expenses				
Incurred claims and other insurance service expenses	(170)	3,261	(136,396)	(133,305)
Amortisation of insurance acquisition cash flows	(14,562)	-	-	(14,562)
Losses and reversal of losses on onerous contracts	-	(12,707)	-	(12,707)
Adjustments to liabilities for incurred claims	-	-	3,111	3,111
	(14,732)	(9,446)	(133,285)	(157,463)
Investment components	322,574	-	(322,574)	-
Insurance service result	460,688	(9,446)	(455,859)	(4,617)
Net finance expenses from insurance contracts	(237,166)	(674)	-	(237,840)
Income tax expenses	(4,021)	-	(10,659)	(14,680)
Total changes in the statement of profit or loss	219,501	(10,120)	(466,518)	(257,137)
Cash flows				
Premiums received	(241,028)	-	-	(241,028)
Claims and other insurance service expenses paid, including investment components	-	-	480,583	480,583
Insurance acquisition cash flows	51,503	-	-	51,503
Total cash flows	(189,525)	-	480,583	291,058
Net closing balance	(2,976,854)	(34,189)	(117,822)	(3,128,865)
Closing assets	347	-	(131)	216
Closing liabilities	(2,977,201)	(34,189)	(117,691)	(3,129,081)
Net closing balance	(2,976,854)	(34,189)	(117,822)	(3,128,865)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(b) Participating - Insurance contracts (cont'd.)

Analysis by remaining coverage and incurred claims (cont'd.)

	2023			
	Liabilities for remaining coverage			
	Excluding loss component RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Total RM'000
Opening assets	133	-	(62)	71
Opening liabilities	(2,942,691)	(31,953)	(206,547)	(3,181,191)
Net opening balance	(2,942,558)	(31,953)	(206,609)	(3,181,120)
Changes in the statement of profit or loss				
Insurance revenue				
Contracts under the fair value transition approach	141,946	-	-	141,946
Other contracts	25,037	-	-	25,037
	166,983	-	-	166,983
Insurance service expenses				
Incurred claims and other insurance service expenses	(72)	2,683	(124,537)	(121,926)
Amortisation of insurance acquisition cash flows	(9,859)	-	-	(9,859)
Losses and reversal of losses on onerous contracts	-	5,528	-	5,528
Adjustments to liabilities for incurred claims	-	-	(138)	(138)
	(9,931)	8,211	(124,675)	(126,395)
Investment components	372,435	-	(372,435)	-
Insurance service result	529,487	8,211	(497,110)	40,588
Net finance expenses from insurance contracts	(308,169)	(327)	-	(308,496)
Income tax expenses	(5,970)	-	(11,825)	(17,795)
Total changes in the statement of profit or loss	215,348	7,884	(508,935)	(285,703)
Cash flows				
Premiums received	(319,718)	-	-	(319,718)
Claims and other insurance service expenses paid, including investment components	-	-	583,657	583,657
Insurance acquisition cash flows	40,519	-	-	40,519
Others	(421)	-	-	(421)
Total cash flows	(279,620)	-	583,657	304,037
Net closing balance	(3,006,830)	(24,069)	(131,887)	(3,162,786)
Closing assets	174	-	(116)	58
Closing liabilities	(3,007,004)	(24,069)	(131,771)	(3,162,844)
Net closing balance	(3,006,830)	(24,069)	(131,887)	(3,162,786)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(b) Participating - Insurance contracts (cont'd.)

Analysis by measurement component - Contracts not measured under PAA

	2024					
			CSM			
	Estimate of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	Other contracts	Subtotal	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	463	(41)	-	(364)	(364)	58
Opening liabilities	(3,025,176)	(56,987)	(74,982)	(5,699)	(80,681)	(3,162,844)
Net opening balance	(3,024,713)	(57,028)	(74,982)	(6,063)	(81,045)	(3,162,786)
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services provided	-	-	14,038	105	14,143	14,143
Change in risk adjustment for non-financial risk for risk expired	-	1,283	-	-	-	1,283
Experience adjustments	(23,223)	-	-	-	-	(23,223)
Revenue recognised for incurred policyholder tax expenses	12,776	-	-	-	-	12,776
Changes that relate to future services						
Contracts initially recognised in the year	8,925	(4,391)	-	(6,339)	(6,339)	(1,805)
Changes in estimates that adjust the CSM	22,231	2,762	(35,212)	10,219	(24,993)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	(10,902)	-	-	-	-	(10,902)
Changes that relate to past services						
Adjustments to liabilities for incurred claims	3,111	-	-	-	-	3,111
Insurance service result	12,918	(346)	(21,174)	3,985	(17,189)	(4,617)
Net finance expenses from insurance contracts	(241,598)	3,758	-	-	-	(237,840)
Income tax expenses	(14,680)	-	-	-	-	(14,680)
Total changes in the statement of profit or loss	(243,360)	3,412	(21,174)	3,985	(17,189)	(257,137)
Cash flows	291,058	-	-	-	-	291,058
Net closing balance	(2,977,015)	(53,616)	(96,156)	(2,078)	(98,234)	(3,128,865)
Closing assets	719	(47)	-	(456)	(456)	216
Closing liabilities	(2,977,734)	(53,569)	(96,156)	(1,622)	(97,778)	(3,129,081)
Net closing balance	(2,977,015)	(53,616)	(96,156)	(2,078)	(98,234)	(3,128,865)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(b) Participating - Insurance contracts (cont'd.)

Analysis by measurement component - Contracts not measured under PAA (cont'd.)

	2023					
			CSM			
	Estimate of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	Other contracts	Subtotal	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	567	(32)	-	(464)	(464)	71
Opening liabilities	(2,980,773)	(52,427)	(145,501)	(2,490)	(147,991)	(3,181,191)
Net opening balance	(2,980,206)	(52,459)	(145,501)	(2,954)	(148,455)	(3,181,120)
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services provided	-	-	15,839	472	16,311	16,311
Change in risk adjustment for non-financial risk for risk expired	-	5,865	-	-	-	5,865
Experience adjustments	(1,911)	-	-	-	-	(1,911)
Revenue recognised for incurred policyholder tax expenses	14,933	-	-	-	-	14,933
Changes that relate to future services						
Contracts initially recognised in the year	9,329	(2,636)	-	(8,311)	(8,311)	(1,618)
Changes in estimates that adjust the CSM	(54,289)	(5,121)	54,680	4,730	59,410	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	7,146	-	-	-	-	7,146
Changes that relate to past services						
Adjustments to liabilities for incurred claims	(138)	-	-	-	-	(138)
Insurance service result	(24,930)	(1,892)	70,519	(3,109)	67,410	40,588
Net finance expenses from insurance contracts	(305,819)	(2,677)	-	-	-	(308,496)
Income tax expenses	(17,795)	-	-	-	-	(17,795)
Total changes in the statement of profit or loss	(348,544)	(4,569)	70,519	(3,109)	67,410	(285,703)
Cash flows	304,037	-	-	-	-	304,037
Net closing balance	(3,024,713)	(57,028)	(74,982)	(6,063)	(81,045)	(3,162,786)
Closing assets	463	(41)	-	(364)	(364)	58
Closing liabilities	(3,025,176)	(56,987)	(74,982)	(5,699)	(80,681)	(3,162,844)
Net closing balance	(3,024,713)	(57,028)	(74,982)	(6,063)	(81,045)	(3,162,786)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(b) Participating - Reinsurance contracts

Analysis by remaining coverage and incurred claims

	2024			
	Assets/(Liabilities) for remaining coverage			
	Excluding loss-recovery component RM'000	Loss-recovery component RM'000	Assets for incurred claims RM'000	Total RM'000
Opening assets	(10,948)	3,775	7,916	743
Opening liabilities	(1,332)	-	302	(1,030)
Net opening balance	(12,280)	3,775	8,218	(287)
Changes in the statement of profit or loss				
Allocation of reinsurance premiums paid	(10,806)	-	-	(10,806)
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses	-	-	21,803	21,803
Recoveries and reversals of recoveries of losses on onerous underlying contracts	(50)	(176)	-	(226)
	(50)	(176)	21,803	21,577
Investment components	(715)	-	715	-
Net expenses from reinsurance contracts	(11,571)	(176)	22,518	10,771
Net finance income from reinsurance contracts	(209)	-	-	(209)
Total changes in the statement of profit or loss	(11,780)	(176)	22,518	10,562
Cash flows				
Premiums paid	8,765	-	-	8,765
Amounts received	-	-	(12,509)	(12,509)
Total cash flows	8,765	-	(12,509)	(3,744)
Net closing balance	(15,295)	3,599	18,227	6,531
Closing assets	(14,579)	3,599	17,983	7,003
Closing liabilities	(716)	-	244	(472)
Net closing balance	(15,295)	3,599	18,227	6,531

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(b) Participating - Reinsurance contracts (cont'd.)

Analysis by remaining coverage and incurred claims (cont'd.)

	2023			
	Assets/(Liabilities) for remaining coverage			
	Excluding loss-recovery component RM'000	Loss-recovery component RM'000	Assets for incurred claims RM'000	Total RM'000
Opening assets	(9,133)	8,499	1,427	793
Opening liabilities	(2,574)	-	1,991	(583)
Net opening balance	(11,707)	8,499	3,418	210
Changes in the statement of profit or loss				
Allocation of reinsurance premiums paid	(9,990)	-	-	(9,990)
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses	-	-	15,986	15,986
Recoveries and reversals of recoveries of losses on onerous underlying contracts	(185)	(4,724)	-	(4,909)
	(185)	(4,724)	15,986	11,077
Investment components	(542)	-	542	-
Net expenses from reinsurance contracts	(10,717)	(4,724)	16,528	1,087
Net finance income from reinsurance contracts	(503)	-	-	(503)
Total changes in the statement of profit or loss	(11,220)	(4,724)	16,528	584
Cash flows				
Premiums paid	10,647	-	-	10,647
Amounts received	-	-	(11,728)	(11,728)
Total cash flows	10,647	-	(11,728)	(1,081)
Net closing balance	(12,280)	3,775	8,218	(287)
Closing assets	(10,948)	3,775	7,916	743
Closing liabilities	(1,332)	-	302	(1,030)
Net closing balance	(12,280)	3,775	8,218	(287)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(b) Participating - Reinsurance contracts (cont'd.)

Analysis by measurement component - Contracts not measured under PAA

	2024					
			CSM			
	Estimate of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	Other contracts	Subtotal	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	(2,034)	1,272	996	509	1,505	743
Opening liabilities	153	58	(1,476)	235	(1,241)	(1,030)
Net opening balance	(1,881)	1,330	(480)	744	264	(287)
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services received	-	-	150	(236)	(86)	(86)
Change in risk adjustment for non-financial risk for risk expired	-	(172)	-	-	-	(172)
Experience adjustments	11,255	-	-	-	-	11,255
Changes that relate to future services						
Contracts initially recognised in the year	558	279	-	(611)	(611)	226
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(1,751)	1,408	(343)	(343)
Changes in estimates that adjust the CSM	(5,370)	1,041	4,187	142	4,329	-
Changes in estimates that relate to losses and reversal of losses on onerous underlying contracts	(109)	-	-	-	-	(109)
Net expenses from reinsurance contracts	6,334	1,148	2,586	703	3,289	10,771
Net finance income from reinsurance contracts	(333)	127	(18)	15	(3)	(209)
Total changes in the statement of profit or loss	6,001	1,275	2,568	718	3,286	10,562
Cash flows	(3,744)	-	-	-	-	(3,744)
Net closing balance	376	2,605	2,088	1,462	3,550	6,531
Closing assets	948	2,553	2,040	1,462	3,502	7,003
Closing liabilities	(572)	52	48	-	48	(472)
Net closing balance	376	2,605	2,088	1,462	3,550	6,531

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(b) Participating - Reinsurance contracts (cont'd.)

Analysis by measurement component - Contracts not measured under PAA (cont'd.)

	2023					
			CSM			
	Estimate of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	Other contracts	Subtotal	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	(178)	302	591	78	669	793
Opening liabilities	(7,414)	1,544	5,497	(210)	5,287	(583)
Net opening balance	(7,592)	1,846	6,088	(132)	5,956	210
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services received	-	-	(99)	(111)	(210)	(210)
Change in risk adjustment for non-financial risk for risk expired	-	(168)	-	-	-	(168)
Experience adjustments	6,374	-	-	-	-	6,374
Changes that relate to future services						
Contracts initially recognised in the year	633	231	-	(305)	(305)	559
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(5,313)	968	(4,345)	(4,345)
Changes in estimates that adjust the CSM	1,691	(674)	(1,360)	343	(1,017)	-
Changes in estimates that relate to losses and reversal of losses on onerous underlying contracts	(1,123)	-	-	-	-	(1,123)
Net expenses from reinsurance contracts	7,575	(611)	(6,772)	895	(5,877)	1,087
Net finance income from reinsurance contracts	(783)	95	204	(19)	185	(503)
Total changes in the statement of profit or loss	6,792	(516)	(6,568)	876	(5,692)	584
Cash flows	(1,081)	-	-	-	-	(1,081)
Net closing balance	(1,881)	1,330	(480)	744	264	(287)
Closing assets	(2,034)	1,272	996	509	1,505	743
Closing liabilities	153	58	(1,476)	235	(1,241)	(1,030)
Net closing balance	(1,881)	1,330	(480)	744	264	(287)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(c) Short-term - Insurance contracts

Analysis by remaining coverage and incurred claims - Contracts measured under PAA

	2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component RM'000	Loss component RM'000	Estimates of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	Total RM'000
Opening assets	33,679	-	(764)	-	32,915
Opening liabilities	(105,298)	(24)	(67,162)	(5,703)	(178,187)
Net opening balance	(71,619)	(24)	(67,926)	(5,703)	(145,272)
Changes in the statement of profit or loss					
Insurance revenue	230,542	-	(38)	-	230,504
Insurance service expenses					
Incurred claims and other insurance service expenses	-	-	(222,244)	3,431	(218,813)
Insurance acquisition cash flows	(23,075)	-	-	-	(23,075)
Lossess and reversal of losses on onerous contracts	-	(5)	-	-	(5)
Adjustments to liabilities for incurred claims	-	-	1,866	-	1,866
	(23,075)	(5)	(220,378)	3,431	(240,027)
Investment components	6,695	-	(6,695)	-	-
Insurance service result	214,162	(5)	(227,111)	3,431	(9,523)
Net finance expenses from insurance contracts	(4,417)	-	-	-	(4,417)
Total changes in the statement of profit or loss	209,745	(5)	(227,111)	3,431	(13,940)
Cash flows					
Premiums received	(210,947)	-	-	-	(210,947)
Claims and other insurance service expenses paid	-	-	239,612	-	239,612
Insurance acquisition cash flows	23,090	-	-	-	23,090
Total cash flows	(187,857)	-	239,612	-	51,755
Net closing balance	(49,731)	(29)	(55,425)	(2,272)	(107,457)
Closing assets	38,005	-	(730)	(1)	37,274
Closing liabilities	(87,736)	(29)	(54,695)	(2,271)	(144,731)
Net closing balance	(49,731)	(29)	(55,425)	(2,272)	(107,457)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(c) Short-term - Insurance contracts (cont'd.)

Analysis by remaining coverage and incurred claims - Contracts measured under PAA (cont'd.)

	2023				
	Liabilities for remaining coverage		**Liabilities for incurred claims**		
	Excluding loss component	**Loss component**	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Opening assets	31,773	-	(1,461)	(94)	30,218
Opening liabilities	(109,018)	(1,252)	(87,903)	(5,688)	(203,861)
Net opening balance	(77,245)	(1,252)	(89,364)	(5,782)	(173,643)
Changes in the statement of profit or loss					
Insurance revenue	172,470	-	152	-	172,622
Insurance service expenses					
Incurred claims and other insurance service expenses	-	-	(137,106)	79	(137,027)
Insurance acquisition cash flows	(19,265)	-	-	-	(19,265)
Lossess and reversal of losses on onerous contracts	-	1,228	-	-	1,228
Adjustments to liabilities for incurred claims	-	-	156	-	156
	(19,265)	1,228	(136,950)	79	(154,908)
Investment components	5,459	-	(5,459)	-	-
Insurance service result	158,664	1,228	(142,257)	79	17,714
Net finance expenses from insurance contracts	(3,166)	-	-	-	(3,166)
Total changes in the statement of profit or loss	155,498	1,228	(142,257)	79	14,548
Cash flows					
Premiums received	(169,425)	-	-	-	(169,425)
Claims and other insurance service expenses paid	-	-	163,695	-	163,695
Insurance acquisition cash flows	19,553	-	-	-	19,553
Total cash flows	(149,872)	-	163,695	-	13,823
Net closing balance	(71,619)	(24)	(67,926)	(5,703)	(145,272)
Closing assets	33,679	-	(764)	-	32,915
Closing liabilities	(105,298)	(24)	(67,162)	(5,703)	(178,187)
Net closing balance	(71,619)	(24)	(67,926)	(5,703)	(145,272)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(c) Short-term - Reinsurance contracts

Analysis by remaining coverage and incurred claims

	2024				
	Assets for remaining coverage		Liabilities for incurred claims		
	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	29,241	218	32,165	-	61,624
Opening liabilities	(67,533)	-	16,296	775	(50,462)
Net opening balance	(38,292)	218	48,461	775	11,162
Changes in the statement of profit or loss					
Allocation of reinsurance premiums paid	(42,434)	-	-	-	(42,434)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	-	46,884	(408)	46,476
Recoveries and reversal of recoveries of claims on onerous contracts	-	114	-	-	114
	-	114	46,884	(408)	46,590
Reinsurance investment components	(294)	-	294	-	-
Effect of changes in non-performance risk of reinsurers	46,680	-	(58,558)	-	(11,878)
Net expenses from reinsurance contracts	3,952	114	(11,380)	(408)	(7,722)
Net finance income from reinsurance contracts	58	-	-	-	58
Total changes in the statement of profit or loss	4,010	114	(11,380)	(408)	(7,664)
Cash flows					
Premiums paid	63,616	-	-	-	63,616
Amounts received	-	-	(70,282)	-	(70,282)
Total cash flows	63,616	-	(70,282)	-	(6,666)
Net closing balance	29,334	332	(33,201)	367	(3,168)
Closing assets	83,193	332	44,537	-	128,062
Closing liabilities	(53,859)	-	(77,738)	367	(131,230)
Net closing balance	29,334	332	(33,201)	367	(3,168)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.1 Movements in carrying amounts (cont'd.)

(c) Short-term - Reinsurance contracts (cont'd.)

Analysis by remaining coverage and incurred claims (cont'd.)

	2023				
	Liabilities for remaining coverage		Assets for incurred claims		
	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	23,549	838	12,789	-	37,176
Opening liabilities	(29,759)	-	3,370	1,042	(25,347)
Net opening balance	(6,210)	838	16,159	1,042	11,829
Changes in the statement of profit or loss					
Allocation of reinsurance premiums paid	(43,654)	-	-	-	(43,654)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	-	41,398	(267)	41,131
Recoveries and reversal of recoveries of claims on onerous contracts	(349)	(620)	-	-	(969)
	(349)	(620)	41,398	(267)	40,162
Reinsurance investment components	(418)	-	418	-	-
Net expenses from reinsurance contracts	(44,421)	(620)	41,816	(267)	(3,492)
Net finance income from reinsurance contracts	54	-	-	-	54
Total changes in the statement of profit or loss	(44,367)	(620)	41,816	(267)	(3,438)
Cash flows					
Premiums paid	12,285	-	-	-	12,285
Amounts received	-	-	(9,514)	-	(9,514)
Total cash flows	12,285	-	(9,514)	-	2,771
Net closing balance	(38,292)	218	48,461	775	11,162
Closing assets	29,241	218	32,165	-	61,624
Closing liabilities	(67,533)	-	16,296	775	(50,462)
Net closing balance	(38,292)	218	48,461	775	11,162

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.2 Effect of contracts initially recognised in the year

(a) Life risk

Insurance contracts

	2024 Profitable contracts issued RM'000	2024 Onerous contracts issued RM'000	2024 Total RM'000
Claims and other insurance service expenses payable	(77,621)	(87,342)	(164,963)
Insurance acquisition cash flows	(21,041)	(2,174)	(23,215)
Estimates of present value of cash outflows	(98,662)	(89,516)	(188,178)
Estimates of present value of cash inflows	131,344	87,941	219,285
Risk adjustment for non-financial risk	(4,602)	(455)	(5,057)
CSM	(28,080)	-	(28,080)
Losses recognised on initial recognition	-	(2,030)	(2,030)

	2023 Profitable contracts issued RM'000	2023 Onerous contracts issued RM'000	2023 Total RM'000
Claims and other insurance service expenses payable	(83,069)	(66,206)	(149,275)
Insurance acquisition cash flows	(18,026)	(1,465)	(19,491)
Estimates of present value of cash outflows	(101,095)	(67,671)	(168,766)
Estimates of present value of cash inflows	134,579	65,877	200,456
Risk adjustment for non-financial risk	(2,283)	(229)	(2,512)
CSM	(31,201)	-	(31,201)
Losses recognised on initial recognition	-	(2,023)	(2,023)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.2 Effect of contracts initially recognised in the year (cont'd.)

(a) Life risk (cont'd.)

<u>Reinsurance contracts</u>

	2024		
	Contracts initiated without loss-recovery component RM'000	**Contracts initiated with loss-recovery component RM'000**	**Total RM'000**
Estimates of present value of cash inflows	7,146	4,129	11,275
Estimates of present value of cash outflows	(6,622)	(3,060)	(9,682)
Risk adjustment for non-financial risk	200	30	230
Income recognised on initial recognition	-	(850)	(850)
CSM	724	249	973

	2023		
	Contracts initiated without loss-recovery component RM'000	**Contracts initiated with loss-recovery component RM'000**	**Total RM'000**
Estimates of present value of cash inflows	8,491	4,207	12,698
Estimates of present value of cash outflows	(7,720)	(2,650)	(10,370)
Risk adjustment for non-financial risk	254	138	392
Income recognised on initial recognition	-	(904)	(904)
CSM	1,025	791	1,816

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.2 Effect of contracts initially recognised in the year (cont'd.)

(b) Participating

Insurance contracts

	2024 Profitable contracts issued RM'000	Onerous contracts issued RM'000	Total RM'000
Claims and other insurance service expenses payable	(139,008)	(50,332)	(189,340)
Insurance acquisition cash flows	(32,502)	(13,070)	(45,572)
Estimates of present value of cash outflows	(171,510)	(63,402)	(234,912)
Estimates of present value of cash inflows	180,916	62,921	243,837
Risk adjustment for non-financial risk	(3,067)	(1,324)	(4,391)
CSM	(6,339)	-	(6,339)
Losses recognised on initial recognition	-	(1,805)	(1,805)

	2023 Profitable contracts issued RM'000	Onerous contracts issued RM'000	Total RM'000
Claims and other insurance service expenses payable	(182,554)	(12,541)	(195,095)
Insurance acquisition cash flows	(35,646)	(6,351)	(41,997)
Estimates of present value of cash outflows	(218,200)	(18,892)	(237,092)
Estimates of present value of cash inflows	228,794	17,627	246,421
Risk adjustment for non-financial risk	(2,283)	(353)	(2,636)
CSM	(8,311)	-	(8,311)
Losses recognised on initial recognition	-	(1,618)	(1,618)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.2 Effect of contracts initially recognised in the year (cont'd.)

(b) Participating (cont'd.)

Reinsurance contracts

	2024		
	Contracts initiated without loss-recovery component RM'000	Contracts initiated with loss-recovery component RM'000	Total RM'000
Estimates of present value of cash inflows	8,235	1,038	9,273
Estimates of present value of cash outflows	(7,785)	(930)	(8,715)
Risk adjustment for non-financial risk	258	21	279
Income recognised on initial recognition	-	(226)	(226)
CSM	708	(97)	611

	2023		
	Contracts initiated without loss-recovery component RM'000	Contracts initiated with loss-recovery component RM'000	Total RM'000
Estimates of present value of cash inflows	7,263	938	8,201
Estimates of present value of cash outflows	(6,795)	(773)	(7,568)
Risk adjustment for non-financial risk	210	21	231
Income recognised on initial recognition	-	(559)	(559)
CSM	678	(373)	305

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.3 Contractual service margin

The following table sets out when the Company expects to recognise the remaining CSM in profit or loss after the reporting date for contracts not measured under the PAA.

2024

	1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	More than 10 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contracts								
Life risk	(2,635)	(2,365)	(2,157)	(1,920)	(1,713)	(6,278)	(14,694)	(31,762)
Participating	(12,977)	(11,083)	(9,427)	(7,978)	(6,707)	(19,898)	(30,164)	(98,234)
	(15,612)	(13,448)	(11,584)	(9,898)	(8,420)	(26,176)	(44,858)	(129,996)
Reinsurance contracts								
Life risk	1,435	1,156	989	861	748	683	961	6,833
Participating	(219)	(120)	(73)	(51)	(38)	(157)	(2,892)	(3,550)
	1,216	1,036	916	810	710	526	(1,931)	3,283

2023

	1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	More than 10 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contracts								
Life risk	(3,287)	(3,019)	(2,809)	(2,545)	(2,324)	(8,852)	(10,410)	(33,246)
Participating	(12,684)	(10,865)	(9,263)	(7,849)	(6,608)	(19,452)	(14,324)	(81,045)
	(15,971)	(13,884)	(12,072)	(10,394)	(8,932)	(28,304)	(24,734)	(114,291)
Reinsurance contracts								
Life risk	1,451	1,164	986	858	756	2,586	2,009	9,810
Participating	(281)	(197)	(150)	(120)	(98)	(280)	862	(264)
	1,170	967	836	738	658	2,306	2,871	9,546

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.4 Significant judgements and estimates

(a) Fullfiment cash flows

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

The Company's objective in estimating future cash flows is to determine the expected value of fulfillment that reflects the company's best estimate of future cash flows, plus explicit risk adjustments that reflect the company's estimate for non-financial risk.

Estimates of future cash flows

In estimating future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Company takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted. The Company derives cost inflation assumptions from the inflation margin, added onto the base risk-free yield.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.4 Significant judgements and estimates (cont'd.)

(a) Fullfiment cash flows (cont'd.)

Estimates of future cash flows (cont'd.)

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include:

- claims handling, maintenance and administration costs;
- recurring commissions payable on instalment premiums receivable within the contract boundary;
- costs that the Company will incur in performing investment activities to the extent that the Company performs them to enhance benefits from insurance coverage for policyholders by generating an investment return from which policyholders will benefit if an insured event occurs; and
- income tax and other costs specifically chargeable to the policyholders under the terms of the contracts.

Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. The Company generally allocates insurance acquisition cash flows to groups of contracts based on the total premiums for each group, claims handling costs based on the number of claims for each group, and maintenance and administration costs based on the number of in-force contracts within each group. Other costs are recognised in profit or loss as they are incurred.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.4 Significant judgements and estimates (cont'd.)

(a) Fullfiment cash flows (cont'd.)

Contract boundaries

The assessment of the contract boundary, which defines which future cash flows are included in the measurement of a contract, requires judgement and consideration of the Company's substantive rights and obligations under the contract.

Insurance contracts	Some term assurance and critical illness contracts issued by the Company have annual terms that are guaranteed to be renewable each year. The Company determines that the cash flows related to future renewals (i.e. the guaranteed renewable terms) of these contracts are outside the contract boundary. This is because the premium charged for each year reflects the Company's expectation of its exposure to risk for that year and, on renewal, the Company can reprice the premium to reflect the reassessed risks for the next year based on claims experience and expectations for the respective portfolio. Any renewal of the contract is treated as a new contract and is recognised, separately from the initial contract, when the recognition criteria are met.
Reinsurance contracts	Each of the Company's quota share reinsurance contracts has an annual term, covers underlying contracts issued within the term on a risk-attaching basis and provides unilateral rights to both the Company and the reinsurer to terminate the cession of new business at any time by giving three months' notice to the other party. On initial recognition, the cash flows within the reinsurance contract boundary are determined to be those arising from underlying contracts that the Company expects to issue and cede under the reinsurance contract within the next three months. Subsequently, expected cash flows beyond the end of this initial notice period are considered cash flows of new reinsurance contracts and are recognised, separately from the initial contract, as they fall within the rolling three-month notice period. Each of the Company's excess of loss and stop loss reinsurance contracts has an annual term and covers claims from underlying contracts incurred within the year (i.e. loss occurring). Cash flows within the contract boundary are those arising from underlying claims incurred during the year.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.4 Significant judgements and estimates (cont'd.)

(a) Fullfiment cash flows (cont'd.)

Mortality (Longevity)

Assumptions about mortality/longevity, morbidity and policyholder behaviour that are used in estimating future cash flows are developed by product type, reflecting recent experience and the profiles of policyholders within a group of insurance contracts.

Mortality/longevity and morbidity assumptions are developed based on the national mortality data, industry trends and the local entity's recent experience. Experience is monitored through regular studies, the results of which are reflected both in the pricing of new products and in the measurement of existing contracts.

The assumptions used, including loss ratios and future claims inflation, are derived from the historical experience, although judgement is applied to assess the extent to which past trends might not apply in the future and future trends are expected to emerge.

The assumptions applied differ by the type of underwriting style, of which there are 3 main underwriting groups:

(i) Normally underwritten contracts
These contracts are subject to the normal underwriting rules of the company. The risk exposure for these contracts is mostly Malaysian lives. Therefore the Malaysian mortality table is the basis for setting the assumption.

The latest Malaysian mortality (i.e. 2016-2020) is the basis for the assumption.

(ii) Automatically accepted contracts
These contracts have support from reinsurance arrangements to limit the Company's mortality exposure. The basis for the assumption is the reinsurance risk rates applicable for the particular arrangement that the contract is covered by.

(iii) EPF Annuity
This is a closed block of life annuity contracts written during the years 2000 and 2001 via EPF. The A90 mortality table is the basis for assumption.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.4 Significant judgements and estimates (cont'd.)

(a) Fullfiment cash flows (cont'd.)

Morbidity ("Critical Illness")

For contracts that provide benefits upon the diagnosis of any of the prescribed "critical conditions", the basis for the assumption is the reinsurance risk rate.

Lapse and Surrender

Assumptions about lapse and surrender that are used in estimating future cash flows are developed by product type, reflecting recent experience and the expected behaviour of the policyholders within the assumption group.

There are more than 30 assumption groups, each covering contracts that are expected to exhibit similar risk and policyholder behaviour on lapse and surrender. Within each assumption group, the lapse and surrender assumption differs further by the length of period elapsed for the contracts.

The assumption groups are set to reflect the major drivers that the Company believes to have an influence on lapse and surrender behaviour, including:

- Length of boundary
- Existence (or non-existence) of direct participating features
- Existence (or non-existence) of an investment component upon lapse and surrender
- Individual vs. Group contract
- Single premium vs. regular premium
- For EPF annuity contracts before 65 years old, by attained age because the payment upon surrender is related to the attained age.

While setting the assumptions, we may apply the same assumptions onto more than one of the contract groups. The experience for each of the contract groups is too small to be of acceptable credibility, and we perform the experience study with multiple groups grouped together into larger groups that we believe exhibit the same lapse and surrender behaviour (based on the major influencing factors as described).

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.4 Significant judgements and estimates (cont'd.)

(a) Fullfiment cash flows (cont'd.)

Maintenance Expense

Assumptions about maintenance expense that are used in estimating future cash flows are developed by product type, based on the recent experience and the expected cost in maintaining these contracts.

We separate the contracts into the same assumption groups as lapse and surrender. Each group covers contracts that are expected to incur similar effort in maintaining. While setting the assumptions, we may apply the same assumption into more than one of the assumption groups as we see similar maintenance effort across multiple assumption groups.

Investment performance of underlying item

Assumptions about investment performance that are used in estimating future cash flows are based on the company's last-approved long term strategic asset allocation. The Company also considers the investment performance over the past (up to 10) years and the current plus expected market outlook as additional points to be considered before making the assumption.

Discount rates

Cash flows arising from participating contracts is discounted using the best estimate fund-based investment return. The assets that back the cash flows which vary based on the returns of the underlying items are not held separately from the assets that back the cash flows which do not vary based on the returns of the underlying itmes. Applying MFRS 17 B77 we apply the discount rate that is appropriate for the cash flows as a whole, and the discount rate reflects the variability of the cash flows.

All other cash flows are discounted using risk-free yield curve applicable for Malaysian Government bonds, observed and published via the Bond Pricing Agency Malaysia. The yield curve is interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rate and inflation expectations.

All risk-free yields come from published information on Bond Pricing Agency Malaysia for terms to maturity up to 15 years. For terms to maturity greater than 15 years, the Smith-Wilson extrapolation approach is applied to calculate the yields of up to 100 years term to maturity. In this regard, we believe the ultimate yield at 100 years to maturity is 5.0% per year.

The tables below set out the yield curves used to discount the cash flows of insurance contracts:

	2024				2023			
	1 year	5 years	10 years	15 years	1 year	5 years	10 years	15 years
Life risk	3.29%	3.66%	3.86%	4.03%	3.30%	3.65%	3.74%	4.05%
Participating	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.4 Significant judgements and estimates (cont'd.)

(a) Fullfiment cash flows (cont'd.)

Illiquidity Premium

To reflect the liquidity characteristics of the insurance contracts, the risk-free yield curves are adjusted by an illiquidity premium where applicable to certain contract groups that are assessed as "illiquid contracts". Illiquidity premium is calculated by comparing the expected returns of the allocation of that contract group into assets classes that are deemed illiquid, and calculate their average return spread over the equivalent 10-year Malaysian Government bond. The assets that are deemed as illiquid are "Low Risk bonds" and corporate bonds.

As at the reporting date we deteremined that 3 of our contract groups are assessed to be "illiquid" and we apply an illiquidity premium of 0.15% onto the yearly discount rate. These contract groups are:

- Individual non-profit savings contracts;
- group mortgage contracts; and
- individual non-profit savings contracts with non-dripping unit account and boundaries of at least 25 years.

Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk and are allocated to groups of contracts based on an analysis of the risk profiles of the groups.

The approach for determing the fulfillment cash flows with risk adjustment is via adjustments in the projection assumptions used for the Best Estimate Liability of Fulfilment Cash Flows ("BEL FCF"). The amount of risk adjustment ("RA") would then be:

By default, the RA is calculated as the excess of the discounted value of the FCF projected at BEL+RA level over the discounted value at BEL. For certain contract groups the RA is calculated using different subsets of fulfillments as a result of the different designs of the contracts:

- Participating: the excess of the discounted value of the total FCF projected at BEL+RA level over the discounted value at BEL;
- Participating (investment-linked): the excess of the discounted value of the entity FCF projected at BEL+RA level over the discounted value at BEL;
- Short-term: the excess of the undiscounted value of the liability for remaining coverage at the BEL+RA level over the liability for remaining coverage at BEL.

The risk adjustment aims to secure at least a 75% confidence level for the fulfillment.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

8. Insurance and reinsurance contracts (cont'd.)

8.4 Significant judgements and estimates (cont'd.)

(b) Contractual service margin

Determination of coverage units

The CSM of a group of contracts is recognised in profit or loss to reflect services provided in each year based on the number of coverage units provided in the year, which is determined by considering for each contract the quantity of the benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

For all contracts, the basis for determining the coverage unit is driven by the level of contractual benefits that the entity is obliged to pay to the policyholder.

Type of contract	**Basis for driving coverage unit**
Participating annuity	- Before annuity commences: surrender value, or mortality benefit if higher - After annuity commences: discounted value of life annuity
Participating others	Max (surrender value, asset share, insurance benefit)
Non-participating	Max (surrender value, insurance benefit)
Investment-linked	Insurance benefit
Medical contracts	Remaining claimable medical benefit
Reinsurance	Benefit reinsured

Risk mitigation option

The Company uses reinsurance contracts to mitigate the insurance risk underwritten.

(c) Investment components

The Company identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Investment components are excluded from insurance revenue and insurance service expenses.

For reinsurance contracts held, the investment component is an amount that the Company would receive under all possible scenarios, whether had there been no claims recovered, small claims recovered (resulting in a reinsurance profit sharing being paid) or excessive claims recovered (resulting in a reinsurance loss carried forward).

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

9. Other receivables

	2024 RM'000	2023 RM'000
Financial assets:		
Income due and accrued	35,705	38,434
Other receivables	2,896	2,914
Due premiums including agents/brokers and coinsurers balances	102	122
	38,703	41,470
Non-financial assets:		
Prepayments	5,049	8,639
	43,752	50,109

The carrying amounts of financial assets above approximate their fair values due to the relatively short-term maturity of these balances.

10. Non-current assets held for sale

	Note	2024 RM'000	2023 RM'000
At 1 January		696	1,246
Transfer from investment properties	4	250	-
Disposals		-	(550)
At 31 December		946	696

In the current and previous years, the Company has entered into various Sale and Purchase Agreements for disposal of properties. The disposal of the remaining two properties have yet to be completed as at the date of these financial statements.

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property and equipment are not depreciated or amortised once classified as held for sale.

Non-current assets classified as held for sale and any cumulative income or expense recognised in other comprehensive income relating to assets classified as held for sale are presented separately as current items in the statement of financial position.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

11. Share capital

	2024		2023	
Issued and paid-up:	**No. of shares ('000)**	**RM'000**	**No. of shares ('000)**	**RM'000**
Ordinary shares				
At beginning and end of year	100,284	125,024	100,284	125,024

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The Company has issued ordinary shares that are classified as equity. Incremental external costs that are directly attributable to the issue of these shares are recognised in equity, net of tax.

12. Retained profits

The non-distributable retained profits represent the unallocated surplus from the Participating and Non Participating funds. In accordance with Section 83 of the Financial Services Act 2013, the unallocated surplus is only available for distribution to the shareholders upon recommendation by the Appointed Actuary.

Pursuant to the single tier tax system, any dividends distributed by the Company will be exempted from tax in the hands of shareholders. The Company shall not be entitled to deduct tax on dividend paid, credited or distributed to shareholders.

The Company may distribute single tier exempt dividend to its shareholders out of its retained earnings. Pursuant to Section 51(1) of the FSA, the Company is required to obtain BNM's written approval prior to declaring or paying any dividend. Pursuant to the RBC Framework for Insurers, the Company shall not pay dividends if its Capital Adequacy Ratio position is less than its internal target capital level or if the payment of dividend would impair its Capital Adequacy Ratio position to below its internal target capital level.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

13. Deferred tax liabilities

	Note	2024 RM'000	2023 RM'000
At 1 January		54,193	32,118
Recognised in:			
Income statement			
- Taxation of the Company	24	2,580	22,108
Insurance contract liabilities		-	(33)
At 31 December		56,773	54,193

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

	2024 RM'000	2023 RM'000
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	66,884	62,184
Deferred tax assets	(10,111)	(7,991)
	56,773	54,193

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Accelerated capital allowances RM'000	Assets revaluation reserves RM'000	Fair value of investment assets RM'000	Unallocated surplus RM'000	Total RM'000
Deferred tax liabilities					
As at 1 January 2023	700	688	1,300	39,426	42,114
Recognised in:					
Income statement	-	-	11,378	8,725	20,103
Insurance contract liabilities	-	(33)	-	-	(33)
As at 31 December 2023/1 January 2024	700	655	12,678	48,151	62,184
Recognised in:					
Income statement	-	-	8,198	(3,498)	4,700
As at 31 December 2024	700	655	20,876	44,653	66,884

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

13. Deferred tax liabilities (cont'd.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows (cont'd.):

	Accretion and amortisation on investment assets RM'000	Unabsorbed tax losses and unutilised tax exemptions RM'000	Total RM'000
Deferred tax assets			
At 1 January 2023	(9,996)	-	(9,996)
Recognised in income statement	4,333	(2,328)	2,005
At 31 December 2023/1 January 2024	(5,663)	(2,328)	(7,991)
Recognised in income statement	4,777	(6,897)	(2,120)
At 31 December 2024	(886)	(9,225)	(10,111)

Unrecognised deferred tax assets

The Company has unrecognised deferred tax asset arising from the following (stated at gross):

	2024 RM'000	2023 RM'000
Unabsorbed tax losses in shareholders fund	-	3,637
Unutilised tax exemptions	12,154	6,063
	12,154	9,700

The unabsorbed tax losses are allowed to carry forward for a maximum 10 years under the current tax legislation. There is no expiry date for deductible temporary difference and unutilised capital allowances where deferred tax assets were not recognised.

The unabsorbed tax losses will expire in the following years of assessments as shown below:

	2024 RM'000	2023 RM'000
Expiring in 2033	-	3,637
Expiring in 2034	34,763	-
	34,763	3,637

As at 31 December 2024, Malaysia have substantively enacted new legislation to implement the global minimum top-up tax. The Company expects to be subjected to the top-up tax. However, since the newly enacted tax will only come into effect in year 2025, there is no current year tax impact for the year ended 31 December 2024.

The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

The Company is currently assessing the financial impact of adopting top-up tax.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

14. Lease liabilities

	2024 RM'000	2023 RM'000
As at 1 January	14,926	18,526
Additions (Note 5)	3,085	2,042
Termination of lease	(1,236)	-
Interest expense on lease liabilities	699	850
Lease payment	(5,504)	(6,492)
As at 31 December	11,970	14,926

15. Other payables

	Note	2024 RM'000	2023 RM'000
Financial liabilities:			
Other creditors		29,379	26,863
		29,379	26,863
Non-financial liabilities:			
Provision for retirement medical benefits	(i)	4,959	8,603
Accrued expenses		5,822	11,909
Other provisions		11,526	20,153
		22,307	40,665
		51,686	67,528

(i) Provision for retirement medical benefits

This relates to medical benefits provided to certain former employees after retirement.

The movement of the present value of the defined benefit obligation recognised in the statement of financial position is as follows:

	2024 RM'000	2023 RM'000
As at 1 January	8,603	8,225
Provision (released)/made during the year	(3,668)	246
Medical benefits paid	(380)	(330)
Unwinding of discount rate	404	462
As at 31 December	4,959	8,603

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

15. Other payables (cont'd.)

(i) Provision for retirement medical benefits (cont'd.)

Principal actuarial assumptions used at the end of the financial year is as follows:

	2024	**2023**
Mortality	2022 Abridged Life Table	M11/15
Inflation rate (per annum)	10%	10%

The mortality assumption is based on the 2022 Abridged Life Table by the Department of Statistics Malaysia (2023: Malaysian insured lives between year 2011 to 2015).

The discount rate used is the best estimate of investment returns for participating and annuity business. The gross investment return is 5.50% (2023: 5.50%) for the participating business and 5.00% (2023: 5.00%) for the annuity business. The spot-yields curve of MGS is used for non-participating and investment-linked non-unit funds.

The following tables demonstrates the sensitivity of provision for retirement medical benefits to a reasonable change in discount rate on profit before taxation and equity:

	<---------- Increase/(Decrease) ----------->		
	Changes in basis points	**Impact on profit before taxation RM'000**	**Impact on equity* RM'000**
2024			
Interest rates	+ 100 bps	98	75
Interest rates	- 100 bps	(105)	(80)
2023			
Interest rates	+ 100 bps	206	157
Interest rates	- 100 bps	(222)	(169)

* Impact on equity reflects adjustments for tax, when applicable.

The carrying amounts of financial liabilities disclosed above approximate fair value at the reporting date.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

16. Subordinated notes

	2024 RM'000	2023 RM'000
RM200.0 million Tier 2 subordinated notes, net of expenses	199,161	199,065
Add: interest payable	58	87
	199,219	199,152
Payable within 12 months	58	87
Payable after 12 months	200,000	200,000
	200,058	200,087
Less: Amortisation of transaction cost	(839)	(935)
	199,219	199,152

In 29 December 2021, the Company issued subordinated notes of RM200.0 million nominal value for a period of 10 years on a 10 non-callable 5 basis with a coupon rate of 5.30% per annum.

The subordinated notes are unsecured liabilities and classified as Tier 2 capital under Risk Based Capital Framework for Insurers.

Reconciliation of changes in liabilities arising from financing activities:

	2024 RM'000	2023 RM'000
At 1 January	199,152	199,060
Amortisation of transaction cost	96	92
Accrued interest	10,629	10,600
Interest paid	(10,658)	(10,600)
At 31 December	199,219	199,152

The fair value of the subordinated notes amounted to RM219,189,000 (2023: RM222,118,000), estimated based on discounted cash flow model using current yield curve appropriate for the remaining term to maturity.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

17. Insurance revenue

The comparative amount is restated to conform to current period's presentation.

	Life risk		Participating		Short-term		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Contracts not measured under the PAA								
Amounts relating to changes in liabilities for remaining coverage								
- CSM recognised for services provided	2,866	2,856	14,143	16,311	-	-	17,009	19,167
- Change in risk adjustment for non-financial risk for risk expired	22	1,098	1,283	5,865	-	-	1,305	6,963
- Expected incurred claims and other insurance service expenses	68,532	65,697	110,337	120,235	-	-	178,869	185,932
- Other	826	(124)	12,521	14,713	-	-	13,347	14,589
Recovery of insurance acquisition cash flows	5,096	2,814	14,562	9,859	-	-	19,658	12,673
	77,342	72,341	152,846	166,983	-	-	230,188	239,324
Contracts measured under the PAA	-	-	-	-	230,504	172,622	230,504	172,622
Total insurance revenue	77,342	72,341	152,846	166,983	230,504	172,622	460,692	411,946

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

18. Insurance service expense

The comparative amount is restated to conform to current period's presentation.

	Life risk		Participating		Short-term		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Insurance service expense								
Incurred claims and other insurance service expense								
- Reported claims	58,911	52,318	42,857	28,930	217,606	120,066	319,374	201,314
- IBNR & RA	(1,524)	(1,125)	(3,261)	(2,683)	(28,902)	(9,310)	(33,687)	(13,118)
- Insurance acquisition expense incurred	-	-	-	-	23,075	19,265	23,075	19,265
- Insurance acquisition expense experience adjustment	326	57	170	72	-	-	496	129
- Incurred maintenance expenses	29,810	30,387	93,539	95,607	30,109	26,271	153,458	152,265
	87,523	81,637	133,305	121,926	241,888	156,292	462,716	359,855
Amortisation of insurance acquisition cash flows	5,096	2,814	14,562	9,859	-	-	19,658	12,673
Lossess and reversal of losses on onerous contracts	600	9,625	12,707	(5,528)	5	(1,228)	13,312	2,869
Adjustments to liabilities for incurred claims	(768)	(168)	(3,111)	138	(1,866)	(156)	(5,745)	(186)
Total insurance service expense	92,451	93,908	157,463	126,395	240,027	154,908	489,941	375,211

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

18. Insurance service expense (cont'd)

	Note	2024 RM'000	2023 RM'000
Claims and benefits		279,942	188,010
Fees and commissions		89,580	81,352
Losses on onerous insurance contracts		13,312	2,869
Employee benefits expenses	(a)	73,180	80,634
Directors' remuneration		1,624	1,453
Auditors' remuneration:			
- statutory audits		680	680
- regulatory related services		120	120
- other services		-	1,290
Office rental		31	42
Equipment rental		232	270
Depreciation of property and equipment	3	7,719	7,255
Amortisation of intangible assets	6	5,011	5,479
Amortisation of right-of-use assets	5	4,839	4,856
Entertainment		980	1,011
Electronic data processing expenses		16,320	11,249
Advertising and promotion		8,212	1,672
Repair and maintenance		1,701	1,641
Agency training		11,411	6,426
Printing and stationery		1,782	1,164
Electricity and water		1,081	1,007
Telephone and postages		297	388
Consultancy and legal fees		8,107	9,977
Finance and bank charges		2,643	3,109
Other expenses		18,458	12,607
		547,262	424,561
Amounts attributed to insurance acquisition cash flows incurred during the year		(99,953)	(78,750)
Amortisation of insurance acquisition cash flows		43,229	32,067
		490,538	377,878
Represented by:			
Insurance service expenses		489,941	375,211
Included in other operating expenses		597	2,667
		490,538	377,878

(a) Employee benefits expenses

	2024 RM'000	2023 RM'000
Wages and salaries	53,976	48,496
Contributions to defined contribution plan, EPF	8,929	8,737
Social security contributions	450	407
Employee Insurance Scheme	50	46
Other benefits	9,775	22,948
	73,180	80,634

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

19. Net income/(expense) from reinsurance contracts

The comparative amount is restated to conform to current period's presentation.

	2024			
	Life risk RM'000	**Participating RM'000**	**Short-term RM'000**	**Total RM'000**
Allocation of reinsurance premiums paid	(14,135)	(10,806)	(42,434)	(67,375)
Amounts recoverable from reinsurers				
- Recoveries of incurred claims and other insurance service expenses	18,228	21,803	46,476	86,507
- Recoveries and reversal of recoveries of claims on onerous underlying contracts	(1,100)	(226)	114	(1,212)
Effect of changes in non-performance risk of reinsurers	-	-	(11,878)	(11,878)
Total net expenses from reinsurance contracts	2,993	10,771	(7,722)	6,042

	2023			
	Life risk RM'000	**Participating RM'000**	**Short-term RM'000**	**Total RM'000**
Allocation of reinsurance premiums paid	(13,449)	(9,990)	(43,654)	(67,093)
Amounts recoverable from reinsurers				
- Recoveries of incurred claims and other insurance service expenses	15,300	15,986	41,131	72,417
- Recoveries and reversal of recoveries of claims on onerous unerlying contracts	3,985	(4,909)	(969)	(1,893)
Total net expenses from reinsurance contracts	5,836	1,087	(3,492)	3,431

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

20. Investment income

	2024 RM'000	2023 RM'000
Net amortisation of premiums on investment (Note 7(d))	(2,590)	(2,314)
FVTPL:		
Interest income	146,853	151,257
Dividend income:		
- Quoted equity securities	18,717	15,428
- Quoted exchange traded funds	5,003	3,858
- Quoted unit and property trust funds	2,778	2,782
- Unquoted equity securities	525	681
Amortised cost	205	207
Bank balances interest income	113	171
Other investment income	3,779	3,881
Gross investment income	175,383	175,951
Less: Investment expenses	(78)	(85)
	175,305	175,866

21. Realised gains

	2024 RM'000	2023 RM'000
FVTPL:		
Quoted equity securities	3,577	4,051
Unquoted debt securities	107	4,595
Quoted unit and property trust funds	740	3,595
	4,424	12,241

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

22. Fair value gains

	2024 RM'000	2023 RM'000
Financial instruments:		
Malaysian Government securities	4,888	31,024
Government investment issues	2,996	11,450
Malaysian Government guaranteed bonds	2,891	18,180
Quoted equity securities	49,294	(14,290)
Quoted unit and property trust funds	36,424	57,745
Unquoted equity securities	12,000	800
Unquoted debts securities	4,394	42,851
Investment properties (Note 4)	(50)	-
	112,837	147,760

23. Net finance (expense)/income

The comparative amount is restated to conform to current period's presentation.

	2024			
	Life risk RM'000	Participating RM'000	Short-term RM'000	Total RM'000
Net finance expenses from insurance contracts				
Changes in fair value of underlying items	-	(244,209)	-	(244,209)
Experience adjustment in underlying items	-	2,611	-	2,611
Interest accretion	(9,243)	3,758	(4,417)	(9,902)
Total net finance expenses from insurance contracts	(9,243)	(237,840)	(4,417)	(251,500)
Net finance income from reinsurance contracts	206	(209)	58	55

	2023			
	Life risk RM'000	Participating RM'000	Short-term RM'000	Total RM'000
Net finance expenses from insurance contracts				
Changes in fair value of underlying items	-	(278,146)	-	(278,146)
Experience adjustment in underlying items	-	(27,673)	-	(27,673)
Interest accretion	(4,030)	(2,677)	(3,166)	(9,873)
Total net finance expenses from insurance contracts	(4,030)	(308,496)	(3,166)	(315,692)
Net finance income from reinsurance contracts	1,050	(503)	54	601

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

24. Taxation

	2024 RM'000	2023 RM'000
Taxation of the Company	13,566	31,422
	13,566	31,422
Tax expense attributable to policyholders	14,680	17,795
Tax expense attributable to shareholders	(1,114)	13,627
	13,566	31,422

	2024 RM'000	2023 RM'000
Tax expenses:		
Current tax	10,986	9,314
Deferred tax	2,580	22,108
	13,566	31,422
Current income tax:		
Malaysian income tax	9,308	9,410
Under/(Over) provision of income tax expense in prior years	1,678	(96)
	10,986	9,314
Deferred tax:		
Relating to origination and reversal of temporary differences	2,580	22,108
	13,566	31,422

The income tax for the Company is calculated based on the tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

(a) Reconciliation of income tax expense

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

	2024 RM'000	2023 RM'000
(Loss)/Profit before taxation	(539)	40,947
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	(129)	9,827
Tax expense attributable to policyholders	14,680	17,795
(Income)/ Expenses not deductible for tax purposes	(2,663)	3,896
Under/(Over) provision of income tax expense in prior years	1,678	(96)
Tax expense for the year	13,566	31,422

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

25. Earnings per share

Earnings per share is calculated by dividing profit for the financial year attributable to ordinary share holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2024	2023
(Loss)/Profit attributable to ordinary share holders: (RM'000)	(14,105)	9,525
Weighted average number of shares in issue ('000)	100,284	100,284
Basic and diluted (loss)/earnings per share: (sen)	(14.1)	9.5

There were no dilutive potential ordinary shares as at the reporting date.

There have been no other transactions involving ordinary shares between the reporting date and the date of issuance of these financial statements.

26. Dividends

	Amount		Net dividend per share	
	2024 RM'000	2023 RM'000	2024 Sen	2023 Sen
Approved and paid:				
Dividend paid in respect of the financial year ended 31 December 2023:				
Final single tier dividend paid on 14 July 2023	-	8,995	-	8.97

Dividends on ordinary shares are recognised as a liability and accounted for in the shareholders' equity as an appropriation of retained profits when they are approved for payment.

There were no dividends payment made since the end of the previous financial year.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

27. Cash flows

	Note	2024 RM'000	2023 RM'000
(Loss)/Profit before taxation		(539)	40,947
Investment income	20	(175,305)	(175,866)
Realised gains	21	(4,424)	(12,241)
Fair value gains	22	(112,837)	(147,760)
Purchases of FVTPL financial instruments	7(d)	(399,665)	(664,517)
Proceeds from sale of FVTPL financial instruments	7(d)	464,880	751,286
Decrease in financial instruments at amortised cost	7(d)	73	121
Interest expense on lease liabilities	14	699	850
Interest expense on subordinated notes		10,629	10,600
Investment income received		178,033	176,742
(Gains)/Losses on termination of lease		(69)	725
Non-cash items:			
Depreciation of property and equipment	3	7,719	7,255
Amortisation of right-of-use assets	5	4,839	4,856
Amortisation of intangible assets	6	5,011	5,479
Amortisation of subordinated notes transaction cost	16	96	92
Revaluation surplus		-	(33)
Property and equipment written-off		9	-
Net amortisation of investments	20	2,590	2,314
Impairment loss on loan receivables	7(d)	91	69
Changes in working capital:			
Reinsurance contract assets		(70,988)	(26,534)
Insurance contract assets		(4,517)	(2,593)
Other receivables		3,629	(82)
Insurance contract liabilities		48,971	37,571
Reinsurance contract liabilities		80,186	21,360
Other payables		(15,842)	(9,062)
Cash generated from operating activities		23,269	21,579

The Company classifies the cash flows from the acquisition and disposal of financial instruments as operating cash flows, as the purchases are funded from the cash flows associated with the origination of insurance contracts, net of the cash flows for payments of benefits and claims incurred for insurance contracts, which are respectively treated under operating activities.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

28. Operating lease arrangements

The Company as lessor

The Company has entered into non-cancellable operating lease arrangements on its portfolio of properties. The leases have remaining non-cancellable lease terms of between 1 and 3 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:

	2024 RM'000	2023 RM'000
Receivable within one year	271	190
Receivable after one year	208	134
	479	324

29. Capital commitments

The commitments of the Company as at the reporting date are as follows:

	2024 RM'000	2023 RM'000
Approved and contracted for:		
Property and equipment	21,986	1,517
Approved but not contracted for:		
Property and equipment	33,508	58,646

30. Significant related party disclosures

(a) Related parties

The related parties and their relationship with the Company as at 31 December 2024 are as follows:

Name	Relationship
Sanlam Life Insurance Limited	Holding company of SEM
Sanlam Emerging Markets Proprietary Limited ("SEM")	Immediate holding company
SEM South East Asia Sdn Bhd	Subsidiary of SEM
Pacific & Orient Insurance Co. Berhad	Associate of SEM
Koperasi MCIS Berhad	Corporate shareholder

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

30. Significant related party disclosures (cont'd.)

(a) Related parties (cont'd.)

The Directors are of the opinion that the related party transactions were carried out on terms and conditions no more favourable than those available on similar transactions with unrelated parties, unless otherwise stated.

	2024 RM'000	2023 RM'000
Transactions with related parties:		
(i) Rental and utility expenses		
Koperasi MCIS Berhad	(4,018)	(3,934)
(ii) Secretarial fees received/receivable		
SEM South East Asia Sdn Bhd	14	14
(iii) Management support, internal audit support and actuarial audit paid/payable		
Sanlam Life Insurance Limited	-	(111)
(iv) Premium for insurance cover paid		
Pacific & Orient Insurance Co. Berhad	(50)	(49)
(v) Sponsor for corporate social responsibility activities paid		
Koperasi MCIS Berhad	(60)	(40)
(vi) End-to-end watch list and sanctions screening solution service paid/payable		
SEM	(359)	(66)
(vii) Candidate assessment for hiring purpose		
Sanlam Life Insurance Limited	-	(6)
Balances with related parties:		
(i) Reimbursable costs to		
Koperasi MCIS Berhad	58	-
Sanlam Life Insurance Limited	-	138
SEM	85	141
(ii) Recovery from		
SEM South East Asia Sdn Bhd	14	14

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

30. Significant related party disclosures (cont'd.)

(b) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. In line with this classification, the key management personnel of the Company includes directors, CEO and the senior management team.

The remuneration of key management personnel during the year was as follows:

	2024 RM'000	2023 RM'000
Directors' remuneration:		
Directors' allowances and other emoluments	1,574	1,404

	2024 RM'000	2023 RM'000
CEO's remuneration:		
Salary and allowances	2,338	1,777
Bonus	1,093	969
Other benefits	539	437
	3,970	3,183
Other key management personnel:		
Wages and salaries	7,574	6,661
Other short term benefits	5,157	3,831
Benefits-in-kind	29	504
	12,760	10,996

31. Regulatory capital requirement

The capital structure of the Company as prescribed under RBC Framework is provided as below:

	2024 RM'000	2023 RM'000
Tier 1 capital		
Share capital (paid-up)	125,024	125,024
Reserves, including retained earnings	702,807	755,705
	827,831	880,729
Tier 2 capital		
Revaluation reserves	7,532	7,532
Subordinated notes	199,219	199,152
	206,751	206,684
Deductions	(27,785)	(26,742)
Total capital available as at 31 December	1,006,797	1,060,671

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

32. Contingent liabilities

There were no contingent liabilities as at the date of this report.

33. Insurance risk

Insurance risk is the risk that inadequate or inappropriate underwriting, claims management, product design and pricing will expose the Company to financial loss and may result in the inability to meet its liabilities.

The Company's life insurance businesses are exposed to a range of life insurance risks from various products. In providing insurance protection, the Company has to manage risks such as mortality (the death of policyholder), morbidity (ill health), longevity (annuity), persistency (lapsation), product design and pricing.

The mortality and morbidity risks are managed through the use of reinsurance to transfer risks in excess of the Company's risk appetite, appropriate actuarial methodologies/techniques for reserving as well as other risk mitigating measures.

Persistency (or lapsation) risk is managed through monitoring of experience. Where possible, the potential financial impact of lapses is reduced by persistency management, product design requirements, experience monitoring and management actions.

Poorly designed or inadequately priced products may lead to both financial loss and reputation risk to the Company. Policies have been developed to support the Company through complete product development processes, financial analysis and pricing.

The table below shows the concentration of life insurance contract liabilities by type of contract as at the reporting date:

The comparative amount is restated to conform to current period's presentation.

Life insurance contract liabilities (Net liabilities)	**Direct Insurance Contracts RM'000**	**Reinsurance Contracts Held RM'000**	**Net RM'000**
2024			
Life risk	(623,536)	12,696	(610,840)
Participating	(3,128,865)	6,531	(3,122,334)
Short-term	(107,457)	(3,168)	(110,625)
	(3,859,858)	16,059	(3,843,799)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

33. Insurance risk (cont'd.)

The table below shows the concentration of life insurance contract liabilities by type of contract as at the reporting date: (cont'd.)

Life insurance contract liabilities (Net liabilities)	Direct Insurance Contracts RM'000	Reinsurance Contracts Held RM'000	Net RM'000
2023			
Life risk	(507,346)	14,382	(492,964)
Participating	(3,162,786)	(287)	(3,163,073)
Short-term	(145,272)	11,162	(134,110)
	(3,815,404)	25,257	(3,790,147)

As all of the business is derived from Malaysia, the entire life insurance contract liabilities are in Malaysia only.

Key assumptions

Material judgment is required in the choice of assumptions to determine the value of life insurance liabilities. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

The sensitivity analysis below shows the impact of changes in key assumptions on the value of life insurance liabilities. The analysis below is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on liabilities. The correlation of assumptions will have a significant effect in determining the liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

There are no material change to the methods used to derive assumptions from the previous year.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

33. Insurance risk (cont'd.)

Key assumptions (cont'd.)

The table below analyses how the CSM, profit or loss and equity would have increased/ (decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities both before and after risk mitigation by reinsurance and assumes that all other variables remain constant.

	Change in assumptions	CSM		Profit or loss		Equity	
		Gross	Net	Gross	Net		Net
	%	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
		< ---------------------------------- Increase/(Decrease)				---------------------------------- >	
2024							
Fund based yield	+1%	(92,574)	(92,518)	(22,507)	(22,563)	(17,105)	(17,148)
Fund based yield	-1%	97,466	91,007	97,345	103,803	73,982	78,891
Lapse rates	+25%	17,061	10,504	(15,300)	(12,844)	(11,628)	(9,762)
Lapse rates	-25%	3,056	5,100	12,699	11,526	9,651	8,760
Loss ratio	+10%	37,239	45,109	13,221	20,999	10,048	15,960
Loss ratio	-10%	2,667	1,406	(10,433)	(16,411)	(7,929)	(12,472)
Mortality rates	+25%	19,084	33,495	25,351	38,711	19,267	29,421
Mortality rates	-25%	7,806	(28,978)	(6,070)	1,280	(4,613)	973
Risk-free yield	+1%	963	791	(26,362)	(27,041)	(20,035)	(20,551)
Risk-free yield	-1%	758	863	34,674	35,906	26,352	27,289
Unit cost	+25%	34,827	31,978	17,668	20,514	13,427	15,591
Unit cost	-25%	(13,910)	(10,857)	(15,875)	(18,929)	(12,065)	(14,386)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

33. Insurance risk (cont'd.)

Key assumptions (cont'd.)

	Change in assumptions	CSM		Profit or loss		Equity	
		Gross	Net	Gross	Net	Gross	Net
	%	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
		< ------------------	------------------	Increase/(Decrease)	------------------	------------------	------------------ >
2023							
Fund based yield	+1%	(379,044)	(367,832)	(28,065)	(98,835)	(21,329)	(75,115)
Fund based yield	-1%	215,412	184,491	(28,065)	(56,703)	(21,329)	(43,094)
Lapse rates	+25%	79,589	79,342	(64,764)	(128,622)	(49,221)	(97,753)
Lapse rates	-25%	17,872	36,766	12,314	(60,218)	9,358	(45,766)
Loss ratio	+10%	83,252	104,145	470	(46,470)	357	(35,317)
Loss ratio	-10%	(1,955)	(10,784)	(45,201)	(131,448)	(34,353)	(99,900)
Mortality rates	+25%	49,753	93,446	5,117	(40,630)	3,889	(30,879)
Mortality rates	-25%	41,740	(14,551)	(42,958)	(102,050)	(32,648)	(77,558)
Risk-free yield	+1%	51,380	58,169	(73,499)	(142,425)	(55,860)	(108,243)
Risk-free yield	-1%	55,210	68,355	32,546	(35,690)	24,735	(27,124)
Unit cost	+25%	109,458	108,756	(13,760)	(72,600)	(10,457)	(55,176)
Unit cost	-25%	(7,786)	10,817	(40,695)	(118,867)	(30,929)	(90,339)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

34. Financial risk

Market and credit risk

Market risk is the risk of asset or liability values being adversely affected by movement in the market prices or rates. This includes interest rate risk, currency risk and equity price risk.

The Company manages market risk by setting policies on asset allocation, investment limits and diversification benchmarks. The Company adopts the asset liability matching criteria to minimise the impact of mismatches between the values of assets and liabilities from market movements.

Exposure to fixed income securities provides the Company's largest market risk exposure. The Company monitors its exposure levels through regular stress/sensitivity testing and constant market supervision of the asset prices. The Company has not transacted in any derivatives.

(a) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Company to cash flow interest rate risk, whereas fixed rate instrument expose the Company to fair value interest rate risk. The Company's exposure to interest rate risk arises primarily from investment in fixed income securities and deposits with licensed institutions.

The carrying amount, by maturity, of the Company's financial instruments that are exposed to interest rate risk is as disclosed in Note 7(g).

Sensitivity analysis:

The analysis that follows is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before taxation (due to changes in fair value of floating rate financial assets and liabilities) and equity (that reflects adjustments to profit before taxation). The correlation of variables will have a significant effect in determining the ultimate impact on interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non–linear.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

34. Financial risk (cont'd.)

Market and credit risk (cont'd.)

(a) Interest rate risk (cont'd.)

	<------------- (Decrease)/Increase ----------->		
	Changes in basis points	**Impact on profit before taxation RM'000**	**Impact on equity* RM'000**
2024			
Interest rates	+ 100 bps	(40,067)	(30,514)
Interest rates	- 100 bps	26,641	20,287
2023			
Interest rates	+ 100 bps	(45,638)	(34,754)
Interest rates	- 100 bps	29,983	22,829

* Impact on equity reflects adjustments for tax, when applicable.

The method used for deriving sensitivity information and significant variables did not change from the previous year.

The impact from change in interest rate to the CSM, profit or loss and equity have been disclosed in Note 33.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's primary transactions are carried out in Ringgit Malaysia (RM) with minimal exposure to foreign currency risks.

(c) Equity price risk

Equity price risk is the risk that the fair value of equity assets will be adversely affected by movement in market prices (other than those arising from interest risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting similar financial instruments traded in the market.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

34. Financial risk (cont'd.)

Market and credit risk (cont'd.)

(c) Equity price risk (cont'd.)

The Company's exposure to equity price risk arises from its investment in quoted equities traded in the Bursa Malaysia. The Company manages its exposure to equity price risk by setting policies and investment parameters governing asset allocation and investments limits, having regard to such limits stipulated by BNM as well as specific assessment for equity investments falling below 30% of its average historical cost or a prolonged decline in value for 12 consecutive months.

<u>Sensitivity analysis:</u>

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before taxation (due to changes in fair value of financial assets and liabilities whose fair values are recorded in the income statement) and equity (that reflects adjustments to profit after taxation). The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non–linear.

	<------------- Increase/(Decrease) ----------->		
	Change in variables %	**Impact on profit before taxation RM'000**	**Impact on equity* RM'000**
2024			
Market indices:			
Market value	+10%	95,553	10,267
Market value	-10%	(95,553)	(10,267)
2023			
Market indices:			
Market value	+10%	76,761	2,924
Market value	-10%	(76,761)	(2,924)

* Impact on equity reflects adjustments for tax, when applicable.

The methods used for deriving sensitivity information and significant variables did not change from the previous year.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

34. Financial risk (cont'd.)

Market and credit risk (cont'd.)

(d) Credit risk

Credit risk is the risk of a financial loss resulting from the failure of an intermediary or counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

The Company's primary exposure to credit risk arises through its investment in fixed income securities and deposits, obligations of reinsurers through reinsurance contracts and receivables from sales of insurance policies. The Company has in place a credit control policy and investment policy to manage its credit risk.

The Company manages the exposure to individual counterparties pertaining to its investment in fixed income securities, by measuring the exposure against internal limits, taking into consideration the credit ratings issued by the authorized rating agencies.

The Company actively monitors and considers the risk of a fall in value of the fixed income securities from changes in the credit worthiness of the issuer by managing individual exposures as well as the concentration of credit risks in its fixed income portfolio through asset allocation, observing minimum credit rating requirements, maximum limits for corporate debt, maximum duration as well as setting maximum permitted exposures to individual counterparties or group of counterparties.

Cash and deposits are placed with financial institutions licensed under the Financial Services Act, 2013 which are regulated by BNM, guided by the Company's approved exposure limits and minimum credit rating requirements.

Reinsurance arrangements are only placed with providers who meet the Company's counterparty credit standards and satisfy the minimum credit rating requirements of the Company. The Company reviews the credit condition of its reinsurers on an on-going basis and reviews its reinsurance arrangements periodically. The Company cedes business to reinsurers that satisfy the minimum credit rating requirements of the Company.

In the unit-linked business, the policyholder bears the investment risk on the assets held in the unit-linked funds, as the policy benefits are directly linked to the value of the assets in the fund. Therefore, the Company has no material credit risk on unit-linked financial assets.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

34. Financial risk (cont'd.)

Market and credit risk (cont'd.)

(d) Credit risk (cont'd.)

Credit exposure

At the reporting date, the Company's maximum exposure to credit risk is represented by the amount of each class of financial and insurance assets recognised in the statement of financial position as shown in the table below:

	2024 RM'000	2023 RM'000
FVTPL		
Malaysian Government securities	974,018	979,509
Government investment issues	227,001	224,221
Malaysian Government guaranteed bonds	395,976	426,656
Unquoted debt securities	1,486,519	1,603,545
Deposits with financial institutions	231,737	248,961
Amortised cost		
Loans receivables	1,661	1,825
Reinsurance contract assets	147,779	76,791
Insurance contract assets	37,490	32,973
Other receivables	38,703	41,470
Cash and bank balances	28,723	38,856
Total credit risk exposure	3,569,607	3,674,807

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to Rating Agency Malaysia, Malaysian Rating Corporation Berhad, A.M. Best Company and Standard and Poor's credit ratings of counterparties. AAA is the highest possible rating. Assets that fall outside the range of AAA to BBB are classified as speculative grade.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

34. Financial risk (cont'd.)

Market and credit risk (cont'd.)

(d) Credit risk (cont'd.)

Credit exposure (cont'd.)

Credit exposure by credit rating (cont'd.)

2024	<---- Neither past-due nor impaired ----> Investment grade (BBB to AAA) RM'000	Not-rated RM'000	Unit linked RM'000	Total RM'000
FVTPL				
Malaysian Government securities	-	973,606	412	974,018
Government investment issues	-	226,785	216	227,001
Malaysian Government guaranteed bonds	-	395,976	-	395,976
Unquoted debt securities	1,430,832	-	55,687	1,486,519
Deposits with financial institutions	181,372	-	50,365	231,737
Amortised cost				
Loans receivables	-	1,661	-	1,661
Reinsurance contract assets	147,779	-	-	147,779
Insurance contract assets	-	37,490	-	37,490
Other receivables	34,920	2,998	785	38,703
Cash and bank balances	27,895	-	828	28,723
Total credit risk exposure	1,822,798	1,638,516	108,293	3,569,607

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

34. Financial risk (cont'd.)

Market and credit risk (cont'd.)

(d) Credit risk (cont'd.)

Credit exposure (cont'd.)

Credit exposure by credit rating (cont'd.)

	<---- Neither past-due nor impaired ---->			
2023	**Investment grade (BBB to AAA) RM'000**	**Not-rated RM'000**	**Unit linked RM'000**	**Total RM'000**
FVTPL				
Malaysian Government securities	-	979,098	411	979,509
Government investment issues	-	224,005	216	224,221
Malaysian Government guaranteed bonds	-	426,656	-	426,656
Unquoted debt securities	1,551,972	-	51,573	1,603,545
Deposits with financial institutions	213,050	-	35,911	248,961
Amortised cost				
Loans receivables	-	1,825	-	1,825
Reinsurance contract assets	76,791	-	-	76,791
Insurance contract assets	-	32,973	-	32,973
Other receivables	37,626	3,037	807	41,470
Cash and bank balances	38,084	-	772	38,856
Total credit risk exposure	1,917,523	1,667,594	89,690	3,674,807

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

34. Financial risk (cont'd.)

Market and credit risk (cont'd.)

(d) Credit risk (cont'd.)

Credit exposure (cont'd.)

It is the Company's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables management to focus on the applicable risks and the comparison of credit exposures across all lines of business and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the Company's rating policy. The attributable risk ratings are assessed and updated regularly.

The Company has not provided the credit risk analysis for the financial assets of the unit linked business where the liability to policyholders is linked to the performance and value of the assets that back those liabilities. The shareholders do not have direct exposure to any credit risk in those assets.

Reconciliation of allowance for impairment

Movement in allowances for impairment for financial assets are as follows:

	Loans receivables RM'000 (Note 7(b))
Life-time expected credit loss	
At 1 January 2023	709
Charge for the year	69
At 31 December 2023/1 January 2024	778
Charge for the year	91
At 31 December 2024	869

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

34. Financial risk (cont'd.)

Market and credit risk (cont'd.)

(e) Cash flow and liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations due to insufficient liquid resources, or would have to incur excessive cost in meeting the obligations. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

The Company manages the liquidity risk by monitoring daily cash inflows and outflows and by ensuring a reasonable amount of financial assets are kept in liquid instruments at all times. The Company also practices asset-liability management and ensures that the average investment duration and maturity profiles match the Company's liabilities.

Maturity profiles

The table below summarises the maturity profile of the financial and insurance assets and financial and insurance liabilities of the Company based on remaining undiscounted contractual obligations, including interest payable and receivable.

For insurance contract liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities.

Unit linked liabilities are repayable or transferable on demand and are included in the “up to a year” column. Repayments which are subject to notice are treated as if notice were to be given immediately.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

34. Financial risk (cont'd.)

Market and credit risk (cont'd.)

(e) Cash flow and liquidity risk (cont'd.)

Maturity profiles (cont'd.)

2024	**Carrying value RM'000**	**Up to a year RM'000**	**1 - 5 years RM'000**	**5-15 years RM'000**	**Over 15 years RM'000**	**No maturity date RM'000**	**Total RM'000**
Financial investments:							
FVTPL	4,331,530	594,449	826,814	1,747,006	1,530,150	1,016,279	5,714,698
Amortised cost	1,661	2,010	153	450	-	-	2,613
	4,333,191	596,459	826,967	1,747,456	1,530,150	1,016,279	5,717,311
Insurance contract assets	37,490	142	662	(15)	(298)	-	491
Reinsurance contract assets	147,779	4,074	2,560	325	5,620	-	12,579
Other receivables	38,703	38,703	-	-	-	-	38,703
Cash and bank balances	28,723	28,723	-	-	-	-	28,723
Total financial and insurance assets	4,585,886	668,101	830,189	1,747,766	1,535,472	1,016,279	5,797,807
Lease liabilities	11,970	5,277	7,518	-	-	-	12,795
Insurance contract liabilities	3,904,880	240,856	732,889	1,867,374	3,561,616	-	6,402,735
Reinsurance contract liabilities	131,720	144	411	455	(276)	-	734
Other payables	51,686	51,686	-	-	-	-	51,686
Subordinated notes	199,219	21,229	42,429	221,200	-	-	284,858
Total financial and insurance liabilities	4,299,475	319,192	783,247	2,089,029	3,561,340	-	6,752,808
Total liquidity surplus/(gap)	286,411	348,909	46,942	(341,263)	(2,025,868)	1,016,279	(955,001)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

34. Financial risk (cont'd.)

Market and credit risk (cont'd.)

(e) Cash flow and liquidity risk (cont'd.)

Maturity profiles (cont'd.)

2023	Carrying value RM'000	Up to a year RM'000	1 - 5 years RM'000	5-15 years RM'000	Over 15 years RM'000	No maturity date RM'000	Total RM'000
Financial investments:							
FVTPL	4,299,248	460,794	812,482	2,070,913	1,676,223	816,356	5,836,768
Amortised cost	1,825	2,076	185	631	-	-	2,892
	4,301,073	462,870	812,667	2,071,544	1,676,223	816,356	5,839,660
Insurance contract assets	32,973	145	596	(31)	(352)	-	358
Reinsurance contract assets	76,791	4,523	1,909	971	19,343	-	26,746
Other receivables	41,470	41,470	-	-	-	-	41,470
Cash and bank balances	38,856	38,856	-	-	-	-	38,856
Total financial and insurance assets	4,491,163	547,864	815,172	2,072,484	1,695,214	816,356	5,947,090
Lease liabilities	14,926	5,028	11,277	-	-	-	16,305
Insurance contract liabilities	3,855,909	166,924	717,190	1,912,589	3,750,432	-	6,547,135
Reinsurance contract liabilities	51,534	156	399	290	(650)	-	195
Other payables	67,528	67,528	-	-	-	-	67,528
Subordinated notes	199,152	10,629	42,429	231,800	-	-	284,858
Total financial and insurance liabilities	4,189,049	250,265	771,295	2,144,679	3,749,782	-	6,916,021
Total liquidity surplus/(gap)	302,114	297,599	43,877	(72,195)	(2,054,568)	816,356	(968,931)

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

34. Financial risk (cont'd.)

Market and credit risk (cont'd.)

(e) Cash flow and liquidity risk (cont'd.)

Maturity profiles (cont'd.)

The table below summarises the expected utilisation or settlement of assets and liabilities:

2024	Current* RM'000	Non-current RM'000	Unit linked RM'000	Total RM'000
Assets				
Property and equipment	-	55,873	-	55,873
Right-of-use assets	-	11,126	-	11,126
Intangible assets	-	20,034	-	20,034
Investments:				
FVTPL	498,403	3,315,448	517,679	4,331,530
Amortised cost	1,210	451	-	1,661
Insurance contract assets	37,143	347	-	37,490
Reinsurance contract assets	171,012	(23,233)	-	147,779
Other receivables	42,967	-	785	43,752
Current tax assets	9,826	-	-	9,826
Cash and bank balances	27,895	-	828	28,723
Non-current assets held for sale	946	-	-	946
Total assets	789,402	3,380,046	519,292	4,688,740
Liabilities				
Insurance contract liabilities	329,531	3,575,349	-	3,904,880
Reinsurance contract liabilities	130,982	738	-	131,720
Deferred tax liabilities	-	56,773	-	56,773
Lease liabilities	4,771	7,199	-	11,970
Other payables	51,686	-	-	51,686
Subordinated notes	(44)	199,263	-	199,219
Total liabilities	516,926	3,839,322	-	4,356,248

* Expected utilisation or settlement within 12 months from the reporting date.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

34. Financial risk (cont'd.)

Market and credit risk (cont'd.)

(e) Cash flow and liquidity risk (cont'd.)

Maturity profiles (cont'd.)

The table below summarises the expected utilisation or settlement of assets and liabilities (cont'd.):

2023	Current* RM'000	Non-current RM'000	Unit linked RM'000	Total RM'000
Assets				
Property and equipment	-	45,369	-	45,369
Investment properties	-	300	-	300
Right-of-use assets	-	14,046	-	14,046
Intangible assets	-	24,508	-	24,508
Investments:				
FVTPL	389,323	3,459,803	450,122	4,299,248
Amortised cost	1,243	582	-	1,825
Insurance contract assets	32,799	174	-	32,973
Reinsurance contract assets	90,225	(13,434)	-	76,791
Other receivables	49,302	-	807	50,109
Current tax assets	5,118	-	-	5,118
Cash and bank balances	38,084	-	772	38,856
Non-current assets held for sale	696	-	-	696
Total assets	606,790	3,531,348	451,701	4,589,839
Liabilities				
Insurance contract liabilities	366,484	3,489,425	-	3,855,909
Reinsurance contract liabilities	50,163	1,371	-	51,534
Deferred tax liabilities	-	54,193	-	54,193
Lease liabilities	4,343	10,583	-	14,926
Other payables	67,528	-	-	67,528
Subordinated notes	(9)	199,161	-	199,152
Total liabilities	488,509	3,754,733	-	4,243,242

* Expected utilisation or settlement within 12 months from the reporting date.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

35. Operational risks

Operational risk is the risk of loss arising from inadequate or failed internal processes, people and systems, or from external events.

The Company mitigates operational risks by establishing a proper framework for controls and procedures, which includes total risk profiling, documented procedures, proper segregation of duties, access controls, authorization and reconciliation procedures and staff training.

The Risk Management and Compliance Department assesses the effectiveness of the operational compliance and report to the Governance, Risk and Compliance Committee and BRMC.

36. Fair value measurement

The Company categorises its fair value measurements in accordance to the fair value hierarchy which is based on the priority of inputs to the valuation. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets, a lower priority to valuation techniques based on observable inputs and the lowest priority to valuation techniques based on unobservable inputs. An active market for the asset is a market in which transactions for the asset occur with sufficient frequency and volume to provide reliable pricing information on an on-going basis.

A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three-level hierarchy is defined as follows:

Level 1 - Quoted prices in active markets

Fair value measurements that reflect unadjusted, quoted prices in active markets for identical assets that the Company has the ability to access at the measurement date. Valuations are based on quoted prices reflecting market transactions involving assets or liabilities identical to those being measured.

Level 2 - Valuation technique supported by observable inputs

Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the financial asset or financial liabilities, either directly or indirectly. These include quoted prices for similar financial assets and financial liabilities in active markets, quoted prices for identical or similar financial assets and financial liabilities in inactive markets, inputs that are observable that are no prices (such as interest rates, credit risks, etc.) and inputs that are derived from or corroborated by observable market data.

Level 3 - Valuation technique supported by unobservable inputs

Fair value measurements using significant non market observable inputs. These include valuations for financial assets and financial liabilities that are derived using data, some or all of which is not market observable, including assumptions about risks.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

36. Fair value measurement (cont'd.)

The following table provides the fair value measurement hierarchy of the Company's assets:

2024	Date of valuation	Fair value measurement using Level 1 - Quoted market price in active market	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total fair value
		RM'000	RM'000	RM'000	RM'000
Assets measured at fair value:					
FVTPL (Note 7(a)):					
Malaysian Government securities	31 December 2024	-	974,018	-	974,018
Government investment issues	31 December 2024	-	227,001	-	227,001
Malaysian Government guaranteed bonds	31 December 2024	-	395,976	-	395,976
Unquoted debt securities	31 December 2024	-	1,486,519	-	1,486,519
Quoted equity securities	31 December 2024	473,615	-	-	473,615
Quoted exchange traded funds	31 December 2024	213,136	-	-	213,136
Unquoted equity securities	31 December 2024	-	-	60,750	60,750
Quoted unit and property trust funds	31 December 2024	141,522	-	-	141,522
Unquoted unit trust funds	31 December 2024	-	127,256	-	127,256
Deposits with financial institutions	31 December 2024	-	231,737	-	231,737
		828,273	3,442,507	60,750	4,331,530
Assets measured at revalued amounts:					
- Property and equipment (Note 3)	December 2024	-	-	9,488	9,488
		828,273	3,442,507	70,238	4,341,018

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

36. Fair value measurement (cont'd.)

2023	Date of valuation	Level 1 - Quoted market price in active market RM'000	Level 2 - Significant observable inputs RM'000	Level 3 - Significant unobservable inputs RM'000	Total fair value RM'000
		Fair value measurement using			
Assets measured at fair value:					
Investment properties (Note 4)	December 2023	-	-	300	300
FVTPL (Note 7(a)):					
Malaysian Government securities	31 December 2023	-	979,509	-	979,509
Government investment issues	31 December 2023	-	224,221	-	224,221
Malaysian Government guaranteed bonds	31 December 2023	-	426,656	-	426,656
Unquoted debt securities	31 December 2023	-	1,603,545	-	1,603,545
Quoted equity securities	31 December 2023	423,004	-	-	423,004
Quoted exchange traded funds	31 December 2023	173,447	-	-	173,447
Unquoted equity securities	31 December 2023	-	-	48,750	48,750
Quoted unit and property trust funds	31 December 2023	46,527	-	-	46,527
Unquoted unit trust funds	31 December 2023	-	124,628	-	124,628
Deposits with financial institutions	31 December 2023	-	248,961	-	248,961
		642,978	3,607,520	48,750	4,299,248
Assets measured at revalued amounts:					
- Property and equipment (Note 3)	December 2023	-	-	9,669	9,669
		642,978	3,607,520	58,719	4,309,217

There has been no transfers of financial assets between Level 1 and Level 2 during the financial year ended 31 December 2024 and 2023.

Reconciliation from opening to closing balances of Level 3 fair value hierarchy is provided in Note 3,4,5 and 7.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

37. Insurance funds

The Company's activities are organised by fund and segregated into the Shareholders' and Life funds in accordance with the Financial Services Act, 2013. The condensed statement of financial position, income statement and statement of cash flows by fund are presented as follows:

Statements of financial position by fund
As at 31 December

	Shareholders' fund		Life funds		Total	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets						
Property and equipment	29	44	55,844	45,325	55,873	45,369
Investment properties	-	-	-	300	-	300
Right-of-use assets	-	-	11,126	14,046	11,126	14,046
Intangible assets	-	-	20,034	24,508	20,034	24,508
Investments*	401,381	415,549	3,931,810	3,885,524	4,333,191	4,301,073
Insurance contract assets	-	-	37,490	32,973	37,490	32,973
Reinsurance contract assets	-	-	147,779	76,791	147,779	76,791
Other receivables	6,630	7,294	37,122	42,815	43,752	50,109
Current tax assets	-	-	9,826	5,118	9,826	5,118
Cash and bank balances	371	145	28,352	38,711	28,723	38,856
Non-current assets held for sale	-	-	946	696	946	696
Total assets	408,411	423,032	4,280,329	4,166,807	4,688,740	4,589,839

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

37. Insurance funds (cont'd.)

The Company's activities are organised by fund and segregated into the Shareholders' and Life funds in accordance with the Financial Services Act, 2013. The condensed statement of financial position, income statement and statement of cash flows by fund are presented as follows (cont'd.):

Statements of financial position by fund
As at 31 December

	Shareholders' fund		Life funds		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total equity*	189,931	192,958	142,561	153,639	332,492	346,597
Liabilities						
Insurance contract liabilities*	24,690	-	3,880,190	3,855,909	3,904,880	3,855,909
Reinsurance contract liabilities	-	-	131,720	51,534	131,720	51,534
Deferred tax liabilities*	(3,794)	2,332	60,567	51,861	56,773	54,193
Lease liabilities	-	-	11,970	14,926	11,970	14,926
Other payables	(1,635)	28,590	53,321	38,938	51,686	67,528
Subordinated notes	199,219	199,152	-	-	199,219	199,152
Total liabilities	218,480	230,074	4,137,768	4,013,168	4,356,248	4,243,242
Total equity and liabilities	408,411	423,032	4,280,329	4,166,807	4,688,740	4,589,839

* Included herein are inter-fund transactions and balances which are eliminated in presenting the Company's total results.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

37. Insurance funds (cont'd.)

Income statement by fund
For the financial year ended 31 December 2024

	Shareholders' Fund		Life Funds		Total	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance revenue	-	-	460,692	411,946	460,692	411,946
Insurance service expenses	(6,603)	(21,262)	(483,338)	(353,949)	(489,941)	(375,211)
Net expenses from reinsurance contracts	-	-	6,042	3,431	6,042	3,431
Insurance service result	(6,603)	(21,262)	(16,604)	61,428	(23,207)	40,166
Investment income	15,999	16,650	159,306	159,216	175,305	175,866
Realised gains*	127	244	4,297	11,997	4,424	12,241
Fair value (losses)/gains*	(45)	6,969	112,882	140,791	112,837	147,760
Investment return	16,081	23,863	276,485	312,004	292,566	335,867
Net finance expense from insurance contracts	-	-	(251,500)	(315,692)	(251,500)	(315,692)
Net finance income from reinsurance contracts	-	-	55	601	55	601
Net financial results	16,081	23,863	25,040	(3,087)	41,121	20,776
Other operating expenses	(7,079)	(8,408)	(91)	(118)	(7,170)	(8,526)
Finance cost	(10,725)	(10,691)	(558)	(778)	(11,283)	(11,469)
(Loss)/Profit before taxation	(8,326)	(16,498)	7,787	57,445	(539)	40,947
Taxation*	5,299	(1,603)	(18,865)	(29,819)	(13,566)	(31,422)
Net (loss)/profit for the period	(3,027)	(18,101)	(11,078)	27,626	(14,105)	9,525

* Included herein are inter-fund transactions which are eliminated in presenting the Company's total results.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

37. Insurance funds (cont'd.)

Statements of cash flows by fund
For the financial year ended 31 December 2024

	Shareholders' Fund		Life Funds		Total	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows from:						
Operating activities	16,475	14,641	(20,257)	(23,140)	(3,782)	(8,499)
Investing activities	-	-	(18,769)	(19,804)	(18,769)	(19,804)
Financing activities	-	(8,995)	(4,806)	(5,642)	(4,806)	(14,637)
Net increase/(decrease) in cash and cash equivalents	16,475	5,646	(43,832)	(48,586)	(27,357)	(42,940)
At beginning of period	22,117	16,471	265,700	314,286	287,817	330,757
At end of period	38,592	22,117	221,868	265,700	260,460	287,817
Cash and cash equivalents comprise of:						
Cash and bank balances	371	145	28,352	38,711	28,723	38,856
Short term deposits with original maturity periods of less than 3 months	38,221	21,972	193,516	226,989	231,737	248,961
	38,592	22,117	221,868	265,700	260,460	287,817

SECTION 3

Shareholders & Our Footprint

Shareholdings

Analysis by Size of Shareholdings
As At 09 May 2025

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 1,000	831	37.95	229,292	0.23
1,000 - 10,000	1,296	59.18	2,905,609	2.90
10,001 - 100,000	59	2.69	1,230,992	1.23
100,001 to less than 5% of issued share	2	0.09	259,500	0.26
5% and above of issued shares	2	0.09	95,658,678	95.39
TOTAL	**2,190**	**100.00**	**100,284,071**	**100.00**

List of Twenty (20) Largest Shareholders
As At 09 May 2025

No.	Name	Holdings	%
1	Sanlam Emerging Markets Proprietary Limited	51,144,876	51.00
2	Koperasi MCIS Berhad	44,513,802	44.39
3	K Rengasamy @ Ranggi Sami A/L Karpan	146,000	0.15
4	Koperasi Angkatan Tentera (M) Bhd	113,500	0.11
5	Koperasi Pegawai-Pegawai Kerajaan Taiping Bhd	75,000	0.07
6	Tan Chee Lan @ Tan Kwi Lan	68,761	0.07
7	Ong Kok Ming	55,000	0.05
8	Thilaga A/P Pariasamy	45,500	0.05
9	Nyioh Yong Jian	43,000	0.04
10	Rajanthiran A/L K Narayanasamy	40,000	0.04
11	Suyadev A/P A Peter Amavasi	40,000	0.04
12	Sarjit Singh A/L Tara Singh	38,000	0.04
13	Nagapan A/L Muthaya	32,000	0.03
14	Moey Meng Chye	30,000	0.03
15	Soo Beng Hong	30,000	0.03
16	Sanjay Vohrah	25,205	0.03
17	Koperasi Pekerja-pekerja TNB Ipoh Bhd	25,000	0.02
18	Vohrah-Merican Sdn Bhd	25,000	0.02
19	Chong Kong Ching	23,000	0.02
20	Wong See Yong @ Ng Say Eng	23,000	0.02

List of 16 Branches

ALOR SETAR
2, Susuran Tuanku Haminah,
Tuanku Haminah Business Centre,
Mergong, 05150 Alor Setar, Kedah.
Tel: 04-7338233
Fax: 04-7311102

KULIM
No 630 Jalan Seraya 3/7,
Pusat Perniagaan Seraya,
09000 Kulim, Kedah Darul Aman.
Tel: 04-4927241 / 04-4927185

PENANG
G11, Bay Avenue,
Lorong Bayan Indah Satu,
11900 Bayan Lepas,
Pulau Pinang.
Tel: 04-6469606 / 04-6469607 / 04-6453379
Fax: 04-6459609

BUTTERWORTH
83, Jalan Selat, Taman Selat,
12000 Butterworth.
Tel: 04-3333545 / 04-3334545
Fax: 04-3310598

IPOH
11-13, Jalan Sultan Idris Shah,
30000 Ipoh, Perak Darul Ridzuan.
Tel: 05-2557760 / 05-2541760
Fax: 05-2550758

TELUK INTAN
17, Taman Ros,
Jalan Sultan Abdullah,
36000 Teluk Intan,
Perak Darul Ridzuan.
Tel: 05-6225966
Fax: 05-6215611

KOTA BAHRU
Lot 201 & 202,
Jalan Pengkalan Chepa,
15400 Kota Bharu,
Kelantan Darul Naim.
Tel: 09-7481070 / 09-7482476
Fax: 09-7481178

KUANTAN
21, Jalan Tun Ismail,
25000 Kuantan,
Pahang Darul Makmur.
Tel: 09-5157277
Fax: 09-5141119

PETALING JAYA (PRINCIPAL OFFICE)
Wisma MCIS, Jalan Barat,
46200 Petaling Jaya,
Selangor Darul Ehsan.
Tel: 03-76523388
Fax: 03-79571562

KLANG
Ground Floor, Menara Amverton,
Garden Business Center,
No. 3, Jalan Istana,
41000 Klang, Selangor.
Tel: 03-33811299 / 03-33813799 / 03-33815399

MEDAN TUANKU
305, Medan Tuanku,
Jalan Tuanku Abdul Rahman,
50100 Kuala Lumpur.
Tel: 03-26980441 / 03-26980655 / 03-26980922
Fax: 03-26929784

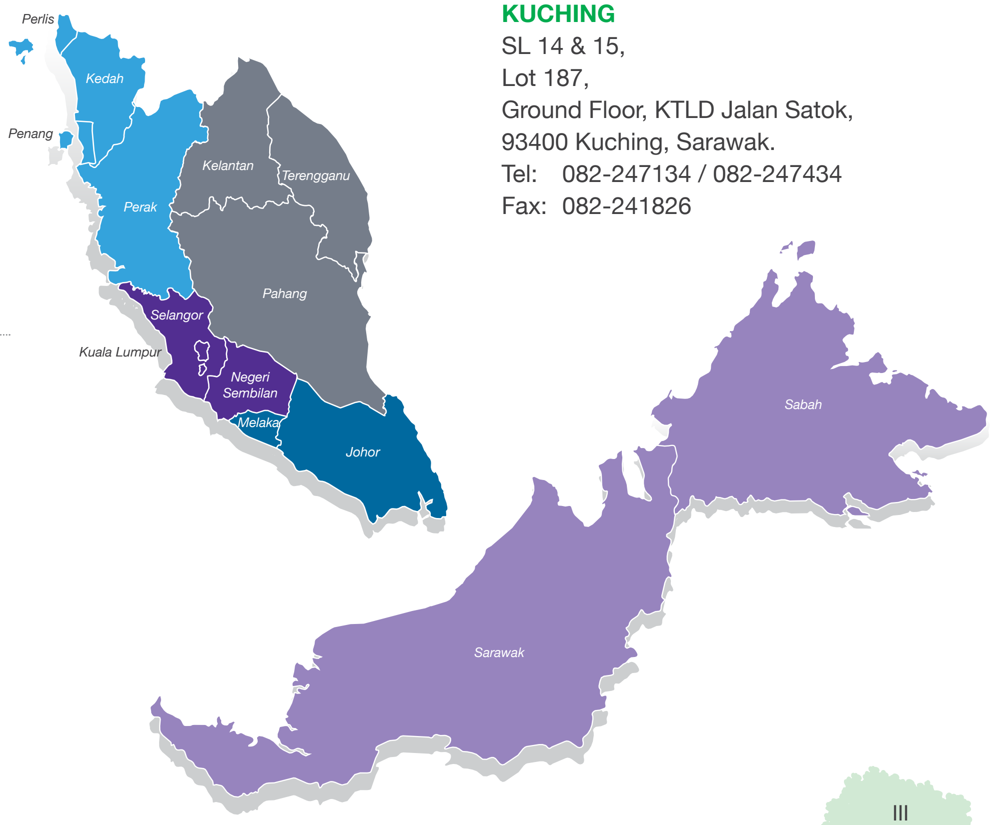
SEREMBAN
No. 11-G & 11-1,
Jalan Oasis 1,
Pusat Perniagaan Oasis,
70200 Seremban, Negeri Sembilan.
Tel: 06-7613766
Fax: 06-7636441

MELAKA
138, Kompleks Munshi Abdullah,
Jalan Munshi Abdullah,
75100 Melaka.
Tel: 06-2824575 / 06-2821088
Fax: 06-2847676

JOHOR BAHRU
9, Jalan Molek 1/29, Taman Molek,
81100 Johor Bahru,
Johor Darul Takzim.
Tel: 07-3550310 / 07-3550314
Fax: 07-3581361

KOTA KINABALU
No. A-G-13A, A-1-13A & A-2-13A,
Block A, Sutera Avenue,
Lorong Lebuh Sutera,
Off Coastal Highway,
88100 Kota Kinabalu, Sabah.
Tel: 088-241959 / 088-251272
Fax: 088-241859

KUCHING
SL 14 & 15,
Lot 187,
Ground Floor, KTLD Jalan Satok,
93400 Kuching, Sarawak.
Tel: 082-247134 / 082-247434
Fax: 082-241826



Proxy Form

NO. OF SHARES HELD

MCIS Insurance Berhad Registration No. 199701019821 (435318-U)

I/We _______________________________________ , NRIC No. / Company No ___________________________________

of ____

being a member/members of MCIS Insurance Berhad hereby appoint _____________________________________

_______________________________________ , NRIC No. / Company No ___________________________________

Mobile No __________________________________ , Email address ___________________________________

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Eighth Annual General Meeting of the Company to be conducted fully via Remote Participation and Voting (video-conferencing) at Cape Town (MCIS Boardroom) at Wisma MCIS, Level 1 Tower 1, Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 24 June 2025 at 10.00 a.m. and any adjournment thereof.

My/Our proxy is to vote as indicated below:

RESOLUTION		FOR	AGAINST
Ordinary Resolution 1	Approval for Payment of Directors' Fees and Benefits		
Ordinary Resolution 2	Re-election of Director – Kokula Krishnan Ganesalingam		
Ordinary Resolution 3	Re-election of Director – Nuraini Ismail		
Ordinary Resolution 4	Re-election of Director – Gopala Krishnan K Sundaram		
Ordinary Resolution 5	Re-election of Director – Abdul Rahman Talib		
Ordinary Resolution 6	Re-election of Director – Velile Hamilton Memela		
Ordinary Resolution 7	Re-appointment of Auditors and Authorise the Directors to fix their remuneration		
Ordinary Resolution 8	Authority to Directors under Section 75 and 76 of the Companies Act, 2016		

Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If no instruction as to voting is given, proxy will vote or abstain at his / her discretion.

Dated this ______ day of _____________ 2025

____

Signature of Shareholder(s) or where applicable, common seal of Shareholder(s)

Notes:

1. Refer to Administrative Guide.

STAMP

The Company Secretary
MCIS Insurance Berhad Registration No. 199701019821 (435318-U)
Wisma MCIS
Jalan Barat
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

MCIS INSURANCE BERHAD
Registration No. 199701019821 (435318-U)

Wisma MCIS, Jalan Barat,
46200 Petaling Jaya,
Selangor Darul Ehsan

+603 7652 3388

customerservise@mcis.my

www.mcis.my

mcis life