

Unaudited Condensed Interim Financial Statements

**For The Financial Period From
1 January 2025 to 30 June 2025**

BERJAYA SOMPO INSURANCE BERHAD
Registration No: 198001008821 (62605-U)
(Incorporated in Malaysia)

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BERJAYA SOMPO INSURANCE BERHAD
Registration No: 198001008821 (62605-U)
(Incorporated in Malaysia)

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

		Group*		Company	
	Note	30.06.2025	31.12.2024	30.06.2025	31.12.2024
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Property and equipment		78,429	79,519	78,429	79,519
Intangible assets		23,975	24,297	23,975	24,297
Investment properties	11	13,950	13,950	13,950	13,950
Right-of-use assets	12	1,324	1,085	1,324	1,085
Investments	13	2,619,839	2,359,934	2,643,675	2,557,580
Reinsurance contract assets	14	1,032,782	1,021,430	1,032,782	1,021,430
Other receivables	15	103,589	134,815	47,564	51,419
Cash and cash equivalents		188,542	267,866	152,987	75,084
TOTAL ASSETS		4,062,430	3,902,896	3,994,686	3,824,364
EQUITY					
Share capital		118,000	118,000	118,000	118,000
Retained profits		1,259,438	1,225,982	1,259,342	1,226,003
Equity attributable to owner of the Company		1,377,438	1,343,982	1,377,342	1,344,003
Non-controlling interests		67,045	68,552	-	-
TOTAL EQUITY		1,444,483	1,412,534	1,377,342	1,344,003
LIABILITIES					
Insurance contract liabilities	14	2,498,669	2,363,638	2,498,669	2,363,638
Lease liabilities	12	1,303	1,061	1,303	1,061
Tax payable		13,826	15,307	13,826	15,307
Deferred tax liabilities		24,805	16,875	24,805	16,875
Other payables	16	79,344	93,481	78,741	83,480
TOTAL LIABILITIES		2,617,947	2,490,362	2,617,344	2,480,361
TOTAL EQUITY AND LIABILITIES		4,062,430	3,902,896	3,994,686	3,824,364

*Refer to Note 10 for Group definitions.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

BERJAYA SOMPO INSURANCE BERHAD
Registration No: 198001008821 (62605-U)
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS
FOR THE 6 MONTHS ENDED 30 JUNE 2025

		Group*		Company	
		6 months	6 months	6 months	6 months
	Note	ended	ended	ended	ended
		30.06.2025	30.06.2024	30.06.2025	30.06.2024
		RM'000	RM'000	RM'000	RM'000
Insurance revenue	14.1	657,215	603,730	657,215	603,730
Insurance service expense	14.1	(506,272)	(440,818)	(506,272)	(440,818)
Insurance service result before reinsurance contracts held		150,943	162,912	150,943	162,912
Allocation of reinsurance premiums	14.2	(123,733)	(118,045)	(123,733)	(118,045)
Amount recoverable from reinsurers for incurred claims	14.2	33,308	18,828	33,308	18,828
Net expense from insurance contracts held		(90,425)	(99,217)	(90,425)	(99,217)
Insurance service result		<u>60,518</u>	<u>63,695</u>	<u>60,518</u>	<u>63,695</u>
Interest revenue calculated using the effective interest method		54,734	38,537	1,011	1,792
Other investment revenue		23,180	24,887	71,551	57,769
Net foreign exchange (expense)/income		(478)	212	(478)	212
Total investment income		<u>77,436</u>	<u>63,636</u>	<u>72,084</u>	<u>59,773</u>
Insurance finance expenses for insurance contracts issued	14.1	(51,536)	(42,710)	(51,536)	(42,710)
Reinsurance finance income for reinsurance contracts held	14.2	22,934	19,521	22,934	19,521
Net insurance financial result		<u>(28,602)</u>	<u>(23,189)</u>	<u>(28,602)</u>	<u>(23,189)</u>
Other operating income		11,343	9,373	11,343	9,373
Other operating expense		(3,979)	(3,991)	(1,107)	(1,646)
Total other income and expenses		<u>7,364</u>	<u>5,382</u>	<u>10,236</u>	<u>7,727</u>
Profit before taxation		<u>116,716</u>	<u>109,524</u>	<u>114,236</u>	<u>108,006</u>
Income tax expense		(17,885)	(18,713)	(17,885)	(18,713)
Net profit for the period		<u>98,831</u>	<u>90,811</u>	<u>96,351</u>	<u>89,293</u>
Earning per share (sen)					
- Basic and Diluted		<u>83.8</u>	<u>77.0</u>	<u>81.7</u>	<u>75.7</u>
Profit attributable to:					
Equity holder of the Company		96,468	89,361	96,351	89,293
Non-controlling interests		2,363	1,450	-	-
		<u>98,831</u>	<u>90,811</u>	<u>96,351</u>	<u>89,293</u>

*Refer to Note 10 for Group definitions.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

BERJAYA SOMPO INSURANCE BERHAD
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UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 30 JUNE 2025

Group*	Attributable to the owner of the Group			Non-Controlling Interest	Total equity
	Share capital	Distributable Retained profits	Total equity		
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	118,000	1,225,982	1,343,982	68,552	1,412,534
Net creation of units in subsidiaries	-	-	-	(3,870)	(3,870)
Net profit for the period	-	96,468	96,468	2,363	98,831
Dividend payable	-	(63,012)	(63,012)	-	(63,012)
At 30 June 2025	118,000	1,259,438	1,377,438	67,045	1,444,483
At 1 January 2024	118,000	1,215,919	1,333,919	54,324	1,388,243
Net creation of units in subsidiaries	-	-	-	6,392	6,392
Net profit for the period	-	89,361	89,361	1,450	90,811
Dividend payable	-	(146,910)	(146,910)	-	(146,910)
At 30 June 2024	118,000	1,158,370	1,276,370	62,166	1,338,536

*Refer to Note 10 for Group definitions.

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UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 30 JUNE 2025

Company	Attributable to the owner of the Group		
	Share capital	Distributable Retained profits	Total equity
	RM'000	RM'000	RM'000
At 1 January 2025	118,000	1,226,003	1,344,003
Net profit for the period	-	96,351	96,351
Dividend payable	-	(63,012)	(63,012)
At 30 June 2025	118,000	1,259,342	1,377,342
At 1 January 2024	118,000	1,215,720	1,333,720
Net profit for the period	-	89,293	89,293
Dividend payable	-	(146,910)	(146,910)
At 30 June 2024	118,000	1,158,103	1,276,103

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOW
FOR THE 6 MONTHS ENDED 30 JUNE 2025

	Group*		Company	
	6 months ended 30.06.2025 RM'000	6 months ended 30.06.2024 RM'000	6 months ended 30.06.2025 RM'000	6 months ended 30.06.2024 RM'000
<u>Operating activities</u>				
Profit before tax	116,716	109,524	114,236	108,006
Adjustment for :				
Investment income	(33,781)	(41,571)	(55,400)	(42,725)
Amortisation of premium	1,972	1,263	-	-
Sundry income	(703)	(759)	(703)	(759)
(Gain)/Loss on disposal of property and equipment	(14)	1	(14)	1
Gain on disposal of investment properties	-	(103)	-	(103)
Loss on disposal of FVTPL financial assets	(2,746)	(333)	-	-
Fair value gain on FVTPL financial assets recorded in profit or loss	(43,359)	(22,783)	(17,162)	(16,835)
Fair value loss on investment properties	-	300	-	300
Impairment allowance on insurance receivables	1,284	-	1,284	-
Depreciation of property and equipment	2,425	2,368	2,425	2,368
Depreciation of right-of-use assets	160	144	160	144
Lease interest expenses	19	14	19	14
Lease adjustment/termination	(13)	(36)	(13)	(36)
Amortisation of intangible assets	3,511	3,444	3,511	3,444
Operating cash flows before working capital changes	45,471	51,473	48,343	53,819
Decrease/(Increase) in other assets	16,682	(3,262)	16,682	(3,262)
Increase in reinsurance contract assets	(11,352)	(12,840)	(11,352)	(12,840)
Increase in insurance contract liabilities	133,746	71,570	133,746	71,570
Decrease in other liabilities	(67,412)	(26,846)	(67,436)	(26,798)
Dividend/distribution (paid)/received	71,664	28,622	71,640	28,670
Interest income received	(24,460)	3,758	29,503	33,358
Rental income received	51,275	35,948	916	1,739
Other income received	188	371	188	371
Other income received from Takaful Ikhlas	12,670	9,027	12,670	9,027
Income tax paid	12,670	9,027	12,670	9,027
Tax refunded	(11,750)	(10,930)	(11,750)	(10,930)
	-	579	-	579
Net cash flows generated from operating activities	145,058	118,848	151,510	116,633

UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOW (CONT'D)
FOR THE 6 MONTHS ENDED 30 JUNE 2025

	Group*		Company	
	6 months ended 30.06.2025 RM'000	6 months ended 30.06.2024 RM'000	6 months ended 30.06.2025 RM'000	6 months ended 30.06.2024 RM'000
<u>Investing activities</u>				
Purchase of property and equipment	(1,399)	(1,295)	(1,399)	(1,295)
Purchase of intangible assets	(3,189)	(1,793)	(3,189)	(1,793)
Proceeds from sale of property and equipment	77	-	77	-
(Placement)/Withdrawals of fixed deposits	(20,510)	104,640	(510)	79,640
Purchase of financial assets	(640,017)	(380,026)	(164,462)	(209,754)
Proceeds from sale of financial assets	498,326	223,415	96,039	130,500
Proceeds from sale of investment properties	-	1,483	-	1,483
Net cash flows used in investing activities	<u>(166,712)</u>	<u>(53,576)</u>	<u>(73,444)</u>	<u>(1,219)</u>
<u>Financing activities</u>				
Cash proceeds from unit created	45,408	27,848	-	-
Payment for cancellation of units	(102,957)	(50,488)	-	-
Distributions paid	(42)	(48)	-	-
Lease interest paid	(19)	(14)	(19)	(14)
Payment of lease liabilities	(144)	(132)	(144)	(132)
Net cash flows used in financing activities	<u>(57,754)</u>	<u>(22,834)</u>	<u>(163)</u>	<u>(146)</u>
Net (decrease)/increase in cash and cash equivalents	(79,408)	42,438	77,903	115,268
Cash and cash equivalents at beginning of period	<u>267,950</u>	<u>260,690</u>	<u>75,084</u>	<u>87,970</u>
Cash and cash equivalents at end of period	<u>188,542</u>	<u>303,128</u>	<u>152,987</u>	<u>203,238</u>

*Refer to Note 10 for Group definitions.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business of the Company is located at 1-38-1 & 1-38-2, Menara Bangkok Bank, Laman Sentral Berjaya, No 105, Jalan Ampang, 50450, Kuala Lumpur.

The immediate holding company is Sompo Holdings (Asia) Pte. Ltd., which is incorporated in Singapore. The ultimate holding company is Sompo Holdings, Inc which is incorporated in Japan and listed on the Tokyo Stock Exchange.

2. BASIS OF PREPARATION

The unaudited condensed interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting issued by the Malaysia Accounting Standards Board ("MASB") and International Financial Reporting Standards ("IAS") 34 Interim Financial Reporting issued by International Accounting Standards Board ("IASB").

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

As at the reporting date, the Group and the Company had met the minimal 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 and the Company's audited financial statements for the financial year ended 31 December 2024.

The notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Group and the Company since the financial year ended 31 December 2024.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies and presentation adopted by the Group and the Company for the unaudited condensed interim financial statements are consistent with those adopted in the Group and the Company audited financial statements for the financial year ended 31 December 2024, except for the adoption of the following:

Description	Effective date
• Amendments to MFRS 121 Lack of Exchangeability	1 January 2025

The adoption of the above amendments to MFRSs do not have any significant financial impact to the financial statements of the Group and the Company.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

The standards and amendments/improvements to standards that are issued but not yet effective up to the date of issuance of the Financial Statements for the Group and the Company are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective date
• Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial instruments: Disclosures - Amendments to the classification and measurement of financial instruments	1 January 2026
• Amendments to MFRS 9 and MFRS 7 Contracts Referencing Nature-dependent Electricity	1 January 2026
• Amendments that are part of Annual Improvements - Volume 11	1 January 2026
- Amendments to MFRS 1 First-time Adoption of MFRS Accounting 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	
• Amendments to MFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027
• Amendments to MFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027
• Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Distribution of Assets between an Investor and its Associate or Joint Venture	to be determined by MASB

With the exception of MFRS 18, the above standards and amendments are not expected to have a significant impact on the Group's and the Company's financial statements upon initial application. The Group and the Company are currently evaluating the potential impact, if any, of applying MFRS 18.

4. PRINCIPAL ACTIVITY

The principal activity of the Company is underwriting of general insurance business. There has been no significant change in the nature of the principal activity during the interim financial period.

5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in the basis used for accounting estimates for the interim financial period ended 30 June 2025.

6. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM PERIOD

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

7. DEBTS AND EQUITY SECURITIES

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities by the Company in the current financial period ended 30 June 2025.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

8. UNUSUAL ITEMS

There were no other unusual items affecting assets, liabilities, equity, net income or cash flow of the Group and the Company for the financial period ended 30 June 2025.

9. DIVIDEND PAYMENT

A proposed dividend of RM63,012,000 has been approved by the Board of Directors and Bank Negara Malaysia. The dividend will be paid to the owners of the Company on 1 July 2025.

10. COMPOSITION OF THE GROUP AND THE COMPANY

The Group consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date have been prepared in conformity with MFRS 10. The subsidiaries consist of five wholesale funds.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

11. INVESTMENT PROPERTIES

	30.06.2025	31.12.2024
Group and Company	RM'000	RM'000
At 1 January	13,950	16,180
Fair value adjustment	-	(55)
Disposal	-	(2,175)
At 30 June / 31 December	<u>13,950</u>	<u>13,950</u>

Investment properties are stated at fair value based on valuations that reflect market conditions using comparison method. The Group and the Company revalued its investment properties based on an independent valuation performed by an independent accredited valuer.

12. LEASES

	Right-of-use assets	Lease liabilities
Group and Company	RM'000	RM'000
At 1 January 2025	1,085	1,061
Additions	551	551
Terminations	(152)	(165)
Accretion of interest	-	19
Depreciation charge	(160)	-
Rental paid	-	(144)
Interest paid	-	(19)
At 30 June 2025	<u>1,324</u>	<u>1,303</u>
At 1 January 2024	906	902
Additions	932	933
Terminations	(463)	(518)
Accretion of interest	-	39
Depreciation charge	(290)	-
Rental paid	-	(256)
Interest paid	-	(39)
At 31 December 2024	<u>1,085</u>	<u>1,061</u>

Set out below are the breakdown of the carrying amounts of lease liabilities based on current and non-current classification:

	30.06.2025	31.12.2024
	RM'000	RM'000
Current	292	272
Non-Current	1,011	789
	<u>1,303</u>	<u>1,061</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

13. INVESTMENTS

	Group		Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
MGS/GII*	418,298	348,715	-	-
Corporate Bonds	2,030,849	1,856,541	-	-
Equity securities	52,122	56,618	52,122	56,618
Unit trust funds	-	-	2,587,983	2,497,902
Deposits with financial institutions	118,570	98,060	3,570	3,060
	<u>2,619,839</u>	<u>2,359,934</u>	<u>2,643,675</u>	<u>2,557,580</u>

* Malaysian Government Securities (MGS)/Government Investment Issues (GII)

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

	Group		Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Financial assets at fair value through profit or loss ("FVTPL")	2,501,269	2,261,874	2,640,105	2,554,520
Amortised cost ("AC")	118,570	98,060	3,570	3,060
	<u>2,619,839</u>	<u>2,359,934</u>	<u>2,643,675</u>	<u>2,557,580</u>

(a) Financial assets at FVTPL

	Group		Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
MGS/GII*	418,298	348,715	-	-
Corporate Bonds	2,030,849	1,856,541	-	-
Fair value				
Unit Trust Funds	-	-	2,587,983	2,497,902
Equity securities:				
- Quoted in Malaysia	52,004	56,500	52,004	56,500
- Unquoted in Malaysia**	118	118	118	118
	<u>52,122</u>	<u>56,618</u>	<u>2,640,105</u>	<u>2,554,520</u>
	<u>2,501,269</u>	<u>2,261,874</u>	<u>2,640,105</u>	<u>2,554,520</u>

* Malaysian Government Securities (MGS)/Government Investment Issues (GII).

** The unquoted equity securities are value using adjusted net asset value.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

13. INVESTMENTS (CONT'D)

(b) Amortised cost

	Group		Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Deposits with financial institutions	<u>118,570</u>	<u>98,060</u>	<u>3,570</u>	<u>3,060</u>

The carrying value of the deposits approximate fair value due to their relatively short term maturities.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

14. INSURANCE AND REINSURANCE CONTRACTS

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

Group and Company	30.06.2025			31.12.2024		
	Assets RM'000	Liabilities RM'000	Net RM'000	Assets RM'000	Liabilities RM'000	Net RM'000
Insurance contracts issued						
Motor insurance	-	(1,031,208)	(1,031,208)	-	(988,803)	(988,803)
Fire insurance	-	(381,650)	(381,650)	-	(341,300)	(341,300)
Marine, Aviation & Transit insurance	-	(46,113)	(46,113)	-	(47,423)	(47,423)
Miscellaneous	-	(1,039,698)	(1,039,698)	-	(986,112)	(986,112)
Total insurance contracts issued	-	(2,498,669)	(2,498,669)	-	(2,363,638)	(2,363,638)
Reinsurance contracts held						
Motor insurance	64,664	-	64,664	63,914	-	63,914
Fire insurance	157,534	-	157,534	139,014	-	139,014
Marine, Aviation & Transit insurance	18,790	-	18,790	18,573	-	18,573
Miscellaneous	791,794	-	791,794	799,929	-	799,929
Total reinsurance contracts issued	1,032,782	-	1,032,782	1,021,430	-	1,021,430

14. INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

14.1 Roll-forward of net liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

The roll-forward of the new liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table below:

Group and Company 30 June 2025	Liabilities for remaining coverage		Liabilities for incurred claims		Total RM'000
	Excluding loss component RM'000	Loss component RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	
Insurance contract liabilities as at 1 January 2025	385,117	449	1,872,826	105,246	2,363,638
Insurance revenue	(657,215)	-	-	-	(657,215)
Insurance service expenses	131,077	(50)	375,323	(78)	506,272
Incurred claims and other expenses	-	(138)	474,388	21,868	496,118
Amortisation of insurance acquisition cash flows	131,077	-	-	-	131,077
Losses on onerous contracts and reversals of those losses	-	88	-	-	88
Changes to liabilities for incurred claims	-	-	(99,065)	(21,946)	(121,011)
Insurance service result	(526,138)	(50)	375,323	(78)	(150,943)
Insurance finance expense	-	56	48,782	2,698	51,536
Total changes in the statement of comprehensive income	(526,138)	6	424,105	2,620	(99,407)
Cash flows					
Premium received	465,989	-	-	-	465,989
Claim and other expenses paid	-	-	(360,340)	-	(360,340)
Insurance acquisition cash flows	128,789	-	-	-	128,789
Total cash flows	594,778	-	(360,340)	-	234,438
Net insurance contract liabilities as at 30 June 2025	453,757	455	1,936,591	107,866	2,498,669

14. INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

14.1 Roll-forward of net liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Cont'd)

The roll-forward of the new liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table below (Cont'd):

Group and Company 31 December 2024	Liabilities for remaining coverage		Liabilities for incurred claims		Total RM'000
	Excluding loss component RM'000	Loss component RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	
Insurance contract liabilities as at 1 January 2024	363,390	934	1,746,499	80,693	2,191,516
Insurance revenue	(1,270,959)	-	-	-	(1,270,959)
Insurance service expenses	259,509	(581)	701,308	20,521	980,757
Incurred claims and other expenses	-	(477)	944,080	36,954	980,557
Amortisation of insurance acquisition cash flows	259,509	-	-	-	259,509
Losses on onerous contracts and reversals of those losses	-	(104)	-	-	(104)
Changes to liabilities for incurred claims	-	-	(242,772)	(16,433)	(259,205)
Insurance service result	(1,011,450)	(581)	701,308	20,521	(290,202)
Insurance finance expense	-	96	84,474	4,032	88,602
Total changes in the statement of comprehensive income	(1,011,450)	(485)	785,782	24,553	(201,600)
Cash flows					
Premium received	1,294,060	-	-	-	1,294,060
Claim and other expenses paid	-	-	(659,455)	-	(659,455)
Insurance acquisition cash flows	(260,883)	-	-	-	(260,883)
Total cash flows	1,033,177	-	(659,455)	-	373,722
Net insurance contract liabilities as at 31 December 2024	385,117	449	1,872,826	105,246	2,363,638

14. INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

14.1 Roll-forward of net asset for reinsurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

The roll-forward of the new asset for reinsurance contracts issued, showing the asset for remaining coverage and the asset for incurred claims, is disclosed in the table below:

Group and Company 30 June 2025	Assets for remaining coverage		Assets for incurred claims Estimates of the present value of future cash flows		Total RM'000
	Excluding loss component RM'000	Loss component RM'000	Risk adjustment RM'000		
Reinsurance contract assets as at 1 January 2025	(20,592)	311	983,701	58,010	1,021,430
An allocation of reinsurance premiums	(123,733)	-	-	-	(123,733)
Amounts recoverable from reinsurers for incurred claims	-	(31)	34,844	(1,505)	33,308
Amount recoverable for incurred claims and other expenses	-	(94)	73,809	4,659	78,374
Loss-recovery on onerous underlying contracts and adjustments	-	63	-	-	63
Changes to amount recoverable for incurred claims	-	-	(38,965)	(6,164)	(45,129)
Net income or expense from reinsurance contracts held	(123,733)	(31)	34,844	(1,505)	(90,425)
Reinsurance finance income	-	38	21,608	1,288	22,934
Total changes in the statement of comprehensive income	(123,733)	7	56,452	(217)	(67,491)
Cash flows					
Premium paid	137,088	-	-	-	137,088
Amount received	-	-	(58,245)	-	(58,245)
Total cash flows	137,088	-	(58,245)	-	78,843
Net reinsurance contract assets as at 30 June 2025	(7,237)	318	981,908	57,793	1,032,782

14. INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

14.1 Roll-forward of net asset for reinsurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Cont'd)

The roll-forward of the new asset for reinsurance contracts issued, showing the asset for remaining coverage and the asset for incurred claims, is disclosed in the table below (Cont'd):

Group and Company 31 December 2024	Assets for remaining coverage		Assets for incurred claims Estimates of the present value of future cash flows		Total RM'000
	Excluding loss component RM'000	Loss component RM'000	Risk adjustment RM'000		
Reinsurance contract assets as at 1 January 2024	(16,764)	287	964,710	46,561	994,794
An allocation of reinsurance premiums	(241,871)	-	-	-	(241,871)
Amounts recoverable from reinsurers for incurred claims	-	(7)	56,771	9,656	66,420
Amount recoverable for incurred claims and other expenses	-	(145)	189,734	11,209	200,798
Loss-recovery on onerous underlying contracts and adjustments	-	138	-	-	138
Changes to amount recoverable for incurred claims	-	-	(132,963)	(1,553)	(134,516)
Net income or expense from reinsurance contracts held	(241,871)	(7)	56,771	9,656	(175,451)
Reinsurance finance income	-	31	34,273	1,793	36,097
Total changes in the statement of comprehensive income	(241,871)	24	91,044	11,449	(139,354)
Cash flows					
Premium paid	238,043	-	-	-	238,043
Amount received	-	-	(72,053)	-	(72,053)
Total cash flows	238,043	-	(72,053)	-	165,990
Net reinsurance contract assets as at 31 December 2024	(20,592)	311	983,701	58,010	1,021,430

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

15. OTHER RECEIVABLES

	Group		Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Other receivables and deposits	10,710	14,203	10,710	14,203
Staff loans	-	1	-	1
Interest income due and accrued	56,288	83,600	263	204
Amount due from related parties (Note 19)	247	1,009	247	1,009
Share of other assets held under Malaysia Motor Insurance Pool ("MMIP") (Net*)	36,344	36,002	36,344	36,002
	<u>103,589</u>	<u>134,815</u>	<u>47,564</u>	<u>51,419</u>

* As a participating member of MMIP, the Company shares a proportion of the Pool's net assets/liabilities. At each reporting date, the Company accounts for its share of net assets, liabilities and performance of the Pool. The net assets held under MMIP represent the Company's share of the Pool's net assets, before insurance contract liabilities. The Company's share of the Pool's insurance contract liabilities is included in Note 14.

16. OTHER PAYABLES

	Group		Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Accrued liabilities	3,208	22,801	3,208	22,801
Other payables	4,291	50,831	3,688	40,830
Provision of financial penalty (Note 23)	8,088	8,088	8,088	8,088
Amount due to related parties (Note 19)	63,757	11,761	63,757	11,761
	<u>79,344</u>	<u>93,481</u>	<u>78,741</u>	<u>83,480</u>

17. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	Group		Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
Net profit for the period (RM'000)	<u>98,831</u>	<u>159,789</u>	<u>96,351</u>	<u>157,193</u>
Number of ordinary shares in issue ('000)	<u>118,000</u>	<u>118,000</u>	<u>118,000</u>	<u>118,000</u>
Earnings per share (sen)	<u>83.8</u>	<u>135.4</u>	<u>81.7</u>	<u>133.2</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

18. RELATED PARTY TRANSACTIONS

The significant related party transactions during the period are as follows:

Group and Company	30.06.2025 RM'000	31.12.2024 RM'000
Income		
Premium received	3,281	21,390
Commission received	23,232	12,458
Claims recovery	7,154	14,385
Other Income	115	356
	<u>33,782</u>	<u>48,589</u>
Expenditure		
Premiums ceded	(39,593)	(61,261)
Commissions paid	(133)	(1,012)
Claims paid	(1,419)	(7,574)
Expenses net of recoveries	(6,717)	(13,732)
Dividend paid	(63,012)	(146,910)
	<u>(110,874)</u>	<u>(230,489)</u>

19. RELATED PARTY BALANCES

The significant related party balances during the period are as follows:

Group and Company	30.06.2025 RM'000	31.12.2024 RM'000
<u>Payable</u>		
Dividend Payable (Note 16)		
Sompo Holdings (Asia) Pte. Ltd.	(44,108)	-
Berjaya Capital Berhad	(18,904)	-
Amount due to related parties		
Sompo Japan Insurance Inc.	(7,925)	(23,924)
Sompo Holdings (Asia) Pte. Ltd.	(1,568)	(630)
Sompo Insurance Singapore Pte. Ltd.	(4,807)	-
Sompo Insurance (Hong Kong) Co., Ltd.	(450)	(1,346)
Sompo International Holdings Ltd	(2)	-
Endurance Sompo International	(590)	-
Endurance Worldwide Insurance Ltd	(74)	(32)
Sompo Holdings Inc	(207)	-

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

19. RELATED PARTY BALANCES (CONT'D)

The significant related party balances during the period are as follows (Cont'd):

Group and Company	30.06.2025 RM'000	31.12.2024 RM'000
<u>Receivable</u>		
Amount due from related parties		
Sompo Japan Insurance Inc.	1,910	2,401
Sompo Holdings (Asia) Pte. Ltd.	23	55
Sompo Insurance Singapore Pte. Ltd.	-	2
Sompo International Holdings Ltd.	-	12

20. FAIR VALUE HIERARCHY

The following tables analyse assets which are carried at fair value and assets for which fair value are disclosed according to their fair value hierarchy, defined as follows:

i. Level 1

Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii. Level 2

Valuation techniques for which all inputs that are significant to the fair value measurement is directly or indirectly observable

iii. Level 3

Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

20. FAIR VALUE HIERARCHY (CONT'D)

Group	30.06.2025				31.12.2024			
	Fair value measurement using:				Fair value measurement using:			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets measured at fair value on a recurring basis:								
Investment properties	-	-	13,950	13,950	-	-	13,950	13,950
FVTPL - MGS/GII	-	418,298	-	418,298	348,715	-	-	348,715
FVTPL - Corporate Bonds	-	2,030,849	-	2,030,849	1,856,541	-	-	1,856,541
FVTPL - Equity securities	52,004	-	118	52,122	56,500	-	118	56,618
	<u>52,004</u>	<u>2,449,147</u>	<u>14,068</u>	<u>2,515,219</u>	<u>2,261,756</u>	<u>-</u>	<u>14,068</u>	<u>2,275,824</u>

There has been no transfer between level 1 and level 2 of the fair value hierarchy during the period.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

20. FAIR VALUE HIERARCHY (CONT'D)

Company	30.06.2025				31.12.2024			
	Fair value measurement using:				Fair value measurement using:			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets measured at fair value on a recurring basis:								
Investment properties	-	-	13,950	13,950	-	-	13,950	13,950
FVTPL - Equity securities	52,004	-	118	52,122	56,500	-	118	56,618
FVTPL - Unit trust funds	2,587,983	-	-	2,587,983	2,497,902	-	-	2,497,902
	<u>2,639,987</u>	<u>-</u>	<u>14,068</u>	<u>2,654,055</u>	<u>2,554,402</u>	<u>-</u>	<u>14,068</u>	<u>2,568,470</u>

There has been no transfer between level 1 and level 2 of the fair value hierarchy during the period.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

21. CAPITAL COMMITMENT

	30.06.2025	31.12.2024
	RM'000	RM'000
Capital expenditure approved and contracted for :		
Property, plant and equipment	2,087	1,821
Intangible assets	7,472	4,075
	<u>9,559</u>	<u>5,896</u>

22. REGULATORY CAPITAL REQUIREMENT

The Company's Internal Capital Adequacy Assessment Process ("ICAAP") Framework is in place to manage and maintain capital adequacy level that commensurate with its risk profile at all times and to ensure that adequate capital resources are available to maintain Capital Adequacy Ratio ("CAR") above Individual Target Capital Level ("ITCL") and Supervisory Level. Pursuant to the Risk-Based Capital Framework issued by BNM, the Company has met the minimum CAR of 130%.

The total capital available of the Company as at 30 June 2025, as prescribed under the RBC Framework is provided below:

	30.06.2025	31.12.2024
	RM'000	RM'000
Eligible Tier 1 Capital		
Share capital (paid-up)	118,000	118,000
Retained earnings	1,179,523	1,152,030
	<u>1,297,523</u>	<u>1,270,030</u>
Deductions		
Intangible assets	23,975	24,297
Deferred tax (expense)/income	(5,770)	1,082
Deferred tax assets	2,237	8,007
	<u>20,442</u>	<u>33,386</u>
Total capital available	<u>1,277,081</u>	<u>1,236,644</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

23. DEVELOPMENTS ON MYCC CASE

On 22 February 2017, the Company received a statutory notice of the proposed decision by Malaysian Competition Commission ("MyCC") that the Company and the other 21 members of PIAM (collectively "the Parties") have infringed one of the prohibitions under Part II of the Competition Act, 2010 ("Act") ("Proposed Decision"). The Proposed Decision amongst others imposed financial penalties on the Parties amounting to a total sum of RM213,454,814. The Company's share of the financial penalty was for the sum of RM10,784,489.

A denovo hearing of the oral representations before MyCC was commenced on 17 June 2019 and concluded on 18 June 2019.

On 14 September 2020, MyCC delivered its decision in finding the Parties infringed section 40 of the Act and directed the Parties to ("MyCC Decision") and imposed financial penalty on the Parties.

Taking into account, the impact of economic situation arising due to the outbreak of global COVID-19 pandemic, MyCC granted a 25% reduction on the financial penalty imposed on the Parties.

On 2 September 2022, the Commission of Appeal Tribunal ("CAT") set aside MyCC's decision dated 14 September 2020.

However, in December 2022, MyCC filed an ex-parte application in the High Court for leave to apply for judicial review of the CAT's decision ("Leave for JR"). Following the MyCC's Leave for JR, PIAM and the 21 insurers files an affidavit to oppose the application for Leave for JR.

On 30 November 2023, all parties' counsels completed oral submissions and the High Court Judge reserved his decision and fixed 16 January 2024 for delivery of decision.

On 16 January 2024, the High Court dismissed MyCC's Leave for Judicial Review (JR) application and ordered MyCC to pay costs of RM10,000.00 to each insurer. Subsequently, on 15 February 2024, MyCC filed a Notice of Appeal against the Leave Decision at the Court of Appeal. The hearing of the appeal was scheduled in the Court of Appeal for 22 May 2025 but rescheduled to 30 April 2026.

Given the ongoing legal proceedings and the uncertainty surrounding the final outcome, the Group and the Company have made a provision of RM8,088,367 in the financial statements, as disclosed in Note 16.