Company No.
198201011878 (91603-K)

THE PACIFIC INSURANCE BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2026 TO 30 JUNE 2026

Company No.
198201011878 (91603-K)

THE PACIFIC INSURANCE BERHAD
(Incorporated in Malaysia)

Contents **Pages**

Company No.
198201011878 (91603-K)

THE PACIFIC INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2026

			30.06.2026		**31.12.2025**
		Group	**Company**	**Group**	**Company**
		RM '000	**RM '000**	**RM '000**	**RM '000**
	Note				
ASSETS					
Property and equipment		64,360	64,360	64,960	64,960
Investment properties	12	600	600	600	600
Intangible assets	13	41,084	41,084	41,118	41,118
Investments:					
Fair value through profit					
or loss financial assets	14	825,806	808,645	800,487	805,564
Amortised cost	14	79,756	79,756	95,351	95,351
Insurance contract assets	15	28,328	28,328	3,523	3,523
Reinsurance contract assets	15	575,073	575,073	525,311	525,311
Right-of-use assets		1,282	1,282	1,985	1,985
Loans		188	188	205	205
Tax recoverable		2,913	2,913	3,369	3,369
Other receivables		47,327	47,327	47,194	47,194
Cash and cash equivalents		193,585	129,757	145,576	114,604
Total assets		1,860,303	1,779,314	1,729,679	1,703,784
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital		219,875	219,875	219,875	219,875
Capital reserve		1,704	1,704	1,704	1,704
Revaluation reserves		9,914	9,914	9,914	9,914
Retained profits		312,764	313,288	337,364	337,868
Total equity		544,257	544,781	568,857	569,361
Liabilities					
Insurance contract liabilities	15	1,098,510	1,098,510	1,030,323	1,030,323
Reinsurance contract liabilities	15	40,196	40,196	6,836	6,836
Subordinated loans		43,113	43,113	42,072	42,072
Third party interest in					
consolidated fund		81,157	-	20,661	-
Deferred tax liabilities		18,098	18,098	14,739	14,739
Lease liabilities		1,331	1,331	2,045	2,045
Other payables		33,640	33,284	44,148	38,409
Total liabilities		1,316,046	1,234,533	1,160,823	1,134,423
Total equity and liabilities		1,860,303	1,779,314	1,729,679	1,703,784

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

Company No.
198201011878 (91603-K)

THE PACIFIC INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2026

			6 months period ended 30.6.2026		6 months period ended 30.6.2025
		Group	Company	Group	Company
	Note	RM '000	RM '000	RM '000	RM '000
Insurance revenue	15	466,455	466,455	465,615	465,615
Insurance service expenses	15	(393,556)	(393,556)	(260,586)	(260,586)
Insurance service result before reinsurance contracts held		72,899	72,899	205,030	205,030
Allocation of reinsurance premiums		(236,387)	(236,387)	(253,490)	(253,490)
Amounts recoverable from reinsurers for incurred claims		181,156	181,156	68,866	68,866
Net expense from reinsurance contracts held		(55,231)	(55,231)	(184,624)	(184,624)
Insurance service result		17,667	17,667	20,406	20,406
Investment income		15,170	12,242	11,045	8,364
Interest income from financial assets measured at amortised cost		3,731	3,391	4,530	3,908
Net fair value (losses)/gains		(4,102)	(2,766)	10,617	13,143
Total net investment income		14,798	12,868	26,192	25,414
Finance expenses for insurance contracts issued		(8,304)	(8,304)	(17,125)	(17,125)
Finance income for reinsurance contracts held		4,434	4,434	9,429	9,429
Net insurance financial expenses		(3,870)	(3,870)	(7,696)	(7,696)
Net Investment income and insurance financial expenses		10,928	8,998	18,495	17,718
Other operating income		2,799	2,799	824	824
Other operating expenses		(10,820)	(9,624)	(10,591)	(9,810)
Other finance costs		(1,069)	(1,069)	(1,086)	(1,086)
Total other income and expenses		(9,090)	(7,894)	(10,853)	(10,072)
Profit before taxation		19,505	18,771	28,049	28,052
Taxation		(3,351)	(3,351)	(5,636)	(5,636)
Net profit for the financial period, representing total comprehensive income for the financial period		16,154	15,420	22,412	22,416
Net profit and total comprehensive income for the period attributable to:					
Owner of the Company		15,400	15,420	22,401	22,416
Unitholders		754	-	11	-
		16,154	15,420	22,412	22,416
Basic earnings per share attributable to owner of the Company (sen) basic		7.0	7.0	10.2	10.2

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

Company No.
198201011878 (91603-K)

THE PACIFIC INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2026

	Attributable to owners of the Company				
Group	**Share capital RM '000**	**Capital reserve RM '000**	**Revaluation reserves RM '000**	**Retained earnings RM '000**	**Total equity RM '000**
At 1 January 2025	219,875	1,704	5,183	291,996	518,757
Other comprehensive income for the financial period	-	-	-	22,412	
At 30 June 2025	219,875	1,704	5,183	314,408	518,757
At 1 January 2026	219,875	1,704	9,914	337,364	568,857
Other comprehensive income for the financial period	-	-	-	15,400	15,400
Dividend paid to the owners of the company (Note 16)	-	-	-	(40,000)	(40,000)
At 30 June 2026	219,875	1,704	9,914	312,764	544,257

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

Company No.
198201011878 (91603-K)

THE PACIFIC INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2026

	Non-distributable			Distributable	
Company	Share capital RM '000	Capital reserve RM '000	Revaluation reserves RM '000	Retained earnings RM '000	Total equity RM '000
At 1 January 2025	219,875	1,704	5,183	291,978	518,740
Other comprehensive income for the financial period	-	-	-	22,416	22,416
At 30 June 2025	219,875	1,704	5,183	314,394	541,156
At 1 January 2026	219,875	1,704	9,914	337,868	569,361
Other comprehensive income for the financial period	-	-	-	15,420	15,420
Dividend paid to the owners of the company (Note 16)	-	-	-	(40,000)	(40,000)
At 30 June 2026	219,875	1,704	9,914	313,288	544,781

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

Company No.
198201011878 (91603-K)

THE PACIFIC INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2026

	6 months period ended 30.6.2026		6 months period ended 30.6.2025	
	Group RM '000	Company RM '000	Group RM '000	Company RM '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	19,505	18,771	28,049	28,052
Adjustments for:				
Depreciation of property and equipment	1,187	1,187	1,054	1,054
Property and equipment written-off	1	1	1	1
Finance cost on subordinated loans	1,041	1,041	1,041	1,041
Finance cost on lease liability	28	28	45	45
Change in fair value of FVTPL financial assets	4,102	2,766	(10,617)	(13,143)
Foreign currency translation differences	(273)	(273)	1,526	1,526
Amortisation of intangible assets	68	68	357	357
Depreciation of right-of-use assets	723	723	920	920
Net gain on disposal of FVTPL financial assets	(1,149)	-	(1,974)	(1,205)
Investment income	(19,003)	(16,885)	(16,680)	(14,146)
Profit from operations before changes in operating assets and liabilities	6,232	7,428	3,722	4,502
Changes in working capital:				
Purchase of investments	(227,812)	(65,510)	(394,975)	(272,565)
Proceeds from disposal/ maturity of investments	214,353	75,174	411,203	267,941
Decrease/(increase) in loans and receivables	17	17	(3)	(3)
Net increase in insurance and reinsurance contracts	26,980	26,980	27,601	27,601
Increase in other receivables	(133)	(133)	(310)	(310)
Decrease in other payable	(11,254)	(5,117)	(9,425)	(9,508)
Net increase in working capital	8,383	38,840	37,814	17,659

Company No.
198201011878 (91603-K)

THE PACIFIC INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS (CONTINUED) FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2026

	6 months period ended 30.6.2026		6 months period ended 30.6.2025	
	Group RM '000	Company RM '000	Group RM '000	Company RM '000
Investment income received	20,059	17,243	18,469	17,003
Interest paid on lease liabilities	(28)	(28)	(45)	(45)
Income tax paid	(2,206)	(2,206)	(1,645)	(1,645)
Income tax refund	2,661	2,661	-	-
Net cash generated from operating activities	28,870	56,510	54,594	32,973
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(328)	(328)	(430)	(430)
Purchase of intangible assets	(34)	(34)	(209)	(209)
Work-in-progress for property and equipment	(260)	(260)	-	-
Distribution to unitholders	-	-	11	-
Net cash used in investing activities	(623)	(623)	(628)	(639)
CASH FLOWS FROM FINANCING ACTIVITY				
Repayment of lease liabilities	(734)	(734)	(967)	(967)
Dividend Paid	(40,000)	(40,000)	-	-
Transactions with non-controlling interests	60,496	-	-	-
Net cash generated from/(used in) financing activities	19,762	(40,734)	(967)	(967)
NET INCREASE IN CASH AND CASH EQUIVALENTS	48,009	15,153	52,999	31,367
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	145,576	114,604	116,260	89,408
CASH AND CASH EQUIVALENTS AT END OF PERIOD	193,585	129,757	169,259	120,775
Cash and cash equivalents comprise:				
Fixed and call deposits with licensed financial institutions	165,648	102,269	149,203	100,822
Cash and cash equivalents	27,937	27,489	20,056	19,953
	193,585	129,757	169,259	120,775

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2026

Reconciliation of liabilities arising from financing activities

	2026		2025	
	Principal	Interest payable	Principal	Interest payable
	RM '000	RM '000	RM '000	RM '000
Group and Company				
Subordinated loans				
At 1 January	30,000	12,072	30,000	9,972
Interest charge	-	1,041	-	1,041
At 30 June	30,000	13,113	30,000	11,013

	2026	2025
	RM '000	RM '000
Lease liabilties		
At 1 January	2,045	2,858
Cash flows	(762)	(967)
Interest charge	28	45
Lease additions	21	471
At 30 June	1,331	2,408

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 principal place of business of the Company is located at Level 40-1, Q Sentral, 2A Jalan Stesen Sentral 2, Kuala Lumpur, 50470 Kuala Lumpur.

The Company is a subsidiary of Fairfax Asia Limited, a company incorporated under the Barbados Companies Act and licensed under the International Business Companies Act, Cap 77. The ultimate holding company is Fairfax Financial Holdings Limited, a company incorporated in Canada.

2. BASIS OF PREPARATION

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

The unaudited condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group's and the Company's audited financial statements for the financial year ended 30 June 2026.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies and methods of computation applied in the preparation of the unaudited condensed interim financial statements are consistent with those adopted in the preparation of the Group's and the Company's audited financial statements for the financial year ended 31 December 2025, except for the following standards:

(a) Standards, amendments to published standards and interpretations that are applicable to the Group and the Company that are effective on or after 1 January 2026.

- Amendments to MFRS 9 and MFRS 7 - *Classification and Measurement of Financial Instruments*
- Amendment that are part of Annual Improvement:
  - i) Amendments to MFRS 1, *First Time Adoption of Malaysia Financial Reporting* Standards
  - ii) Amendments to MFRS 7, *Financial Instruments : Disclosure*
  - iii) Amendments to MFRS 9, *Financial Instruments*
  - iv) Amendments to MFRS 10, *Consolidated Financial Statements*
  - v) Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9 and MFRS 7 - *Financial Instruments : Disclosure Contracts referencing Nature-Dependent Electricity*

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Standards, amendments to published standards and interpretations that are applicable to the Group and the Company that are effective on or after 1 January 2027.

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates - *Translation to a Hyperinflationary Presentation Currency*

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company but not yet effective.

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sales of Assets between an Investors and its Associates or Joint Venture*

The Group and the Company are currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

4. SEASONAL OR CYCLICAL FACTORS

The principal business operations of the Group and the Company were not significantly affected by seasonal or cyclical factors.

5. UNUSUAL ITEMS

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

6. CHANGES IN ESTIMATES

There were no changes in the basis used for accounting estimates for the current financial period ended 30 June 2026.

7. ISSUANCE, CANCELLATIONS, REPURCHASES, RESALE, AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale, or repayment of debt and equity securities by the Group and the Company during the current financial period ended 30 June 2026.

8. DIVIDENDS PAID

A Single-tier final dividend of RM40,000,000 for the financial year ended 31 December 2025 was paid to the shareholders on 9 June 2026.

9. MATERIAL SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current financial period that have not been reported in the interim financial statements for the current financial period ended 30 June 2026.

10. EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP AND THE COMPANY

There were no changes in the composition of the Group and the Company during the current financial period ended 30 June 2026.

11. CONTINGENT LIABILITIES

In August 2016, Malaysia Competition Commission ("MyCC") had commenced investigation under Section 15(1) of the Competition Act 2010 ("the Act") against the General Insurance Association of Malaysia ("PIAM") and its 22 member companies with regards to an alleged infringement of Section 4(2)(a) of the Act in relation to an agreement to fix parts trade discount and labour rates for 6 vehicle makes. On 22 February 2017, MyCC issued a Proposed Decision to all 22 member companies, proposing to impose collective penalty of RM213.5 million on the general insurance industry. As an 'industry collective action', the Company together with PIAM, submitted written representation and made oral representation to MyCC on 25 April 2017 and 29 January 2018 respectively to defend the allegation.

The hearing session which was set for 19 - 21 February 2019 concluded and as the dates set were not sufficient for all the insurers to submit their arguments, further hearing dates were set for May and June 2019. Due to the changes of Chairman of MyCC and new members being added to MyCC, the new Chairman decided that there would be a re-hearing of the case.

On 25 September 2020, the Company's solicitors received the final decision ("Decision") that parties had infringed the prohibition under Section 4 of the Act and had imposed on each of the 22 general insurers financial penalties for the said infringement.

In view of the impact of COVID-19 pandemic, MyCC granted a reduction of 25% of the financial penalty imposed on the 22 general insurers. The financial penalty imposed on the Company, taking into account the 25% reduction, amounts to RM1,643,583.

The Company had on 14 October 2020 filed a Notice of Appeal with the Competition Appeal Tribunal ("CAT") against the Decision, pursuant to Section 51 of the Act ("Appeal"). On 27 October 2020, the Company had also filed a Stay Application with the CAT pursuant to Section 53 of the Act for the grant of a stay of the Decision in respect of the financial penalty imposed on the Company.

Following the case management, the Court of Appeal ("COA") fixed a case management on 8 May 2025 to monitor preparation for the hearing of MyCC's appeal fixed for a physical hearing before the COA on 22 May 2025. After hearing parties' arguments on 30 April 2026, the COA has now fixed the matter for decision on 18 August 2026.

The Company believes that the criteria to disclose the above as a contingent liability is met. Saved as disclosed above, the Company does not have any other contingent assets and liabilities since the last annual balance sheet date.

12. INTANGIBLE ASSETS

	Goodwill RM '000	Computer Software and Licence RM '000	Total RM '000
Group/Company			
30.6.2026			
Cost			
At 1 January 2026	40,104	6,926	47,030
Additions	-	34	34
At 30 June 2026	40,104	6,961	47,064
Accumulated Amortisation			
At 1 January 2026	-	5,912	5,912
Charge for the period	-	68	68
At 30 June 2026	-	5,980	5,980
Net book value	40,104	981	41,084

	Goodwill RM '000	Computer Software and Licence RM '000	Total RM '000
Group/Company			
31.12.2025			
Cost			
At 1 January 2025	40,104	11,348	51,452
Additions	-	381	381
Written off	-	(5,161)	(5,161)
Work-in-progress	-	357	357
At 31 December 2025	40,104	6,926	47,030
Accumulated Amortisation			
At 1 January 2025	-	5,202	5,202
Charge for the financial year	-	710	710
At 31 December 2025	-	5,912	5,912
Net book value	40,104	1,014	41,118

13. INVESTMENTS

	As at 30.6.2026		As at 31.12.2025	
	Group	**Company**	**Group**	**Company**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Malaysian Government Securities	28,734	-	13,236	-
Government Investment Issues	191,602	-	197,529	-
Corporate bonds	393,044	-	376,768	-
Unit trusts	179,157	775,376	180,627	773,238
Equity securities	33,269	33,269	32,327	32,327
Deposits with licensed financial institutions	79,756	79,756	95,351	95,351
	905,562	888,401	895,838	900,915

The financial investments are summarised by categories as follows:

	Group RM'000 (30.6.2026)	Company RM'000 (30.6.2026)	Group RM'000 (31.12.2025)	Company RM'000 (31.12.2025)
Fair value through profit or loss financial assets ("FVTPL")	825,806	808,645	800,487	805,564
Amortised cost ("AC")	79,756	79,756	95,351	95,351
	905,562	888,401	895,838	900,915

The following investments mature after 12 months:

	Group RM'000 (30.6.2026)	Company RM'000 (30.6.2026)	Group RM'000 (31.12.2025)	Company RM'000 (31.12.2025)
FVTPL financial assets	540,583	-	480,586	-

(a) FVTPL financial assets

At fair value:

	Group RM'000 (30.6.2026)	Company RM'000 (30.6.2026)	Group RM'000 (31.12.2025)	Company RM'000 (31.12.2025)
Malaysian Government Securities	28,734	-	13,236	-
Government Investment Issues	191,602	-	197,529	-
Unit trusts				
- Quoted in Malaysia	179,157	179,157	180,627	180,627
- Unquoted in Malaysia	-	596,219	-	592,610
Corporate bonds	393,044	-	376,768	-
Equity securities:				
- Quoted in Malaysia	11,001	11,001	11,692	11,692
- Quoted outside Malaysia	22,268	22,268	20,634	20,634
	825,806	808,645	800,487	805,564

13. INVESTMENTS (CONTINUED)

	As at 30.6.2026		As at 31.12.2025	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
(b) AC				
At amortised cost:				
Deposits with commercial bank	79,756	79,756	95,351	95,351

Deposits with Commercial Banks have interest rates which range from 1.95% to 3.52% (2025: 2.00% to 3.52%) per annum with average maturity period of 300 days (2025: 283 days)

(c) Carrying values of financial investments

	FVTPL RM'000	AC RM'000	Total RM'000
30.6.2026			
Group			
At 1 January 2026	800,487	95,351	895,838
Purchases	167,876	59,937	227,812
Maturities	(13,500)	(75,174)	(88,675)
Disposals	(124,529)	-	(124,529)
Fair value loss recorded in profit or loss	(4,102)	-	(4,102)
Currency translations differences	273	-	273
Movement in accrued interest	128	(357)	(229)
Amortisation of premiums	(827)	-	(827)
At 30 June 2026	825,806	79,756	905,562
31.12.2025			
Group			
At 1 January 2025	678,248	184,232	862,479
Purchases	485,951	127,987	613,938
Maturities	(105,630)	(214,231)	(319,861)
Disposals	(269,223)	-	(269,223)
Fair value gains recorded in profit or loss	12,196	-	12,196
Currency translations differences	(2,488)	-	(2,488)
Movement in accrued interest	2,096	(2,636)	(540)
Amortisation of premiums	(662)	-	(662)
At 31 December 2025	800,487	95,351	895,838

13. INVESTMENTS (CONTINUED)

(c) Carrying values of financial investments (continued)

	FVTPL RM'000	AC RM'000	Total RM'000
30.6.2026			
Company			
At 1 January 2026	805,564	95,351	900,915
Purchases	5,574	59,937	65,510
Maturities	-	(75,174)	(75,174)
Fair value loss recorded in profit or loss	(2,766)	-	(2,766)
Currency translations differences	273	-	273
Movement in accrued interest	-	(357)	(357)
At 30 June 2026	808,645	79,756	888,401
31.12.2025			
Company			
At 1 January 2025	704,557	184,232	888,789
Purchases	206,667	127,987	334,654
Maturities	(100,130)	(214,231)	(314,361)
Disposals	(19,297)	-	(19,297)
Fair value gains recorded in profit or loss	16,255	-	16,255
Currency translations differences	(2,488)	-	(2,488)
Movement in accrued interest	-	(2,636)	(2,636)
At 31 December 2025	805,564	95,351	900,915

13. INVESTMENTS (CONTINUED)

(d) Fair values of financial investments

The following tables show financial investments recorded at fair value analysed by the different basis of fair values and valuation methods as follows:

	Level 1 RM'000	Level 2 RM'000
Group		
30.6.2026		
Recurring fair value measurements		
FVTPL		
- Malaysian Government Securities	-	28,734
- Government Investment Issues	-	191,602
- Corporate bonds	-	393,044
- Unit trusts	179,157	-
- Equity securities	33,269	-
	212,426	613,380
31.12.2025		
Recurring fair value measurements		
FVTPL		
- Malaysian Government Securities	-	13,236
- Government Investment Issues	-	197,529
- Corporate bonds	-	376,768
- Unit trusts	180,627	-
- Equity securities	32,327	-
	212,954	587,533
Company		
30.6.2026		
Recurring fair value measurements		
FVTPL		
- Unit trusts	179,157	596,219
- Equity securities	33,269	-
	212,426	596,219

13. INVESTMENTS (CONTINUED)

(d) Fair values of financial investments (continued)

	Level 1 RM'000	Level 2 RM'000
Company (continued)		
31.12.2025		
Recurring fair value measurements		
FVTPL		
- Unit trusts	180,627	592,610
- Equity securities	32,327	-
	212,954	592,610

Included in the quoted market price category are financial instruments that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, secondary market via dealer and broker, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis (Level 1).

Financial instruments measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are instruments for which pricing is obtained via pricing services but where prices have not been determined in an active market and instruments with fair values based on broker quotes (Level 2).

Financial instruments that are valued not based on observable market data are categorised as Level 3. There are no financial instruments categorised as Level 3.

There were no transfers between level 1 and 2 during the interim period.

14. INSURANCE AND REINSURANCE CONTRACTS

30.06.2026	Liabilities for remaining coverage: Loss component RM'000	Liabilities for remaining coverage: Excluding loss component RM'000	Liabilities for incurred claims: Estimates of the present value of future cash flow RM'000	Liabilities for incurred claims: Risk adjustment RM'000	Total RM'000
Group/Company					
Insurance contract liabilities as at 1 January	5,211	268,101	701,570	55,440	1,030,323
Insurance contract assets as at 1 January	-	(3,523)	-	-	(3,523)
	5,211	264,578	701,570	55,440	1,026,799
Insurance revenue	-	(466,455)	-	-	(466,455)
Insurance service expenses					
Incurred claims and other insurance service expenses	(530)	-	247,985	15,716	263,171
Amortisation of insurance acquisition cash flows	-	68,539	-	-	68,539
Changes to liabilities for incurred claims	-	-	71,103	(10,268)	60,834
Losses and reversal of losses on onerous contracts	1,012	-	-	-	1,012
	482	68,539	319,088	5,448	393,556
Insurance service result	482	(397,916)	319,088	5,448	(72,899)
Finance expenses from insurance contracts issued	325	-	7,978	-	8,304
Total changes in the statements of comprehensive income	807	(397,916)	327,066	5,448	(64,595)

Company No.
198201011878 (91603-K)

THE PACIFIC INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

14. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

	Liabilities for remaining coverage		Liabilities for incurred claims		
30.06.2026	**Loss component RM'000**	**Excluding loss component RM'000**	**Estimates of the present value of future cash flow RM'000**	**Risk adjustment RM'000**	**Total RM'000**
Group/Company					
Investment components	-	(1,727)	-	-	(1,727)
Cash flows					
Premium received	-	416,534	-	-	416,534
Claims and other insurance service expenses paid, including investment components	-	-	(243,041)	-	(243,041)
Insurance acquisition cash flows	-	(63,788)	-	-	(63,788)
Total cash flows	-	352,746	(243,041)	-	109,705
Insurance contract liabilities as at 30 June 2026	6,019	217,681	785,595	60,888	1,070,182
Insurance contract liabilities as at 30 June 2026	6,019	246,009	785,595	60,888	1,098,510
Insurance contract assets as at 30 June 2026	-	(28,328)	-	-	(28,328)
	6,019	217,681	785,595	60,888	1,070,182

Company No.
198201011878 (91603-K)

THE PACIFIC INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

14. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

31.12.2025	Liabilities for remaining coverage: Loss component RM'000	Liabilities for remaining coverage: Excluding loss component RM'000	Liabilities for incurred claims: Estimates of the present value of future cash flow RM'000	Liabilities for incurred claims: Risk adjustment RM'000	Total RM'000
Group/Company					
Insurance contract liabilities as at 1 January	3,818	287,097	768,283	55,270	1,114,468
Insurance contract assets as at 1 January	-	-	-	-	-
	3,818	287,097	768,283	55,270	1,114,468
Insurance revenue	-	(938,323)	-	-	(938,323)
Insurance service expenses					
Incurred claims and other insurance service expenses	1,695	-	455,377	25,185	482,257
Amortisation of insurance acquisition cash flows	-	138,791	-	-	138,791
Changes to liabilities for incurred claims	-	-	(158,485)	(25,016)	(183,501)
Losses and reversal of losses on onerous contracts	(1,420)	-	-	-	(1,420)
	275	138,791	296,892	170	436,127
Insurance service result	275	(799,532)	296,892	170	(502,196)
Finance expenses from insurance contracts issued	1,119	-	24,959	-	26,077
Total changes in the statements of comprehensive income	1,393	(799,532)	321,851	170	(476,119)

Company No.
198201011878 (91603-K)

THE PACIFIC INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

14. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

31.12.2025	Liabilities for remaining coverage		Liabilities for incurred claims		
	Loss component RM'000	Excluding loss component RM'000	Estimates of the present value of future cash flow RM'000	Risk adjustment RM'000	Total RM'000
Group/Company					
Investment components	-	1,078	-	-	1,078
Cash flows					
Premium received	-	919,263	-	-	919,263
Claims and other insurance service expenses paid, including investment components	-	-	(388,563)	-	(388,563)
Insurance acquisition cash flows	-	(143,327)	-	-	(143,327)
Total cash flows	-	775,936	(388,563)	-	387,373
Insurance contract liabilities as at 31 December 2025	5,211	264,578	701,570	55,440	1,026,799
Insurance contract liabilities as at 31 December 2025	5,211	268,101	701,570	55,440	1,030,323
Insurance contract assets as at 31 December 2025	-	(3,523)	-	-	(3,523)
	5,211	264,578	701,570	55,440	1,026,799

14. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

	Assets for remaining coverage		Amounts recoverable on incurred claims		
30.06.2026	**Loss component RM'000**	**Excluding loss component RM'000**	**Estimates of the present value of future cash flow RM'000**	**Risk adjustment RM'000**	**Total RM'000**
Group/Company					
Reinsurance contract assets as at 1 January	3,975	84,987	409,093	27,257	525,311
Reinsurance contract liabilities as at 1 January	-	(6,806)	(29)	-	(6,836)
	3,975	78,181	409,063	27,257	518,475
Allocation of reinsurance premiums	-	(236,387)	-	-	(236,387)
Amounts recoverable from reinsurers					
Amount recoverable for incurred claims and other expenses	(1,486)	-	101,909	7,135	107,558
Changes to amounts recoverable for incurred claims	-	-	74,121	(2,433)	71,688
Loss-recovery on onerous underlying contracts and adjustments	1,923	-	-	-	1,923
Effect of changes in non-performance risk of reinsurers	-	-	(13)	-	(13)
	437	-	176,017	4,702	181,156
Net income or expense from reinsurance contracts held	437	(236,387)	176,017	4,702	(55,231)
Finance income for reinsurance contracts held	143	-	4,291	-	4,434
Total changes in the statements of comprehensive income	579	(236,387)	180,308	4,702	(50,797)
Cash flows:					
Premiums paid, net of ceding commission	-	159,518	-	-	159,518
Claims recovered	-	-	(92,319)	-	(92,319)
Total cash flows	-	159,518	(92,319)	-	67,199
Net reinsurance contract liabilities as at 30 June 2026	4,554	1,312	497,052	31,959	534,877
Reinsurance contract assets as at 30 June 2026	4,554	41,506	497,055	31,959	575,073
Reinsurance contract liabilities as at 30 June 2026	-	(40,196)	-	-	(40,196)
	4,554	1,310	497,055	31,959	534,877

Company No.
198201011878 (91603-K)

THE PACIFIC INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

14. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

31.12.2025	Assets for remaining coverage: Loss component RM'000	Assets for remaining coverage: Excluding loss component RM'000	Amounts recoverable on incurred claims: Estimates of the present value of future cash flow RM'000	Amounts recoverable on incurred claims: Risk adjustment RM'000	Total RM'000
Group/Company					
Reinsurance contract assets as at 1 January	1,935	102,121	464,147	27,908	596,111
Reinsurance contract liabilities as at 1 January	-	(11,294)	(31)	-	(11,325)
	1,935	90,827	464,116	27,908	584,786
Allocation of reinsurance premiums	-	(503,374)	-	-	(503,374)
Amounts recoverable from reinsurers					
Amount recoverable for incurred claims and other expenses	2,688	-	176,738	11,580	191,006
Changes to amounts recoverable for incurred claims	-	-	(132,613)	(12,231)	(144,844)
Loss-recovery on onerous underlying contracts and adjustments	(1,203)	-	-	-	(1,203)
Effect of changes in non-performance risk of reinsurers	-	-	1,405	-	1,405
	1,485	-	45,529	(651)	46,363
Net income or expense from reinsurance contracts held	1,485	(503,374)	45,529	(651)	(457,010)
Finance income for reinsurance contracts held	555	-	14,312	-	14,867
Total changes in the statements of comprehensive income	2,040	(503,374)	59,841	(651)	(442,144)
Cash flows:					
Premiums paid, net of ceding commission	-	490,728	-	-	490,728
Claims recovered	-	-	(114,894)	-	(114,894)
Total cash flows	-	490,728	(114,894)	-	375,833
Net reinsurance contract liabilities as at 31 December 2025	3,975	78,181	409,063	27,257	518,475
Reinsurance contract assets as at 31 December 2025	3,975	84,987	409,093	27,257	525,311
Reinsurance contract liabilities as at 31 December 2025	-	(6,806)	(29)	-	(6,836)
	3,975	78,181	409,063	27,257	518,475

15. REGULATORY CAPITAL REQUIREMENTS

The Company's capital management policy is designed to protect its policyholders, and to optimise the efficient and effective use of resources to maximise the return on equity.

The Company is required to comply with the regulatory capital requirement as prescribed in the Risk Based Capital ("RBC") Framework issued by Bank Negara Malaysia. As at 30 June 2026, the Company has a capital adequacy ratio in excess of the regulatory requirement of 130%.

The capital structure of the Company, as prescribed under the Risk-Based Capital Framework is provided below:

	30.6.2026	31.12.2025
	RM'000	RM'000
Tier 1 Capital	441,904	508,767
Tier 2 Capital	32,414	39,914
Deductions	(52,340)	(42,372)
Total Capital Available	421,978	506,309