

Malaysian Life Reinsurance Group Berhad

(Company No. 199701002371 (417867-K))

(Incorporated in Malaysia)

**Financial Statements for the year
ended 31 December 2024**

Malaysian Life Reinsurance Group Berhad

(Company No. 199701002371 (417867-K))

(Incorporated in Malaysia)

Directors' report for the year ended 31 December 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 December 2024.

Principal activities

The Company is principally engaged in the underwriting of life and health reinsurance and family retakaful business. There were no changes to the principal activities during the financial year.

Results

	RM'000
Profit for the year	<u>21,110</u>

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year under review.

Dividend

Since the end of the previous financial year, the Company has paid a final ordinary dividend of approximately 42.83 sen per ordinary share totalling RM21,843,505 in respect of the year ended 31 December 2023 on 7 June 2024.

The final dividend for the financial year ended 31 December 2024 shall be recommended at a later date.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Y. Bhg. Datuk Kamaruddin Taib
 Mr. Toi See Jong
 Y. Bhg. Dato' Sri Muthanna Abdullah
 En. Ahmad Subri bin Abdullah
 Y. Bhg. Dato Koh Yaw Hui
 Ms. Tan Lye Sim
 Mr. Tan Kay How

None of the Directors holding office as of 31 December 2024 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Company No. 199701002371 (417867-K)

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

	RM'000
Directors of the Company:	
Fees	959
Others	189
	<u>1,148</u>

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

The Directors and Senior Management of the Company are covered under the Company's Directors and Officers Liability Insurance. The particulars of the insurance effected are as follows:

	Premium Paid RM'000	Sum Insured RM'000
Directors and Officers Liability Insurance	<u>24</u>	<u>5,000</u>

Corporate governance

The Company has complied with all the prescriptive requirements of, and adopts management practices that are consistent with, the principles prescribed under the Corporate Governance policy document ("CG PD") issued by Bank Negara Malaysia ("BNM") on 3 August 2016.

Board, Audit, Risk Management, Nomination & Remuneration and Investment Committees

i. Membership and meetings of the Board Committees

Director	Board	Audit	Risk Management	Nomination & Remuneration	Investment
	<----- (Attendance / Number of Meetings) ----->				
Y. Bhg. Datuk Kamaruddin Taib (Independent Non-Executive Director)	Chairman 7/7	-	-	Member 4/4	-

Corporate governance (continued)

Board, Audit, Risk Management, Nomination & Remuneration and Investment Committees (continued)

i. Membership and meetings of the Board Committees (continued)

Director	Board	Audit	Risk Management	Nomination & Remuneration	Investment
	<----- (Attendance / Number of Meetings) ----->				
Mr. Toi See Jong (Non-Independent Non-Executive Director)	Member 7/7	Member 4/4	Member 4/4	-	Chairman 2/2
Y. Bhg. Dato Koh Yaw Hui (Non-Independent Non-Executive Director)	Member 7/7	-	-	Member 4/4	-
Mr. Tan Kay How (Non-Independent Non-Executive Director)	Member 7/7	Member 4/4	Member 4/4	Member 4/4	Member 2/2
Y. Bhg. Dato' Sri Muthanna Abdullah (Independent Non- Executive Director)	Member 6/7	Member 3/4	Member 3/4	Chairman 3/4	-
En. Ahmad Subri bin Abdullah (Independent Non- Executive Director)	Member 7/7	Chairman 4/4	Member 4/4	-	Member 2/2
Ms. Tan Lye Sim (Independent Non- Executive Director)	Member 7/7	Member 4/4	Chairwoman 4/4	Member 4/4	-

Corporate governance (continued)

Board, Audit, Risk Management, Nomination & Remuneration and Investment Committees (continued)

i. Membership and meetings of the Board Committees (continued)

The tenure limit of the Company's Independent Directors follows the tenure limits as provided by the CG PD which expects tenure limits of Independent Directors to generally not exceed 9 years.

ii. Profile of Directors

The following are the profiles of the Directors of the Company:

Y. BHG. DATUK KAMARUDDIN TAIB INDEPENDENT NON-EXECUTIVE DIRECTOR

Y. Bhg. Datuk Kamaruddin Taib was appointed as Independent Non-Executive Director and Chairman of the Company on 20 February 2023.

Datuk Kamaruddin holds a Bachelor of Science Degree in Mathematics from the University of Salford, United Kingdom.

Datuk Kamaruddin has significant experience in investment banking, corporate finance, mergers, and acquisitions. His career started in 1980 with a leading Investment Bank in Malaysia. Subsequently, he served as a director of several private companies and companies listed on Bursa Malaysia. He has personal experience in listing several companies on Bursa Malaysia. Apart from his vast experience of serving on the board of companies listed on Bursa Malaysia, his experience included serving on the board of companies listed on the Stock Exchange of India as well as listed on Nasdaq.

Datuk Kamaruddin is currently an Independent Non-Executive Chairman of HSBC Bank Malaysia Berhad, RAM Holdings Berhad, RAM Rating Services Berhad and FIDE Forum. He is also a Director of Fraser & Neave Holdings Berhad and Malaysia Smelting Corporation Berhad.

Corporate governance (continued)

Board, Audit, Risk Management, Nomination & Remuneration and Investment Committees (continued)

ii. Profile of Directors (continued)

MR. TOI SEE JONG NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Toi See Jong was appointed to the Board of the Company on 4 September 2013.

Mr. Toi is a business leader with more than 28 years of insurance industry and consultancy experience in leading and managing organizations in various stages of their development and in many different countries.

He is currently Chief Executive Officer of Tokio Marine Life, where he was appointed in September 2011. He was previously elected as the Regional Director of Prudential Corporation Asia in April 2010 where he was responsible for acquiring new Prudential partnerships as well as managing and developing regional bank partnerships in Asia.

During his tenure as the Chief Executive Officer in UOB Life beginning in July 2008, Mr. Toi successfully formulated a 3-year strategic business plan to develop its bancassurance opportunity with UOB bank. Prior to that, he was a Life Division General Manager of NTUC Income in April 2007, the Country General Manager of Heng An Standard Life in November 2003 and the Chief Executive Officer of Mayban Life in October 1994.

Mr. Toi is a Fellow of the Faculty of Actuaries, Scotland since 1992 and sits on the Board of L.I.A.M. Property Sdn. Bhd., L.I.A.M. Holding Sdn. Bhd. and Malaysian Rating Corporation Berhad (MARC).

Y. BHG. DATO KOH YAW HUI NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Y. Bhg. Dato Koh Yaw Hui was appointed to the Board of the Company on 1 January 2020.

He is the Chief Executive Officer in Great Eastern Life Assurance (Malaysia) Berhad since January 2008. He has over 15 years of insurance experience and is responsible for the overall strategic direction and business growth of the company.

Dato Koh presently sits on the Boards of several companies including L.I.A.M Holding Sdn. Bhd. and L.I.A.M Property Sdn. Bhd.

Dato Koh holds a Bachelor of Social Science (Hons) in Economics from Universiti Sains Malaysia. He is a Fellow of the Life Management Institute, USA and a Registered Financial Planner.

Corporate governance (continued)

Board, Audit, Risk Management, Nomination & Remuneration and Investment Committees (continued)

ii. Profile of Directors (continued)

MR. TAN KAY HOW NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Tan Kay How was appointed as Non-Independent Non-Executive Director of the Company on 24 August 2023.

Mr. Tan received his bachelor's degree in actuarial science from the National University of Malaysia. He is a Fellow of the Society of Actuaries (FSA) and a CFA Charterholder.

Mr. Tan is currently the Head of Malaysia and Chief Operating Officer – Southeast Asia Markets of Reinsurance Group of America (RGA). He is responsible for providing shared services support and driving operational efficiency and effectiveness initiatives. He is the Principal Officer for the Labuan Branch and acts as the RGA management representative to the Shariah Advisory Council. Mr. Tan joined RGA in January 2016, and is based in the Labuan Branch's Kuala Lumpur co-located office.

With a career in prominent multinationals spanning more than 20 years, Mr. Tan has extensive local and regional leadership experience in various capacities. He has worked in life, health, group, general, and takaful business lines throughout the Southeast Asia region, including Malaysia, Singapore, Indonesia, Vietnam, China, and Thailand.

Y. BHG. DATO' SRI MUTHANNA ABDULLAH INDEPENDENT NON-EXECUTIVE DIRECTOR

Y. Bhg. Dato' Sri Muthanna Abdullah was appointed to the Board of the Company on 18 July 2016 and is currently the Chairman of the Nomination & Remuneration Committee.

Dato' Sri Muthanna is a Consultant of Abdullah Chan & Co. He led the Aviation and Aerospace practice and has acted for numerous clients on their acquisition, financing and operation of corporate/private jets and helicopters. He also advises clients on private and family ownership structures which are tailored to each client's particular usage, tax profile and risk management. He has more than 30 years of experience in law practice, having advised commercial companies, public listed companies and state governments and agencies, privatizations, joint-ventures, corporate structures, offshore investments, and mergers and acquisitions.

Dato' Sri Muthanna graduated from the University of Buckingham, England, and is a Barrister of the Middle Temple, England. He was admitted and enrolled as an advocate and solicitor of the High Court of Malaya in 1984.

Dato' Sri Muthanna is the Honorary Consul at Kuala Lumpur of the Republic of San Marino. Dato' Sri Muthanna sits on the Board of Directors of MSIG Insurance (Malaysia) Berhad, MSM Malaysia Holdings Berhad, IHH Healthcare Berhad, and several private companies.

Corporate governance (continued)

Board, Audit, Risk Management, Nomination & Remuneration and Investment Committees (continued)

ii. Profile of Directors (continued)

EN. AHMAD SUBRI BIN ABDULLAH INDEPENDENT NON-EXECUTIVE DIRECTOR

En. Ahmad Subri bin Abdullah was appointed to the Board of the Company on 10 November 2017 and is currently the Chairman of the Audit Committee.

En. Subri brings with him over 30 years of experience in the financial services industry, almost 20 years as Chief Executive Officer of various insurance companies such as Amanah Insurance Berhad, Malaysia Cooperative Insurance Society Berhad, Mayban Life Assurance Berhad and Malaysia National Insurance Berhad. He had also served as Chairman of the General Insurance Association of Malaysia and Chairman of the Insurance Mediation Bureau of Malaysia.

En. Subri qualified as a Fellow of the Chartered Insurance Institute, United Kingdom and is a Fellow of the Malaysian Insurance Institute. Prior to his return to Malaysia in 1980, he was trained and worked in London for more than 7 years.

Currently, En. Subri serves as Director and Advisor to several private and public companies in Malaysia and Singapore including Berjaya Sampo Insurance Berhad and Betamek Berhad.

MS. TAN LYE SIM INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms. Tan Lye Sim was appointed to the Board of the Company on 1 April 2021 and is currently the Chairwoman of the Risk Management Committee.

She is an accomplished risk practitioner with more than 30 years of experience in financial institutions, securities houses, merchant and commercial banks as well as finance companies.

Ms. Tan held various senior positions in financial institution from 2005 to 2013 including as Head of Treasury Compliance of RHB Bank Berhad, Group Chief Risk Officer of Alliance Financial Group, Group Chief Risk Officer of Hong Leong Bank, Director and Head of Operational Risk Management of CIMB Investment Bank. Her last position was as Group Chief Risk Officer at Kenanga Investment Bank Berhad from 2013 to 2017. During her time there, Ms. Tan developed overall risk management framework and policies for the respective banks. She also planned, led and implemented programs, processes and systems for effective group wide risk management.

Ms. Tan was on the Board of Bank Pembangunan Malaysia Berhad from September 2018 to September 2020 and was the Chairwoman of Group Risk Management Committee.

Ms. Tan is a Fellow of the Association of Chartered Certified Accountants and currently does not hold any directorship in other companies.

Corporate governance (continued)

iii. Responsibilities of the Board

The Board has the overall responsibility of promoting the sustainable growth and financial soundness of the Company, and ensuring reasonable standards of fair dealing, without undue influence from any party. This includes a consideration of the long-term implications of the Board's decisions on the Company and its clients, employees and the community. In fulfilling this role, the Board must:

- (i) approve the risk appetite, business plans and other initiatives which would, singularly or cumulatively, have a material impact on the Company's risk profile. This would include initiatives which affect the financial soundness, reputation or key operational controls of the Company.
- (ii) oversee the selection, performance, remuneration and succession plans of the Chief Executive Officer, control function heads and other members of senior management, such that the Board is satisfied with the collective competence of senior management to effectively lead the operations of the Company.
- (iii) oversee the implementation of the financial institution's governance framework and internal control framework, and periodically review whether these remain appropriate in light of material changes to the size, nature and complexity of the Company's operations.
- (iv) promote, together with senior management, a sound corporate culture within the Company which reinforces ethical, prudent and professional behavior.
- (v) promote sustainability through appropriate environmental, social and governance considerations in the Company's business strategies.
- (vi) oversee and approve the recovery and resolution as well as business continuity plans for the Company to restore its financial strength, and maintain or preserve critical operations and critical services when it comes under stress.
- (vii) promote timely and effective communication between the financial institution and BNM on matters affecting or that may affect the safety and soundness of the Company.

Corporate governance (continued)

iv. Responsibilities of the Board Committees

The duties and responsibilities of the Board Committees are as follows:

Audit Committee

- (i) To review and report on the adequacy of the scope, functions and resources of the internal audit function and whether it has the necessary authority to carry out its work.
- (ii) To review the results of the internal and external audits conducted and the adequacy of actions taken by management on the recommendations of these audit reports.
- (iii) To review with the external auditors the audit plan, scope of the audit and the audit findings of the Company.
- (iv) To review the annual audited financial statements of the Company and thereafter submit them to the Board for approval.
- (v) To review the adequacy and effectiveness of internal control systems instituted within the Company.
- (vi) To review any related party transactions that may arise within the Company.
- (vii) To oversee the overall implementation of the Company's approved policies and procedures and review management's periodic review of them for continued effectiveness.
- (viii) To perform any other functions as may be agreed by the Audit Committee and the Board of Directors.

Risk Management Committee

- (i) To review and recommend risk management strategies, policies and risk tolerance for the Board's approval.
- (ii) To review and assess the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively.
- (iii) To oversee and ascertain that there are adequate infrastructure, resources and systems in place for an effective risk management and that the personnel responsible for implementing the Company's risk management systems perform those duties independently of the Company's risk taking activities.
- (iv) To review management's periodic reports on risk exposure, risk portfolio composition and risk management activities.

Corporate governance (continued)

iv. Responsibilities of the Board Committees (continued)

Risk Management Committee (continued)

- (v) To review and assess the risk capital profiles to ensure adequacy of capital available in the insurance and shareholders' equity to support the total capital required as specified in the Risk-Based Capital Framework for Insurers issued by Bank Negara Malaysia.
- (vi) To ensure that the investments of insurance funds are in accordance with the approved investment and risk management policy of the Board.
- (vii) To perform any other functions in relation to risk management as may be agreed by the Risk Management Committee and the Board of Directors.

Nomination and Remuneration Committee

- (i) To establish the minimum requirements for the Board of Directors and the Chief Executive Officer to perform their responsibilities effectively. It is also responsible for overseeing the overall composition of the Board in terms of the appropriate size and skills, the balance between Executive Directors, Non-Executive and Independent Directors, and mix of skills and other core competencies required, through annual reviews.
- (ii) To recommend and assess the nominees for directorship, the Directors to fill Board Committees, as well as nominees for the Chief Executive Officer position. This includes assessing Directors and the Chief Executive Officer proposed for reappointment before an application for approval is submitted to Bank Negara Malaysia.
- (iii) To establish a mechanism for formal assessment and assessing the effectiveness of the Board as a whole, the contribution by each director to the effectiveness of the Board, the contribution of the Board's various committees and the performance of the Chief Executive Officer.
- (iv) To recommend to the Board on removal of a Director/Chief Executive Officer if he is ineffective, errant, or negligent in discharging his responsibilities.
- (v) To ensure that all Directors undergo appropriate induction programmes and receive continuous training.
- (vi) To oversee appointment, management succession planning and performance evaluation of key Senior Officers and recommend to the Board on the removal of key Senior Officers if they are ineffective, errant and negligent in discharging their responsibilities.
- (vii) To recommend a framework of remuneration for Directors, Chief Executive Officer and key Senior Officers.
- (viii) To recommend specific remuneration packages for Directors, Chief Executive Officer and key Senior Officers.

Corporate governance (continued)

iv. Responsibilities of the Board Committees (continued)

Investment Committee

- (i) To recommend and oversee implementation of policies, guidelines and controls for the investment activities of the Company.
- (ii) To monitor the performance of the Company's investments including the performance of external fund managers.
- (iii) To review and report to the Board on a regular basis the investment portfolio to ensure compliance with BNM's guidelines on investment.
- (iv) To review and recommend to the Board major investment proposals.

v. Responsibilities of the Shariah Advisory Board

- (i) The Shariah advisory body is entrusted with an oversight role, ensuring that Shariah matters related to the Company's business operations and activities are managed in compliance with Shariah principles.
- (ii) To be responsible for advising the Board of Directors and providing guidance to the Company on all Shariah-related matters to ensure adherence to Shariah rules and principles at all times.
- (iii) To renew and endorse Shariah policies and procedures developed by the Company to ensure their content aligns with Shariah principles and excludes any elements that are non-compliant.
- (iv) To approve and validate relevant documentation to ensure that the Company's products comply with Shariah principles.
- (v) To assess the work conducted by Shariah review function to verify compliance with Shariah principles.
- (vi) Advise the Company to seek guidance from the Shariah Advisory Council of Bank Negara Malaysia (SAC BNM) on Shariah matters requiring further clarification or appropriate direction.

Corporate governance (continued)

vi. Remuneration framework

Remuneration policy

The remuneration policy for employees of the Company enables the furtherance of the Company's vision and mission by aligning employee performances with the Company's short and long term goals. Employee remunerations are supported by a robust performance management system underpinned by the fundamentals of sound risk management, ethics, and corporate responsibility. Components within the remuneration structure consist of mandatory elements with the flexibility for combinations of fixed and variable components to ensure effective alignment to the Company's objectives and relevance to the industry in which it operates.

The Company's remuneration policy applies to all employees in the Company and revolves around key principles as follows: -

Business oriented

Remunerations are relevant and aligned to the achievement of the Company's business results. Remunerations are designed in a way that drives employees' diligence, dedication and competency level towards successful implementation of the Company's goals and strategies while avoiding any conflict of interests.

Prudent

The remuneration structure and quantum reinforce sustainable, ethical and sound risk management behaviors, as opposed to a short-term view without consideration of long term consequences.

Adequate information

Performance assessors must have adequate quantitative and qualitative measurements of an employee's performance before any recommendation on remuneration is made. The assessments upon which remunerations are recommended must be practicable, measurable and objective.

Fair

Remuneration packages must take the Company's business, its financial position, market condition and individual merits into consideration. There must be no discrimination, biased treatment or any form of exploitation in regards to the remuneration packages.

Transparent

There must be clear and timely communication of remuneration linked to the specified job requirements. Employees should be clear on the expectations of their job and seek clarification where necessary.

Corporate governance (continued)

vi. Remuneration framework (continued)

Remuneration structure

The Company's remuneration structure rewards employees whose job performance and behavior support the objectives of the Company's business. A performance appraisal system is in place to gauge these performances and behaviors. The system incorporates key performance indicators aligned to the employee's job function. Instances of non-compliance with risk procedures and expected behaviors would be taken into account when appraising an employee's performance. If performance criterias are not met, salary increments and/or variable remuneration will be reduced accordingly.

The remuneration package is based on the job scope and the responsibility of each employee.

The Company's existing remuneration structure comprises salary (fixed), benefits (fixed), performance bonus (variable) and incentives (variable).

Salary

All employees in the Company receive a fixed base salary paid monthly according to position and function. The salary level is evaluated annually with no secured or contractual increment. Increment rates are granted based on performance scoring and position levels. These rates are determined by the Board of Directors taking into consideration the Company's performance, market and industry conditions.

Base salaries for entry level candidates are predetermined and reviewed as and when necessary to remain competitive. Base salaries for experienced candidates are guided by the Company's internal salary scale whilst taking into account the industry's employment market condition.

Acting Allowance

An employee on acting appointment is to be paid an allowance equivalent to the amount received by the employee if promoted to the higher level.

Digital Allowance

To support employees in embracing agile working practice and to ensure that our workforce has access to the necessary tools, technology and to maintain productivity in remote or hybrid working environment.

Special Allowance

Where a special allowance is attached to an appointment, this allowance shall be payable to the employee who holds the post while he/she is actually performing the duties of that post.

Corporate governance (continued)

vi. Remuneration framework (continued)

Benefits

The main purpose of compensation and benefits is to ease employees' burdens as they work for the Company. Key and senior level positions are offered benefits and compensations in order to mitigate key man risks and encourage employee retention. The Company's benefits programme is reviewed as and when the need arises.

Performance Bonus

The Company uses variable cash remuneration in the form of performance bonuses to incentivise and reward high performance employees. The quantum of bonuses granted for the year depend on the performance of the Company's financial and non-financial targets and the employee's performance appraisal.

The bonus pool is determined by the Company's performance goals weightage criteria set in accordance with the Company's Performance Management Framework. The control function employees shall be awarded based on the result of their individual appraisal. Their role and responsibilities are to ensure they perform as required by the regulators and that they are not directly involved in the daily business operations so as to maintain their independence and do not put themselves in a position of conflict of interest. Performance bonuses are payable at the discretion of the Company.

Incentives

The Company has in place deferred variable cash incentives awarded to key and senior level positions. The incentives serve to reduce key man risk, encourage employee retention and align employee actions to the Company's objectives. The quantum of these incentives depend on the performance of the Company's financial and non-financial targets and the meeting of employees' key performance objectives.

The plan will be awarded annually but only paid at the end of the 3rd year after the performance year. The deferred variable cash incentives are payable at the discretion of the Company.

Buyout

Where there is a need of a specific skill or urgency that requires replacement of a leaving employee, the Company may pay the other company on behalf of the employee his/her notice period so that the employee is able to join at the earliest.

Senior management and other material risk takers

Senior management, as defined by BNM in their CG PD refers to the CEO and senior officers. It comprises employees in the following roles:

- i) Chief Executive Officer (1)
- ii) Chief Retakaful Officer (1)
- iii) Heads of Departments (13)

Corporate governance (continued)

vi. Remuneration framework (continued)

Senior management and other material risk takers (continued)

Other material risk takers are defined as employees who are not members of the senior management and:

- i) can materially commit or control significant amounts of the Company's resources or whose actions are likely to have a significant impact on its risk profile; or
- ii) are among the most highly remunerated officers in the Company.

There were 5 other material risk takers in the Company as at the date of this report.

Total Value of Remuneration Awards for the financial year	Unrestricted	Deferred		No. of Staff
		Total*	Outstanding**	
Fixed Remuneration				
- Cash-based	6,037,569	Nil	Nil	22
- Shares and share-linked instruments	Nil	Nil	Nil	Nil
- Others	Nil	Nil	Nil	Nil
Variable Remuneration				
- Cash-based	1,596,809	2,423,163	536,450	22
- Shares and share-linked instruments	Nil	Nil	Nil	Nil
- Others	Nil	Nil	Nil	Nil

* Total Deferred Remuneration refers to the total deferred remuneration paid during the financial year.

** Outstanding Deferred Remuneration refers to the amount already vested and payable on the payment due.

Staff were not exposed to actual derived information of Implicit Adjustments (such as fluctuations in the value of any shares or performance units) and Explicit Adjustments (such as malus, clawbacks or similar reversals or downward revaluations of awards) due to Deferred and Retained Remuneration in the current financial year.

Malus / Clawback

Variable remuneration may be subject to a downgrade adjustment to reflect exposure to current and future risks after taking into account the relevant risk profile.

In addition, the Company also reserves the right to demand full or partial repayment of variable remuneration granted, from the employee, in the event of special unfavourable circumstance, e.g. willful misconduct or gross negligent.

Corporate governance (continued)

vii. Internal Control Framework

The Risk and Compliance (“RC”) Department is responsible for overseeing the Company’s Risk and Compliance functions.

The RC Department identifies and communicates key risks, including their exposures and potential impacts, to the Risk Management Committee (“RMC”), along with action plans to manage these risks. Risks are actively identified, assessed and monitored by the RC Department. Heads of Departments are primary accountable for managing risks within their respective business areas. Risk management reports are submitted to the RMC and the Board quarterly, detailing the status of identified key risk and any other relevant risk matters.

Additionally, the RC Department also assures that the Company complies with all applicable legal and regulatory requirements. Updates to regulatory guidelines and circulars are shared with the Chief Executive Officer and Heads of Departments, enabling them to address any gaps in operational policies and procedures. Policies and procedures that align with both regulatory and internal requirements are updated as and when necessary.

To support the management, monitoring and reporting of non-compliance incidents and key risks, the Company has established a risk management framework and a compliance framework. These frameworks are reviewed annually and maintained by the RC Department.

The Internal Audit (“IA”) reviews the Company’s compliance programme and assesses the effectiveness of the internal control systems. Findings from the internal audit are presented at the Audit Committee (“AC”) meetings for deliberation and review, with corrective measures communicated to the relevant Heads of Departments. The AC reviews the annual Internal Audit Plan before recommending it to the Board for approval.

Other key elements of the internal control framework

Business Continuity Management (“BCM”) Framework is established and managed by the RC Department. The framework ensures that the Company experiences minimal disruption to its systems, processes, or operations in the event of a disaster. The Company’s Crisis Management & Business Continuity Plan, which includes the crisis management plan, business continuity plan and disaster recovery plan, is reviewed and tested annually to ensure its relevance and effectiveness. IA observes the testing process and provides an independent evaluation of the test preparation and performance, identifying any deficiencies. A written assessment report is then prepared by the IA for review by the AC and approval by the Board before submission to BNM as required under the BNM’s Policy Document on Business Continuity Management.

Operational authority limits, as outlined in the Company’s policies and procedures, are set for Management in key areas such as pricing, underwriting, claims, premium checking, investments, expenses, payments, acquisition and disposal of assets.

Management submits annually a business plan and budget for Board approval. The Board also reviews quarterly management accounts, comparing them against budgets and previous year’s results to evaluate performance.

Corporate governance (continued)

vii. Internal Control Framework (continued)

Other key elements of the internal control framework (continued)

A Data Management and Management Information System (“MIS”) Framework is formulated in line with the Guidelines on Data Management and MIS Framework issued by BNM. Data maintenance is carried out and reviewed by Heads of Departments.

Regular training and development programs are organised to enhance associates’ competencies and foster a culture of risk management and compliance within the team. Additionally, procedures are in place for hiring and termination of staff, as well as a performance management framework that assesses performance and serves as the basis for remuneration, awards and career development within the Company.

The Whistleblowing Policy provides guidance on how to report concerns about improper, unethical, or questionable conduct or practices, allowing all associates and other stakeholders to raise such issues in confidence and without the fear of retaliation.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

There was no debenture issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) there was adequate provision for its insurance liabilities in accordance with the requirements of MFRS 17, *Insurance Contracts* issued by the Malaysian Accounting Standards Board ("MASB"),
- ii) there are no bad debts to be written off and no provision need to be made for doubtful debts, and
- iii) any current assets which were unlikely to be realised in the ordinary course of business at their values as shown in the accounting records of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount of the provision for insurance liabilities inadequate to any substantial extent, or
- ii) that would render it necessary to write off any bad debts or provide for any doubtful debts, or
- iii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- iv) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- v) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial year ended 31 December 2024 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Company No. 199701002371 (417867-K)

Holding company

The holding company is L.I.A.M. Holding Sdn. Bhd., a company incorporated in Malaysia, which holds 70% of the Company's share capital. Its principal activity is that of investment holding.

Auditors

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

The auditors' remuneration of the Company during the year is RM340,000.00.

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Datuk Kamaruddin Taib
Director

.....
Toi See Jong
Director

Kuala Lumpur,

Date: 26 March 2025

Malaysian Life Reinsurance Group Berhad

(Company No. 199701002371 (417867-K))

(Incorporated in Malaysia)

Statement of the Shariah Advisory Board

In the name of Allah, the Most Beneficent, the Most Merciful

We, members of the Shariah Advisory Board of Malaysian Life Reinsurance Group Berhad, responsible to provide the oversight over the management of Shariah matters of the Retakaful Window of Malaysian Life Reinsurance Group Berhad ("Retakaful Window"), do hereby submit the following report:

We have reviewed the principles and contracts of the retakaful treaty introduced by the Retakaful Window during the financial year ended 31 December 2024.

We have also conducted our review to form an opinion pursuant to Section 30(1) of the Islamic Financial Services Act 2013 ("IFSA 2013"), as to whether the Retakaful Window has complied with the principles of Shariah, Shariah rulings issued by the Shariah Advisory Council ("SAC") of Bank Negara Malaysia ("BNM"), Shariah guidelines issued by BNM pursuant to Section 29 of the IFSA 2013, as well as Shariah decisions resolved by us.

The management of the Company is responsible for ensuring that the Retakaful Window conducts its business in accordance with the principles of Shariah. It is our responsibility to form an independent opinion, based on our review of the operations of the Retakaful Window.

We have assessed the work carried out by the management which included examining the relevant documentations and procedures adopted by the Retakaful Window.

We have planned and performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Retakaful Window has not violated any principles of Shariah.

In our opinion:

- We have not identified any information or evidence that would lead us to believe that the operations, business activities, affairs, or transactions conducted by the Retakaful Window involve any material Shariah non-compliances.
- There were no earnings that have been realised/unrealised from sources or by means prohibited by the principles of Shariah which would need to be considered for disposal to charitable causes.

Statement of the Shariah Advisory Board (continued)

This opinion is rendered based on what had been presented to us by the management of the Retakaful Window. We, the members of the Shariah Advisory Board, do hereby confirm, to our level best that the operations of the Retakaful Window for the year ended 31 December 2024 have been conducted in conformity with the principles of Shariah.

Signed by the Shariah Advisory Board

.....
Prof. Dr. Said Bouheraoua

.....
Assoc. Prof. Dr. Mushaddad Hasbullah

.....
Dr. Muhammad Syahmi Mohd Karim

Kuala Lumpur,

Date: 26 March 2025

Malaysian Life Reinsurance Group Berhad

(Company No. 199701002371 (417867-K))

(Incorporated in Malaysia)

Statement of financial position as at 31 December 2024

	Note	<-----2024----->			<-----2023----->		
		Life Reinsurance Fund RM'000	Family Retakaful Fund RM'000	Company RM'000	Life Reinsurance Fund RM'000	Family Retakaful Fund RM'000	Company RM'000
Assets							
Plant and equipment	4	3,100	-	3,100	525	-	525
Intangible assets	5	3,222	-	3,222	3,249	-	3,249
Right-of-use assets	6	4,477	-	4,477	906	-	906
Investments	7	579,839	124	887,805	545,132	-	799,306
- Fair value through profit or loss		558,125	124	866,091	524,134	-	778,308
- Amortised cost		21,714	-	21,714	20,998	-	20,998
Insurance/takaful contract assets	8	8,849	-	8,974	20,120	-	20,120
Reinsurance/retakaful contract assets	8	74,542	-	74,542	29,599	-	29,599
Receivables	9	8,037	-	8,204	1,590	-	1,813
Current tax assets		-	-	10,341	-	-	8,704
Cash and cash equivalents	10	20,176	1	22,654	9,001	-	29,498
Total assets		702,242	125	1,023,319	610,122	-	893,720
Equity and liabilities							
Share capital	11	-	-	51,000	-	-	51,000
Reserves		317,504	-	735,900	312,736	-	736,634
Total equity		317,504	-	786,900	312,736	-	787,634
Insurance/takaful contract liabilities	8	199,436	125	199,700	59,414	-	59,414
Reinsurance/retakaful contract liabilities	8	19	-	19	9,980	-	9,980
Deferred tax liabilities	12	-	-	21,378	-	-	25,453
Lease liabilities	13	4,359	-	4,359	911	-	911
Other payables	14	180,924	-	10,963	227,081	-	10,328
Total liabilities		384,738	125	236,419	297,386	-	106,086
Total equity and liabilities		702,242	125	1,023,319	610,122	-	893,720

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

Malaysian Life Reinsurance Group Berhad

(Company No. 199701002371 (417867-K))

(Incorporated in Malaysia)

Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

		<-----2024----->			<-----2023----->		
	Note	Life Reinsurance Fund RM'000	Family Retakaful Fund RM'000	Company RM'000	Life Reinsurance Fund RM'000	Family Retakaful Fund RM'000	Company RM'000
Operating revenue	15	694,404	2,205	707,500	590,389	-	598,247
Insurance/Takaful revenue	16	671,188	2,205	673,823	570,071	-	570,071
Insurance/Takaful service expenses	19	(694,507)	(2,205)	(699,593)	(561,620)	-	(561,620)
Net income/(expenses) from reinsurance/retakaful contracts held	8.2	5,728	-	5,728	(8,858)	-	(8,858)
Insurance/Takaful service result		(17,591)	-	(20,042)	(407)	-	(407)
Investment income	17.2	23,216	-	33,677	20,318	-	28,176
Net fair value gains	17.3	1,091	-	2,170	3,002	-	8,344
Investment return		24,307	-	35,847	23,320	-	36,520
Net finance (expenses)/income from insurance/takaful contracts	17.1	(4,358)	-	(4,358)	29,102	-	29,102
Net finance expenses from reinsurance/retakaful contracts held	17.1	(1,166)	-	(1,166)	(10,007)	-	(10,007)
Net financial result		18,783	-	30,323	42,415	-	55,615
Other operating income	18	11,456	-	11,456	2,193	-	2,193
Other operating expenses	19	(812)	-	(1,339)	(6)	-	(1,157)
Profit before zakat and tax		11,836	-	20,398	44,195	-	56,244
Taxation	22	-	-	712	-	-	(2,827)
Profit and total comprehensive income for the year		11,836	-	21,110	44,195	-	53,417

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

Malaysian Life Reinsurance Group Berhad

(Company No. 199701002371 (417867-K))

(Incorporated in Malaysia)

Statement of changes in equity for the year ended 31 December 2024

	<i>Non - Distributable Share capital RM'000</i>	<i>Distributable Retained profits RM'000</i>	<i>Total equity RM'000</i>
At 1 January 2023	51,000	705,150	756,150
Profit for the year	-	53,417	53,417
Total comprehensive income for the year	-	53,417	53,417
Dividends paid during the year (Note 23)	-	(21,933)	(21,933)
At 31 December 2023/1 January 2024	51,000	736,634	787,634
Profit for the year	-	21,110	21,110
Total comprehensive income for the year	-	21,110	21,110
Dividends paid during the year (Note 23)	-	(21,844)	(21,844)
At 31 December 2024	51,000	735,900	786,900
	Note 11		

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

Malaysian Life Reinsurance Group Berhad

(Company No. 199701002371 (417867-K))

(Incorporated in Malaysia)

Statement of cash flows for the year ended 31 December 2024

	2024 RM'000	2023 RM'000
Cash flow from operating activities		
Profit before zakat and tax	20,398	56,244
Investment income	(33,677)	(28,176)
Net fair value gains	(2,170)	(8,344)
Purchase of fair value through profit or loss investments	(122,606)	(74,791)
Purchase of amortised cost investments	(21,212)	-
Proceeds from maturity and buy-back of amortised cost investments	20,500	500
Proceeds from maturity and disposal of fair value through profit or loss investments	67,816	32,480
Interest on lease liabilities	94	47
Unrealised gain in foreign exchange	(20)	(11)
Adjustments for:		
Depreciation of plant and equipment	303	321
Amortisation of intangible assets	254	244
Depreciation of right-of-use assets	1,027	772
Intangible assets written off	28	267
Loss on disposal of plant and equipment	5	-
Plant and equipment written off	17	-
Operating loss before changes in working capital	(69,243)	(20,447)
Increase in reinsurance/retakaful contract assets and liabilities	(54,904)	(23,121)
Increase in receivables	(6,371)	(188)
Decrease in insurance contract/takaful certificate assets and liabilities	151,432	72,147
Increase/(Decrease) in other payables	325	(9,188)
Cash generated from operations	21,239	19,203
Net investment income received	2,850	1,979
Interest on lease liabilities	(94)	(47)
Tax paid	(5,000)	(3,923)
Net cash generated from operating activities	18,995	17,212

Statement of cash flows for the year ended 31 December 2024 (continued)

	2024 RM'000	2023 RM'000
Cash flows from investing activities		
Purchase of plant and equipment	(2,907)	(134)
Purchase of intangible assets	(255)	(185)
Proceeds from disposal of plant and equipment	7	-
Net cash used in investing activities	<u>(3,155)</u>	<u>(319)</u>
Cash flows from financing activities		
Dividends paid to shareholders	(21,844)	(21,933)
Payment of lease liabilities	(840)	(821)
Net cash used in financing activities	<u>(22,684)</u>	<u>(22,754)</u>
Net decrease in cash and cash equivalents	(6,844)	(5,861)
Cash and cash equivalents at 1 January	29,498	35,359
Cash and cash equivalents at 31 December (Note 10)	<u>22,654</u>	<u>29,498</u>

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

Malaysian Life Reinsurance Group Berhad

(Company No. 199701002371 (417867-K))

(Incorporated in Malaysia)

Notes to the financial statements

1. Corporate information and principal activities

Malaysian Life Reinsurance Group Berhad is a public limited liability company, incorporated and domiciled in Malaysia.

The number of employees of the Company as at the end of the financial year was 106 (2023: 95).

The address of the registered office and principal place of business of the Company is as follows:

Registered office and principal place of business

Level 18, Menara Great Eastern 2
50, Jalan Ampang
50450 Kuala Lumpur

The Company is principally engaged in the underwriting of life and health reinsurance and family retakaful business.

The immediate and ultimate holding company is L.I.A.M. Holding Sdn. Bhd., a company incorporated in Malaysia.

These financial statements were authorised for issue by the Board of Directors on 26 March 2025.

2. Basis of preparation

(a) Statement of compliance

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

In accordance with the Financial Services Act 2013 and the Islamic Financial Services Act 2013, the Company is required to segregate the assets, liabilities, income and expenses of the reinsurance fund and retakaful fund from the retakaful operator's fund, a concept known as segregation of funds. These reinsurance fund and retakaful fund are however not considered as separate legal entities and are managed and operated by the Company. Interfund balances and transactions including wakalah fee are eliminated in full in arriving at the financial statements of the Company.

In preparing the Company level consolidated financial statements, the balances and transactions of the retakaful operator are amalgamated and combined with those of the reinsurance fund and retakaful fund. Interfund assets and liabilities, income and expenses relating to transactions between the funds are eliminated in full during amalgamation.

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

The reinsurance fund and retakaful fund are consolidated and amalgamated from the date of control and continue to be consolidated until the date such control ceases which occurs when the Company's license to manage reinsurance and retakaful businesses are withdrawn or surrendered.

The inclusion of separate financial information of the life reinsurance fund, family retakaful fund and the retakaful operator's fund together with the financial information of the Company as a whole in the statement of financial position, statement of comprehensive income as well as certain relevant notes to the financial statements represents additional supplementary information presented in accordance with the requirements of Bank Negara Malaysia ("BNM") pursuant to the Financial Services Act 2013 and the Islamic Financial Services Act 2013 in Malaysia to segregate assets, liabilities, income and expenses of the reinsurance fund and retakaful fund from the retakaful operator's fund. The accounting policies adopted for the retakaful operator, life reinsurance fund and family retakaful fund are uniform for like transactions and events in similar circumstances.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued but have not been adopted by the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.
- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 January 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027.

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

MFRS 18, *Presentation and disclosure in financial statements*

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

- Entities are required to classify all income and expenses into five categories in the statement of profit and loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal.
- Management-defined performance measures (“MPMs”) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

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

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

2. Basis of preparation (continued)

(b) Basis of measurement

The financial statements of the Company have been prepared on the historical cost basis except as disclosed in the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

3. Use of estimates and judgements of preparation

The preparation of financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

Note 6 - Extension options and incremental borrowing rate of leases

Note 26 - Measurement of insurance/takaful contracts and reinsurance/retakaful contracts held

Company No. 199701002371 (417867-K)

4. Plant and equipment

Life Reinsurance Fund and Company	Motor vehicles RM'000	Office equipment RM'000	Furniture, fixtures and fittings RM'000	Computers RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Cost							
At 1 January 2023	303	412	766	1,896	2,522	-	5,899
Additions	-	9	3	122	-	-	134
Disposal	-	-	-	(285)	-	-	(285)
Written off	-	(18)	-	-	-	-	(18)
At 31 December 2023/ 1 January 2024	303	403	769	1,733	2,522	-	5,730
Additions	-	-	-	248	-	2,659	2,907
Disposal	-	(78)	(191)	(149)	-	-	(418)
Written off	-	(57)	(429)	(242)	(2,522)	-	(3,250)
At 31 December 2024	303	268	149	1,590	-	2,659	4,969
Accumulated depreciation							
At 1 January 2023	121	379	723	1,516	2,430	-	5,169
Charge for the year	61	9	17	193	41	-	321
Disposal	-	-	-	(285)	-	-	(285)
At 31 December 2023/ 1 January 2024	182	388	740	1,424	2,471	-	5,205
Charge for the year	61	7	12	188	35	-	303
Disposal	-	(75)	(184)	(147)	-	-	(406)
Written off	-	(57)	(428)	(242)	(2,506)	-	(3,233)
At 31 December 2024	243	263	140	1,223	-	-	1,869
Carrying amount							
At 1 January 2023	182	33	43	380	92	-	730
At 31 December 2023/ 1 January 2024	121	15	29	309	51	-	525
At 31 December 2024	60	5	9	367	-	2,659	3,100

4. Plant and equipment (continued)

Included in plant and equipment are the following fully depreciated assets which are still in use:

	2024 RM'000	2023 RM'000
Life Reinsurance Fund and Company		
At cost:		
Furniture, fixtures and fittings	132	689
Computers	995	1,192
Office equipment	244	354
Renovation	-	2,318
	<u>1,371</u>	<u>4,553</u>

4.1 Material accounting policy information

(a) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment from the date that they are available for use. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Motor vehicles	5 years
Office equipment	5 years
Furniture, fixtures and fittings	5 years
Computers	3 years
Renovation	5 years

5. Intangible assets

	Software in use RM'000	Software under development RM'000	Total RM'000
Life Reinsurance Fund and Company			
<i>Cost</i>			
At 1 January 2023	1,220	2,712	3,932
Additions	-	185	185
Transfer	739	(739)	-
Written off	-	(267)	(267)
At 31 December 2023/1 January 2024	1,959	1,891	3,850
Additions	-	255	255
Transfer	350	(350)	-
Written off	(51)	-	(51)
At 31 December 2024	2,258	1,796	4,054
<i>Amortisation</i>			
At 1 January 2023	357	-	357
Amortisation for the year	244	-	244
At 31 December 2023/1 January 2024	601	-	601
Amortisation for the year	254	-	254
Written off	(23)	-	(23)
At 31 December 2024	832	-	832
<i>Carrying amount</i>			
At 1 January 2023	863	2,712	3,575
At 31 December 2023/1 January 2024	1,358	1,891	3,249
At 31 December 2024	1,426	1,796	3,222

5.1 Material accounting policy information

(a) Recognition and measurement

Intangibles assets, other than goodwill, that are acquired by the Company, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment loss.

(b) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful life for the current and comparative periods is as follows:

Software	10 years
----------	----------

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

6. Right-of-use assets

The Company leases many assets including office buildings, printing and photostat machines.

Life Reinsurance Fund and Company	Office buildings RM'000	Printing and photostat machines RM'000	Total RM'000
At 1 January 2023	726	159	885
Additions	793	-	793
Depreciation charge for the year	(726)	(46)	(772)
At 31 December 2023/1 January 2024	793	113	906
Additions	4,288	-	4,288
Reinstatement provision	310	-	310
Depreciation charge for the year	(985)	(42)	(1,027)
At 31 December 2024	<u>4,406</u>	<u>71</u>	<u>4,477</u>

6.1 Extension options

All the leases of the office buildings contain extension option exercisable by the Company. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension option. The Company reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

As of 31 December 2024, the Company has included all potential future cashflows of exercising the extension option in the lease liability.

6.2 Judgements and assumptions in relation to leases

The Company assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Company considers all facts and circumstances including its past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help it determine the lease term.

The Company also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Company first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

6.3 Material accounting policy information

Recognition exemption

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

7. Investments

7.1 Fair value through profit or loss (“FVTPL”)

	2024 RM'000	2023 RM'000
Life Reinsurance Fund		
At fair value		
<i>Investment mandatory measured at FVTPL</i>		
Unit trusts		
- Fixed Income CIS*	501,652	478,340
- Short Term Fixed Income CIS*	56,473	45,794
Total FVTPL	558,125	524,134
Family Retakaful Fund		
At fair value		
<i>Investment mandatory measured at FVTPL</i>		
Unit trusts		
- Short Term Fixed Income CIS*	124	-
Total FVTPL	124	-
Company		
At fair value		
<i>Investment mandatory measured at FVTPL</i>		
Unit trusts		
- Fixed Income CIS*	750,664	680,442
- Short Term Fixed Income CIS*	115,427	97,866
Total FVTPL	866,091	778,308

*CIS is abbreviation for Collective Investment Schemes

7.2 Amortised cost (“AC”)

	Carrying amount RM'000	Fair value RM'000
Life Reinsurance Fund and Company		
2024		
At amortised cost		
Malaysian Government Guaranteed Securities	21,714	21,714
2023		
At amortised cost		
Malaysian Government Guaranteed Securities	20,998	21,224

7. Investments (continued)

7.3 Estimation of fair values

The estimated fair values for Malaysian Government Guaranteed Securities are based on the indicative market prices obtained from an independent licensed financial institution at the end of the reporting period.

The following investments mature after 12 months:

	2024	2023
Life Reinsurance Fund and Company	RM'000	RM'000
Financial assets:		
Amortised cost	<u>21,212</u>	<u>1,008</u>

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held

The following reconciliations show how the net carrying amounts of Insurance/takaful contracts and reinsurance/retakaful contracts held changed during the year as a result of cash flows and amounts recognised in the statement of profit or loss and other comprehensive income (“OCI”).

The Company presents a table that separately analyses movements in the liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the statement of profit or loss and OCI.

A second reconciliation is presented for contracts measured under the general measurement model (“GMM”), which separately analyses changes in the estimates of the present value of future cash flows, the risk adjustment for non-financial risk and the contractual service margin (“CSM”).

The following table sets out the carrying amount of Insurance/takaful contracts and reinsurance/retakaful contracts held expected to be settled more than 12 months after the reporting date.

	2024		2023	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Life Reinsurance Fund				
Insurance contracts	<u>10,852</u>	<u>217,229</u>	<u>13,595</u>	<u>299,685</u>
Reinsurance contracts held	<u>(112,333)</u>	<u>-</u>	<u>(22,984)</u>	<u>(105,904)</u>
Company				
Insurance/Takaful contracts	<u>10,920</u>	<u>217,229</u>	<u>13,595</u>	<u>299,685</u>
Reinsurance/Retakaful contracts held	<u>(112,333)</u>	<u>-</u>	<u>(22,984)</u>	<u>(105,904)</u>

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.1 Movements in insurance/takaful contract liabilities

(i) Analysis by remaining coverage and incurred claims

		<----- 2024 ----->			
		Liabilities for remaining coverage Excluding loss component RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Total RM'000
Life Reinsurance Fund	Note				
Opening assets		(48,695)	-	28,575	(20,120)
Opening liabilities		(1,181,448)	922	1,239,940	59,414
Net opening balance		(1,230,143)	922	1,268,515	39,294
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Contracts under the fair value transition approach		(418,859)	-	-	(418,859)
Other contracts		(252,329)	-	-	(252,329)
	16	(671,188)	-	-	(671,188)
Insurance service expenses					
Incurred claims and other insurance service expenses		-	(979)	615,826	614,847
Amortisation of insurance acquisition cash flows	16,19	4,798	-	-	4,798
Losses on onerous contracts	19	-	15,645	-	15,645
Adjustments to liabilities for incurred claims		-	-	59,217	59,217
	19	4,798	14,666	675,043	694,507
Investment components		(106,868)	-	106,868	-
Insurance service result		(773,258)	14,666	781,911	23,319
Net finance income from insurance contracts		3,564	38	731	4,333
Effect of movements in exchange rates		25	-	-	25
Total changes in the statement of profit or loss and OCI		(769,669)	14,704	782,642	27,677
Cash flows					
Premiums received		941,647	-	-	941,647
Claims and other insurance service expenses paid, including investment components		-	-	(811,956)	(811,956)
Insurance acquisition cash flows		(6,075)	-	-	(6,075)
Total cash flows		935,572	-	(811,956)	123,616
Net closing balance		(1,064,240)	15,626	1,239,201	190,587
Closing assets		(27,570)	747	17,974	(8,849)
Closing liabilities		(1,036,670)	14,879	1,221,227	199,436
Net closing balance		(1,064,240)	15,626	1,239,201	190,587

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.1 Movements in insurance/takaful contract liabilities (continued)

(i) Analysis by remaining coverage and incurred claims (continued)

		<----- 2023 ----->			
		Liabilities for remaining coverage Excluding loss component RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Total RM'000
Life Reinsurance Fund					
	Note				
Opening assets		(899,272)	-	811,958	(87,314)
Opening liabilities		(180,228)	-	234,689	54,461
Net opening balance		(1,079,500)	-	1,046,647	(32,853)
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Contracts under the fair value transition approach		(394,655)	-	-	(394,655)
Other contracts		(175,416)	-	-	(175,416)
	16	(570,071)	-	-	(570,071)
Insurance service expenses					
Incurred claims and other insurance service expenses		-	(1,249)	520,794	519,545
Amortisation of insurance acquisition cash flows	16,19	4,319	-	-	4,319
Losses on onerous contracts	19	-	2,171	-	2,171
Adjustments to liabilities for incurred claims		-	-	35,585	35,585
	19	4,319	922	556,379	561,620
Investment components		(116,496)	-	116,496	-
Insurance service result		(682,248)	922	672,875	(8,451)
Net finance income from insurance contracts		(29,734)	-	806	(28,928)
Effect of movements in exchange rates		(174)	-	-	(174)
Total changes in the statement of profit or loss and OCI		(712,156)	922	673,681	(37,553)
Cash flows					
Premiums received		566,736	-	-	566,736
Claims and other insurance service expenses paid, including investment components		-	-	(451,813)	(451,813)
Insurance acquisition cash flows		(5,223)	-	-	(5,223)
Total cash flows		561,513	-	(451,813)	109,700
Net closing balance		(1,230,143)	922	1,268,515	39,294
Closing assets		(48,695)	-	28,575	(20,120)
Closing liabilities		(1,181,448)	922	1,239,940	59,414
Net closing balance		(1,230,143)	922	1,268,515	39,294

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.1 Movements in insurance/takaful contract liabilities (continued)

(i) Analysis by remaining coverage and incurred claims (continued)

		<----- 2024 ----->			
		Liabilities for remaining coverage Excluding loss component RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Total RM'000
Family Retakaful Fund	Note				
Opening assets		-	-	-	-
Opening liabilities		-	-	-	-
Net opening balance		-	-	-	-
Changes in the statement of profit or loss and OCI					
Takaful revenue	16	(2,205)	-	-	(2,205)
Takaful service expenses					
Incurred claims and other takaful service expenses		-	-	2,146	2,146
Amortisation of takaful acquisition cash flows	16,19	51	-	-	51
Losses on onerous contracts	19	-	-	-	-
Adjustments to liabilities for incurred claims		-	-	8	8
	19	51	-	2,154	2,205
Investment components		-	-	-	-
Takaful service result		(2,154)	-	2,154	-
Net finance expenses from takaful contracts		-	-	-	-
Effect of movements in exchange rates		-	-	-	-
Total changes in the statement of profit or loss and OCI		(2,154)	-	2,154	-
Cash flows					
Contributions received		125	-	-	125
Claims and other takaful service expenses paid, including investment components		-	-	-	-
Takaful acquisition cash flows		-	-	-	-
Total cash flows		125	-	-	125
Net closing balance		(2,029)	-	2,154	125
Closing assets		-	-	-	-
Closing liabilities		(2,029)	-	2,154	125
Net closing balance		(2,029)	-	2,154	125

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.1 Movements in insurance/takaful contract liabilities (continued)

(i) Analysis by remaining coverage and incurred claims (continued)

Company	Note	<----- 2024 ----->			
		Liabilities for remaining coverage Excluding loss component RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Total RM'000
Opening assets		(48,695)	-	28,575	(20,120)
Opening liabilities		(1,181,448)	922	1,239,940	59,414
Net opening balance		(1,230,143)	922	1,268,515	39,294
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Contracts under the fair value transition approach		(418,859)	-	-	(418,859)
Other contracts		(254,964)	-	-	(254,964)
	16	(673,823)	-	-	(673,823)
Insurance service expenses					
Incurred claims and other insurance/takaful service expenses		-	(979)	619,654	618,675
Amortisation of insurance/takaful acquisition cash flows	16,19	4,878	-	-	4,878
Losses on onerous contracts	19	-	16,815	-	16,815
Adjustments to liabilities for incurred claims		-	-	59,225	59,225
	19	4,878	15,836	678,879	699,593
Investment components		(106,868)	-	106,868	-
Insurance/Takaful service result		(775,813)	15,836	785,747	25,770
Net finance expenses from insurance/takaful contracts		3,564	38	731	4,333
Effect of movements in exchange rates		25	-	-	25
Total changes in the statement of profit or loss and OCI		(772,224)	15,874	786,478	30,128
Cash flows					
Premiums/contributions received		941,774	-	-	941,774
Claims and other insurance/takaful service expenses paid, including investment components		-	-	(813,657)	(813,657)
Insurance/Takaful acquisition cash flows		(6,813)	-	-	(6,813)
Total cash flows		934,961	-	(813,657)	121,304
Net closing balance		(1,067,406)	16,796	1,241,336	190,726
Closing assets		(27,949)	747	18,228	(8,974)
Closing liabilities		(1,039,457)	16,049	1,223,108	199,700
Net closing balance		(1,067,406)	16,796	1,241,336	190,726

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.1 Movements in insurance/takaful contract liabilities (continued)

(i) Analysis by remaining coverage and incurred claims (continued)

Company	Note	<----- 2023 ----->			
		Liabilities for remaining coverage Excluding loss component RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Total RM'000
Opening assets		(899,272)	-	811,958	(87,314)
Opening liabilities		(180,228)	-	234,689	54,461
Net opening balance		(1,079,500)	-	1,046,647	(32,853)
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Contracts under the fair value transition approach		(394,655)	-	-	(394,655)
Other contracts		(175,416)	-	-	(175,416)
	16	(570,071)	-	-	(570,071)
Insurance service expenses					
Incurred claims and other insurance service expenses		-	(1,249)	520,794	519,545
Amortisation of insurance acquisition cash flows	16,19	4,319	-	-	4,319
Losses on onerous contracts	19	-	2,171	-	2,171
Adjustments to liabilities for incurred claims		-	-	35,585	35,585
	19	4,319	922	556,379	561,620
Investment components		(116,496)	-	116,496	-
Insurance service result		(682,248)	922	672,875	(8,451)
Net finance income from insurance contracts		(29,734)	-	806	(28,928)
Effect of movements in exchange rates		(174)	-	-	(174)
Total changes in the statement of profit or loss and OCI		(712,156)	922	673,681	(37,553)
Cash flows					
Premiums received		566,736	-	-	566,736
Claims and other insurance service expenses paid, including investment components		-	-	(451,813)	(451,813)
Insurance acquisition cash flows		(5,223)	-	-	(5,223)
Total cash flows		561,513	-	(451,813)	109,700
Net closing balance		(1,230,143)	922	1,268,515	39,294
Closing assets		(48,695)	-	28,575	(20,120)
Closing liabilities		(1,181,448)	922	1,239,940	59,414
Net closing balance		(1,230,143)	922	1,268,515	39,294

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.1 Movements in insurance/takaful contract liabilities (continued)

(ii) Analysis by measurement component – Contracts measured under the GMM

		<div><----- 2024 -----></div>						
		Estimates of present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	<div><----- CSM -----></div>				
				Contracts under fair value transition approach RM'000	Other contracts RM'000	Subtotal RM'000	Total RM'000	
Life Reinsurance Fund		Note						
Opening assets			(64,182)	14,982	28,273	807	29,080	(20,120)
Opening liabilities			(653,921)	348,869	260,923	103,543	364,466	59,414
Net opening balance			(718,103)	363,851	289,196	104,350	393,546	39,294
Changes in the statement of profit or loss and OCI								
Changes that relate to current services			(33,945)	21,908	(14,928)	(24,578)	(39,506)	(51,543)
CSM recognised for services provided		16	-	-	(14,928)	(24,578)	(39,506)	(39,506)
Change in risk adjustment for non-financial risk for risk expired			-	21,908	-	-	-	21,908
Experience adjustments			(33,945)	-	-	-	-	(33,945)
Changes that relate to future services			139,662	1,560	(138,711)	13,134	(125,577)	15,645
Contracts initially recognised in the year		8.3(i)	(119,705)	42,063	-	78,443	78,443	801
Changes in estimates that adjust the CSM			243,638	(39,618)	(138,711)	(65,309)	(204,020)	-
Changes in estimates that result in reversals of losses on onerous contracts			15,729	(885)	-	-	-	14,844
Changes that relate to past services			94,442	(35,225)	-	-	-	59,217
Adjustments to liabilities for incurred claims			200,159	(11,757)	(153,639)	(11,444)	(165,083)	23,319
Insurance service result			(27,611)	14,018	11,405	6,521	17,926	4,333
Net finance expenses from insurance contracts			1,732	(397)	(1,234)	(76)	(1,310)	25
Effect of movements in exchange rates								
Total changes in the statement of profit or loss and OCI			174,280	1,864	(143,468)	(4,999)	(148,467)	27,677
Cash flows*			123,616	-	-	-	-	123,616
Net closing balance			(420,207)	365,715	145,728	99,351	245,079	190,587
Closing assets			(40,935)	9,776	21,503	807	22,310	(8,849)
Closing liabilities			(379,272)	355,939	124,225	98,544	222,769	199,436
Net closing balance			(420,207)	365,715	145,728	99,351	245,079	190,587

* Cash flows are analysed in Note 8.1(i)

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.1 Movements in insurance/takaful contract liabilities (continued)

(ii) Analysis by measurement component – Contracts measured under the GMM (continued)

		<div><----- 2023 -----></div>						
		Estimates of present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	<div><-----CSM-----></div>				
				Contracts under fair value transition approach RM'000	Other contracts RM'000	Subtotal RM'000	Total RM'000	
Life Reinsurance Fund		Note						
Opening assets			(625,115)	288,507	224,207	25,087	249,294	(87,314)
Opening liabilities			(57,359)	28,861	71,130	11,829	82,959	54,461
Net opening balance			(682,474)	317,368	295,337	36,916	332,253	(32,853)
Changes in the statement of profit or loss and OCI								
Changes that relate to current services			(12,762)	18,008	(30,159)	(21,294)	(51,453)	(46,207)
CSM recognised for services provided		16	-	-	(30,159)	(21,294)	(51,453)	(51,453)
Change in risk adjustment for non-financial risk for risk expired			-	18,008	-	-	-	18,008
Experience adjustments			(12,762)	-	-	-	-	(12,762)
Changes that relate to future services			(129,205)	34,987	11,908	84,481	96,389	2,171
Contracts initially recognised in the year		8.3(i)	(128,749)	28,057	13,267	87,425	100,692	-
Changes in estimates that adjust the CSM			(2,601)	6,904	(1,359)	(2,944)	(4,303)	-
Changes in estimates that result in reversals of losses on onerous contracts			2,145	26	-	-	-	2,171
Changes that relate to past services								
Adjustments to liabilities for incurred claims			65,796	(30,211)	-	-	-	35,585
Insurance service result			(76,171)	22,784	(18,251)	63,187	44,936	(8,451)
Net finance income from insurance contracts			(67,388)	23,320	10,946	4,194	15,140	(28,928)
Effect of movements in exchange rates			(1,770)	379	1,164	53	1,217	(174)
Total changes in the statement of profit or loss and OCI			(145,329)	46,483	(6,141)	67,434	61,293	(37,553)
Cash flows*			109,700	-	-	-	-	109,700
Net closing balance			(718,103)	363,851	289,196	104,350	393,546	39,294
Closing assets			(64,182)	14,982	28,273	807	29,080	(20,120)
Closing liabilities			(653,921)	348,869	260,923	103,543	364,466	59,414
Net closing balance			(718,103)	363,851	289,196	104,350	393,546	39,294

* Cash flows are analysed in Note 8.1(i)

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.1 Movements in insurance/takaful contract liabilities (continued)

(ii) Analysis by measurement component – Contracts measured under the GMM (continued)

		<----- 2024 ----->			
	Note	Estimates of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM RM'000	Total RM'000
Family Retakaful Fund					
Opening assets		-	-	-	-
Opening liabilities		-	-	-	-
Net opening balance		-	-	-	-
Changes in the statement of profit or loss and OCI					
Changes that relate to current services		(54)	46	-	(8)
CSM recognised for services provided	16	-	-	-	-
Change in risk adjustment for non-financial risk for risk expired		-	46	-	46
Experience adjustments		(54)	-	-	(54)
Changes that relate to future services		-	-	-	-
Contracts initially recognised in the year	8.3(ii)	-	-	-	-
Changes in estimates that adjust the CSM		-	-	-	-
Changes in estimates that result in reversals of losses on onerous contracts		-	-	-	-
Changes that relate to past services					
Adjustments to liabilities for incurred claims		8	-	-	8
Takaful service result		(46)	46	-	-
Net finance expenses from takaful contracts		-	-	-	-
Effect of movements in exchange rates		-	-	-	-
Total changes in the statement of profit or loss and OCI		(46)	46	-	-
Cash flows*		125	-	-	125
Net closing balance		79	46	-	125
Closing assets		-	-	-	-
Closing liabilities		79	46	-	125
Net closing balance		79	46	-	125

* Cash flows are analysed in Note 8.1(i)

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.1 Movements in insurance/takaful contract liabilities (continued)

(ii) Analysis by measurement component – Contracts measured under the GMM (continued)

Company	Note	<----- 2024 ----->				
		Estimates 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	
Opening assets		(64,182)	14,982	28,273	807	(20,120)
Opening liabilities		(653,921)	348,869	260,923	103,543	59,414
Net opening balance		(718,103)	363,851	289,196	104,350	39,294
Changes in the statement of profit or loss and OCI						
Changes that relate to current services		(32,696)	21,952	(14,928)	(24,598)	(50,270)
CSM recognised for services provided	16	-	-	(14,928)	(24,598)	(39,526)
Change in risk adjustment for non-financial risk for risk expired		-	21,952	-	-	21,952
Experience adjustments		(32,696)	-	-	-	(32,696)
Changes that relate to future services		140,654	1,610	(138,711)	13,264	16,817
Contracts initially recognised in the year	8.3(i)	(119,913)	42,074	-	78,640	801
Changes in estimates that adjust the CSM		243,732	(39,643)	(138,711)	(65,376)	2
Changes in estimates that result in reversals of losses on onerous contracts		16,835	(821)	-	-	16,014
Changes that relate to past services						
Adjustments to liabilities for incurred claims		94,448	(35,225)	-	-	59,223
Insurance service result		202,406	(11,663)	(153,639)	(11,334)	25,770
Net finance income from insurance contracts held		(27,618)	14,018	11,405	6,528	4,333
Effect of movements in exchange rates		1,732	(397)	(1,234)	(76)	25
Total changes in the statement of profit or loss and OCI		176,520	1,958	(143,468)	(4,882)	30,128
Cash flows*		121,304	-	-	-	121,304
Net closing balance		(420,279)	365,809	145,728	99,468	190,726
Closing assets		(41,209)	9,808	21,503	924	(8,974)
Closing liabilities		(379,070)	356,001	124,225	98,544	199,700
Net closing balance		(420,279)	365,809	145,728	99,468	190,726

* Cash flows are analysed in Note 8.1(i)

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.1 Movements in insurance/takaful contract liabilities (continued)

(ii) Analysis by measurement component – Contracts measured under the GMM (continued)

Company	Note	<----- 2023 ----->				
		Estimates of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	Contracts under fair value transition approach RM'000	Other contracts RM'000	Subtotal RM'000
Opening assets		(625,115)	288,507	224,207	25,087	249,294
Opening liabilities		(57,359)	28,861	71,130	11,829	82,959
Net opening balance		(682,474)	317,368	295,337	36,916	332,253
Changes in the statement of profit or loss and OCI						
Changes that relate to current services		(12,762)	18,008	(30,159)	(21,294)	(51,453)
CSM recognised for services provided	16	-	-	(30,159)	(21,294)	(51,453)
Change in risk adjustment for non-financial risk for risk expired		-	18,008	-	-	18,008
Experience adjustments		(12,762)	-	-	-	(12,762)
Changes that relate to future services		(129,205)	34,987	11,908	84,481	96,389
Contracts initially recognised in the year	8.3(i)	(128,749)	28,057	13,267	87,425	100,692
Changes in estimates that adjust the CSM		(2,601)	6,904	(1,359)	(2,944)	(4,303)
Changes in estimates that result in reversals of losses on onerous contracts		2,145	26	-	-	-
Changes that relate to past services		65,796	(30,211)	-	-	-
Adjustments to liabilities for incurred claims		65,796	(30,211)	-	-	-
Insurance service result		(76,171)	22,784	(18,251)	63,187	44,936
Net finance income from insurance contracts		(67,388)	23,320	10,946	4,194	15,140
Effect of movements in exchange rates		(1,770)	379	1,164	53	1,217
Total changes in the statement of profit or loss and OCI		(145,329)	46,483	(6,141)	67,434	61,293
Cash flows*		109,700	-	-	-	-
Net closing balance		(718,103)	363,851	289,196	104,350	393,546
Closing assets		(64,182)	14,982	28,273	807	29,080
Closing liabilities		(653,921)	348,869	260,923	103,543	364,466
Net closing balance		(718,103)	363,851	289,196	104,350	393,546

* Cash flows are analysed in Note 8.1(i)

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.2 Movements in reinsurance/retakaful contract liabilities

(i) Analysis by remaining coverage and incurred claims

<----- 2024 ----->				
		Assets for remaining coverage		
		Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims
		RM'000	RM'000	RM'000
	Note			Total RM'000
Life Reinsurance Fund				
Opening assets		(120,400)	1	149,998
Opening liabilities		(304,917)	-	294,937
Net opening balance		(425,317)	1	444,935
Changes in the statement of profit or loss and OCI				
Allocation of the premiums paid				
Contracts under the fair value transition approach		(129,886)	-	-
Other contracts		(93,431)	-	-
		(223,317)	-	(223,317)
Amounts recovered from reinsurance contracts held				
Recoveries of incurred claims and other insurance service expenses		-	(2)	188,620
Recoveries of losses on onerous contracts		-	1,146	-
Adjustments to assets for incurred claims		-	-	39,281
		-	1,144	227,901
Investment components		(645)	-	645
Total net income from reinsurance contracts held		(223,962)	1,144	228,546
Net finance income from reinsurance contracts		(1,072)	1	-
Effect of changes in non-performance risk of reinsurers	17	-	-	-
Effect of movements in exchange rates		(95)	-	-
Total changes in the statement of profit or loss and OCI		(225,129)	1,145	228,546
Cash flows				
Premiums paid		218,847	-	-
Amounts recovered		-	-	(168,505)
Total cash flows		218,847	-	(168,505)
Net closing balance		(431,599)	1,146	504,976
Closing assets		(431,565)	1,146	504,961
Closing liabilities		(34)	-	15
Net closing balance		(431,599)	1,146	504,976

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.2 Movements in reinsurance/retakaful contract liabilities (continued)

(i) Analysis by remaining coverage and incurred claims (continued)

<----- 2023 ----->				
		Assets for remaining coverage		
		Excluding loss- recovery component RM'000	Loss-recovery component RM'000	Assets for incurred claims RM'000
Life Reinsurance Fund	Note			Total RM'000
Opening assets		(122,565)	-	134,314
Opening liabilities		(272,521)	-	257,270
Net opening balance		(395,086)	-	391,584
Changes in the statement of profit or loss and OCI				
Allocation of the premiums paid				
Contracts under the fair value transition approach		(99,968)	-	-
Other contracts		(59,779)	-	-
		(159,747)	-	-
Amounts recovered from reinsurance contracts held				
Recoveries of incurred claims and other insurance service expenses		-	-	142,135
Recoveries of losses on onerous contracts		-	1	-
Adjustments to assets for incurred claims		-	-	8,753
		-	1	150,888
Investment components		(46,340)	-	46,340
Total net expenses from reinsurance contracts held		(206,087)	1	197,228
Net finance expenses from reinsurance contracts		(10,140)	-	-
Effect of changes in non-performance risk of reinsurers	17	44	-	-
Effect of movements in exchange rates		89	-	-
Total changes in the statement of profit or loss and OCI		(216,094)	1	197,228
Cash flows				
Premiums paid		185,863	-	-
Amounts recovered		-	-	(143,877)
Total cash flows		185,863	-	(143,877)
Net closing balance		(425,317)	1	444,935
Closing assets		(120,400)	1	149,998
Closing liabilities		(304,917)	-	294,937
Net closing balance		(425,317)	1	444,935

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.2 Movements in reinsurance/retakaful contract liabilities (continued)

(i) Analysis by remaining coverage and incurred claims (continued)

<----- 2024 ----->				
Family Retakaful Fund	Note	Assets for remaining coverage		Assets for incurred claims RM'000
		Excluding loss-recovery component RM'000	Loss-recovery component RM'000	
				Total RM'000
Opening assets		-	-	-
Opening liabilities		-	-	-
Net opening balance		-	-	-
<i>Changes in the statement of profit or loss and OCI</i>				
Allocation of the contributions paid		(1,441)	-	(1,441)
Amounts recovered from retakaful contracts held				
Recoveries of incurred claims and other takaful service expenses		-	-	1,441
Recoveries of losses on onerous contracts		-	-	-
Adjustments to assets for incurred claims		-	-	-
		-	-	1,441
Investment components		-	-	-
Total net expenses from retakaful contracts held		(1,441)	-	1,441
Net finance expenses from retakaful contracts		-	-	-
Effect of changes in non-performance risk of reinsurers	17	-	-	-
Effect of movements in exchange rates		-	-	-
Total changes in the statement of profit or loss and OCI		(1,441)	-	1,441
<i>Cash flows</i>				
Contributions paid		-	-	-
Amounts recovered		-	-	-
Total cash flows		-	-	-
Net closing balance		(1,441)	-	1,441
Closing assets		-	-	-
Closing liabilities		(1,441)	-	1,441
Net closing balance		(1,441)	-	1,441

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.2 Movements in reinsurance/retakaful contract liabilities (continued)

(i) Analysis by remaining coverage and incurred claims (continued)

Company	Note	<----- 2024 ----->			
		Assets for remaining coverage Excluding loss- recovery component RM'000	Loss-recovery component RM'000	Assets for incurred claims RM'000	Total RM'000
Opening assets		(120,400)	1	149,998	29,599
Opening liabilities		(304,917)	-	294,937	(9,980)
Net opening balance		(425,317)	1	444,935	19,619
Changes in the statement of profit or loss and OCI					
Allocation of the premiums/contributions paid					
Contracts under the fair value transition approach		(129,886)	-	-	(129,886)
Other contracts		(93,431)	-	-	(93,430)
		(223,317)	-	-	(223,316)
Amounts recovered from reinsurance/retakaful contracts held					
Recoveries of incurred claims and other insurance/takaful service expenses		-	(2)	188,620	188,618
Recoveries of losses on onerous contracts		-	1,146	-	1,146
Adjustments to assets for incurred claims		-	-	39,281	39,281
		-	1,144	227,901	229,045
Investment components		(645)	-	645	-
Total net income from reinsurance/retakaful contracts held		(223,962)	1,144	228,546	5,728
Net finance income from reinsurance/retakaful contracts		(1,072)	1	-	(1,071)
Effect of changes in non-performance risk of reinsurers	17	-	-	-	-
Effect of movements in exchange rates		(95)	-	-	(95)
Total changes in the statement of profit or loss and OCI		(225,129)	1,145	228,546	4,562
Cash flows					
Premiums/contributions paid		218,847	-	-	218,847
Amounts recovered		-	-	(168,505)	(168,505)
Total cash flows		218,847	-	(168,505)	50,342
Net closing balance		(431,599)	1,146	504,976	74,523
Closing assets		(431,565)	1,146	504,961	74,542
Closing liabilities		(34)	-	15	(19)
Net closing balance		(431,599)	1,146	504,976	74,523

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.2 Movements in reinsurance/retakaful contract liabilities (continued)

(i) Analysis by remaining coverage and incurred claims (continued)

Company	Note	<----- 2023 ----->			
		Assets for remaining coverage Excluding loss- recovery component RM'000	Loss-recovery component RM'000	Assets for incurred claims RM'000	Total RM'000
Opening assets		(122,565)	-	134,314	11,749
Opening liabilities		(272,521)	-	257,270	(15,251)
Net opening balance		(395,086)	-	391,584	(3,502)
Changes in the statement of profit or loss and OCI					
Allocation of the premiums paid					
Contracts under the fair value transition approach		(99,968)	-	-	(99,968)
Other contracts		(59,779)	-	-	(59,779)
		(159,747)	-	-	(159,747)
Amounts recovered from reinsurance contracts held					
Recoveries of incurred claims and other insurance service expenses		-	-	142,135	142,135
Recoveries of losses on onerous contracts		-	1	-	1
Adjustments to assets for incurred claims		-	-	8,753	8,753
		-	1	150,888	150,889
Investment components		(46,340)	-	46,340	-
Total net expenses from reinsurance contracts held		(206,087)	1	197,228	(8,858)
Net finance expenses from reinsurance contracts		(10,140)	-	-	(10,140)
Effect of changes in non-performance risk of reinsurers	17	44	-	-	44
Effect of movements in exchange rates		89	-	-	89
Total changes in the statement of profit or loss and OCI		(216,094)	1	197,228	(18,865)
Cash flows					
Premiums paid		185,863	-	-	185,863
Amounts recovered		-	-	(143,877)	(143,877)
Total cash flows		185,863	-	(143,877)	41,986
Net closing balance		(425,317)	1	444,935	19,619
Closing assets		(120,400)	1	149,998	29,599
Closing liabilities		(304,917)	-	294,937	(9,980)
Net closing balance		(425,317)	1	444,935	19,619

8. Insurance/takaful contracts and reinsurance/retakaful contracts held (continued)

8.2 Movements in reinsurance/retakaful contract liabilities (continued)

(ii) Analysis by measurement component – Contracts measured under the GMM

		<div><----- 2024 -----></div>						
		Estimates of present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	<div><-----CSM-----></div>				
				Contracts under fair value transition approach RM'000	Other contracts RM'000	Subtotal RM'000	Total RM'000	
Life Reinsurance Fund		Note						
Opening assets			(57,148)	19,860	44,600	22,287	66,887	29,599
Opening liabilities			(129,628)	67,827	25,871	25,950	51,821	(9,980)
Net opening balance			(186,776)	87,687	70,471	48,237	118,708	19,619
Changes in the statement of profit or loss and OCI								
Changes that relate to current services			(23,128)	9,605	(5,278)	(15,898)	(21,176)	(34,699)
CSM recognised for services provided			-	-	(5,278)	(15,898)	(21,176)	(21,176)
Change in risk adjustment for non-financial risk for risk expired			-	9,605	-	-	-	9,605
Experience adjustments			(23,128)	-	-	-	-	(23,128)
Changes that relate to future services			(26,537)	6,673	(28,813)	49,823	21,010	1,146
Contracts initially recognised in the year		8.3(iii)	(63,087)	9,864	-	53,253	53,253	30
Changes in estimates that adjust the CSM			36,575	(3,257)	(28,813)	(4,495)	(33,308)	10
Changes in estimates that result in reversals of losses on onerous contracts			(25)	66	-	-	-	41
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM			-	-	-	1,065	1,065	1,065
Changes that relate to past services								
Adjustments to assets for incurred claims			51,558	(12,277)	-	-	-	39,281
Net income from reinsurance contracts held			1,893	4,001	(34,091)	33,925	(166)	5,728
Net finance expenses from reinsurance contracts held			(10,369)	2,910	2,782	3,606	6,388	(1,071)
Effect of changes in non-performance risk of reinsurers		17	-	-	-	-	-	-
Effect of movements in exchange rates			24	(4)	(114)	(1)	(115)	(95)
Total changes in the statement of profit or loss and OCI								
			(8,452)	6,907	(31,423)	37,530	6,107	4,562
Cash flows*			50,342	-	-	-	-	50,342
Net closing balance			(144,886)	94,594	39,048	85,767	124,815	74,523
Closing assets			(144,866)	94,593	39,048	85,767	124,815	74,542
Closing liabilities			(20)	1	-	-	-	(19)
Net closing balance			(144,886)	94,594	39,048	85,767	124,815	74,523

* Cash flows are analysed in 8.2(i)

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.2 Movements in reinsurance/retakaful contract liabilities (continued)

(ii) Analysis by measurement component – Contracts measured under the GMM (continued)

		<div><-----2023-----></div>					
		<div><-----CSM-----></div>					
	Note	Estimates of present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	Contracts under fair value transition approach RM'000	Other contracts RM'000	Subtotal RM'000	Total RM'000
Life Reinsurance Fund							
Opening assets		(63,273)	20,151	47,870	7,001	54,871	11,749
Opening liabilities		(138,253)	66,388	38,786	17,828	56,614	(15,251)
Net opening balance		(201,526)	86,539	86,656	24,829	111,485	(3,502)
Changes in the statement of profit or loss and OCI							
Changes that relate to current services		(3,965)	6,998	(8,599)	(12,045)	(20,644)	(17,611)
CSM recognised for services provided		-	-	(8,599)	(12,045)	(20,644)	(20,644)
Change in risk adjustment for non-financial risk for risk expired		-	6,998	-	-	-	6,998
Experience adjustments		(3,965)	-	-	-	-	(3,965)
Changes that relate to future services		(23,919)	1,092	(10,833)	33,661	22,828	1
Contracts initially recognised in the year	8.3(iii)	(34,440)	4,870	1,860	27,710	29,570	-
Changes in estimates that adjust the CSM		10,521	(3,778)	(12,693)	5,950	(6,743)	-
Changes in estimates that result in reversals of losses on onerous contracts		-	-	-	1	1	1
Changes that relate to past services		20,982	(12,230)	-	-	-	8,752
Adjustments to assets for incurred claims		(6,902)	(4,140)	(19,432)	21,616	2,184	(8,858)
Net expenses from reinsurance contracts held		(20,351)	5,284	3,136	1,791	4,927	(10,140)
Net finance expenses from reinsurance contracts held							
Effect of changes in non-performance risk of reinsurers	17	44	-	-	-	-	44
Effect of movements in exchange rates		(27)	4	111	1	112	89
Total changes in the statement of profit or loss and OCI		(27,236)	1,148	(16,185)	23,408	7,223	(18,865)
Cash flows*		41,986	-	-	-	-	41,986
Net closing balance		(186,776)	87,687	70,471	48,237	118,708	19,619
Closing assets		(57,148)	19,860	44,600	22,287	66,887	29,599
Closing liabilities		(129,628)	67,827	25,871	25,950	51,821	(9,980)
Net closing balance		(186,776)	87,687	70,471	48,237	118,708	19,619

* Cash flows are analysed in Note 8.2(i)

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.2 Movements in reinsurance/retakaful contract liabilities (continued)

(ii) Analysis by measurement component – Contracts measured under the GMM (continued)

<----- 2024 ----->					
Family Retakaful Fund	Note	Estimates of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM RM'000	Total RM'000
Opening assets		-	-	-	-
Opening liabilities		-	-	-	-
Net opening balance		-	-	-	-
Changes in the statement of profit or loss and OCI					
Changes that relate to current services		(34)	30	-	(4)
CSM recognised for services provided		-	-	-	-
Change in risk adjustment for non-financial risk for risk expired		-	30	-	30
Experience adjustments		(34)	-	-	(34)
Changes that relate to past services					
Adjustments to assets for incurred claims		4	-	-	4
Net expenses from retakaful contracts held		(30)	30	-	-
Net finance expenses from retakaful contracts held		-	-	-	-
Effect of changes in non-performance risk of reinsurers	16	-	-	-	-
Effect of movements in exchange rates		-	-	-	-
Total changes in the statement of profit or loss and OCI		(30)	30	-	-
Cash flows*		-	-	-	-
Net closing balance		(30)	30	-	-
Closing assets		-	-	-	-
Closing liabilities		(30)	30	-	-
Net closing balance		(30)	30	-	-

* Cash flows are analysed in Note 8.2(i)

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.2 Movements in reinsurance/retakaful contract liabilities (continued)

(ii) Analysis by measurement component – Contracts measured under the GMM (continued)

Company	Note	2024				
		Estimates 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	Total RM'000
Opening assets		(57,148)	19,860	44,600	22,287	29,599
Opening liabilities		(129,628)	67,827	25,871	25,950	(9,980)
Net opening balance		(186,776)	87,687	70,471	48,237	19,619
Changes in the statement of profit or loss and OCI						
Changes that relate to current services		(23,128)	9,605	(5,278)	(15,898)	(34,699)
CSM recognised for services provided		-	-	(5,278)	(15,898)	(21,176)
Change in risk adjustment for non-financial risk for risk expired		-	9,605	-	-	9,605
Experience adjustments		(23,128)	-	-	-	(23,128)
Changes that relate to future services		(26,537)	6,673	(28,813)	49,823	1,146
Contracts initially recognised in the year	8.3(iii)	(63,087)	9,864	-	53,253	30
Changes in estimates that adjust the CSM		36,575	(3,257)	(28,813)	(4,495)	10
Changes in estimates that result in reversals of losses on onerous contracts		(25)	66	-	-	41
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM		-	-	-	1,065	1,065
Changes that relate to past services						
Adjustments to assets for incurred claims		51,558	(12,277)	-	-	39,281
Net income from reinsurance contracts held		1,893	4,001	(34,091)	33,925	5,728
Net finance expenses from reinsurance contracts held		(10,369)	2,910	2,782	3,606	(1,071)
Effect of changes in non-performance risk of reinsurers	17	-	-	-	-	-
Effect of movements in exchange rates		24	(4)	(114)	(1)	(95)
Total changes in the statement of profit or loss and OCI		(8,452)	6,907	(31,423)	37,530	4,562
Cash flows*		50,342	-	-	-	50,342
Net closing balance		(144,886)	94,594	39,048	85,767	74,523
Closing assets		(144,866)	94,593	39,048	85,767	74,542
Closing liabilities		(20)	1	-	-	(19)
Net closing balance		(144,886)	94,594	39,048	85,767	74,523

* Cash flows are analysed in Note 8.2(i)

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.2 Movements in reinsurance/retakaful contract liabilities (continued)

(ii) Analysis by measurement component – Contracts measured under the GMM (continued)

Company	Note	<-----2023----->				
		Estimates 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	Total RM'000
Opening assets		(63,273)	20,151	47,870	7,001	11,749
Opening liabilities		(138,253)	66,388	38,786	17,828	(15,251)
Net opening balance		(201,526)	86,539	86,656	24,829	(3,502)
Changes in the statement of profit or loss and OCI						
Changes that relate to current services		(3,965)	6,998	(8,599)	(12,045)	(17,611)
CSM recognised for services provided		-	-	(8,599)	(12,045)	(20,644)
Change in risk adjustment for non-financial risk for risk expired		-	6,998	-	-	6,998
Experience adjustments		(3,965)	-	-	-	(3,965)
Changes that relate to future services		(23,919)	1,092	(10,833)	33,661	1
Contracts initially recognised in the year	8.3(iii)	(34,440)	4,870	1,860	27,710	-
Changes in estimates that adjust the CSM		10,521	(3,778)	(12,693)	5,950	-
Changes in estimates that result in reversals of losses on onerous contracts		-	-	-	1	1
Changes that relate to past services						
Adjustments to assets for incurred claims		20,982	(12,230)	-	-	8,752
Net expenses from reinsurance contracts held		(6,902)	(4,140)	(19,432)	21,616	(8,858)
Net finance expenses from reinsurance contracts held		(20,351)	5,284	3,136	1,791	(10,140)
Effect of changes in non-performance risk of reinsurers	17	44	-	-	-	44
Effect of movements in exchange rates		(27)	4	111	1	89
Total changes in the statement of profit or loss and OCI		(27,236)	1,148	(16,185)	23,408	(18,865)
Cash flows*		41,986	-	-	-	41,986
Net closing balance		(186,776)	87,687	70,471	48,237	19,619
Closing assets		(57,148)	19,860	44,600	22,287	29,599
Closing liabilities		(129,628)	67,827	25,871	25,950	(9,980)
Net closing balance		(186,776)	87,687	70,471	48,237	19,619

* Cash flows are analysed in Note 8.2(i)

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.3 Effect of contracts initially recognised in the year

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance/takaful contracts and reinsurance/retakaful contracts held measured under the GMM in the year.

Company

(i) Insurance contracts

	Note	Profitable contracts issued RM'000	Onerous contracts issued RM'000	Total RM'000
2024				
Insurance acquisition cash flows		7,357	151	7,508
Claims and other cash outflows		765,462	18,866	784,329
Estimates of the present value of future cash outflows		772,819	19,017	791,836
Estimates of present value of cash inflows		(892,831)	(18,710)	(911,541)
Risk adjustment for non-financial risk		41,569	494	42,063
Contractual service margin		78,443	-	78,443
Losses recognised on initial recognition	8.1(ii)	-	801	801
2023				
Insurance acquisition cash flows		7,787	-	7,787
Claims and other cash outflows		675,830	-	675,830
Estimates of the present value of future cash outflows		683,617	-	683,617
Estimates of present value of cash inflows		(812,366)	-	(812,366)
Risk adjustment for non-financial risk		28,057	-	28,057
Contractual service margin		100,692	-	100,692
Losses recognised on initial recognition	8.1(ii)	-	-	-

(ii) Takaful contracts

	Note	Profitable contracts issued RM'000	Onerous contracts issued RM'000	Total RM'000
2024				
Takaful acquisition cash flows		504	-	504
Claims and other cash outflows		1,037	-	1,037
Estimates of the present value of future cash outflows		1,541	-	1,541
Estimates of present value of cash inflows		(1,749)	-	(1,749)
Risk adjustment for non-financial risk		11	-	11
Contractual service margin		197	-	197
Losses recognised on initial recognition	8.1(ii)	-	-	-

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.3 Effect of contracts initially recognised in the year (continued)

Company

(iii) Reinsurance contracts held

	Note	Contracts initiated without loss-recovery component RM'000	Contracts initiated with loss-recovery component RM'000	Total RM'000
2024				
Estimates of present value of cash inflows		286,160	-	286,160
Estimates of present value of cash outflows		(223,073)	-	(223,073)
Risk adjustment for non-financial risk		(9,864)	-	(9,864)
Loss-recovery related to losses on underlying insurance contracts at initial recognition		-	30	30
Contractual Service Margin	8.2(ii)	<u>53,223</u>	<u>30</u>	<u>53,253</u>
2023				
Estimates of present value of cash inflows		153,392	-	153,392
Estimates of present value of cash outflows		(118,952)	-	(118,952)
Risk adjustment for non-financial risk		(4,870)	-	(4,870)
Contractual Service Margin	8.2(ii)	<u>29,570</u>	<u>-</u>	<u>29,570</u>

(iv) Retakaful contracts

	Note	Contracts initiated without loss-recovery component RM'000	Contracts initiated with loss-recovery component RM'000	Total RM'000
2024				
Estimates of present value of cash inflows		525	-	525
Estimates of present value of cash outflows		(525)	-	(525)
Contractual Service Margin	8.2(ii)	<u>-</u>	<u>-</u>	<u>-</u>

Company No. 199701002371 (417867-K)

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.4 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 measured under GMM.

Life Reinsurance Fund	1 year or less RM'000	1–2 years RM'000	2–3 years RM'000	3–4 years RM'000	4–5 Years RM'000	5–10 years RM'000	More than 10 years RM'000	Total RM'000
2024								
Insurance contracts	27,048	20,240	18,266	16,524	14,949	56,573	91,479	245,079
Reinsurance contracts held	14,850	11,243	10,076	9,057	8,142	30,132	41,316	124,816
2023								
Insurance contracts	43,445	32,839	29,597	26,681	24,047	90,792	146,145	393,546
Reinsurance contracts held	16,114	10,503	9,452	8,487	7,621	28,335	38,196	118,708

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8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.4 Contractual service margin (continued)

Company	1 year or less RM'000	1–2 years RM'000	2–3 years RM'000	3–4 years RM'000	4–5 Years RM'000	5–10 years RM'000	More than 10 years RM'000	Total RM'000
2024								
Insurance contracts	27,071	20,258	18,280	16,536	14,958	56,600	91,492	245,195
Reinsurance contracts held	14,850	11,243	10,076	9,057	8,142	30,132	41,316	124,816
2023								
Insurance contracts	43,445	32,839	29,597	26,681	24,047	90,792	146,145	393,546
Reinsurance contracts held	16,114	10,503	9,452	8,487	7,621	28,335	38,196	118,708

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.5 Material accounting policy information

i. Measurement Model

MFRS 17 introduces a discounted measurement approach as the general model for all insurance/takaful contracts and reinsurance/retakaful contracts (General Measurement Model (“GMM”)), as well as an option for a simplified measurement model for short-term contracts (Premium Allocation Approach (“PAA”)) and a model solely dedicated to contracts with direct participating features (Variable Fee Approach (“VFA”)).

The Company applied the GMM for measurement of the entire portfolios. PAA is not applied and the Company does not issue any contracts with direct participating features.

Insurance/Takaful contracts

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

- The Company’s objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The best estimate assumptions applied to estimate future cash flows are determined by experience studies performed.
- All cash flows are discounted using forward yield curves adjusted to reflect the characteristics of the cash flows and the liquidity characteristics of the contracts.
- The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation that the Company would require for bearing uncertainty about the amount and timing of the cash flows that arise from non-financial risk.
- The CSM of a group of contracts represents the unearned profit that the Company recognises as it provides services under those contracts. On initial recognition of a group of contracts, the group is not onerous if the total of the fulfilment cash flows and any cash flows arising at that date is a net inflow.

In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.5 Material accounting policy information (continued)

i. Measurement Model (continued)

Insurance/Takaful contracts (continued)

If the total is a net outflow, then the group is onerous and the net outflow is generally recognised as a loss in profit or loss; a loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance/takaful revenue.

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

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

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

The CSM is adjusted subsequently only for changes in fulfilment cash flows that relate to future services and other specified amounts and is recognised in profit or loss as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognised in profit or loss because it relates to future services.

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.5 Material accounting policy information (continued)

i. Measurement Model (continued)

Reinsurance/Retakaful contracts

The Company applies the same accounting policies to measure a group of reinsurance/retakaful contracts, with the following modifications.

The carrying amount of a group of reinsurance/retakaful contracts at each reporting date is the sum of the asset for remaining coverage and the assets for incurred claims. The asset for remaining coverage comprises the fulfilment cash flows that relate to services that are received under the contracts in future periods and any remaining CSM at that date.

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

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

The CSM of a group of reinsurance/retakaful contracts represents a net cost or net gain on purchasing reinsurance/retakaful. It is measured such that no income or expense arises on initial recognition, except that the Company:

- Recognise any net cost on purchasing reinsurance/retakaful coverage immediately in profit or loss as an expense if it is related to insured events that occurred before the purchase of the group; and,
- Recognise income when it recognises a loss on initial recognition of onerous underlying contracts if the reinsurance/retakaful contract is entered into before or at the same time as the onerous underlying contracts are recognised. A loss-recovery component is created, which determines the amounts that are subsequently disclosed as reversals of recoveries of losses from the reinsurance/retakaful contract is and are excluded from the allocation of reinsurance premiums/retakaful contribution paid.

The CSM is adjusted subsequently only for specified amounts and is recognised in profit or loss as services are received.

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.5 Material accounting policy information (continued)

i. Measurement Model (continued)

Insurance/Takaful acquisition cash flows

Insurance/Takaful acquisition cash flows arise from the costs of selling / activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Insurance/Takaful acquisition cash flows are allocated to groups of contracts using systematic and rational methods based on the total premiums/contribution for each group.

Insurance/Takaful acquisition cash flows that are directly attributable to a group of contracts (e.g. non-refundable insurance/takaful commissions paid on issuance of a contract) are allocated only to that group of contracts and to the groups that will include renewal of those contracts. The Company has not identified and will not recognise any insurance/takaful acquisition asset for insurance/takaful acquisition cash flows that arise before the recognition of a group of insurance/takaful contracts.

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.5 Material accounting policy information (continued)

ii. Significant judgement and estimates

Risk adjustments

Risk adjustments for non-financial risk are determined to reflect the compensation that the Company would require for bearing non-financial risk and its degree of risk aversion. The Company applies a confidence level technique to determine the risk adjustments for non-financial risk of both its insurance contracts/takaful certificate and reinsurance contracts/retakaful certificate held. Under a confidence level technique, the estimates the probability distribution of the expected value of the future cash flows at each reporting date and calculate the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associated risks over all future years. The target confidence level is the 75th percentile, in line with the regulatory requirements of Bank Negara Malaysia under the Risk-Based Capital Framework for Insurers and Risk-Based Capital Takaful Framework for Takaful Operators.

The Company disaggregates the change in the risk adjustment for non-financial risk between insurance/takaful service result and insurance/takaful finance income or expense.

Contractual service margin

The CSM of a group of contracts is recognised in profit or loss to reflect services provided in each year, by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the year.

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.5 Material accounting policy information (continued)

ii. Significant judgement and estimates (continued)

Contractual service margin (continued)

The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of the benefits provided and its expected coverage period. The coverage units will be reviewed and updated at each reporting date. The Company uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits with respect to insurance/takaful coverage, such as the in-force sum at risk of non-accelerating benefits or the amount of benefit payable.

Estimates of future cash flows

The Company incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The estimates reflect conditions existing at the measurement date, including assumptions at that date about the future.

The estimates of future cash flows will reflect the Company's view of current conditions at the reporting date and current expectations of future events that might affect those cash flows.

Cash flows are within the contract boundaries so long as the re/insurer either can compel the policyholder to pay premiums/contributions or has a substantive obligation to provide services at the ending contract boundary. The substantive obligation ends when the practical ability to reassess the risks of the particular policyholder/participant, and can set a price or level of benefits that fully reflects those risks. Risks attaching contracts are those where the reinsurance/retakaful treaty covers underlying policies that incept within the coverage period of the reinsurance/retakaful treaty.

Assumptions

Mortality and morbidity assumptions by benefit types have been developed based on recent historical experience and expressed as a percentage of the industry mortality table or as a percentage of earned premium/contributions.

Lapse assumptions have been derived based on recent historical experience by sum at risk pattern, i.e., level sum at risk business and reducing sum at risk business.

Expenses assumptions have been determined for acquisition and maintenance activities that can be directly attributed to the portfolio of insurance/takaful contracts, expressed as a percentage of premiums/contributions.

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.5 Material accounting policy information (continued)

ii. Significant judgement and estimates (continued)

Discount rates

A bottom-up approach has been used under which discount rates are determined by adjusting the MGS yield curve for Within Malaysia Business and Singapore risk-free rate for Outside Malaysia Business to reflect the liquidity characteristics of the insurance/takaful contracts. Two sets of forward yield curves are derived to measure the carrying amount of insurance/takaful contracts and reinsurance/retakaful contracts liabilities, where current discount rates, determined based on the forward yield curves as of reporting date, are applied to estimate the present value of the future cash flows, while the locked-in rates are applied to estimate the contractual service margin. The Company has adopted the time-weighted average approach to determine the locked-in rates for a particular cohort.

8. Insurance/Takaful contracts and reinsurance/retakaful contracts held (continued)

8.5 Material accounting policy information (continued)

ii. Significant judgement and estimates (continued)

Discount rates (continued)

	Within Malaysia	Outside Malaysia	Retakaful	Within Malaysia	Outside Malaysia	Retakaful
Duration	Current Rates 31 Dec 2024	Current Rates 31 Dec 2024	Current Rates 31 Dec 2024	2024 Cohort Locked-in Rate*	2024 Cohort Locked-in Rate*	2024 Cohort Locked-in Rate*
1	3.33	2.70	3.32	3.31	3.28	3.29
2	3.63	2.63	3.45	3.42	2.78	3.41
3	3.75	2.70	3.77	3.63	2.66	3.58
4	3.77	2.79	3.95	3.78	2.71	3.72
5	4.02	2.85	4.13	3.86	2.77	3.86
6	4.30	2.88	3.95	4.10	2.82	4.10
7	4.01	2.91	4.08	4.25	2.85	4.21
8	3.99	2.94	4.08	4.02	2.88	4.10
9	4.03	2.97	4.11	4.03	2.92	4.07
10	4.17	2.99	4.25	4.04	2.94	4.15
11	4.23	3.02	4.26	4.14	2.97	4.20
12	4.41	3.03	4.42	4.29	3.00	4.31
13	4.36	3.06	4.50	4.35	3.02	4.39
14	4.70	3.08	4.58	4.56	3.04	4.60
15	4.35	3.09	4.54	4.47	3.06	4.42
16-100	4.35	3.09	4.54	4.40	3.07	4.42

*The interest rate presented as weighted average

8. Insurance/takaful contracts and reinsurance/retakaful contracts held (continued)

8.5 Material accounting policy information (continued)

ii. Significant judgement and estimates (continued)

Investment components

The Company identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Investment components are excluded from insurance/takaful revenue and insurance/takaful service expenses. The Company has identified the following as investment component:

Contracts with surrender/maturity value

Investment component is computed as the surrender/maturity value by assuming these policies are instead surrendered at the next policy anniversary after the claims incurred.

Contracts with profit commission feature

Investment component is computed as the profit commission by assuming no claims are reported.

Loss component

The Company establishes a loss component of the liabilities for remaining coverage for onerous groups of insurance/takaful contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance/takaful revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the liabilities for remaining coverage excluding the loss component on a systematic basis.

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

If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of contracts.

9. Receivables

	2024 RM'000	2023 RM'000
Life Reinsurance Fund		
Other receivables	6,514	170
Deposits	713	285
Prepayments	567	836
Income due and accrued	243	299
	<u>8,037</u>	<u>1,590</u>
Company		
Other receivables	6,630	317
Deposits	713	285
Prepayments	618	911
Income due and accrued	243	300
	<u>8,204</u>	<u>1,813</u>
Receivable after 12 months	<u>115</u>	<u>115</u>

Included in the receivables of Life Reinsurance Fund and Company as at 31 December 2024 was an amount of RM5,484,000 due to an affiliated company.

10. Cash and cash equivalents

	2024 RM'000	2023 RM'000
Life Reinsurance Fund		
Cash and bank balances	90	70
Short term deposits with licensed banks	20,086	8,931
	<u>20,176</u>	<u>9,001</u>
Family Retakaful Fund		
Cash and bank balances	<u>1</u>	<u>-</u>
Company		
Cash and bank balances	139	146
Short term deposits with licensed banks	22,515	29,352
	<u>22,654</u>	<u>29,498</u>

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11. Share capital

Company	2024		2023	
	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares	51,000	51,000	51,000	51,000

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

12. Deferred tax liabilities

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Company	Assets		Liabilities		Net	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Plant and equipment	-	-	(122)	(176)	(122)	(176)
Provisions	730	467	-	-	730	467
Fair value of FVTPL investments	-	-	(914)	(725)	(914)	(725)
Insurance/Takaful contracts issued and reinsurance/retakaful contracts held	-	-	(21,093)	(25,019)	(21,093)	(25,019)
Other items	21	-	-	-	21	-
Net deferred tax assets/(liabilities)	751	467	(22,129)	(25,920)	(21,378)	(25,453)

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12. Deferred tax liabilities (continued)

Movement in temporary differences during the financial year

Company	At 1 January 2024 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31 December 2024 RM'000
Plant and equipment	(176)	54	(122)
Provisions	467	263	730
Fair value of FVTPL investments	(725)	(189)	(914)
Insurance/Takaful contracts issued and reinsurance/retakaful contracts held	(25,019)	3,926	(21,093)
Other items	-	21	21
	<u>(25,453)</u>	<u>4,075</u>	<u>(21,378)</u>

Company	At 1 January 2023 RM'000	Recognised in profit or loss (Note 22) RM'000	Adjustment on initial application of MFRS 9 RM'000	At 31 December 2023 RM'000
Plant and equipment	(187)	11	-	(176)
Provisions	402	65	-	467
Fair value of AFS investments	(58)	-	58	-
Fair value of FVTPL investments	-	(667)	(58)	(725)
Insurance contracts issued and reinsurance contracts held	(24,173)	(846)	-	(25,019)
Other items	6	(6)	-	-
	<u>(24,010)</u>	<u>(1,443)</u>	<u>-</u>	<u>(25,453)</u>

Deferred tax liabilities and assets are offset above as there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax relates to the same taxation authority.

12. Deferred tax liabilities (continued)

Unrecognised deferred tax assets

Company	2024 RM'000	2023 RM'000
Tax losses	1,701	794
Other deductible temporary differences	692	145
	<u>2,393</u>	<u>939</u>

Tax losses for which deferred tax asset was not recognised expire as follows:

Company	2024 RM'000	2023 RM'000
Expiring in 2034	794	794
Expiring in 2035	907	-
	<u>907</u>	<u>-</u>

13. Lease liabilities

Leases as lessee

Life Reinsurance Fund and Company	2024 RM'000	2023 RM'000
Lease liabilities are payable as follows:		
- Within next 12 months	631	836
- After next 12 months	3,728	75
	<u>4,359</u>	<u>911</u>

13.1 Reconciliation of movements in lease liabilities to cash flows arising from financing activities

Life Reinsurance Fund and Company	Note	2024 RM'000	2023 RM'000
At 1 January		911	939
Net changes from financing cash flows		(840)	(821)
Acquisition of new leases	6	4,288	793
At 31 December		<u>4,359</u>	<u>911</u>

13. Lease liabilities (continued)

13.2 Amounts recognised in statement of cash flows

	2024 RM'000	2023 RM'000
Life Reinsurance Fund and Company		
Included in net cash from operating activities:		
Interest on lease liabilities	(94)	(47)
Payment relating to leases of low-value assets	(1)	-
Included in net cash from financing activities:		
Payment of lease liabilities	(840)	(821)
Total cash outflows for leases	<u>(935)</u>	<u>(868)</u>

14. Other payables

	2024 RM'000	2023 RM'000
Life Reinsurance Fund		
Other payables	1,175	1,686
Accrued expenses	9,520	8,359
Interfund balances	170,229	217,035
	<u>180,924</u>	<u>227,080</u>
Company		
Other payables	1,193	1,731
Accrued expenses	9,770	8,597
	<u>10,963</u>	<u>10,328</u>

Included in other payables of Life Reinsurance Fund and Company as at 31 December 2023 was an amount of RM189,000 due to an affiliated company.

15. Operating revenue

	Note	2024 RM'000	2023 RM'000
Life Reinsurance Fund			
Insurance revenue	16	671,188	570,071
Investment income	17.2	23,216	20,318
		<u>694,404</u>	<u>590,389</u>
Family Retakaful Fund			
Takaful revenue	16	<u>2,205</u>	<u>-</u>

15. Operating revenue (continued)

Company	Note	2024 RM'000	2023 RM'000
Insurance/Takaful revenue	16	673,823	570,071
Investment income	17.2	33,677	28,176
		<u>707,500</u>	<u>598,247</u>

16. Insurance/Takaful revenue

Life Reinsurance Fund	Note	2024 RM'000	2023 RM'000
Amounts relating to changes in liabilities for remaining coverage			
- Contractual service margin recognised for services provided	8.1(ii)	39,506	51,453
- Change in risk adjustment for non-financial risk for risk expired		23,880	19,060
- Expected incurred claims and other insurance service expenses		466,198	435,008
- Other		136,807	60,231
Recovery of insurance acquisition cash flows	8.1(i)	<u>4,798</u>	<u>4,319</u>
Total insurance/takaful revenue	8.1(i),15	<u>671,188</u>	<u>570,071</u>
Family Retakaful Fund			
Amounts relating to changes in liabilities for remaining coverage			
- Expected incurred claims and other takaful service expenses		58	-
- Other		2,096	-
Recovery of takaful acquisition cash flows	8.1(i)	<u>51</u>	<u>-</u>
Total takaful revenue	8.1(i),15	<u>2,205</u>	<u>-</u>
Company			
Amounts relating to changes in liabilities for remaining coverage			
- Contractual service margin recognised for services provided	8.1(ii)	39,526	51,453
- Change in risk adjustment for non-financial risk for risk expired		23,883	19,060
- Expected incurred claims and other insurance/takaful service expenses		464,810	435,008
- Other		140,726	60,231
Recovery of insurance/takaful acquisition cash flows	8.1(i)	<u>4,878</u>	<u>4,319</u>
Total insurance/takaful revenue	8.1(i),15	<u>673,823</u>	<u>570,071</u>

17. Net financial result

The following table analyses the Company's net financial result in profit or loss and other comprehensive income ("OCI").

2024	Note	Life Reinsurance Fund RM'000	Company RM'000
Investment return			
Investment income	17.2	23,216	33,677
Net fair value gains	17.3	1,091	2,170
Total investment return		<u>24,307</u>	<u>35,847</u>
Net finance income from insurance/takaful contracts			
Interest accreted		8,411	8,411
Effect of changes in interest rates and other financial assumptions		(12,744)	(12,744)
Effect of measuring changes in estimates at current rates and adjusting the contractual service margin at rates on initial recognition		<u>(25)</u>	<u>(25)</u>
Total net finance expense from insurance/takaful contracts	17.1	<u>(4,358)</u>	<u>(4,358)</u>
Net finance expense from reinsurance/retakaful contracts held			
Interest accreted		(1,071)	(1,071)
Others		<u>(95)</u>	<u>(95)</u>
Total net finance expense from reinsurance/retakaful contracts held	17.1	<u>(1,166)</u>	<u>(1,166)</u>
Amounts recognised in profit or loss		<u>18,783</u>	<u>30,323</u>

17. Net financial result (continued)

The following table analyses the Company's net financial result in profit or loss and other comprehensive income ("OCI").

2023	Note	Life Reinsurance Fund RM'000	Company RM'000
Investment return			
Investment income	17.2	20,318	28,176
Net fair value gains	17.3	3,002	8,344
Total investment return		<u>23,320</u>	<u>36,520</u>
Net finance income from insurance contracts			
Interest accreted		8,974	8,974
Effect of changes in interest rates and other financial assumptions		19,954	19,954
Effect of measuring changes in estimates at current rates and adjusting the contractual service margin at rates on initial recognition		174	174
Total net finance income from insurance contracts	17.1	<u>29,102</u>	<u>29,102</u>
Net finance expense from reinsurance contracts held			
Interest accreted		(3,977)	(3,977)
Effect of changes in non-performance risk of reinsurers	8.2(i)	44	44
Others		(6,074)	(6,074)
Total net finance expense from reinsurance contracts held	17.1	<u>(10,007)</u>	<u>(10,007)</u>
Amounts recognised in profit or loss		<u>42,415</u>	<u>55,615</u>

17. Net financial result (continued)**17.1 Insurance/Takaful finance income and expenses**

	Note	Life Reinsurance Fund RM'000	Company RM'000
2024			
Net finance expense from insurance/takaful contracts recognised in profit or loss	8.1	<u>(4,358)</u>	<u>(4,358)</u>
Net finance expense from reinsurance/retakaful contracts held recognised in profit or loss	8.2	<u>(1,166)</u>	<u>(1,166)</u>
2023			
Net finance income from insurance contracts recognised in profit or loss	8.1	<u>29,102</u>	<u>29,102</u>
Net finance expense from reinsurance contracts held recognised in profit or loss	8.2	<u>(10,007)</u>	<u>(10,007)</u>

17. Net financial result (continued)

17.2 Investment income

2024	Note	Life Reinsurance Fund RM'000	Company RM'000
<i>Fair value through profit or loss financial assets</i>			
- distribution income		23,546	34,671
- realised loss		(485)	(1,061)
<i>Amortised cost</i>			
- interest Income		1,161	1,505
- realised loss		(2)	(2)
Less:			
Investment expenses		(1,004)	(1,435)
Total investment income		<u>23,216</u>	<u>33,677</u>
2023			
<i>Fair value through profit or loss financial assets</i>			
- distribution income		20,184	28,640
- realised gain		4	90
<i>Amortised cost</i>			
- interest income		1,743	1,958
- realised loss		(4)	(4)
Less:			
Investment expenses		(1,609)	(2,508)
Total investment income		<u>20,318</u>	<u>28,176</u>

17.3 Net fair value gains and losses

2024	Life Reinsurance Fund RM'000	Company RM'000
Fair value gains for:		
<i>Fair value through profit or loss financial assets</i>		
Unit trusts		
- Fixed Income CIS	854	1,515
- Short Term Fixed Income CIS	237	655
	<u>1,091</u>	<u>2,170</u>

17. Net financial result (continued)**17.3 Net fair value gains and losses (continued)**

	Life Reinsurance Fund RM'000	Company RM'000
2023		
Fair value gains for:		
<i>Fair value through profit or loss</i>		
<i>financial assets</i>		
Unit trusts		
- Fixed Income CIS	2,700	7,539
- Short Term Fixed Income CIS	302	805
	<u>3,002</u>	<u>8,344</u>

18. Other operating income

	Life Reinsurance Fund RM'000	Company RM'000
2024		
Realised loss in foreign exchange	(229)	(229)
Unrealised gain in foreign exchange	20	20
Other income	11,665	11,665
	<u>11,456</u>	<u>11,456</u>
2023		
Realised loss in foreign exchange	(555)	(555)
Unrealised gain in foreign exchange	11	11
Other income	2,737	2,737
	<u>2,193</u>	<u>2,193</u>

19. Other operating expenses

2024	Note	Life Reinsurance Fund RM'000	Family Retakaful Fund RM'000	Company RM'000
Employee benefits expenses		17,863	-	19,928
Directors' remuneration	20	1,148	-	1,148
Shariah Advisory Board remuneration	21	-	-	152
Auditors' remuneration				
- Audit fees		300	-	340
Depreciation of plant and equipment	4	303	-	303
Depreciation of right-of-use assets	6	1,027	-	1,027
Interest on lease liabilities	13.2	94	-	94
Amortisation of intangible assets	5	254	-	254
Direct operating expenses (revenue-generating)		7,980	-	8,695
Incurred claims		616,273	2,135	618,408
Losses on onerous insurance contracts	8.1(i)	15,645	-	16,815
Wakalah fee expense		-	19	-
Other expenses		29,634	-	28,890
		<u>690,521</u>	<u>2,154</u>	<u>696,054</u>
Amortisation of insurance acquisition cash flows	8.1(i)	<u>4,798</u>	<u>51</u>	<u>4,878</u>
		<u>695,319</u>	<u>2,205</u>	<u>700,932</u>

Represented by:

Insurance/takaful service expense	8.1(i)	694,507	2,205	699,593
Other operating expense		812	-	1,339
		<u>695,319</u>	<u>2,205</u>	<u>700,932</u>

19. Other operating expenses (continued)

2023	Note	Life Reinsurance Fund RM'000	Company RM'000
Employee benefits expenses		15,831	16,477
Directors' remuneration	20	1,164	1,164
Shariah Advisory Board remuneration	21	-	84
Auditors' remuneration			
- Audit fees		540	580
Depreciation of plant and equipment	4	321	321
Depreciation of right-of-use assets	6	772	772
Interest on lease liabilities	13.2	47	47
Amortisation of intangible assets	5	244	244
Direct operating expenses (revenue-generating)		7,067	7,410
Incurred claims		503,162	503,162
Losses on onerous insurance contracts	8.1(i)	2,171	2,171
Other expenses		25,988	26,026
		<u>557,307</u>	<u>558,458</u>
Amortisation of insurance acquisition cash flows	8.1(i)	4,319	4,319
		<u>561,626</u>	<u>562,777</u>
Represented by:			
Insurance service expense	8.1(i)	561,620	561,620
Other operating expense		6	1,157
		<u>561,626</u>	<u>562,777</u>

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20. Key management personnel compensation

The total remuneration (including benefits-in-kind) of the Chief Executive Officer and Directors are as follows:

2024

	Fees RM'000	Salary RM'000	Bonus RM'000	EPF RM'000	Other RM'000	Benefits- in-kind RM'000	Total RM'000
Life Reinsurance Fund and Company							
Chief Executive Officer							
Patrick Cheah Gim Guan	-	720	180	144	1	24	1,069
Non-Executive Directors							
Y. Bhg. Datuk Kamaruddin Taib	145	-	-	-	21	-	166
Toi See Jong	136	-	-	-	28	-	164
Y. Bhg. Dato Koh Yaw Hui	105	-	-	-	20	-	125
Y. Bhg. Dato' Sri Muthanna Abdullah	144	-	-	-	26	-	170
Ahmad Subri bin Abdullah	139	-	-	-	28	-	167
Tan Lye Sim	144	-	-	-	32	-	176
Tan Kay How *	146	-	-	-	34	-	180
Total Directors' Remuneration (including benefits-in-kind)	959	-	-	-	189	-	1,148
Total Chief Executive Officer and Directors' remuneration (including benefits-in-kind)	959	720	180	144	190	24	2,217

* He is a nominee of an affiliated company, Reinsurance Group of America, Incorporated (RGA). His remuneration is paid directly to RGA.

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20. Key management personnel compensation (continued)

2023							
	Fees RM'000	Salary RM'000	Bonus RM'000	EPF RM'000	Other RM'000	Benefits- in-kind RM'000	Total RM'000
Life Reinsurance Fund and Company							
Chief Executive Officer							
Patrick Cheah Gim Guan	-	658	-	79	-	14	751
Non-Executive Directors							
Y. Bhg. Datuk Kamaruddin Taib	124	-	-	-	13	-	137
Toi See Jong	136	-	-	-	29	-	165
Y. Bhg. Dato Koh Yaw Hui	105	-	-	-	22	-	127
Lau Yew Kong	22	-	-	-	3	-	25
Y. Bhg. Dato' Sri Muthanna Abdullah	143	-	-	-	39	-	182
Ahmad Subri bin Abdullah	136	-	-	-	26	-	162
Tan Lye Sim	144	-	-	-	38	-	182
Low Shih Nin and Tan Kay How *	144	-	-	-	40	-	184
Total Directors' Remuneration (including benefits-in-kind)	954	-	-	-	210	-	1,164
Total Chief Executive Officer and Directors' remuneration (including benefits-in-kind)	954	658	-	79	210	14	1,915

* These Directors are nominees of an affiliated company, Reinsurance Group of America, Incorporated (RGA). Their remuneration are paid directly to RGA.

21. Shariah Advisory Board Remuneration

The total remuneration of the Shariah Advisory Board members are as follows:

Company

	Fees RM'000	Other RM'000	Total RM'000
2024			
Shariah advisory member			
Prof. Dr. Said Bouheraoua	53	-	53
Assoc. Prof. Dr. Mushaddad Hasbullah	42	6	48
Dr. Muhammad Syahmi Mohd Karim	42	9	51
Total remuneration (including benefits-in-kind)	137	15	152

2023

Shariah advisory member			
Prof. Dr. Said Bouheraoua	32	-	32
Assoc. Prof. Dr. Mushaddad Hasbullah	26	-	26
Dr. Muhammad Syahmi Mohd Karim	26	-	26
Total remuneration (including benefits-in-kind)	84	-	84

22. Taxation

	2024 RM'000	2023 RM'000
Company		
Current tax expense		
- current year	3,325	1,137
- under provision in prior years	38	247
	<u>3,363</u>	<u>1,384</u>
Deferred tax income/expense		
- origination and reversal of temporary differences	(3,983)	1,456
- over provision in prior years	(92)	(13)
	<u>(4,075)</u>	<u>1,443</u>
	<u>(712)</u>	<u>2,827</u>
Reconciliation of tax expense		
Profit before tax	<u>20,398</u>	<u>56,244</u>
Tax at Malaysian tax rate of 8% (2023: 8%)	1,632	4,500
Income not subject to tax	(2,593)	(2,291)
Non-deductible expenses	303	384
	(658)	2,593
(Over)/Under provision in prior years	(54)	234
Tax expense	<u>(712)</u>	<u>2,827</u>

23. Dividends

Dividends recognised by the Company	Sen per share	Total amount RM'000	Date of payment
2024			
Final 2023 ordinary	42.83	<u>21,844</u>	7 June 2024
2023			
Final 2022 ordinary	43.00	<u>21,933</u>	2 June 2023

24. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. The related parties of the Company are:

i) Holding company

The holding company is L.I.A.M. Holding Sdn. Bhd., a company incorporated in Malaysia.

ii) Affiliated company

An affiliated company is a company that directly or indirectly controls between 20% to 50% of the equity interest in the Company.

iii) Key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include the Chief Executive Officer and all the Directors of the Company. Key management personnel compensation is disclosed in Note 20 to the financial statements.

24. Related parties (continued)

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Company are shown below.

Company	2024 RM'000	2023 RM'000
Shareholders of the holding company		
Gross premium income	726,719	631,048
Discount payable	(9,784)	(17,395)
Profit commission payable	(20,824)	(45,831)
Claims payable	(508,900)	(481,587)
Advances and deposit paid	(459)	-
Utilities	(60)	-
Rental paid	(71)	-
Affiliated company		
Gross premium income	116,634	85,841
Discount payable	(4,518)	(1,874)
Levy	(5)	-
Profit commission recoverable	19,087	6,957
Gross premium retroceded	(238,931)	(213,848)
Retroceded discount receivable	(1,548)	3,026
Administrative Services		
- Labuan	11,100	2,737
Claims payable	(75,955)	(61,163)
Claims recoverable	168,222	160,867
Other related parties		
Gross contribution income	1,333	-
Claims payable	(4)	-

The outstanding balances related to the above transactions are shown as below.

Company	2024 RM'000	2023 RM'000
Shareholders of the holding company	186,621	86,235
Affiliated company	(5,914)	(18,938)
Other related parties	1,329	-

25. Risk management framework

The Company's risk management framework is structured as follows:

- The Risk Management Committee was established to oversee the risk management processes, including identifying key business risks and implementation of appropriate systems to address these risks.
- The Company adopts the "Three Lines of Defense" model for its risk management processes:
 - 1st Line of Defense – Business Units
Business Units are responsible for identifying, assessing and mitigating risks within their areas. They ensure that day-to-day activities are carried out in compliance with established risk policies, procedures and limits.
 - 2nd Line of Defense – Risk and Compliance Function
This function provides oversight and guidance on internal controls to ensure that risk policies are effectively implemented and adhered to.
 - 3rd Line of Defense – Internal Audit
Internal Audit is responsible for independently assessing the adequacy and effectiveness of the risk management process and system of internal controls, ensuring compliance with risk policies, laws, regulatory requirements and internal guidelines.
- Risk Management policies are reviewed annually to ensure they remain relevant and effective in managing the associated risks arising from changes in the market and the regulatory environment.

Capital Management

In accordance with the Risk-Based Capital Framework for Insurers ("RBC") and Risk-Based Capital Framework for Takaful Operators ("RBCT") issued by Bank Negara Malaysia ("BNM"), the Board has approved and adopted a Capital Management Plan ("CMP") for the Company, in compliance with BNM's requirements. The primary objective of the CMP is to enhance shareholders' value, deliver sustainable returns, and maintain a strong capital position with and adequate buffer to meet the Company's obligations and regulatory requirements.

The management of the Company's capital is guided by the CMP, which aligns with the Company's business strategies and organisational needs, while considering the business and regulatory environment. In this regard, the Company sets a capital target that exceeds the minimum regulatory requirements as specified under the RBC and RBCT.

To assess the Company's financial resilience, annual stress tests are conducted under the Financial Condition Report ("FCR") and Internal Capital Adequacy Assessment Process ("ICAAP"). These tests evaluate the Company's ability to withstand market shocks and measure the potential erosion of capital due to key risks identified from adverse, plausible events. The FCR and ICAAP reports are presented to the Board for approval before submission to BNM.

Where appropriate, retrocessions/retrotakaful are implemented to ensure that the Company's claim risks are adequately diversified and mitigated.

25. Risk management framework (continued)

Sustainability

The Company is committed to manage its business in a sustainable and responsible way in order to achieve long-term growth and create value for its stakeholders. The sustainability strategy is built on three key pillars: net zero, people and community, and sustainable operations. These commitments guide the Company's daily operations, including planning, risk management, compliance, actions plans and activities.

26. Insurance/Takaful risk management

Managing insurance/takaful risk is the core business of the Company. The objectives of managing insurance/takaful risks are to enhance the long-term financial performance of the business and limit any excessive variability of the insurance/takaful results.

Insurance/takaful risk results from pricing and acceptance of reinsurance/retakaful contracts. The risks arise when actual claims experience is different from the assumptions used in setting the prices of products and establishing the technical provisions and liabilities for claims. Sources of risk include policy lapses and claims such as mortality and morbidity.

The Company utilises retrocessions/retrotakaful to manage the mortality and morbidity risks. Loss ratios would be monitored closely and insurance/takaful risk can be mitigated by a re-pricing exercise if the adverse experience persists.

26. Insurance/Takaful risk management (continued)

Geographically, the Company's risks are concentrated in Malaysia. Catastrophic cover is procured to limit catastrophic losses.

The table below sets out the concentration of the Company's insurance/takaful revenue by type of product.

	<-----2024----->			<-----2023----->		
	Gross	Retrocession	Net	Gross	Retrocession	Net
	RM'000	/Retrotakaful RM'000	RM'000	RM'000	RM'000	RM'000
Life Reinsurance Fund						
Yearly Renewable Term - Life WM	446,224	(119,730)	326,494	398,326	(78,361)	319,965
Yearly Renewable Term - Health WM	83,004	(64,151)	18,853	56,652	(42,670)	13,982
Surplus Relief Reinsurance WM	50,944	(33,298)	17,646	49,234	(35,394)	13,840
Others	91,016	(6,137)	84,879	65,859	(3,322)	62,537
Total	671,188	(223,316)	447,872	570,071	(159,747)	410,324
Family Retakaful Fund						
Cotakaful Group Family Health WM	1,846	(1,267)	579	-	-	-
Yearly Renewable Term - Family WM	359	(174)	185	-	-	-
Total	2,205	(1,441)	764	-	-	-
Company						
Yearly Renewable Term - Life WM	446,224	(119,730)	326,494	398,326	(78,361)	319,965
Yearly Renewable Term - Health WM	83,004	(64,151)	18,853	56,652	(42,670)	13,982
Surplus Relief Reinsurance WM	50,944	(33,298)	17,646	49,234	(35,394)	13,840
Others	93,651	(6,137)	87,514	65,859	(3,322)	62,537
Total	673,823	(223,316)	450,507	570,071	(159,747)	410,324

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26. Insurance/Takaful risk management (continued)

The table below sets out the concentration of the Company's insurance/takaful contract assets and insurance/takaful contract liabilities by type of product.

	<-----2024----->			<-----2023----->		
	Insurance/ Takaful Contract Assets RM'000	Insurance/ Takaful Contract Liabilities RM'000	Net RM'000	Insurance Contract Assets RM'000	Insurance Contract Liabilities RM'000	Net RM'000
Life Reinsurance Fund						
Yearly Renewable Term - Life WM	-	(99,770)	(99,770)	-	(9,096)	(9,096)
Surplus Relief Reinsurance WM	-	(22,988)	(22,988)	-	(17,141)	(17,141)
Yearly Renewable Term - Health WM	-	(24,171)	(24,171)	-	(13,542)	(13,542)
Coinsurance - Group Life Health WM	-	(20,016)	(20,016)	-	(4,469)	(4,469)
Others	8,849	(32,491)	(23,642)	20,120	(15,166)	4,954
Total	8,849	(199,436)	(190,587)	20,120	(59,414)	(39,294)
Family Retakaful Fund						
Yearly Renewable Term - Family WM	-	(125)	(125)	-	-	-
Company						
Yearly Renewable Term - Life WM	-	(99,770)	(99,770)	-	(9,096)	(9,096)
Surplus Relief Reinsurance WM	-	(22,988)	(22,988)	-	(17,141)	(17,141)
Yearly Renewable Term - Health WM	-	(24,171)	(24,171)	-	(13,542)	(13,542)
Coinsurance - Group Life Health WM	-	(20,016)	(20,016)	-	(4,469)	(4,469)
Others	8,974	(32,755)	(23,781)	20,120	(15,166)	4,954
Total	8,974	(199,700)	(190,726)	20,120	(59,414)	(39,294)

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26. Insurance/Takaful risk management (continued)

The table below sets out the concentration of the Company's reinsurance/retakaful contracts assets and reinsurance/retakaful contracts liabilities by type of product.

	<-----2024----->			<-----2023----->		
	Reinsurance/ Retakaful Contracts Assets RM'000	Reinsurance/ Retakaful Contracts Liabilities RM'000	Net RM'000	Reinsurance Contracts Assets RM'000	Reinsurance Contracts Liabilities RM'000	Net RM'000
Life Reinsurance Fund and Company						
Yearly Renewable Term - Life WM	35,131	-	35,131	-	(9,171)	(9,171)
Surplus Relief Reinsurance WM	15,874	-	15,874	14,254	-	14,254
Yearly Renewable Term - Health WM	14,287	-	14,287	10,471	-	10,471
Yearly Renewable Term - Life OM	2,854	-	2,854	3,004	-	3,004
Others	6,396	(19)	6,377	1,870	(809)	1,061
Total	74,542	(19)	74,523	29,599	(9,980)	19,619

Key assumptions

Material judgements are required in determining the claim liabilities and in the choice of assumptions. Assumptions used are based on past experience current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at date of valuation. Assumptions are further evaluated on a continuous basis in order to arrive at realistic and reasonable valuations.

Sensitivities

The analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net profit and equity.

26. Insurance/Takaful risk management (continued)**Sensitivities (continued)**

2024		Impact on profit before tax gross of reinsurance/ retakaful	Impact on profit before tax net of reinsurance/ retakaful	Impact on equity gross of reinsurance/ retakaful	Impact on equity net of reinsurance/ retakaful
	Change in assumptions				
Life Reinsurance Fund		RM'000	RM'000	RM'000	RM'000
Mortality/morbidity rate	+5%	(228,429)	(210,354)	(228,429)	(210,354)
Expenses	+10%	(3,774)	(3,774)	(3,472)	(3,472)
Lapse and surrenders rate	+40%	(6,238)	(4,241)	(5,739)	(3,902)
Discount rate	+100 basis point	(20,830)	(6,263)	(19,164)	(5,762)
Mortality/morbidity rate	-5%	65,133	47,195	59,922	43,420
Expenses	-10%	3,774	3,774	3,472	3,472
Lapse and surrenders rate	-40%	6,332	4,120	5,826	3,790
Discount rate	-100 basis point	21,641	4,864	19,910	4,475
Company					
Mortality/morbidity rate	+5%	(228,429)	(210,354)	(228,429)	(210,354)
Expenses	+10%	(4,150)	(4,150)	(3,818)	(3,818)
Lapse and surrenders rate	+40%	(6,245)	(4,248)	(5,745)	(3,909)
Discount rate	+100 basis point	(20,834)	(6,267)	(19,167)	(5,766)
Mortality/morbidity rate	-5%	65,133	47,195	59,922	43,420
Expenses	-10%	4,150	4,150	3,818	3,818
Lapse and surrenders rate	-40%	6,342	4,130	5,834	3,799
Discount rate	-100 basis point	21,646	4,868	19,914	4,479

26. Insurance/Takaful risk management (continued)**Sensitivities (continued)**

2023	Change in assumptions	Impact on	Impact on	Impact on	Impact on
		profit before tax gross of reinsurance	profit before tax net of reinsurance	equity gross of reinsurance	equity net of reinsurance
		RM'000	RM'000	RM'000	RM'000
Life Reinsurance Fund and Company					
Mortality/morbidity rate	+5%	(51,877)	(36,801)	(47,727)	(33,857)
Expenses	+10%	(3,733)	(3,733)	(3,434)	(3,434)
Lapse and surrenders rate	+40%	(14,091)	(11,686)	(12,964)	(10,751)
Discount rate	+100 basis point	(49,977)	(34,132)	(45,979)	(31,401)
Mortality/morbidity rate	-5%	52,776	37,835	48,554	34,808
Expenses	-10%	3,733	3,733	3,434	3,434
Lapse and surrenders rate	-40%	27,598	22,439	25,390	20,644
Discount rate	-100 basis point	58,130	40,141	53,480	36,930

26. Insurance/Takaful risk management (continued)**Sensitivities (continued)**

		2024		2023	
		Impact on CSM before tax gross of reinsurance/ retakaful RM'000	Impact on CSM before tax net of reinsurance/ retakaful RM'000	Impact on CSM before tax gross of reinsurance RM'000	Impact on CSM before tax gross of reinsurance RM'000
Life Reinsurance Fund					
Mortality/morbidity rate	+5%	(133,477)	(51,874)	(265,783)	(196,812)
Expenses	+10%	(41,323)	(41,323)	(41,914)	(41,914)
Lapse and surrenders rate	+40%	(85,473)	(60,657)	(162,460)	(137,627)
Mortality/morbidity rate	-5%	309,854	228,799	280,472	206,170
Expenses	-10%	41,323	41,323	41,914	41,914
Lapse and surrenders rate	-40%	98,311	70,474	322,366	269,619
Company					
Mortality/morbidity rate	+5%	(133,477)	(51,874)	(265,783)	(196,812)
Expenses	+10%	(41,330)	(41,330)	(41,914)	(41,914)
Lapse and surrenders rate	+40%	(85,480)	(60,664)	(162,460)	(137,627)
Mortality/morbidity rate	-5%	309,854	228,799	280,472	206,170
Expenses	-10%	41,330	41,330	41,914	41,914
Lapse and surrenders rate	-40%	98,321	70,483	322,366	269,619

27. Financial instruments

27.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Mandatory at fair value through profit and loss ("FVTPL");
- (b) Amortised cost ("AC"); and
- (c) Financial liabilities measured at amortised cost ("FL")

	Carrying amount RM'000	AC/ (FL) RM'000	Mandatory At FVTPL RM'000
Life Reinsurance Fund			
2024			
Financial assets			
Investments	579,839	21,714	558,125
Receivables, excluding prepayments	7,470	7,470	-
Cash and cash equivalents	20,176	20,176	-
	<u>607,485</u>	<u>49,360</u>	<u>558,125</u>
Financial liabilities			
Other payables	<u>(180,924)</u>	<u>(180,924)</u>	-
2023			
Financial assets			
Investments	545,132	20,998	524,134
Receivables, excluding prepayments	754	754	-
Cash and cash equivalents	9,001	9,001	-
	<u>554,887</u>	<u>30,753</u>	<u>524,134</u>
Financial liabilities			
Other payables	<u>(227,081)</u>	<u>(227,081)</u>	-
Family Retakaful Fund			
2024			
Financial assets			
Investments	124	-	124
Cash and cash equivalents	1	1	-
	<u>125</u>	<u>1</u>	<u>124</u>

27. Financial instruments (continued)

27.1 Categories of financial instruments (continued)

Company	Carrying amount RM'000	AC/ (FL) RM'000	Mandatory At FVTPL RM'000
2024			
Financial assets			
Investments	887,805	21,714	866,091
Receivables, excluding prepayments	7,586	7,586	-
Cash and cash equivalents	22,654	22,654	-
	<u>918,045</u>	<u>51,954</u>	<u>866,091</u>
Financial liabilities			
Other payables	<u>(10,963)</u>	<u>(10,963)</u>	<u>-</u>
2023			
Financial assets			
Investments	799,306	20,998	778,308
Receivables, excluding prepayments	902	902	-
Cash and cash equivalents	29,498	29,498	-
	<u>829,706</u>	<u>51,398</u>	<u>778,308</u>
Financial liabilities			
Other payables	<u>(10,328)</u>	<u>(10,328)</u>	<u>-</u>

27.2 Net gains and losses arising from financial instruments

	Life Reinsurance Fund RM'000	Family Retakaful Fund RM'000	Company RM'000
2024			
Net gains arising on:			
Mandatory at FVTPL	22,797	-	34,425
Financial assets at AC	1,192	-	1,523
	<u>23,989</u>	<u>-</u>	<u>35,948</u>
2023			
Net gains arising on:			
Mandatory at FVTPL	37,074	-	37,074
Financial assets at AC	1,965	-	1,965
	<u>39,039</u>	<u>-</u>	<u>39,039</u>

27. Financial instruments (continued)

27.3 Financial risk management

The Company is exposed to a variety of financial risks that includes credit risk, liquidity risk, market risk (currency risk, interest rate risk, equity price risk) and operational risk. The Company's overall financial risk management objective is to ensure that the Company creates value for its shareholders whilst managing potential exposure to adverse effects on its financial performance and positions.

The Company is guided by risk management policies which set out the overall business strategies. The Risk Management Committee sets the policy and framework for the risk management function and reviews its appropriateness regularly. The administration of financial risk management is delegated to the Management of the Company.

The policies and measures taken by the Company to manage these risks are as set out below:

- Credit risk
- Liquidity risk
- Market risk

27.4 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer, an intermediary or counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

The Company's primary exposure to credit risk arises through its investment in fixed income securities, placements or balances with financial institutions, receivables arising from reinsurance/retakaful contracts issued and recoveries from retrocessionaires/retrotakaful through reinsurance/retakaful contracts held.

Risk management objectives, policies and process for managing the risk

Management has taken reasonable steps to ensure that premium/contribution receivables that are neither past due nor impaired are stated at their realisable values. The Company uses aging analysis to monitor the credit quality of premium receivables. Premium/contribution receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

Recoveries from retrocessionaires/retrotakaful are monitored by the Finance Department. The Company monitors the credit quality and financial conditions on a quarterly basis as part of its overall credit risk management framework. The Company cedes the majority of its business to reinsurers that are deemed to be qualified reinsurers under the Risk-Based Capital Framework.

27. Financial instruments (continued)

27.4 Credit risk (continued)

Risk management objectives, policies and process for managing the risk (continued)

For fixed income securities, the Company relies on the ratings assigned by external rating agencies to assess the issuer's credit risk. Monitoring of credit is carried out by the Finance Department and any adverse changes in the credit profile on a security to below A-rated would be reported to the Investment Committee.

Cash and deposits are placed with financial institutions licensed under the Financial Service Act 2013 and Islamic Financial Service Act 2013 which are regulated by Bank Negara Malaysia, guided by the Company's approved exposure limits and minimal credit rating requirements for each financial institution.

At the end of the reporting period, there was no significant concentration of credit risk.

27.4.1 Credit exposure

The table below shows the maximum exposure to credit risk for the financial asset components on the statement of financial position.

	Life Reinsurance Fund RM'000	Family Retakaful Fund RM'000	Company RM'000
2024			
Amortised cost investments	21,714	-	21,714
Insurance/Takaful contracts assets	8,849	-	8,974
Reinsurance/Retakaful contracts assets	74,542	-	74,542
Receivables, excluding prepayments	7,470	-	7,586
Cash and cash equivalents	20,176	1	22,654
	<u>132,751</u>	<u>1</u>	<u>135,470</u>
2023			
Amortised cost investments	20,998	-	20,998
Insurance contracts assets	20,120	-	20,120
Reinsurance contracts assets	29,599	-	29,599
Receivables, excluding prepayments	754	-	902
Cash and cash equivalents	9,001	-	29,498
	<u>80,472</u>	<u>-</u>	<u>101,117</u>

27. Financial instruments (continued)

27.4 Credit risk (continued)

27.4.1 Credit exposure (continued)

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Rating Agency of Malaysia's ("RAM") or Malaysian Rating Corporation Berhad's ("MARC") credit ratings of counterparties and those of internationally recognised rating agencies such as Fitch Ratings, A.M. Best and Standard and Poor's. AAA is the highest possible rating. Assets are classified as 'Not-rated' when the assets are unrated or the Company is unable to obtain the rating of the assets.

Life Reinsurance Fund	AAA RM'000	AA RM'000	A RM'000	B RM'000	Not-rated RM'000	Total RM'000
2024						
Investments:						
Amortised cost	-	-	-	-	21,714	21,714
Reinsurance contracts assets	-	76,343	(1,779)	(22)	-	74,542
Receivables, excluding prepayments	-	-	-	-	7,470	7,470
Cash and cash equivalents	78	20,098	-	-	-	20,176
	<u>78</u>	<u>96,441</u>	<u>(1,779)</u>	<u>(22)</u>	<u>29,184</u>	<u>123,902</u>
2023						
Investments:						
Amortised cost	-	-	-	-	20,998	20,998
Reinsurance contracts assets	-	29,305	215	-	79	29,599
Receivables, excluding prepayments	-	-	-	-	754	754
Cash and cash equivalents	3,245	5,755	-	-	-	9,000
	<u>3,245</u>	<u>35,060</u>	<u>215</u>	<u>-</u>	<u>21,831</u>	<u>60,351</u>

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27. Financial instruments (continued)

27.4 Credit risk (continued)

27.4.1 Credit exposure (continued)

Family Retakaful Fund

2024

Cash and cash equivalents

AAA RM'000	AA RM'000	A RM'000	B RM'000	Not-rated RM'000	Total RM'000
1	-	-	-	-	1

Company

2024

Investments:

Amortised cost	-	-	-	-	21,714	21,714
Reinsurance/Retakaful contracts assets	-	76,343	(1,779)	(22)	-	74,542
Receivables, excluding prepayments	-	-	-	-	7,586	7,586
Cash and cash equivalents	568	22,086	-	-	-	22,654
	568	98,429	(1,779)	(22)	29,300	126,496

2023

Investments:

Amortised cost	-	-	-	-	20,998	20,998
Reinsurance contracts assets	-	29,305	215	-	79	29,599
Receivables, excluding prepayments	-	-	-	-	902	902
Cash and cash equivalents	3,322	26,176	-	-	-	29,498
	3,322	55,481	215	-	21,979	80,997

27. Financial instruments (continued)

27.5 Liquidity risk

Liquidity risk is the risk that the Company may not have sufficient liquid financial resources to meet its obligations when they fall due. The Company's policy is to maintain adequate liquidity to meet its liquidity needs under normal and stressed conditions.

As part of its liquidity management, the Company maintains sufficient level of cash and cash equivalents to meet expected and to a lesser extent unexpected outflows.

27.5.1 Maturity analysis

Insurance/takaful contracts and reinsurance/retakaful contracts held

The table below summarises the maturity profile of the Company's Insurance/takaful contracts and reinsurance/retakaful contracts held, which reflects the dates on which the cash flows are expected to occur. The maturity profile is determined based on remaining discounted contractual obligations.

	Carrying amount RM'000	1 year or less* RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
Life Reinsurance Fund								
2024								
Insurance contract liabilities	199,436	317,183	(77,400)	(73,698)	(67,972)	(63,686)	(709,251)	(674,824)
Reinsurance contract liabilities	19	20	-	-	-	-	-	20
2023								
Insurance contract liabilities	59,414	257,031	(79,711)	(75,211)	(71,302)	(67,667)	(1,312,679)	(1,349,539)
Reinsurance contract liabilities	9,980	(80,870)	20,954	19,800	18,698	17,681	251,055	247,318

* Expected utilisation or settlement is within 12 months from the reporting date.

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27. Financial instruments (continued)

27.5 Liquidity risk (continued)

27.5.1 Maturity analysis (continued)

	Carrying amount RM'000	1 year or less*	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
Family Retakaful Fund								
2024								
Takaful contract liabilities	125	79	-	-	-	-	-	79
Retakaful contract liabilities	-	30	-	-	-	-	-	30
Company								
2024								
Insurance/Takaful contract liabilities	199,700	317,337	(77,400)	(73,698)	(67,972)	(63,686)	(709,251)	(674,670)
Reinsurance/Retakaful contract liabilities	19	20	-	-	-	-	-	20
2023								
Insurance contract liabilities	59,414	257,031	(79,711)	(75,211)	(71,302)	(67,667)	(1,312,679)	(1,349,539)
Reinsurance contract liabilities	9,980	(80,870)	20,954	19,800	18,698	17,681	251,055	247,318

* Expected utilisation or settlement is within 12 months from the reporting date.

27. Financial instruments (continued)

27.5 Liquidity risk (continued)

27.5.1 Maturity analysis (continued)

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual Interest rate/ Discount rate	Contractual cash flow RM'000	Up to a year* RM'000	1 - 5 years RM'000	Above 5 years RM'000
Life Reinsurance Fund						
2024						
Other payables	180,924	-	180,924	179,988	936	-
Lease liabilities	4,359	5.0 - 6.2%	5,206	883	4,323	-
	<u>185,283</u>		<u>186,130</u>	<u>180,871</u>	<u>5,259</u>	<u>-</u>
2023						
Other payables	227,081	-	227,081	226,802	1,140	-
Lease liabilities	911	5.0%	945	864	81	-
	<u>227,992</u>		<u>228,026</u>	<u>227,666</u>	<u>1,221</u>	<u>-</u>

* Expected utilisation or settlement is within 12 months of the reporting date.

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27. Financial instruments (continued)

27.5 Liquidity risk (continued)

27.5.1 Maturity analysis (continued)

Company	Carrying amount RM'000	Contractual Interest rate/ Discount rate	Contractual cash flow RM'000	Up to a year* RM'000	1 - 5 years RM'000	Above 5 years RM'000
2024						
Other payables	10,963	-	10,963	10,027	936	-
Lease liabilities	4,359	5.0 - 6.2%	5,206	883	4,323	-
	<u>15,322</u>		<u>16,169</u>	<u>10,910</u>	<u>5,259</u>	<u>-</u>
2023						
Other payables	10,328	-	10,328	9,188	1,140	-
Lease liabilities	911	5.0%	945	864	81	-
	<u>11,239</u>		<u>11,273</u>	<u>10,052</u>	<u>1,221</u>	<u>-</u>

* Expected utilisation or settlement is within 12 months of the reporting date.

27. Financial instruments (continued)

27.6 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprised of three types of exposures: currency risk, interest rate risk and other price risk.

27.6.1 Currency risk

The Company is exposed to foreign currency risk on reinsurance premiums and claims that are denominated in currencies other than the Malaysian Ringgit. The Company has exposure to the following currencies: United States Dollar, Philippines Peso, Brunei Dollar, Singapore Dollar, Indonesia Rupiah and Taiwan Dollar.

Risk management objectives, policies and processes for managing the risk

As at the end of the reporting period, 1.90% (2023: 2.03%) of the Company's businesses are from overseas business. As such, the Company has minimal exposure to foreign currency risk, and currency risk sensitivity is not disclosed. The net reinsurance premiums due to the Company from foreign clients are deposited into a multi-currency bank account which would later be transferred to a Ringgit-denominated account.

27. Financial instruments (continued)

27.6 Market risk (continued)

27.6.1 Currency risk (continued)

Exposure to foreign currency risk

The Company's exposure to foreign currency (a currency which is other than the functional currency of the Company) risk, based on carrying amounts as at the end of the reporting period was:

Life Reinsurance Funds and Company	US Dollar RM'000	Philippines Peso RM'000	Brunei Dollar RM'000	Singapore Dollar RM'000	Indonesian Rupiah RM'000	Taiwan Dollar RM'000
2024						
Insurance contract assets	1,067	86	6	2,861	34	62
Cash and cash equivalents	10	-	-	2	-	-
	<u>1,077</u>	<u>86</u>	<u>6</u>	<u>2,863</u>	<u>34</u>	<u>62</u>
2023						
Insurance contract assets	595	140	-	-	(5)	(10)
Cash and cash equivalents	2	-	-	2	-	-
	<u>597</u>	<u>140</u>	<u>-</u>	<u>2</u>	<u>(5)</u>	<u>(10)</u>

27.6.2 Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Risk management objectives, policies and processes for managing the risk

Interest rate risk is managed by the Company on an on-going basis with the primary objective of limiting the extent to which solvency and profitability can be affected by an adverse movement in interest rates.

27. Financial instruments (continued)

27.6 Market risk (continued)

27.6.2 Interest rate risk (continued)

Exposure to interest rate risk

The Company is exposed to interest rate risk primarily through its investments in fixed income securities, Insurance/takaful contracts and reinsurance/retakaful contracts held. Interest rate risk is managed by the Company on an ongoing basis.

The Company does not have any variable rate investments and borrowings, and hence are not exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Company's significant interest bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Life Reinsurance Fund RM'000	Company RM'000
2024		
Fixed rate instruments		
- Investments (excluding zero coupon bond)	21,714	21,714
Short term deposits with licensed banks	20,086	22,515
	<u>41,800</u>	<u>44,229</u>
2023		
Fixed rate instruments		
- Investments (excluding zero coupon bond)	20,998	20,998
Short term deposits with licensed banks	8,931	29,352
	<u>29,929</u>	<u>50,350</u>

The Company's interest-bearing financial instruments are carried at amortised cost hence changes in interest rates have no impact to its carrying amount. As such, a sensitivity analysis for the impact of the rate changes to fair value is not performed.

27. Financial instruments (continued)

27.6 Market risk (continued)

27.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis

An analysis of the Company's sensitivity to a +/- 25 basis points change in the interest rate at the reporting date, assuming that all other variables remain constant, is presented below:

	Impact on profit before tax		Impact on equity*	
	+25 basis points RM'000	-25 basis points RM'000	+25 basis points RM'000	-25 basis points RM'000
Life Reinsurance Fund and Company				
2024				
Financial instruments	(7,165)	7,165	(6,592)	6,592
2023				
Financial instruments	(60)	60	(55)	55

* Impact on equity reflects adjustments for tax, when applicable.

An analysis of the sensitivity to a +/- 100 basis points change in the discount rate at the reporting date, assuming that all other variables remain constant, is presented below:

	Impact on profit before tax		Impact on equity*	
	+100 basis points RM'000	-100 basis points RM'000	+100 basis points RM'000	-100 basis points RM'000
Life Reinsurance Fund				
2024				
Insurance contracts and reinsurance contracts held	(6,263)	4,864	(5,762)	4,475
2023				
Insurance contracts and reinsurance contracts held	(34,132)	40,141	(31,401)	36,930

* Impact on equity reflects adjustments for tax, when applicable.

27. Financial instruments (continued)

27.6 Market risk (continued)

27.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)

Company	Impact on profit before tax		Impact on equity*	
	+100 basis points RM'000	-100 basis points RM'000	+100 basis points RM'000	-100 basis points RM'000
2024				
Insurance/Takaful contracts and reinsurance/retakaful contracts held	(6,267)	4,868	(5,766)	4,479
2023				
Insurance/Takaful contracts and reinsurance/retakaful contracts held	(34,132)	40,141	(31,401)	36,930

* Impact on equity reflects adjustments for tax, when applicable.

27.6.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), regardless whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting similar financial instruments traded in the market. Price risk can arise from investments in equity instruments and unit trust funds.

The Company's investment policy does not permit investment in equities and consequently has no exposure to the volatilities of the equity markets.

The Company invests in unit trust funds which fair value is quoted as the Net Asset Value (NAV) per unit in circularisation. The Company is exposed to the changes in NAV/unit of these funds.

The sensitivity analysis below shows the impact to equity for the change in NAV/unit.

Life Reinsurance Fund	Change in Variable	<-----Impact on equity----->	
		2024	2023
		RM'000	RM'000
NAV/unit	+10%	55,813	52,414
NAV/unit	- 10%	(55,813)	(52,414)

27. Financial instruments (continued)

27.6 Market risk (continued)

27.6.3 Other price risk (continued)

Family Retakaful Fund	Change in Variable	<-----Impact on equity----->	
		2024	2023
		RM'000	RM'000
NAV/unit	+10%	12	-
NAV/unit	- 10%	(12)	-

Company	Change in Variable	<-----Impact on equity----->	
		2024	2023
		RM'000	RM'000
NAV/unit	+10%	86,609	77,831
NAV/unit	- 10%	(86,609)	(77,831)

27.6.4 Operational risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. Operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss.

The Company mitigates operational risk by establishing a control framework and by monitoring and responding to potential risks. Controls include segregation of duties, access controls, authorisation, reconciliation procedures, staff training and evaluation procedures, including the use of Internal Audit.

The Company has a Business Continuity Management in place to ensure all aspects of the Company remain to be functioning in the midst of disruptive events. The Company also has a Disaster Recovery Plan which focuses on the technology systems that support various business functions.

27.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

27. Financial instruments (continued)

27.7 Fair value information (continued)

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2023: no transfer in either directions).

Level 3 fair value

Level 3 fair value, if any, is estimated using unobservable inputs for the financial assets and liabilities.

27. Financial instruments (continued)

27.7 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	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		
Life Reinsurance Fund										
2024										
Financial assets										
Mandatory at fair value through profit or loss	558,125	-	-	558,125	-	-	-	-	558,125	558,125
Amortised cost	-	-	-	-	-	21,714	-	21,714	21,714	21,714
	<u>558,125</u>	<u>-</u>	<u>-</u>	<u>558,125</u>	<u>-</u>	<u>21,714</u>	<u>-</u>	<u>21,714</u>	<u>579,839</u>	<u>579,839</u>
2023										
Financial assets										
Mandatory at fair value through profit or loss	524,134	-	-	524,134	-	-	-	-	524,134	524,134
Amortised cost	-	-	-	-	-	21,224	-	21,224	21,224	20,998
	<u>524,134</u>	<u>-</u>	<u>-</u>	<u>524,134</u>	<u>-</u>	<u>21,224</u>	<u>-</u>	<u>21,224</u>	<u>545,358</u>	<u>545,132</u>

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27. Financial instruments (continued)

27.7 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	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		
Family Retakaful Fund										
2024										
Financial assets										
Mandatory at fair value through profit or loss	124	-	-	124	-	-	-	-	124	124
Company										
2024										
Financial assets										
Mandatory at fair value through profit or loss	866,091	-	-	866,091	-	-	-	-	866,091	866,091
Amortised cost	-	-	-	-	-	21,714	-	21,714	21,714	21,714
	866,091	-	-	866,091	-	21,714	-	21,714	887,805	887,805
2023										
Financial assets										
Mandatory at fair value through profit or loss	778,308	-	-	778,308	-	-	-	-	778,308	778,308
Amortised cost	-	-	-	-	-	21,224	-	21,224	21,224	20,998
	778,308	-	-	778,308	-	21,224	-	21,224	799,532	799,306

28. Regulatory capital requirements

The Company's capital management policy is to optimise the efficient and effective use of resources to maximise the return on equity and provide an appropriate level of capital to protect cedants and meet regulatory requirements.

The Company is required to comply with the regulatory capital requirement prescribed in the Risk Based Capital Framework for Insurers ("RBC") and Risk-Based Capital Framework for Takaful Operators ("RBCT") which is imposed by the Ministry of Finance pursuant to Section 13(1) of the Financial Services Act, 2013. Under this Framework, the Company is required to satisfy a minimum capital adequacy ratio of 130% and maintain a capital level that commensurate with the Company's risk profile. The Company has a capital adequacy ratio in excess of the minimum requirement.

The total capital available of the Company as at 31 December 2024, as defined under the RBC Framework is provided below:

	2024 RM'000	2023 RM'000
Life Reinsurance and Shareholders'		
Tier 1 capital		
Share capital (paid up)	51,000	51,000
Retained profits as prescribed under the RBC Framework	476,145	449,890
	<u>527,145</u>	<u>500,890</u>
Tier 2 capital		
Eligible reserves as prescribed under the RBC Framework	-	-
Amounts deducted from capital	-	-
Total capital available	<u>526,809</u>	<u>500,890</u>
Family Retakaful and Retakaful Operator		
Tier 1 capital		
Share capital (paid up)	20,000	20,000
Retained profits as prescribed under the RBCT Framework	(3,247)	(973)
	<u>16,753</u>	<u>19,027</u>
Tier 2 capital		
Eligible reserves as prescribed under the RBCT Framework	-	-
Amounts deducted from capital	-	-
Total capital available	<u>16,753</u>	<u>19,027</u>

29. Reinsurance/Retakaful funds

The Company's activities are organised by funds and segregated into the Life Fund, Shareholders' Fund, Family Retakaful Fund and Retakaful Operator's Funds in accordance with the Financial Services Act 2013 and Islamic Financial Services Act 2013.

The reinsurance/retakaful life business offers various reinsurance/retakaful arrangements that are required by clients (cedants/retrocessionaires).

The Company's statement of financial position, profit or loss and information on cash flows comprising the Shareholders', Life, Family Retakaful and Retakaful Operator's Funds are further analysed by funds as follows:

Statement of Financial Position by Funds as at 31 December 2024

	Shareholders' Fund		Life Fund		Retakaful Operator's Fund		Family Retakaful Fund		Elimination		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets												
Plant and equipment	-	-	3,100	525	-	-	-	-	-	-	3,100	525
Intangible assets	-	-	3,222	3,249	-	-	-	-	-	-	3,222	3,249
Right-of-use assets	-	-	4,477	906	-	-	-	-	-	-	4,477	906
Financial assets – Investments	289,563	254,174	579,839	545,132	18,279	-	124	-	-	-	887,805	799,306
Insurance/Takaful contract assets	-	-	8,849	20,120	125	-	-	-	-	-	8,974	20,120
Reinsurance/Retakaful contract assets	-	-	74,542	29,599	-	-	-	-	-	-	74,542	29,599
Receivables	193,183	237,881	8,037	1,590	51	107	-	-	(193,067)	(237,765)	8,204	1,813
Current tax assets	10,341	8,704	-	-	-	-	-	-	-	-	10,341	8,704
Cash and cash equivalents	444	565	20,176	9,001	2,033	19,932	1	-	-	-	22,654	29,498
Total assets	493,531	501,324	702,242	610,122	20,488	20,039	125	-	(193,067)	(237,765)	1,023,319	893,720
Total equity	472,153	475,871	317,504	312,736	(2,757)	(973)	-	-	-	-	786,900	787,634
Insurance/Takaful contract liabilities	-	-	199,436	59,414	139	-	125	-	-	-	199,700	59,414
Reinsurance/Retakaful contract liabilities	-	-	19	9,980	-	-	-	-	-	-	19	9,980
Deferred tax liabilities	21,378	25,453	-	-	-	-	-	-	-	-	21,378	25,453
Lease liabilities	-	-	4,359	911	-	-	-	-	-	-	4,359	911
Other payables	-	-	180,924	227,081	23,106	21,012	-	-	(193,067)	(237,765)	10,963	10,328
Total liabilities	21,378	25,453	384,738	297,386	23,245	21,012	125	-	(193,067)	(237,765)	236,419	106,086
Total equity and liabilities	493,531	501,324	702,242	610,122	20,488	20,039	125	-	(193,067)	(237,765)	1,023,319	893,720

29. Reinsurance/Retakaful funds (continued)

Profit or Loss by Funds for the year ended 31 December 2024

	Shareholders' Fund		Life Fund		Retakaful Operator's Fund		Family Retakaful Fund		Elimination	Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	9,611	7,681	694,404	590,389	1,348	177	2,205	-	-	707,500	598,247
Insurance/Takaful revenue	-	-	671,188	570,071	498	-	2,205	-	(68)	673,823	570,071
Insurance/Takaful service expenses	-	-	(694,507)	(561,620)	(2,949)	-	(2,205)	-	68	(699,593)	(561,620)
Net income/(expenses)from reinsurance/retakaful contracts held	-	-	5,728	(8,858)	-	-	-	-	-	5,728	(8,858)
Insurance service result	-	-	(17,591)	(407)	(2,451)	-	-	-	-	(20,042)	(407)
Investment income	9,611	7,681	23,216	20,318	850	177	-	-	-	33,677	28,176
Net fair value gains/(losses)	1,262	5,342	1,091	3,002	(182)	-	-	-	-	2,170	8,344
Investment return	10,873	13,023	24,307	23,320	668	177	-	-	-	35,847	36,520
Net finance (expense)/income from insurance/takaful contracts	-	-	(4,358)	29,102	-	-	-	-	-	(4,358)	29,102
Net finance (expense)/income from reinsurance/retakaful contracts held	-	-	(1,166)	(10,007)	-	-	-	-	-	(1,166)	(10,007)
Net financial result	10,873	13,023	18,783	42,415	668	177	-	-	-	30,323	55,615
Other operating income	-	-	11,456	2,193	-	-	-	-	-	11,456	2,193
Management expenses	(527)	(1)	(812)	(6)	-	(1,150)	-	-	-	(1,339)	(1,157)
	10,346	13,022	11,836	44,195	(1,783)	(973)	-	-	-	20,398	56,244
Transfer from Revenue Account	7,101	33,619	(7,101)	(33,619)	-	-	-	-	-	-	-
Profit/(Loss) before zakat and tax	17,447	46,641	4,735	10,576	(1,783)	(973)	-	-	-	20,398	56,244
Taxation	712	(2,827)	-	-	-	-	-	-	-	712	(2,827)
Profit/(Loss) for the year	18,159	43,814	4,735	10,576	(1,783)	(973)	-	-	-	21,110	53,417

Company No. 199701002371 (417867-K)

29. Reinsurance/Retakaful funds (continued)

Cash flows by Funds for the year ended 31 December 2024

	Shareholders' Fund		Life Fund		Retakaful Operator's Fund		Family Retakaful Fund		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows generated from/ (used in):										
Operating activities	21,723	(29,785)	15,171	27,065	(17,900)	19,932	1	-	18,995	17,212
Investing activities	-	-	(3,155)	(319)	-	-	-	-	(3,155)	(319)
Financing activities	(21,844)	30,151	(840)	(52,905)	-	-	-	-	(22,684)	(22,754)
Net (decrease)/increase in cash and cash equivalents	(121)	366	11,174	(26,159)	(17,900)	19,932	1	-	(6,844)	(5,861)
Cash and cash equivalents at beginning of year	565	199	9,001	35,160	19,932	-	-	-	29,498	35,359
Cash and cash equivalents at end of year	444	565	20,175	9,001	2,032	19,932	1	-	22,654	29,498

Malaysian Life Reinsurance Group Berhad

(Company No. 199701002371 (417867-K))

(Incorporated in Malaysia)

**Statement by Directors pursuant to
Section 251(2) of the Companies Act 2016**

In the opinion of the Directors, the financial statements set out on pages 22 to 120 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors:

.....
Datuk Kamaruddin Taib
Director

.....
Toi See Jong
Director

Kuala Lumpur,

Date: 26 March 2025

Malaysian Life Reinsurance Group Berhad

(Company No. 199701002371 (417867-K))

(Incorporated in Malaysia)

**Statutory Declaration pursuant to
Section 251(1)(b) of the Companies Act 2016**

I, **Patrick Cheah Gim Guan**, the Officer primarily responsible for the financial management of Malaysian Life Reinsurance Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 22 to 120 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Patrick Cheah Gim Guan, in Kuala Lumpur in the Federal Territory on 26 March 2025.

.....
Patrick Cheah Gim Guan

Before me:

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALAYSIAN LIFE REINSURANCE GROUP BERHAD

(Company No. 199701002371 (417867-K))
 (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Malaysian Life Reinsurance Group Berhad ("the Company"), which comprise the statement of financial position as at 31 December 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 22 to 120.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and the statement of the Shariah Advisory Board, but does not include the financial statements of the Company and our auditors' report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

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

Other Matters

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

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

Petaling Jaya, Selangor

Date: 26 March 2025

Foo Siak Chung
Approval Number: 03184/02/2026 J
Chartered Accountant