MCIS INSURANCE BERHAD
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Unaudited Condensed Interim Financial Statements For the six-month period ended 30 June 2026

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

Contents	**Pages**

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

Unaudited condensed statement of financial position
As at 30 June 2026

		Group		Company	
		30.06.2026	**31.12.2025**	**30.06.2026**	**31.12.2025**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Assets					
Property and equipment		74,074	67,427	74,074	67,427
Right-of-use assets		5,921	4,329	5,921	4,329
Intangible assets		15,170	16,990	15,170	16,990
Investments	3	4,221,713	4,237,070	4,224,535	4,236,704
Insurance contract assets	4	38,036	36,075	38,036	36,075
Reinsurance contract assets	4	205,243	190,607	205,243	190,607
Other receivables		50,928	44,398	49,985	43,698
Current tax assets		13,120	16,030	13,106	16,030
Cash and bank balances		17,021	44,971	13,571	44,911
Total assets		4,641,226	4,657,897	4,639,641	4,656,771
Equity					
Share capital		125,024	125,024	125,024	125,024
Retained profits		160,574	186,151	160,574	186,151
Total equity		285,598	311,175	285,598	311,175
Liabilities					
Insurance contract liabilities	4	3,892,368	3,897,020	3,892,368	3,897,020
Reinsurance contract liabilities	4	148,635	129,598	148,635	129,598
Deferred tax liabilities		45,001	50,208	45,001	50,208
Lease liabilities		5,897	4,669	5,897	4,669
Other payables		64,353	65,868	62,768	64,751
Current tax liabilities		-	9	-	-
Subordinated notes	5	199,374	199,350	199,374	199,350
Total liabilities		4,355,628	4,346,722	4,354,043	4,345,596
Total equity and liabilities		4,641,226	4,657,897	4,639,641	4,656,771

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and of the Company for the year ended 31 December 2025 and the accompanying explanatory notes on pages 6 to 56 attached to the unaudited condensed interim financial statements.

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

Unaudited condensed statement of profit or loss
For the six-month period ended 30 June 2026

	Note	Group 01.01.2026 to 30.06.2026 RM'000	Company 01.01.2026 to 30.06.2026 RM'000	Group and Company 01.01.2025 to 30.06.2025 RM'000
Insurance revenue	6	269,034	269,034	237,499
Insurance service expenses	7	(279,361)	(279,361)	(267,936)
Net (expense)/income from reinsurance contracts	8	(5,111)	(5,111)	20,478
Insurance service result		(15,438)	(15,438)	(9,959)
Investment income		83,915	80,426	87,882
Realised gains		22,711	22,527	7,882
Fair value gains/(losses)	9	34,734	38,192	(616)
Investment return		141,360	141,145	95,148
Net finance expense from insurance contracts	10	(140,984)	(140,984)	(70,869)
Net finance (expense)/income from reinsurance contracts	10	(79)	(79)	336
Net financial results		297	82	24,615
Other operating revenue		12	12	104
Other operating expenses		(4,937)	(4,720)	(19,759)
Finance cost		(5,416)	(5,416)	(5,597)
Loss before taxation		(25,482)	(25,480)	(10,596)
Taxation		(95)	(97)	(1,880)
Net loss for the period		(25,577)	(25,577)	(12,476)
Loss per share (sen)				
Basic and diluted	11	(25.50)	(25.50)	(12.44)

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and of the Company for the year ended 31 December 2025 and the accompanying explanatory notes on pages 6 to 56 attached to the unaudited condensed interim financial statements.

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

Unaudited condensed statement of changes in equity
For the six-month period ended 30 June 2026

	<------ Non-distributable			------>	Distributable		
		Retained profits					
	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
Group and Company							
At 1 January 2025	125,024	192,087	(49,524)	142,563	64,905	207,468	332,492
Net loss for the year	-	(25,932)	25,225	(707)	(20,610)	(21,317)	(21,317)
At 31 December 2025	125,024	166,155	(24,299)	141,856	44,295	186,151	311,175
At 1 January 2026	125,024	166,155	(24,299)	141,856	44,295	186,151	311,175
Net loss for the year	-	(25,151)	5,227	(19,924)	(5,653)	(25,577)	(25,577)
At 30 June 2026	125,024	141,004	(19,072)	121,932	38,642	160,574	285,598

* Non-distributable retained earnings comprise of the unallocated surplus 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 unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and of the Company for the year ended 31 December 2025 and the accompanying explanatory notes on pages 6 to 56 attached to the unaudited condensed interim financial statements.

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

Unaudited condensed statement of cash flows
For the six-month period ended 30 June 2026

	Group 01.01.2026 to 30.06.2026 RM'000	Company 01.01.2026 to 30.06.2026 RM'000	Group and Company 01.01.2025 to 30.06.2025 RM'000
Loss before taxation	(25,482)	(25,480)	(10,596)
Adjustments for:			
Investment income	(83,915)	(80,426)	(87,882)
Interest expense on lease liabilities	102	102	289
Interest expense on subordinated notes	5,256	5,256	5,256
Realised gains	(22,711)	(22,527)	(7,882)
Fair value (gains)/losses	(34,734)	(38,192)	616
Purchases of fair value through profit or loss ("FVTPL") financial instruments	(931,424)	(868,945)	(286,680)
Proceeds from sale of FVTPL financial instruments	954,800	941,991	498,191
Investment income received	83,264	80,770	88,198
Gain on lease modification	2	2	-
Decrease/(Increase) in loans	61	61	(46)
Non-cash items:			
Depreciation of property and equipment	3,789	3,789	3,861
Gain on disposal of properties	-	-	(72)
Amortisation of intangible assets	3,151	3,151	2,786
Amortisation of right-of-use assets	2,565	2,565	2,374
Amortisation of subordinated notes issuance cost	53	53	50
Net amortisation of investments	660	660	781
Impairment loss on loans receivables	122	122	65
Written off of property and equipment	12	12	-
Changes in working capital:			
(Increase)/Decrease in assets:			
Reinsurance contract assets	(14,636)	(14,636)	(31,647)
Insurance contract assets	(1,961)	(1,961)	7,087
Other receivables	(6,641)	(6,631)	(6,272)
Increase/(Decrease) in liabilities:			
Reinsurance contract liabilities	19,037	19,037	11,565
Insurance contract liabilities	(4,652)	(4,652)	(28,793)
Other payables	(2,160)	(1,983)	(77)
Third party interests in consolidated funds	835	-	-
Cash (used in)/generated from operating activities	(54,607)	(7,862)	161,172

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

Unaudited condensed statement of cash flows
For the six-month period ended 30 June 2026 (cont'd.)

	Group 01.01.2026 to 30.06.2026 RM'000	Company 01.01.2026 to 30.06.2026 RM'000	Group and Company 01.01.2025 to 30.06.2025 RM'000
Changes in working capital: (cont'd.)			
Interest paid on lease liabilities	(102)	(102)	(289)
Income tax paid	(2,383)	(2,380)	(8,421)
Interest paid on subordinated notes	(5,285)	(5,285)	(5,285)
Net cash flows (used in)/generated from operating activities	(62,377)	(15,629)	147,177
Investing activities			
Proceeds from disposal of properties	-	-	102
Net proceeds from disposal of non-current assets held for sale	-	-	250
Net cash acquired from control of subsidiaries	50,138	-	-
Purchase of property and equipment	(11,674)	(11,674)	(11,113)
Purchase of intangible assets	(105)	(105)	(128)
Addition of right-of-use assets	1	1	-
Net cash flows generated from/(used in) investing activities	38,360	(11,778)	(10,889)
Financing activities			
Payment of principal portion of lease liabilities	(2,932)	(2,932)	(2,419)
Net cash flows used in financing activities	(2,932)	(2,932)	(2,419)
Cash and cash equivalents			
Net (decrease)/increase in cash and cash equivalents	(26,949)	(30,339)	133,869
Cash and cash equivalents at beginning of period	472,396	472,336	260,460
Cash and cash equivalents at end of period	445,447	441,997	394,329
Cash and cash equivalents comprise of:			
Cash and bank balances	17,021	13,571	40,036
Short term deposits with original maturity periods of less than 3 months	428,426	428,426	354,293
	445,447	441,997	394,329

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and of the Company for the year ended 31 December 2025 and the accompanying explanatory notes on pages 6 to 56 attached to the unaudited condensed interim financial statements.

1. Basis of preparation

The unaudited condensed interim financial statements of MCIS Insurance Berhad ("the Company") have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting as issued by the Malaysian Accounting Standards Board ("MASB") and International Accounting Standard ("IAS") 34 - Interim Financial Reporting as issued by International Accounting Standards Board ("IASB").

The unaudited condensed interim financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise stated in the accounting policies.

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

The unaudited condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's and with the Company's audited financial statements for the year ended 31 December 2025.

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

2. Accounting policies

The accounting policies and presentation adopted by the Group and the Company for the condensed interim financial statements are consistent with those adopted in the Group's and the Company's audited financial statements for the financial year ended 31 December 2025, except as follows:

On 1 January 2026, the Group and the Company adopted the following MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2026:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2026:

(i) Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

(ii) 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 Statements*
- Amendments to MFRS 107 *Statement of Cash Flows*

(iii) Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

The adoption of the above amendments to standards issued by Malaysian Accounting Standards Board (“MASB”) in the current financial period do not have any material impact to the interim financial statements of the Group and of the Company.

Standards issued but not yet effective

The following are standards, amendments to standards and interpretation to standards issued by MASB, but not yet effective, up to the date of this report. The Group and 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**
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendment to MFRS 121 *The Effect of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency*	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

2. Accounting policies (cont'd.)

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

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 Group and 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 Group and the Company are currently assessing the impact of adopting MFRS 18.

3. Investments

	Group		Company	
	30.06.2026 RM'000	**31.12.2025 RM'000**	**30.06.2026 RM'000**	**31.12.2025 RM'000**
Malaysian Government securities	950,849	960,886	950,849	960,886
Government investment issues	229,468	232,197	229,468	232,197
Malaysian Government guaranteed bonds	407,995	393,698	407,995	393,698
Unquoted debts securities	1,236,933	1,362,321	1,239,473	1,272,323
Quoted equity securities	222,213	291,075	222,358	291,075
Quoted exchange traded funds	124,547	136,589	124,547	136,589
Quoted unit and property trust funds	410,644	330,592	410,644	330,592
Unquoted equity securities	61,360	59,950	61,360	59,950
Unquoted unit trust funds	132,320	30,061	132,457	119,863
Deposits with financial institutions	443,937	438,071	443,937	437,901
Loans receivables	1,447	1,630	1,447	1,630
Total	4,221,713	4,237,070	4,224,535	4,236,704

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

	Group		Company	
	30.06.2026 RM'000	**31.12.2025 RM'000**	**30.06.2026 RM'000**	**31.12.2025 RM'000**
FVTPL	4,220,266	4,235,440	4,223,088	4,235,074
Amortised cost	1,447	1,630	1,447	1,630
	4,221,713	4,237,070	4,224,535	4,236,704

(a) FVTPL

	Group		Company	
	30.06.2026 RM'000	**31.12.2025 RM'000**	**30.06.2026 RM'000**	**31.12.2025 RM'000**
Mandatorily measured:				
Quoted equity securities	222,213	291,075	222,358	291,075
Quoted exchange traded funds	124,547	136,589	124,547	136,589
Quoted unit and property trust funds	410,644	330,592	410,644	330,592
Unquoted equity securities	61,360	59,950	61,360	59,950
Unquoted unit trust funds	132,320	30,061	132,457	119,863
	951,084	848,267	951,366	938,069
Designated upon initial recognition:				
Malaysian Government securities	950,849	960,886	950,849	960,886
Government investment issues	229,468	232,197	229,468	232,197
Malaysian Government guaranteed bonds	407,995	393,698	407,995	393,698
Unquoted debt securities	1,236,933	1,362,321	1,239,473	1,272,323
Deposits with financial institutions				
- short term deposits with original maturity periods of less than 3 months	428,426	427,595	428,426	427,425
- deposits with original maturity periods of more than 3 months	15,511	10,476	15,511	10,476
	3,269,182	3,387,173	3,271,722	3,297,005
	4,220,266	4,235,440	4,223,088	4,235,074

3. Investments (cont'd.)

(a) FVTPL (cont'd.)

Included in deposits with financial institutions of the Group and of the Company are short term deposits with original maturity periods of less than 3 months, which have been classified as cash and cash equivalents for the purpose of the statement of cash flows.

(b) Amortised cost

	Group		Company	
	30.06.2026 RM'000	31.12.2025 RM'000	30.06.2026 RM'000	31.12.2025 RM'000
Loans receivables:				
Mortgage loans	2,454	2,515	2,454	2,515
Other loans	100	100	100	100
	2,554	2,615	2,554	2,615
Loss allowances	(1,107)	(985)	(1,107)	(985)
	1,447	1,630	1,447	1,630

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 30 June 2026 and 31 December 2025.

4. Insurance and reinsurance contracts

	30.06.2026			
Group and Company	**Life risk**	**Participating**	**Short-term**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Insurance contracts				
Insurance contract assets	-	557	37,479	38,036
Insurance contract liabilities				
Liabilities for remaining coverage and liabilities for incurred claims	(602,669)	(3,115,994)	(166,398)	(3,885,061)
Revaluation reserve net of tax	-	(7,307)	-	(7,307)
	(602,669)	(3,123,301)	(166,398)	(3,892,368)
Reinsurance contracts				
Reinsurance contract assets	17,369	19,078	168,796	205,243
Reinsurance contract liabilities	(32)	(647)	(147,956)	(148,635)

	31.12.2025			
Group and Company	**Life risk**	**Participating**	**Short-term**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Insurance contracts				
Insurance contract assets	-	458	35,617	36,075
Insurance contract liabilities				
Liabilities for remaining coverage and liabilities for incurred claims	(584,033)	(3,128,429)	(177,251)	(3,889,713)
Revaluation reserve net of tax	-	(7,307)	-	(7,307)
	(584,033)	(3,135,736)	(177,251)	(3,897,020)
Reinsurance contracts				
Reinsurance contract assets	18,559	14,054	157,994	190,607
Reinsurance contract liabilities	(32)	(694)	(128,872)	(129,598)

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.

	Group and Company	
	30.06.2026	**31.12.2025**
	RM'000	**RM'000**
Insurance contract assets	602	543
Insurance contract liabilities	(3,525,519)	(3,472,112)
Reinsurance contract assets	(36,109)	(23,796)
Reinsurance contract liabilities	(409)	(475)

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

4.1 Movements in carrying amounts

(a) Life risk - Insurance contracts

Analysis by remaining coverage and incurred claims

	30.06.2026			
	Liabilities for remaining coverage			
Group and Company	**Excluding loss component RM'000**	**Loss component RM'000**	**Liabilities for incurred claims RM'000**	**Total RM'000**
Opening assets	-	-	-	-
Opening liabilities	(575,765)	(20,014)	11,746	(584,033)
Net opening balance	(575,765)	(20,014)	11,746	(584,033)
Changes in the statement of profit or loss				
Insurance revenue				
Contracts under the fair value transition approach	23,414	-	-	23,414
Other contracts	21,269	-	-	21,269
	44,683	-	-	44,683
Insurance service expenses				
Incurred claims and other insurance service expenses	(307)	1,030	(41,671)	(40,948)
Amortisation of insurance acquisition cash flows	(6,069)	-	-	(6,069)
Losses and reversal of losses on onerous contracts	-	(8,195)	-	(8,195)
Adjustments to liabilities for incurred claims	-	-	-	-
	(6,376)	(7,165)	(41,671)	(55,212)
Investment components	10,186	-	(10,186)	-
Insurance service result	48,493	(7,165)	(51,857)	(10,529)
Net finance expense from insurance contracts	(5,390)	(296)	-	(5,686)
Total changes in the statement of profit or loss	43,103	(7,461)	(51,857)	(16,215)
Cash flows				
Premium received	(104,042)	-	-	(104,042)
Claims and other insurance service expenses paid, including investment components	-	-	66,222	66,222
Insurance acquisition cash flows	35,399	-	-	35,399
Total cash flows	(68,643)	-	66,222	(2,421)
Net closing balance	(601,305)	(27,475)	26,111	(602,669)
Closing assets	-	-	-	-
Closing liabilities	(601,305)	(27,475)	26,111	(602,669)
Net closing balance	(601,305)	(27,475)	26,111	(602,669)

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

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2026

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

4.1 Movements in carrying amounts (cont'd.)

(a) Life risk - Insurance contracts (cont'd.)

Analysis by remaining coverage and incurred claims (cont'd.)

	31.12.2025			
	Liabilities for remaining coverage			
Group and Company	**Excluding loss component RM'000**	**Loss component RM'000**	**Liabilities for incurred claims RM'000**	**Total RM'000**
Opening assets	-	-	-	-
Opening liabilities	(551,782)	(12,177)	(59,577)	(623,536)
Net opening balance	(551,782)	(12,177)	(59,577)	(623,536)
Changes in the statement of profit or loss				
Insurance revenue				
Contracts under the fair value transition approach	50,294	-	-	50,294
Other contracts	39,079	-	-	39,079
	89,373	-	-	89,373
Insurance service expenses				
Incurred claims and other insurance service expenses	(621)	1,139	(92,347)	(91,829)
Amortisation of insurance acquisition cash flows	(8,457)	-	-	(8,457)
Losses and reversal of losses on onerous contracts	-	(8,558)	-	(8,558)
Adjustments to liabilities for incurred claims	-	-	807	807
	(9,078)	(7,419)	(91,540)	(108,037)
Investment components	78,779	-	(78,779)	-
Insurance service result	159,074	(7,419)	(170,319)	(18,664)
Net finance expenses from insurance contracts	(20,121)	(418)	-	(20,539)
Total changes in the statement of profit or loss	138,953	(7,837)	(170,319)	(39,203)
Cash flows				
Premium received	(205,955)	-	-	(205,955)
Claims and other insurance service expenses paid, including investment components	-	-	241,642	241,642
Insurance acquisition cash flows	43,019	-	-	43,019
Total cash flows	(162,936)	-	241,642	78,706
Net closing balance	(575,765)	(20,014)	11,746	(584,033)
Closing assets	-	-	-	-
Closing liabilities	(575,765)	(20,014)	11,746	(584,033)
Net closing balance	(575,765)	(20,014)	11,746	(584,033)

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

4.1 Movements in carrying amounts (cont'd.)

(a) Life risk - Insurance contracts (cont'd.)

Analysis by measurement component - Contracts not measured under PAA

	30.06.2026					
			CSM			
Group and Company	**Estimate of present value of future cash flows RM'000**	**Risk adjustment for non-financial risk RM'000**	**Contracts under fair value transition approach RM'000**	**Other contracts RM'000**	**Subtotal RM'000**	**Total RM'000**
Opening assets	-	-	-	-	-	-
Opening liabilities	(523,330)	(23,162)	(3,830)	(33,711)	(37,541)	(584,033)
Net opening balance	(523,330)	(23,162)	(3,830)	(33,711)	(37,541)	(584,033)
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services provided	-	-	335	1,956	2,291	2,291
Change in risk adjustment for non-financial risk for risk expired	-	235	-	-	-	235
Experience adjustments	(4,860)	-	-	-	-	(4,860)
Changes that relate to future services						
Contracts initially recognised in the year	13,100	(3,414)	-	(10,829)	(10,829)	(1,143)
Changes in estimates that adjust the CSM	(6,070)	1,636	(2,405)	6,839	4,434	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	(7,052)	-	-	-	-	(7,052)
Changes that relate to past services						
Adjustments to liabilities for incurred claims	-	-	-	-	-	-
Insurance service result	(4,882)	(1,543)	(2,070)	(2,034)	(4,104)	(10,529)
Net finance expenses from insurance contracts	(4,607)	(308)	(71)	(700)	(771)	(5,686)
Total changes in the statement of profit or loss	(9,489)	(1,851)	(2,141)	(2,734)	(4,875)	(16,215)
Cash flows	(2,421)	-	-	-	-	(2,421)
Net closing balance	(535,240)	(25,013)	(5,971)	(36,445)	(42,416)	(602,669)
Closing assets	-	-	-	-	-	-
Closing liabilities	(535,240)	(25,013)	(5,971)	(36,445)	(42,416)	(602,669)
Net closing balance	(535,240)	(25,013)	(5,971)	(36,445)	(42,416)	(602,669)

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

4.1 Movements in carrying amounts (cont'd.)

(a) Life risk - Insurance contracts (cont'd.)

Analysis by measurement component - Contracts not measured under PAA (cont'd.)

			31.12.2025			
			CSM			
Group and Company	**Estimate of present value of future cash flows RM'000**	**Risk adjustment for non-financial risk RM'000**	**Contracts under fair value transition approach RM'000**	**Other contracts RM'000**	**Subtotal RM'000**	**Total RM'000**
Opening assets	-	-	-	-	-	-
Opening liabilities	(572,509)	(19,265)	(9,591)	(22,171)	(31,762)	(623,536)
Net opening balance	(572,509)	(19,265)	(9,591)	(22,171)	(31,762)	(623,536)
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services provided	-	-	349	2,914	3,263	3,263
Change in risk adjustment for non-financial risk for risk expired	-	527	-	-	-	527
Experience adjustments	(14,703)	-	-	-	-	(14,703)
Changes that relate to future services						
Contracts initially recognised in the year	29,685	(5,161)	-	(27,122)	(27,122)	(2,598)
Changes in estimates that adjust the CSM	(21,787)	2,122	5,754	13,911	19,665	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	(5,960)	-	-	-	-	(5,960)
Changes that relate to past services						
Adjustments to liabilities for incurred claims	807	-	-	-	-	807
Insurance service result	(11,958)	(2,512)	6,103	(10,297)	(4,194)	(18,664)
Net finance expenses from insurance contracts	(17,569)	(1,385)	(342)	(1,243)	(1,585)	(20,539)
Total changes in the statement of profit or loss	(29,527)	(3,897)	5,761	(11,540)	(5,779)	(39,203)
Cash flows	78,706	-	-	-	-	78,706
Net closing balance	(523,330)	(23,162)	(3,830)	(33,711)	(37,541)	(584,033)
Closing assets	-	-	-	-	-	-
Closing liabilities	(523,330)	(23,162)	(3,830)	(33,711)	(37,541)	(584,033)
Net closing balance	(523,330)	(23,162)	(3,830)	(33,711)	(37,541)	(584,033)

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

4.1 Movements in carrying amounts (cont'd.)

(a) Life risk - Reinsurance contracts

Analysis by remaining coverage and incurred claims

	30.06.2026			
	Assets for remaining coverage			
Group and Company	**Excluding loss-recovery component RM'000**	**Loss-recovery component RM'000**	**Assets for incurred claims RM'000**	**Total RM'000**
Opening assets	(21,500)	7,624	32,435	18,559
Opening liabilities	(32)	-	-	(32)
Net opening balance	(21,532)	7,624	32,435	18,527
Changes in the statement of profit or loss				
Allocation of reinsurance premiums paid	(10,534)	-	-	(10,534)
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses	-	-	6,699	6,699
Recoveries and reversals of recoveries of losses on onerous underlying contracts	(103)	618	-	515
	(103)	618	8,069	8,584
Investment components	(332)	-	332	-
Net expenses from reinsurance contracts	(10,969)	618	8,401	(1,950)
Net finance income from reinsurance contracts	(22)	-	-	(22)
Total changes in the statement of profit or loss	(10,991)	618	8,401	(1,972)
Cash flows				
Premiums paid	2,358	-	-	2,358
Amounts received	-	-	(1,576)	(1,576)
Total cash flows	2,358	-	(1,576)	782
Net closing balance	(30,165)	8,242	39,260	17,337
Closing assets	(30,134)	8,242	39,261	17,369
Closing liabilities	(31)	-	(1)	(32)
Net closing balance	(30,165)	8,242	39,260	17,337

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

4.1 Movements in carrying amounts (cont'd.)

(a) Life risk - Reinsurance contracts (cont'd.)

Analysis by remaining coverage and incurred claims (cont'd.)

	31.12.2025			
	Assets for remaining coverage			
Group and Company	**Excluding loss-recovery component RM'000**	**Loss-recovery component RM'000**	**Assets for incurred claims RM'000**	**Total RM'000**
Opening assets	(17,892)	5,639	24,967	12,714
Opening liabilities	(22)	-	4	(18)
Net opening balance	(17,914)	5,639	24,971	12,696
Changes in the statement of profit or loss				
Allocation of reinsurance premiums paid	(13,754)	-	-	(13,754)
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses	-	-	16,568	16,568
Recoveries and reversals of recoveries of losses on onerous underlying contracts	(184)	1,985	-	1,801
Adjustments to assets for incurred claims	-	-	(118)	(118)
	(184)	1,985	16,450	18,251
Investment components	(477)	-	477	-
Net expenses from reinsurance contracts	(14,415)	1,985	16,927	4,497
Net finance income from reinsurance contracts	584	-	-	584
Total changes in the statement of profit or loss	(13,831)	1,985	16,927	5,081
Cash flows				
Premiums paid	10,213	-	-	10,213
Amounts received	-	-	(9,463)	(9,463)
Total cash flows	10,213	-	(9,463)	750
Net closing balance	(21,532)	7,624	32,435	18,527
Closing assets	(21,500)	7,624	32,435	18,559
Closing liabilities	(32)	-	-	(32)
Net closing balance	(21,532)	7,624	32,435	18,527

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

4.1 Movements in carrying amounts (cont'd.)

(a) Life risk - Reinsurance contracts (cont'd.)

Analysis by measurement component - Contracts not measured under PAA

			30.06.2026			
			CSM			
Group and Company	**Estimate of present value of future cash flows RM'000**	**Risk adjustment for non-financial risk RM'000**	**Contracts under fair value transition approach RM'000**	**Other contracts RM'000**	**Subtotal RM'000**	**Total RM'000**
Opening assets	24,379	3,133	(11,139)	2,186	(8,953)	18,559
Opening liabilities	(9)	-	(23)	-	(23)	(32)
Net opening balance	24,370	3,133	(11,162)	2,186	(8,976)	18,527
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services provided	-	-	(1,909)	(198)	(2,107)	(2,107)
Change in risk adjustment for non-financial risk for risk expired	-	(178)	-	-	-	(178)
Experience adjustments	(1,550)	-	-	-	-	(1,550)
Changes that relate to future services						
Contracts initially recognised in the year	25	65	-	(42)	(42)	48
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(315)	1,157	842	842
Changes in estimates that adjust the CSM	(38,751)	173	36,867	1,711	38,578	-
Changes in estimates that relate to losses and reversal of losses on onerous underlying contracts	(375)	-	-	-	-	(375)
Net expenses from reinsurance contracts	(39,281)	60	34,643	2,628	37,271	(1,950)
Net finance income from reinsurance contracts	97	46	(198)	33	(165)	(22)
Total changes in the statement of profit or loss	(39,184)	106	34,445	2,661	37,106	(1,972)
Cash flows	782	-	-	-	-	782
Net closing balance	(14,032)	3,239	23,283	4,847	28,130	17,337
Closing assets	(14,007)	3,238	23,291	4,847	28,138	17,369
Closing liabilities	(25)	1	(8)	-	(8)	(32)
Net closing balance	(14,032)	3,239	23,283	4,847	28,130	17,337

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

4.1 Movements in carrying amounts (cont'd.)

(a) Life risk - Reinsurance contracts (cont'd.)

Analysis by measurement component - Contracts not measured under PAA (cont'd.)

	31.12.2025					
			CSM			
Group and Company	**Estimate of present value of future cash flows RM'000**	**Risk adjustment for non-financial risk RM'000**	**Contracts under fair value transition approach RM'000**	**Other contracts RM'000**	**Subtotal RM'000**	**Total RM'000**
Opening assets	16,493	3,033	(5,900)	(912)	(6,812)	12,714
Opening liabilities	2	1	(21)	-	(21)	(18)
Net opening balance	16,495	3,034	(5,921)	(912)	(6,833)	12,696
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services provided	-	-	2,353	(87)	2,266	2,266
Change in risk adjustment for non-financial risk for risk expired	-	(302)	-	-	-	(302)
Experience adjustments	850	-	-	-	-	850
Changes that relate to future services						
Contracts initially recognised in the year	450	204	-	(40)	(40)	614
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(907)	2,644	1,737	1,737
Changes in estimates that adjust the CSM	5,774	22	(6,426)	630	(5,796)	-
Changes in estimates that relate to losses and reversal of losses on onerous underlying contracts	(550)	-	-	-	-	(550)
Changes that relate to past services						
Adjustments to assets for incurred claims	(118)	-	-	-	-	(118)
Net expenses from reinsurance contracts	6,406	(76)	(4,980)	3,147	(1,833)	4,497
Net finance income from reinsurance contracts	719	175	(261)	(49)	(310)	584
Total changes in the statement of profit or loss	7,125	99	(5,241)	3,098	(2,143)	5,081
Cash flows	750	-	-	-	-	750
Net closing balance	24,370	3,133	(11,162)	2,186	(8,976)	18,527
Closing assets	24,379	3,133	(11,139)	2,186	(8,953)	18,559
Closing liabilities	(9)	-	(23)	-	(23)	(32)
Net closing balance	24,370	3,133	(11,162)	2,186	(8,976)	18,527

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

4.1 Movements in carrying amounts (cont'd.)

(b) Participating - Insurance contracts

Analysis by remaining coverage and incurred claims

	30.06.2026			
	Liabilities for remaining coverage			
	Excluding loss component	Loss component	Liabilities for incurred claims	Total
Group and Company	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Opening assets	543	-	(85)	458
Opening liabilities	(2,845,002)	(31,331)	(252,096)	(3,128,429)
Net opening balance	(2,844,459)	(31,331)	(252,181)	(3,127,971)
Changes in the statement of profit or loss				
Insurance revenue				
Contracts under the fair value transition approach	48,919	-	-	48,919
Other contracts	29,657	-	-	29,657
	78,576	-	-	78,576
Insurance service expenses				
Incurred claims and other insurance service expenses	(54)	3,421	(60,742)	(57,375)
Amortisation of insurance acquisition cash flows	(9,347)	-	-	(9,347)
Losses and reversal of losses on onerous contracts	-	(3,464)	-	(3,464)
Adjustments to liabilities for incurred claims	-	-	-	-
	(9,401)	(43)	(60,742)	(70,186)
Investment components	173,553	-	(173,553)	-
Insurance service result	242,728	(43)	(234,295)	8,390
Net finance expenses from insurance contracts	(133,097)	(591)	-	(133,688)
Income tax expenses	(7,435)	-	(489)	(7,924)
Total changes in the statement of profit or loss	102,196	(634)	(234,784)	(133,222)
Cash flows				
Premiums received	(129,909)	-	-	(129,909)
Claims and other insurance service expenses paid, including investment components	-	-	267,665	267,665
Insurance acquisition cash flows	8,000	-	-	8,000
Total cash flows	(121,909)	-	267,665	145,756
Net closing balance	(2,864,172)	(31,965)	(219,300)	(3,115,437)
Closing assets	602	-	(45)	557
Closing liabilities	(2,864,774)	(31,965)	(219,255)	(3,115,994)
Net closing balance	(2,864,172)	(31,965)	(219,300)	(3,115,437)

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

4.1 Movements in carrying amounts (cont'd.)

(b) Participating - Insurance contracts (cont'd.)

Analysis by remaining coverage and incurred claims (cont'd.)

	31.12.2025			
	Liabilities for remaining coverage			
	Excluding loss component	Loss component	Liabilities for incurred claims	Total
Group and Company	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Opening assets	347	-	(131)	216
Opening liabilities	(2,977,201)	(34,189)	(117,691)	(3,129,081)
Net opening balance	(2,976,854)	(34,189)	(117,822)	(3,128,865)
Changes in the statement of profit or loss				
Insurance revenue				
Contracts under the fair value transition approach	117,753	-	-	117,753
Other contracts	43,547	-	-	43,547
	161,300	-	-	161,300
Insurance service expenses				
Incurred claims and other insurance service expenses	(244)	6,112	(148,896)	(143,028)
Amortisation of insurance acquisition cash flows	(18,881)	-	-	(18,881)
Losses and reversal of losses on onerous contracts	-	(2,151)	-	(2,151)
Adjustments to liabilities for incurred claims	-	-	4,192	4,192
	(19,125)	3,961	(144,704)	(159,868)
Investment components	352,285	-	(352,285)	-
Insurance service result	494,460	3,961	(496,989)	1,432
Net finance expenses from insurance contracts	(160,315)	(1,103)	-	(161,418)
Income tax expenses	(1,766)	-	(8,487)	(10,253)
Total changes in the statement of profit or loss	332,379	2,858	(505,476)	(170,239)
Cash flows				
Premiums received	(236,928)	-	-	(236,928)
Claims and other insurance service expenses paid, including investment components	-	-	371,117	371,117
Insurance acquisition cash flows	37,174	-	-	37,174
Others	(230)	-	-	(230)
Total cash flows	(199,984)	-	371,117	171,133
Net closing balance	(2,844,459)	(31,331)	(252,181)	(3,127,971)
Closing assets	543	-	(85)	458
Closing liabilities	(2,845,002)	(31,331)	(252,096)	(3,128,429)
Net closing balance	(2,844,459)	(31,331)	(252,181)	(3,127,971)

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

4.1 Movements in carrying amounts (cont'd.)

(b) Participating - Insurance contracts (cont'd.)

Analysis by measurement component - Contracts not measured under PAA

	30.06.2026					
			CSM			
Group and Company	**Estimate of present value of future cash flows RM'000**	**Risk adjustment for non-financial risk RM'000**	**Contracts under fair value transition approach RM'000**	**Other contracts RM'000**	**Subtotal RM'000**	**Total RM'000**
Opening assets	963	(46)	-	(459)	(459)	458
Opening liabilities	(2,969,705)	(48,576)	(108,447)	(1,701)	(110,148)	(3,128,429)
Net opening balance	(2,968,742)	(48,622)	(108,447)	(2,160)	(110,607)	(3,127,971)
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services provided	-	-	4,456	144	4,600	4,600
Change in risk adjustment for non-financial risk for risk expired	-	2,287	-	-	-	2,287
Experience adjustments	(6,494)	-	-	-	-	(6,494)
Revenue recognised for incurred policyholder tax expenses	11,461	-	-	-	-	11,461
Changes that relate to future services						
Contracts initially recognised in the year	1,371	(799)	-	(1,046)	(1,046)	(474)
Changes in estimates that adjust the CSM	(36,474)	(22,561)	57,922	1,113	59,035	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	(2,990)	-	-	-	-	(2,990)
Changes that relate to past services						
Adjustments to liabilities for incurred claims	-	-	-	-	-	-
Insurance service result	(33,126)	(21,073)	62,378	211	62,589	8,390
Net finance expenses from insurance contracts	(133,688)	-	-	-	-	(133,688)
Income tax expenses	(7,924)	-	-	-	-	(7,924)
Total changes in the statement of profit or loss	(174,738)	(21,073)	62,378	211	62,589	(133,222)
Cash flows	145,756	-	-	-	-	145,756
Net closing balance	(2,997,724)	(69,695)	(46,069)	(1,949)	(48,018)	(3,115,437)
Closing assets	1,058	(45)	-	(456)	(456)	557
Closing liabilities	(2,998,782)	(69,650)	(46,069)	(1,493)	(47,562)	(3,115,994)
Net closing balance	(2,997,724)	(69,695)	(46,069)	(1,949)	(48,018)	(3,115,437)

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

4.1 Movements in carrying amounts (cont'd.)

(b) Participating - Insurance contracts (cont'd.)

Analysis by measurement component - Contracts not measured under PAA (cont'd.)

			31.12.2025			
			CSM			
Group and Company	**Estimate of present value of future cash flows RM'000**	**Risk adjustment for non-financial risk RM'000**	**Contracts under fair value transition approach RM'000**	**Other contracts RM'000**	**Subtotal RM'000**	**Total RM'000**
Opening assets	719	(47)	-	(456)	(456)	216
Opening liabilities	(2,977,734)	(53,569)	(96,156)	(1,622)	(97,778)	(3,129,081)
Net opening balance	(2,977,015)	(53,616)	(96,156)	(2,078)	(98,234)	(3,128,865)
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services provided	-	-	20,366	259	20,625	20,625
Change in risk adjustment for non-financial risk for risk expired	-	5,672	-	-	-	5,672
Experience adjustments	(36,878)	-	-	-	-	(36,878)
Revenue recognised for incurred policyholder tax expenses	9,972	-	-	-	-	9,972
Changes that relate to future services						
Contracts initially recognised in the year	3,283	(2,552)	-	(3,383)	(3,383)	(2,652)
Changes in estimates that adjust the CSM	30,072	(457)	(32,657)	3,042	(29,615)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	501	-	-	-	-	501
Changes that relate to past services						
Adjustments to liabilities for incurred claims	4,192	-	-	-	-	4,192
Insurance service result	11,142	2,663	(12,291)	(82)	(12,373)	1,432
Net finance expenses from insurance contracts	(163,749)	2,331	-	-	-	(161,418)
Income tax expenses	(10,253)	-	-	-	-	(10,253)
Total changes in the statement of profit or loss	(162,860)	4,994	(12,291)	(82)	(12,373)	(170,239)
Cash flows	171,133	-	-	-	-	171,133
Net closing balance	(2,968,742)	(48,622)	(108,447)	(2,160)	(110,607)	(3,127,971)
Closing assets	963	(46)	-	(459)	(459)	458
Closing liabilities	(2,969,705)	(48,576)	(108,447)	(1,701)	(110,148)	(3,128,429)
Net closing balance	(2,968,742)	(48,622)	(108,447)	(2,160)	(110,607)	(3,127,971)

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

4.1 Movements in carrying amounts (cont'd.)

(b) Participating - Reinsurance contracts

Analysis by remaining coverage and incurred claims

	30.06.2026			
	Assets for remaining coverage			
Group and Company	**Excluding loss-recovery component RM'000**	**Loss-recovery component RM'000**	**Assets for incurred claims RM'000**	**Total RM'000**
Opening assets	(18,799)	8,879	23,974	14,054
Opening liabilities	(443)	-	(251)	(694)
Net opening balance	(19,242)	8,879	23,723	13,360
Changes in the statement of profit or loss				
Allocation of reinsurance premiums paid	(7,573)	-	-	(7,573)
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses	-	-	9,485	9,485
Recoveries and reversals of recoveries of losses on onerous underlying contracts	(110)	2,451	-	2,341
Adjustments to assets for incurred claims	-	-	862	862
	(110)	2,451	10,347	12,688
Investment components	(83)	-	83	-
Net expenses from reinsurance contracts	(7,766)	2,451	10,430	5,115
Net finance income from reinsurance contracts	(71)	-	-	(71)
Total changes in the statement of profit or loss	(7,837)	2,451	10,430	5,044
Cash flows				
Premiums paid	1,154	-	-	1,154
Amounts received	-	-	(1,127)	(1,127)
Total cash flows	1,154	-	(1,127)	27
Net closing balance	(25,925)	11,330	33,026	18,431
Closing assets	(25,547)	11,330	33,295	19,078
Closing liabilities	(378)	-	(269)	(647)
Net closing balance	(25,925)	11,330	33,026	18,431

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

4.1 Movements in carrying amounts (cont'd.)

(b) Participating - Reinsurance contracts (cont'd.)

Analysis by remaining coverage and incurred claims (cont'd.)

	31.12.2025			
	Assets for remaining coverage			
Group and Company	**Excluding loss-recovery component RM'000**	**Loss-recovery component RM'000**	**Assets for incurred claims RM'000**	**Total RM'000**
Opening assets	(14,579)	3,599	17,983	7,003
Opening liabilities	(716)	-	244	(472)
Net opening balance	(15,295)	3,599	18,227	6,531
Changes in the statement of profit or loss				
Allocation of reinsurance premiums paid	(11,157)	-	-	(11,157)
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses	-	-	14,852	14,852
Recoveries and reversals of recoveries of losses on onerous underlying contracts	(147)	5,280	-	5,133
Adjustments to assets for incurred claims	-	-	(858)	(858)
	(147)	5,280	13,994	19,127
Investment components	(224)	-	224	-
Net expenses from reinsurance contracts	(11,528)	5,280	14,218	7,970
Net finance income from reinsurance contracts	(36)	-	-	(36)
Total changes in the statement of profit or loss	(11,564)	5,280	14,218	7,934
Cash flows				
Premiums paid	7,617	-	-	7,617
Amounts received	-	-	(8,722)	(8,722)
Total cash flows	7,617	-	(8,722)	(1,105)
Net closing balance	(19,242)	8,879	23,723	13,360
Closing assets	(18,799)	8,879	23,974	14,054
Closing liabilities	(443)	-	(251)	(694)
Net closing balance	(19,242)	8,879	23,723	13,360

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

4.1 Movements in carrying amounts (cont'd.)

(b) Participating - Reinsurance contracts (cont'd.)

Analysis by measurement component - Contracts not measured under PAA

			30.06.2026			
			CSM			
Group and Company	**Estimate of present value of future cash flows RM'000**	**Risk adjustment for non-financial risk RM'000**	**Contracts under fair value transition approach RM'000**	**Other contracts RM'000**	**Subtotal RM'000**	**Total RM'000**
Opening assets	9,317	2,757	(3,912)	5,892	1,980	14,054
Opening liabilities	(790)	42	56	(2)	54	(694)
Net opening balance	8,527	2,799	(3,856)	5,890	2,034	13,360
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services received	-	-	(1,576)	(570)	(2,146)	(2,146)
Change in risk adjustment for non-financial risk for risk expired	-	(116)	-	-	-	(116)
Experience adjustments	4,174	-	-	-	-	4,174
Changes that relate to future services						
Contracts initially recognised in the year	249	97	-	(36)	(36)	310
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	2	2,635	2,637	2,637
Changes in estimates that adjust the CSM	(25,889)	(60)	25,703	246	25,949	-
Changes in estimates that relate to losses and reversal of losses on onerous underlying contracts	(606)	-	-	-	-	(606)
Net expenses from reinsurance contracts	(21,210)	(79)	24,129	2,275	26,404	5,115
Net finance income from reinsurance contracts	(118)	25	(69)	91	22	(71)
Total changes in the statement of profit or loss	(21,328)	(54)	24,060	2,366	26,426	5,044
Cash flows	27	-	-	-	-	27
Net closing balance	(12,774)	2,745	20,204	8,256	28,460	18,431
Closing assets	(11,974)	2,704	20,092	8,256	28,348	19,078
Closing liabilities	(800)	41	112	-	112	(647)
Net closing balance	(12,774)	2,745	20,204	8,256	28,460	18,431

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

4.1 Movements in carrying amounts (cont'd.)

(b) Participating - Reinsurance contracts (cont'd.)

Analysis by measurement component - Contracts not measured under PAA (cont'd.)

	31.12.2025					
			CSM			
Group and Company	**Estimate of present value of future cash flows RM'000**	**Risk adjustment for non-financial risk RM'000**	**Contracts under fair value transition approach RM'000**	**Other contracts RM'000**	**Subtotal RM'000**	**Total RM'000**
Opening assets	948	2,553	2,040	1,462	3,502	7,003
Opening liabilities	(572)	52	48	-	48	(472)
Net opening balance	376	2,605	2,088	1,462	3,550	6,531
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services received	-	-	424	(682)	(258)	(258)
Change in risk adjustment for non-financial risk for risk expired	-	(203)	-	-	-	(203)
Experience adjustments	4,156	-	-	-	-	4,156
Changes that relate to future services						
Contracts initially recognised in the year	726	387	-	666	666	1,779
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	2	3,896	3,898	3,898
Changes in estimates that adjust the CSM	5,951	(165)	(6,294)	508	(5,786)	-
Changes in estimates that relate to losses and reversal of losses on onerous underlying contracts	(544)	-	-	-	-	(544)
Changes that relate to past services						
Adjustments to assets for incurred claims	(858)	-	-	-	-	(858)
Net expenses from reinsurance contracts	9,431	19	(5,868)	4,388	(1,480)	7,970
Net finance income from reinsurance contracts	(175)	175	(76)	40	(36)	(36)
Total changes in the statement of profit or loss	9,256	194	(5,944)	4,428	(1,516)	7,934
Cash flows	(1,105)	-	-	-	-	(1,105)
Net closing balance	8,527	2,799	(3,856)	5,890	2,034	13,360
Closing assets	9,317	2,757	(3,912)	5,892	1,980	14,054
Closing liabilities	(790)	42	56	(2)	54	(694)
Net closing balance	8,527	2,799	(3,856)	5,890	2,034	13,360

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

4.1 Movements in carrying amounts (cont'd.)

(c) Short-term - Insurance contracts

Analysis by remaining coverage and incurred claims - Contracts measured under PAA

	30.06.2026				
	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
Group and Company	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Opening assets	35,961	-	(336)	(8)	35,617
Opening liabilities	(109,363)	182	(65,638)	(2,432)	(177,251)
Net opening balance	(73,402)	182	(65,974)	(2,440)	(141,634)
Changes in the statement of profit or loss					
Insurance revenue	145,611	-	164	-	145,775
Insurance service expenses					
Incurred claims and other insurance service expenses	-	-	(139,406)	(487)	(139,893)
Insurance acquisition cash flows	(12,957)	-	-	-	(12,957)
Lossess and reversal of losses on onerous contracts	-	(1,113)	-	-	(1,113)
Adjustments to liabilities for incurred claims	-	-	-	-	-
	(12,957)	(1,113)	(139,406)	(487)	(153,963)
Investment components	3,595	-	(3,595)	-	-
Insurance service result	136,249	(1,113)	(142,837)	(487)	(8,188)
Net finance expenses from insurance contracts	(1,610)	-	-	-	(1,610)
Total changes in the statement of profit or loss	134,639	(1,113)	(142,837)	(487)	(9,798)
Cash flows					
Premiums received	(122,579)	-	-	-	(122,579)
Claims and other insurance service expenses paid	-	-	132,064	-	132,064
Insurance acquisition cash flows	13,028	-	-	-	13,028
Total cash flows	(109,551)	-	132,064	-	22,513
Net closing balance	(48,314)	(931)	(76,747)	(2,927)	(128,919)
Closing assets	37,812	-	(333)	-	37,479
Closing liabilities	(86,126)	(931)	(76,414)	(2,927)	(166,398)
Net closing balance	(48,314)	(931)	(76,747)	(2,927)	(128,919)

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

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2026

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

4.1 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.)

	31.12.2025				
	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
Group and Company	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Opening assets	38,005	-	(730)	(1)	37,274
Opening liabilities	(87,736)	(29)	(54,695)	(2,271)	(144,731)
Net opening balance	(49,731)	(29)	(55,425)	(2,272)	(107,457)
Changes in the statement of profit or loss					
Insurance revenue	243,359	-	242	-	243,601
Insurance service expenses					
Incurred claims and other insurance service expenses	-	-	(252,584)	(168)	(252,752)
Insurance acquisition cash flows	(25,055)	-	-	-	(25,055)
Lossess and reversal of losses on onerous contracts	-	211	-	-	211
Adjustments to liabilities for incurred claims	-	-	3,048	-	3,048
	(25,055)	211	(249,536)	(168)	(274,548)
Investment components	1,183	-	(1,183)	-	-
Insurance service result	219,487	211	(250,477)	(168)	(30,947)
Net finance expenses from insurance contracts	(3,411)	-	-	-	(3,411)
Total changes in the statement of profit or loss	216,076	211	(250,477)	(168)	(34,358)
Cash flows					
Premiums received	(264,802)	-	-	-	(264,802)
Claims and other insurance service expenses paid	-	-	239,928	-	239,928
Insurance acquisition cash flows	25,055	-	-	-	25,055
Total cash flows	(239,747)	-	239,928	-	181
Net closing balance	(73,402)	182	(65,974)	(2,440)	(141,634)
Closing assets	35,961	-	(336)	(8)	35,617
Closing liabilities	(109,363)	182	(65,638)	(2,432)	(177,251)
Net closing balance	(73,402)	182	(65,974)	(2,440)	(141,634)

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

4.1 Movements in carrying amounts (cont'd.)

(c) Short-term - Reinsurance contracts

Analysis by remaining coverage and incurred claims

	30.06.2026				
	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
Group and Company	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Opening assets	173,891	299	(16,196)	-	157,994
Opening liabilities	(175,570)	-	46,272	426	(128,872)
Net opening balance	(1,679)	299	30,076	426	29,122
Changes in the statement of profit or loss					
Allocation of reinsurance premiums paid	(30,237)	-	-	-	(30,237)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	-	22,411	128	22,539
Recoveries and reversal of recoveries of claims on onerous contracts	-	4	(739)	67	(668)
Adjustments to assets for incurred claims	-	-	90	-	90
	-	4	21,762	195	21,961
Reinsurance investment components	(145)	-	145	-	-
Net expenses from reinsurance contracts	(30,382)	4	21,907	195	(8,276)
Net finance income from reinsurance contracts	14	-	-	-	14
Total changes in the statement of profit or loss	(30,368)	4	21,907	195	(8,262)
Cash flows					
Premiums paid	72	-	-	-	72
Amounts received	-	-	(92)	-	(92)
Total cash flows	72	-	(92)	-	(20)
Net closing balance	(31,975)	303	51,891	621	20,840
Closing assets	179,935	303	(11,442)	-	168,796
Closing liabilities	(211,910)	-	63,333	621	(147,956)
Net closing balance	(31,975)	303	51,891	621	20,840

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

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2026

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

4.1 Movements in carrying amounts (cont'd.)

(c) Short-term - Reinsurance contracts (cont'd.)

Analysis by remaining coverage and incurred claims (cont'd.)

	31.12.2025				
	Liabilities for remaining coverage		Liabilities for incurred claims		
Group and Company	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	83,193	332	44,537	-	128,062
Opening liabilities	(53,859)	-	(77,738)	367	(131,230)
Net opening balance	29,334	332	(33,201)	367	(3,168)
Changes in the statement of profit or loss					
Allocation of reinsurance premiums paid	(95,373)	-	-	-	(95,373)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	-	40,353	59	40,412
Recoveries and reversal of recoveries of claims on onerous contracts	-	(33)	14,045	-	14,012
Adjustments to assets for incurred claims	-	-	45,168	-	45,168
	-	(33)	99,566	59	99,592
Reinsurance investment components	(81)	-	81	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net expenses from reinsurance contracts	(95,454)	(33)	99,647	59	4,219
Net finance income from reinsurance contracts	63	-	-	-	63
Total changes in the statement of profit or loss	(95,391)	(33)	99,647	59	4,282
Cash flows					
Premiums paid	64,378	-	-	-	64,378
Amounts received	-	-	(36,370)	-	(36,370)
Total cash flows	64,378	-	(36,370)	-	28,008
Net closing balance	(1,679)	299	30,076	426	29,122
Closing assets	173,891	299	(16,196)	-	157,994
Closing liabilities	(175,570)	-	46,272	426	(128,872)
Net closing balance	(1,679)	299	30,076	426	29,122

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

4.2 Effect of contracts initially recognised in the year

(a) Life risk

Insurance contracts

	30.06.2026		
Group and Company	**Profitable contracts issued RM'000**	**Onerous contracts issued RM'000**	**Total RM'000**
Claims and other insurance service expenses payable	(61,491)	(40,924)	(102,415)
Insurance acquisition cash flows	(15,935)	(9,687)	(25,622)
Estimates of present value of cash outflows	(77,426)	(50,611)	(128,037)
Estimates of present value of cash inflows	90,154	50,983	141,137
Risk adjustment for non-financial risk	(1,899)	(1,515)	(3,414)
CSM	(10,829)	-	(10,829)
Losses recognised on initial recognition	-	(1,143)	(1,143)

	31.12.2025		
Group and Company	**Profitable contracts issued RM'000**	**Onerous contracts issued RM'000**	**Total RM'000**
Claims and other insurance service expenses payable	(132,700)	(76,372)	(209,072)
Insurance acquisition cash flows	(31,187)	(7,867)	(39,054)
Estimates of present value of cash outflows	(163,887)	(84,239)	(248,126)
Estimates of present value of cash inflows	194,804	83,007	277,811
Risk adjustment for non-financial risk	(3,795)	(1,366)	(5,161)
CSM	(27,122)	-	(27,122)
Losses recognised on initial recognition	-	(2,598)	(2,598)

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

4.2 Effect of contracts initially recognised in the year (cont'd.)

(a) Life risk (cont'd.)

Reinsurance contracts

	30.06.2026		
Group and Company	**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	1,760	193	1,953
Estimates of present value of cash outflows	(1,718)	(210)	(1,928)
Risk adjustment for non-financial risk	60	5	65
Income recognised on initial recognition	-	(48)	(48)
CSM	102	(60)	42

	31.12.2025		
Group and Company	**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	4,941	1,881	6,822
Estimates of present value of cash outflows	(4,569)	(1,803)	(6,372)
Risk adjustment for non-financial risk	148	56	204
Income recognised on initial recognition	-	(614)	(614)
CSM	520	(480)	40

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

4.2 Effect of contracts initially recognised in the year (cont'd.)

(b) Participating

Insurance contracts

Group and Company	30.06.2026 Profitable contracts issued RM'000	Onerous contracts issued RM'000	Total RM'000
Claims and other insurance service expenses payable	(7,898)	(5,407)	(13,305)
Insurance acquisition cash flows	(2,706)	(2,146)	(4,852)
Estimates of present value of cash outflows	(10,604)	(7,553)	(18,157)
Estimates of present value of cash inflows	12,240	7,288	19,528
Risk adjustment for non-financial risk	(590)	(209)	(799)
CSM	(1,046)	-	(1,046)
Losses recognised on initial recognition	-	(474)	(474)

Group and Company	31.12.2025 Profitable contracts issued RM'000	Onerous contracts issued RM'000	Total RM'000
Claims and other insurance service expenses payable	(69,993)	(24,731)	(94,724)
Insurance acquisition cash flows	(15,932)	(10,792)	(26,724)
Estimates of present value of cash outflows	(85,925)	(35,523)	(121,448)
Estimates of present value of cash inflows	90,957	33,774	124,731
Risk adjustment for non-financial risk	(1,649)	(903)	(2,552)
CSM	(3,383)	-	(3,383)
Losses recognised on initial recognition	-	(2,652)	(2,652)

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

4.2 Effect of contracts initially recognised in the year (cont'd.)

(b) Participating (cont'd.)

Reinsurance contracts

	30.06.2026		
Group and Company	**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	2,103	1,323	3,426
Estimates of present value of cash outflows	(1,967)	(1,210)	(3,177)
Risk adjustment for non-financial risk	64	33	97
Income recognised on initial recognition	-	(310)	(310)
CSM	200	(164)	36

	31.12.2025		
Group and Company	**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	5,506	6,163	11,669
Estimates of present value of cash outflows	(5,193)	(5,750)	(10,943)
Risk adjustment for non-financial risk	203	184	387
Income recognised on initial recognition	-	(1,779)	(1,779)
CSM	516	(1,182)	(666)

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

4.3 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.

30.06.2026

Group and Company	1 year or less RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	5-10 years RM'000	More than 10 years RM'000	Total RM'000
Insurance contracts								
Life risk	(4,434)	(3,985)	(3,608)	(3,210)	(2,911)	(11,607)	(12,661)	(42,416)
Participating	(8,109)	(6,826)	(5,714)	(4,746)	(3,918)	(11,097)	(7,608)	(48,018)
	(12,543)	(10,811)	(9,322)	(7,956)	(6,829)	(22,704)	(20,269)	(90,434)
Reinsurance contracts								
Life risk	(3,625)	(3,035)	(2,608)	(2,279)	(2,010)	(6,960)	(7,613)	(28,130)
Participating	(3,710)	(3,125)	(2,699)	(2,371)	(2,079)	(7,298)	(7,178)	(28,460)
	(7,335)	(6,160)	(5,307)	(4,650)	(4,089)	(14,258)	(14,791)	(56,590)

31.12.2025

Group and Company	1 year or less RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	5-10 years RM'000	More than 10 years RM'000	Total RM'000
Insurance contracts								
Life risk	(3,844)	(3,490)	(3,221)	(2,861)	(2,585)	(10,232)	(11,308)	(37,541)
Participating	(11,690)	(9,810)	(8,167)	(6,724)	(5,467)	(14,506)	(54,243)	(110,607)
	(15,534)	(13,300)	(11,388)	(9,585)	(8,052)	(24,738)	(65,551)	(148,148)
Reinsurance contracts								
Life risk	683	345	154	(5)	(102)	(1,572)	9,473	8,976
Participating	(542)	(398)	(302)	(253)	(216)	(874)	551	(2,034)
	141	(53)	(148)	(258)	(318)	(2,446)	10,024	6,942

5. Subordinated notes

	Group and Company	
	30.06.2026	**31.12.2025**
	RM'000	**RM'000**
RM200.0 million Tier 2 subordinated notes, net of expenses	199,316	199,263
Add: interest payable	58	87
	199,374	199,350
Payable within 12 months	58	87
Payable after 12 months	200,000	200,000
	200,058	200,087
Less: Amortisation of transaction cost	(684)	(737)
	199,374	199,350

In 29 December 2021, the Group and 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 first call date is falling on 29 December 2026.

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:

	Group and Company	
	30.06.2026	**31.12.2025**
	RM'000	**RM'000**
As at 1 January 2026/ 1 January 2025	199,350	199,219
Amortisation of transaction cost	53	102
Accrued interest	5,256	10,600
Interest paid	(5,285)	(10,571)
At 30 June 2026/ 31 December 2025	199,374	199,350

The fair value of the subordinated notes amounted to RM218,964,000 (31.12.2025: RM221,545,000), 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)

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2026

6. Insurance revenue

Group and Company	Life risk 01.01.2026 to 30.06.2026 RM'000	Life risk 01.01.2025 to 30.06.2025 RM'000	Participating 01.01.2026 to 30.06.2026 RM'000	Participating 01.01.2025 to 30.06.2025 RM'000	Short-term 01.01.2026 to 30.06.2026 RM'000	Short-term 01.01.2025 to 30.06.2025 RM'000	Total 01.01.2026 to 30.06.2026 RM'000	Total 01.01.2025 to 30.06.2025 RM'000
Contracts not measured under the PAA								
Amounts relating to changes in liabilities for remaining coverage								
- CSM recognised for services provided	2,291	1,549	4,600	6,003	-	-	6,891	7,552
- Change in risk adjustment for non-financial risk for risk expired	235	163	2,287	3,639	-	-	2,522	3,802
- Expected incurred claims and other insurance service expenses	36,232	38,110	51,084	47,294	-	-	87,316	85,404
Other	(144)	68	11,258	3,617	-	-	11,114	3,685
Recovery of insurance acquisition cash flows	6,069	4,375	9,347	9,329	-	-	15,416	13,704
	44,683	44,265	78,576	69,882	-	-	123,259	114,147
Contracts measured under the PAA	-	-	-	-	145,775	123,352	145,775	123,352
Total insurance revenue	44,683	44,265	78,576	69,882	145,775	123,352	269,034	237,499

7. Insurance service expense

	Life risk		Participating		Short-term		Total	
	01.01.2026 to 30.06.2026	01.01.2025 to 30.06.2025	01.01.2026 to 30.06.2026	01.01.2025 to 30.06.2025	01.01.2026 to 30.06.2026	01.01.2025 to 30.06.2025	01.01.2026 to 30.06.2026	01.01.2025 to 30.06.2025
Group and Company	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance service expense								
Incurred claims and other insurance service expense								
- Reported claims	24,636	28,909	24,267	30,766	101,396	91,010	150,299	150,685
- IBNR & RA	(1,030)	(552)	(3,421)	(2,238)	4,889	4,164	438	1,374
- Insurance acquisition expense incurred	-	-	-	-	12,957	3,054	12,957	3,054
- Insurance acquisition expense experience adjustment	307	996	54	82	-	-	361	1,078
- Incurred maintenance expenses	17,035	16,967	36,475	38,623	33,608	25,841	87,118	81,431
	40,948	46,320	57,375	67,233	152,850	124,069	251,173	237,622
Amortisation of insurance acquisition cash flows	6,069	4,375	9,347	9,330	-	-	15,416	13,705
Lossess and reversal of losses on onerous contracts	8,195	13,062	3,464	5,807	1,113	701	12,772	19,570
Adjustments to liabilities for incurred claims	-	(202)	-	(517)	-	(2,242)	-	(2,961)
Total insurance service expense	55,212	63,555	70,186	81,853	153,963	122,528	279,361	267,936

8. Net (expense)/income from reinsurance contracts

Group and Company	01.01.2026 to 30.06.2026 Life risk RM'000	Participating RM'000	Short-term RM'000	Total RM'000
Allocation of reinsurance premiums	(10,534)	(7,573)	(30,237)	(48,344)
Amounts recoverable from reinsurers				
- Recoveries of incurred claims and other insurance service expenses	6,699	9,485	22,539	38,723
- Recoveries and reversal of recoveries of claims on onerous underlying contracts	515	2,341	(668)	2,188
Adjustment to assets for incurred claims	1,370	862	90	2,322
Total net finance (expense)/income from reinsurance contracts	(1,950)	5,115	(8,276)	(5,111)

Group and Company	01.01.2025 to 30.06.2025 Life risk RM'000	Participating RM'000	Short-term RM'000	Total RM'000
Allocation of reinsurance premiums	(7,281)	(5,677)	(67,211)	(80,169)
Amounts recoverable from reinsurers				
- Recoveries of incurred claims and other insurance service expenses	10,443	7,052	20,319	37,814
- Recoveries and reversal of recoveries of claims on onerous underlying contracts	55	1,783	14,041	15,879
Adjustment to assets for incurred claims	(118)	(353)	47,425	46,954
Total net finance income from reinsurance contracts	3,099	2,805	14,574	20,478

9. Fair value gains/(losses)

	Group 01.01.2026 to 30.06.2026 RM'000	Company 01.01.2026 to 30.06.2026 RM'000	Group and Company 01.01.2025 to 30.06.2025 RM'000
Financial instruments:			
Malaysian Government securities	(9,873)	(9,873)	20,207
Government investment issues	(2,615)	(2,615)	5,174
Malaysian Government guaranteed bonds	(5,658)	(5,658)	10,589
Quoted equity securities	(10,099)	(10,157)	(42,621)
Quoted unit and property trust funds	85,188	85,188	(989)
Unquoted equity securities	1,410	1,410	(1,600)
Unquoted debts securities	(23,620)	(20,103)	8,624
	34,734	38,192	(616)

10. Net finance (expense)/income

	01.01.2026 to 30.06.2026			
Group and Company	**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	-	(127,131)	-	(127,131)
Experience adjustment in underlying items	-	(6,557)	-	(6,557)
Interest accretion	(5,686)	-	(1,610)	(7,296)
Total net finance expenses from insurance contracts	(5,686)	(133,688)	(1,610)	(140,984)
Net finance (expense)/income from reinsurance contracts	(22)	(71)	14	(79)

	01.01.2025 to 30.06.2025			
Group and Company	**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	-	(67,149)	-	(67,149)
Experience adjustment in underlying items	-	9,686	-	9,686
Interest accretion	(15,040)	3,382	(1,748)	(13,406)
Total net finance expenses from insurance contracts	(15,040)	(54,081)	(1,748)	(70,869)
Net finance (expense)/income from reinsurance contracts	411	(119)	44	336

11. Losses per share

Losses per share is calculated by dividing losses for the financial period attributable to ordinary share holders of the Group and of the Company by the weighted average number of ordinary shares in issue during the financial period.

	Group and Company	
	01.01.2026 to 30.06.2026	**01.01.2025 to 30.06.2025**
Loss attributable to ordinary share holders: (RM'000)	(25,577)	(12,476)
Weighted average number of shares in issue ('000)	100,284	100,284
Basic and diluted losses per share: (sen)	(25.50)	(12.44)

There were no potential dilutive 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 unaudited condensed interim financial statements.

12. Capital commitments

	Group and Company	
	30.06.2026 RM'000	**31.12.2025 RM'000**
Approved and contracted for:		
Property and equipment	5,120	10,687
Approved but not contracted for:		
Property and equipment	55,460	35,044

13. Significant related party disclosures

(a) Related parties

The related parties and their relationship with the Group and with the Company as at 30 June 2026 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

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.

	Group and Company	
	01.01.2026 to 30.06.2026 RM'000	01.01.2025 to 30.06.2025 RM'000
Transactions with related parties:		
(i) Rental and utility expenses		
Koperasi MCIS Berhad	(2,201)	(2,018)
(ii) Premium for insurance cover paid		
Pacific & Orient Insurance Co. Berhad	(50)	(50)
(iii) Recovery of secretarial fees		
SEM	10	-
(iv) End-to-end watch list and sanctions screening solution service overaccrual/(payable)		
SEM	146	(3)
Balances with related parties:		
(i) Reimbursable costs to		
Koperasi MCIS Berhad	(29)	(30)
(ii) Recovery from		
Sanlam Life Insurance Limited	65	14

14. Regulatory capital requirement

The capital structure of the Company as prescribed under the RBC Framework is provided below:

	30.06.2026 RM'000	31.12.2025 RM'000
Tier 1 capital		
Share capital (paid-up)	125,024	125,024
Reserves, including retained profits	79,081	603,564
	204,105	728,588
Tier 2 Capital		
Revaluation reserves	-	7,307
Subordinated notes	102,053	199,350
	102,053	206,657
Deductions	(16,659)	(32,175)
Total capital available	289,499	903,070

The Company is required to comply with the Risk-Based Capital ("RBC") Framework for Insurers issued by Bank Negara Malaysia ("BNM").

As the Company carries on participating life business, the RBC Framework requires the Capital Adequacy Ratio ("CAR") to be determined as the lower of (i) the CAR calculated taking into account all insurance and shareholders' funds ("CAR all funds") and (ii) the CAR calculated taking into account all insurance and shareholders' funds excluding the participating life insurance fund ("CAR all funds excluding participating fund"). This treatment reflects the principle that the valuation surplus of the participating life insurance fund should not be used to support the capital requirements of other insurance or shareholders' funds.

With effect from 31 March 2026, the Company's reported CAR is determined by the CAR all funds excluding participating fund calculation, as this represents the lower of the two CAR calculations. Accordingly, Total Capital Available and Total Capital Required presented for purposes of the Company's regulatory capital adequacy position are based on the calculation excluding the participating life insurance fund.

Total Capital Available comprises eligible Tier 1 and Tier 2 capital. The Company has RM200.0 million of subordinated term debt which qualifies as a Tier 2 capital instrument, subject to the eligibility limits prescribed by the RBC Framework. According to the RBC Framework, the amount of subordinated term debt eligible for inclusion in Tier 2 capital is limited to 50% of Tier 1 capital.

As the CAR all funds excluding participating fund is the applicable CAR at 30 June 2026, the Tier 1 capital determined under this calculation is lower than that determined on an all-funds basis. Consequently, the amount of the Company's RM200.0 million subordinated term debt eligible for recognition as Tier 2 capital is restricted to 50% of the relevant Tier 1 capital.

The Company continues to monitor both CAR calculations in accordance with the requirements of the RBC Framework.

15. Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's and of the Company's assets:

Group **30 June 2026**	**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 3(a)):				
Malaysian Government securities	-	950,849	-	950,849
Government investment issues	-	229,468	-	229,468
Malaysian Government guaranteed bonds	-	407,995	-	407,995
Unquoted debt securities	-	1,236,933	-	1,236,933
Quoted equity securities	222,213	-	-	222,213
Quoted exchange traded funds	124,547	-	-	124,547
Unquoted equity securities	-	-	61,360	61,360
Quoted unit and property trust funds	410,644	-	-	410,644
Unquoted unit trust funds	-	132,320	-	132,320
Deposits with financial institutions	-	443,937	-	443,937
	757,404	3,401,501	61,360	4,220,266
Assets measured at revalued amounts:				
- Property and equipment	-	-	9,532	9,532
	757,404	3,401,501	70,892	4,229,798

15. Fair value measurement (cont'd.)

The following table provides the fair value measurement hierarchy of the Group's and of the Company's assets: (cont'd.)

Company **30 June 2026**	**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 3(a)):				
Malaysian Government securities	-	950,849	-	950,849
Government investment issues	-	229,468	-	229,468
Malaysian Government guaranteed bonds	-	407,995	-	407,995
Unquoted debt securities	-	1,239,473	-	1,239,473
Quoted equity securities	222,358	-	-	222,358
Quoted exchange traded funds	124,547	-	-	124,547
Unquoted equity securities	-	-	61,360	61,360
Quoted unit and property trust funds	410,644	-	-	410,644
Unquoted unit trust funds	-	132,457	-	132,457
Deposits with financial institutions	-	443,937	-	443,937
	757,549	3,404,179	61,360	4,223,088
Assets measured at revalued amounts:				
- Property and equipment	-	-	9,532	9,532
	757,549	3,404,179	70,892	4,232,620

15. Fair value measurement (cont'd.)

The following table provides the fair value measurement hierarchy of the Group's and of the Company's assets: (cont'd.)

Group 31 December 2025	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:				
FVTPL (Note 3(a)):				
Malaysian Government securities	-	960,886	-	960,886
Government investment issues	-	232,197	-	232,197
Malaysian Government guaranteed bonds	-	393,698	-	393,698
Unquoted debt securities	-	1,362,321	-	1,362,321
Quoted equity securities	291,075	-	-	291,075
Quoted exchange traded funds	136,589	-	-	136,589
Unquoted equity securities	-	-	59,950	59,950
Quoted unit and property trust funds	330,592	-	-	330,592
Unquoted unit trust funds	-	30,061	-	30,061
Deposits with financial institutions	-	438,071	-	438,071
	758,256	3,417,234	59,950	4,235,440
Assets measured at revalued amounts:				
- Property and equipment	-	-	9,655	9,655
	758,256	3,417,234	69,605	4,245,095

15. Fair value measurement (cont'd.)

The following table provides the fair value measurement hierarchy of the Group's and of the Company's assets: (cont'd.)

Company **31 December 2025**	**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 3(a)):				
Malaysian Government securities	-	960,886	-	960,886
Government investment issues	-	232,197	-	232,197
Malaysian Government guaranteed bonds	-	393,698	-	393,698
Unquoted debt securities	-	1,272,323	-	1,272,323
Quoted equity securities	291,075	-	-	291,075
Quoted exchange traded funds	136,589	-	-	136,589
Unquoted equity securities	-	-	59,950	59,950
Quoted unit and property trust funds	330,592	-	-	330,592
Unquoted unit trust funds	-	119,863	-	119,863
Deposits with financial institutions	-	437,901	-	437,901
	758,256	3,416,868	59,950	4,235,074
Assets measured at revalued amounts:				
- Property and equipment	-	-	9,655	9,655
	758,256	3,416,868	69,605	4,244,729

The Group and the Company categorise 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.

15. Fair value measurement (cont'd.)

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:

<u>Level 1 - Quoted prices in active markets</u>
Fair value measurements that reflect unadjusted, quoted prices in active markets for identical assets that the Group and 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.

<u>Level 2 - Valuation technique supported by observable inputs</u>
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.

<u>Level 3 - Valuation technique supported by unobservable inputs</u>
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.

There has been no transfers of financial assets between Level 1 and Level 2 during the six-month period/year ended 30 June 2026 and 31 December 2025.

15. Fair value measurement (cont'd.)

Reconciliation from opening to closing balances of Level 3 fair value hierarchy is provided as follows:

Valuation methods and assumptions for properties

Revalued properties

The revalued land and buildings consist of office building, 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 land is adopted whilst making due allowances for factors such as location, plot, size, accessibility and other relevant factors in determining the value of the land, 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 Group and the Company have determined that the highest and best use of the properties is their current use.

Reconciliation of Level 3 fair value measurement:

Group and Company	Apartment RM'000	Shop office/ shop house RM'000	Office building RM'000	Total RM'000
As at 1 January 2025	220	5,839	3,429	9,488
Revaluation deficit	-	360	-	360
Depreciation recognised in profit or loss under management expenses	(11)	(91)	(91)	(193)
As at 31 December 2025 / 1 January 2026	209	6,108	3,338	9,655
Depreciation recognised in profit or loss under management expenses	(7)	(68)	(48)	(123)
As at 30 June 2026	202	6,040	3,290	9,532

15. Fair value measurement (cont'd.)

Valuation methods and assumptions for properties and investment properties (cont'd.)

Revalued properties (cont'd.)

Description of valuation techniques used and key inputs to valuation of the properties are stated below:

Type of property	Valuation techniques	Key inputs		per sq. ft.
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.

Unquoted equity securities

Reconciliation of Level 3 fair value measurement:

	Group 30.06.2026 RM'000	Company 30.06.2026 RM'000	Group and Company 31.12.2025 RM'000
As at 1 January 2026/ 1 January 2025	59,950	59,950	60,750
Fair value gains/(losses)	1,410	1,410	(800)
As at 30 June 2026/ 31 December 2025	61,360	61,360	59,950

16. Insurance funds

The Group's and 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, profit or loss and statement of cash flows by fund are presented as follows:

Statements of financial position by fund
As at 30 June 2026

	Shareholders' fund		Life funds		Total	
	30.06.2026	31.12.2025	30.06.2026	31.12.2025	30.06.2026	31.12.2025
Group and Company	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets						
Property and equipment	5	7	74,069	67,420	74,074	67,427
Right-of-use assets	-	-	5,921	4,329	5,921	4,329
Intangible assets	-	-	15,170	16,990	15,170	16,990
Investments*	297,956	345,848	3,926,579	3,890,856	4,224,535	4,236,704
Insurance contract assets	-	-	38,036	36,075	38,036	36,075
Reinsurance contract assets	-	-	205,243	190,607	205,243	190,607
Other receivables	4,702	6,307	45,283	37,391	49,985	43,698
Current tax assets	-	-	13,106	16,030	13,106	16,030
Cash and bank balances	369	243	13,202	44,668	13,571	44,911
Total assets	303,032	352,405	4,336,609	4,304,366	4,639,641	4,656,771

16. Insurance funds (cont'd.)

The Group's and 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, profit or loss and statement of cash flows by fund are presented as follows (cont'd.):

Statements of financial position by fund
As at 30 June 2026

	Shareholders' fund		Life funds		Total	
	30.06.2026	31.12.2025	30.06.2026	31.12.2025	30.06.2026	31.12.2025
Group and Company	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total equity*	305,523	169,319	(19,925)	141,856	285,598	311,175
Liabilities						
Insurance contract liabilities*	10,632	15,807	3,881,736	3,881,213	3,892,368	3,897,020
Reinsurance contract liabilities	-	-	148,635	129,598	148,635	129,598
Deferred tax liabilities*	(12,657)	(11,121)	57,658	61,329	45,001	50,208
Lease liabilities	-	-	5,897	4,669	5,897	4,669
Other payables	(199,840)	(20,950)	262,608	85,701	62,768	64,751
Subordinated notes	199,374	199,350	-	-	199,374	199,350
Total liabilities	(2,491)	183,086	4,356,534	4,162,510	4,354,043	4,345,596
Total equity and liabilities	303,032	352,405	4,336,609	4,304,366	4,639,641	4,656,771

* Included herein are inter-fund transactions and balances which are eliminated in presenting the Group's and the Company's total results.

16. Insurance funds (cont'd.)

Income statement by fund
For the six-month period ended 30 June 2026

	Shareholders' Fund		Life Funds		Total	
	01.01.2026 to 30.06.2026	01.01.2025 to 30.06.2025	01.01.2026 to 30.06.2026	01.01.2025 to 30.06.2025	01.01.2026 to 30.06.2026	01.01.2025 to 30.06.2025
Group and Company	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance revenue	-	-	269,034	237,499	269,034	237,499
Insurance service expenses	(2,911)	(1,255)	(276,450)	(266,681)	(279,361)	(267,936)
Net income from reinsurance contracts	-	-	(5,111)	20,478	(5,111)	20,478
Insurance service result	(2,911)	(1,255)	(12,527)	(8,704)	(15,438)	(9,959)
Investment income	6,073	7,179	74,353	80,703	80,426	87,882
Realised gains*	34	1,438	22,493	6,444	22,527	7,882
Fair value (loss)/gains*	(1,936)	1,889	40,128	(2,505)	38,192	(616)
Investment return	4,171	10,506	136,974	84,642	141,145	95,148
Net finance expense from insurance contracts	-	-	(140,984)	(70,869)	(140,984)	(70,869)
Net finance income from reinsurance contracts	-	-	(79)	336	(79)	336
Net financial results	4,171	10,506	(4,089)	14,109	82	24,615
Other operating revenue	3	-	9	104	12	104
Other operating expenses	(4,598)	(19,695)	(122)	(64)	(4,720)	(19,759)
Finance cost	(5,309)	(5,307)	(107)	(290)	(5,416)	(5,597)
(Loss)/Profit before taxation	(8,644)	(15,751)	(16,836)	5,155	(25,480)	(10,596)
Taxation	1,535	813	(1,632)	(2,693)	(97)	(1,880)
Net (loss)/profit for the period	(7,109)	(14,938)	(18,468)	2,462	(25,577)	(12,476)

* Included herein are inter-fund transactions which are eliminated in presenting the Group's and the Company's total results.

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

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2026

16. Insurance funds (cont'd.)

Statements of cash flows by fund
For the six-month period ended 30 June 2026

	Shareholders' Fund		Life Funds		Total	
	01.01.2026 to 30.06.2026	01.01.2025 to 30.06.2025	01.01.2026 to 30.06.2026	01.01.2025 to 30.06.2025	01.01.2026 to 30.06.2026	01.01.2025 to 30.06.2025
Group and Company	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows from:						
Operating activities	(27,196)	(10,735)	11,567	157,912	(15,629)	147,177
Investing activities	-	-	(11,778)	(10,889)	(11,778)	(10,889)
Financing activities	-	-	(2,932)	(2,419)	(2,932)	(2,419)
Net (decrease)/increase in cash and cash equivalents	(27,196)	(10,735)	(3,143)	144,604	(30,339)	133,869
At beginning of period	29,013	38,592	443,323	221,868	472,336	260,460
At end of period	1,817	27,857	440,180	366,472	441,997	394,329
Cash and cash equivalents comprise of:						
Cash and bank balances	369	534	13,202	39,502	13,571	40,036
Short term deposits with original maturity periods of less than 3 months	1,448	27,323	426,978	326,970	428,426	354,293
	1,817	27,857	440,180	366,472	441,997	394,329

17. Seasonal or cyclical factors

The operations of the Group and of the Company were not materially affected by any seasonal or cyclical fluctuations during the interim financial period.

18. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial period ended 30 June 2026.

19. Change in estimates

There were no changes in the basis used for accounting estimates in respect of amounts reported in prior financial periods that would have a material effect on the unaudited condensed interim financial statements.

20. Issues, repurchases, and repayments of debts and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the interim financial period.

21. Significant events during the period

There were no significant events subsequent to the end of the interim reporting period that have not been reported in the unaudited condensed interim financial statements.

22. Material events subsequent to the end of the period

There were no material events subsequent to the end of the interim reporting period that have not been reported in the unaudited condensed interim financial statements.

23. Contingent liabilities

There were no contingent liabilities as at the date of this report.

24. Effect of changes in composition of the Group and of the Company

There were no changes in the composition of the Group and of the Company during the interim period.