



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

Unaudited Condensed Interim Financial Statements
For the six-month period ended 30 June 2024

MCIS Insurance Berhad
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(Incorporated in Malaysia)

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MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
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Unaudited condensed statement of financial position
As at 30 June 2024

	Note	30.06.2024 RM'000	31.12.2023 RM'000
Assets			
Property and equipment		50,276	45,369
Investment properties		300	300
Right-of-use assets		12,276	14,046
Intangible assets		22,347	24,508
Investments	3	4,355,865	4,301,073
Insurance contract assets	4	33,185	32,973
Reinsurance contract assets	4	102,261	76,791
Other receivables		53,702	50,109
Current tax assets		6,577	5,118
Cash and bank balances		17,113	38,856
		<u>4,653,902</u>	<u>4,589,143</u>
Non-current assets held for sale		696	696
Total assets		<u>4,654,598</u>	<u>4,589,839</u>
Equity			
Share capital		125,024	125,024
Retained profits		221,818	221,573
Total equity		<u>346,842</u>	<u>346,597</u>
Liabilities			
Insurance contract liabilities	4	3,916,452	3,855,909
Reinsurance contract liabilities	4	64,685	51,534
Deferred tax liabilities		64,157	54,193
Lease liabilities		13,170	14,926
Other payables		50,093	67,528
Subordinated notes	5	199,199	199,152
Total liabilities		<u>4,307,756</u>	<u>4,243,242</u>
Total equity and liabilities		<u>4,654,598</u>	<u>4,589,839</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2023 and the accompanying explanatory notes on pages 6 to 54 attached to the unaudited condensed interim financial statements.

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
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Unaudited condensed statement of profit or loss
For the six-month period ended 30 June 2024

		01.01.2024	01.01.2023
		to	to
	Note	30.06.2024	30.06.2023
		RM'000	RM'000
Insurance revenue	6	242,027	207,786
Insurance service expenses	7	(234,505)	(197,310)
Net income/(expenses) from reinsurance contracts	8	<u>8,953</u>	<u>(7,396)</u>
Insurance service result		<u>16,475</u>	<u>3,080</u>
Investment income		86,171	85,385
Realised gains		3,532	5,284
Fair value gains	9	<u>96,900</u>	<u>114,906</u>
Investment return		<u>186,603</u>	<u>205,575</u>
Net finance expense from insurance contracts	10	(179,701)	(166,761)
Net finance income from reinsurance contracts	10	<u>1,168</u>	<u>212</u>
Net financial results		<u>8,070</u>	<u>39,026</u>
Other operating expenses		(3,566)	(3,351)
Finance cost		<u>(5,693)</u>	<u>(5,688)</u>
Profit before taxation		<u>15,286</u>	<u>33,067</u>
Taxation		<u>(15,041)</u>	<u>(21,353)</u>
Net profit for the period		<u>245</u>	<u>11,714</u>
Earnings per share (sen)			
Basic and diluted	11	<u>0.24</u>	<u>11.68</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2023 and the accompanying explanatory notes on pages 6 to 54 attached to the unaudited condensed interim financial statements.

Unaudited condensed statement of changes in equity
For the six-month period ended 30 June 2024

| <----- Non-distributable -----> || Distributable |

	Retained profits					Sub-total RM'000	Total equity RM'000
	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		
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	-	-	-	-	(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 profit for the year	-	8,417	9,689	18,106	(17,861)	245	245
At 30 June 2024	125,024	215,085	(43,339)	171,746	50,072	221,818	346,842

* 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.

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Unaudited condensed statement of cash flows
For the six-month period ended 30 June 2024

	01.01.2024 to 30.06.2024 RM'000	01.01.2023 to 30.06.2023 RM'000
Profit before taxation	15,286	33,067
<i>Adjustments for:</i>		
Investment income	(86,171)	(85,385)
Interest expense on lease liabilities	656	400
Interest expense on subordinated notes	5,285	5,257
Realised gains	(3,532)	(5,284)
Fair value gains	(96,900)	(114,906)
Purchases of fair value through profit or loss ("FVTPL") financial instruments	(258,647)	(325,576)
Proceeds from sale of FVTPL financial instruments	240,071	390,092
Investment income received	86,294	87,317
Gain on lease modification	-	(113)
Decrease in loans	107	-
Non-cash items:		
Depreciation of property and equipment	3,883	2,541
Amortisation of intangible assets	2,595	2,877
Amortisation of right-of-use assets	2,464	2,427
Amortisation of subordinated notes issuance cost	47	45
Net amortisation of investments	1,064	808
Impairment loss on loans receivables	43	35
Written off of property and equipment	8	-
Changes in working capital:		
(Increase)/Decrease in assets:		
Reinsurance contract assets	(25,470)	2,528
Insurance contract assets	(212)	(38,194)
Other receivables	(3,716)	(2,253)
Increase/(Decrease) in liabilities:		
Reinsurance contract liabilities	13,151	5,349
Insurance contract liabilities	60,543	66,407
Other payables	(17,435)	(14,054)
Cash (used in)/generated from operating activities	<u>(60,586)</u>	<u>13,385</u>

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Unaudited condensed statement of cash flows
For the six-month period ended 30 June 2024 (cont'd.)

	01.01.2024 to 30.06.2024 RM'000	01.01.2023 to 30.06.2023 RM'000
Changes in working capital: (cont'd.)		
Interest paid on lease liabilities	(656)	(400)
Income tax paid	(6,537)	(6,195)
Interest paid on subordinated notes	<u>(5,285)</u>	<u>(5,315)</u>
Net cash flows (used in)/generated from operating activities	<u>(73,064)</u>	<u>1,475</u>
Investing activities		
Purchase of property and equipment	(9,233)	(9,622)
Purchase of intangible assets	1	(18)
Addition of right-of-use assets	<u>(694)</u>	<u>-</u>
Net cash flows used in investing activities	<u>(9,926)</u>	<u>(9,640)</u>
Financing activities		
Payment of principal portion of lease liabilities	<u>(1,756)</u>	<u>(2,380)</u>
Net cash flows used in financing activities	<u>(1,756)</u>	<u>(2,380)</u>
Cash and cash equivalents		
Net decrease in cash and cash equivalents	(84,746)	(10,545)
Cash and cash equivalents at beginning of period	<u>287,817</u>	<u>330,759</u>
Cash and cash equivalents at end of period	<u>203,071</u>	<u>320,214</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	17,113	32,016
Short term deposits with original maturity periods of less than 3 months	<u>185,958</u>	<u>288,198</u>
	<u>203,071</u>	<u>320,214</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2023 and the accompanying explanatory notes on pages 6 to 54 attached to the unaudited condensed interim financial statements.

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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 Company have been prepared under the historical cost convention, unless otherwise stated in the accounting policies.

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").

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 Company's audited financial statements for the year ended 31 December 2023.

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 Company for the condensed interim financial statements are consistent with those adopted in the Company's audited financial statements for the financial year ended 31 December 2023, except as follows:

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

MFRSs, 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 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 Company.

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

2. Accounting policies (cont'd.)

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 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 <i>The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Financial Instruments - Classification and Measurement of Financial Instruments</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Yet to be confirmed

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Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

3. Investments

	30.06.2024	31.12.2023
	RM'000	RM'000
Malaysian Government securities	980,310	979,509
Government investment issues	225,003	224,221
Malaysian Government guaranteed bonds	424,243	426,656
Unquoted debts securities	1,578,285	1,603,545
Quoted equity securities	451,974	423,004
Quoted exchange traded funds	204,168	173,447
Quoted unit and property trust funds	107,459	46,527
Unquoted equity securities	59,750	48,750
Unquoted unit trust funds	137,040	124,628
Deposits with financial institutions	185,958	248,961
Loans receivables	1,675	1,825
Total	4,355,865	4,301,073

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

	30.06.2024	31.12.2023
	RM'000	RM'000
FVTPL	4,354,190	4,299,248
Amortised cost	1,675	1,825
	4,355,865	4,301,073

(a) FVTPL

	30.06.2024	31.12.2023
	RM'000	RM'000
Mandatorily measured:		
Quoted equity securities	451,974	423,004
Quoted exchange traded funds	204,168	173,447
Quoted unit and property trust funds	107,459	46,527
Unquoted equity securities	59,750	48,750
Unquoted unit trust funds	137,040	124,628
	960,391	816,356
Designated upon initial recognition:		
Malaysian Government securities	980,310	979,509
Government investment issues	225,003	224,221
Malaysian Government guaranteed bonds	424,243	426,656
Unquoted debt securities	1,578,285	1,603,545
Deposits with financial institutions	185,958	248,961
	3,393,799	3,482,892
	4,354,190	4,299,248

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

3. 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 RM185,958,000 (31.12.2023: RM248,961,000), which have been classified as cash and cash equivalents for the purpose of the statement of cash flows.

(b) Amortised cost

	30.06.2024	31.12.2023
	RM'000	RM'000
Loans receivables:		
Mortgage loans	2,396	2,503
Other loans	100	100
	2,496	2,603
Loss allowances	(821)	(778)
	<u>1,675</u>	<u>1,825</u>

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 2024 and 31 December 2023.

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Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

4. Insurance and reinsurance contracts

	30.06.2024			
	Life risk RM'000	Participating RM'000	Short-term RM'000	Total RM'000
Insurance contracts				
Insurance contract assets	-	207	32,978	33,185
Insurance contract liabilities				
Liabilities for remaining coverage and liabilities for incurred claims	(562,666)	(3,198,566)	(147,688)	(3,908,920)
Revaluation reserve net of tax	-	(7,532)	-	(7,532)
	<u>(562,666)</u>	<u>(3,206,098)</u>	<u>(147,688)</u>	<u>(3,916,452)</u>
Reinsurance contracts				
Reinsurance contract assets	15,703	7,561	78,997	102,261
Reinsurance contract liabilities	(44)	(360)	(64,281)	(64,685)
	<u>(44)</u>	<u>(360)</u>	<u>(64,281)</u>	<u>(64,685)</u>
	31.12.2023			
	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	(507,345)	(3,162,845)	(178,187)	(3,848,377)
Revaluation reserve net of tax	-	(7,532)	-	(7,532)
	<u>(507,345)</u>	<u>(3,170,377)</u>	<u>(178,187)</u>	<u>(3,855,909)</u>
Reinsurance contracts				
Reinsurance contract assets	14,424	743	61,624	76,791
Reinsurance contract liabilities	(42)	(1,030)	(50,462)	(51,534)
	<u>(42)</u>	<u>(1,030)</u>	<u>(50,462)</u>	<u>(51,534)</u>

The following table sets out the carrying amounts of insurance and reinsurance contracts expected to be (settled)/ recovered more than 12 months after the reporting date.

	30.06.2024 RM'000	31.12.2023 RM'000
Insurance contract assets	(366)	174
Insurance contract liabilities	(169,936)	(76,371)
Reinsurance contract assets	4,266	7,092
Reinsurance contract liabilities	199	1,110
	<u>199</u>	<u>1,110</u>

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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

	30.06.2024			
	<u>Liabilities for remaining coverage</u>		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000
Opening assets	-	-	-	-
Opening liabilities	(445,683)	(12,668)	(48,994)	(507,345)
Net opening balance	(445,683)	(12,668)	(48,994)	(507,345)
Changes in the statement of profit or loss				
Insurance revenue				
Contracts under the fair value transition approach	28,641	-	-	28,641
Other contracts	9,375	-	-	9,375
	<u>38,016</u>	<u>-</u>	<u>-</u>	<u>38,016</u>
Insurance service expenses				
Incurred claims and other insurance service expenses	(77)	791	(44,397)	(43,683)
Amortisation of insurance acquisition cash flows	(2,178)	-	-	(2,178)
Losses and reversal of losses on onerous contracts	-	1,902	-	1,902
Adjustments to liabilities for incurred claims	-	-	368	368
	<u>(2,255)</u>	<u>2,693</u>	<u>(44,029)</u>	<u>(43,591)</u>
Investment components	11,003	-	(11,003)	-
Insurance service result	46,764	2,693	(55,032)	(5,575)
Net finance income from insurance contracts	1,626	(210)	-	1,416
Total changes in the statement of profit or loss	48,390	2,483	(55,032)	(4,159)
Cash flows				
Premium received	(124,367)	-	-	(124,367)
Claims and other insurance service expenses paid, including investment components	-	-	62,299	62,299
Insurance acquisition cash flows	10,906	-	-	10,906
Total cash flows	(113,461)	-	62,299	(51,162)
Net closing balance	(510,754)	(10,185)	(41,727)	(562,666)
Closing assets	-	-	-	-
Closing liabilities	(510,754)	(10,185)	(41,727)	(562,666)
Net closing balance	(510,754)	(10,185)	(41,727)	(562,666)

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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.)

	31.12.2023			
	<u>Liabilities for remaining coverage</u>		Liabilities for incurred claims	Total
	Excluding loss component RM'000	Loss component RM'000	RM'000	RM'000
Opening assets	(269)	-	360	91
Opening liabilities	(386,525)	(3,981)	(34,863)	(425,369)
Net opening balance	(386,794)	(3,981)	(34,503)	(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
	<u>72,341</u>	<u>-</u>	<u>-</u>	<u>72,341</u>
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
	<u>(2,871)</u>	<u>(8,500)</u>	<u>(82,537)</u>	<u>(93,908)</u>
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				
Premium received	(161,635)	-	-	(161,635)
Claims and other insurance service expenses paid, including investment components	-	-	86,486	86,486
Insurance acquisition cash flows	18,679	-	-	18,679
Total cash flows	(142,956)	-	86,486	(56,470)
Net closing balance	(445,683)	(12,668)	(48,994)	(507,345)
Closing assets	-	-	-	-
Closing liabilities	(445,683)	(12,668)	(48,994)	(507,345)
Net closing balance	(445,683)	(12,668)	(48,994)	(507,345)

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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

	30.06.2024					Total RM'000
	Estimate of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM			
			Contracts under fair value transition approach RM'000	Other contracts RM'000	Subtotal RM'000	
Opening assets	-	-	-	-	-	-
Opening liabilities	(455,400)	(18,699)	(14,833)	(18,413)	(33,246)	(507,345)
Net opening balance	(455,400)	(18,699)	(14,833)	(18,413)	(33,246)	(507,345)
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services provided	-	-	877	788	1,665	1,665
Change in risk adjustment for non-financial risk for risk expired	-	153	-	-	-	153
Experience adjustments	(9,663)	-	-	-	-	(9,663)
Changes that relate to future services						
Contracts initially recognised in the year	13,298	(2,174)	-	(12,653)	(12,653)	(1,529)
Changes in estimates that adjust the CSM	(12,341)	2,016	(6,733)	17,058	10,325	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	3,431	-	-	-	-	3,431
Changes that relate to past services						
Adjustments to liabilities for incurred claims	368	-	-	-	-	368
Insurance service result	(4,907)	(5)	(5,856)	5,193	(663)	(5,575)
Net finance expenses from insurance contracts	2,455	(279)	(285)	(475)	(760)	1,416
Total changes in the statement of profit or loss	(2,452)	(284)	(6,141)	4,718	(1,423)	(4,159)
Cash flows	(51,162)	-	-	-	-	(51,162)
Net closing balance	(509,014)	(18,983)	(20,974)	(13,695)	(34,669)	(562,666)
Closing assets	-	-	-	-	-	-
Closing liabilities	(509,014)	(18,983)	(20,974)	(13,695)	(34,669)	(562,666)
Net closing balance	(509,014)	(18,983)	(20,974)	(13,695)	(34,669)	(562,666)

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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.)

	31.12.2023					
	Estimate of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM			Total RM'000
			Contracts under fair value transition approach RM'000	Other contracts RM'000	Subtotal RM'000	
Opening assets	877	(108)	(618)	(60)	(678)	91
Opening liabilities	(368,490)	(17,328)	(24,787)	(14,764)	(39,551)	(425,369)
Net opening balance	(367,613)	(17,436)	(25,405)	(14,824)	(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	1,731	2,857	2,857
Change in risk adjustment for non-financial risk for risk expired	-	1,098	-	-	-	1,098
Experience adjustments	(16,065)	-	-	-	-	(16,065)
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	(38,891)	1,670	10,327	26,894	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)	256	11,453	(2,576)	8,877	(21,567)
Net finance expenses from insurance contracts	(617)	(1,519)	(881)	(1,013)	(1,894)	(4,030)
Total changes in the statement of profit or loss	(31,317)	(1,263)	10,572	(3,589)	6,983	(25,597)
Cash flows	(56,470)	-	-	-	-	(56,470)
Net closing balance	(455,400)	(18,699)	(14,833)	(18,413)	(33,246)	(507,345)
Closing assets	-	-	-	-	-	-
Closing liabilities	(455,400)	(18,699)	(14,833)	(18,413)	(33,246)	(507,345)
Net closing balance	(455,400)	(18,699)	(14,833)	(18,413)	(33,246)	(507,345)

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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

	30.06.2024			
	<u>Assets for remaining coverage</u>		<u>Assets for</u>	
	<u>Excluding</u>	<u>Loss-recovery</u>	<u>incurred</u>	<u>Total</u>
	<u>loss-recovery</u>	<u>component</u>	<u>claims</u>	<u>RM'000</u>
	<u>component</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
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	(7,389)	-	-	(7,389)
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses	-	-	10,698	10,698
Recoveries and reversals of recoveries of losses on onerous underlying contracts	(104)	(1,682)	-	(1,786)
	(104)	(1,682)	10,698	8,912
Investment components	(827)	-	827	-
Net expenses from reinsurance contracts	(8,320)	(1,682)	11,525	1,523
Net finance income from reinsurance contracts	687	-	-	687
Total changes in the statement of profit or loss	(7,633)	(1,682)	11,525	2,210
Cash flows				
Premiums paid	2,522	-	-	2,522
Amounts received	-	-	(3,455)	(3,455)
Total cash flows	2,522	-	(3,455)	(933)
Net closing balance	(17,913)	4,820	28,752	15,659
Closing assets	(17,839)	4,820	28,722	15,703
Closing liabilities	(74)	-	30	(44)
Net closing balance	(17,913)	4,820	28,752	15,659

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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.)

	31.12.2023			
	<u>Assets for remaining coverage</u>		<u>Assets for</u>	
	<u>Excluding</u>	<u>Loss-recovery</u>	<u>incurred</u>	<u>Total</u>
	<u>loss-recovery</u>	<u>component</u>	<u>claims</u>	<u>RM'000</u>
	<u>component</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Opening assets	2,467	2,449	7,373	12,289
Opening liabilities	(13,681)	-	9,438	(4,243)
Net opening balance	(11,214)	2,449	16,811	8,046
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	12,041	-	-	12,041
Amounts received	-	-	(12,591)	(12,591)
Total cash flows	12,041	-	(12,591)	(550)
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

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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

	30.06.2024					
	Estimate of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM			Total RM'000
Contracts under fair value transition approach RM'000			Other contracts RM'000	Subtotal RM'000		
Opening assets	20,897	3,331	(7,727)	(2,077)	(9,804)	14,424
Opening liabilities	(39)	3	(6)	-	(6)	(42)
Net opening balance	20,858	3,334	(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	-	-	779	52	831	831
Change in risk adjustment for non-financial risk for risk expired	-	(162)	-	-	-	(162)
Experience adjustments	2,640	-	-	-	-	2,640
Changes that relate to future services						
Contracts initially recognised in the year	761	13	-	(182)	(182)	592
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(1,438)	(528)	(1,966)	(1,966)
Changes in estimates that adjust the CSM	(5,046)	(758)	3,793	2,011	5,804	-
Changes in estimates that relate to losses and reversal of losses on onerous underlying contracts	(412)	-	-	-	-	(412)
Net expenses from reinsurance contracts	(2,057)	(907)	3,134	1,353	4,487	1,523
Net finance income from reinsurance contracts	856	20	(144)	(45)	(189)	687
Total changes in the statement of profit or loss	(1,201)	(887)	2,990	1,308	4,298	2,210
Cash flows	(933)	-	-	-	-	(933)
Net closing balance	18,724	2,447	(4,743)	(769)	(5,512)	15,659
Closing assets	18,698	2,440	(4,740)	(695)	(5,435)	15,703
Closing liabilities	27	7	(3)	(75)	(78)	(44)
Net closing balance	18,725	2,447	(4,743)	(770)	(5,513)	15,659

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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.)

	31.12.2023					
	Estimate of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM			Total RM'000
Contracts under fair value transition approach RM'000			Other contracts RM'000	Subtotal RM'000		
Opening assets	10,843	2,049	(27)	(576)	(603)	12,289
Opening liabilities	(1,054)	1,428	(4,285)	(332)	(4,617)	(4,243)
Net opening balance	9,789	3,477	(4,312)	(908)	(5,220)	8,046
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	2,329	392	-	(1,816)	(1,816)	905
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	(334)	-	-	-	-	(334)
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	(550)	-	-	-	-	(550)
Net closing balance	20,858	3,334	(7,733)	(2,077)	(9,810)	14,382
Closing assets	20,897	3,331	(7,727)	(2,077)	(9,804)	14,424
Closing liabilities	(39)	3	(6)	-	(6)	(42)
Net closing balance	20,858	3,334	(7,733)	(2,077)	(9,810)	14,382

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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

	30.06.2024			
	<u>Liabilities for remaining coverage</u>		Liabilities for	
	Excluding	Loss	incurred	Total
	loss component	component	claims	Total
	RM'000	RM'000	RM'000	RM'000
Opening assets	174	-	(116)	58
Opening liabilities	(3,007,005)	(24,068)	(131,772)	(3,162,845)
Net opening balance	(3,006,831)	(24,068)	(131,888)	(3,162,787)
Changes in the statement of profit or loss				
Insurance revenue				
Contracts under the fair value transition approach	64,735	-	-	64,735
Other contracts	18,911	-	-	18,911
	<u>83,646</u>	<u>-</u>	<u>-</u>	<u>83,646</u>
Insurance service expenses				
Incurred claims and other insurance service expenses	(48)	1,593	(66,797)	(65,252)
Amortisation of insurance acquisition cash flows	(6,801)	-	-	(6,801)
Losses and reversal of losses on onerous contracts	-	774	-	774
Adjustments to liabilities for incurred claims	-	-	2,827	2,827
	<u>(6,849)</u>	<u>2,367</u>	<u>(63,970)</u>	<u>(68,452)</u>
Investment components	157,491	-	(157,491)	-
Insurance service result	234,288	2,367	(221,461)	15,194
Net finance expenses from insurance contracts	(178,225)	(206)	-	(178,431)
Income tax expenses	(3,924)	-	(4,162)	(8,086)
Total changes in the statement of profit or loss	52,139	2,161	(225,623)	(171,323)
Cash flows				
Premiums received	(118,894)	-	-	(118,894)
Claims and other insurance service expenses paid, including investment components	-	-	228,945	228,945
Insurance acquisition cash flows	25,700	-	-	25,700
Total cash flows	(93,194)	-	228,945	135,751
Net closing balance	(3,047,886)	(21,907)	(128,566)	(3,198,359)
Closing assets	322	-	(115)	207
Closing liabilities	(3,048,208)	(21,907)	(128,451)	(3,198,566)
Net closing balance	(3,047,886)	(21,907)	(128,566)	(3,198,359)

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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.)

	31.12.2023			
	<u>Liabilities for remaining coverage</u>		Liabilities for	
	Excluding loss component	Loss component	incurred claims	Total
	RM'000	RM'000	RM'000	RM'000
Opening assets	133	-	(62)	71
Opening liabilities	<u>(2,942,692)</u>	<u>(31,954)</u>	<u>(206,548)</u>	<u>(3,181,194)</u>
Net opening balance	<u>(2,942,559)</u>	<u>(31,954)</u>	<u>(206,610)</u>	<u>(3,181,123)</u>
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
	<u>166,983</u>	<u>-</u>	<u>-</u>	<u>166,983</u>
Insurance service expenses				
Incurred claims and other insurance service expenses	(74)	2,684	(124,537)	(121,927)
Amortisation of insurance acquisition cash flows	(9,858)	-	-	(9,858)
Losses and reversal of losses on onerous contracts	-	5,529	-	5,529
Adjustments to liabilities for incurred claims	-	-	(138)	(138)
	<u>(9,932)</u>	<u>8,213</u>	<u>(124,675)</u>	<u>(126,394)</u>
Investment components	<u>372,435</u>	<u>-</u>	<u>(372,435)</u>	<u>-</u>
Insurance service result	529,486	8,213	(497,110)	40,589
Net finance expenses from insurance contracts	(308,170)	(327)	-	(308,497)
Income tax expenses	(5,970)	-	(11,825)	(17,795)
Total changes in the statement of profit or loss	<u>215,346</u>	<u>7,886</u>	<u>(508,935)</u>	<u>(285,703)</u>
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	(419)	-	-	(419)
Total cash flows	<u>(279,618)</u>	<u>-</u>	<u>583,657</u>	<u>304,039</u>
Net closing balance	<u>(3,006,831)</u>	<u>(24,068)</u>	<u>(131,888)</u>	<u>(3,162,787)</u>
Closing assets	174	-	(116)	58
Closing liabilities	<u>(3,007,005)</u>	<u>(24,068)</u>	<u>(131,772)</u>	<u>(3,162,845)</u>
Net closing balance	<u>(3,006,831)</u>	<u>(24,068)</u>	<u>(131,888)</u>	<u>(3,162,787)</u>

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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

	30.06.2024					
	Estimate of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM			Total RM'000
			Contracts under fair value transition approach RM'000	Other contracts RM'000	Subtotal RM'000	
Opening assets	463	(41)	-	(364)	(364)	58
Opening liabilities	(3,025,177)	(56,987)	(74,983)	(5,698)	(80,681)	(3,162,845)
Net opening balance	(3,024,714)	(57,028)	(74,983)	(6,062)	(81,045)	(3,162,787)
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services provided	-	-	12,989	218	13,207	13,207
Change in risk adjustment for non-financial risk for risk expired	-	481	-	-	-	481
Experience adjustments	(10,447)	-	-	-	-	(10,447)
Revenue recognised for incurred policyholder tax expenses	8,352	-	-	-	-	8,352
Changes that relate to future services						
Contracts initially recognised in the year	4,512	(2,581)	-	(2,905)	(2,905)	(974)
Changes in estimates that adjust the CSM	86,742	3,111	(95,034)	5,181	(89,853)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	1,748	-	-	-	-	1,748
Changes that relate to past services						
Adjustments to liabilities for incurred claims	2,827	-	-	-	-	2,827
Insurance service result	93,734	1,011	(82,045)	2,494	(79,551)	15,194
Net finance expenses from insurance contracts	(177,026)	(1,405)	-	-	-	(178,431)
Income tax expenses	(8,086)	-	-	-	-	(8,086)
Total changes in the statement of profit or loss	(91,378)	(394)	(82,045)	2,494	(79,551)	(171,323)
Cash flows	135,751	-	-	-	-	135,751
Net closing balance	(2,980,341)	(57,422)	(157,028)	(3,568)	(160,596)	(3,198,359)
Closing assets	636	(37)	-	(392)	(392)	207
Closing liabilities	(2,980,977)	(57,385)	(157,028)	(3,176)	(160,204)	(3,198,566)
Net closing balance	(2,980,341)	(57,422)	(157,028)	(3,568)	(160,596)	(3,198,359)

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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.)

	31.12.2023					
	Estimate of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM			Total RM'000
			Contracts under fair value transition approach RM'000	Other contracts RM'000	Subtotal RM'000	
Opening assets	567	(32)	-	(464)	(464)	71
Opening liabilities	(2,980,773)	(52,428)	(145,502)	(2,491)	(147,993)	(3,181,194)
Net opening balance	(2,980,206)	(52,460)	(145,502)	(2,955)	(148,457)	(3,181,123)
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services provided	-	-	15,839	474	16,313	16,313
Change in risk adjustment for non-financial risk for risk expired	-	5,865	-	-	-	5,865
Experience adjustments	(1,913)	-	-	-	-	(1,913)
Revenue recognised for incurred policyholder tax expenses	14,933	-	-	-	-	14,933
Changes that relate to future services						
Contracts initially recognised in the year	9,328	(2,635)	-	(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	7,147	-	-	-	-	7,147
Changes that relate to past services						
Adjustments to liabilities for incurred claims	(138)	-	-	-	-	(138)
Insurance service result	(24,932)	(1,891)	70,519	(3,107)	67,412	40,589
Net finance expenses from insurance contracts	(305,820)	(2,677)	-	-	-	(308,497)
Income tax expenses	(17,795)	-	-	-	-	(17,795)
Total changes in the statement of profit or loss	(348,547)	(4,568)	70,519	(3,107)	67,412	(285,703)
Cash flows	304,039	-	-	-	-	304,039
Net closing balance	(3,024,714)	(57,028)	(74,983)	(6,062)	(81,045)	(3,162,787)
Closing assets	463	(41)	-	(364)	(364)	58
Closing liabilities	(3,025,177)	(56,987)	(74,983)	(5,698)	(80,681)	(3,162,845)
Net closing balance	(3,024,714)	(57,028)	(74,983)	(6,062)	(81,045)	(3,162,787)

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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

	30.06.2024			
	<u>Assets for remaining coverage</u>			
	Excluding loss-recovery component RM'000	Loss- recovery component RM'000	Assets for incurred claims RM'000	Total RM'000
Opening assets	(10,947)	3,774	7,916	743
Opening liabilities	(1,332)	-	302	(1,030)
Net opening balance	<u>(12,279)</u>	<u>3,774</u>	<u>8,218</u>	<u>(287)</u>
Changes in the statement of profit or loss				
Allocation of reinsurance premiums paid	<u>(5,385)</u>	<u>-</u>	<u>-</u>	<u>(5,385)</u>
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses	-	-	14,041	14,041
Recoveries and reversals of recoveries of losses on onerous underlying contracts	(31)	(1,047)	-	(1,078)
	<u>(31)</u>	<u>(1,047)</u>	<u>14,041</u>	<u>12,963</u>
Investment components	(545)	-	545	-
Net expenses from reinsurance contracts	(5,961)	(1,047)	14,586	7,578
Net finance income from reinsurance contracts	437	-	-	437
Total changes in the statement of profit or loss	<u>(5,524)</u>	<u>(1,047)</u>	<u>14,586</u>	<u>8,015</u>
Cash flows				
Premiums paid	1,657	-	-	1,657
Amounts received	-	-	(2,184)	(2,184)
Total cash flows	<u>1,657</u>	<u>-</u>	<u>(2,184)</u>	<u>(527)</u>
Net closing balance	<u>(16,146)</u>	<u>2,727</u>	<u>20,620</u>	<u>7,201</u>
Closing assets	(15,699)	2,727	20,533	7,561
Closing liabilities	(447)	-	87	(360)
Net closing balance	<u>(16,146)</u>	<u>2,727</u>	<u>20,620</u>	<u>7,201</u>

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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.)

	31.12.2023			
	<u>Assets for remaining coverage</u>			
	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	1,428	794
Opening liabilities	(2,573)	-	1,991	(582)
Net opening balance	<u>(11,706)</u>	<u>8,499</u>	<u>3,419</u>	<u>212</u>
Changes in the statement of profit or loss				
Allocation of reinsurance premiums paid	<u>(9,991)</u>	<u>-</u>	<u>-</u>	<u>(9,991)</u>
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)	(4,725)	-	(4,910)
	<u>(185)</u>	<u>(4,725)</u>	<u>15,986</u>	<u>11,076</u>
Investment components	(541)	-	541	-
Net expenses from reinsurance contracts	(10,717)	(4,725)	16,527	1,085
Net finance income from reinsurance contracts	(503)	-	-	(503)
Total changes in the statement of profit or loss	<u>(11,220)</u>	<u>(4,725)</u>	<u>16,527</u>	<u>582</u>
Cash flows				
Premiums paid	10,647	-	-	10,647
Amounts received	-	-	(11,728)	(11,728)
Total cash flows	<u>10,647</u>	<u>-</u>	<u>(11,728)</u>	<u>(1,081)</u>
Net closing balance	<u>(12,279)</u>	<u>3,774</u>	<u>8,218</u>	<u>(287)</u>
Closing assets	(10,947)	3,774	7,916	743
Closing liabilities	(1,332)	-	302	(1,030)
Net closing balance	<u>(12,279)</u>	<u>3,774</u>	<u>8,218</u>	<u>(287)</u>

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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

	30.06.2024					
	Estimate of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM			Total RM'000
Contracts under fair value transition approach RM'000			Other contracts RM'000	Subtotal RM'000		
Opening assets	(2,035)	1,272	996	510	1,506	743
Opening liabilities	154	58	(1,476)	234	(1,242)	(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	-	-	7	(67)	(60)	(60)
Change in risk adjustment for non-financial risk for risk expired	-	(98)	-	-	-	(98)
Experience adjustments	8,814	-	-	-	-	8,814
Changes that relate to future services						
Contracts initially recognised in the year	375	125	-	(354)	(354)	146
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(1,135)	117	(1,018)	(1,018)
Changes in estimates that adjust the CSM	(1,119)	217	650	252	902	-
Changes in estimates that relate to losses and reversal of losses on onerous underlying contracts	(206)	-	-	-	-	(206)
Net expenses from reinsurance contracts	7,864	244	(478)	(52)	(530)	7,578
Net finance income from reinsurance contracts	406	31	(9)	9	-	437
Total changes in the statement of profit or loss	8,270	275	(487)	(43)	(530)	8,015
Cash flows	(527)	-	-	-	-	(527)
Net closing balance	5,862	1,605	(967)	701	(266)	7,201
Closing assets	6,137	1,550	(827)	701	(126)	7,561
Closing liabilities	(275)	55	(140)	-	(140)	(360)
Net closing balance	5,862	1,605	(967)	701	(266)	7,201

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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.)

	31.12.2023					
	Estimate of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM			Total RM'000
Contracts under fair value transition approach RM'000			Other contracts RM'000	Subtotal RM'000		
Opening assets	(178)	302	591	79	670	794
Opening liabilities	(7,414)	1,545	5,498	(211)	5,287	(582)
Net opening balance	(7,592)	1,847	6,089	(132)	5,957	212
Changes in the statement of profit or loss						
Changes that relate to current services						
CSM recognised for services received	-	-	(100)	(111)	(211)	(211)
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	632	231	-	(305)	(305)	558
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)	(1,361)	344	(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	7,574	(611)	(6,774)	896	(5,878)	1,085
Net finance income from reinsurance contracts	(782)	94	205	(20)	185	(503)
Total changes in the statement of profit or loss	6,792	(517)	(6,569)	876	(5,693)	582
Cash flows	(1,081)	-	-	-	-	(1,081)
Net closing balance	(1,881)	1,330	(480)	744	264	(287)
Closing assets	(2,035)	1,272	996	510	1,506	743
Closing liabilities	154	58	(1,476)	234	(1,242)	(1,030)
Net closing balance	(1,881)	1,330	(480)	744	264	(287)

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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

	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>		<u>Total</u>
	<u>Excluding loss component</u>	<u>Loss component</u>	<u>Estimates of present value of future cash flows</u>	<u>Risk adjustment for non-financial risk</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Opening assets	33,679	-	(764)	-	32,915
Opening liabilities	(105,298)	(24)	(21,887)	(50,978)	(178,187)
Net opening balance	(71,619)	(24)	(22,651)	(50,978)	(145,272)
Changes in the statement of profit or loss					
Insurance revenue	120,567	-	(202)	-	120,365
Insurance service expenses					
Incurred claims and other insurance service expenses	-	-	(127,166)	18,278	(108,888)
Insurance acquisition cash flows	(16,335)	-	-	-	(16,335)
Losses and reversal of losses on onerous contracts	-	1,180	-	-	1,180
Adjustments to liabilities for incurred claims	-	-	1,581	-	1,581
	(16,335)	1,180	(125,585)	18,278	(122,462)
Investment components	5,639	-	(5,639)	-	-
Insurance service result	109,871	1,180	(131,426)	18,278	(2,097)
Net finance expenses from insurance contracts	(2,686)	-	-	-	(2,686)
Total changes in the statement of profit or loss	107,185	1,180	(131,426)	18,278	(4,783)
Cash flows					
Premiums received	(98,350)	-	-	-	(98,350)
Claims and other insurance service expenses paid	-	-	116,782	-	116,782
Insurance acquisition cash flows	16,913	-	-	-	16,913
Total cash flows	(81,437)	-	116,782	-	35,345
Net closing balance	(45,871)	1,156	(37,295)	(32,700)	(114,710)
Closing assets	33,733	-	(735)	(20)	32,978
Closing liabilities	(79,604)	1,156	(36,560)	(32,680)	(147,688)
Net closing balance	(45,871)	1,156	(37,295)	(32,700)	(114,710)

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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.)

	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>		<u>Total</u>
	<u>Excluding loss component</u>	<u>Loss component</u>	<u>Estimates of present value of future cash flows</u>	<u>Risk adjustment for non-financial risk</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Opening assets	31,773	-	(929)	(625)	30,219
Opening liabilities	(109,018)	(1,252)	(41,452)	(52,139)	(203,861)
Net opening balance	(77,245)	(1,252)	(42,381)	(52,764)	(173,642)
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	-	-	(138,813)	1,786	(137,027)
Insurance acquisition cash flows	(19,265)	-	-	-	(19,265)
Losses and reversal of losses on onerous contracts	-	1,228	-	-	1,228
Adjustments to liabilities for incurred claims	-	-	156	-	156
	(19,265)	1,228	(138,657)	1,786	(154,908)
Investment components	5,459	-	(5,459)	-	-
Insurance service result	158,664	1,228	(143,964)	1,786	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	(143,964)	1,786	14,548
Cash flows					
Premiums received	(169,425)	-	-	-	(169,425)
Claims and other insurance service expenses paid	-	-	163,694	-	163,694
Insurance acquisition cash flows	19,553	-	-	-	19,553
Total cash flows	(149,872)	-	163,694	-	13,822
Net closing balance	(71,619)	(24)	(22,651)	(50,978)	(145,272)
Closing assets	33,679	-	(764)	-	32,915
Closing liabilities	(105,298)	(24)	(21,887)	(50,978)	(178,187)
Net closing balance	(71,619)	(24)	(22,651)	(50,978)	(145,272)

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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

	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>		<u>Total</u>
	<u>Excluding loss component</u>	<u>Loss component</u>	<u>Estimates of present value of future cash flows</u>	<u>Risk adjustment for non-financial risk</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Opening assets	29,241	218	32,165	-	61,624
Opening liabilities	(67,533)	-	15,242	1,829	(50,462)
Net opening balance	(38,292)	218	47,407	1,829	11,162
Changes in the statement of profit or loss					
Allocation of reinsurance premiums paid	(23,424)	-	-	-	(23,424)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	-	20,345	3,149	23,494
Recoveries and reversal of recoveries of claims on onerous contracts	-	(218)	-	-	(218)
Adjustments to assets for incurred claims	-	-	-	-	-
	-	(218)	20,345	3,149	23,276
Reinsurance investment components	(197)	-	197	-	-
Net expenses from reinsurance contracts	(23,621)	(218)	20,542	3,149	(148)
Net finance income from reinsurance contracts	44	-	-	-	44
Total changes in the statement of profit or loss	(23,577)	(218)	20,542	3,149	(104)
Cash flows					
Premiums paid	5,008	-	-	-	5,008
Amounts received	-	-	(1,350)	-	(1,350)
Total cash flows	5,008	-	(1,350)	-	3,658
Net closing balance	(56,861)	-	66,599	4,978	14,716
Closing assets	29,838	-	49,159	-	78,997
Closing liabilities	(86,699)	-	17,440	4,978	(64,281)
Net closing balance	(56,861)	-	66,599	4,978	14,716

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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.)

	<u>Liabilities for remaining coverage</u>		<u>31.12.2023</u> <u>Liabilities for incurred claims</u>		<u>Total</u> <u>RM'000</u>
	<u>Excluding loss component</u> <u>RM'000</u>	<u>Loss component</u> <u>RM'000</u>	<u>Estimates of present value of future cash flows</u> <u>RM'000</u>	<u>Risk adjustment for non-financial risk</u> <u>RM'000</u>	
Opening assets	23,549	838	12,789	-	37,176
Opening liabilities	(29,759)	-	473	3,939	(25,347)
Net opening balance	(6,210)	838	13,262	3,939	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	-	-	43,241	(2,110)	41,131
Recoveries and reversal of recoveries of claims on onerous contracts	(349)	(620)	-	-	(969)
	(349)	(620)	43,241	(2,110)	40,162
Reinsurance investment components	(418)	-	418	-	-
Net expenses from reinsurance contracts	(44,421)	(620)	43,659	(2,110)	(3,492)
Net finance income from reinsurance contracts	54	-	-	-	54
Total changes in the statement of profit or loss	(44,367)	(620)	43,659	(2,110)	(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	47,407	1,829	11,162
Closing assets	29,241	218	32,165	-	61,624
Closing liabilities	(67,533)	-	15,242	1,829	(50,462)
Net closing balance	(38,292)	218	47,407	1,829	11,162

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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

4.2 Effect of contracts initially recognised in the year

(a) Life risk

Insurance contracts

	30.06.2024		
	Profitable contracts issued RM'000	Onerous contracts issued RM'000	Total RM'000
Claims and other insurance service expenses payable	(33,298)	(60,036)	(93,334)
Insurance acquisition cash flows	(9,177)	(1,066)	(10,243)
Estimates of present value of cash outflows	(42,475)	(61,102)	(103,577)
Estimates of present value of cash inflows	57,123	59,752	116,875
Risk adjustment for non-financial risk	(1,995)	(179)	(2,174)
CSM	(12,653)	-	(12,653)
Losses recognised on initial recognition	-	(1,529)	(1,529)

	31.12.2023		
	Profitable contracts issued RM'000	Onerous contracts issued RM'000	Total RM'000
Claims and other insurance service expenses payable	(83,070)	(66,205)	(149,275)
Insurance acquisition cash flows	(18,026)	(1,466)	(19,492)
Estimates of present value of cash outflows	(101,096)	(67,671)	(168,767)
Estimates of present value of cash inflows	134,580	65,877	200,457
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)

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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

	30.06.2024		Total RM'000
	Contracts initiated without loss-recovery component RM'000	Contracts initiated with loss-recovery component RM'000	
Estimates of present value of cash inflows	1,951	2,021	3,972
Estimates of present value of cash outflows	(1,827)	(1,384)	(3,211)
Risk adjustment for non-financial risk	55	(42)	13
Income recognised on initial recognition	-	(592)	(592)
CSM	179	3	182

	31.12.2023		Total RM'000
	Contracts initiated without loss-recovery component RM'000	Contracts initiated with loss-recovery component RM'000	
Estimates of present value of cash inflows	8,491	4,207	12,698
Estimates of present value of cash outflows	(7,719)	(2,650)	(10,369)
Risk adjustment for non-financial risk	255	137	392
Income recognised on initial recognition	-	(905)	(905)
CSM	1,027	789	1,816

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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

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

(b) Participating

Insurance contracts

	30.06.2024		
	Profitable contracts issued RM'000	Onerous contracts issued RM'000	Total RM'000
Claims and other insurance service expenses payable	(67,962)	(29,659)	(97,621)
Insurance acquisition cash flows	(16,209)	(7,610)	(23,819)
Estimates of present value of cash outflows	(84,171)	(37,269)	(121,440)
Estimates of present value of cash inflows	88,886	37,066	125,952
Risk adjustment for non-financial risk	(1,810)	(771)	(2,581)
CSM	(2,905)	-	(2,905)
Losses recognised on initial recognition	-	(974)	(974)

	31.12.2023		
	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	228,793	17,627	246,420
Risk adjustment for non-financial risk	(2,282)	(353)	(2,635)
CSM	(8,311)	-	(8,311)
Losses recognised on initial recognition	-	(1,618)	(1,618)

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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

	30.06.2024		Total RM'000
	Contracts initiated without loss-recovery component RM'000	Contracts initiated with loss-recovery component RM'000	
Estimates of present value of cash inflows	4,392	772	5,164
Estimates of present value of cash outflows	(4,101)	(688)	(4,789)
Risk adjustment for non-financial risk	114	11	125
Income recognised on initial recognition	-	(146)	(146)
CSM	405	(51)	354

	31.12.2023		Total RM'000
	Contracts initiated without loss-recovery component RM'000	Contracts initiated with loss-recovery component RM'000	
Estimates of present value of cash inflows	7,264	937	8,201
Estimates of present value of cash outflows	(6,795)	(774)	(7,569)
Risk adjustment for non-financial risk	210	21	231
Income recognised on initial recognition	-	(558)	(558)
CSM	679	(374)	305

Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

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.

	30.06.2024							
	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	3,238	2,951	2,741	2,484	2,248	8,568	12,439	34,669
Participating	21,725	18,495	15,772	13,409	11,351	34,694	45,150	160,596
	<u>24,963</u>	<u>21,446</u>	<u>18,513</u>	<u>15,893</u>	<u>13,599</u>	<u>43,262</u>	<u>57,589</u>	<u>195,265</u>
Reinsurance contracts								
Life risk	(1,400)	(1,095)	(894)	(756)	(650)	(2,002)	1,284	(5,513)
Participating	86	42	23	15	10	7	(449)	(266)
	<u>(1,314)</u>	<u>(1,053)</u>	<u>(871)</u>	<u>(741)</u>	<u>(640)</u>	<u>(1,995)</u>	<u>835</u>	<u>(5,779)</u>
	31.12.2023							
	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	2,322	8,852	10,412	33,246
Participating	12,684	10,865	9,263	7,849	6,608	19,452	14,324	81,045
	<u>15,971</u>	<u>13,884</u>	<u>12,072</u>	<u>10,394</u>	<u>8,930</u>	<u>28,304</u>	<u>24,736</u>	<u>114,291</u>
Reinsurance contracts								
Life risk	(1,451)	(1,164)	(986)	(860)	(754)	(2,586)	(2,009)	(9,810)
Participating	281	197	150	120	98	280	(862)	264
	<u>(1,170)</u>	<u>(967)</u>	<u>(836)</u>	<u>(740)</u>	<u>(656)</u>	<u>(2,306)</u>	<u>(2,871)</u>	<u>(9,546)</u>

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Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

5. Subordinated notes

	30.06.2024	31.12.2023
	RM'000	RM'000
RM200.0 million Tier 2 subordinated notes, net of expenses	199,112	199,065
Add: interest payable	87	87
	<u>199,199</u>	<u>199,152</u>

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:

	30.06.2024	31.12.2023
	RM'000	RM'000
At 1 January	199,152	199,060
Amortisation of transaction cost	47	92
Accrued interest	5,285	10,600
Interest paid	(5,285)	(10,600)
At 30 June	<u>199,199</u>	<u>199,152</u>

The fair value of the subordinated notes amounted to RM219,855,000 (31.12.2023: RM222,118,000), estimated based on discounted cash flow model using current yield curve appropriate for the remaining term to maturity.

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6. Insurance revenue

	Life risk		Participating		Short-term		Total	
	01.01.2024 to 30.06.2024 RM'000	01.01.2023 to 30.06.2023 RM'000	01.01.2024 to 30.06.2024 RM'000	01.01.2023 to 30.06.2023 RM'000	01.01.2024 to 30.06.2024 RM'000	01.01.2023 to 30.06.2023 RM'000	01.01.2024 to 30.06.2024 RM'000	01.01.2023 to 30.06.2023 RM'000
Contracts not measured under the PAA								
Amounts relating to changes in liabilities for remaining coverage								
- CSM recognised for services provided	1,665	2,335	13,207	15,860	-	-	14,872	18,195
- Change in risk adjustment for non-financial risk for risk expired	153	639	481	2,917	-	-	634	3,556
- Expected incurred claims and other insurance service expenses	33,700	33,172	54,868	59,935	-	-	88,568	93,107
Other	320	(10)	8,289	8,467	-	-	8,609	8,457
Recovery of insurance acquisition cash flows	2,178	1,124	6,801	4,101	-	-	8,979	5,225
	<u>38,016</u>	<u>37,260</u>	<u>83,646</u>	<u>91,280</u>	<u>-</u>	<u>-</u>	<u>121,662</u>	<u>128,540</u>
Contracts measured under the PAA	-	-	-	-	120,365	79,246	120,365	79,246
Total insurance revenue	<u>38,016</u>	<u>37,260</u>	<u>83,646</u>	<u>91,280</u>	<u>120,365</u>	<u>79,246</u>	<u>242,027</u>	<u>207,786</u>

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7. Insurance service expense

	Life risk		Participating		Short-term		Total	
	01.01.2024	01.01.2023	01.01.2024	01.01.2023	01.01.2024	01.01.2023	01.01.2024	01.01.2023
	to	to	to	to	to	to	to	to
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance service expense								
Incurring claims and other insurance service expense								
- Reported claims	30,146	26,780	24,225	29,033	107,104	57,272	161,475	113,085
- IBNR & RA	(791)	(82)	(1,593)	(2,678)	(18,278)	(7,918)	(20,662)	(10,678)
- Insurance acquisition expense incurred	-	-	-	-	16,335	11,142	16,335	11,142
- Insurance acquisition expense experience adjustment	77	22	48	-	-	-	125	22
- Incurred maintenance expenses	14,251	14,847	42,572	48,170	20,062	15,377	76,885	78,394
	<u>43,683</u>	<u>41,567</u>	<u>65,252</u>	<u>74,525</u>	<u>125,223</u>	<u>75,873</u>	<u>234,158</u>	<u>191,965</u>
Amortisation of insurance acquisition cash flows	2,178	1,124	6,801	4,101	-	-	8,979	5,225
Losses and reversal of losses on onerous contracts	(1,902)	595	(774)	(49)	(1,180)	583	(3,856)	1,129
Adjustments to liabilities for incurred claims	(368)	(471)	(2,827)	(187)	(1,581)	(351)	(4,776)	(1,009)
Total insurance service expense	<u>43,591</u>	<u>42,815</u>	<u>68,452</u>	<u>78,390</u>	<u>122,462</u>	<u>76,105</u>	<u>234,505</u>	<u>197,310</u>

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8. Net income/(expenses) from reinsurance contracts

	01.01.2024 to 30.06.2024			Total RM'000
	Life risk RM'000	Participating RM'000	Short-term RM'000	
Allocation of reinsurance premiums	(7,389)	(5,385)	(23,424)	(36,198)
Amounts recoverable from reinsurers				
- Recoveries of incurred claims and other insurance service expenses	10,698	14,041	23,494	48,233
- Recoveries and reversal of recoveries of claims on onerous underlying contracts	(1,786)	(1,078)	(218)	(3,082)
Adjustment to assets for incurred claims	-	-	-	-
Total net finance expenses from reinsurance contracts	<u>1,523</u>	<u>7,578</u>	<u>(148)</u>	<u>8,953</u>
	01.01.2023 to 30.06.2023			
	Life risk RM'000	Participating RM'000	Short-term RM'000	Total RM'000
Allocation of reinsurance premiums	(7,116)	(5,174)	(26,699)	(38,989)
Amounts recoverable from reinsurers				
- Recoveries of incurred claims and other insurance service expenses	56	38	19,964	20,058
- Recoveries and reversal of recoveries of claims on onerous underlying contracts	(180)	(1,023)	427	(776)
Adjustment to assets for incurred claims	4,634	4,891	2,786	12,311
Total net finance expenses from reinsurance contracts	<u>(2,606)</u>	<u>(1,268)</u>	<u>(3,522)</u>	<u>(7,396)</u>

9. Fair value gains

	01.01.2024 to 30.06.2024	01.01.2023 to 30.06.2023
Financial instruments:		
Malaysian Government securities	999	30,659
Government investment issues	889	12,971
Malaysian Government guaranteed bonds	2,809	17,515
Quoted equity securities	29,796	(30,791)
Quoted unit and property trust funds	41,122	51,553
Unquoted equity securities	11,000	1,000
Unquoted debts securities	10,285	31,999
	<u>96,900</u>	<u>114,906</u>

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10. Net finance (expense)/income

	01.01.2024 to 30.06.2024			Total RM'000
	Life risk RM'000	Participating RM'000	Short-term RM'000	
Net finance expenses from insurance contracts				
Changes in fair value of underlying items	-	(161,381)	-	(161,381)
Experience adjustment in underlying items	-	(15,645)	-	(15,645)
Interest accretion	1,416	(1,405)	(2,686)	(2,675)
Total net finance expenses from insurance contracts	<u>1,416</u>	<u>(178,431)</u>	<u>(2,686)</u>	<u>(179,701)</u>
Net finance income from reinsurance contracts	<u>687</u>	<u>437</u>	<u>44</u>	<u>1,168</u>
	01.01.2023 to 30.06.2023			Total RM'000
	Life risk RM'000	Participating RM'000	Short-term RM'000	
Net finance expenses from insurance contracts				
Changes in fair value of underlying items	-	(172,641)	-	(172,641)
Experience adjustment in underlying items	-	8,474	-	8,474
Interest accretion	333	(1,277)	(1,650)	(2,594)
Total net finance expenses from insurance contracts	<u>333</u>	<u>(165,444)</u>	<u>(1,650)</u>	<u>(166,761)</u>
Net finance income from reinsurance contracts	<u>252</u>	<u>(84)</u>	<u>44</u>	<u>212</u>

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11. Earnings per share

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

	01.01.2024	01.01.2023
	to	to
	30.06.2024	30.06.2023
Profit attributable to ordinary share holders: (RM'000)	245	11,714
Weighted average number of shares in issue ('000)	100,284	100,284
Basic and diluted earnings per share: (sen)	<u>0.24</u>	<u>11.68</u>

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

	30.06.2024	31.12.2023
	RM'000	RM'000
Approved and contracted for:		
Property and equipment	<u>10,943</u>	<u>1,517</u>
Approved but not contracted for:		
Property and equipment	<u>46,280</u>	<u>58,646</u>

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13. Significant related party disclosures

(a) Related parties

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

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.

	01.01.2024	01.01.2023
	to	to
	30.06.2024	30.06.2023
	RM'000	RM'000
Transactions with related parties:		
(i) Rental and utility expenses		
Koperasi MCIS Berhad	<u>(1,889)</u>	<u>(2,019)</u>
(ii) Premium for insurance cover paid		
Pacific & Orient Insurance Co. Berhad	<u>(50)</u>	<u>(49)</u>
(iii) End-to-end watch list and sanctions screening solution service paid/payable		
SEM	<u>(4)</u>	<u>-</u>
(iv) Management support, internal audit support and actuarial audit adjustments		
Sanlam Life Insurance Limited	<u>13</u>	<u>27</u>

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13. Significant related party disclosures (cont'd.)

(a) Related parties (cont'd.)

	01.01.2024	01.01.2023
	to	to
	30.06.2024	30.06.2023
	RM'000	RM'000
Balances with related party:		
(i) Recovery from		
SEM South East Asia Sdn Bhd	<u>14</u>	<u>-</u>

14. Regulatory capital requirement

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

	30.06.2024	31.12.2023
	RM'000	RM'000
<u>Tier 1 capital</u>		
Share capital (paid-up)	125,024	125,024
Reserves, including retained profits	<u>778,693</u>	<u>755,705</u>
	903,717	880,729
<u>Tier 2 Capital</u>		
Revaluation reserves	7,532	7,532
Subordinated notes	<u>199,199</u>	<u>199,152</u>
	206,731	206,684
Deductions	<u>(24,044)</u>	<u>(26,742)</u>
Total capital available	<u>1,086,404</u>	<u>1,060,671</u>

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15. Fair value measurement

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

	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
30 June 2024	RM'000	RM'000	RM'000	RM'000
Assets measured at fair value:				
Investment properties	-	-	300	300
FVTPL (Note 3(a)):				
Malaysian Government securities	-	980,310	-	980,310
Government investment issues	-	225,003	-	225,003
Malaysian Government guaranteed bonds	-	424,243	-	424,243
Unquoted debt securities	-	1,578,285	-	1,578,285
Quoted equity securities	451,974	-	-	451,974
Quoted exchange traded funds	204,168	-	-	204,168
Quoted unit and property trust funds	107,459	-	-	107,459
Unquoted equity securities	-	-	59,750	59,750
Unquoted unit trust funds	-	137,040	-	137,040
Deposits with financial institutions	-	185,958	-	185,958
	763,601	3,530,839	59,750	4,354,190
Assets measured at revalued amounts:				
- Property and equipment	-	-	9,579	9,579
	763,601	3,530,839	69,629	4,364,069

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15. Fair value measurement (cont'd.)

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

	Fair value measurement using			
	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
31 December 2023				
Assets measured at fair value:				
Investment properties	-	-	300	300
FVTPL (Note 3(a)):				
Malaysian Government securities	-	979,509	-	979,509
Government investment issues	-	224,221	-	224,221
Malaysian Government guaranteed bonds	-	426,656	-	426,656
Unquoted debt securities	-	1,603,545	-	1,603,545
Quoted equity securities	423,004	-	-	423,004
Quoted exchange traded funds	173,447	-	-	173,447
Quoted unit and property trust funds	46,527	-	-	46,527
Unquoted equity securities	-	-	48,750	48,750
Unquoted unit trust funds	-	124,628	-	124,628
Deposits with financial institutions	-	248,961	-	248,961
	642,978	3,607,520	48,750	4,299,248
Assets measured at revalued amounts:				
- Property and equipment	-	-	9,669	9,669
	642,978	3,607,520	58,719	4,309,217

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.

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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:

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.

There has been no transfers of financial assets between Level 1 and Level 2 during the six-month period/year ended 30 June 2024 and 31 December 2023.

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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 and investment 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 Company has determined that the highest and best use of the properties is their current use.

Reconciliation of Level 3 fair value measurement:

	<u>Apartment</u>	<u>Shop office/ shop house</u>	<u>Office building</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
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 / 1 January 2024	230	5,922	3,517	9,669
Depreciation recognised in profit or loss under management expenses	(5)	(41)	(44)	(90)
As at 30 June 2024	<u>225</u>	<u>5,881</u>	<u>3,473</u>	<u>9,579</u>

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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	RM235
Multi-storey shop office /shop house	Cost method	Price per square foot	Land Building	RM1,950 RM90
7 ½-storey office building	Cost method	Price per square foot	Land Building	RM450 RM60

Significant increases/(decreases) in unobservable inputs in isolation would result in a significantly higher/(lower) fair value of the properties.

Investment properties

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.

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15. Fair value measurement (cont'd.)

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

Investment properties (cont'd.)

Reconciliation of Level 3 fair value measurement:

	30.06.2024 RM'000	31.12.2023 RM'000
Shop office/shop house	300	300

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

Type of property	Valuation technique	Key inputs	per sq. ft.
Multi-storey shop office / shop house	Cost method	Price per square foot	Land RM211 Building RM61

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:

	30.06.2024 RM'000	31.12.2023 RM'000
As at 1 January 2024 / 1 January 2023	48,750	47,950
Fair value gains	11,000	800
As at 30 June 2024 / 31 December 2023	59,750	48,750

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16. 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, profit or loss and statement of cash flows by fund are presented as follows:

Statements of financial position by fund
As at 30 June 2024

	Shareholders' fund		Life funds		Total	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets						
Property and equipment	45	44	50,231	45,325	50,276	45,369
Investment properties	-	-	300	300	300	300
Right-of-use assets	-	-	12,276	14,046	12,276	14,046
Intangible assets	-	-	22,347	24,508	22,347	24,508
Investments*	401,182	415,549	3,954,683	3,885,524	4,355,865	4,301,073
Insurance contract assets	-	-	33,185	32,973	33,185	32,973
Reinsurance contract assets	-	-	102,261	76,791	102,261	76,791
Other receivables	10,318	7,294	43,384	42,815	53,702	50,109
Current tax assets	-	-	6,577	5,118	6,577	5,118
Cash and bank balances	144	145	16,969	38,711	17,113	38,856
Non-current assets held for sale	-	-	696	696	696	696
Total assets	411,689	423,032	4,242,909	4,166,807	4,654,598	4,589,839

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16. 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, 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 2024

	Shareholders' fund		Life funds		Total	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total equity*	175,097	192,958	171,745	153,639	346,842	346,597
Liabilities						
Insurance contract liabilities*	-	-	3,916,452	3,855,909	3,916,452	3,855,909
Reinsurance contract liabilities	-	-	64,685	51,534	64,685	51,534
Deferred tax liabilities*	2,427	2,332	61,730	51,861	64,157	54,193
Lease liabilities	-	-	13,170	14,926	13,170	14,926
Other payables	34,966	28,590	15,127	38,938	50,093	67,528
Subordinated notes	199,199	199,152	-	-	199,199	199,152
Total liabilities	236,592	230,074	4,071,164	4,013,168	4,307,756	4,243,242
Total equity and liabilities	411,689	423,032	4,242,909	4,166,807	4,654,598	4,589,839

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

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16. Insurance funds (cont'd.)

Income statement by fund
For the six-month period ended 30 June 2024

	Shareholders' Fund		Life Funds		Total	
	01.01.2024 to 30.06.2024 RM'000	01.01.2023 to 30.06.2023 RM'000	01.01.2024 to 30.06.2024 RM'000	01.01.2023 to 30.06.2023 RM'000	01.01.2024 to 30.06.2024 RM'000	01.01.2023 to 30.06.2023 RM'000
Insurance revenue	-	-	242,027	207,786	242,027	207,786
Insurance service expenses	(17,173)	(418)	(217,332)	(196,892)	(234,505)	(197,310)
Net income/(expenses) from reinsurance contracts	-	-	8,953	(7,396)	8,953	(7,396)
Insurance service result	(17,173)	(418)	33,648	3,498	16,475	3,080
Investment income	8,059	8,397	78,112	76,988	86,171	85,385
Realised gains*	63	55	3,469	5,229	3,532	5,284
Fair value gains*	81	5,767	96,819	109,139	96,900	114,906
Investment return	8,203	14,219	178,400	191,356	186,603	205,575
Net finance expense from insurance contracts	-	-	(179,701)	(166,761)	(179,701)	(166,761)
Net finance income from reinsurance contracts	-	-	1,168	212	1,168	212
Net financial results	8,203	14,219	(133)	24,807	8,070	39,026
Other operating expenses	(3,523)	(3,315)	(43)	(36)	(3,566)	(3,351)
Finance cost	(5,333)	(5,302)	(360)	(386)	(5,693)	(5,688)
Profit before taxation	(17,826)	5,184	33,112	27,883	15,286	33,067
Taxation	(1,238)	(2,832)	(13,803)	(18,521)	(15,041)	(21,353)
Net profit for the period	(19,064)	2,352	19,309	9,362	245	11,714

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

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16. Insurance funds (cont'd.)

Statements of cash flows by fund
For the six-month period ended 30 June 2024

	Shareholders' Fund		Life Funds		Total	
	01.01.2024 to 30.06.2024 RM'000	01.01.2023 to 30.06.2023 RM'000	01.01.2024 to 30.06.2024 RM'000	01.01.2023 to 30.06.2023 RM'000	01.01.2024 to 30.06.2024 RM'000	01.01.2023 to 30.06.2023 RM'000
Cash flows from:						
Operating activities	(4,757)	28,373	(68,307)	(26,898)	(73,064)	1,475
Investing activities	-	-	(9,926)	(9,640)	(9,926)	(9,640)
Financing activities	-	-	(1,756)	(2,380)	(1,756)	(2,380)
Net (decrease)/increase in cash and cash equivalents	(4,757)	28,373	(79,989)	(38,918)	(84,746)	(10,545)
At beginning of period	22,117	16,471	265,700	314,288	287,817	330,759
At end of period	17,360	44,844	185,711	275,370	203,071	320,214
Cash and cash equivalents comprise of:						
Cash and bank balances	144	326	16,969	31,690	17,113	32,016
Short term deposits with original maturity periods of less than 3 months	17,216	44,518	168,742	243,680	185,958	288,198
	17,360	44,844	185,711	275,370	203,071	320,214

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Notes to the unaudited condensed interim financial statements
For the six-month period ended 30 June 2024

17. Seasonal or cyclical factors

The operations 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 2024.

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 Company

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

25. Prior period disclosure restatement

Comparative disclosures are restated to conform to current period's presentation in Note 4, 6, 7, 8 and 10.