MNRB HOLDINGS BERHAD
197201001795 (13487-A)

ELEVATING EXCELLENCE
REDEFINING SUCCESS

ANNUAL REPORT 2024

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ELEVATING EXCELLENCE **REDEFINING SUCCESS**

As we embark on this next chapter of our journey, we do so with a sense of optimism, excitement, and unwavering determination. Our achievements this year are a testament to what we are capable of, but they are just the beginning. With our enhanced strategic vision guiding the way, there is no limit to what we can achieve. Together, let us continue to soar beyond success, forging a path towards a brighter, sustainable and prosperous future.

51ST ANNUAL GENERAL MEETING

Day and Date :
Friday, 27 September 2024

Time :
10.00 a.m.

Broadcast venue :
Function Room,
3rd Floor, Bangunan Malaysian Re,
No. 17, Lorong Dungun, Damansara Heights,
50490 Kuala Lumpur

Meeting Platform :
https://investor.boardroomlimited.com

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WHO WE ARE

Malaysian National Reinsurance Berhad, the country's national reinsurer was set up in 1972 to reduce the outflow of reinsurance premiums overseas. The Company commenced operations on 19 February 1973.

In 2005, as a result of a restructuring exercise within the MNRB Group, the Company's reinsurance licence, business and assets were transferred to its subsidiary company, Malaysian Reinsurance Berhad. Pursuant to the restructuring, Malaysian National Reinsurance Berhad became an investment holding company and changed its name to **MNRB Holdings Berhad ("MNRB")**. Today, MNRB is listed on the Main Market of Bursa Malaysia Securities Berhad.

The MNRB Group comprises a leading wholesale provider of reinsurance and retakaful as well as two takaful operators. Its reinsurance subsidiary stands tall among the top reinsurers in the region, writing lines of general businesses locally and abroad. In Malaysia, its takaful operators are amongst the pioneers in the provision of financial protection services based on the takaful system.

The Company has a Share Capital of RM738.5 million.

FACTS AT A GLANCE

GROUP TOTAL REVENUE
RM3.5 BILLION
FY2023: RM2.8 BILLION

GROUP TOTAL ASSETS
RM12.6 BILLION
FY2023: RM11.4 BILLION

GROUP PROFIT BEFORE TAX
RM505.8 MILLION
FY2023: RM144.7 MILLION

MARKET CAPITALISATION
RM1.4 BILLION
as at 29 March 2024
FY2023: RM728.3 MILLION

GROUP PROFIT AFTER TAX
RM433.5 MILLION
FY2023: RM118.3 MILLION

MNRB SCHOLARSHIP FUND
RM19.2 MILLION
FY2023: RM18.6 MILLION

KEY BUSINESS ENTITIES

MALAYSIAN RE

MALAYSIAN RE

Malaysian Reinsurance Berhad ("Malaysian Re") is a wholly owned subsidiary of MNRB Holdings Berhad. As the national reinsurer, Malaysian Re continues to enhance the competitiveness and efficiency of the local insurance companies in an increasingly globalised marketplace through its active involvement in leading and underwriting their reinsurance needs.

Malaysian Re underwrites all classes of general reinsurance business as well as general and family retakaful businesses through its retakaful division, Malaysian Re Retakaful Division.

Leveraging on its breadth and depth of experience and expertise, strong fundamentals and proven record of accomplishment, Malaysian Re has grown in stature as an international player having established a strong market presence in Asia and the Middle East.

Malaysian Re is the largest national reinsurer (by asset) in the Southeast Asia region.

The Company has a Share Capital of RM663.1 million.

TAKAFUL IKHLAS FAMILY

Takaful IKHLAS FAMILY

Takaful Ikhlas Sdn. Bhd. was incorporated on 18 September 2002 and is a wholly owned subsidiary of MNRB Holdings Berhad. The Company converted its status to Berhad on 5 May 2014.

On 30 November 2018, the Company announced the split of its composite takaful licence into two i.e. one for family takaful business and the other for general takaful business. The split is in accordance with the legislative requirement under the Islamic Financial Services Act, 2013 ("IFSA").

Pursuant to this, Takaful Ikhlas Berhad was renamed **Takaful Ikhlas Family Berhad ("Takaful IKHLAS Family")** and manages the family takaful business. The general takaful business is being managed by a new entity, Takaful Ikhlas General Berhad ("Takaful IKHLAS General").

Takaful IKHLAS Family offers a comprehensive range of family takaful products and currently records more than 250,000 certificate (inforce policy) holders as well as more than 3,000 agents.

The Company has a Share Capital of RM405.0 million.

TAKAFUL IKHLAS GENERAL

Takaful IKHLAS GENERAL

Takaful Ikhlas General Berhad ("Takaful IKHLAS General") was incorporated on 5 June 2017 as a wholly owned subsidiary of MNRB Holdings Berhad, following the legislative requirement under the IFSA which requires Takaful Operators to separate its family and general takaful licences. The Company commenced operations on 28 November 2018 as the general takaful arm of MNRB.

Takaful IKHLAS General offers a comprehensive range of general takaful solutions which comprises motor and non-motor general takaful protection products. The Company is committed to deliver quality services through competent staff and effective distribution networks. Its distribution channels comprise knowledgeable and well-trained agents, brokers, financial institutions, motor franchise holders and cooperatives as well as the digital platform.

Takaful IKHLAS General currently records more than 1.5 million registered certificate (policy) holders and more than 3,000 agents.

The Company has a Share Capital of RM230.0 million.

MALAYSIAN RE (DUBAI)

MALAYSIAN RE DUBAI

Malaysian Re (Dubai) Ltd. ("MRDL"), a wholly owned subsidiary of MNRB Holdings Berhad, was incorporated on 7 December 2006 in Dubai, the United Arab Emirates. Its office is situated within the strategic Dubai International Financial Centre ("DIFC") and regulated by the Dubai Financial Services Authority ("DFSA").

MRDL was engaged in developing business for its sister company, Malaysian Reinsurance Berhad ("Malaysian Re"), with a primary function of developing relationships with clients around the Middle East and North Africa ("MENA") and Indian regions and to provide services and underwriting support to them.

As part of strategic realignment of Malaysian Re's business direction and centralisation of underwriting in Malaysia, the abovesaid functions will be discontinued and that the client management will be directly undertaken from Malaysian Re's office in Kuala Lumpur. As announced to Bursa Malaysia on 23 July 2024, the members' voluntary winding up is in progress.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK JOHAR CHE MAT
Non-Independent
Non-Executive Chairman

GEORGE OOMMEN
Senior Independent
Non-Executive Director

KHALID SUFAT
Independent
Non-Executive Director

JUNAIDAH MOHD SAID
Independent
Non-Executive Director

ZAIDA KHALIDA SHAARI
Independent
Non-Executive Director

DATO' WAN ROSHDI WAN MUSA
Independent
Non-Executive Director

CHIN SEE MEI
Independent
Non-Executive Director
(Appointed w.e.f. 1 October 2023)

PRESIDENT & GROUP CHIEF EXECUTIVE OFFICER
Zaharudin Daud

COMPANY SECRETARY
Lena Abd Latif (LS 0008766)
(SSM PC NO. 201908002386)

AUDIT COMMITTEE
Khalid Sufat (Chairman)
George Oommen
Junaidah Mohd Said

GROUP NOMINATION & REMUNERATION COMMITTEE
Zaida Khalida Shaari (Chairman)
Junaidah Mohd Said
Khalid Sufat

Permanent invitees:
Ooi Bee Hong
(representative from Takaful Ikhlas Family Berhad)
Dr. Wan Zamri Wan Ismail
(representative from Takaful Ikhlas General Berhad)

RISK MANAGEMENT COMMITTEE OF THE BOARD
George Oommen (Chairman)
Dato' Wan Roshdi Wan Musa
Datuk Johar Che Mat
Zaida Khalida Shaari
Chin See Mei
(Appointed w.e.f. 1 October 2023)

GROUP INVESTMENT COMMITTEE
Dato' Wan Roshdi Wan Musa (Chairman)
Datuk Johar Che Mat
George Oommen
Dato' Amirudin Abdul Halim
Zaharudin Daud
Datin Joanne Marie Lopez

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad
Stock Name : MNRB
Stock Code : 6459
Stock Sector : Financial Services

AUDITORS
Messrs Ernst & Young PLT
202006000003
(LLP0022760-LCA) & AF 0039
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : +603-7495 8000
Fax : +603-2095 5332

SHARE REGISTRAR
Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7890 4700
Fax : +603-7890 4670
Email : bsr.helpdesk@boardroomlimited.com

PRINCIPAL BANKERS
Ambank (M) Berhad
Ambank Islamic Berhad
Malayan Banking Berhad
Maybank Islamic Berhad
Standard Chartered Bank Malaysia Berhad
Standard Chartered Saadiq Berhad
CIMB Bank Berhad
CIMB Islamic Bank Berhad

REGISTERED OFFICE
12th Floor, Bangunan Malaysian Re
No. 17, Lorong Dungun
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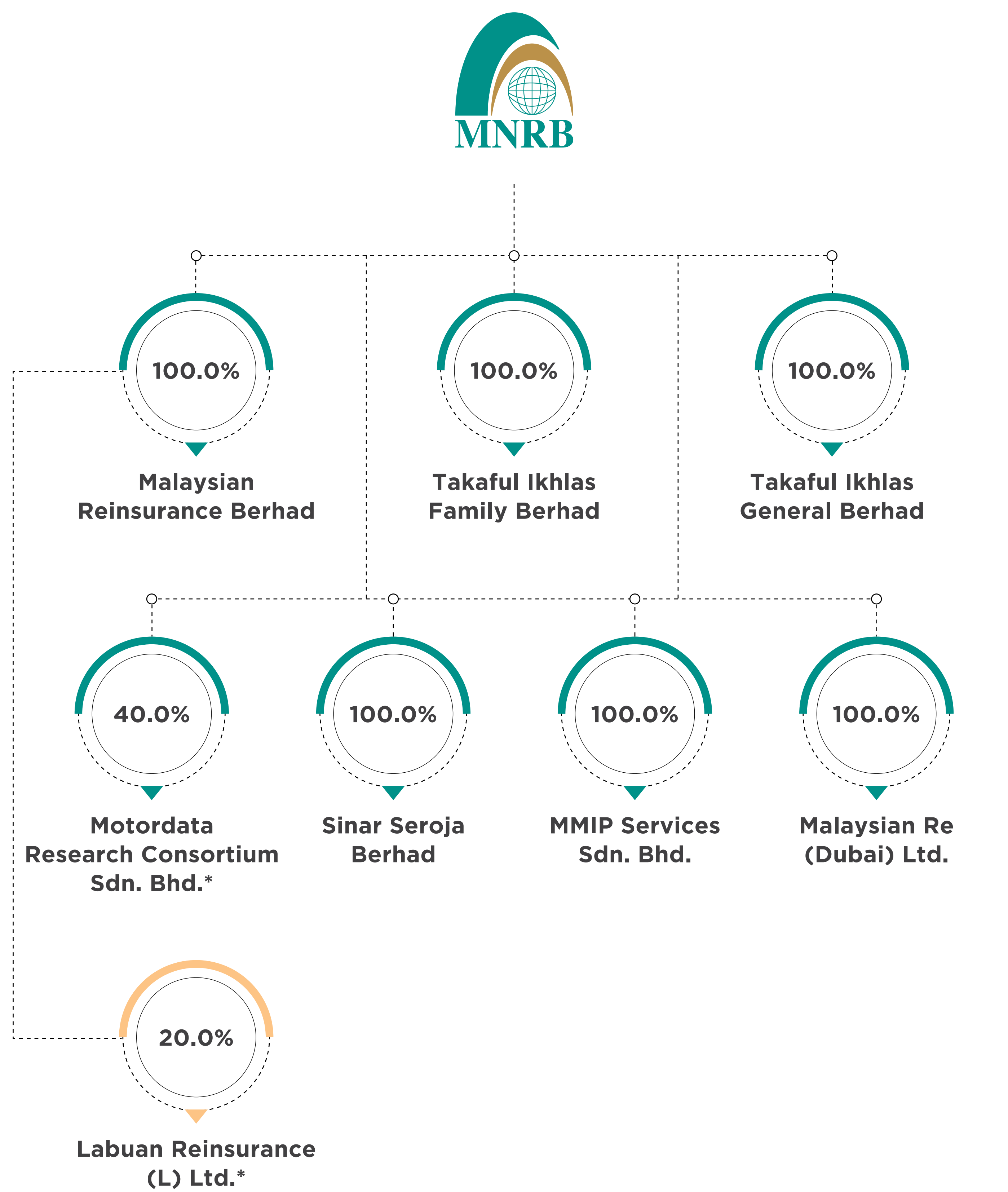
50490 Kuala Lumpur
Tel : +603-2096 8000
Fax : +603-2096 7000
E-mail : enquiry@mnrb.com.my
Website : www.mnrb.com.my
Investor relations : ir@mnrb.com.my
Social media : https://www.linkedin.com/company/mnrb-group/

GROUP CORPORATE STRUCTURE

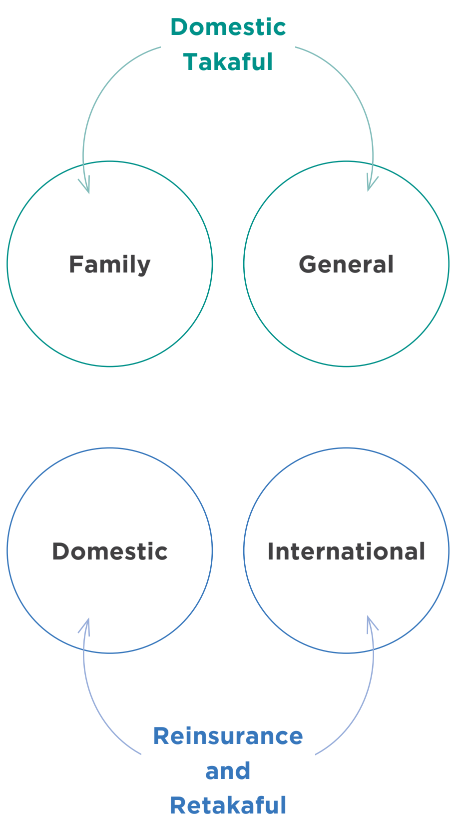


* Associate Company

OUR BUSINESS MODEL

OUR BUSINESS PILLARS

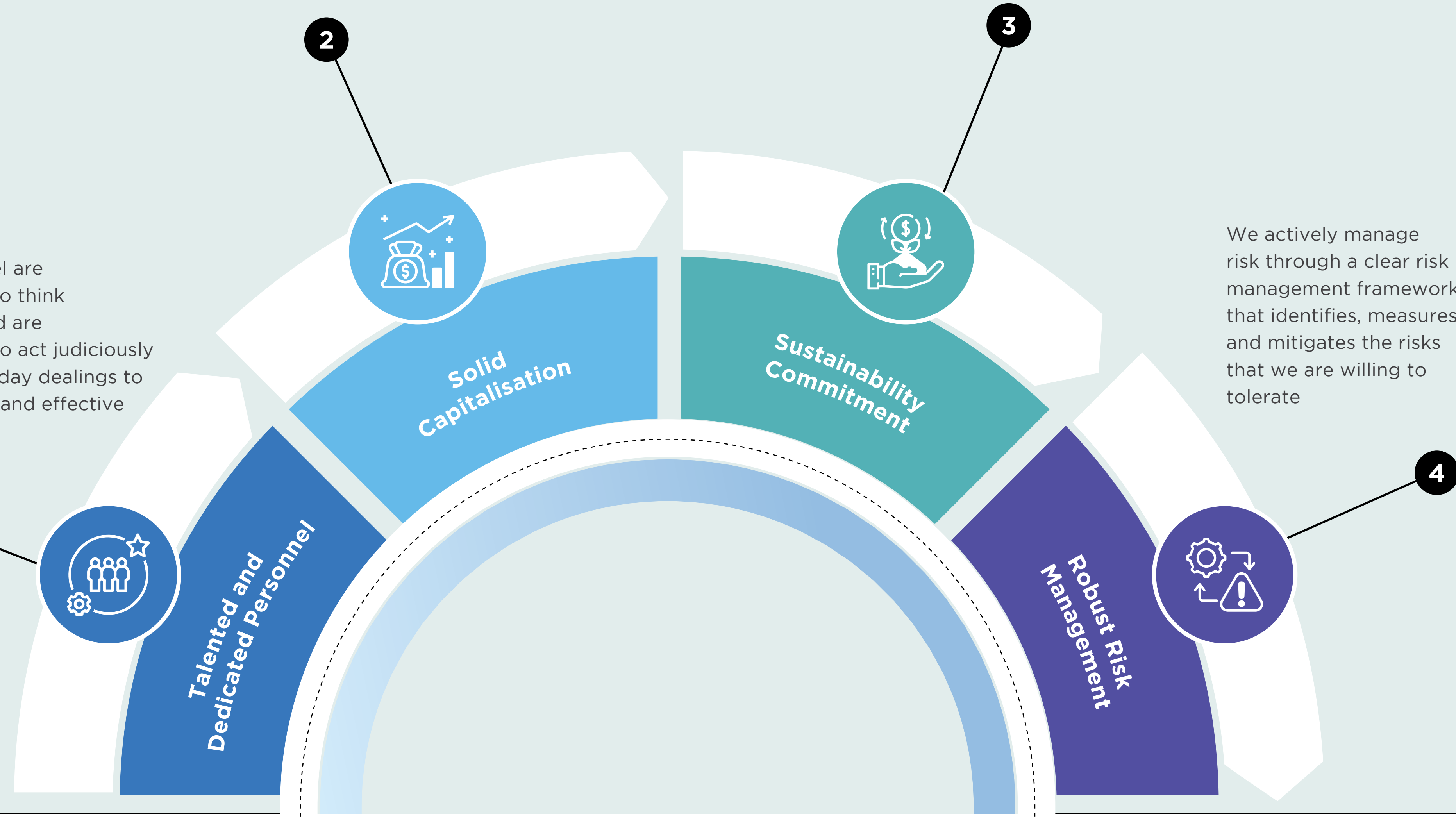
Our business is positioned on two main pillars: Family and General Takaful in Malaysia as well as Reinsurance and Retakaful in Malaysian and overseas markets



The Group supports these pillars with our various business enablers that perform diverse functions, e.g. information technology, human capital, finance and risk management, amongst others.

OUR GROWTH DRIVERS

Our growth drivers are strategically focused to achieve the respective aims of our business pillars in Malaysia and our overseas markets:



1. Our personnel are encouraged to think creatively and are empowered to act judiciously in their everyday dealings to create a lean and effective organisation

2. The Group's solid capitalisation forms a critical foundation for our business growth and profitability

3. We actively promote for sustainable ecosystem by mitigating impact, capturing opportunities and enhancing trust by communicating our sustainability initiatives

4. We actively manage risk through a clear risk management framework that identifies, measures and mitigates the risks that we are willing to tolerate

VALUE CREATION FOR OUR STAKEHOLDERS

S1 Our People

- Exciting career paths and systematic professional development
- Competitive remuneration and benefits

S2 Our Shareholders

- Share price appreciation and dividends

S3 Our Customers

- Balancing risk and opportunities, providing financial protection for continuity of lives and livelihoods

S4 Our Regulators

- Development of local and international insurance and takaful markets

S5 Our Communities

- Supporting economic growth
- Promoting economic, societal and environmental resilience

GROUP CODE OF ETHICS

The Code promotes a culture of compliance, professionalism, ethical standards and responsible conduct among its Board of Directors (including Group Shariah Committee members), management, employees and stakeholders, as well as third parties, and discourages any conduct that may have an adverse impact to the Group. It makes references to the underlying Group policies and procedures, which offers specific ethical and legal guidance to assist the Group in making business decisions professionally, prudently and legitimately.

The purpose of this Code is to:

1. Ensure compliance with the regulatory rules and regulations as well as all the internal policies and procedures;
2. Uphold the reputation of the Group and maintain public confidence; and
3. Uphold the highest standard of personal integrity and professionalism of MNRB Group.

MNRB GROUP'S STAND AGAINST CORRUPTION

The Group has adopted a zero-tolerance approach against all forms of bribery and corruption. We are committed to conduct our business in accordance with all applicable laws, rules and regulations at the highest ethical standards. The Group has established its Group Anti-Bribery & Corruption Policy ("ABC Policy") to show its commitment in combatting corruption and to support the National Anti-Corruption Plan ("NACP") initiated by the Government.

THE FOUNDATIONS ON HOW WE DO BUSINESS AS A GROUP

The Group runs its business based on:

i. Integrity, intelligence, care and professionalism;
ii. Equal opportunities and non-discrimination to all;
iii. Zero-tolerance on any type of harassment and violence;
iv. Safe and sound working environment;
v. Ethical internal and external communication;
vi. Proper dealing with confidential information; and
vii. Commitment towards sustainable development

DEALING WITH STAKEHOLDERS

The Group always act with the best interests of the Group and stakeholders in mind. In no way should a staff personally profit from transactions based on his/her role or position in the Group. Potential conflicts of interest should be avoided, either real or perceived.

The Group is committed to comply with the anti-money laundering and counter financing of terrorism rules and regulations by prohibiting and actively prevent any activity that facilitates money laundering and financing of terrorism.

As a responsible corporate citizen, we are committed to contributing to the well-being of the people and the country. It is important that all Corporate Social Responsibility ("CSR"), sponsorships and donations are made in accordance with the Group policies.

Please refer to https://www.mnrb.com.my/about-us/corporate-governance/code-of-ethics for detailed information on the MNRB Group Code of Ethics.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors of MNRB Holdings Berhad ("MNRB" or "the Group"), it is my pleasure and a privilege to present to you our Annual Report for the financial year ended 31 March 2024 ("FY2024").

DATUK JOHAR CHE MAT
Chairman

A STELLAR PERFORMANCE AMIDST MODERATING ECONOMIC GROWTH

In 2023, the global economy demonstrated resilience registering 3.2% GDP growth, slightly down from 2022, amid a notable disinflation trend. At the same time, Malaysia's economy moderated to 3.7% from 8.7% as the nation contended with a host of challenges including elevated interest rates, geopolitical tensions and supply chain disruptions. While domestic growth continued to be supported by robust domestic demand and improved labour market conditions, investor sentiment was dampened by global trade issues and monetary policies, leading to a 3.9% depreciation of the Malaysian Ringgit against the US Dollar.

Amidst this backdrop of moderating growth, the MNRB Group remained resolute, expanding its businesses across all entities and investing in people, platforms and partnerships to secure sustainable, long-term growth. FY2024 saw us making significant strides on multiple fronts. Our comprehensive reinsurance and takaful offerings enabled us to strengthen our market position, ensuring our partners and stakeholders reaped the benefits of our expertise and unwavering dedication to service excellence.

I am both humbled and elated to report that, as a result of the synergistic efforts across the Group, MNRB delivered its best-ever performance in its 50-year history. FY2024's record-breaking performance saw us growing our gross written premiums and contributions by a commendable 17.7% to touch RM4.0 billion, while our Insurance and Takaful revenue grew by a robust 22.8% to reach RM3.1 billion. Meanwhile, the Group's profit after tax surged by a stellar 266.4% to RM433.5 million driven by our reinsurance/retakaful business, which contributed RM388.4 million due to vigorous underwriting and investment performance. Additionally, the takaful segment's solid fundamentals and operational efficiencies bolstered our profitability.

In tandem with market headwinds, our investment results rose by an impressive 67.1% to touch RM601.0 million – a five-year high that delivered a yield of 5.8%. This growth, primarily concentrated in the Malaysian market, was mainly attributable to the strategic alignment of our investment portfolio, trading strategies, and asset allocation. Through prudent underwriting of our business portfolio, capital management strategies and robust investment growth, our total financial assets increased by 12.1% to RM11.1 billion. All in all, MNRB achieved a healthy return on equity ("ROE") of 14.8%, demonstrating strong performance across all business segments. In essence, our focus on pursuing topline growth alongside sustainable bottom line performance yielded outstanding results in FY2024.

This performance is all the more remarkable given that it was achieved despite external factors that influenced investor sentiment, causing exchange rate volatility and reducing interest in riskier assets. Thankfully, despite the Ringgit weakening against the US Dollar due to aggressive rate hikes by major central banks, political stability and key national economic plans provided clarity on economic growth and initiated a positive turnaround in investor sentiment.

Several factors contributed to the Group's strong financial performance in FY2024.

The commendable performance by Malaysian Re, our reinsurance and retakaful arm, was attributable to the strategic initiatives undertaken on the domestic treaty front following the Great Malaysian Flood in 2021. The measures, which facilitated appropriate pricing adjustments, reinforced underwriting discipline, and improved risk selection processes, delivered the anticipated results. Additionally, the company's growth strategy of diversifying into international markets led to an increase in its Managing General Agents ("MGAs") and specialty lines portfolios, contributing to our overall growth trajectory.

Building on these successful strategies, Malaysian Re continues to implement a comprehensive approach that is allowing it to effectively capture business opportunities amidst both hard and soft market conditions. By carefully analysing market trends and adjusting its approach accordingly, the company has positioned itself to maximise growth and profitability regardless of market fluctuations. Its agility and strategic adaptability are enabling it to leverage its strengths, optimise its operations, and capitalise on emerging opportunities, ensuring that it remains resilient and competitive in all market environments.

Malaysian Re also continues to contribute significantly to the Group's inflow of foreign business, with approximately 60.0% of its gross premium written emanating from overseas markets. Through strategic initiatives and expertise, the company has successfully entered international markets, attracting significant business. As the Group diversifies its revenue streams, we are strengthening our global presence while ensuring a steady inflow of foreign business to support our overall growth and sustainability.

For Takaful IKHLAS General, the significant boost in its profit after tax was driven by solid production growth which was boosted by several factors, including strong expansion in both Motor and Non-Motor lines, with growth recorded by all distribution channels. The business saw impressive double-digit growth in its gross contributions, particularly from its Direct channel, largely driven by improvements in our online platform, digital partnerships, and over-the-counter transactions facilitated by the IKHLAS GO Direct ecosystem.

Meanwhile, Takaful IKHLAS Family prioritised consolidating its operations, focusing on recalibrating its business model. This involved conducting thorough product reviews and repricing strategies, enhancing capital efficiency, strengthening regular premium offerings, optimising product mix, and bolstering distribution channels. Notwithstanding industry-wide challenges and the family takaful business' long-haul nature, Takaful IKHLAS Family's agency channel remained a pivotal contributor to its overall business performance.

The family takaful business operates in a highly competitive environment. As it strives to capture market share from its competitors with substantial financial resources, it will adopt innovative strategies to ensure long-term sustainability. This involves not only focusing on immediate business growth but also on rebuilding and strengthening its operational structures and support systems.

The success of the Group's performance in FY2024 bears testament to the exceptional dedication and hard work of our Management and employees. Their unwavering commitment and relentless efforts were instrumental in enabling us to effectively execute our strategies, achieve our financial goals and reinforce our market position.

Over the years, our people have resiliently overcome significant challenges including issues stemming from legacy systems, the global COVID-19 pandemic and natural disasters such as the Great Malaysian Flood. As a group, we have emerged stronger by continuously learning and adapting to the evolving circumstances. Our ability to navigate these challenges and maintain our growth trajectory is a testament to Team MNRB's unwavering tenacity, astute strategic planning and continuous commitment to excellence.

As we embrace the next phase of our journey to success, we do so with renewed optimism, a mounting sense of excitement, and a steadfast determination to overcome challenges and capitalise on available opportunities. While FY2024's achievements underscore our potential, they represent only the beginning. Rest assured that we will not rest on our laurels but will continue to push forward to maintain if not exceed our growth performance. Guided by an enhanced strategic vision, our people are all set to tap the Group's latent potential. As we prudently pursue new pathways of prosperity, we are confident of forging a path towards a brighter, more sustainable future for all.

For more details on the financial and operational performance of the Group and its subsidiaries turn to the Management Discussion & Analysis ("MD&A") section within this Annual Report.

FOCUSED ON SUSTAINABLE VALUE CREATION

Rewarding Our Shareholders

As we strive to create sustainable value for all the Group's stakeholders, MNRB's Board recognises the crucial importance of rewarding our shareholders for their unwavering trust in us. This, however, must be balanced with the Group's future capital requirements to ensure sustainable growth across our reinsurance, retakaful, and takaful businesses, in alignment with regulatory capital requirements. All dividend payments are also subject to the prior approval of Bank Negara Malaysia.

Our track record of consistent dividend payments reflects our strong financial health and dedication to shareholder value. With the Group's exceptional performance in FY2024 as well as our proven capability and commitment to reliable dividend payout, we are determined to maintain this trajectory. This reaffirms our pledge to pay out competitive dividends that enhance shareholders' satisfaction while also supporting our long-term growth.

For FY2023, the Group made a significant dividend payout amounting to RM34.8 million, reflecting our robust financial health and growth for the financial year. This was supported by dividends received from our operating entities. Our Family and General takaful entities have consistently provided strong dividends over the past years. This consistent performance has been bolstered by our reinsurance/retakaful entity, which continues to provide dividends generated mainly from the non-VC business, highlighting the strength and diversification of our business model and ensuring stable returns for our investors.

Expanding the Group's Capabilities

For more than 50 years, we have diligently upheld our promise of "protecting everyone" by remaining agile and adaptable, constructively steering our organisation to meet the diverse needs of our stakeholders while staying relevant amidst the evolving marketplace. Through modernisation, customer service excellence, digitalisation, strategic collaboration and the adoption of market best practices in other areas, MNRB is committed to fostering a forward-looking organisation that embraces innovation for sustainable value creation.

Throughout FY2024, we implemented several measures across all business lines to ensure long-term sustainable growth.

Strengthening Ongoing Transformation

In FY2024, we continued with our initiatives under the Group Transformation Programme ("GTP"). Malaysian Re continues to roll out the strategic objectives under its Business Remodelling exercise, which aims to accelerate the company's growth and diversification of its business portfolio. This includes expansion into non-traditional segments such as Managing General Agents ("MGA"), specialty lines and family retakaful. As the Business Remodelling plan continues in FY2025, the priority remains in rebalancing the portfolio through better risk selections.

The Agency Transformation Programme aims to improve our family takaful agency structure and benefits to match industry standards, boosting competitiveness and attracting new recruits. Efforts to intensify agent recruitment, enhance agency and commission structures, as well as rejuvenate the IKHLAS Academy to drive agency performance are currently ongoing.

Takaful IKHLAS' Branch Transformation project, which aims to bolster the Group's digital presence by expanding our Virtual IKHLAS Points ("VIP"), is designed to enrich agent outreach and provide our customers with enhanced flexibility, accessibility, and personalised service experiences. In FY2024, in response to favourable market reception, we expanded our VIP network by adding five new branches to the existing 10.

Our general takaful business continued its claims transformation journey with a focus on the identification and management of fraudulent claims, by intensifying its in-house assessment capabilities and fraud investigation functions. We further introduced an innovative claims automation feature for the flight-delay benefit under the IKHLAS Secure Travel plan. This enhancement prioritises consumer convenience and ensures a seamless claims experience, reinforcing our value proposition as a reliable travel protection provider.

We also embarked on Takaful IKHLAS' brand refresh initiative to solidify our presence in the market. We have intensified promotional and media engagement activities, thereby amplifying our IKHLAS value to unlock new growth opportunities and drive sustainable business. Our promotional efforts include leveraging both traditional and digital media collaborations and overhead billboard advertisements to create a resonant brand presence that echoes across diverse platforms and solidifies IKHLAS as a synonym for trust and reliability in takaful solutions.

Advancing Innovation and Digitalisation

We have made significant strides in advancing our digital ecosystem, particularly GO by Takaful IKHLAS, by integrating more robotic and digital process automation solutions to optimise processes and enhance the customer experience. The rollout of robotic process automation ("RPA") and digital process automation ("DPA") solutions across various back-office functions, including finance, operations, and claims management, has significantly improved operational efficiency, facilitated fraud management, supported product innovation, and increased productivity. Additionally, our investment in data analytics has helped us maintain a competitive edge in pricing strategy and customer experience enhancement.

In FY2024, we launched a two-phase Digital Roadside Assistance ("DRA") initiative and deployed the DRA App for tow truck drivers, along with a back-office platform for Takaful IKHLAS' roadside assistance providers. These advancements, which provide more customer touchpoints and comprehensive roadside assistance benefits, have led to increased demand for our services. Takaful IKHLAS General also became the first takaful operator to offer both digital road tax services and motor takaful quotations in a single step.

Efforts are underway to redesign our contact centres, implement digital processes, and enhance a customer relationship management ("CRM") suite and customer portal for Takaful IKHLAS. These initiatives aim to foster a customer-centric culture and ensure a seamless customer journey. Our ongoing Enterprise Data Warehouse ("EDW") initiative continues to evolve, providing accurate and relevant consumer information, and facilitating predictive and propensity analytics for an enhanced value proposition.

We continue to introduce new products to cater to market demand. Takaful IKHLAS Family launched three new bancatakaful advisory products, namely Banca Ilhamku, Banca Bersama and Banca Keyman, each strategically designed to meet distinct market needs and further solidify bancatakaful partnerships as a key contributor towards financial inclusion. These products also reflect the efforts to elevate the regular contribution segment by enhancing growth in advisory businesses.

Moving forward, we are committed to enhancing our product development initiatives. This involves conducting thorough market research, identifying customer needs and preferences, innovating new offerings, and refining existing products to ensure they remain competitive and aligned with evolving market trends. Our goal is to continually strengthen our product portfolio to better serve our customers and drive sustained growth in the marketplace.

Prioritising Strategic Partnerships

To expand our market reach and drive growth and profitability, the Group continues to prioritise strategic partnerships. These partnerships are going a long way, enabling us to leverage value-based synergies, enhance our capabilities, deliver superior customer value, and strengthen our market presence. In the bancatakaful arena, independent of banking affiliations, our team has been actively establishing new partnerships with banks and other financial institutions, using digital platforms to boost sales efficiency. The IKHLAS GO Prime and GO Financial platforms have been leveraged for all bancatakaful partners to streamline sales processes.

Throughout FY2024, our takaful subsidiaries entered into various strategic agreements. For instance, Takaful IKHLAS Family signed a Distribution Agreement with Co-opbank Pertama to offer credit-related coverage and the IKHLAS Idaman product. In collaboration with MBSB Bank, they launched the Group Credit Term Takaful product, specifically the Ihsan EPF Scheme, catering to EPF members' demand for alternative takaful products.

Takaful IKHLAS General went on to secure several partnerships through bancatakaful and agency channels, including a five-year partnership with Bank Rakyat for houseowner/fire takaful, alliances with Skim Insurans Rakyat Selangor ("INSAN") and Koperasi Imigresen Malaysia ("KOPIM"), and the establishment of a panel-ship with Bank Islam. These efforts highlight the general takaful business' commitment to expanding its market presence and providing comprehensive takaful solutions to a diverse customer base.

For the finer details of our efforts to strengthen the Group's capabilities, turn to the MD&A section within this Annual Report.

In Support of the Insurance Industry

MNRB takes its stewardship role as the custodian of the reinsurance industry very seriously. We remain committed to playing a leadership role and offering products, services and educational tools that positively impact stakeholders and markets. Our goal is to meet the diverse needs of our stakeholders, act as a reliable partner, and promote a keen Environmental, Social, and Governance ("ESG") consciousness among industry players.

MNRB's commitment to sustainability is also evident through active participation in industry working committees and collaborations on platforms like Bursa Malaysia's Public Listed Companies Transformation ("PLCT") initiative, PNB's Sustainability Sub Committee, the Joint Committee on Climate Change ("JC3"), and the Malaysian Takaful Association's ("MTA") sustainability measures. Our strategic leadership and subject matter expertise aim to drive positive change and contribute to sustainable development and climate risk management among insurance industry players.

Malaysian Re continues to actively pursue key sustainability initiatives at the regional level. In December 2023, at the 5th ASEAN Insurance Summit in Ha Long, Vietnam, Malaysian Re facilitated the signing of a Memorandum of Understanding ("MOU") to establish the ASEAN Renewable Energy Pool ("AREP"). This initiative, supported by ASEAN Reinsurance Working Committee ("ARWC") members, aims to provide reliable coverage for renewable energy projects, ensuring diversified portfolios and steady premium income for reinsurers/insurers. AREP promotes knowledge sharing and strengthens regional resilience against climate change, underscoring MNRB's vision to drive positive change and advance sustainability best practices in the industry.

As Malaysia's national reinsurer, Malaysian Re engages with industry players through technical training and knowledge-sharing sessions. In FY2024, Malaysian Re organised 13 complimentary market training programmes, including those which incorporate ESG elements. These programmes, run by the Market Services Department of Malaysian Re, empower industry talent and strengthen industry resilience amidst evolving market trends. They are designed to equip participants with essential industry knowledge and skills, fostering sustainability awareness tailored to the nuances of the insurance industry. The details of these training initiatives can be found in the Sustainability Statement within this Annual Report.

Malaysian Re also leads and engages through its publications. In December 2023, Malaysian Re launched *ASEAN Insurance Pulse 2023* at the 5th ASEAN Insurance Summit. This report delves into the impact of inflation on ASEAN insurers, examining their challenges, preparedness, and policyholders' needs. In March 2024, Malaysian Re published the 6th issue of *Foresights*, titled "The Overview of Agriculture Insurance Prospects in Malaysia." This edition explores agriculture insurance prospects, marine cargo claims, underground facilities, electric vehicles, and homeowner policies. It further highlights agriculture's significant contribution to Malaysia's GDP and employment.

Integrating Sustainability in Greater Measure

MNRB is committed to balancing our strong economic performance with positive ESG considerations, targeting to become a Net Zero Carbon organisation by 2050 as outlined in our enhanced Group Sustainability Roadmap. In FY2024, we implemented our Sustainability Investing Guide to reduce greenhouse gas ("GHG") emissions in our investment portfolios and support securities with a positive ESG impact.

ESG considerations remain essential components of our decision-making processes, and we actively align our operations with marketplace best practices. Our sustainability endeavours embrace the value-based intermediation ("VBI") agenda, which aligns with Maqasid Shariah, upholding universal well-being and the avoidance of harm. The VBI agenda mandates financial institutions to enhance their business value propositions by taking care of the well-being of people by preserving faith, lives, posterity, intellect, and wealth.

The Group Sustainability Roadmap, complementing the Group Sustainability Policy, serves as the primary reference for all sustainability efforts within our organisation. It outlines the structured planning, implementation, measurement, monitoring, and disclosure of sustainability initiatives, founded on Maqasid Shariah and reflecting our corporate core value of "We Protect Everyone".

In FY2024, we continued to roll out a host of tangible ESG measures, many of which are ongoing. In the area of environmental stewardship, we are actively identifying baselines for waste and resource management, assessing our carbon footprint to manage emissions across our business and value chain, and developing a comprehensive climate transition plan post-GHG assessment. Our investment policies now incorporate ESG assessment approaches, enabling us to manage climate-related risks within our investment portfolio effectively.

Our commitment to social responsibility is evident through initiatives such as Program Lestari Cemerlang, the MNRB scholarship, and our shariah-compliant social platform, IKHLAS Barakah House ("IBH"). These efforts serve to enhance community resilience by ensuring access to quality education, vital medical care, and other essential services. On the employee engagement front, we foster a supportive work environment that encourages growth and development, equipping our workforce with the necessary skills and knowledge to navigate future challenges and opportunities. We prioritise the safety, health, and overall well-being of our employees, recognising that a healthy workforce is fundamental to our success.

Moving forward, the Group will adopt a more proactive stance towards sustainability, surpassing mere compliance to safeguarding business growth and stakeholders' interests, while fostering social and economic justice within its operational space and ensuring a measured and steady progress of our Sustainability Commitments.

For further information regarding our sustainability efforts, please turn to our Sustainability Statement within this Annual Report.

CHAMPIONING GOOD GOVERNANCE PRACTICES

MNRB's Board recognises that good governance translates into good business and is genuinely committed to ensuring that the Group and its people operate in a responsible, ethical and transparent manner. To this end, we continue to embed best corporate governance practices and internal controls throughout the length and breadth of our organisation. This has turned into a considerable competitive advantage and has strengthened our resilience in the industry.

MNRB continues to align with and uphold the latest regulatory guidelines and recommendations issued by Bank Negara Malaysia, the Securities Commission Malaysia and Bursa Malaysia Securities Berhad. Policies and procedures such as the Group Anti-Bribery and Corruption Policy, Group Code of Ethics, Group Whistleblowing Policy, and Anti-Money Laundering and Counter Financing of Terrorism ("AMLCFT") Policy, among others, are firmly in place. These, together with the related processes we have established and implemented, serve as guardrails that ensure our business operations remain on track in our journey of responsible stewardship. They also assist all parties linked to MNRB to have a better grasp of their responsibilities in upholding the Group's mandate and reputation.

For the finer details relating to our corporate governance practices, please turn to our Corporate Governance Overview Statement.

MNRB is fully committed to braving these challenges and securing the long-term sustainability of our business entities in terms of top-line growth and profitability.

OUTLOOK AND PROSPECTS FOR FY2025

Moving forward into FY2025, the MNRB Group is poised for a promising future despite a complex global and domestic economic landscape. In 2024, global insurance premiums are expected to rise, with improvements in profitability due to better pricing, higher interest rates, and reduced claims severity. The life insurance sector is anticipated to grow, driven by rising wages and interest rates in advanced markets. The global reinsurance market remains stable, supported by significant rate improvements in property lines and increased demand for coverage due to heightened catastrophic loss activity and rising investment income.

Domestically, the Malaysian insurance and takaful industry anticipates modest growth, underpinned by the uncertainties surrounding interest rates, the weakening Ringgit, increasing household debt and inflationary pressure. Despite these interlocking challenges, improving awareness on medical and weather event coverage is expected to drive takaful growth, pointing to stable growth in industry profitability and capitalisation.

Looking ahead, MNRB is fully committed to braving these challenges and securing the long-term sustainability of our business entities in terms of top-line growth and profitability. Taking into consideration the diverse needs and challenges of our business entities, we have tailored several strategic initiatives that will leverage the synergies of the Group's businesses to successfully overcome competitive obstacles, including the ones faced by our family takaful business. These strategies are also crafted with the supporting objective of driving a turnaround in the performance our family takaful business.

These strategic initiatives include conducting collaborative exercises across the Group's diverse entities to make the most of opportunities for MNRB's benefit. We aim to optimise operational processes to improve efficiency and consistently enhance profitability and increase the returns on invested capital. We also remain committed to fostering a culture of experimentation and continuous improvement to explore innovative methodologies and approaches.

With the dual aims of promoting a collaborative culture and driving efficiency, we have established a robust group-wide Capital Management Plan. This plan involves leveraging the expertise of entities like Malaysian Re, optimising tax efficiency, and driving the Group's overall performance. It also allows us to explore the full potential of MNRB as a group and sustain our capital adequacy level, without the need for additional capital, whilst managing an accelerated business trajectory.

Another key objective is to prioritise exceptional customer experiences in all interactions, including onboarding, claims, and service delivery. We continue to leverage technology for effective customer engagement by utilising agent and partner apps, facilitating online transactions, and implementing digital marketing strategies. We constantly gather and analyse customer feedback to assess satisfaction levels and refine our services. This valuable feedback is a great help in improving customer experience as well as driving cross-sell and up-sell initiatives to increase customer product holdings.

Paramount to our success is a focus on recruiting and retaining a pool of talent with the essential skills and positive attitudes. To this end, we will steadfastly uphold a values-driven culture throughout our organisation, ensuring alignment and commitment from every team member. Our leadership leads by example, promoting and reinforcing the right behaviours across the organisation.

As a conscientious industry player and the national reinsurer, and in line with championing the agenda of sustainability, we remain deeply committed to embedding ESG principles into every aspect of our daily operations. We will continue to proactively assess and address the impact of climate change on an ongoing basis, implementing measures to mitigate associated risks. Our contributions to the community and strong governance practices further solidify our dedication to responsible business practices.

The Group is well-prepared to navigate the challenging global and domestic economic environment and seize opportunities stemming from market demand by a broad customer base seeking Shariah-compliant offerings and ethical financial solutions. Our strategic foresight in making the most of risks associated with natural catastrophes and market volatility further solidifies our position and primes us to capitalise on sustainable growth and value creation opportunities for our stakeholders.

With this as a backdrop, MNRB's Board remains cautiously optimistic about the Group's prospects moving forward. Our focus will be on delivering another resilient performance in FY2025.

ACKNOWLEDGEMENTS

MNRB owes a debt of gratitude to all who have contributed to our good success thus far and we wish to acknowledge them for their worthy support.

On behalf of the Board of Directors, I would like to express our deepest appreciation to our valued shareholders for your continued confidence and support in MNRB amidst the challenges of our industry. Our sincere gratitude also goes to our esteemed customers, business partners, cedants and intermediaries. Your faith in us and invaluable support have enabled us to attain the landmark results we celebrate today, and we look forward to bolstering our mutually beneficial relationships. Our utmost appreciation also goes to the many regulators and industry associations who have unreservedly guided and aided us in our endeavours. We look forward to solidifying our close collaboration and advancing our industry.

Our accomplishments to date could not have been possible without the invaluable support of our loyal Management Team and employees. We are truly grateful for your resilience, hard work and the spirit of excellence that you continue to demonstrate, all of which have been instrumental in enabling the Group to achieve record results.

Last but not least, I wish to convey my sincere appreciation to my colleagues on the Board for their wise counsel and astute insights which helped the Group navigate the year's challenges and deliver very fruitful outcomes.

Please join me in welcoming onboard Ms. Chin See Mei who was appointed as an Independent and Non-Executive Director of MNRB on 1 October 2023. She brings to the table a wealth of experience having served in diverse areas at IBM Corporation for over three decades. The Board and MNRB are already benefitting from the addition of her skills and perspectives. We are confident that given our enlarged and diverse Board, the MNRB Group will continue to prosper and achieve new heights of success.

As we venture forth, we are excited about the prospects that lie ahead as well as the opportunities to reinforce our market position, strengthen our relationships and influence the sustainable growth of Malaysia's reinsurance and takaful segments.

As the Board focuses on steering MNRB towards continued success, profitability and sustainable development, I call upon all our stakeholders to lend us their unwavering support. Thank you.

On behalf of the Board,
Datuk Johar Che Mat
Chairman
31 July 2024

ECONOMIC AND INDUSTRY REVIEW AND PROSPECTS

THE ECONOMY - 2023 IN REVIEW

Global Economy

In 2023, the global economy exhibited resilience amidst disinflationary trends. The International Monetary Fund (IMF) reported real Gross Domestic Product (GDP) growth at 3.2% (2022: 3.5%). Despite this moderation, global inflation showed signs of easing, with the rate declining from 8.9% to 6.2%. This tempered growth is influenced by a few factors, including elevated interest rates, policy uncertainty, protracted post-pandemic socioeconomic recoveries, global geopolitical tensions that result in weak productivity growth, and growing geoeconomic fragmentation.

Malaysian Economy

Amidst the challenging global economic environment and rising interest rates, the Malaysian economy demonstrated strength and resilience in 2023, achieving a growth rate of 3.7% (2022: 8.7%). This performance was bolstered by robust domestic demand, a rebound in tourism, and improved labor market conditions. Pre-emptive and measured increases in the Overnight Policy Rate (OPR) during 2022 and 2023 helped balance growth support with inflation management.

However, growth slowed due to a challenging external environment, characterized by slower global trade, global tech downcycle, geopolitical tensions, and tighter monetary policies. Domestically, the ongoing recovery in economic activity and labor market conditions continued to support growth, even as significant policy support measures were phased out following the economy's reopening in 2022.

In 2023, Malaysia experienced shifts in investor sentiment driven by external factors, leading to volatility primarily caused by fluctuations in exchange rates. The equity market's performance was affected by decreased investor interest in risky assets amidst a global environment of rising interest rates.

However, improved domestic factors such as political stability and the release of key economic plans enhanced economic prospects. For the year, the ringgit depreciated by 3.9%, closing at RM4.5915 against the US dollar (2022: RM4.4130), largely due to aggressive policy rate hikes by major central banks.

THE ECONOMY - PROSPECTS

Global Economic Outlook

In 2024, the global economy is projected to maintain the same growth rate as in 2023, with the International Monetary Fund (IMF) forecasting a GDP growth of 3.2%. This rate of expansion remains low by historical standards, influenced by near-term factors such as persistently high borrowing costs and the withdrawal of fiscal support. Longer-term post-pandemic recoveries, geo-political tensions, weak productivity growth, and increasing geoeconomic fragmentation also contribute to this subdued pace. However, global headline and core inflation are expected to decline steadily, with inflation rates forecasted to decrease from an annual average of 6.2% in 2023 to 5.9% in 2024 and further to 4.5% in 2025.

Malaysian Economic Outlook

Against the backdrop of the ongoing post-pandemic recoveries and geopolitical tensions, the Malaysian economy is anticipated to grow between 4.0% and 5.0% in 2024, up from 3.7% in 2023. This growth is expected to be driven by a continued expansion in domestic and external demands.

Domestic demand will remain a cornerstone of economic growth. Household spending is projected to increase, supported by improving labor market conditions and ongoing government assistance programs. Private consumption is forecasted to grow by 5.7% in 2024 (2023: 4.7%). Employment growth is expected to continue, driven by strong demand for workers, with the unemployment rate projected to fall to 3.3%. The robust job market is propelled by several factors including economic recovery, sectoral growth, government initiatives, and ongoing investments, which businesses actively seeking to expand their workforce to meet the growing demand for goods and services.

Income growth is also anticipated, particularly through higher wages in the manufacturing and service sectors. In addition, government measures such as the expansion of Sumbangan Tunai Rahmah and early incentive payments for civil servants will further support household spending. Investment activity is expected to be robust, supported by the continued implementation of multi-year projects in both the private and public sectors. Advancements in catalytic initiatives under national master plans will also play a critical role. Key projects and focus areas outlined in major national master plans, such as the New Industrial Master Plan 2030 (NIMP 2030) and the National Energy Transition Roadmap (NETR), will drive investment in infrastructure and strategic industries. These include sectors such as electrical and electronics (E&E), chemicals, pharmaceuticals, advanced materials, renewable energy, and electric vehicles. The long-term nature of these investments ensures sustained positive impacts on the economy.

Headline inflation is expected to remain moderate, averaging between 2.0% and 3.5% in 2024 (2023: 2.5%). This forecast range accounts for potential inflationary pressures that could arise from the implementation of fuel subsidy rationalization. Controlled cost pressures and effective policy measures are anticipated to help maintain moderate inflation levels.

The global and Malaysian economies face a complex mix of challenges and opportunities in 2024. While global growth is expected to remain modest, declining inflation rates and strategic investments in key sectors will support economic stability and growth. In Malaysia, domestic demand, household spending, and strategic investments under national initiatives are poised to drive economic growth. With a focus on innovation and sustainable development, Malaysia is well-positioned to navigate the uncertainties of the global economic landscape and achieve its growth objectives.

THE INSURANCE INDUSTRY

2023 in Review

Global premiums in non-life and life insurance are projected to rise by 1.1% in real terms in 2023, following a 1.1% decline in 2022. Despite modest growth, premium volumes are expected to reach a record high of USD 7.1 trillion in 2023, up from USD 6.8 trillion in 2022.

Key factors supporting industry profitability include rising rates in property and casualty insurance, improved combined ratios, and enhanced investment returns due to higher interest rates. Non-life insurance is anticipated to see premium growth strengthen to 1.4% in real terms this year, up from a 0.5% increase in 2022. This improvement will be driven primarily by rate hardening in personal insurance and sustained price strength in commercial lines. Additionally, the motor insurance market is projected to return to growth after three years of contraction, spurred by rising premium prices. However, overall growth in premium volumes will be offset by a decline in health insurance premiums, attributable to the cessation of pandemic support policies in the US.

For life insurance, global premiums are forecasted to grow by a modest 0.7% in real terms in 2023, remaining below the long-term trend. Nonetheless, this represents an improvement from 2022, when the market experienced a 3.1% contraction due to high inflation eroding consumer savings and hindering nominal premium growth.

Meanwhile, reinsurance capital is expected to increase by 11.0% to approximately USD 535.0 billion by the end of 2023, recovering some of the losses from 2022. Additionally, alternative capital is anticipated to grow by 13.0% to around USD 105.0 billion, driven by a record number of catastrophe bonds issued in 2023. The increase is driven by good returns, fewer large loss events, attractive pricing, and strong investment returns on collateral pools.

The Insurance Industry in Malaysia

In Malaysia, the general insurance and takaful industry's premiums and contributions grew by 7.8% to RM 21.4 billion in 2023, up from RM 19.8 billion in 2022. The general takaful industry expanded robustly by 17.4%, driven by higher contributions from its largest class, Motor. In terms of market share for both general insurance and takaful, Motor remained the largest with a market share of 49.8%, an increase of 0.6 percentage points from 49.2% in 2022, followed by Fire at 19.8% (down from 20.0% in 2022) and Marine, Aviation & Transit (MAT) at 6.0% (down from 6.3% in 2022).

The new business total premiums for life insurance showed healthy growth of 11.6% to RM 13.4 billion in 2023, up from RM 12.0 billion in 2022. Similarly, the new business sum assured also recorded sturdy growth of 9.4%, reaching RM 544.4 billion in 2023 compared to RM 497.7 billion in 2022. However, the number of new policies dropped by 33.2%, with only 1.2 million new policies issued in 2023 compared to 1.8 million in 2022. This decline was partly due to the absence of policies issued under the Perlindungan Tenang Voucher (PTV) scheme, which ended in November 2022. Additionally, many policies from this scheme expired in 2022, contributing to the decline in active policies. Conversely, the family takaful industry saw a decline in Annualized Contributions Equivalent (ACE) of 2.4% in 2023, registering a total of RM 2,901.6 million compared to RM 2,972.5 million in 2022. This was due to decline of participation in all single and regular contributions products.

THE INSURANCE INDUSTRY – PROSPECTS

Global Insurance Industry

Global insurance premium volumes for both life and non-life are expected to increase by 1.7% in 2024 in real terms. In the global non-life sector, a gradual improvement is anticipated, with premiums estimated to rise by 1.8% in real terms from the previous year. Growth in both advanced and emerging markets is expected to remain below the 10-year average (2012–2021) of 2.6%, with health insurance lines continuing to underperform. Profitability should improve in 2023–2024, supported by better pricing, higher interest rates, and reduced claims severity as inflation rates retreat from recent highs.

For global life insurance, premiums are forecasted to rise by 1.5% in 2024, surpassing the 10-year trend of 1.3%. The start of the interest rate hiking cycle last year has boosted sector earnings. This year, rising wages and interest rates in advanced markets are expected to create favourable conditions for growth and profitability.

Additionally, the global reinsurance market outlook remains stable, driven by significant rate improvements, particularly in property lines. This is expected to lead to higher average attachment points, resulting in expanded profit margins. Other factors contributing to the stable outlook include a greater demand for coverage driven by heightened catastrophic loss events and rising investment income, with new money yields on fixed-income investments more than doubling.

Malaysia's Insurance and Takaful Industry

The domestic insurance and takaful industry are expected to experience modest growth in demand for coverage in 2024 due to uncertainties in interest rate movements and inflationary pressures in developed economies. The forecast has been significantly impacted by persistent high claims, attributed to inflation and a weakening ringgit. Elevated household debt, escalating living costs, and subsidy reductions for RON95 fuel have further contributed to this trend. While heightened awareness of medical and weather-related coverage is poised to drive insurance and takaful growth, challenges including inflation, market volatility, and currency devaluation may arise. Despite these macroeconomic hurdles, profitability and capitalization are anticipated to remain steady due to sustained growth.

General insurers and takaful operators are expected to continue raising their pricing for certain flood-related coverages and adopting prudent underwriting practices to mitigate risk. This trend is primarily driven by extreme weather events like floods, which have negatively impacted profitability in recent periods. Additionally, the increased cost of reinsurance and retakaful, and stricter underwriting terms and conditions have been significant factors during the recent reinsurance and retakaful renewal periods.

For life insurance and family takaful premiums and contributions, growth ranging from mid-single digits to 10.0% is forecasted for 2024. However, potential macroeconomic challenges and inflationary pressures might prompt consumers to be cautious in committing to long-term life insurance and family takaful plans.

As Malaysia transitions to the digital era, the growing demand for digital services is expected to act as a catalyst for insurance and takaful industry growth. Bank Negara Malaysia (BNM) plans to finalize the regulatory framework for Digital Insurers and Takaful Operators (DITO) by the first half of 2024. The introduction of DITO in Malaysia is set to bring about transformative changes in the insurance and takaful industry. By enhancing accessibility, driving innovation, and increasing competition, DITOs can contribute to the growth and modernization of the sector. However, both new and traditional players will need to navigate regulatory and operational challenges to fully realize the benefits of this digital transformation. As the industry adapts to these changes, consumers stand to gain from improved services, greater convenience, and increased financial inclusion.

Additionally, Malaysia's insurers and takaful operators have been operating under the Malaysia Financial Reporting Standard (MFRS) 17 since January 1, 2023, which has had a mostly positive impact on the reporting of life insurance and family takaful. Meanwhile, the financial outcomes for general insurance and takaful remain similar to those under MFRS 4, influenced by the shorter duration of these contracts. The transition to MFRS 17 represents a significant milestone for the insurance and takaful industry in Malaysia, promising to enhance the quality and transparency of financial reporting while posing new challenges that require careful management and adaptation.

Overall, Malaysia's insurance and takaful industry is poised for sustained premium growth, driven by economic recovery, increased penetration, and growing demand for digital services. While challenges persist, the industry's long-term prospects remain positive.

MANAGEMENT DISCUSSION & ANALYSIS

Dear Valued Shareholders,

I am delighted to report that through the unwavering and targeted efforts of the MNRB Group's Board, Management and staff, we achieved our best financial performance in our 50-year history for the financial year ended 31 March 2024 ("FY2024").

ZAHARUDIN DAUD
President & Group Chief Executive Officer

The financial year saw the Group's profit after tax surged by 266.4%, exceeding the RM400 million mark. Additionally, gross written premiums and gross written contributions increased by 17.7%, touching RM4.0 billion. By adeptly implementing focused and relevant strategies that aligned with market demands, our respective businesses made significant advancements on multiple fronts. Throughout the year, we also concentrated on enhancing our groupwide capabilities and readiness while upholding the agenda of sustainability. Overall, FY2024 was a transformative and successful year for MNRB.

OUR BUSINESSES AND STRATEGIC PRIORITIES

Our Businesses

The MNRB Group serves the insurance industry through three key entities, each playing a distinct role within our diversified portfolio. Malaysian Reinsurance Berhad ("Malaysian Re"), the national reinsurer, focuses on providing comprehensive reinsurance and retakaful solutions to meet the diverse needs of the market. Takaful Ikhlas Family Berhad ("Takaful IKHLAS Family") manages our family takaful business, offering a range of products designed to provide financial protection and peace of mind to individuals and families, while Takaful Ikhlas General Berhad ("Takaful IKHLAS General") runs our general takaful business, catering to various general takaful needs and ensuring broad coverage across multiple sectors.

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Group-level Strategic Priorities

The Group remains committed to maintaining its leadership position as a wholesale provider of reinsurance and retakaful, as well as retail family takaful and general takaful products and services, by executing a well-defined strategy. Central to this strategy is the enhancement of portfolio diversification, which ensures a balanced risk profile and stable returns across MNRB's businesses.

This diversification entails prioritising the expansion of our presence in local and international markets. In the reinsurance and retakaful sectors, we are particularly focused on growing our overseas business whilst ensuring prudent risk selection. This approach helps to minimise the impact of prevalent natural catastrophes while allowing us to tap into new markets. Additionally, we are venturing into selected new sectors, including specialty lines and renewable and green energy, to capitalise on emerging opportunities and drive sustainable growth.

To improve business growth and ensure the long-term sustainability of our family takaful business, we are enhancing our regular contribution business proposition by adopting a multi-channel approach. This involves leveraging our agency, bancatakaful advisory and corporate distribution channels to promote the IKHLAS Idaman scheme. This comprehensive strategy will enable us to optimise our offerings, expand market reach, and maintain a competitive edge in the industry.

To drive our general takaful value proposition, we are shifting our focus to preferred market segments. This new approach places an emphasis on identifying and leveraging profitable niches within the motor and non-motor segments. This strategic move will help us to rebalance our portfolio mix and optimise our underwriting and capital management strategies, thereby enhancing our overall financial performance and market position.

At the Group level, we continue to strengthen our business operations through digital capabilities and enhancements in operational efficiency aimed at elevating customer and partner experiences. These efforts not only improve service quality but also bolster our brand visibility and market presence, reinforcing our reputation as a leader in innovative and customer-centric solutions. Our ongoing commitment to digitalisation also continues to open new opportunities to expand our business outreach, tighten our operations, and optimise our costs.

Apart from that, we are resolutely focused on extending the market reach of the takaful business nationwide. This entails leveraging strategic collaborations with bancatakaful, corporate and agency partners. These efforts are designed to ensure comprehensive coverage and accessibility of our products and services, thereby solidifying our market position and customer engagement across the board.

By strengthening our Customer Experience Management ("CXM") function, we are enhancing customer engagement efforts. By comprehending various customer journeys through our customers' eyes, we are facilitating seamless and efficient interactions, ensuring a superior customer experience across our touchpoints.

The Group has undertaken a robust and multifaceted branding strategy to significantly enhance the visibility and awareness of the Takaful IKHLAS and Malaysian Re brands. This comprehensive approach includes a blend of online and offline channels, ensuring a broad and effective reach to targeted audiences.

We are also leveraging social media platforms to create dynamic and interactive brand experiences. By tapping targeted advertising, influencer collaborations, and engaging content, the Group aims to foster deeper connections with our audiences and drive brand loyalty. These coordinated efforts are designed to create a cohesive brand narrative, boost overall brand recognition, and establish the Group's brands as leaders in their respective markets.

The Group continues with the Group Transformation Programme ("GTP"), a comprehensive and structured initiative designed to orchestrate a series of coordinated projects aimed at transforming the organisation's value proposition. This ambitious programme is anchored on critical pillars including business remodelling, process and operations, people and culture, as well as technology, digital and innovation. The GTP is supported by fundamental business principles and robust risk and compliance frameworks. It aims to create a more agile, efficient, and competitive organisation, capable of thriving in an ever-evolving business landscape. By focusing on these key pillars, the GTP ensures that every aspect of the organisation is aligned and optimised to achieve the desired transformational journey.

The Group Office Transformation ("GOT") initiative, which revolves around the modernisation of our workspaces, also remains a key component of our strategy. Its overall aim is to create a working environment that is not only comfortable but also fosters innovation and dynamic work-life practices among our employees.

The renovation of Malaysian Re's new office at Level 7 of Malaysian Re Building was completed in December 2023 and the moving-in exercise by Malaysian Re's staff to the new office was carried out in stages between December 2023 and January 2024. As part of the ongoing office transformation and work culture enhancement, the new office is designed with an open space and modern concept, equipped with advanced technology to support efficient hybrid and physical discussions. The new space also showcases modern design elements and eco-friendly features, reflecting the company's commitment to environmental sustainability and employee well-being.

The renovation then continued with Phase 2 of the GOT, which encompassed a spacious, contemporary-designed surau; an auditorium with cutting-edge audiovisual equipment; revamped pre-function and in-function rooms as well as modern meeting rooms on the 11th floor. On 12 March 2023, Surau Al-Falah MNRB was officiated by the Mufti of the Federal Territory of Kuala Lumpur and an MNRB Group Shariah Committee Member in a special ceremony.

The finer details of some of the abovementioned initiatives are spelt out in the relevant sub-sections within this Management Discussion & Analysis.

ANNUAL REPORT 2024
MANAGEMENT DISCUSSION & ANALYSIS

At MNRB Group, we continue to focus our efforts on upholding and executing our identified strategies to accelerate the momentum we have achieved to date:

EFFICIENCY

We optimise our operational processes to enhance profits and consistently deliver compelling returns to our investors. By driving continuous improvements in operational efficiency, we improve profitability and enhance the return on invested capital, ensuring that our businesses remain capital-generating and deliver solid returns for the long run.

SUSTAINABILITY

Our commitment to sustainability is reflected in our integration of robust Environmental, Social, and Governance ("ESG") principles and the Value-Based Intermediation framework into daily business operations. We proactively assess and address the impact of climate change on our operations, implementing measures to mitigate associated risks. Engaging in community contributions and upholding strong governance practices across the Group remain central to our approach.

INNOVATION

Leveraging technology adeptly allows us to swiftly engage customers through agent apps, online transactions, and digital marketing, ensuring efficient outreach. We champion technological advancements to streamline internal processes, prioritising speed and efficiency. Encouraging a culture of experimentation and learning, we continually explore new methodologies and approaches to enhance our services and operations.

CUSTOMER

We continue to set our sights on delivering exceptional customer experiences across all touchpoints, including participation, claims, and service delivery. By regularly soliciting and analysing customer feedback, we continue to gauge satisfaction levels and refine our services accordingly. Additionally, we are focused on expanding cross-sell and up-sell initiatives to increase customer product holdings, ensuring a comprehensive and satisfying customer journey.

CULTURE

We endeavour to recruit and retain individuals with the necessary skills and attitude to drive MNRB's success. By cultivating a values-driven culture across our organisation, we ensure alignment and commitment from every member. Leadership plays a crucial role in fostering and reinforcing the right behaviours at all levels, setting an example for the entire organisation.

SYNERGY

To drive sustainable and long-term growth across all business ventures, we have established a group-wide capital management plan that strategically allocates capital. By seizing opportunities and fostering collaboration, we are leveraging the expertise of entities like Malaysian Re to enhance the Group's overall performance. Optimising tax efficiency, particularly by leveraging the lower tax rate of Malaysian Re's operations, benefits the Group. Furthermore, collaboration drives product innovation, enabling us to maintain our competitive edge within the industry. As we explore the full potential of MNRB as a group, we are continuously seeking opportunities for synergy and collaborative growth, ensuring a cohesive and robust organisational framework.

Subsidiary-level Strategies

Each entity within MNRB has developed tailored strategies to align with the Group's collective goals. This strategic independence ensures that every business can progress in a structured and meaningful manner, befitting the unique nature and opportunities of their respective markets. By fostering such growth, we continue to build on our strengths and reinforce our leadership in the industry.

Reinsurance and Retakaful

As the main revenue contributor to the Group, Malaysian Re continues to roll out the strategic objectives under its Business Remodelling exercise. This exercise aims to accelerate the company's growth and further embed sustainability within its value-creation processes. Key focus areas include diversifying the business portfolio to enhance premiums and profitability, as well as accelerating growth in non-traditional segments such as Managing General Agents ("MGA"), specialty lines and family retakaful. As the Business Remodelling plan continues in FY2025, the emphasis will be on the diversification of the non-treaties portfolio, driven by growth from the MGA and specialty lines. Portfolio rebalancing through better risk selection remains a priority.

Additionally, active capital management is crucial for sustaining Malaysian Re's business growth. By optimising capital allocation, we aim to achieve balanced premium growth, healthy profit margins, and robust investment returns. To support its substantial growth, Malaysian Re will continue to leverage its Senior and/or Subordinated Medium-Term Notes ("MTN") Programme with a combined size of RM800 million, with proceeds aimed at strengthening the company's capital base.

Investing in human capital is another cornerstone of the plan, with a comprehensive capacity-building initiative that includes internal talent development, upskilling, specialist recruitment, and graduate programmes. Under Malaysian Re's pilot two-year Graduate Programme, five graduates are currently undergoing on-the-job training in the Treaty Underwriting Department.

Family Takaful

Our family takaful business is focused on expanding market penetration and share by restructuring and scaling up the agency force and partnership collaborations. Central to this strategy are efforts to leverage and expand the value of preferred partners, the acquisition of new bancatakaful panels and partners, and collaborative business opportunities.

The business has also placed an emphasis on enhancing customer and business partner experiences, as well as strengthening the product and pricing team to deliver value-driven and cost-effective solutions. Takaful IKHLAS Family continues to optimise processes, minimise manual intervention, and expedite turnaround times through various Robotic Process Automation ("RPA") and Digital Process Automation ("DPA") initiatives, ultimately enhancing the overall customer experience and operational effectiveness.

Efforts to optimise investment performance, cost, and capital efficiencies are ongoing, alongside initiatives to transform and rationalise product margins and mix. Cultivating a high-performance team and culture, and upholding stringent governance measures, remain key priorities.

General Takaful

Our general takaful business aims to drive growth momentum through several measures. These include sustaining and recruiting new talent for non-motor market agents, optimising engagement with banks for bancatakaful opportunities, and expanding the corporate business into different regions and territories by collaborating closely with brokers. The business is also focused on expanding the direct business portfolio through digital partnership arrangements, boosting upsell and cross-sell activities and promoting online platforms.

Efforts to enhance operational efficiencies and the customer experience through the IKHLAS GO ecosystem and innovative technologies such as RPA and DPA are ongoing. These initiatives aim to uphold agility and innovation while maintaining a balanced portfolio for sustainable growth and profits. People and culture, as well as ESG, feature prominently on the general takaful business' strategic agenda.

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Fast-tracking MNRB's Transformation and Digitalisation Efforts

The many initiatives under the Group Transformation Programme ("GTP") serve to bolster MNRB's businesses and further unlock their value. The digitalisation of our value chain, in particular, has to date created significant value for our businesses by producing higher revenue, enhancing cost and operational efficiencies, elevating user experience and strengthening our brand reputation. The financial year in review saw the Group's digital transformation initiatives gaining momentum with the acceleration of the Digital and Innovation Department's activities and the relevant projects under the GTP.

Bolstering the IKHLAS GO Ecosystem

Through our IKHLAS GO Ecosystem, we provide seamless access to our products and services for our stakeholders, thereby fostering a robust customer-centric ecosystem. In FY2024, we strengthened the ecosystem by improving the digital experience and optimising processes for business channels. These were among the key initiatives that we rolled out:

GO partner™ by Takaful IKHLAS

Made enhancements to mobile apps and web-based functionalities to increase adoption by our general takaful agents.

GO prime™ by Takaful IKHLAS

Made improvements to mobile apps and web-based functionalities for e-quotations and e-submissions, as well as enabled integration with the main system for our family takaful intermediaries.

GO serve™ by Takaful IKHLAS

Extended the web-based services for customers to manage their accounts and access services conveniently covering areas such as claim submissions, enquiries and payments, and improved functionality for pending document submissions.

GO direct™ by Takaful IKHLAS

Enhanced the onboarding experience for online takaful participants. Notably, the extension of IKHLAS Secure Travel to 14 branches enabled customers to participate in the product by scanning a QR code. Takaful IKHLAS Family also launched its Direct Hospital Income Benefit ("Direct HIB") product, offering comprehensive coverage with financial protection during unforeseen medical situations.

GO connect™ by Takaful IKHLAS

Enabled integration of the open application programming interface or API platform with new digital partners.

GO financial™ by Takaful IKHLAS

Undertook additional product development and deployment with identified bancatakaful partners to facilitate sales onboarding. The collaboration with BSN for the IKHLAS Motor Takaful product is an example of a successful outcome under this initiative.

Leveraging Technology for Process Improvements and Automation

We continue to optimise processes, minimise manual intervention, and expedite turnaround times through various RPA and DPA initiatives, ultimately enhancing the overall customer experience and operational effectiveness.

Enhancing Our Digital Roadside Assistance Capability

Takaful IKHLAS General introduced its Bantuan IKHLAS Road Assist Self-Service, a digital roadside assistance service provided as a complimentary benefit to motor takaful certificate holders. The service aims to deliver fast, efficient, and reliable assistance during roadside emergencies. Additionally, the Bantuan IKHLAS Road Assist app connects stranded vehicles with service providers (tow truck drivers) in real-time. Service providers receive instant alerts for new assignments, ensuring timely support for those in need. This commitment to digital innovation enhances both the overall customer experience and safety on the road.

Streamlining Our Digital Road Tax Service Offering

Takaful IKHLAS General is the first takaful operator to offer a seamless integration of motor takaful and digital road tax in a single step, leveraging the functionalities of the GO Direct platform. Our offer of innovative, streamlined and customer-centric digital services prioritises safety and enriches the customer experience.

Elevating the Customer Experience

Our commitment to customer-centricity drives our business initiatives, and the launch of our GO Serve platform demonstrates this. This platform is designed to enhance the customer experience by simplifying our claims processes. The GO Serve platform has a user-friendly interface that makes claim processing easier. Customers can easily view the status of their claims and manage their takaful claims more conveniently and effectively.

This promotes transparency and peace of mind, while also empowering our consumers. GO Serve embraces technology and digital solutions, which save paperwork and increase productivity, reflecting our dedication to responsible and environmentally sustainable practices.

We are advancing the implementation of our Customer Relationship Management ("CRM") Suite, which will provide a holistic view of customer interactions and improve our ability to manage and nurture customer relationships effectively.

The development of our Intelligent Virtual Assistant ("IVA") Chatbot with AI technology is underway. This chatbot will provide real-time support and assistance, enhancing customer service accessibility and responsiveness. Moreover, it will ensure business continuity during disasters, maintaining uninterrupted customer support with minimal human dependency.

Additionally, the enhanced Bantuan IKHLAS Digital Road Assist 24-Hour service prioritises customer experience by providing comprehensive support during roadside emergencies. Our Bantuan IKHLAS provides round-the-clock assistance to our customers whilst they are in Malaysia, Singapore, or within a 25 km radius of the Malaysian border in South Thailand or Brunei. With a simple click on our website's "Self Service" or "Call Now" buttons, customers can quickly access the Bantuan IKHLAS Road Assist service.

The initiatives above highlight our dedication to delivering innovative solutions and responsible services that prioritise excellent customer journeys.

Expanding Our Virtual Branch Network

Takaful IKHLAS General continues to implement its branch transformation initiative, expanding its presence virtually by establishing Virtual IKHLAS Points ("VIP"). These non-physical branches enhance outreach to agents and provide customers with flexible, personalised experiences. The positive feedback garnered from the 10 initial VIP branches operating nationwide, led to the launch of an additional five VIP branches in FY2024 — two in Kuala Lumpur and one each in Selangor, Terengganu, and Johor. Our commitment to digital innovation is evident as we leverage cutting-edge technologies like cloud computing, machine learning, and artificial intelligence, to optimise our front-end experiences and back-end processes, positively impacting communities and the environment.

GROUP FINANCIAL PERFORMANCE

In FY2024, the Group delivered the best performance in its 50-year history. The Group reported gross written premiums and gross written contributions of RM4.0 billion, a 17.7% rise from the RM3.4 billion recorded in FY2023.

Revenue from our insurance and takaful businesses rose by 22.8% reaching RM3.1 billion compared to RM2.5 billion in the previous year. Simultaneously, MNRB's profit after tax ("PAT") experienced an impressive 266.4% surge, rising to RM433.5 million from RM118.3 million previously. This significant growth was primarily driven by the reinsurance/retakaful segment, which contributed RM388.4 million, propelled by robust insurance/retakaful service results and strong investment performance. The Group's overall profitability was further bolstered by the solid business fundamentals and operational efficiencies of the takaful segment.

Despite facing macroeconomic headwinds in both the domestic and global capital markets, MNRB's investment income and yield reached a five-year peak. Investment results soared by 67.1% to RM601.0 million, while our yield of 5.8% aligned with the strong returns delivered by major institutions in Malaysia. This remarkable performance was driven by the strategic alignment of our investment portfolio, trading strategies, and asset allocation, with over 80% of our investments concentrated in the Malaysian market.

The Group's total financial assets grew by 12.1%, reaching RM11.1 billion in FY2024, up from RM9.9 billion in the previous year. This growth reflects our prudent capital management and robust investment performance. Additionally, the Group achieved a return on equity ("ROE") of 14.8%, demonstrating healthy performance across all business segments.

During the financial year, MNRB made a successful return to the capital market with the issuance of Sukuk Murabahah amounting to RM420.0 million, which was five times oversubscribed by a diverse investor base comprising banks, institutional investors, and asset managers. This Sukuk issuance helped reduce the cost of capital and provided MNRB with the flexibility to effectively execute the Group's transformation strategy, enabling strategic diversification into international markets and facilitating key partnerships.

Additionally, the Malaysian Financial Reporting Standards 17 Insurance Contracts ("MFRS 17") came into effect during the financial year. Under the new standard, profits from long term insurance and takaful contracts are recognised into Contractual Service Margin ("CSM"), which will then be gradually released over the lifetime of the contract as profits. At the end of year under review, the Group's CSM stood at RM650.9 million.

PERFORMANCE BY BUSINESS SEGMENT

REINSURANCE/RETAKAFUL BUSINESS

RM2.5 billion
in gross written premiums and gross written contributions, surpassing the RM2.0 billion mark for the first time

Revenue increased by 25.0% or
RM457.9 million

In FY2024, Malaysian Re achieved a record-breaking RM2.5 billion in gross written premiums and gross written contributions, surpassing the RM2.0 billion mark for the first time. This 31.6% increase, amounting to RM0.6 billion, was primarily driven by significant growth in the specialty, MGA, and Risk Transfer Facility portfolios. As at 31 March 2024, Malaysian Re had secured the top position among ASEAN's reinsurers in terms of gross written premiums.

The financial year saw PAT for the reinsurance/retakaful business rising dramatically by 582.6% to RM388.4 million, up from RM56.9 million in FY2023. This increase of RM331.5 million was driven by improved reinsurance/retakaful service results, which climbed to RM337.0 million from a loss of RM4.6 million previously. FY2024's results were bolstered by a better claims experience coupled with stronger investment outcomes as compared to FY2023's results which had been affected by catastrophic and large losses.

Revenue for Malaysian Re increased by 25.0% or RM457.9 million to RM2.0 billion primarily driven by the growth in reinsurance and family retakaful revenue as well as an increase in investment income.

These achievements stem from the strategic business remodelling initiated in 2021, aimed at diversifying Malaysian Re's business engines and mitigating the impact of prevalent natural catastrophes. This strategy included enhancing portfolio diversification, venturing into new sectors such as specialty lines and renewable and green energy, as well as optimising capital management. This approach enabled Malaysian Re to navigate challenges and seize opportunities, resulting in international business growth of 14.2%, reaching RM513.5 million in FY2024.

Meanwhile, the CSM of our reinsurance/retakaful business stood at RM405.6 million, pointing to a solid segmental earnings visibility. CSM release was RM415.6 million in FY2024, which mostly for voluntary cession and auto facultative, which remains the dominant product line for our reinsurance/retakaful business.

On the operational front, Malaysian Re was honoured with the ASEAN Reinsurer of the Year Award 2023 and the Best Re-takaful Company 2023. Additionally, it won the "Best Action Adventure" category for its B2B project related to the Ruschlikon initiative. Malaysian Re was also listed as a Top 50 Global Brand for Property and Casualty Reinsurance in NMG Consulting's 2023 ranking. This recognition was based on the unaided perspectives of insurers and reinsurance brokers regarding the best quality reinsurer brands overall as well as distinct preferences for specialist expertise at the line of business level.

In December 2023, Malaysian Re's Insurer Financial Strength ("IFS") rating was re- affirmed by Fitch Ratings who accorded the company an 'A' (Strong) with a Stable Outlook. Meanwhile in February 2024, A.M. Best re-affirmed Malaysian Re's Financial Strength Rating ("FSR") of 'A-' (Excellent) and a Long-Term Issuer Credit Rating of 'a-' (Excellent) with a Stable Outlook. Subsequently, on 5 February 2024, RAM Rating Services re-affirmed Malaysian Re's AA2/P1 and AA3 rating for its IFS and RM250 million Subordinated MTN Programme respectively. RAM also re-affirmed the ratings of AA2 and AA3 with a Stable Outlook for the company's Senior and Subordinated RM800 million MTN programme.

As part of its efforts in helming the establishment of the ASEAN Renewable Energy Pool ("AREP"), Malaysian Re signed a Memorandum of Understanding ("MOU") with the ASEAN Reinsurance Working Committee ("ARWC") to support the ASEAN region's pursuit of net-zero emissions and effective climate change management. The key ARWC members – including Malaysian Re (acting as Pool Manager), PT Reasuransi Indonesia Utama (Persero) ("Indonesia Re"), Vietnam National Reinsurance Corporation ("VINARE"), Cambodian Reinsurance Company ("Cambodia Re"), Thai Reinsurance Public Company Limited ("Thai Re"), and the National Reinsurance Corporation of the Philippines ("Nat Re") – are committed to bolstering renewable energy policies among ASEAN governments by providing the capacity to underwrite the substantial financial risks associated with renewable energy ventures, particularly in solar and wind energy. By pooling resources and expertise, this collaborative effort enhances both underwriting capacity and the region's transition toward sustainable energy sources.

Additionally, Malaysian Re signed an MOU with China Pacific Property Insurance Company Limited ("CPIC") and Kunpeng Insurance Broker Company Limited to develop health and medical products in Malaysia, with a particular emphasis on cancer precision medicine treatment. This initiative aims to improve the offering of health and medical products, enhancing protection for insurance and takaful customers.

In FY2024, our retakaful business, Malaysian Re Retakaful Division ("MRRD"), registered gross contributions amounting to RM142.4 million, a 52.6% increase from the RM93.3 million recorded in FY2023. This was mainly contributed by the family business which was primarily driven by treaty business. MRRD also posted a net profit of RM1.7 million in FY2024.

Moving forward, Malaysian Re aspires to be the preferred and leading regional reinsurer with a focus on stable profitability and shareholder returns while ensuring strong capitalisation. This vision is strategically encapsulated in its ongoing three-year Business Remodelling Plan. It will also continue to explore growth opportunities in non-conventional segments, particularly by way of expansion into the international market via specialty treaty as well as MGA portfolio. At the same time, it will pursue opportunities to accelerate the business growth for the family and general retakaful businesses.

FAMILY TAKAFUL BUSINESS

Gross written contributions amounting to
RM709.9 million

Revenue of
RM649.5 million

In FY2024, Takaful IKHLAS Family registered stable gross written contributions amounting to RM709.9 million, with approximately 50% of this stemming from its agency force's regular business – primarily renewals. The company achieved a PAT of RM7.8 million, partially bolstered by favourable investment results. As at the financial year under review, its CSM stood at RM245.3 million, indicating a sustainable profit trajectory for the coming years.

FY2024 was a year of consolidation, whereby Takaful IKHLAS Family focused on recalibrating its business model. This included undertaking product reviews and repricing, optimising capital efficiency, strengthening its regular premium business, improving its product mix, and enhancing its distribution channels, particularly through the agency channel, which remained the main contributor to the overall business.

Takaful IKHLAS Family registered revenue of RM649.5 million, representing an increase of RM33.1 million. This growth was primarily due to higher investment income of RM20.8 million, attributable to favourable returns from equity, fixed income, and deposits.

The financial year saw Takaful IKHLAS Family expanding its business through a collaboration with Brainy Bunch International Montessori to promote the IKHLAS Ilhamku education plan product. The company also signed a Distribution Agreement with Co-opbank Pertama ("CBP") to enhance its bancatakaful business portfolio. Additionally, the company launched its first online product, Direct HIB, offering comprehensive coverage of a hospital allowance of up to RM500 per day for a maximum of 180 days per year, which eases the financial burden during unforeseen medical situations.

Takaful IKHLAS Family continues to leverage digitalisation through the IKHLAS GO ecosystem and process automation initiatives. One of the key digital initiatives to date include Phase 1 of IKHLAS Idaman, an online platform offering a group takaful coverage for MBSB Bank. Several RPA deployments involving various processes in the areas of surrender, maturity, and partial withdrawal for both Individual and Group takaful products serve to streamline processes from registration to approval, enhancing efficiency and accuracy. Since the implementation of RPA for HIB claims, we have successfully reduced the turnaround time from 14 days to 48 hours. This significant improvement enhances our efficiency and provides our customers with faster and more responsive service.

Moving forward, Takaful IKHLAS Family will concentrate on growing its regular contribution business by strengthening its agency force and broadening its business through strategic partnerships. The company remains committed to leveraging technology and digitalisation to enhance its offerings and customer experience, ensuring continued growth and market penetration. As it ventures forth, the family takaful business is forecast to generate better growth and profitability.

GENERAL TAKAFUL BUSINESS

Gross written contributions amounting to
RM850.2 million

Revenue of
RM843.4 million

In FY2024, Takaful IKHLAS General achieved a significant milestone by exceeding RM800 million in gross written contributions for the first time. This represented a 20.3% increase from the previous year and more than double the RM345.2 million recorded in FY2020. The gross written contributions of RM850.2 million were primarily driven by the agency force's motor portfolio.

The Group's general takaful business continued to outperform its industry peers, boasting a growth rate of 31.7% in terms of gross written contributions compared to the general takaful industry average of 17.4%, according to the report by ISM Insurance Services Malaysia Berhad ("ISM") for the period of January to December 2023. This achievement, the culmination of the company's transformative efforts since 2020, underscores its strong market position and ability to outpace industry trends through innovative strategies and robust risk management practices.

In FY2024, the takaful service results for the general takaful business rose by an impressive 63.7% to RM60.9 million, while its PAT surged by 93.0%, increasing by RM30.5 million to RM63.3 million from RM32.8 million previously. This rise in PAT was primarily attributable to higher takaful service results derived from significantly higher gross written contributions and better investment outcomes.

Takaful IKHLAS General's underwriting success was based on a solid understanding of the takaful business, effective risk management by targeting preferred risk portfolios, and strategic withdrawal from unprofitable segments. Both the agency and corporate distribution channels collectively grew by 27.1%, reflecting a steady annualised growth rate of 22.4% over the past three years. More than 60% of the total gross contributions came from the motor business, primarily through the agency channel, which accounted for 65% of the company's overall business.

The business registered revenue of RM843.4 million, representing an increase of 32.5% or RM206.7 million. This growth was mainly due to the increase in takaful revenue of RM195.1 million and investment income of RM11.6 million. The rise in takaful revenue resulted from higher gross contributions across all classes of business.

In FY2024, Takaful IKHLAS General was appointed as the takaful provider for the state of Selangor's "Skim Insurans Am Selangor" ("INSAN") and Sabah's "Skim Insurance Kemalangan Rakyat Sabah" initiatives. The INSAN scheme provides a free general insurance or takaful scheme for eligible recipients, who can choose between an insurance and a takaful plan. The INSAN programme aims to ensure that everyone in Selangor can benefit from insurance or takaful coverages, emphasising both accessibility and choice for recipients. The Skim Insurans Kemalangan Rakyat Sabah, specifically designed for the welfare recipients in Sabah, provides a takaful coverage at an affordable rate of RM10 per year. This initiative reflects the government's commitment to protecting those in need and ensuring their well-being during unforeseen circumstances.

Additionally, Takaful IKHLAS General secured several strategic bancatakaful panel- ships with CBP, Bank Islam Malaysia Berhad, and Al Rajhi Bank Malaysia. This is in addition to its five-year partnership with Bank Kerjasama Rakyat Malaysia Berhad for houseowner and fire takaful coverage. These alliances further strengthen our market presence and enhance our ability to deliver exceptional takaful solutions to a broader customer base.

During the year, the company also collaborated with Labuan Re to launch the IKHLAS Halal Care Takaful product and partnered with Sterling Insurance Broker Sdn Bhd as the exclusive distributor for IKHLAS Halal Care. Created with a profound understanding of the importance of halal certification, this groundbreaking product offers comprehensive coverage, safeguarding business operators from the risk of certificate withdrawal. This highlights our commitment to providing innovative solutions for the halal industry.

Additionally, Takaful IKHLAS General launched the IKHLAS Secure Travel Takaful, a comprehensive travel insurance plan, which includes a claim upgrade, notably in terms of the flight delay benefit. This improvement, which focuses on consumer convenience, assures a smoother claims process. This enhancement highlights IKHLAS Secure Travel's dedication to providing exceptional service and support to valued customers, strengthening the company's position as a reliable travel protection provider.

Emphasising digitalisation, particularly by leveraging RPA technology, the general takaful business also deployed several RPA initiatives to enhance operational efficiency, including systems for payments, endorsements, cancellations, claims intimation and fee approvals, No Claim Discount ("NCD") information, fraud tagging, and CAB Inward processes.

The general takaful business remains committed to advancing its prominence in the industry by enhancing digital platforms and accessibility for improved customer outreach as well as amplifying exposure and visibility through robust branding and promotional initiatives. Our branding initiatives are strategically spread through online platforms, taking advantage of social media to increase our online reach and engagement, as well as through selected and targeted traditional advertising platforms that reach out to the masses. We believe that by having a strong visual presence online and offline, the Takaful IKHLAS brand is more visible and closer to all Malaysians in general. All in all, Takaful IKHLAS is determined to uphold an unwavering commitment to delivering exceptional customer experiences.

BUSINESS RISKS AND MITIGATION STRATEGIES

As the MNRB Group grows and diversifies, we face various risks. To address these risks, we have established a robust risk management framework and comprehensive mitigation plans. These help us continuously identify, evaluate, and mitigate potential risks, ensuring we effectively tackle challenges and seize opportunities. This proactive approach safeguards the sustainability and resilience of our operations.

In accordance with Bursa Malaysia's disclosure requirements, we have detailed the key risks that may materially affect us, including liquidity, market, financial, and operational risks, along with their mitigation strategies, in the Financial Statements section of this Annual Report. Our commitment to proactive risk management remains central to our strategy, enabling us to navigate the complexities of our evolving business landscape and ensure sustainable growth.

MOVING FORWARD

The global reinsurance market outlook continues to be stable, bolstered by significant rate improvements, particularly in property lines. This stability is expected to be further supported by greater demand for coverage driven by heightened catastrophic loss activity and rising investment income, with new money yields on fixed-income investments more than doubling.

Domestically, the insurance and takaful industry is expected to experience modest growth in demand for coverage in the calendar year 2024. This growth is expected to be tempered by uncertainties surrounding interest rate movements and inflationary pressures in developed economies. Non-life insurers are likely to continue raising premium rates for certain flood-related products and adopt prudent underwriting practices to mitigate risk. This trend will be driven by extreme weather events and the increased cost of reinsurance, as well as stricter underwriting terms and conditions observed during recent reinsurance renewal periods.

For life insurance and family takaful premiums and contributions, we forecast growth ranging from mid-single digits to 10% in 2024. However, potential macroeconomic challenges and inflationary pressures may make consumers more cautious about committing to long-term life insurance plans.

To strengthen the MNRB Group's overall business and ensure opportunities for future value creation, we are committed to securing the long-term sustainability of our business entities in terms of top-line growth and profitability. Recognising the differing nature of the reinsurance and takaful businesses, we have developed tailored strategies for each business segment to enable sustained and meaningful growth. While we have set overall strategic priorities for the Group, we are also focused on implementing the right strategies for each business to ensure their continued success.

Our ongoing business remodelling exercise for the reinsurance division, the strategic initiatives being implemented for our takaful businesses, and the establishment of a robust investment strategy, all reflect this commitment. The takaful segment continues to grow, driven by various initiatives to increase sales through the agency, bancatakaful, and corporate distribution channels.

We intend to continue leveraging digitalisation to accelerate business growth and scale while enhancing operational efficiency. Our digitalisation measures are designed to offer an excellent customer experience and easy access to online transactional platforms.

Despite the challenging economic environment both locally and globally, characterised by elevated inflationary pressures, soaring energy prices, supply chain shocks, and geopolitical risks in the Middle East and Ukraine, we remain focussed on delivering on our strategy.

The Group is well-prepared to navigate all challenges and seize any opportunities that may come our way. Our solid foundation, coupled with our strong execution of strategic initiatives, positions us well to achieve sustainable growth and deliver value to our stakeholders in FY2025. While we are excited about the prospects that the new financial year will bring, we are balancing this out with cautious optimism.

ACKNOWLEDGEMENTS

Many parties have lent us their worthy support on our journey to success and we want to acknowledge their invaluable contributions. We extend our deepest gratitude to our esteemed shareholders, valued customers, trusted business partners, and the communities in which we operate. Your unwavering support and trust in MNRB have paved the way for our prosperity, and we are immensely grateful for your steadfast commitment. Your patience, loyalty, and confidence in the Group have been instrumental, and we eagerly anticipate our continued collaboration for our mutual benefit. Rest assured, we will continue to aim high and deliver our best.

We also wish to express our sincere appreciation to our esteemed Board of Directors for their astute insights and wise counsel, which have been pivotal in navigating the year's challenges. To my colleagues on the Management team and our loyal staff, your steadfast dedication, unwavering diligence, and spirit of excellence amidst the year's challenges are deeply inspiring. We applaud your outstanding achievements and tireless professionalism.

As we move forward, the MNRB Group remains committed to maintaining an unyielding resilience and pursuing long-term growth. As we focus on creating sustainable value for all our shareholders, partners, and stakeholders, we thank you in advance for your ongoing support and confidence in MNRB. As we forge ahead, we do so with a steely determination to achieve shared success and deliver greater value to all. Thank you.

Zaharudin Daud
President & Group Chief Executive Officer
31 July 2024

TOWARDS RESILIENT RECOVERY

At the commencement of the MNRB Group's financial year in April 2023, Malaysia's economic landscape was exhibiting resilience and continued recovery, with the expected expansionary momentum. As the nation steadfastly emerged from the severe impacts of the pandemic and ongoing geopolitical and socio-economic uncertainties, the insurance and takaful industry experienced growth, driven by a renewed emphasis on sustainability and climate change matters. In line with this, there was heightened demand for products and services addressing environmental and social risks across various sectors.

Today, the insurance and takaful industry is increasingly aligning with global and local sustainability goals and regulations, integrating sustainability ideals within business practices and operational activities. This strategic shift aims to enhance the relevance and value proposition of insurance and takaful offerings, positioning the industry as a key contributor to tackling the impacts of climate-related and societal challenges while advancing sustainable development.

Recognising the MNRB Group's pivotal role in fostering resilience and mitigating risks associated with sustainability matters including climate-related risks, the Group remains committed to initiatives focused on customer-centricity, digital transformation, and sustainable development. This approach not only aligns with broader economic trends, but also enhances growth opportunities within our operational sphere while contributing to broader societal and business interests.

ABOUT THIS STATEMENT

Reporting Scope and Boundary

This Sustainability Statement ("Statement") focuses on MNRB Holdings Berhad and its subsidiaries, branches and premises, as well as business and operating activities (collectively referred to as "the MNRB Group" or "MNRB" or "the Group" or "we" or "our" or "us"). It covers the reporting period from 1 April 2023 to 31 March 2024 or Financial Year 2024 ("FY2024"), unless specified otherwise.

This Statement attempts to address all material issues that are important to the MNRB Group, determining the scope based on the significant impact of our operations on the economy, environment, and community. To ensure clarity and avoid redundancy, our focus will be on highlighting the latest developments in our sustainability-related policies, governance, and initiatives during the reporting period.

Assurance Statement

This Sustainability Statement has not been subjected to an assurance process. The Group is currently in the process of establishing an internal review process for the Sustainability Statement to strengthen its credibility. As part of this effort, we will consider seeking external assurance to reinforce our commitment to transparency and accountability in sustainability reporting.

Alignment with Reporting Standards and Sustainability Frameworks

This Statement has been prepared in accordance to the guidelines outlined in Bursa Malaysia's Sustainability Reporting Guide (3rd Edition). It also aligns with globally recognised sustainability reporting best practices, including the Global Reporting Initiative ("GRI") Standards and the United Nations Sustainable Development Goals ("UN SDG") Framework. This ensures that our sustainability efforts are in line with industry benchmarks and contribute positively towards global sustainability objectives.

We continue to ensure that our sustainability efforts are in accordance with the United Nations Environment Programme Finance Initiative Principles of Sustainable Insurance ("UNEP FI PSI"), which underscores the importance of responsible financial practices that foster environmental and social well-being. In addition, we are guided by Bank Negara Malaysia or BNM's Value-Based Intermediation Framework ("VBIF") and the Malaysian Takaful Association's Value-Based Intermediation for Takaful Framework ("VBIT"), ensuring ethical and inclusive practices in our operations. These frameworks complement our commitment to sustainability and contribute to the overarching objectives of promoting financial sector resilience, inclusivity, and environmental stewardship.

OUR APPROACH TO SUSTAINABILITY

This Statement has been prepared with care and forethought to provide our stakeholders with a comprehensive and objective view of our economic, environmental, social and governance performance. The MNRB Group aims to present the information in a transparent and easy-to-understand manner, ensuring clarity and accessibility for all stakeholders.

WE PROTECT EVERYONE

The MNRB Group is driven by our core purpose of "We Protect Everyone", which is consistent with our operational and commercial activities in the takaful, reinsurance and retakaful sector. This purpose further demonstrates our commitment to Maqasid Shariah objectives, particularly in fostering social and economic justice within the space in which we operate. The principles of Maqasid Shariah propagate promotion of well-being and prevention of harm for all stakeholders, which is in harmony with our core purpose.

Through our reinsurance/retakaful and takaful subsidiaries, we deliver financial protection and risk management solutions to a wide spectrum of clients, including corporate entities and retail customers respectively. We provide a diverse range of reinsurance/retakaful and takaful offerings, tailoring solutions to meet the specific needs of each client. This approach underscores our ongoing commitment to their financial well-being and broader societal impact.

Our primary goal is to assist affected parties in recovering from adversity and catastrophic events by helping them regain a sense of normality in their lives and livelihoods. We strive to facilitate their journey back to stability, demonstrating our dedication to protecting individuals and businesses and empowering them to be resilient through challenging times.

Through our IKHLAS Barakah House or IBH programme, we undertake social initiatives that focus on building sustainable communities. Through IBH, we are continuously embarking on activities to provide access to quality education, healthcare services, skills development for economic empowerment, and initiatives to enhance the quality of life while preserving natural resources. In line with our commitment to customer centricity, we are dedicated to enhancing our digital touchpoints and mobile apps to enable convenient access to our takaful services, thereby improving the overall customer experience.

As we embark on this sustainability journey with a greater sense of purpose, we will continue to gather feedback from our customers and stakeholders. This feedback loop ensures that we can effectively uphold our purpose of protecting everyone within our operating space.

SUSTAINABILITY @ MNRB

Our Sustainability Aspirations

At MNRB, we strive to be a responsible and caring corporate citizen, by creating meaningful impact and generating long-term value that safeguards the environment, society, and communities we serve. We are deeply committed to balancing our good economic performance with positive environmental stewardship and social considerations, while also delivering sustainable financial outcomes and fostering good stakeholder relations.

We continuously integrate sound environmental, social, and governance ("ESG") considerations into our business and operations, alongside providing retakaful and reinsurance solutions, and undertaking responsible investment. We focus on executing the initiatives in our Group Sustainability Roadmap and refining our strategies as needed throughout the year.

Recognising the rise in climate-related events, the MNRB Group, as a key reinsurance and retakaful player within the industry, acknowledges the significance of our contribution to the advancement of the sustainability agenda. Our goal is to work towards mitigating climate change and to achieving Net Zero carbon emissions by 2050 by reducing our carbon footprint and greenhouse gas ("GHG") emissions.

> **"Our goal is to work towards mitigating climate change and to achieving Net Zero carbon emissions by 2050 by reducing our carbon footprint and greenhouse gas ("GHG") emissions"**

We are also cognisant of our responsibility to create positive social impact, particularly for communities and their related stakeholders. We acknowledge that our activities can significantly influence the well-being of not just our customers, but also our employees, partners, suppliers, and communities. Thus, we aim to consistently foster a culture of inclusivity and diversity, while adhering to ethical business practices that prioritise the welfare of all relevant stakeholders.

Our sustainability commitments are outlined in the subsequent section, categorised under the respective ESG pillars. These pillars represent our aspirations and guide our actions towards a more sustainable future.

Our Sustainability Commitments

ENVIRONMENT	SOCIAL	GOVERNANCE
Net Zero Carbon Enterprise by 2030	People-centric Workplace	Effective Sustainability Management
Net Zero Carbon Investment Portfolio by 2050	Giving Back to Society	TCFD-aligned Disclosures*
Net Zero Carbon Business Portfolio by 2050	Responsible Products & Services	Intensified Awareness & Advocacy

Transitioning to A Green Economy

Given the urgent need to address climate change, the Group acknowledges that we can play a significant role in supporting the transition to a green economy by:

- Minimising the impact of carbon emissions arising from our business activities and supply chain as we move towards our Net Zero targets;
- Promoting the alignment of our current underwriting and investment activities with the Net Zero pathway, thereby encouraging efforts to mitigate climate change as we transition to a low-carbon economy; and
- Developing products that contribute positively to the environment throughout their entire life cycle.

Empowering Our People and Enhancing Society Well-being

Recognising that the well-being and development of our employees and communities are fundamental to our sustainability approach, the Group remains focussed on:

- Supporting the physical and mental health and well-being of our workforce, intermediaries and larger communities;
- Encouraging a culture of continuous learning and professional development across all aspects of our business, ensuring our people are equipped with the knowledge and skills to thrive in a rapidly changing world; and
- Upholding our tradition of creating positive social impact through meaningful initiatives and partnerships, contributing to the overall well-being of society.

Advancing a Good Governance Culture

In delivering sustainable economic value to safeguard the interest of our stakeholders, we recognise that it is imperative to uphold the highest standards of corporate governance and transparency. Therefore, we are committed to championing excellence in governance by:

- Continuously practicing sound governance principles in all aspects of our business operations;
- Communicating our governance policies and strategies to both internal and external stakeholders in a clear and concise manner; and
- Implementing robust monitoring mechanisms and ensuring transparent disclosure to demonstrate the effectiveness and integrity of our governance framework.

Note:
** The Task Force on Climate-related Financial Disclosures ("TCFD") is an organisation established by the Financial Stability Board ("FSB") to develop recommendations for more effective climate-related disclosures that could promote better informed investment, credit, and insurance underwriting decisions.*

The Group's Sustainability Commitments will continue to evolve and be refined as and when necessary. They will be reviewed periodically to ensure seamless alignment with our business strategy and associated risk mitigation efforts. They will serve as guidelines to help reinforce our commitment to championing long-term sustainability and strengthening stakeholder confidence in MNRB.

SUSTAINABILITY GOVERNANCE

Governance Structure

The MNRB Group is committed to upholding robust sustainability governance standards through a comprehensive governance framework that includes our Board of Directors ("the Board"), Senior Management, Sustainability Champions, and the respective business units, comprising multifunctional experts from various departments across all operating entities.

The Group's sustainability strategy and performance are continuously monitored by the Board and are further supported by key committees such as the Risk Management Committee of the Board ("RMCB"), Group Shariah Committee ("GSC"), Group Management for Risk and Compliance Committee ("GMRCC") and the Sustainability Working Group ("SWG").

During the reporting year, we made significant progress in our sustainability efforts with the establishment of a dedicated Group Sustainability Management Department ("GSMD") in October 2023. This strategic move underscores the Group's heightened awareness of the pressing need to address sustainability matters more effectively.

With the establishment of the GSMD, the Group aims to enhance sustainability awareness within the workforce, bridge knowledge gaps and equip our workforce with the essential competencies required to meet evolving sustainability demands. This includes adhering to regulatory policies, conducting accurate impact measurements, meeting stakeholders' expectations and staying abreast of industry developments, thereby ensuring our ability to capitalise on relevant opportunities and maintain a competitive edge.

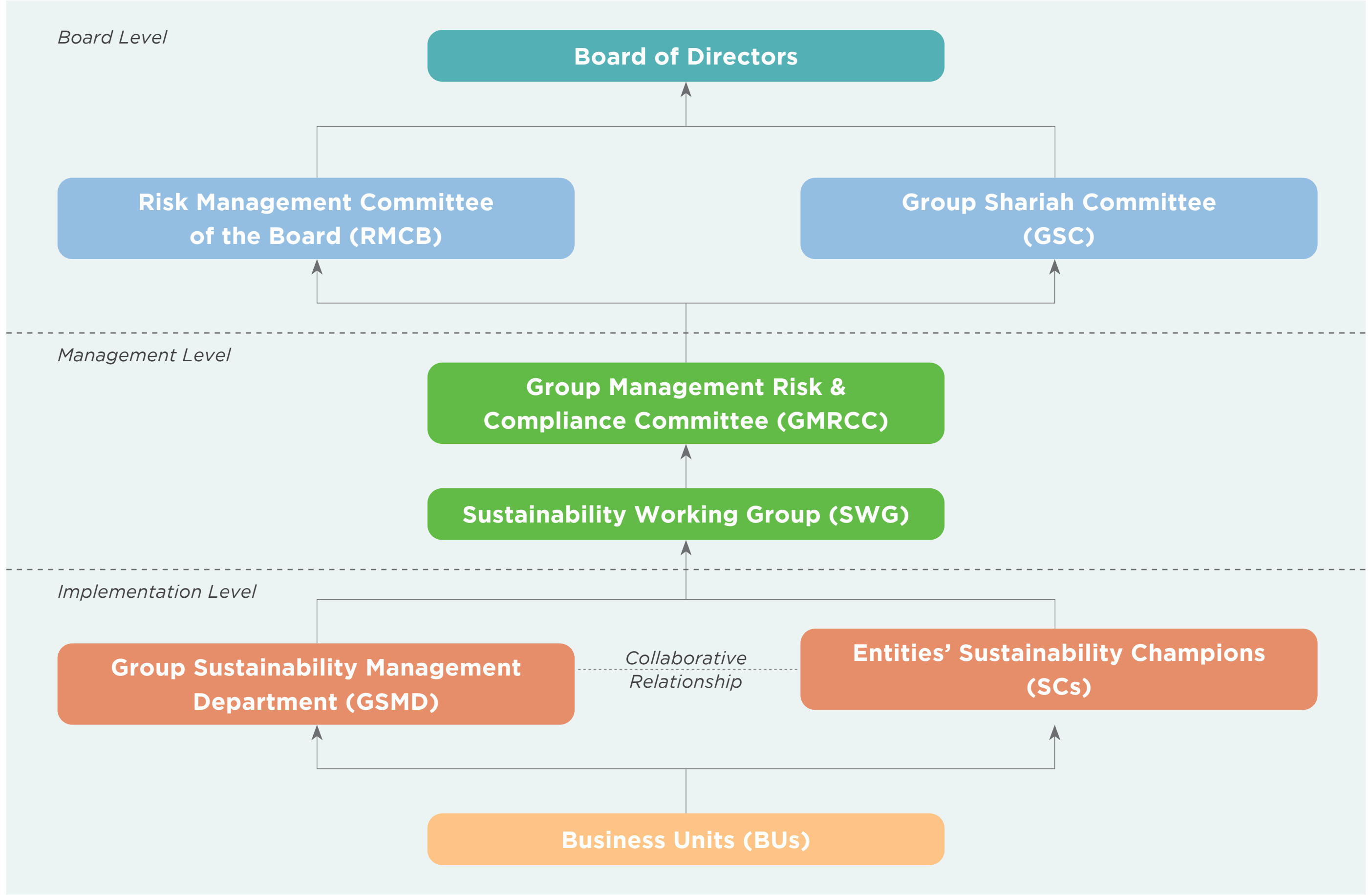

Diagram 1: Sustainability Governance

Roles and Responsibilities

Board of Directors

The Board's key responsibilities include effectively overseeing the MNRB Group's operations and ensuring alignment with the best interests of the Group and its stakeholders. This oversight is exercised through compliance with all relevant Acts and Regulations, including the adoption of principles and best practices as outlined in the Malaysian Code on Corporate Governance ("MCCG"), the Main Market Listing Requirements ("MMLR"), and the Bank Negara Malaysia Policy Document on Corporate Governance ("BNM PD CG"). The Board is also tasked with deliberating and resolving key matters such as the approval of quarterly and annual results, major acquisitions and disposals, significant capital expenditures, budgets, business plans, and succession planning for top management.

In line with the updated Board Charter as of November 2023, the Board has expanded its responsibilities to address sustainability matters and climate-related risks. The Board is now actively involved in developing sustainability strategies and engaging in regular discussions on these critical issues. This proactive approach underscores the Board's commitment to understanding and addressing relevant sustainability matters, including climate-related risks and opportunities.

Furthermore, the Board continuously enhances its knowledge relating to sustainability management through periodic capacity-building programmes. These programmes ensure that Board members remain well-informed about emerging sustainability trends, best practices in sustainability reporting, and strategies for integrating sustainability into the Group's long-term strategic planning. This ongoing education empowers the Board to make informed decisions that drive sustainable growth and value creation for all stakeholders.

Risk Management Committee of the Board ("RMCB")

The RMCB is a board-level committee that meets on a regular basis, at least once every quarter to fulfil the responsibilities delegated to it by the Board, which are mainly related to effective risk and compliance oversight.

The RMCB reports to the Board to keep it abreast of RMCB activities, key deliberations and decisions regarding matters delegated to the RMCB. One of the primary responsibilities of the RMCB is to assist the Board in providing effective oversight in addressing sustainability risks and opportunities, including the management of climate-related risks to safeguard the Group from the adverse impacts of climate change.

The respective Head of Risk Management at each of the operating entities provides the RMCB with quarterly updates on risk assessments and monitoring, including potential catastrophic and climate change events that may affect the Group and its operating entities' financial performance.

Group Shariah Committee ("GSC")

The GSC is responsible for overseeing the delegation of duties by the Board relating to the implementation of Shariah-related strategies. In March 2024, the MNRB Board approved an enhanced GSC Charter which incorporates the GSC's responsibility for overseeing the delegation of duties by the Board relating to the implementation of the Shariah aspects within the Group's sustainability strategies. For the Group's takaful entities, the GSC ensures that the Group Sustainability Policy aligns with the Shariah Governance Framework and advances the intended objectives under Maqasid Shariah.

Group Management Risk & Compliance Committee ("GMRCC")

In fulfilling its oversight responsibilities related to the risk and opportunities associated with the Group's strategy and strategic decision making, the GMRCC assists the RMCB on risk management-related matters.

The GMRCC is tasked with conducting at least four (4) meetings annually. One of the primary responsibilities of the GMRCC is sustainability risk management, in which it provides effective oversight in addressing sustainability risk and opportunities, including the management of climate-related risks to safeguard the Group from the adverse impacts of climate change.

The Group Risk Management function routinely reports to the GMRCC on key trends and developments in major risk areas, such as the trend of catastrophe losses, which have a substantial impact on MNRB's financial performance.

Sustainability Working Group ("SWG")

The SWG, chaired by the Group Chief Strategy Officer, is responsible for the development and implementation of the Group's Sustainability Roadmap and initiatives to address the Group's Sustainability Matters. This includes integrating sustainability considerations into our business and operations to effectively mitigate pertinent risks and capitalise on opportunities.

Furthermore, the SWG oversees the implementation of the Sustainability Roadmap action plans by the Sustainability Champions and respective Business Units to ensure seamless integration and ongoing commitment. The progress and achievements of the action plans are reviewed during the quarterly SWG meetings. Key decisions are presented to the GMRCC and subsequently to the RMCB for approval or notation, thereby ensuring rigorous oversight and alignment with our sustainability objectives.

Group Sustainability Management Department ("GSMD")

The GSMD was established in October 2023 with the primary objective of centralising and effectively managing all sustainability-related matters within the Group. This includes developing medium-term and long-term sustainability strategies, managing the implementation of the Sustainability Roadmap action plans and working towards our commitment to becoming a Net Zero carbon organisation by 2050.

The GSMD facilitates a focused and dedicated approach to pursuing and achieving these critical deliverables. It reflects the Group's unwavering commitment to comprehensive sustainability management, encompassing activities such as raising awareness, fostering knowledge development, cultivating a sustainability mindset among the workforce, engaging stakeholders for insights and continuous knowledge sharing, developing structured monitoring mechanisms, and ensuring regulatory compliance. This underscores the Group's proactive stance towards sustainability, ensuring alignment with global best practices and stakeholder expectations while driving positive impact across the organisation and beyond.

Sustainability Champions ("SCs")

The SCs are represented by dedicated Subject Matter Experts from Malaysian Reinsurance Berhad ("Malaysian Re"), Takaful Ikhlas Family Berhad ("Takaful IKHLAS Family") and Takaful Ikhlas General Berhad ("Takaful IKHLAS General"). They are permanent members of the SWG and are responsible for aligning and coordinating the comprehensive integration of sustainability efforts into the commercial and operational activities of their respective entities, in line with the Group's sustainability strategy.

Their responsibilities include providing regular reports and updates on the latest sustainability initiatives and accomplishments of the respective entities. Additionally, they play a crucial role in providing up-to-date data and information for the Group's Sustainability Statement.

Furthermore, the SCs are encouraged to actively participate in various sustainability capacity-building programmes to enhance their knowledge and understanding of sustainability topics, particularly focusing on climate-related risks and other pertinent sustainability matters and developments.

MATERIALITY

At MNRB, we are deeply committed to performing our role as a sustainability-driven financial holding company. We prioritise considering and assessing the environmental and social implications of our day-to-day business operations, all whilst upholding good governance practices. This approach is especially crucial considering the emerging climate-related challenges the world is currently facing.

Back in FY2023, we conducted a group-wide materiality assessment to identify and prioritise our stakeholders' key sustainability concerns. Building on this foundation, a limited-scale materiality review was conducted in FY2024, reaffirming that the material matters identified in the previous year remained highly relevant to both the Group and our stakeholders. By implementing an ongoing materiality assessment process, we are ensuring that MNRB remains connected with the evolving sustainability landscape, is able to responsibly manage the risks associated with our business operations, and is able to prudently leverage opportunities through our sustainability initiatives.

Materiality Assessment Process

Our materiality assessment process plays a crucial role in helping us identify and prioritise the sustainability matters that are significant to us and our stakeholders. This ensures that our sustainability management efforts are focused on key areas that drive value and meaningful impact. The process also adheres to Bursa's Sustainability Reporting Guide 2022. This allows us to conduct a thorough review of materiality matters biennially while continually enhancing our disclosures each year.

Materiality Matrix

Following the FY2023 materiality assessment exercise, we pinpointed nine material matters that were crucial to our sustainability journey, as reflected in our materiality matrix. We have maintained consistency in our approach this year, with no significant changes made during the review process. These results were validated through deliberations with SWG members and correspondingly approved by the GMRCC and the RMCB.

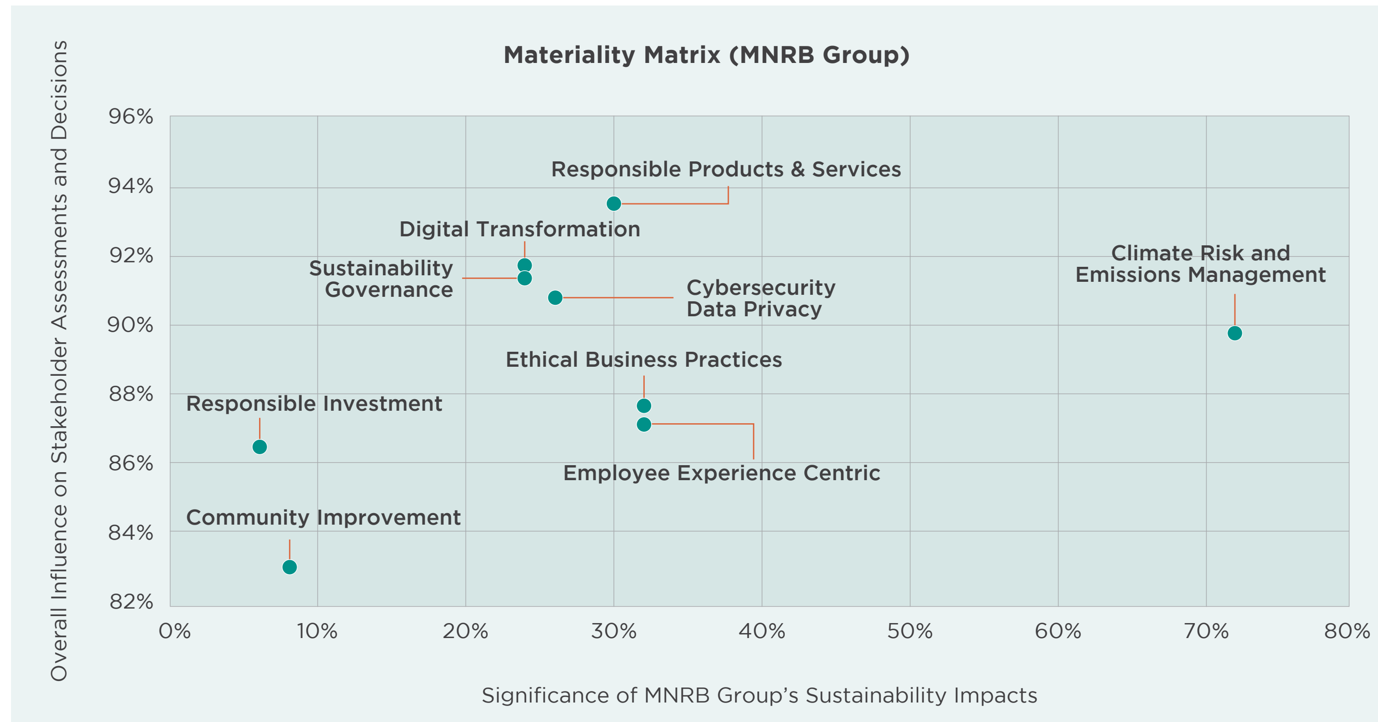

Diagram 2: Sustainability Materiality Matrix

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Stakeholder Engagement

As part of our commitment to championing sustainability, we prioritise creating shared value with our stakeholders. Our approach to stakeholder engagement emphasises continuous improvement, where we actively identify, engage, and integrate our sustainability value with our key stakeholders. This ongoing engagement occurs through various business activities and touchpoints, ensuring a two-way communication process built on mutual trust and good faith.

We are mindful of potential barriers such as gender, cultural differences, and social status, and we are proactively working to eliminate them from the engagement process. Our goal is to foster meaningful and inclusive interactions with our stakeholders, valuing their interests, concerns, and ideas. We believe that our stakeholders are our key partners who will help us deliver on our mandate of "protecting everyone".

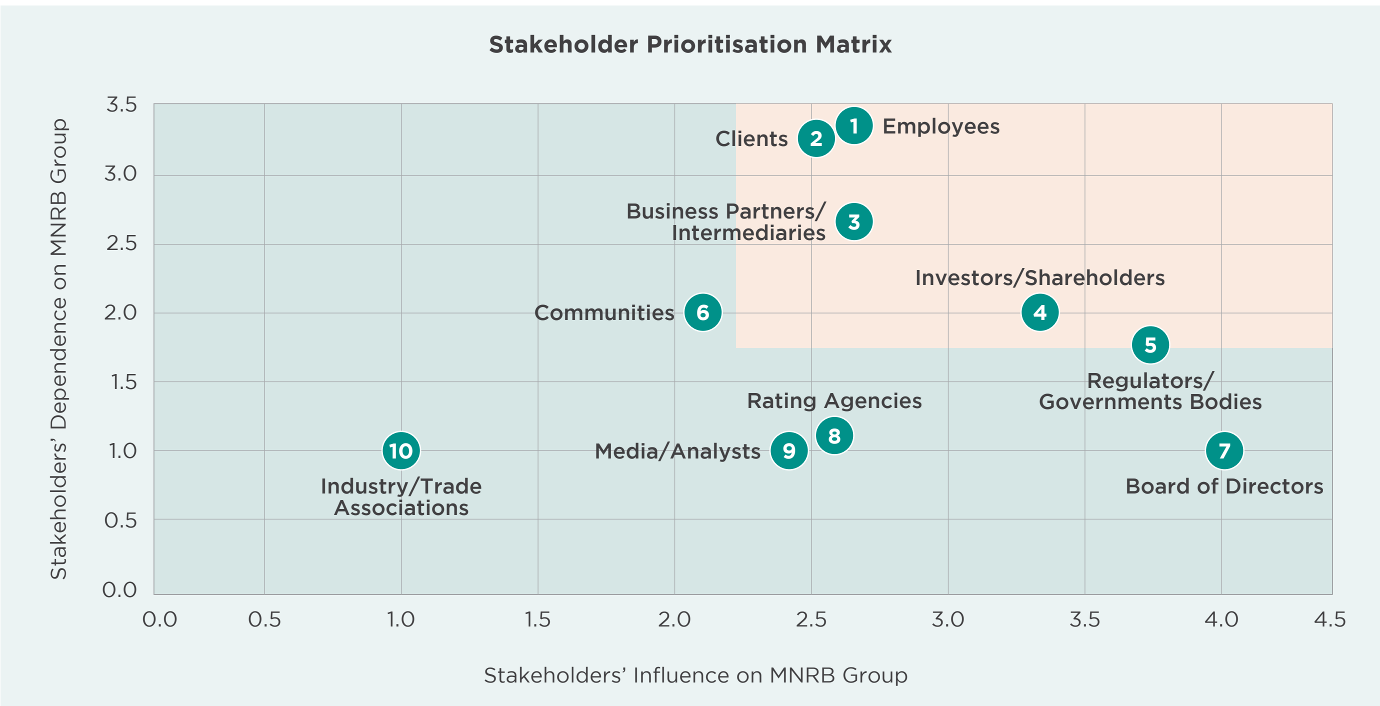

Diagram 3: Stakeholder Prioritisation Matrix

Stakeholder Engagement

Our Key Stakeholders	How We Engage with Them	Areas of Interest	Our Responses
1 **Employees**	• Quarterly Townhalls • Internal portal (ICEbox) • Emails (Sustainability Buzz) • Engagement activities and surveys • Training sessions • Meetings • Performance reviews	• Company working culture • Employee compensation and benefits • Career development • Occupational safety and health (OSH)	• Promoting work-life balance • Training and development • OSH Committee
2 **Clients**	• Corporate websites • IKHLAS GO ecosystem • Social media platforms • Customer service hotline and email	• High-quality services • A new line of products • Digitalisation • Protection of clients' privacy and personal data	• Enhancing the customer experience • Digital transformation through the IKHLAS GO Ecosystem • New products and services • Cybersecurity and data privacy
3 **Business Partners/ Intermediaries**	• Meetings	• Responsible sourcing practices	• Enhanced procurement process
4 **Investors/ Shareholders**	• Annual General Meeting • Analyst briefing • Media releases • Corporate website	• Financial performance • Market outlook • Responsible investing	• Strengthening sustainability governance
5 **Regulators/ Government Bodies**	• Conferences • Working groups • Meetings • Seminars/workshops and webinars	• Compliance with laws and regulations	• Best practices in corporate governance and compliance to meet regulatory requirements • A strong compliance culture within the Group • The promotion of financial inclusion

Our Key Stakeholders	How We Engage with Them	Areas of Interest	Our Responses
6 Communities	• Volunteering activities • CSR and VBIT activities	• Involvement in community development activities • Opportunities for grants and scholarships	• IKHLAS Barakah House (IBH) • IKHLAS Waqf and Endowment (IWE) • Program Lestari Cemerlang • MNRB Scholarship
7 Board of Directors	• Meetings • Training sessions	• Financial performance • Sustainability-related performance • Compliance with laws and regulations	• Best practices in corporate governance and compliance to meet regulatory requirements • Regular updates at Board meetings
8 Rating Agencies	• Meetings	• Financial performance • Company sustainability-related performance • Sustainability disclosures	• Annual Report • Sustainability Statement
9 Media/Analysts	• Corporate websites • Events • Media releases • Interviews	• Company financial performance • Company sustainability-related performance	• Regular engagement with media, e.g. press conferences, press releases and special interviews
10 Industry/ Trade Associations	• Conferences • Working group • Meetings • Seminars/workshops and webinars	• Advocacy for new policies and regulatory requirements • Industry-wide collaboration	• Industry participation • Enhanced sustainability-related policies and processes

Materiality Matters

The principle of materiality, as demonstrated through our materiality assessment process, enables us to identify the current nine materiality matters crucial to the Group and our key stakeholders. These materiality matters represent issues that we collectively prioritise due to their significant impact on our business and the value delivered to our stakeholders. In our sustainability reporting, we focus on these identified matters, outlining our strategies for managing them effectively. Our approach includes setting suitable targets aligned to each material issue, reflecting our commitment to achieve tangible goals that drive sustainable outcomes.

Environment

Climate Risk & Emissions Management

Our processes and practices to address climate change challenges including managing and mitigating the climate risks while also striving to reduce our emissions.

Responsible Investment

Our investment approach integrates ESG factors when making investment decisions for sustainable economic growth.

Digital Transformation

Our digital transformation leverages technology to revolutionise our business operations, ensuring operational efficiency and delivering sustainable value to our stakeholders.

Social

Employee Experience Centric

Our strategic focus on enhancing employee well-being and creating a conducive work environment where we prioritise employees' needs and promote a healthy workforce.

Community Improvement

Our ongoing efforts to improve communities' overall quality of life, making positive changes by addressing social, economic, and environmental challenges.

Responsible Products & Services

Our commitment to develop takaful and reinsurance solutions that actively minimise negative environmental and social impacts throughout their lifecycle. This includes promoting sustainable risk assessment practices, encouraging responsible underwriting and claims management, and fostering partnerships that support sustainable business practices within the industry.

Governance

Sustainability Governance

Our sustainability management ensures alignment with our overall business strategy, promotes strong institutional governance, and fosters transparency and accountability within our organisation.

Cybersecurity & Data Privacy

Our cybersecurity and data privacy measures ensure secure digital infrastructure and safeguard personal data, contributing to building resilient and sustainable technological systems.

Ethical Business Practices

Our adherence to ethical business practices, rooted in values that promote responsibility and sustainability, contributes to building trust and a positive public image of the Company.

Diagram 4: Sustainability Matters FY2024

Risks and Opportunities for Each Material Matter

In today's challenging business environment, MNRB actively engages with our stakeholders to identify and manage risks while leveraging on opportunities. This forward-looking approach is crucial in enhancing our value proposition, ensuring the protection of all stakeholders, and realising our long-term goal of becoming a Net Zero carbon organisation by 2050.

	Risks	Opportunities
Climate Risk & Emissions Management	Exposure to climate-related events such as floods, storms, or wildfires may lead to increased insurance, takaful claims and operational disruptions.	An opportunity to develop climate-resilient insurance and takaful products and implement emission-reduction strategies to mitigate risks and attract sustainability conscious clients.
Responsible Investment	Investment in environmentally or socially controversial sectors may lead to reputational damage and financial losses.	An opportunity to implement responsible investment practices that consider ESG factors to generate sustainable returns and support ethical businesses.
Digital Transformation	Failure to adapt to new digital trends and technologies may lead to loss of market competitiveness and operational inefficiencies.	An opportunity to embrace the latest digital enhancements to improve the customer experience, streamline operations, and develop innovative digital insurance and takaful solutions.
Employee Experience Centric	A poor employee satisfaction engagement index, low morale, and high turnover rates may impact productivity, customer service, and our company culture.	An opportunity to prioritise employee well-being, career development, customised benefits and empowerment to foster a positive work environment and enhance employee engagement.
Community Improvement	Negative community impact from business operations may lead to reputational damage and stakeholder distrust.	An opportunity to engage in community development initiatives and stakeholder dialogue to create positive social impact and build strong community relationships.
Responsible Products & Services	Offering products or services with negative social or environmental impacts may lead to customer dissatisfaction and reputational harm.	An opportunity to develop responsible products and services that meet stakeholders needs while aligning with sustainability principles and Maqasid Shariah.
Sustainability Governance	Inadequate governance structures and processes may lead to non-compliance, ethical breaches, and stakeholder distrust.	An opportunity to strengthen sustainability governance frameworks, policies, and accountability mechanisms to ensure compliance, transparency, and stakeholder engagement.
Cybersecurity & Data Privacy	Cyberattacks, data breaches, and privacy violations may lead to financial losses, reputational damage, and regulatory penalties.	An opportunity to invest in robust cybersecurity measures and data privacy protocols to protect sensitive information, safeguard customer trust, and comply with data protection regulations.
Ethical Business Practices	Engaging in unethical conduct such as bribery, corruption, or unfair business practices may lead to legal liabilities, reputational damage, and loss of stakeholder trust.	An opportunity to embed ethical principles into business operations, fostering a culture of integrity, and adhering to ethical codes of conduct.

ENVIRONMENT

TANGIBLE STRIDES IN ENVIRONMENTAL STEWARDSHIP

In an era defined by unprecedented environmental challenges, the MNRB Group recognises the critical role we must play in mitigating these rapidly evolving issues. We are committed to embarking on a journey of consistently showcasing our concerted efforts to preserve the environment. Acknowledging the dynamic business landscape, we acknowledge the need to not only adapt but also lead in adopting sustainable practices.

This section serves as a testament to our unwavering dedication to environmental stewardship, highlighting key initiatives across the Group. From tree planting campaigns and energy efficiency improvements to waste management strategies and digital innovation, each initiative aims underscores our focus on environmental consciousness as we progress towards our long-term goal of achieving Net Zero emissions by 2050.

By integrating sustainability into our everyday operations, we manage our risks while capitalising on opportunities to drive innovation, efficiency, and organisational resilience. Through these initiatives, we aspire to position MNRB as the leader in environmental stewardship within the industry, demonstrating our commitment to a sustainable future for all.

Reducing Carbon Footprint through Operational Excellence

Sustainability Commitment:	Net Zero Carbon Enterprise by 2030 and Net Zero Carbon Business Portfolio by 2050
Materiality Matter:	Climate Risk & Emissions Management

The MNRB Group is committed to minimising the environmental impact of our business operations while upholding operational excellence. The Group has embarked on a strategic initiative to reduce our carbon footprint through innovative measures that are consistent with our sustainability goals and benefit our stakeholders, including integrating sustainability into our business-as-usual practices.

A focal point of this initiative is the adoption of electronic certificates ("e-certs") in our takaful and reinsurance/ retakaful operations. The transition from the traditional paper-based certifications to e-certs has significantly reduced paper consumption and printing needs, allowing us to capitalise on the environmental benefits of digital documentation.

Notably, we have delivered 100% of our motor takaful certificates electronically, marking a substantial reduction in paper usage. In the area of family takaful, we provide e-certs during customer onboarding, while allowing customers the option of hardcopy reprints, ensuring flexibility without compromising sustainability. Our ongoing objective is to fully digitise all certificates, further decreasing paper dependency and our overall environmental impact.

Concurrently, our implementation of electronic claims processing via the Merimen e-Claims system has enhanced operational efficiency and improved customer satisfaction. Currently, 100% of claims are routed through Merimen, resulting in considerable paper reduction and cost savings, manifesting our efforts to ensure sustainable practices. Annually, this initiative has generated an average savings of over RM2.5 million in printing costs as well as reduced paper consumption by more than 14 million sheets and 700,000 envelopes.

Average Savings on Printing Costs
RM2.5 million

Reduced Paper Consumption by
14 million sheets and 700,000 envelopes

Additionally, we have transitioned 67% of our takaful agent training to online platforms by leveraging on Learning Management Systems ("LMS") and Training Management Systems ("TMS"). This shift has empowered our agents with digital capabilities, contributing to a more sustainable operating model and demonstrating our commitment to continuous improvement and sustainable practices. Recent data analysis shows a steady increase in trained agents, from 3,684 agents in March 2023 to 5,520 agents by March 2024, highlighting the success and scalability of our online training initiatives.

These efforts not only reduce our own carbon footprint but also inspire our stakeholders to embrace sustainable practices. By integrating environmental considerations into our business operations and promoting digital adaptation, we mitigate environmental risks and create long-term value for our stakeholders, contributing to a more sustainable and resilient business environment.

Emissions Management

Sustainability Commitment:	Net Zero Carbon Enterprise by 2030 and Net Zero Carbon Business Portfolio by 2050
Materiality Matter:	Climate Risk & Emissions Management

The MNRB Group is actively managing its emissions footprint responsibly in alignment with the vision of the Twelfth Malaysia Plan to achieve Net Zero GHG emissions by 2050. Recognising the urgency and importance of mitigating the impact of climate change, we are committed to making notable strides in this area.

During the reporting period, we initiated comprehensive GHG emissions training and workshops to assess our organisational readiness for the transition to a Net Zero emissions model by 2050. These efforts were initially aimed at the Board and senior management, with plans for progressive expansion to all our workforce. This approach ensures that our carbon emission reduction goals are understood and aligned across the Group.

Furthermore, we are currently finalising the appropriate GHG calculation methodology for the Group, covering Scope 1, Scope 2, and related Scope 3 emissions. This includes defining measurement frameworks, organisational boundaries, and sources of emission factors, all of which lay the groundwork for the exercise to assess our baseline GHG emissions in the next reporting period. These initiatives highlight our approach towards emissions management and underscore our dedication to good environmental stewardship.

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Responsible Investment

Sustainability Commitment:	Net Zero Carbon Investment Portfolio by 2050
Materiality Matter:	Responsible Investment

At MNRB, we view investment not only as the means to achieve financial returns, but also as a platform for promoting responsible and sustainable practices. The Group's investment management strategy prioritises capital preservation, liquidity management, and returns optimisation through a systematic and structured investment process.

We integrate ESG criteria into our Investment Policy Statement ("IPS") and Group Sustainable Investing Guideline. The Board oversees investment activities through the Group Investment Committee ("GIC"), leveraging on their expertise to review Strategic Asset Allocation activities and ensure alignment with our long-term sustainability objectives. This reinforces our commitment to responsible and impactful investment practices, enabling us to better manage risks and generate sustainable long-term returns by considering key sustainability factors in our investment decisions.

Additionally, our responsible investment approach actively promotes climate transition with the aim of achieving our "Net Zero Carbon Investment Portfolio by 2050" Sustainability Commitment.

Recent Developments/Notable Advancements:

Developed Portfolio Carbon Emissions Assessment Template

We have introduced a template to assess the carbon emissions of our portfolio, a crucial step towards effectively managing our carbon footprint. In FY2022, our portfolio's carbon footprint was measured at 133,493 tCO_2e*.

Projected Carbon Emission Reduction:

We are projecting a reduction in our portfolio carbon emissions of approximately 40%** by 2025.

Sustainable Investments:

In 2023, we acquired a total of RM30 million in Sustainable and Responsible Investment ("SRI") Sukuk, demonstrating our commitment to responsible investment.

Climate Change Principle-based Taxonomy ("CCPT") Due Diligence:

In line with the CCPT submission to BNM, we conducted thorough due diligence assessments on all corporate bonds and listed equities, adhering to BNM's requirements.

Industry Engagement:

We actively engaged with the industry working group through the Joint Committee on Climate Change's ("JC3") CCPT Implementation Group, collaborating to address climate-related challenges within the financial industry.

Utilisation of FTSE4Good Index for Exclusion:

We excluded sectors such as tobacco, weapons, and coal pure play from our equity investments using the FTSE4Good Index, aligning with our ESG criteria.

Notes:
* *Portfolio scope covering Fixed Income and Listed Equity; covering Scope 1 and Scope 2 of GHG emissions.*
** *Using the Network for Greening the Financial System ("NGFS") designed scenarios of Net Zero 2050 scenario.*

Our investment portfolio has been meticulously constructed with ESG criteria that adhere to specific ESG standards. One of the recent developments is the enhancement of our ESG selection criteria methodology, ensuring that the inclusion of high-quality ESG assets are in line with our Group Sustainable Investing Guideline. During the reporting period, approximately 60% of our investment assets, including fixed income, listed equities and unit trusts, were found to be ESG-compliant based on the revised methodology outlined in the Group Sustainability Investing Guideline, reflecting our commitment to responsible and sustainable investment practices.

Digital Transformation

Sustainability Commitment:	Net Zero Carbon Enterprise by 2030, Net Zero Carbon Business Portfolio by 2050, Responsible Products and Services
Materiality Matter:	Digital Transformation

The rapid technological advancements taking place today pose both a challenge and opportunity for insurance and takaful operators ("ITO"). These advancements also present a transition risk and demand climate adaptation. Market trends, data proliferation, and heightened consumer expectations necessitate industry transformation, especially in addressing the aging workforce and cybersecurity concerns.

At MNRB, we view digitalisation as a pivotal strategy to navigate these complexities and drive sustainability ahead. Under the Group Transformation Programme ("GTP"), the Digital and Innovation Department ("DNI") spearheads our digital transformation initiatives. Our primary focus is on enhancing stakeholder engagements, optimising operational efficiency, and reducing operational costs through digital integration. Through our IKHLAS GO Ecosystem, we provide seamless access to our products and services for our stakeholders, fostering a customer-centric approach.

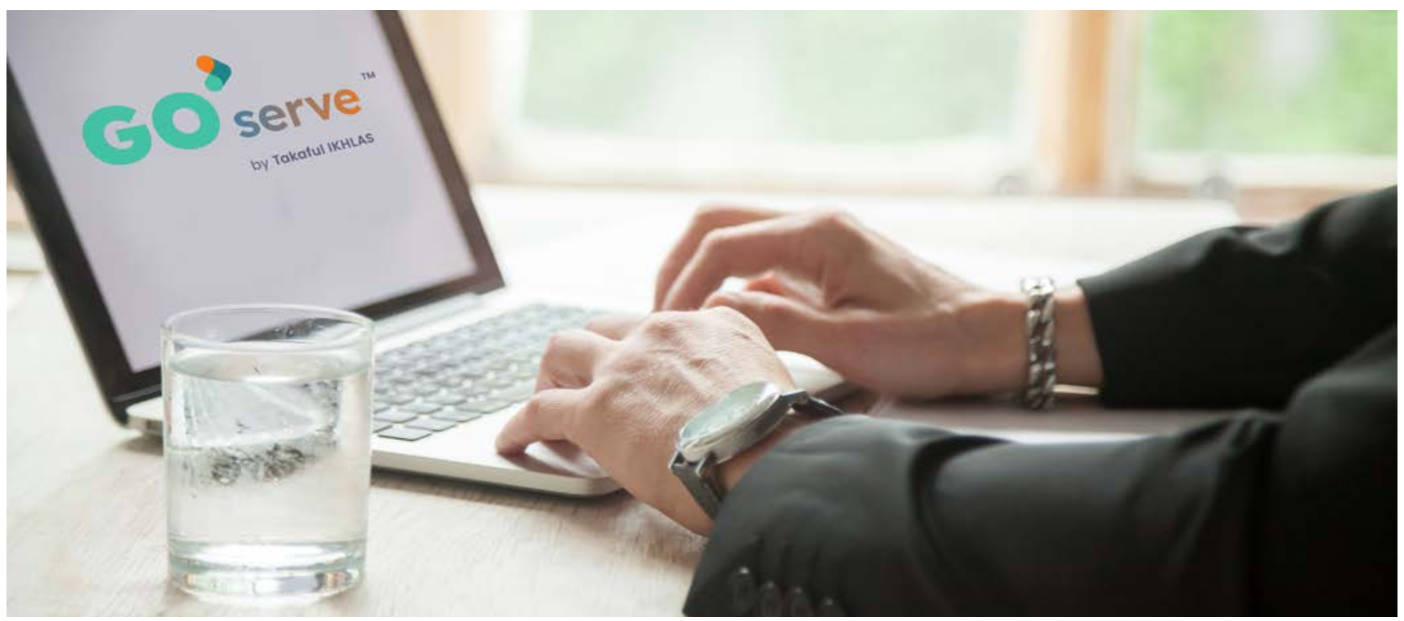
IKHLAS GO Ecosystem	Purpose	Impact	Number of Projects Completed and Key Highlights
GO serve by Takaful IKHLAS	Web-based platform for post-sales services catering to both customers and agents.	Enhances customer capabilities by offering post sales self-services through an online portal.	7 projects completed: • General and Family e-Claim Portal. • Self Service Bantuan IKHLAS Road Assist.
GO direct by Takaful IKHLAS	Web-based services for customers to directly purchase our products and services.	Facilitates swift customer onboarding and improves accessibility to new products for our customers.	18 projects completed: • Online Motorcar and Motorcycle. • Online Digital Roadtax Renewal. • Online Travel Takaful. • Direct Hospital Income Benefit.
GO partner by Takaful IKHLAS	Web-based and mobile app platform designed for General Agents to streamline sales processes.	Offers a new platform for General Takaful agents to onboard customers seamlessly through both an online portal and mobile apps.	1 project completed: • Enhancements to mobile apps and web-based functionalities to increase adoption by our General Takaful agents.
GO financial by Takaful IKHLAS	Facilitates sales for the Banca and Corporate Channels.	Business uplift by enhancing customer capabilities and experience.	4 projects completed: • Offering the Takaful IKHLAS Motor product to CIMB and BSN Bank.

IKHLAS GO Ecosystem	Purpose	Impact	Number of Projects Completed and Key Highlights
GO connect by Takaful IKHLAS	Platform for potential partners to access our API suites.	Promotes integration of an open API platform with new digital partners.	2 projects completed: • API capability for Motor and Travel product to partners.
GO prime by Takaful IKHLAS	Mobile-based services for family agents to facilitates sales.	Introduces a new platform for Family Takaful agents to onboard customer via mobile apps.	For GO prime, we continued to focus on enhancing mobile apps and web-based functionality. Specifically, we improved the e-quotation and e-submission processes and further integrated our systems with those of our Family Takaful intermediaries.

In FY2022, Takaful IKHLAS General embarked on a Branch Transformation project, aimed at expanding our digital presence through the establishment of Virtual IKHLAS Points ("VIP"). These non-physical VIP branches are strategically designed to enhance our outreach to agents and offer customers more flexible, accessible, and personalised experiences when they utilise our services. With ten (10) VIP branches operational nationwide since its inception, our digital expansion has garnered positive reception, leading to an additional five (5) VIP branches launched during the reporting period.

The launch of an additional two (2) VIP branches in Kuala Lumpur and three (3) in Selangor (Subang), Terengganu (Kemaman) and Johor (Kluang) signify our commitment to digital innovation and technological advancement. Leveraging cutting-edge technologies including cloud computing, machine learning, and artificial intelligence, we have optimised both front-end experiences and back-end processes. This approach not only streamlines our operations but also enhances our service delivery, positively impacting communities and the environment within our domain.

5 New
Virtual IKHLAS Points (VIP) Branches



Resource Efficiency and Conservation

Sustainability Commitment:	Net Zero Carbon Enterprise by 2030, Net Zero Carbon Business Portfolio by 2050 and Effective Sustainability Management
Materiality Matter:	Climate Risk & Emissions Management

Effective resource management is critical to moderating environmental impact, optimising operational costs, and fostering long-term sustainability. At MNRB, we understand the inter-connectedness of energy, water, and waste management in achieving our sustainability goals. As we embark on our journey towards our Net Zero target, we begin by establishing a baseline for our resource management using data as of FY2024, while addressing the unique challenges posed by the hybrid working arrangement and related operational considerations.

Energy Management

In FY2024, our electricity usage stood at 4,318,037 kWh, indicating an increase from FY2023. This increase was mainly attributable to the ongoing renovation activities at Bangunan Malaysian Re ("BMR") which often requires prolonged and intensive electricity usage. While these were essential for infrastructure enhancement, they have impacted our energy usage metrics. In alignment with our Sustainability Roadmap, we are establishing a baseline for our carbon footprint and refining our strategies to meet our long-term decarbonisation objectives.

Water Management

Efficient water management is crucial for reducing waste and consumption impacts. The Group prioritises effective water management practices at our main office and branches to optimise operational costs and utilisation of natural resources. Despite the return of employees to the office post-COVID-19, our water consumption decreased from 32,868 m³ in FYE2023 to 27,079 m³ in FYE2024, demonstrating our commitment to conserving water.

Waste Management

Effective waste management is integral to resource conservation and pollution reduction. We have set performance targets post-FY2024 to enhance our waste management practices. Our data reflects a positive trend, with paper waste decreasing from 9,634 kg in FY2022 to 6,165 kg in FY2024. We have also initiated transparent monitoring of waste disposal to landfills since early 2024, identifying opportunities for waste reduction and diversion efforts.

Our future initiatives include stringent waste segregation practices, more employee sustainability awareness programmes, and a variety of additional projects. These efforts aim to foster a sustainability culture within our organisation and drive continuous improvement in resource efficiency and conservation practices.

Electricity Usage
4,318,037 kWh
Increased from 3,748,211 kWh in FY2023

Water Consumption
27,079 m³
Decreased from 32,868 m³ in FY2023

Paper Waste
6,165 kg
Decreased from 9,634kg in FY2022

Tree of Tomorrow ("ToT")

Sustainability Commitment:	Intensified Awareness and Advocacy

In FY2023, the President & GCEO of MNRB, Zaharudin Daud, made a pledge to plant fifty (50) trees in fifty (50) areas to commemorate MNRB's 50th Anniversary in tandem with the Group's sustainability efforts.

The ToT initiative commenced on 27 February 2024, with an inaugural tree planting event at Hutan Simpan Bukit Lagong, Selayang. In collaboration with Jabatan Perhutanan Semenanjung Malaysia ("JPSM") and Jabatan Perhutanan Wilayah Persekutuan ("JPWP"), we planted sixty (60) trees with the participation of fifty-three (53) volunteers, including President & GCEO of MNRB, Zaharudin Daud, and President & CEOs of our operating entities, namely Ahmad Noor Azhari Abdul Manaf (Malaysian Re), Dato' Rudy Rodzila Che Lamin (Takaful IKHLAS General), and Muhammad Fikri Mohamad Rawi (Takaful IKHLAS Family) together with the staff representing the respective entities.

This initiative was part of MNRB's contribution to the Malaysian Government's "Kempen Penanaman 100 Juta Pokok, 2021-2025" (Kempen Penghijauan Malaysia), where the growth of each tree will be monitored until maturity, with assistance from JPSM and JPWP, allowing us to assess our contribution to carbon sequestration.

Furthermore, the ToT initiative reflects our dedication to raising environmental awareness internally and externally. It serves as a cornerstone project in our sustainability journey, complementing our goal to become a Net Zero carbon organisation by 2050. We aim to complete the pledge by the next financial year, in collaboration with Takaful IKHLAS branches, government agencies, universities, NGOs, and local communities, reflecting our commitment to upholding sustainable partnerships and practices.

Tree of Tomorrow participants at Hutan Simpan Bukit Lagong, Selayang

Expedition to Taman Eko Rimba Kuala Lumpur

SOCIAL

EMPOWERING EMPLOYEES' GROWTH AND WELLBEING

At MNRB, we believe that by empowering our employees to thrive personally and professionally, we are enabling them to render their best at work. This empowerment allows them to excel in their specific roles and effectively serve the needs of the business to achieve long-term organisational success. This includes all employees who directly engage with our main stakeholders including our customers, agents, distributors, and investors. As such, the Group, through Group Human Capital Management ("GHCM"), is fully committed to driving efforts around key areas that foster growth, promote physical well-being, mental resilience, and inclusivity within our workforce.

Training and Development

Sustainability Commitment:	People Centric Workplace
Materiality Matter:	Employee Experience Centric and Community Improvement

Our training and development programmes are designed to equip our workforce with the essential skills and knowledge required not only to succeed in their roles within the MNRB Group, but also to enhance their capabilities and adaptability so they are future-ready and well-prepared for the challenges and opportunities that lie ahead. From technical training to leadership development, this holistic approach ensures that our workforce remains agile and is future-ready.

With an investment of RM2.1 million in staff training and development interventions, we organised a total of 155 programmes during FY2024 to enhance employees' competencies. On average, each employee attended at least one training programme, or 11 learning hours per year. In addition, we also supported certification programmes to increase our pool of professionally certified talent.

Total Hours of Training by Employee Category

Employee Category	FY2024	
Senior Vice Presidents and above	878	Total Hours 10,774
Vice Presidents	1,853	
Assistant Vice Presidents	3,329	
Executive	4,330	
Personal Assistant	96	
Clerk	166	
Uniform	122	

Total Expenditure on Training and Development
RM2.1 mil

Total Programmes 155	**Total Number of Employees** 1,123
Average Learning Programmes per Employee 1	**Average Learning Hours per Employee** 11

Number of Employees Certified with Professional Industry Certificates
5

OUR BUSINESS
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Mental Health and Well-Being Initiatives

Sustainability Commitment:	People Centric Workplace
Materiality Matter:	Employee Experience Centric and Community Improvement

The Group recognises the critical importance of prioritising the mental well-being of our employees, as it forms the cornerstone of our long-term success. We are dedicated to fostering a supportive working environment by implementing a range of initiatives aimed at enhancing an understanding of mental health and addressing the mental health concerns within the MNRB community.

Over the course of FY2024, GHCM implemented several initiatives designed to promote mental health and well-being.

Initiatives for FY2024	Purpose	Impact	Number of Participants
Weekly/Monthly Sports Activities (Futsal/Football/ Zumba/Badminton/ Brisk Walk)	Help employees improve their overall physical health and promote cardiovascular fitness, strength, flexibility, and endurance, leading to better health outcomes in the long term.	Improved mental health outcomes, including reduced stress, anxiety, and depression that may lead to enhanced moods, increased energy levels, and better overall mental well-being, resulting in higher job satisfaction and productivity.	**100-150**
Hybrid Working Arrangement	Offer employees flexibility in where and when they work, allowing them to better balance their professional and personal commitments, thus reducing stress.	Positive impact on mental health by reducing stress, anxiety, and burnout associated with traditional office-based work, and increased job satisfaction with reduced work-related stress.	**All**

Through these initiatives, MNRB seeks to destigmatise the conversations around the topic of mental health and empower employees to seek the support they need within a safe environment. We believe that promoting good and resilient mental health is essential for maintaining a healthy and productive workforce.

Employee Engagement

Sustainability Commitment:	Intensified Awareness & Advocacy
Materiality Matter:	Employee Experience Centric

At MNRB, we provide a psychologically safe environment where our employees can freely provide feedback on areas of success and areas needing improvement. We believe that capturing employees' verbatim responses is crucial for understanding their genuine perspectives and fostering a culture of open communication.

To foster employee engagement, we conduct annual surveys aimed at measuring staff engagement levels within the Group. These surveys serve as tools to detect signs of disengagement, enabling us to focus on areas that require improvement. The feedback gathered from these surveys shapes our approach in implementing tailored strategies to enhance overall engagement and satisfaction.

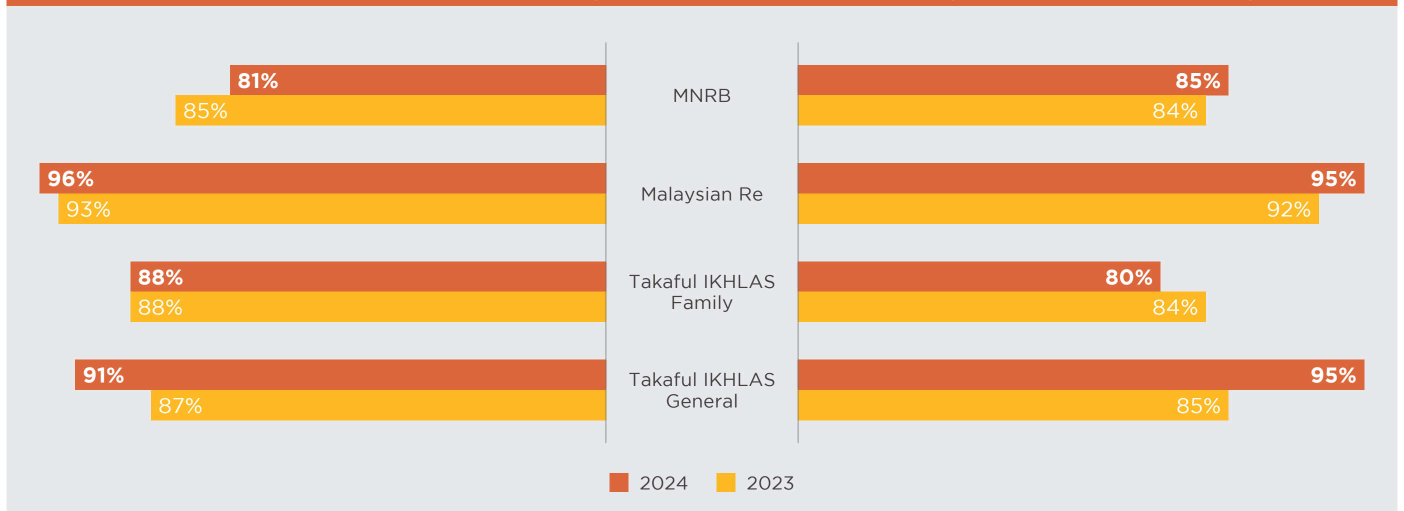
Furthermore, we have implemented a range of activities across all organisational levels to ensure that every employee feels valued and engaged. These activities include:

Initiatives	Purpose	Impact
Employee Engagement Survey	Provides insights into the overall health of the organisation by measuring employees' level of engagement, satisfaction, and commitment to their work and the organisation.	Provides assurance to employees' that their opinions matter, boosting their morale and job satisfaction, as employees feel valued and heard.
Young Talent Network (YTN)	Provides a platform for new graduates to connect, learn, and grow within the Group.	Provides new graduates with opportunities to acquire essential skills and knowledge.
Coffee Sessions with Senior Management	Celebrates cultural and festive events together to build a sense of community and inclusiveness.	Fosters a sense of belonging and unity among employees through shared celebrations.
Festive Activities	Celebrates cultural and festive events together to build a sense of community and inclusiveness.	Fosters a sense of belonging and unity among employees through shared celebrations.
Sports Activities	Encourages physical well-being and teamwork through organised sports events.	Promotes health and wellness, reduces stress, and improves overall physical health among employees.
Quarterly Townhall: Sustainability Shout Out	Provides a refresher on Sustainability Commitments and celebrates Sustainability Champions' contributions.	Sparks an interest in sustainability topics and encourages employees to integrate sustainable practices within their roles and daily lives.
Tree of Tomorrow (ToT)	Offers hands-on sustainability-related activities for employees.	Increases awareness about environmental conservation and the role of individuals in sustainability efforts.
Malaysian Re's ESG Awareness Day	Celebrates Malaysian Re's new workspace and promote sustainable practices at work and at home.	Enhances understanding of ESG principles and sustainability ideals among employees.

Our primary objective is to inspire and involve employees in sustainable practices through engaging activities infused with sustainability elements. These initiatives foster a collaborative workplace culture and raise awareness about environmental and social issues while promoting sustainable behaviours among employees, empowering them to champion sustainability both within and beyond the workplace.

At MNRB, we are committed to creating an environment where employees feel safe, valued, and engaged. Through our comprehensive engagement activities and focus on sustainability, we aim to cultivate a workplace culture that supports our employees' well-being and nurtures a sense of purpose and community. We believe this approach drives both individual and organisational success, making MNRB an exceptional place to work for everyone.

Engagement Index per Entity | **Favourability Score for Sustainability Activities**



Flexi Working Policy

Sustainability Commitment:	People Centric Workplace
Materiality Matter:	Employee Experience Centric

MNRB is dedicated to fostering a flexible work culture through our Flexi Working Policy. We understand the importance of achieving a harmonious balance between work responsibilities, personal commitments, and individual interests. Our Flexi Working Policy encompasses flexible work hours, allowing employees and their supervisors to mutually agree on start-finish times or core work hours, ensuring that agreed deliverables are met.

Additionally, we embrace a Hybrid Work Arrangement, which caters to office-based employees with the majority spending a variable number of days in the office each week. Under this arrangement, different roles within the organisation may have varying levels of flexibility. We believe in a two-way flexibility approach, where Heads of Departments ("HODs") are committed to optimising personal flexibility for their team members (where applicable), and employees, in turn, may need to exhibit flexibility to meet the evolving needs of the business.

This policy not only supports our employees in managing their work-life balance effectively but also contributes to creating a work environment where individuals feel supported, empowered, and motivated to contribute their best towards our collective success. Looking ahead, we are committed to continuously refining our flexible working arrangements to ensure that employees can effectively fulfil their roles while enjoying the benefits of flexible work arrangements.

Network of Empowered Women ("NEW")

Sustainability Commitment:	People Centric Workplace and Intensified Awareness & Advocacy
Materiality Matter:	Employee Experience Centric and Community Improvement

Introduced in March 2023, NEW serves as a safe and dedicated platform for female employees within the MNRB Group to network, access mentorship opportunities, and address well-being and performance-related concerns in the workplace.

This initiative is a key component of the Group's sustainability agenda, aimed at advancing gender inclusivity and empowerment while nurturing the development of female talent as future leaders within the MNRB Group. This effort contributes significantly to creating a fairer and more equitable work environment. NEW aims to enhance gender equitability by providing a supportive and flexible space for women, ultimately enhancing our female employees' overall workplace experience while cultivating professionalism and inclusivity.

The initiatives conducted throughout the year include:

Initiatives	Purpose	Impact
Hari Raya Token for Single Mothers	Empower single mothers by easing their financial burdens during festive seasons, enabling them to celebrate with greater joy and peace of mind.	Recognises and appreciates the unique contributions of single mothers, offering financial and emotional support, while promoting inclusivity and diversity in the workplace.
Mother's Day Celebration	Recognise and honour the contributions of all mothers within the Group who always strive to balance their professional roles and responsibilities with their roles as mothers at home.	Boosts morale and engagement among female employees, fostering a sense of recognition and value within the workplace.
Riang Ria Aidilfitri Bazaar	Celebrate the festive season of Aidilfitri, promoting cultural inclusivity and camaraderie among employees.	Creates a festive and joyous atmosphere, strengthening bonds within the internal community and promoting a sense of belonging.
International Women's Day Celebration	Show appreciation for the invaluable contributions of all 627 women within the Group, at both our HQ and branches nationwide.	Raises awareness about gender issues and inspires female employees to continuously advance and grow with the Group.

These initiatives further reinforce NEW's commitment to empowering women within the Group, by fostering solidarity and promoting personal and professional growth as well as upholding the well-being of our female employees. We encourage leaders to discuss flexible working arrangements with female employees to help them balance their roles as mothers while meeting job requirements. Furthermore, our offices are equipped with mother's rooms to provide a more conducive working environment, especially for female employees who require comfortable nursing facilities.

ENSURING A FAIR AND INCLUSIVE WORK ENVIRONMENT

At MNRB, we are committed to maintaining a fair and inclusive work environment that values and respects the rights and contributions of every employee. Through a range of mechanisms and initiatives, we strive to nurture a workplace that fosters collaboration, promotes mutual respect, and provides equal opportunities for development and growth among our diverse workforce. We believe that by prioritising fairness and inclusivity, we can enhance overall employee well-being, and strengthen talent retention, bolster our brand reputation, and contribute to the overall success of our organisation.

Labour Practices and Standards

Sustainability Commitment:	People Centric Workplace
Materiality Matter:	Ethical Business Practices, Employee Experience Centric

The MNRB Group is deeply committed to conducting its operations in alignment with the highest standards of professionalism, honesty, integrity, and ethics. Central to this commitment is our dedication to effectively managing issues and policies related to labour rights, recognising their profound impact on workforce strength, productivity, wellbeing, and long-term shareholder value.

To operationalise this commitment, we have identified six Key Material Issues that form the foundation of our labour rights policy. These Key Material Issues are as follows:

i	**Fair Wages and Benefits**	iv	**Occupational Safety and Health**
ii	**Diversity, Non-discrimination and Inclusion**	v	**Talent Development**
iii	**Freedom of Association**	vi	**Upskilling and Education**

We are committed to providing our employees with greater scheduling flexibility to fulfil their obligations, ensuring equitable access to rewards, resources, and opportunities irrespective of race, gender, nationality, social origin, ethnicity, religion, age, or disability. Furthermore, we acknowledge and respect our employees' rights to organise and engage in collective bargaining and social dialogue in a healthy and equitable manner, safeguarding their physical, mental, and emotional well-being.

Our commitment extends to creating a conducive occupational and environmental setting, facilitating access to training, upskilling, and continuous development to enhance efficiency and cultivate a highly productive workforce. This focus on employee well-being and development lies at the core of the MNRB Group's sustainability commitments.

Employee Rights and Grievance Mechanism

Sustainability Commitment:	People Centric Workplace
Materiality Matter:	Employee Experience Centric

MNRB is committed to upholding the rights of our employees, including fair treatment, non-discrimination, freedom from harassment, and privacy protection. We have procedures to safeguard these rights and provide avenues for employees to voice concerns or grievances. We have also established transparent and accessible grievance mechanisms to ensure that employees can raise concerns or complaints without fear of retaliation.

It is important to note that we have not received any substantiated grievances over the past three years. This serves as a testament to our proactive approach in fostering a positive work environment. Our process includes impartial investigations and appropriate actions to address grievances in a timely and effective manner, fostering a culture of trust and accountability within the organisation. We are also working on a suitable mechanism to gather employee feedback on the effectiveness of our grievance mechanisms to continually improve our practices.

Diversity and Inclusion

Sustainability Commitment:	People Centric Workplace
Materiality Matter:	Employee Experience Centric

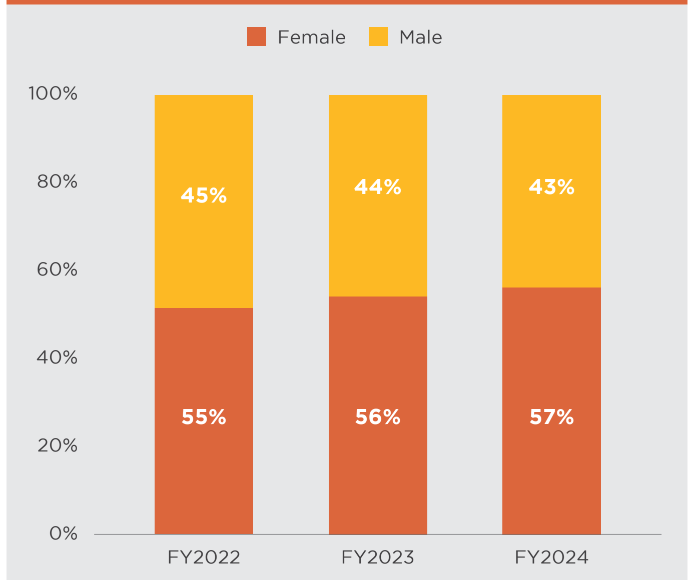
Fostering a diverse and inclusive workplace for every individual within MNRB remains a key priority for us as it creates an environment where everyone can thrive. We are dedicated to ensuring that individuals from different generations, genders, backgrounds, and cultures feel valued, respected, and are given equal opportunities to excel. Embracing diversity enables us to tap into a broader talent pool, where each person brings valuable perspectives, experiences, and skills to the table.

We are committed to cultivating an equal and inclusive workplace by ensuring fair treatment and freedom from discrimination for all our people. We value diversity, actively pursue equity, and prioritise transparency to foster an inclusive environment. Our commitment to equal opportunities is reflected in our employment decisions, which are based on relevant qualifications, merit, performance, and other job-related factors, in compliance with all applicable laws and regulations. We do not tolerate any form of unlawful discrimination based on gender, race, disability, age, or religion.

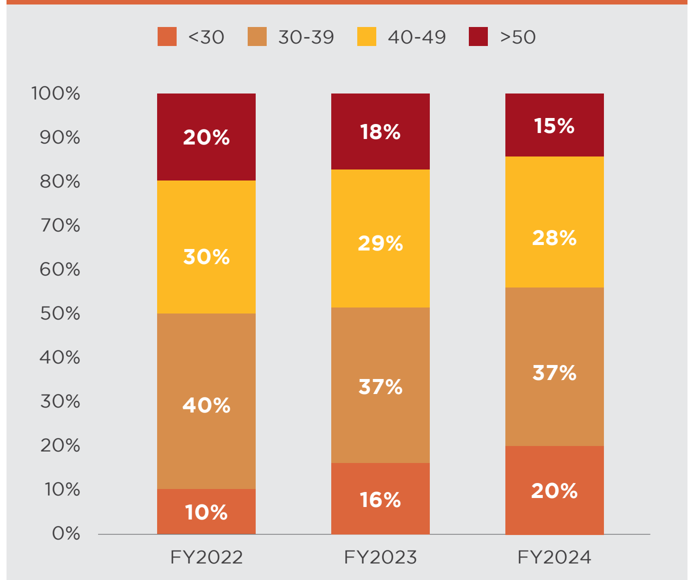
We uphold high standards of professionalism, exercising due care, skill, competence, and diligence in our interactions with others. Our policy prohibits taking advantage of others through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair business practice. Furthermore, we have zero tolerance for harassment and violence, including derogatory comments based on gender, race, or ethnic characteristics, as well as unwelcome sexual advances.

Our recruitment strategy prioritises talents from diverse backgrounds, cultures, and experiences, enriching our organisation with inclusivity and a broad spectrum of perspectives. This approach allows us to embrace differences, fostering a workplace environment that leverages the diverse capabilities and strengths of our people.

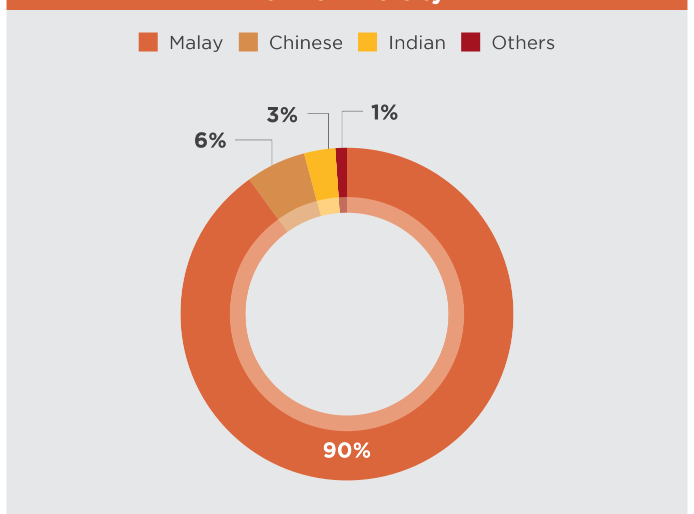
Gender Diversity



Age Representation

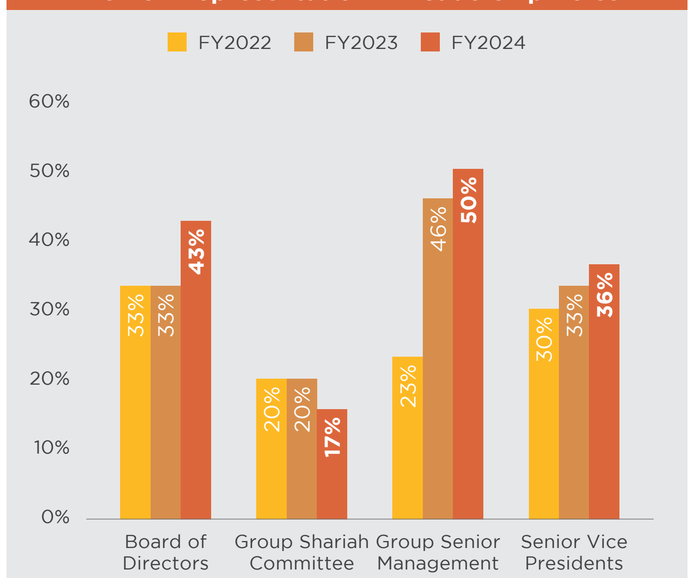


Ethnic Diversity



Note: The ethnic diversity data is consistent over the last three years

Women Representation in Leadership Roles



Age Group for MNRB Board of Directors

Employee Benefits

Sustainability Commitment:	People Centric Workplace
Materiality Matter:	Employee Experience Centric

Employees of the MNRB Group benefit from competitive wages, comprehensive benefits packages, and fair working hours. We prioritise employee well-being by providing access to healthcare, insurance coverage, financial assistance, and other perks that contribute to a positive work-life balance. We continuously evaluate our employee benefits package to ensure that it remains competitive and addresses the needs of different employee groups within the organisation, in support of our sustainability agenda and progressing industry standards.

Benefits Category	List of Benefits	Future Considerations
Health and Wellness	• Medical coverage • Dental and vision care • Child vaccinations • Maternity leave • Annual medical check-up (for VPs and above)	• Elderly care
Financial Assistance	• Interest-free loans to purchase laptops • Housing loan subsidies (for new and existing loans) • Motor vehicle loan subsidies (for new and existing loans) • Car allowance scheme (for VPs and above) • Handphone and broadband allowance (for VPs and above) • Parking subsidies	• For selected staff's children (staff in the lower income bracket)
Work-Life Balance	• Annual leave • Maternity leave (including for adoptive children) • Paternity leave (including for adoptive children) • Sabbatical leave	• Birthday leave • Childcare-related benefits • Religious leave for non-Muslims (similar to Pilgrimage Leave)
Recognition and Rewards	• Long Service Awards	• Academic Awards (for employees who obtained additional skills on their own accord)
Sustainability Benefits	• –	• Car-pooling or public transport incentives • Retirement age medical coverage • Volunteering leave • Sustainability living incentives

Workplace Safety and Health

Sustainability Commitment:	People Centric Workplace
Materiality Matter:	Employee Experience Centric and Ethical Business Practices

The MNRB Group is dedicated to ensuring the safety and well-being of all employees, adhering to relevant Occupational Safety and Health ("OSH") laws and regulations. We uphold employees' rights to a safe and healthy work environment, including the right to refuse unsafe working conditions.

Despite the inherently low-risk nature of our operations, our commitment to workplace safety and health remains steadfast. The safety and welfare of every individual within our organisation including employees, tenants, and visitors are one of our top priorities. We have implemented a comprehensive Occupational Safety and Health policy aligned with the Malaysian Occupational Safety and Health Act ("OSHA") – 1994 (Amendment 2022). This policy guides us in maintaining practical, healthy working conditions and procedures, ensuring the well-being of all associated with our organisation.

At MNRB, we believe that the physical, mental, and emotional well-being of employees is essential to ensure the organisation's long-term productivity and sustainable returns. We are committed to providing a quality working environment based on the principles below:

1. **Safety and Comfort at the Workplace**
   We comply with all safety and hygiene regulations, striving to create physically and mentally safe workplaces.
2. **Prompt Response to Accidents and Prevention of Recurrence**
   In case of accidents, outbreaks, or environmental issues, we take immediate measures and cooperate with efforts to prevent recurrences.
3. **Injury and Illness Prevention**
   Our OSH programmes aim to prevent workplace injuries, illnesses, and deaths through rigorous risk management efforts, including Hazard Identification, Risk Assessment, and Risk Control. By upholding these principles, we are ensuring a safe, healthy, and productive work environment for all.

During the reporting period, our key achievements included the following:

Key Achievements

- **Zero Work-Related Fatalities and Zero Lost-Time Incident Rate**
  Demonstrates our proactive approach to maintaining a safe and healthy work environment for employees.
- **Appointment of an OSH Competent Person (since October 2023)**
  Enhances our internal capabilities in managing occupational hazards and risks, promoting a safe and healthy work environment, and protecting the well-being of employees.
- **Certified 14 First Aiders**
  By equipping first aiders with first aid kits, CPR skills, and AED device operation expertise, we are facilitating prompt and effective responses to medical emergencies.
- **Installation of 3 AED Devices**
  Enhances our emergency response capabilities and improves the outcomes in sudden cardiac arrest cases. AEDs have been installed at the following locations:
  1) Ground Floor of Bangunan Malaysian Re (BMR)
  2) Level 12 of BMR
  3) Lobby of IKHLAS Point (IP)
- **Appointment of 28 Floor Wardens for BMR and 23 Floor Wardens at IP**
  Facilitates orderly evacuation procedures and ensures the safety of all employees during emergencies.
- **Ongoing Engagement on Safety and Health Awareness**
  The implementation of safety and health modules within onboarding sessions for new staff and regular Group OSH e-bulletins via email circulation helps keep safety and health awareness top-of-mind for the Group's employees.

Through these initiatives, the Group OSH Committee continues to play a pivotal role in promoting a culture of safety across our organisation. The Committee meets six time a year to review and improve our OSH practices, staying abreast of national-level Acts and Regulation, reflecting the Group's commitment to upholding the highest standards of health and safety.

First aiders stationed at an off-site event

Certified first aider training

Our proactive measures to enhance employee satisfaction and engagement have resulted in a notable improvement in our turnover ratio. By prioritising a supportive work environment, offering opportunities for growth and development, as well as implementing effective employee retention strategies, we have successfully reduced our turnover rates. This positive trend reflects our commitment to fostering a workplace where employees feel valued, motivated, and eager to contribute to our organisation's success.

	FY2022	FY2023	FY2024
Employment Type Permanent: Contract	24:1	19:1	**24:1**
Turnover Ratio	15%	15%	**10%**
Retention Rate	84%	84%	**86%**

Total Employee Turnover by Employee Category

Designation	FY2024
Senior Vice Presidents and above	**2**
Vice Presidents	**20**
Assistant Vice Presidents	**33**
Executive	**55**
Personal Assistant	**0**
Clerk	**1**
Uniform	**1**

PROACTIVE STEPS TOWARDS COMMUNITY EMPOWERMENT AND RESILIENCY

At MNRB, our commitment to sustainability is reflected in a series of meaningful initiatives designed to benefit the communities that we serve. As a responsible corporate citizen, we recognise our critical role in driving positive change and building resilience within communities. Our dedication to community empowerment goes beyond traditional philanthropy, we understand the need for proactive and strategic efforts that address the fundamental needs and diverse challenges faced by individuals and communities alike.

Through a diverse range of initiatives, we strive to create meaningful impacts by leveraging on our resources and expertise to promote inclusive growth within the communities we engage with. Our approach is collaborative and holistic, guided by the economic, social, and environmental aspects of sustainability. This ensures that our initiatives generate shared values, strengthen social cohesion, and deliver measurable outcomes, leading to lasting impacts that effectively address specific challenges. Our ongoing commitment serves to consistently empower individuals and targeted communities, enhance livelihoods, and contribute to nationwide sustainable development.

IKHLAS Barakah House

Sustainability Commitment:	Responsible Products & Services and Giving Back to Society
Materiality Matter:	Responsible Products & Services and Community Improvement

The IKHLAS Barakah House or IBH initiative is a transformative initiative by the MNRB Group, integrating charitable elements such as *waqf*, *sadaqah* and *zakat* into a holistic platform designed for equitable wealth distribution. Rooted in the principles of Maqasid Shariah, IBH aims to enhance overall community well-being by channelling resources from the privileged to those in need.

This shariah-compliant fundraising platform by Takaful IKHLAS reflects our deep commitment to social responsibility, addressing fundamental societal needs to foster social welfare and facilitate sustainable community development. Through IBH initiatives, it is hoped that the targeted communities can build resilience, improve their wellbeing and achieve self-sufficiency.

Driven by sound governance and prudent fund management practices, IBH strives to instil positive values while nurturing a sense of unity and community spirit among individuals and communities. Funding primarily comprises contributions from the IKHtLAS Waqf and Endowment ("IWE") programme, IKHLAS Rider contributions and *zakat* payable by the Group and its entities. The IBH initiatives encompass identified programmes and activities that realise positive outcomes within the five (5) primary pillars:

1. **Health:** Providing access to healthcare treatment and services;
2. **Education:** Ensuring access to a quality education including financial literacy programmes;
3. **Community:** Enriching the overall quality of life within communities;
4. **Economic:** Providing access to training and skills development for economic empowerment; and
5. **Environment:** Promoting the preservation of natural resources and advocating the use of renewable energy.

Operating in alignment with sustainable development principles and Value-based Intermediation for Takaful or VBIT ideals, IBH emphasises the importance of community empowerment, financial resilience, and environmental stewardship. Through impactful initiatives such as installing tube wells, upgrading schools, providing medical equipment to respiratory wards, and assisting bedridden patients, over 10,000 individuals have benefited. IBH remains committed to continuously creating tangible and positive impacts for individuals and targeted communities.

IBH Highlights	Purpose	Impact
Tube Well Initiative	Ensure availability of treated water for the community in Kota Bharu Kelantan and Sungai Petani, Kedah; a transition from the frequent water supply interruptions to a reliable and sustainable water resources.	Addresses the water scarcity in Kelantan and Kedah by providing access to clean water, which prioritises public health and hygiene. This initiative safeguards water resources for the community, contributing to an improved quality of life.
School Upgrade	Transform dilapidated school buildings into conducive, more engaging and supportive learning environments, thus improving educational facilities in Sekolah Kebangsaan Penambang, Kota Bharu Kelantan for the students.	Enhances the overall learning experience for students and contributes to long-term social and economic development by empowering the community's next generation with quality education opportunities.
Assisting Bedridden Patients	Alleviate the burden of underprivileged patients in Kuantan, Pahang by providing essential medical care and support services.	Enhances patients' health conditions and fosters a more caring society by addressing healthcare disparities and promoting patients' well-being.
Medical Equipment Supply	Ensure enhanced healthcare services and support for patients at the respiratory ward in Institut Perubatan Respiratori, Kuala Lumpur by addressing critical healthcare needs and patient care.	Enhances healthcare infrastructure, reduces treatment barriers, and contributes to better health outcomes for patients with improved access to vital medical resources.

IBH Initiatives by Pillar for FY2024	Amount Invested	Number of Initiatives	Number of Beneficiaries
Health	**RM229,650**	3	395
Education	**RM126,962**	4	679
Community	**RM527,800**	15	893
Economic	**RM271,500**	1	10
Environment	**RM200,000**	1	450
Overall Total	**RM1,358,912**	24	12,537

IKHLAS BARAKAH HOUSE

IBH Metrics Amount Invested
RM1,358,912

Number of Initiatives
24

By nurturing holistic development and fostering a sense of belonging, IBH aims to create sustainable communities. This bodes well with the Group's dedication to create lasting positive impacts that improve the lives of individuals we interact with and contributes to building healthier, more resilient communities through initiatives that reflect our core values and business ethos.

IKHLAS Waqf and Endowment

Sustainability Commitment:	Responsible Products & Services and Giving Back to Society
Materiality Matter:	Responsible Products & Services and Community Improvement

The IKHLAS Waqf and Endowment or IWE is a meaningful initiative under the ambit of Takaful IKHLAS General that offers participants the opportunity to contribute to the welfare of those in need. Effective 1 April 2019, individual participants who sign up or renew their general takaful certificates enjoy a complimentary IWE benefit. This benefit ensures that in the unfortunate event of accidental death, a sum of money is channelled as *waqf* or endowment under the participant's name, creating a lasting impact derived from their participation in takaful.

The IWE benefit of RM1,000, under the name of the benefiting participants, is channelled to selected *waqf* or endowment institutions chosen by Takaful IKHLAS every year. These distributions support a variety of noble causes, encouraging the joy of giving and fostering a sense of unity and community spirit among participants. By participating in Takaful IKHLAS' general products and embracing the IWE benefit, the individuals not only secure protection for themselves and their loved ones, but also contribute to building a more resilient and supportive community that will benefit for generations to come.

During the reporting period, RM25,000 was distributed to Institut Perubatan Respiratori ("IPR") in Kuala Lumpur through the IWE initiative.

MNRB Scholarship Programme

Sustainability Commitment:	Giving Back to Society
Materiality Matter:	Community Improvement

The MNRB Scholarship Programme is an integral part of our sustainability efforts, aimed at nurturing talent and fostering the development of high calibre professionals within the Malaysian insurance and takaful industry. By providing promising students access to quality education, the programme contributes directly to the growth and sustainability of the talent pool which is essential for the industry's growth and longevity.

Focused on key areas such as actuarial science, insurance and risk management, accounting, Shariah, and information technology, the MNRB Scholarship Programme identifies strategic fields crucial for industry advancement and future-proofing. Since its establishment in 1998, we have invested over RM19.2 million in this initiative, reflecting our long-term commitment to education, talent development, and the overall sustainability of the insurance and takaful sectors.

Total Cumulative Investment
RM19.2 million

Since the programme's inception up until the end of this reporting period, 151 individuals have been absorbed as part of the MNRB Group's workforce. Leveraging on their knowledge and skills acquired through the scholarship programme, these individuals bring fresh perspectives that drive innovation and excellence within our organisation. This symbiotic relationship between the scholarship programme and our workforce development strategy underscores our dedication to sustainable talent management and industry leadership.

Metrics	FY2022	FY2023	FY2024
Number of Scholarships Awarded	10	10	**10**
Number of Scholarship Recipients Integrated into MNRB's Workforce	5	10	**15**
Amount Invested (RM)	RM559,584	RM533,587	**RM581,373**

Program Lestari Cemerlang MNRB ("PLC" MNRB)

Sustainability Commitment:	Giving Back to Society
Materiality Matter:	Community Improvement

MNRB's Program Lestari Cemerlang ("PLC") is a significant initiative aimed at empowering local communities, particularly in rural areas, through educational support programmes. This programme underscores MNRB's commitment to sustainable community development by focusing on education, which is a key driver of social progress and economic empowerment. It is a testament of our ongoing dedication to supporting education building in underserved regions.

This adopt-a-school programme launched in 2011 has positively impacted four schools, and currently we are engaging a fifth school, namely SMK Ungku Aziz in Sabak Bernam, Selangor. By providing comprehensive academic programmes, enhancing learning facilities, and organising engaging co-curricular activities, we aim to create a conducive learning environment that maximises students' potential while encouraging them to pursue higher education.

The selection of schools to be adopted involves collaboration with local education authorities such as the Ministry of Education and Jabatan Pendidikan Negeri. The factors considered in the school selection process include location in rural areas, potential for academic and co-curricular excellence, a multiracial population, and a majority of students from low-income families.

The programme addresses the schools' needs by providing additional academic classes, workshops to enhance exam preparation skills, and special motivation camps for students facing major examinations like the Sijil Peperiksaan Malaysia ("SPM"). Furthermore, in line with the digital era, we are upgrading the school infrastructure to establish a conducive digital learning zone. This is exemplified by our sponsorship of the "MNRB – SMKUA Smart e-Learning Room", equipped with smart TVs and internet connectivity.

Beyond academic support, the programme also places an emphasis on holistic development by supporting each schools' sports team and promoting healthy lifestyles among students through sponsoring sports equipment, sports attire, and coaching assistance. This multi-faceted approach aims to not only improve academic outcomes but also foster a well-rounded development among students, contributing to the overall sustainability and resilience of the local community.

Total Number of Adopted Schools **5**	**Amount Invested in FY2024** **RM69,000**
Total Number of Students from Adopted Schools with Good SPM Results Receiving MNRB Scholarships **9**	**Total Number of Scholarship Recipients from the PLC Integrated into MNRB's Workforce** **7**

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Empowering Local Communities through Local Supplier Spending

Materiality Matter:	Community Improvement and Ethical Business Practices

We place great importance on empowering our local community through responsible business practices. One of our key initiatives in this regard is our commitment to prioritising local suppliers in our procurement processes. By sourcing goods and services locally, we not only contribute to the economic growth of our communities but also reduce our carbon footprint by minimising transportation and logistics movements.

Our emphasis on local supplier spending aligns with our sustainability goals, promoting socio-economic development and building strong partnerships within our local ecosystem. Through these efforts, we support job creation, skills development, and the overall well-being of our local communities. This approach reflects our dedication to sustainable business practices that benefit both our organisation and the communities we operate in.

In cases where comparable local alternatives are unavailable, particularly in addressing regulatory requirements and technological advancements, we engage with overseas suppliers. While we anticipate a marginal increase of overseas spending over the next few years due to limited local options for meeting these specific demands, our commitment to local empowerment remains steadfast.

Percentage of Local Spending

Nurturing Industry Talent via Market Training Programmes

Sustainability Commitment:	Responsible Products & Services and Intensified Awareness & Advocacy
Materiality Matter:	Responsible Products & Services

The Marketing Training Programmes initiative is a vital aspect of the MNRB Group's dedication to empowering industry talent and enhancing industry resilience in response to evolving trends. These specialised programmes, organised by the Market Services Department of Malaysian Re, are designed to equip participants with essential industry knowledge and skills. One key focus of these programmes is to foster sustainability awareness among the participants where environmental considerations, social responsibility, and governance factors are specifically tailored to the nuances of the insurance industry.

Programme	2023 YouLead!	Scheme for Insurance of Large & Specialised Risks (SILSR) Seminar	Malaysian Re's Webinar
Theme/Topic	YOULEAD: Leading the Insurance Industry Towards Sustainability and ESG.	Back to basics and prudent underwriting in Property-Engineering Insurance.	Market Hardening in Insurance and Ramifications to Write Property Insurance.
Sub-Topic	Sustainable Innovation and Leadership: Implementing Sustainable-Smart Solutions in the Insurance Industry.	ESG initiative by 2050 and how financiers respond to customer emissions.	Impact of ESG and decarbonisation - levy in cost of doing business.
Total Number of Participants	51	34	64
Level of Sustainability Integration	Thorough integration covering ESG factors relevant to roles within the insurance industry.	Holistic understanding of sustainability concepts in relation to 2050 target and how it is integrated into financial decision-making processes.	Knowledge on sustainability and decarbonisation.
Training Feedback	Training participants shared that they now have a better understanding of the importance of sustainability and are equipped with the necessary knowledge and skills to drive positive change within their organisations.	Informative and helpful, where training participants gained practical strategies to align business practices with ESG considerations.	Positive reception on cost-benefit insights and how sustainability factors influence operational expenses and profitability.

These training programmes which incorporate sustainability elements, act as a vital link between industry talent development and sustainability integration. They facilitate practical application and ensure that participants comprehend the significance of sustainability factors within their roles and organisational frameworks. Feedback from programme participants underscores the practical insights gained and the transformative value of understanding sustainability for their specific roles within the industry.

These training initiatives play a crucial role in nurturing a talent pool that is not only well-versed in sustainability principles but also capable of driving positive change and aligning business strategies with sustainability or ESG considerations. By empowering industry professionals through these programmes, we aim to contribute to strengthening the insurance and takaful sector's overall capacity to embrace sustainable practices, effectively managing risks, and ultimately, seizing opportunities for business growth.

Agent Empowerment for Sustainable Community Impact

Sustainability Commitment:	Responsible Products & Services and Intensified Awareness & Advocacy
Materiality Matter:	Responsible Products & Services and Community Improvement

MNRB believes in empowering its agents for lasting community impact. We believe in equipping our agents not only with the skills and knowledge to serve our customers effectively but also with the appropriate tools to empower themselves and contribute meaningfully to society, aligning with the principle of *fardhu kifayah*.

Through continuous training and development programmes, we empower our agents to enhance their professional capabilities, enabling them to offer tailored solutions that meet the diverse needs of our customers. This approach not only strengthens customer relationships but also fosters trust and loyalty within the communities we serve. Furthermore, our focus on agent empowerment goes beyond business objectives. We recognise the pivotal role agents play as community advocates and change agents. By equipping them with holistic training that encompasses financial literacy, social responsibility, and community engagement, we enable our agents to drive positive social change and resilience within their communities.

Our commitment to agent empowerment is rooted in the belief that empowered agents lead to empowered communities. By investing in their skills, knowledge, and well-being, we are creating a positive ripple effect that contributes to building healthier, more resilient and more sustainable communities for the future. This holistic approach to agent development is a cornerstone of our social pillar, reflecting our dedication to creating meaningful and lasting change for all stakeholders involved.

Metrics	FY2022	FY2023	FY2024
Number of Agents Trained and Upskilled	4,749	5,489	**5,520**
Amount Invested (RM)	RM473,840	RM564,273	**RM1,276,585**

By nurturing holistic development and fostering a sense of belonging, the MNRB Group aims to significantly contribute to creating sustainable communities. This embodies our dedication to creating lasting positive impacts that improve the lives of individuals we interact with and contribute to building healthier, more resilient communities through initiatives aligned with the bedrock of our values and business practices. Together, we continue to forge a path towards a more sustainable and inclusive future for all.

SUSTAINABILITY-ORIENTED PRODUCTS AND RESPONSIBLE SERVICES

Sustainability Commitment:	Responsible Products & Services
Materiality Matter:	Responsible Products & Services

At MNRB, our purpose of "We Protect Everyone" guides us to offer takaful, reinsurance, and retakaful solutions that can safeguard our customers from emerging economic, environmental, and social risks, benefitting both our stakeholders and the broader communities within our operational scope. While historically, our products and services have been developed in alignment with Islamic values, we recognise the need for a more conscious effort and clearer objective of developing a product moving forward.

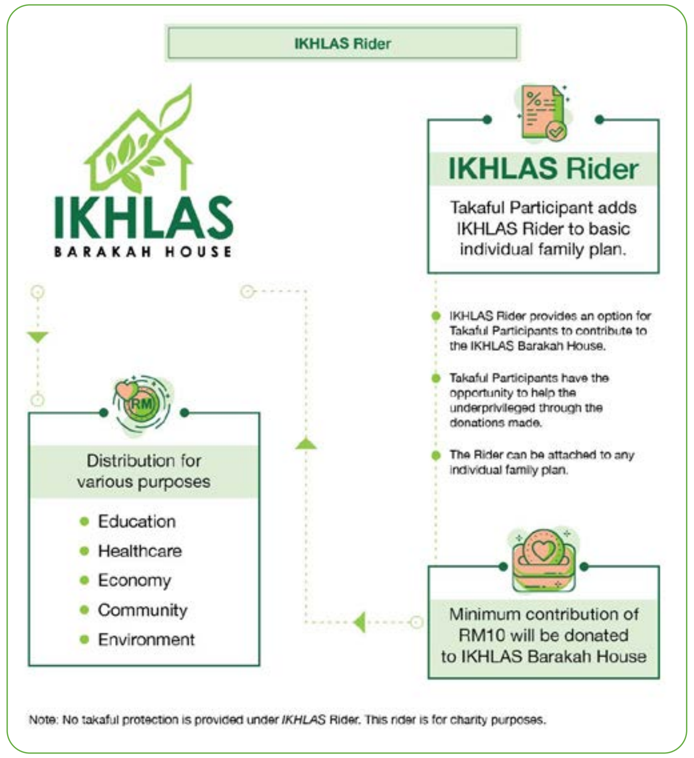
Therefore, we are actively integrating sustainability considerations in our approach to provide responsible products and services. We will continue to prioritise financial protection for everyone, including underserved and unserved groups, and ensure meaningful engagement with customers throughout the takaful value chain. This reflects our belief in ensuring equitable access to financial security and meaningful ongoing engagement with participants and their loved ones.

By offering responsible financial solutions, we aim to enhance customer well-being and play a vital role in fostering a more sustainable and resilient community. We are committed to ensuring that sustainability and meaningful engagement are integral parts of our product development process, aligning closely with our core values and the evolving needs of our stakeholders.

IKHLAS Rider

IKHLAS Rider serves as a practical embodiment of Maqasid Shariah principles, seamlessly integrating charitable giving with personal financial protection while upholding Islamic values. This Shariah-compliant takaful rider not only provides essential financial protection for participants and their loved ones but also provides an opportunity for them to contribute to broader human welfare and support initiatives promoting societal well-being. These contributions indirectly aid programmes facilitated by IKHLAS Barakah House or IBH, such as educational endeavours, skills development initiatives, and community empowerment projects. By supporting these programmes, the participants contribute to enhancing the quality of life for marginalised communities, fostering intellectual growth, and unlocking human potential.

One of the key strengths of the IKHLAS Rider is its ability to allow individuals to fulfil their religious obligations (*zakat*, *sadaqah*) in a convenient and Shariah-compliant manner while safeguarding their own financial interests. This rider aligns with the principle of balancing wealth protection with charitable giving, offering participants a meaningful way to contribute to charitable initiatives while ensuring their financial security through takaful coverage. In essence, the IKHLAS Rider not only provides peace of mind and financial security but also empowers individuals to make a positive impact on society, embodying the core values of Islamic principles and responsible citizenship.



IKHLAS Merawat Personal Accident Takaful

IKHLAS Merawat Personal Accident Takaful is designed to provide essential protection for daily paid workers such as delivery riders and e-hailing workers. This takaful coverage encompasses benefits for death or permanent disablement caused by accidental means, along with medical expenses coverage.

We understand the unique circumstances of these individuals, where their work and income are tied to daily earnings. Therefore, this product offers a targeted protection to ensure that they are financially covered during unforeseen accidents providing them with peace of mind and stability in times of need. With the availability of this product, we aim to continuously support the well-being and livelihoods of these essential community members.

IKHLAS Membantu Personal Accident Takaful

IKHLAS Membantu Personal Accident Takaful is tailored to provide crucial protection, especially for breadwinners from the B40 income group. This takaful product covers death or permanent disablement resulting from accidental means, including funeral expenses coverage.

We understand the immense impact the loss of breadwinner can have on a family, particularly those in vulnerable income groups. The demise of the breadwinner can lead to significant financial challenges for the family, affecting their ability to meet basic needs and maintain their quality of life. Our product aims to assist these families during such challenging times, easing their financial burdens and supporting their overall well-being. By providing essential coverage to the participants and their loved ones, we can help the families regain stability and resilience as they work towards rebuilding their lives and pursue their aspirations.

IKHLAS Clinic Niaga Takaful

IKHLAS Clinic Niaga Takaful provides comprehensive coverage for medical officers, doctors, general practitioners, and clinics offering services such as dental care and minor surgeries. This takaful solution ensures these healthcare providers have the necessary financial protection, enabling them to focus on delivering essential medical services and quality healthcare services to their local communities while protected against unforeseen risks.

IKHLAS Retail Niaga Takaful

IKHLAS Retail Niaga Takaful is meticulously crafted to provide extensive coverage for businesses such as provision shops, minimarts, tailors, small workshops, and contractors. This takaful product comprehensively addresses the diverse risks encountered by these specific enterprises, offering crucial financial protection against potential losses.

We recognise the pivotal role that SMEs play in local economies and communities. The impact of any losses on these businesses can be substantial, potentially hindering their ability to serve their communities effectively. By safeguarding the sustainability of these enterprises through our takaful product, we contribute to the resilience and growth of local economies. This, in turn, ensures the uninterrupted availability of essential services offered by these enterprises within their communities, fostering continuity and stability in local business environments.

Bantuan IKHLAS Road Assist

Bantuan IKHLAS Road Assist service underscores our dedication to upholding road safety and providing road support services to our customers. This round-the-clock assistance service provides timely support and guidance during roadside emergencies, emphasising our commitment to delivering reliable and responsive services that prioritise customer security and safety.

Our comprehensive assistance includes the following services:
- Jumpstart and battery replacement services;
- Changing of flat tyre services;
- Petrol assistance services;
- Accident and breakdown towing services; and
- Locksmith services.

Our coverage extends beyond Malaysia's borders to include Singapore and the region of South Thailand and Brunei, within a 25 km radius of the Malaysian border. This ensures comprehensive assistance for customers travelling by car to neighbouring countries around Malaysia.

As MNRB prioritises ease and a user-friendly interface, customers can now access Bantuan IKHLAS Road Assist anywhere and anytime with a simple click on the Self Service or Call Now button on our website, ensuring that they can quickly receive the assistance they need whenever and wherever they may be, providing our customers with peace of mind on every journey.

GO Serve Platform: Claims Made Easy

Our GO Serve Platform simplifies claims processes, making it easy and convenient for our customers to access the platform and manage their takaful claims. This digital platform enhances the customer experience by offering a seamless and user-friendly interface that expedites claims processing and provides real-time monitoring of claim status. This ensures transparency and instills confidence in our service.

By leveraging technology to enhance our services, we are not only improving efficiency but also demonstrating our commitment to responsible and customer-centric practices. The GO Serve platform also reduces administrative burdens, minimises paperwork and promotes environmental sustainability by embracing digital solutions as outlined in page 53 to 54 under the Environment Pillar: Digital Transformation.

This platform also fosters greater customer engagement and satisfaction by putting control in the hands of our customers, allowing them to manage their claims conveniently and effectively. Ultimately, the GO Serve Platform underscores our dedication to delivering innovative solutions and responsible services that prioritise the customer experience and well-being.

Transparent Claims and Ethical Surplus Distribution

Sustainability Commitment:	Responsible Products & Services and Giving Back to Society
Materiality Matter:	Responsible Products & Services, Community Improvement, Sustainability Governance and Responsible Business Practices

During the reporting period, our takaful participants collectively assisted their fellow participants who were in need due to unexpected events or sudden demise, reflecting our core takaful principles of mutual assistance and shared responsibility. Takaful IKHLAS played an instrumental role in facilitating the timely and transparent settlement of the various claims, benefiting the affected participants' families by enabling them to gradually return to their normal lives and livelihoods. The financial support provided by the claims helped them recover from the adversities they faced and alleviated immediate hardships. This cooperative effort empowered the affected participants and their families to rebuild their lives, restore their livelihoods and navigate through difficult times, exemplifying the true spirit of takaful.

Category	Claims Amount (RM mil)	Number of Recipients
Family Takaful	266.1	36,096
General Takaful	409.2	73,903
Total	**675.3**	**109,999**

In addition to claims settlements, Takaful IKHLAS also distributed a portion of the FY2023 surplus from our Participants' Risk Funds back to eligible participants, reflecting the mutual benefit principle and based on the provisions of our Surplus Management Policy. Specifically, Takaful IKHLAS General paid RM5.1 million to 978,221 participants.

Through these initiatives, Takaful IKHLAS remains committed to responsible business and ethical financial practices, as well as community improvement, embodying our sustainability values in every aspect of our operations.

GOVERNANCE

SUSTAINABILITY LEADERSHIP

Capacity Building

Sustainability Commitment:	Effective Sustainability Management and Intensified Awareness & Advocacy
Materiality Matter:	Sustainability Governance

The Group places a strong emphasis on fostering a culture of continuous learning and engagement throughout our workforce, specifically in sustainability-related areas. Our commitment to capacity building extends beyond the Board level to include management teams and all working levels throughout the organisation. This holistic approach ensures that sustainability principles are embedded at every level of the organisation, fostering a culture of sustainability and collective responsibility towards achieving the Group's sustainability objectives.

These capacity building programmes are integral to our sustainability leadership efforts. By equipping our workforce with the knowledge and skills necessary to understand and address sustainability challenges, we empower them to become sustainability champions within their respective roles. This not only aligns with our sustainability goals but will also strengthen our position as a leader in sustainable business practices within the industry.

We have collaborated with subject matter experts to conduct several capacity building sessions covering a diverse range of sustainability topics. The table below provides an overview of the capacity building sessions conducted within the reporting year:

Session	Participants
Sustainability Regulatory Development and Implementation Outlook	Board and Senior Management
Awareness on Climate Change and GHG Management	Senior Management, Vice Presidents and above
Sustainability Reporting and Disclosure Requirements	Senior Management, Vice Presidents and above

Additionally, we encourage our workforce to participate in complimentary webinars available online. These webinars aim to strengthen participants' understanding of sustainability matters, identify sustainability risks and opportunities, share best practices, and draw insights from industry case studies.

Engaging in these webinars allows our workforce to deepen their understanding of sustainability principles and their practical application. The knowledge gained provides valuable lessons that would enrich our own sustainability efforts. By piquing the interest of our workforce in sustainability and enhancing their knowledge, we are empowering them to play an active role in driving sustainable initiatives within their respective areas of responsibility and contribute positively to our sustainability agenda.

These concerted efforts to build sustainability awareness and knowledge at all levels of our workforce are essential for equipping our people to support the Group in achieving our short-, medium-, and long-term sustainability goals. It underscores our commitment to developing a workforce that not only comprehends sustainability challenges but also possesses the skills to implement practical solutions effectively.

SUSTAINABILITY STATEMENT

ASEAN Renewable Energy Pool ("AREP"): Driving Sustainable Energy Initiatives

Sustainability Commitment:	Responsible Products & Services and Intensified Awareness & Advocacy
Materiality Matter:	Responsible Products & Services

The MNRB Group is proud to share that Malaysian Re has played a pivotal role in the establishment of the ASEAN Renewable Energy Pool or AREP. This groundbreaking initiative is aimed at supporting sustainable energy practices and fostering regional collaboration within the ASEAN region.

On 8 December 2023, during the 5th ASEAN Insurance Summit, a Memorandum of Understanding ("MOU") was signed to establish AREP under the ASEAN Insurance Council ("AIC"), as initially conceptualised by Malaysian Re in 2021. The MOU signifies a unified effort by ASEAN Reinsurance Working Committee ("ARWC") members to support the ASEAN region's pursuit of Net Zero emissions and effective climate change management. This initiative aims to offer reliable coverage for all phases of renewable energy projects, ensuring a diversified portfolio for reinsurers/insurers with steady premium income. The AREP initiative will enable participating reinsurers to pool resources and form an insurance pool to underwrite risks associated with renewable energy sources.

The AREP initiative, as spearheaded by Malaysian Re, stands as a testament to MNRB's vision to drive positive change and advance sustainability practices within the insurance and reinsurance industry. The establishment of AREP signifies a pivotal step towards promoting investments in renewable energy and accelerating the transition to low-carbon economy. By pooling resources and expertise from the ASEAN region, AREP facilitates greater access to renewable energy projects, promotes knowledge sharing and strengthens regional resilience against the impact of climate change.

Seminar of Sustainable Catastrophe Loss Management

Sustainability Commitment:	Responsible Products & Services and Intensified Awareness & Advocacy
Materiality Matter:	Responsible Products & Services

MNRB, through Malaysian Re, organised a seminar in collaboration with the National Insurance & Takaful Claims Society ("NICS") for the Malaysia Claims Society on Sustainable Catastrophe Loss Management. This initiative underscores our commitment to driving sustainable practices within the insurance and takaful industry.

The seminar was designed to leverage on lessons learned from past experiences, both locally and internationally, and enhance the capacity of Claims Society members to handle catastrophe-related claims effectively and sustainably. It aimed to empower industry professionals with the insights and tools necessary to navigate and mitigate catastrophe-related risks effectively, fostering collaborative learning and knowledge sharing among industry players.

During the seminar, participants engaged in a discussion on innovative approaches and best practices in sustainable catastrophe risk management. The sessions included analyses of case studies, the sharing of experiences and the exploration of emerging trends that can drive efficiency, resilience, and sustainability across the claims value chain. The incorporation of international perspectives enriched these discussions, offering valuable insights into global standards and practices.

The impact of this initiative extended beyond the seminar itself. By equipping the Claims Society with enhanced capabilities in catastrophe loss management, MNRB contributed towards advancing sustainability goals within the industry. This included promoting best practices, reducing environmental impact, and ultimately enhancing the overall customer experience. We are leveraging on the insights gained from the seminar to drive ongoing initiatives that align with our sustainability vision and objectives. This includes further collaboration, research, and implementation of best practices to strengthen the resilience and sustainability of the insurance and takaful sector.

Industry Engagement

Sustainability Commitment:	Intensified Awareness & Advocacy

The Group is consistently demonstrating its commitment to nurture a culture of continuous learning and knowledge sharing. This is being achieved through the active involvement of our employees, from the management team to the working levels, in various industry working groups and committees. These engagements serve as opportunities for us to showcase our dedication and expertise, share valuable insights, and contribute to shaping the industry's approach to sustainability.

Participating in these collaborative platforms enables us to express our interests and perspectives effectively. We leverage on these platforms to advocate sustainable practices, influence industry direction, and collaborate with industry peers effectively to achieve shared sustainability goals. Through these collective efforts, we strive to drive positive change and make meaningful contributions to sustainable development within our industry and beyond.

Organisation	Platform
Bursa	Public Listed Companies Transformation (PLCT)
Permodalan Nasional Berhad (PNB)	Sustainability Sub Committee
Malaysian Takaful Association (MTA)	FSB Strategic Thrusts: 2B (Financial Resilience)
	FSB Strategic Thrusts: 3 (Tech Advancement)
	FSB Strategic Thrusts: 4 (Gov)
Joint Committee of Climate Change (JC3)	JC3 Steering Comm 1 (SC1)
	JC3 Physical Risk (PRWG)
	JC3 Transition Risk (TRWG)
	CCPT Implementation Group (IG)
	CCPT IG Subgroup: Data
	CCPT IG Subgroup: DDQ
	CCPT IG Subgroup: FAQ
	CCPT IG Subgroup: ITO

MNRB's commitment to sustainability leadership is exemplified through our comprehensive approach encompassing capacity building, industry engagement, and pioneering industry projects. Through continuous learning and collaboration, we empower our workforce to champion sustainability initiatives, engage with industry stakeholders, and lead transformative projects that drive positive change. We will continue to collaborate with industry stakeholders and other relevant organisations, leveraging meaningful insights to drive initiatives that align with our sustainability vision and objectives. By championing knowledge sharing, capacity building, and best practices, we aim to create a more resilient and sustainable future for our industry and the communities we serve.

CORPORATE GOVERNANCE AND ETHICAL BUSINESS PRACTICES

Anti-bribery and Corruption

Sustainability Commitment:	Effective Sustainability Management
Materiality Matter:	Sustainability Governance and Ethical Business Practices

The MNRB Group adopts a zero-tolerance approach towards bribery, corruption, and money laundering. We uphold values of integrity, collaboration, and expertise, prioritising the preservation of our stakeholders' interest in all that we do. Our internal policies and protocols comprehensively address issues such as bribery, corruption, and money laundering, and are regularly communicated to all employees. Through the stringent implementation of these measures, we are committed to fostering an environment where ethical business conduct is necessary.

In accordance with Section 17A of the Malaysian Anti-Corruption Commission ("MACC") (Amendment) Act 2018, the Companies Act 2016, and the Malaysian Code on Corporate Governance ("MCCG") 2021, there is a growing emphasis on enhancing board oversight and integrating sustainability considerations into a company's strategy and operations. Upholding principles of good governance, the MNRB Group is dedicated to combating bribery and corruption while maintaining the integrity of our business operations and ensuring compliance with legal requirements. The following policies underscore our efforts to date:

Group Code of Ethics

The Code outlines our business practices, zero-tolerance stance against corruption, interactions with stakeholders, and personal accountability. Applicable to all MNRB Group employees, this Code serves as a cornerstone of our ethical conduct.

Group Anti-Bribery and Corruption Policy

This policy mandates that MNRB Group employees shall not, directly or indirectly, offer, promise, give, solicit, accept, or agree to accept, or attempt to obtain bribes in order to achieve business or personal advantages for themselves or others, or engage in any transaction that can be construed as having contravened the anti-corruption laws of Malaysia and applicable foreign laws.

Group Whistleblowing Policy

This policy establishes a secure and confidential channel for directors, employees, and other stakeholders to report concerns regarding any unacceptable practices or misconduct. Individuals are encouraged to raise issues without fear of reprisal or unfair treatment, ensuring transparency and accountability throughout our organisation.

No Gift Policy

To achieve the highest levels of trust and transparency in its business operations, the MNRB Group strictly upholds and adheres to a No-Gift Policy in all its business dealings. This policy dictates that no Group employee shall accept or provide gifts to third parties so as to avoid conflicts of interest or the appearance of conflicts of interest in any ongoing or potential business dealings of MNRB Group.

Our continuous efforts include regular anti-corruption awareness training for employees, with 100% of our workforce trained in FY2024. The launch of the MNRB Group Integrity Week further reflects our dedication to ethical practices. Additionally, we have conducted thorough assessments on our business operations, covering 100% of our workforce, to identify and mitigate corruption-related risks among our workforce while promoting a culture of transparency and accountability. While there were no incidents of corruption reported during the reporting period, we remain vigilant in upholding our zero-tolerance policy towards corrupt practices. We are dedicated to continuously promoting ethical conduct and fostering a workplace free from corruption.

Anti-Money Laundering and Countering the Financing of Terrorism ("AML/CFT")

Sustainability Commitment:	Effective Sustainability Management
Materiality Matter:	Sustainability Governance and Ethical Business Practices

At MNRB Group, we are committed to upholding the highest standards of ethical conduct and financial integrity across all aspects of our operations. Our sustainability efforts extend beyond environmental and social considerations to include Anti-Money Laundering and Countering the Financing of Terrorism ("AML/CFT") initiatives. Guided by regulatory requirements and international best practices, we have been implementing the appropriate AML/CFT policies and procedures. These measures safeguard our business from financial crime and foster a transparent and responsible financial ecosystem. Our dedication to ethical business practices reinforces our commitment to ensuring financial integrity, contributing to a more sustainable and secure future.

Data Privacy and Security

Sustainability Commitment:	Effective Sustainability Management
Materiality Matter:	Sustainability Governance, Ethical Business Practices and Cybersecurity & Data Privacy

The MNRB Group places paramount importance on safeguarding customer privacy and protecting sensitive data as these are crucial elements in upholding stakeholders' trust and confidence. To this end, we continuously prioritise the enhancement of our cybersecurity control measures through ongoing investments in the latest IT infrastructure and comprehensive employee awareness programmes.

Our group-wide cybersecurity awareness efforts, in collaboration with our external partner KnowBe4, include regular cybersecurity training, phishing tests, and awareness programmes for employees, covering essential security topics such as password protection, phishing prevention, privacy, and compliance. The weekly newsletter, "ICT Tips of the Day", serves as a valuable platform to ensure a collective understanding of cybersecurity best practices among our workforces. Complementing our robust cybersecurity measures, we have implemented a comprehensive Personal Data Protection Policy as well as Privacy Notices, setting stringent compliance standards for personal data collection and processing.

During the reporting period, we are pleased to report that there were no cybersecurity data breaches. However, there was one isolated incident of a data compromise due to a glitch in our Online Customer Account portal. We promptly took corrective action and addressed the issue. This incident, while regrettable, has provided valuable insights that have strengthened our ongoing efforts to enhance data privacy and security measures across the organisation.

To mitigate any recurrence, we have deployed a range of security solutions. These include the Hybrid Security Operations Centre ("SOC"), Web Application Firewall ("WAF"), Multi-factor Authentication ("MFA"), Distributed Denial of Services ("DDoS"), Privileged Access Management, Data Loss Prevention ("DLP") Solution, Advanced Persistent Threat Solution, Web Gateway, and Endpoint Protection Security Software Suite.

We remain steadfast in our commitment to transparency, accountability, and maintaining open communication with stakeholders while preserving their trust and confidence in our data privacy and security practices.

Shariah Governance Framework

Sustainability Commitment:	Effective Sustainability Management
Materiality Matter:	Sustainability Governance

MNRB's Shariah Governance Framework stands as a pillar of confidence for stakeholders, ensuring our adherence to shariah principles in all facets of our operations. In FY2024, we strengthened this framework by integrating sustainability considerations into it. Our latest strategic enhancement mandates that our Group Shariah Committee ("GSC") oversee the Shariah-related aspects of our sustainability strategies.

Additionally, the GSC is also responsible for ensuring that the Group's Sustainability Policy adheres to the Shariah Governance Framework's parameters. This will ensue we are continuously incorporating Value-Based Intermediation Takaful or VBIT principles and Maqasid Shariah principles into our sustainability initiatives, further strengthening the Group's ethical and sustainability practices.

INTEGRATING SUSTAINABILITY PRINCIPLES INTO BUSINESS ACTIVITIES AND PRACTICES

The Group has proactively integrated sustainability principles into our business activities and practices by engaging in active discussions with relevant stakeholders to gather their perspectives and feedback. These discussions are focused on enhancing various operational areas, including investment, procurement processes, product development, underwriting, pricing, and other support functions.

As part of our internal awareness efforts, we continuously encourage our internal stakeholders to consider incorporating a basic sustainability checklist or basic sustainability due diligence questions within their operational processes. This effort aims to jumpstart the integration of a sustainability mindset and promote a basic understanding of sustainability among our workforce in all aspects of their roles, especially in their day-to-day responsibilities.

This proactive step ensures that we not only meet regulatory requirements but also address public expectations and evolving sustainability standards locally and internationally. These actions will enable us to effectively manage sustainability within the Group and ensure that our governance of sustainability-related matters remains robust and steadfast as we become more conscious of our approach to sustainability.

Sustainable Investing Guideline

Sustainability Commitment:	Net Zero Carbon Investment Portfolio by 2050 and Effective Sustainability Management
Materiality Matter:	Sustainability Governance and Responsible Investment

The Board oversees the investment process through the Group Investment Committee, which also evaluates investments based on sustainable criteria. The Group Investment Department and Group Investment Management Committee diligently monitor and assess investment portfolios in alignment with our Investment Policy Statement ("IPS"), ensuring robust risk management. Strategic Asset Allocations are rigorously safeguarded by the Investment Department, where investment portfolios are thoroughly reviewed and approved by the Board.

Our climate and responsible actions are integrated into the Group Sustainable Investing Guideline to facilitate the transition to achieve our Net Zero Carbon Investment Portfolio by 2050 commitment. Furthermore, the Group's Sustainable Investing Guideline has undergone considerable enhancement, focusing on key areas such as Portfolio Carbon Footprint Approach, CCPT Assessment Approach, and ESG Investing Assessment Approach.

Route to Achieving a Net Zero Carbon Investment Portfolio by 2050

Measure and Monitor Portfolio Carbon Emissions

We have developed a Portfolio Carbon Emissions assessment template using methodologies aligned with the Partnership for Carbon Accounting Financials (PCAF) and the Task Force on Climate-Related Financial Disclosures (TCFD).

Classifying Climate Assets to Support Climate Mitigation and Adaption Efforts

Compliance with Regulatory Requirements

We have evaluated our financial investment activities in the portfolio by incorporating guiding principles and classification requirements outlined in the BNM's Climate Change Principle-based Taxonomy (CCPT) guidelines, ensuring compliance with regulatory requirements.

Selecting Best-in-Class ESG Criteria Across Asset Classes to Steer Responsible Investing

Adhering to ESG Criteria

- We prioritise investments in companies listed in FTSE 4Good Index, which aligns with the UN Sustainable Development Goals (SDGs).
- We focus on sovereign issuances included in the FTSE ESG World Government Bond Index.
- We exclude sensitive sectors such as tobacco, weapons, and coal pure play from our equity investment, as outlined in the FTSE's guidelines.
- We have access to the SRI Sukuk and SRI Fund granted by the Securities Commission Malaysia.
- Moreover, some issuers within our portfolio have developed their own internal ESG frameworks.

Incorporating the Maqasid Shariah Approach into the Investment Process

Embracing Value-based Practices

- We strictly adhere to the Maqasid Shariah approach in our investment process, which involves the exclusion of securities engaged in activities forbidden in Islam such as gambling, gaming, alcohol, tobacco, and any non-permissible actions under Shariah law.
- These principles are applicable to all investments in Shariah-compliant instruments as per the MNRB Group's policies and guidelines.

CLIMATE-RELATED COMMITMENTS AND DISCLOSURE

Sustainability Commitment:	Net Zero Carbon Enterprise by 2030, Net Zero Carbon Investment Portfolio by 2050, Net Zero Carbon Business Portfolio by 2050, Effective Sustainability Management and TCFD-aligned Disclosures
Materiality Matter:	Climate Risk & Emissions Management, Responsible Investment and Sustainability Governance

With climate change emerging as one of the most pressing concerns globally, MNRB remains vigilant about the impacts associated with it. The interconnected environmental shifts on a global scale introduce significant uncertainties in terms of risks and opportunities. In line with this understanding, we are committed to enhancing our climate-related disclosures to ensure alignment with TCFD recommendations. This initiative reflects our recognition of the importance of providing comprehensive and transparent information to our stakeholders regarding climate-related risks and opportunities.

Moving forward, MNRB aims to disclose its climate-related commitments and relevant basic financial disclosures by FY2025 by incorporating key TCFD elements such as governance, strategy, risk management, metrics and targets, business activities, and operations. These enhanced disclosures would strengthen our transparency practices and equip our investors and stakeholders with the essential information to more effectively assess climate-related risks and opportunities within MNRB's business, investment activities, and overall operations.

Adhering to Regulatory Frameworks

MNRB is dedicated to managing climate risks and integrating sustainability seamlessly into our operations. Our approach aligns meticulously with regulatory guidelines, notably BNM's Climate Change and Principle-Based Taxonomy or CCPT guidance. This alignment underscores the transparency and consistency of our reporting on underwriting and investment activities, including the submission of our half-yearly exposure reports to BNM since July 2022. We are also in the midst of assessing our investment portfolio, covering listed equity, corporate bonds, and sukuk.

Compliance and Action Plans

In compliance with BNM's Climate Risk Management and Scenario Analysis ("CRMSA") policy document, we have set in place a comprehensive group-wide and entity-specific plan since 2023. This plan focuses on implementing climate risk management across critical areas such as governance, strategy, risk management, metrics and targets as well as business activities and operations.

Climate Risk Management Aspiration

Our aspiration is to emerge as a leading entity in climate-related risk management within Malaysia's financial sector. To achieve this goal, we are initiating a comprehensive internal assessment exercise where we plan to collaborate with consultants to identify physical and transitional risks related to our business. This initiative, combined with the recently issued Climate Risk Stress Testing ("CRST") paper from BNM, will evaluate our financial resilience against climate-related risks.

Integration into Group Risk Management Framework

We employ advanced tools such as the AIR Worldwide CAT Modelling Tool and Risk Management Solution to monitor catastrophe risk exposure effectively. Our Group Risk Management Framework and Policy, aligned with the Board's defined risk appetite and BNM's Risk Governance Guidelines, ensures a systematic approach to identify, assess, measure, control, mitigate and continuously monitor the risks that affect the Group and its entities.

Furthermore, we actively engage with our stakeholders, reinsurance brokers, and industry working groups to enhance our understanding and management of climate-related risks. This includes reviewing retakaful and retrocession arrangements to bolster risk protection against catastrophe losses.

ESG Integration and Sustainability Framework

Recognising the growing importance of ESG issues, we have integrated ESG risk categories, with climate change as a sub-risk, into our Group Risk Landscape. We are also developing a new Group Sustainability Risk Management Framework to further strengthen our commitment to sustainability and contribute to broader environmental objectives.

Through the above initiatives, we aim to fortify our business resilience, ensure long-term sustainability, and play a proactive role in contributing to the broader environmental objectives of sustainable development.

INTERNAL AWARENESS INITIATIVES

Sustainability Commitment:	Effective Sustainability Management and Intensified Awareness & Advocacy
Materiality Matter:	Sustainability Governance

In our steadfast commitment to nurturing a sustainability mindset within the MNRB Group, our newly formed Group Sustainability Management Department or GSMD has been collaborating with various departments to drive internal awareness initiatives. These pilot initiatives are essential for aligning with our governance pillar and fostering a holistic approach to sustainability management.

Townhall Engagement

Our quarterly townhall engagements aim to raise awareness and garner support from our internal community for sustainability initiatives crucial to achieving our sustainability goals, both for the short and long term. These engagements serve as s platform to foster open dialogue, share the current progress of our sustainability efforts, seek input and feedback, as well as encourage commitment from the workforce.

Sustainability Buzz

A cornerstone of our internal awareness strategy is the "Sustainability Buzz" newsletter, distributed biweekly via our intranet platform. This newsletter facilitates engagement by showcasing sustainability initiatives, promoting sustainability awareness, and highlighting upcoming events and training opportunities. It also features updates on past initiatives such as the Tree of Tomorrow tree planting event and senior management sustainability training.

Network of Sustainability Champions

Integral to our internal awareness efforts is the appointment of sustainability champions across the MNRB Group. These dedicated individuals, driven by a passion for sustainability, play a pivotal role in integrating sustainability principles into day-to-day operations at their respective entities. They act as catalysts for change, facilitate initiatives to embed the sustainability principles into their business operations, report progress to senior management committees and stakeholders, and actively participate in capacity-building programmes to enhance their sustainability understanding and expertise.

Tree of Tomorrow

The ToT initiative that stems from our pledge to plant 2,500 trees alongside the Group's 50^{th} anniversary serves as a catalyst, igniting internal awareness within our workforce and sparking greater interest in sustainability efforts. Leveraging on the Group's pledge, the initiative supports environmental preservation and fosters a collective ethos of environmental responsibility within the workforce, reinforcing MNRB's dedication to championing a sustainable future.

Through these internal awareness approaches, we aim to cultivate a culture of sustainability awareness and action within the Group. We will accomplish this by empowering employees at all levels to collectively contribute to the Group's sustainability objectives and drive positive impact, by cascading this internally group-wide and outwardly among our external stakeholders.

FUTURE OUTLOOK

Embracing Sustainability with Greater Purpose

Looking ahead, the MNRB Group is committed to embracing sustainability with greater purpose and conviction, going beyond regulatory requirements. Our primary focus remains on integrating sustainability ideals within our business operations, strategies, and culture, infusing our workforce with a DNA that embodies sustainability values and reflecting those values in our business approach, including our products and service offerings.

As a responsible corporate citizen, we aim to make conscious choices that will positively impact our bottom line and benefit the communities and environments in which we operate. Moving forward, our sustainability approach will be guided by meaningful actions and conscious decisions. We will continue to invest in sustainable practices, technologies and innovations that can help us reduce our environmental footprint, enhance social well-being, and promote ethical governance.

Our commitment extends to fostering collaboration and partnerships, working closely with stakeholders, industry peers and communities to co-create sustainable solutions and drive positive change. The Group remains dedicated to transparency, accountability, and continuous improvement, ensuring our sustainability journey remains impactful and meaningful, aligned with global best practices while adhering to regulatory requirements.

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Vice Presidents and above	Percentage	100.00
Vice Presidents	Percentage	100.00
Assistant Vice Presidents	Percentage	100.00
Executive	Percentage	100.00
Personal Assistant	Percentage	100.00
Clerk	Percentage	100.00
Uniform	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,034,285.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	12,549
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Vice Presidents and above Under 30	Percentage	0.00
Senior Vice Presidents and above 30 - 39	Percentage	8.00
Senior Vice Presidents and above 40 - 49	Percentage	28.00
Senior Vice Presidents and above Above 50	Percentage	64.00
Vice Presidents Under 30	Percentage	0.00
Vice Presidents 30 - 39	Percentage	11.00
Vice Presidents 40 - 49	Percentage	45.00
Vice Presidents Above 50	Percentage	44.00
Assistant Vice Presidents Under 30	Percentage	3.00
Assistant Vice Presidents 30 - 39	Percentage	39.00
Assistant Vice Presidents 40 - 49	Percentage	43.00
Assistant Vice Presidents Above 50	Percentage	15.00
Executive Under 30	Percentage	36.00
Executive 30 - 39	Percentage	42.00
Executive 40 - 49	Percentage	15.00
Executive Above 50	Percentage	6.00
Personal Assistant Under 30	Percentage	0.00
Personal Assistant 30 - 39	Percentage	23.00
Personal Assistant 40 - 49	Percentage	32.00
Personal Assistant Above 50	Percentage	45.00
Clerk Under 30	Percentage	0.00
Clerk 30 - 39	Percentage	52.00
Clerk 40 - 49	Percentage	9.00
Clerk Above 50	Percentage	39.00
Uniform Under 30	Percentage	0.00
Uniform 30 - 39	Percentage	0.00

Internal assurance External assurance No assurance (*)Restated

Indicator	Measurement Unit	2024
Uniform 40 - 49	Percentage	67.00
Uniform Above 50	Percentage	33.00
Gender Group by Employee Category		
Senior Vice Presidents and above Male	Percentage	64.00
Senior Vice Presidents and above Female	Percentage	36.00
Vice Presidents Male	Percentage	68.00
Vice Presidents Female	Percentage	32.00
Assistant Vice Presidents Male	Percentage	49.00
Assistant Vice Presidents Female	Percentage	51.00
Executive Male	Percentage	35.00
Executive Female	Percentage	65.00
Personal Assistant Male	Percentage	0.00
Personal Assistant Female	Percentage	100.00
Clerk Male	Percentage	48.00
Clerk Female	Percentage	52.00
Uniform Male	Percentage	75.00
Uniform Female	Percentage	25.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	57.00
Female	Percentage	43.00
Under 30	Percentage	0.00
30 - 39	Percentage	0.00
40 - 49	Percentage	0.00
Above 50	Percentage	100.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption*	Megawatt	24.49
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	1
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Vice Presidents and above	Hours	878
Vice Presidents	Hours	1,853
Assistant Vice Presidents	Hours	3,329
Executive	Hours	4,330
Personal Assistant	Hours	96
Clerk	Hours	166
Uniform	Hours	122
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Vice Presidents and above	Number	2
Vice Presidents	Number	20
Assistant Vice Presidents	Number	33

Internal assurance External assurance No assurance (*)Restated

Indicator	Measurement Unit	2024
Executive	Number	55
Personal Assistant	Number	0
Clerk	Number	1
Uniform	Number	1
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.50
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	27.079000

**Note:*
The total energy consumption is 4,318,037 kWh = 4,318.037 MWh = 15,545 GJ
Conversion rates used are 1 kWh = 0.001 MWh and 1 MWh = 3.6 GJ.

Internal assurance | External assurance | No assurance | (*)Restated

FIVE-YEAR FINANCIAL HIGHLIGHTS

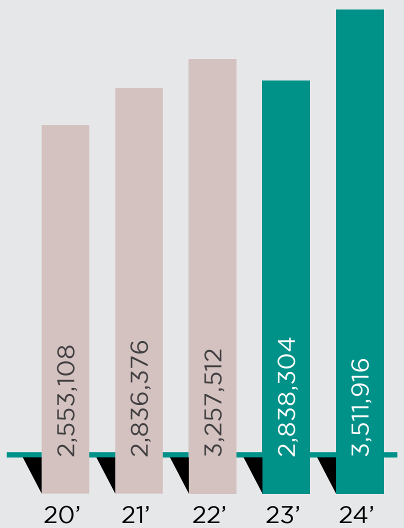
	2024[1] RM'000	2023[1] RM'000	2022[2] RM'000	2021[2] RM'000	2020[2] RM'000
Revenue	3,511,916	2,838,304	3,257,512	2,836,375	2,553,108
Profit before zakat and tax	505,782	144,684	127,482	223,236	150,922
Profit after zakat and tax	433,539	118,280	114,422	189,495	132,907
Total assets	12,580,630	11,389,275	11,272,159	9,910,213	9,214,807
Shareholders' fund	3,123,632	2,736,622	2,471,674	2,418,320	2,271,787
Share capital	738,502	738,502	738,502	738,502	738,502
Earnings per share (sen)	55.4	15.1	14.6	24.2*	17.2
Net assets per share (RM)	4.0	3.5	3.16	3.09*	2.90
Profit before zakat and tax to Shareholders' fund (%)	16.19	5.29	5.16	9.23	6.64
Profit after zakat and tax to Shareholders' fund (%)	13.88	4.32	4.63	7.84	5.85

* on enlarged Share Capital persuant to the Dividend Reinvestment Plan ("DRP") exercise
[1] Represent number under MFRS 17
[2] Represent number under MFRS 4

FIVE-YEAR GROUP PERFORMANCE

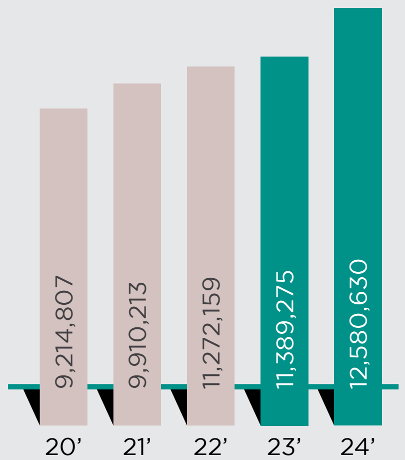
REVENUE (RM'000)

2024
RM3,511,916



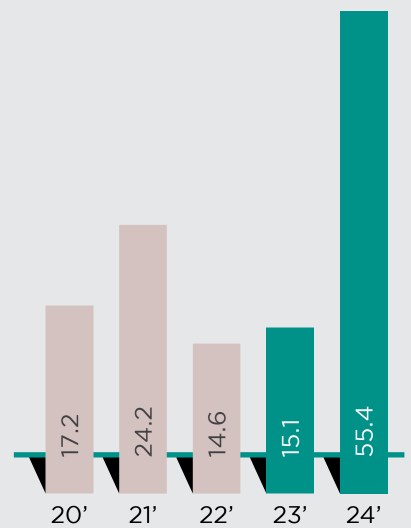
TOTAL ASSETS (RM'000)

2024
RM12,580,630



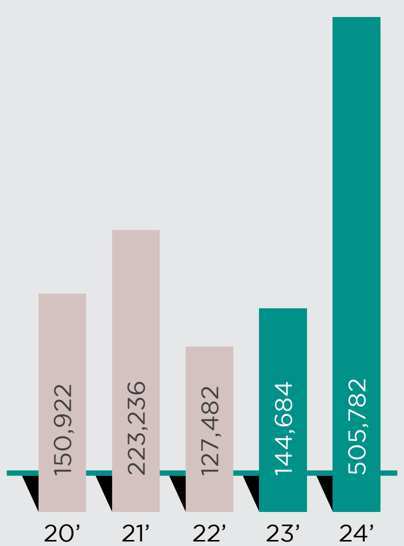
EARNINGS PER SHARE (sen)

2024
RM55.4



PROFIT BEFORE ZAKAT AND TAX (RM'000)

2024
RM505,782



SHAREHOLDERS' FUND (RM'000)

2024
RM3,123,632

NET ASSET PER SHARE (RM)

2024
RM4.0

MFRS 4 MFRS 17

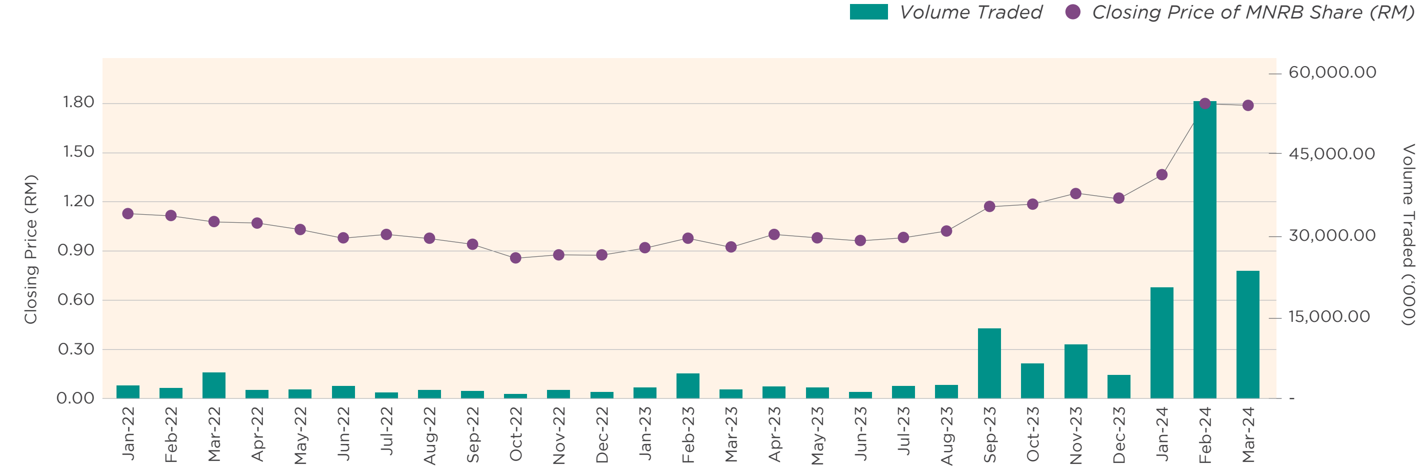
INVESTORS INFORMATION

	1/4/23-31/3/24	1/4/22-31/3/23	1/4/21-31/3/22	1/4/20-31/3/21	1/4/19-31/3/20	1/4/18-31/3/19
Closing Price (RM)	**1.79**	0.93	1.08	1.30	0.565	1.03
Highest Price (RM)	**1.93**	1.12	1.43	1.47	1.19	1.99
Lowest Price (RM)	**0.93**	0.85	0.98	0.55	0.47	0.85
Total Volume Traded ('000)	**139,881**	139,870	164,720	344,640	113,710	202,783
Gross Dividend Yield (%)	**-**	4.78	3.70	2.31	4.42	0.00
Price Earning Ratio (x)	**3.23**	6.20	7.20	5.42	3.32	5.15

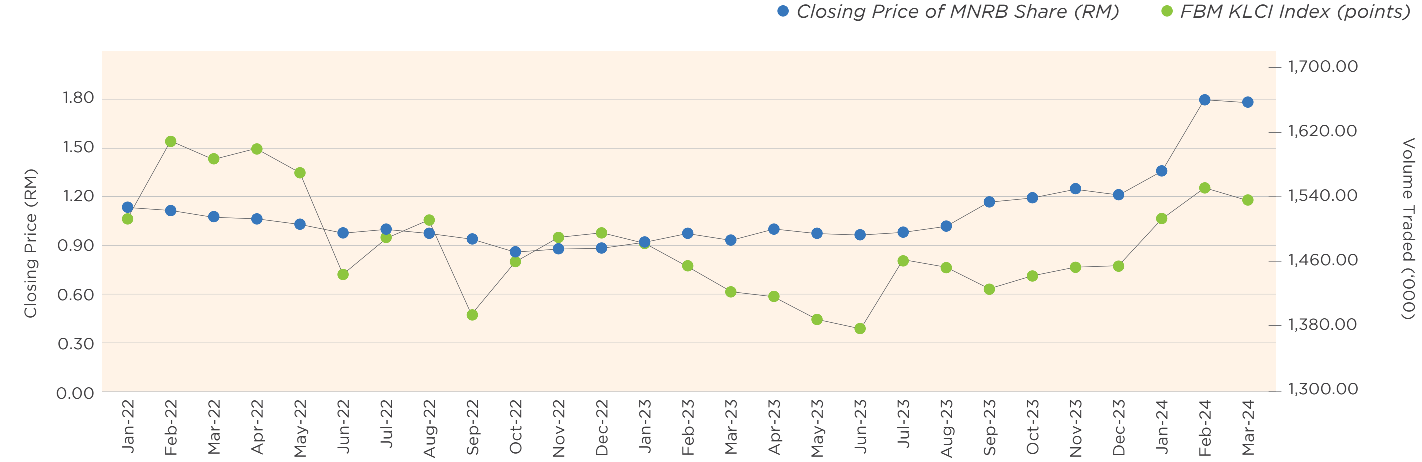
Source: Bloomberg @ 18/07/2024

SHARE PRICES AND VOLUME TRADED (JANUARY 2022- MARCH 2024)

COUNTER: MNRB HOLDINGS BERHAD



PERFORMANCE OF SHARES (JANUARY 2022 - MARCH 2024)



FINANCIAL CALENDAR 2024

Date of Notice of AGM	51ST ANNUAL GENERAL MEETING	AGM Date
31 July 2024		27 September 2024

UNAUDITED CONSOLIDATED FINANCIAL RESULTS

Quarterly Result	Report as at	Announcement Date
Q1	30 June 2023	30 August 2023
Q2	30 September 2023	17 November 2023
Q3	31 December 2023	7 February 2024
Q4	31 March 2024	8 May 2024

DIRECTORS' PROFILE

DATUK JOHAR CHE MAT

Non-Independent Non-Executive Chairman

Date of Appointment: 1 October 2017

Age	Gender	Nationality	Attendance
71	M		11/11

Board Committee Membership
- Member of Risk Management Committee of the Board

Other Committee Membership
- Member of Group Investment Committee

Academic/Professional Qualification
- Bachelor of Economics Degree, University of Malaya

Skill and Experience
- Datuk Johar has thirty-seven (37) years of experience in the banking industry. He joined Malayan Banking Berhad ("Maybank") in 1976, where he served in various divisions including in senior positions as the Manager/Senior Manager covering the transactional banking (operations), retail finance, retail marketing and private banking. From 1993 to 1995, he was appointed as the Regional Manager for Maybank branches in Selangor and Negeri Sembilan.
- In 1996, he was promoted as the General Manager, Commercial Banking Division and subsequently served as the Senior General Manager, Corporate Banking and Enterprise Banking Division in 2000.
- In 2002 he was promoted as the Senior Executive Vice President, Retail Financial Services and was thereafter appointed as the Chief Operating Officer of the Maybank Group from 2006 till 2010.

Directorship in Other Companies

Listed Entities
- Edelteq Holdings Berhad
- Dagang NeXchange Berhad

Other Public Companies
- Takaful Ikhlas Family Berhad
- Takaful Ikhlas General Berhad
- Malaysian Reinsurance Berhad
- Malaysian Re (Dubai) Ltd
- Ping Petroleum Limited

• Not related to any Director and/or major shareholder of MNRB, except being a Nominee Director of Permodalan Nasional Berhad.
• Does not have any conflict of interest or potential conflict of interest, including interest in any competing business with MNRB or its subsidiaries.
• Has never been convicted for any offences, other than traffic offences, if any, within the past five (5) years.
• Has never been imposed public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2024.

GEORGE OOMMEN

Senior Independent Non-Executive Director

Date of Appointment: 1 January 2018

Age	Gender	Nationality	Attendance
70	M	Malaysian flag	11/11

Board Committee Membership
- Chairman of Risk Management Committee of the Board
- Member of Audit Committee

Other Committee Membership
- Member of Group Investment Committee

Academic/Professional Qualification
- Fellow of the Association of Chartered Certified Accountants (UK)
- Member of Malaysian Institute of Accountants
- Member of Malaysian Institute of Certified Public Accountants

Skill and Experience
- He has thirty-eight (38) years of experience in the insurance industry. He began his insurance career in 1981 when he joined American International Assurance Company Limited as an Accountant. In 1999, he was transferred to AIG Lippo Life Insurance Company, Indonesia as Vice President-Director. Subsequently, in 2000, he joined TATA AIG Life Insurance Company, India as Managing Director.
- He later joined ACE INA Holdings Inc, India as Country Head/CEO in 2002 and thereafter in 2003 he was appointed Chairman/Managing Director of ACE Life, Egypt, concurrently.
- In 2007, he joined the Dubai International Financial Centre, UAE as the Executive Director, Business Development. In 2010, he was appointed as the CEO & General Representative, Assicurazioni Generali, S.p.A. for the Middle East and North African Region based in Dubai.

Directorship in Other Companies

Listed Entities
- Nil

Other Public Companies
- Malaysian Reinsurance Berhad
- Takaful Ikhlas Family Berhad
- Malaysian Re (Dubai) Ltd
- Labuan Reinsurance (L) Ltd
- Labuan Re Underwriting Ltd

KHALID SUFAT

Independent Non-Executive Director

Date of Appointment: 1 October 2019

Age	Gender	Nationality	Attendance
68	M	Malaysian flag	11/11

Board Committee Membership
- Chairman of Audit Committee
- Member of Group Nomination & Remuneration Committee

Academic/Professional Qualification
- Fellow Member of Association of Chartered Certified Accountants (UK)
- Member of Malaysian Institute of Certified Public Accountants
- Member of Malaysian Institute of Accountants

Skill and Experience
- Khalid has considerable experience in the banking industry having held several senior positions, namely, Managing Director of Bank Kerjasama Rakyat Malaysia Berhad, General Manager, Consumer Banking of Malayan Banking Berhad and Executive Director of United Merchant Finance Berhad.
- He had previously managed three (3) listed companies as Executive Director of Tronoh Mines Malaysia Berhad, as Deputy Executive Chairman of Furqan Business Organisation Berhad and as Group Managing Director of Seacera Tiles Berhad.

Directorship in Other Companies

Listed Entities
- Nil

Other Public Companies
- Malaysian Reinsurance Berhad
- Kuwait Finance House (Malaysia) Berhad

Other Appointment
- Employees Provident Fund

• *Not related to any Director and/or major shareholder of MNRB.*
• *Does not have any conflict of interest or potential conflict of interest, including interest in any competing business with MNRB or its subsidiaries.*
• *Has never been convicted for any offences, other than traffic offences, if any, within the past five (5) years.*
• *Has never been imposed public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2024.*

JUNAIDAH MOHD SAID

Independent Non-Executive Director

Date of Appointment: 1 October 2019

Age	Gender	Nationality	Attendance
65	F	Malaysian flag	11/11

Board Committee Membership
- Member of Audit Committee
- Member of Group Nomination & Remuneration Committee

Academic/Professional Qualification
- Diploma in Investment Analysis, Institut Teknologi MARA
- Bachelor of Business Administration majoring in Finance, Western Michigan University, United States of America

Skill and Experience
- Junaidah began her career as an Executive Officer of Bank Bumiputra Malaysia Berhad (now CIMB Bank Berhad) in 1984.
- Her career in central banking began in 1988 when she joined Bank Negara Malaysia ("BNM"). Her over 30-year experience in BNM had been mainly in the regulation and supervision of the insurance and insurance-related industry including insurance broking and loss adjusting.
- Throughout her career in the central bank, she had contributed significantly to the development of the Malaysian insurance industry driving major policy initiatives among which include liberalisation of the motor and fire tariffs, development of micro insurance framework, optimisation of national retention, introduction of deferred annuity scheme and establishment of Protection and Indemnity Malaysia (a Malaysian P&I Club).

Directorship in Other Companies

Listed Entities
- Nil

Other Public Companies
- Nil

ZAIDA KHALIDA SHAARI

Independent Non-Executive Director

Date of Appointment: 1 October 2019

Age	Gender	Nationality	Attendance
56	F	Malaysian flag	10/11

Board Committee Membership
- Chairman of Group Nomination & Remuneration Committee
- Member of Risk Management Committee of the Board

Academic/Professional Qualification
- LLB (Hons), University of Warwick, United Kingdom
- Barrister-at-Law at Gray's Inn, United Kingdom
- Master of Business Administration, University of Strathclyde, United Kingdom

Skill and Experience
- Zaida Khalida began her career in 1991 in legal practice with Messrs. Zain & Co. Thereafter, in 1997, she joined Permodalan Nasional Berhad ("PNB") as legal advisor to the corporate finance group and subsequently appointed as the Senior Compliance Officer & Head of Legal Department. She was also appointed as the joint Company Secretary of PNB.
- She joined Khazanah Nasional Berhad ("Khazanah") in January 2007 as a Senior Vice President of Investments and was subsequently appointed as Director of Investments in April 2009. During her stint in Khazanah, she oversaw the real estate and education investments of Khazanah. She served Khazanah as an Executive Director of Investments until January 2019.
- Zaida Khalida was later appointed as Chief Executive Officer of Yayasan AMIR, a non-profit organisation that focus to improve accessibility to quality education in public schools through a Public-Private Partnership with the Ministry of Education Malaysia from 1 June 2020 until 30 June 2022. On 1 July 2022, she was appointed as an Advisor for Yayasan AMIR.
- She is also the Advisor of Yayasan MeReka, an alternative education entity that aims to level up the youth skills on the necessary digital and other skills for the future.

Directorship in Other Companies

Listed Entities
- UEM Sunrise Berhad
- Cement Industries of Malaysia Berhad
- AEON Co. (M) Berhad.

Other Public Companies
- Pelaburan Hartanah Nasional Berhad
- Prima Ekuiti (UK) Limited

• *Not related to any Director and/or major shareholder of MNRB.*
• *Does not have any conflict of interest or potential conflict of interest, including interest in any competing business with MNRB or its subsidiaries.*
• *Has never been convicted for any offences, other than traffic offences, if any, within the past five (5) years.*
• *Has never been imposed public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2024.*

DATO' WAN ROSHDI WAN MUSA

Independent Non-Executive Director

Date of Appointment: 1 April 2020

Age	Gender	Nationality	Attendance
66	M		11/11

Board Committee Membership
- Member of Risk Management Committee of the Board

Other Committee Membership
- Chairman of Group Investment Committee

Academic/Professional Qualification
- Diploma in Accountancy, Institut Teknologi MARA
- Bachelor of Science in Finance, Northern Illinois University, United States of America
- Master in Business Administration, Governors State University, United States of America

Skill and Experience
- Dato' Wan Roshdi began his career with Permodalan Nasional Berhad ("PNB") in 1985. During his early years, he had held various positions including Head of Corporate Services and Finance Department, during which he was responsible for the monitoring of investee companies and value enhancing and strengthening of PNB's strategic investment through corporate and capital restructuring, rationalisation, and listing.
- In 2004, he was appointed as Chief Investment Officer which he held until 2015. During this period, he was involved in the setting of strategic direction for accomplishment of PNB's investment goals. This includes the management and delivery of outcomes of PNB proprietary fund and unit trust funds through the formulation, recommendation and oversight of investment strategies relating to asset allocation, economic and sector allocation and financial market outlook.
- Prior to Dato' Wan Roshdi retirement in June 2016, he held the position as Chief Risk Officer where he handled risk management and performance portfolio assessment for the business unit of PNB.

Directorship in Other Companies

Listed Entities
- Nil

Other Public Companies
- Nil

CHIN SEE MEI

Independent Non-Executive Director

Date of Appointment: 1 October 2023

Age	Gender	Nationality	Attendance
55	F		8/8

Board Committee Membership
- Member of Risk Management Committee of the Board

Other Committee Membership
- Member of Information Technology Oversight Committee

Academic/Professional Qualification
- Bachelor of Arts (Economics) University of Malaya

Skill and Experience
- She began her career as a systems engineer at IBM in 1993 and developed her career through leadership positions in services delivery, technical support, sales and operations functions.
- She has 28 years of experience in the technology field and last served as the General Manager for Industries in IBM. She worked with large enterprises across multiple industries such as banking & insurance, oil & gas, travel & transportation, telecommunications and government agencies to explore and deploy leading edge technologies such as hybrid Cloud, mobile, IoT, AI/data analytics and Blockchain in creating competitive advantage.
- In the course of her career, she had collaborated with subject matter experts from around the world to share global best practices and implement transformation programmes to build robust, open and flexible business architectures that are resilient and secure. She brings with her a deep understanding and knowledge of organisation structures and agile ways of working to transform and build new business models and revenue streams as well as enhance efficiency and improve customer experience through digitalisation.
- Her interest in women leadership development led to her contribution to ICAEW's Women In Leadership programme and participation as a mentor for Lean-In Malaysia Career Comeback initiative in 2019. She is a member of the Institute of Corporate Directors Malaysia and 30% Club in support of diversity, equality and inclusion.

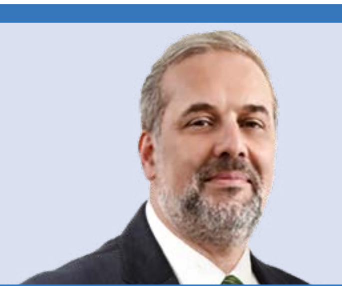
Directorship in Other Companies

Listed Entities
- Nil

Other Public Companies
- Nil

• Not related to any Director and/or major shareholder of MNRB.
• Does not have any conflict of interest or potential conflict of interest, including interest in any competing business with MNRB or its subsidiaries.
• Has never been convicted for any offences, other than traffic offences, if any, within the past five (5) years.
• Has never been imposed public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2024.

GROUP SHARIAH COMMITTEE'S PROFILE



PROF. DR. YOUNES SOUALHI

Chairman

Date of Appointment: 3 November 2022

Age	Gender	Nationality	Attendance
56	M		8/8

Academic/Professional Qualification
- Bachelor in Usul al Fiqh from Emir University of Islamic Sciences Algeria
- Masters in Usul al-Fiqh from International Islamic University Malaysia
- Ph.D in Usul al-Fiqh from University of Malaya

Skill and Experience
- Holding the esteemed designation of Registered Financial Planner (RFP) under the Malaysian Financial Planning Council (MFPC), he brings a wealth of expertise in financial planning and advisory services to the table.
- As a distinguished member of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) Shariah sub-committee, he contributes to shaping global standards and best practices in Islamic finance.
- Currently, he serves as a Senior Researcher and Deputy Director of Research Development and Innovation at the International Shari'ah Research Academy for Islamic Finance (ISRA), where his insights drive pioneering research initiatives in the field.
- Additionally, he holds the esteemed position of Professor at INCEIF University, Malaysia, where he imparts invaluable knowledge and expertise to the next generation of Islamic finance professionals.
- In his capacity as Deputy Chairman of the Shariah Committee of Al-Rajhi Bank, Malaysia, he plays a pivotal role in ensuring compliance with Shariah principles within the banking sector. He also serves as the sole Shariah advisor for Kuwait Retakaful (Labuan), showcasing his expertise in the realm of Islamic insurance. Furthermore, he serves as the Chairman of the Shariah Council of experts for Salam Takaful, Nigeria, and as the Deputy Chairman of Aljazair Mutahidah Takaful company in Algeria, underscoring his global influence and leadership in Islamic finance.
- Previously, he held esteemed positions such as Chairman of the Shari'ah board of Munich Re Retakaful and a member of the Shariah Committee of HSBC Amanah Malaysia, further highlighting his extensive experience and trusted reputation in the industry.
- With nearly 23 years of experience, he has taught Islamic finance subjects such as Takaful and Retakaful courses at the master's and Ph.D. levels. His scholarly contributions extend to the publication of articles and books in Islamic Banking and Finance, particularly focusing on Takaful and Retakaful, enriching the academic discourse in the field.

SAHIBUS SAMAHAH ASSOC. PROF. DATUK DR. LUQMAN HAJI ABDULLAH

Member

Date of Appointment: 3 November 2020

Age	Gender	Nationality	Attendance
54	M		7/8

Academic/Professional Qualification
- B.A Shariah (Hons), University of Malaya
- Ph.D in Islamic Law of Property, University of Edinburgh, Scotland

Skill and Experience
- Currently, he holds the esteemed position of Mufti of Wilayah Persekutuan.
- Additionally, he serves as a distinguished Shariah Committee Member of MBSB Bank, offering expert insights to ensure compliance with Shariah principles in the banking sector. He is also appointed as a Shariah Panel Expert of Jabatan Kemajuan Islam Malaysia (JAKIM), further showcasing his expertise and influence in matters of Islamic governance.
- As a dedicated member of the Association of Shariah Advisors in Islamic Finance (ASAS), he contributes to shaping industry standards and best practices. Moreover, he holds significant roles as a Committee Member of the Shariah Advisory Council of Amanah Raya Berhad (ARB) demonstrating his commitment to advancing Islamic finance and philanthropy.
- Beyond his professional engagements, he serves as the Chairman of Madrasah Rahmaniah Pondok Lubuk Tapah, Pasir Mas, Kelantan, where he plays a pivotal role in nurturing Islamic education and values in the community. His dedication to academic pursuits is further evidenced by his tenure as a Visiting Scholar at the University of Edinburgh, Scotland in 2013.
- Previously, he held the esteemed position of Head of the Fiqh and Usul/Islamic Jurisprudence Department at the University of Malaya, where he contributed significantly to academic discourse and scholarship. His areas of specialization encompass Islamic Law of Property, Islamic Jurisprudence/Legal Theories, and Shariah/Fiqh Textual Studies (Dirasah Nassiyyah), reflecting his profound expertise in these domains.

DR. SHAMSIAH MOHAMAD

Member

Date of Appointment: 3 November 2020

Age	Gender	Nationality	Attendance
57	F		8/8

Academic/Professional Qualification
- Bachelor of Shariah (First Class Honours), University of Malaya
- Master of Shariah, University of Malaya
- Ph.D specialising in Fiqh & Usul Fiqh from University of Jordan

Skill and Experience
- She was an Associate Professor at the Academy of Islamic Studies in University of Malaya and a Senior Researcher at International Shari'ah Research Academy for Islamic Finance (ISRA).
- Her distinguished presence extends to multiple Shariah Committees of prestigious financial institutions, where she is entrusted with navigating complex Shariah issues with assurance.
- Currently, she holds esteemed positions as a Member of the Shariah Supervisory Council of Bank Islam Malaysia Berhad, the Shariah Committee of SME Bank, and the Shariah Committee of the Association of Islamic Banking Institutions Malaysia (AIBIM).
- Additionally, she serves as a Shariah Consultant at IBFIM, contributes to the Shariah Committee of Lembaga Zakat Selangor, and offers Shariah counsel to Pertubuhan Peladang Kebangsaan and Jawatankuasa Penasihat Ibadat Haji TH-JAKIM (AJPIH).
- Her extensive portfolio also includes past memberships on the Shariah Advisory Council of the Securities Commission Malaysia and the Shariah Committee of Bursa Malaysia Securities Berhad.
- She has lent her Shariah expertise to institutions such as Standard Chartered Bank, Bank Muamalat Malaysia Berhad, Standard Chartered Saadiq Berhad, JAKIM, Medic IG Holdings, BIMB Investment, and BIMB Securities Sdn Bhd.
- Notably, she served on the esteemed Shariah Advisory Council of Bank Negara Malaysia (BNM) from 2013 to 2019. Throughout her career, her focus has remained steadfast on Islamic transactions, where she has garnered profound insights and made substantial contributions.

SHAHRIR SOFIAN

Member

Date of Appointment: 3 November 2020

Age	Gender	Nationality	Attendance
60	M		8/8

Academic/Professional Qualification
- Bachelor of Economics (Honours), International Islamic University Malaysia
- Bachelor of Islamic Studies (Shariah), The National University of Malaysia
- Master's in actuarial science (with distinction) City University of London, United Kingdom

Skill and Experience
- Currently, he serves as a respected Shariah Committee member for the Islamic Banking window at Citibank Berhad.
- With an illustrious career spanning over three decades, he has held various pivotal roles within Bank Negara Malaysia (BNM) since 1987. Notably, he served as Manager in the Financial Sector Development Department and Manager of the Insurance Development Department, where he played a key role in steering compliance review processes.
- His contributions to BNM were multifaceted, including involvement in strategic initiatives such as the formulation of the Balance Score Card for Life Insurance/Family Takaful Agents under the LIFE framework and the Development of Business Plan of the Insurance Development Department, which became an integral part of the Bank's overarching business strategy.
- He played a pivotal role in shaping policy frameworks, including the formulation of the policy document on direct channels and the establishment of dedicated departments like the Islamic Banking and Takaful Department, which propelled the progress and development of the Islamic Financial System.
- Furthermore, his extensive expertise extends to insurance regulations and operations, where he has demonstrated a keen understanding and proficiency in navigating the intricacies of this sector.

DR. KHAIRUL ANUAR AHMAD

Member

Date of Appointment: 1 July 2022

Age	Gender	Nationality	Attendance
50	M		5/8

Academic/Professional Qualification
- Bachelor of Syariah (Hons.) University of Malaya
- Master of Syariah, University of Malaya
- Ph.D in Islamic Banking and Finance from International Islamic University of Malaysia

Skill and Experience
- Currently, he holds the esteemed position of Senior Lecturer at Universiti Islam Selangor (UIS), where he specializes in Fiqh Muamalat (Islamic Law of Transactions) and Islamic Economics & Banking.
- He serves as the Chairman of the Shariah Committee at OCBC Al-Amin Bank Berhad, demonstrating his leadership and proficiency in ensuring compliance with Shariah principles within the banking sector. Additionally, he is a respected member of the Shariah Committees at KOPSYA and Afshaa Shariah Advisory Sdn Bhd, where his insights contribute to informed decision-making processes.
- His extensive experience includes serving as a Member of the Shariah Committee at HSBC Amanah Berhad and FWD Takaful Bhd, underscoring his trusted reputation within the Islamic finance industry. He is also an ordinary member of the Association of Shariah Advisors in Islamic Finance (ASAS), further cementing his standing as a respected authority in the field.
- Throughout his career as a lecturer, he has contributed significantly to the advancement of Islamic finance through the publication of several articles and research papers. His scholarly contributions enrich the discourse surrounding Islamic finance and serve as a testament to his dedication to the field.

WAN RUMAIZI WAN HUSIN

Member

Date of Appointment: 1 August 2023

Age	Gender	Nationality	Attendance
49	M		6/6

Academic/Professional Qualification
- Degree in Fiqh and Usul al-Fiqh from al Al-Bayt University Jordan
- Master's degree in Fiqh and Usul al-Fiqh from International Islamic University Malaysia

Skill and Experience
- Formerly, he served as a lecturer at the esteemed Department of Fiqh and Usul al-Fiqh at the Kulliyah of Islamic Revealed Knowledge and Human Sciences of the International Islamic University Malaysia, where he contributed significantly to the academic landscape in Islamic jurisprudence.
- Known for his dynamic presence and expertise, he is highly active in delivering speeches and specialized training on Shariah principles, particularly in the areas of Fiqh Muamalat, Islamic Economics, and Fiqhi-Medico, garnering admiration for his insightful contributions.
- With a wealth of experience in Shariah consultation, he has played pivotal roles such as module developer and member of the Working Group for MS 1900:2014 Standard (Shariah-based Quality Management Systems – Requirement with Guidance) secretariat by SIRIM. Additionally, he has served as a Shariah Advisor for Yayasan Muamalat Belia, Tissue Bank HUSM Kubang Kerian, and as a Shariah Committee Representative to BKRM's BOD Meeting and JAKIM's Muamalat Panel of Experts.
- Currently, he holds esteemed positions including Board member and Chairman of the Shariah Committee at AEON Bank (M) Berhad, Shariah Committee member of AgroBank Berhad, and Shariah Committee member of Tabung Haji. He also serves as the Wakaf Committee member of Majlis Agama Islam dan Adat Istiadat Melayu Kelantan, Panel Consultant Member for the International Research Centre in Islamic Economy and Finance (IRCIEF) at UIS, and a Member of the International Union for Muslim Scholars (Ittihad al-'Alami li 'Ulama' al-Muslimin), Qatar.
- Previously, he held significant roles such as Chairman of the Shariah Board at Al-Rajhi Bank Malaysia Berhad, Shariah Committee Member of Bank Kerjasama Rakyat, and Shariah Committee Member of PruBSN Takaful.
- Additionally, he served as an Executive Committee (EXCO) member of the Association of Shariah Advisors in Islamic Finance (ASAS), further underscoring his commitment to advancing the principles of Shariah in the finance industry.

KEY SENIOR MANAGEMENT TEAM

ZAHARUDIN DAUD

AHMAD NOOR AZHARI ABDUL MANAF

MUHAMMAD FIKRI MOHAMAD RAWI

DATO' RUDY RODZILA CHE LAMIN

SHARMINI PERAMPALAM

DURRAINI BAHARUDDIN

LEONG JOE YEE

MASTURA MOHD SAFFAI @ MOHD SHAFIE

LENA ABD LATIF

NUR AZLINA MOHD YAZID

HANIZA FILZAH HAYANI ABU HANIFFA

NG CHEE SANG

KEY SENIOR MANAGEMENT TEAM'S PROFILE

ZAHARUDIN DAUD

President & Group Chief Executive Officer

Age	Gender	Nationality
58	M	

Skill and Experience

He joined MNRB on 1 September 2020 as the GCEO Designate prior to his official appointment as the President & GCEO of MNRB Holdings Berhad on 23 November 2020.

He obtained an Advanced Diploma in Business Studies from Institute Teknologi Mara and has been an Associate of The Chartered Insurance Institute (ACII) since 1992. Additionally, he has been a Chartered Professional in Islamic Finance (CPIF) by The Chartered Institute of Islamic Finance Professional since 2019 and completed the Senior Management Development Program by Harvard Business School Alumni Club of Malaysia in 2010. He started his career in an insurance Broking house and has exposures in Sales and Marketing, Operations, Retail Underwriting and Product Design in his over thirty (30) years of experience in the general insurance business. He was also the Management Committee member of the Persatuan Insurans Am Malaysia ("PIAM") and Life Insurance Association of Malaysia ("LIAM") until 2018, and was a Board member of ISM Insurance Services Malaysia Berhad ("ISM") until August 2020. In early 2010, he was redeployed to Singapore to be the Principal Officer of Etiqa Singapore before returning to Malaysia to assume the position of the CEO of Etiqa Insurance Berhad in September 2014. He was the Chief Executive Officer of Etiqa General Takaful Berhad from January 2018 to August 2020.

He was appointed as a Non-Independent Executive Director of Malaysian Reinsurance Berhad, Takaful Ikhlas Family Berhad and Takaful Ikhlas General Berhad on 23 November 2020. He is also a Director of associate company, Motordata Research Consortium Sdn. Bhd. On 21 January 2021, he was appointed as a Director of Malaysian Re (Dubai) Ltd.

AHMAD NOOR AZHARI ABDUL MANAF

President & Chief Executive Officer,
Malaysian Reinsurance Berhad

Age	Gender	Nationality
53	M	

Skill and Experience

He is the President & CEO of Malaysian Reinsurance Berhad. A product of Universiti Teknologi MARA ("UiTM") and Malaysian Insurance Institute ("MII") majoring in Investment Analysis and Insurance (Risk Management) respectively, he brings with him nearly three (3) decades of experience in insurance and reinsurance. Ahmad Noor Azhari has worked with leading companies such as Etiqa Insurance (MNI), Hannover Re, Malaysia and Kuwait Re Far East Regional Office where the last position held was as the Principal Officer.

He has been a part of Malaysian Re since August 2016 and has served as the Chief Underwriting Officer since December 2021. In his previous role, Ahmad Noor Azhari was responsible for the underwriting of Business Region 2 (East Asia, ASEAN, Africa & Europe) and has contributed significantly to the growth and success of Malaysian Re. He was appointed as President & CEO of Malaysian Re on 1 April 2023.

Not a Director in any public companies or listed issuer. Not related to any Director and/or major shareholders of MNRB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past five (5) years.

MUHAMMAD FIKRI MOHAMAD RAWI

President & Chief Executive Office,
Takaful Ikhlas Family Berhad

Age	Gender	Nationality
59	M	Malaysia

Skill and Experience

He obtained his Bachelor of Business Administration from Western Michigan University, Kalamazoo, USA. He has over thirty (30) years of combined experience in banking, insurance and takaful. Prior to joining Takaful Ikhlas Family Berhad, he was the CEO of Sun Life Malaysia Takaful Berhad. He was appointed as President & CEO of Takaful Ikhlas Family Berhad on 14 January 2022.

DATO' RUDY RODZILA CHE LAMIN

President & Chief Executive Office,
Takaful Ikhlas General Berhad

Age	Gender	Nationality
55	M	Malaysia

Skill and Experience

He obtained his Master of Management from International Islamic University Malaysia and hold a professional body accountancy qualification (AAIA) from The Association of International Accountants (UK). He has over thirty (30) years of combined experience in the financial, banking and insurance industries. Prior to joining Takaful Ikhlas General Berhad, he was the Executive Vice President, Head of Regional Distribution in Etiqa Group. He joined Takaful Ikhlas General Berhad on 1 November 2021 as the President & CEO Designate. He was appointed as President & CEO of Takaful Ikhlas General Berhad on 30 November 2021.

Not a Director in any public companies or listed issuer. Not related to any Director and/or major shareholders of MNRB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past five (5) years.

SHARMINI PERAMPALAM

Senior Vice President &
Group Chief Financial Officer

Age	Gender	Nationality
56	F	Malaysia

Skill and Experience

She graduated in 1993 with an Honours degree in Accountancy from Universiti Putra Malaysia ("UPM") and is a Chartered Accountant of the Malaysian Institute of Accountants and an Associate Member of the Malaysian Institute of Insurance ("AMII") . After an early careeras a tax consultant and Internal Auditor she joined the then Malaysian National Reinsurance Berhad in 1995 as an Internal Audit Executive and moved up the ranks to Manager before being transferred to the Finance Department. She was promoted to Senior Vice President & Head of Finance in 2011. She left MNRB to join a general insurer as Chief Financial Officer in 2017 before returning as Group Head of Finance, MNRB on 15 January 2021. On 1 March 2024, she was appointed as the Group Chief Financial Officer. She is also a Director of Sinar SerojaBerhad, MMIP Services Sdn Bhd, and Labuan Reinsurance (L) Ltd.

She is a Reinsurance Accounting specialist, with a wealth of experience in insurance operations and is known for driving operations management to align finance functions with business operations and increase efficiency and bottom-line profit.

DURRAINI BAHARUDDIN

Senior Vice President &
Group Chief Investment Officer

Age	Gender	Nationality
41	F	Malaysia

Skill and Experience

She holds a Bachelor of Laws (LLB) from King's College, University of London, and a Masters of Applied Finance from Kaplan Professional, Australia. Durraini embarked on her career in 2007 as an Investment Analyst with Permodalan Nasional Berhad, and become Regional Fund Manager for Permodalan Nasional Berhad and its subsidiary, Singapore Unit Trusts Limited. In 2016, she transitioned to Franklin Templeton Malaysia, focusing on Business Development, before assuming the role of Chief Executive Officer at Value Partners Malaysia in 2018. She joined MNRB on 13 February 2023 as the Group Chief Investment Officer, overseeing the group's investment portfolio.

Not a Director in any public companies or listed issuer. Not related to any Director and/or major shareholders of MNRB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past five (5) years.

LEONG JOE YEE

Senior Vice President & Group Chief Risk Officer

Age	Gender	Nationality
46	M	Malaysian flag

Skill and Experience

He graduated in year 2000 with Bachelor of Science in Business Administration, Actuarial Science from Drake University, Iowa USA. He began his career as an actuarial consultant in the USA and returned to Malaysia in 2003. He has extensive experience in driving risk management and operational changes in organizations, partnering with business and underwriting teams in transforming the business by leveraging on analytics, driving the implementation of business intelligence, and providing independent insights and perspective to Board of Directors. Prior to joining MNRB, he was the Chief Risk Officer for Hannover Re Malaysian Branch. He joined MNRB on 10 March 2021 as the Group Chief Risk Officer.

MASTURA MOHD SAFFAI @ MOHD SHAFIE

Senior Vice President & Group Chief Compliance Officer

Age	Gender	Nationality
51	F	Malaysian flag

Skill and Experience

She is the Senior Vice President & Group Chief Compliance Officer of MNRB. She holds a Bachelor in Business Administration, Finance from MARA University of Technology and a Chartered Islamic Finance Professional from INCEIF. In 2022, she was awarded the Certified Shariah Practitioner by the Association of Shariah Advisors in Islamic Finance. She began her career as a dealer representative in TA Securities Berhad in 1997 and two (2) years later she joined Bank Negara Malaysia as a Senior Supervisor, Financial Conglomerates Supervision Department. She served in this function for sixteen (16) years during which she gained experience in the areas of governance, compliance and risk management. She left Bank Negara Malaysia in 2015 to join Bank of Tokyo-Mitsubishi UFJ and later employed by several other commercial banks. She joined MNRB on 4 January 2023.

Not a Director in any public companies or listed issuer. Not related to any Director and/or major shareholders of MNRB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past five (5) years.

LENA ABD LATIF

Senior Vice President, Head of Legal & Secretarial & Group Company Secretary

Age	Gender	Nationality
57	F	Malaysian flag

Skill and Experience

She holds a Bachelor of Laws (Honours) Degree from the International Islamic University Malaysia and was called to the Malaysian Bar. Up till now she has over thirty (30) years of accumulated working experience in legal, secretarial and corporate affairs starting at Utusan Melayu (Malaysia) Berhad and Land & General Berhad. She joined the then Malaysian National Reinsurance Berhad in 2003 as Manager, Legal & Secretarial and was appointed as its Company Secretary in February 2004. She was promoted to her current position as Senior Vice President & Head of Legal & Secretarial in 2011. She is also the Company Secretary of Malaysian Reinsurance Berhad, Takaful Ikhlas Family Berhad, Takaful Ikhlas General Berhad, Sinar Seroja Berhad, Malaysian Re (Dubai) Ltd and MMIP Services Sdn Bhd.

NUR AZLINA MOHD YAZID

Senior Vice President & Head of Group Human Capital Management

Age	Gender	Nationality
57	F	Malaysian flag

Skill and Experience

She graduated in year 1991 with Bachelor of Law ("LLB") from University of East London. She has more than twenty-five (25) years of experience in diverse industries including Legal, Manufacturing, IT, Oil & Gas and Shared Services. Throughout her career, she has led organizations in improving Performance and Leadership, Talent Management and Workforce Planning, Organization Development and Capability Building, Transformation and Change Management, Diversity & Inclusiveness as well as focusing on Positive Employee Relations and Industrial Relations. She is also a Certified Lean Practitioner and has helped businesses drive continuous improvement efficiencies by focusing on simplifications and standardization of work process. Prior to joining MNRB Holdings Berhad, she was General Manager HR Upstream in Shell Malaysia. She joined MNRB on 2 March 2022.

Not a Director in any public companies or listed issuer. Not related to any Director and/or major shareholders of MNRB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past five (5) years.

HANIZA FILZAH HAYANI ABU HANIFFA

Senior Vice President &
Group Chief Internal Auditor

Age	Gender	Nationality
55	F	Malaysian flag

Skill and Experience

She is a Chartered Accountant ("C.A."), an Associate member of the Institute of Chartered Secretaries and Administrators ("ICSA") and also a Chartered member of the Institute of the Internal Auditors ("CMIIA"). She also holds a Bachelor in Accountancy Degree from the International Islamic University Malaysia in 1992. She started her career in 1992 with Messrs. Arthur Andersen & Co. and later served in an associate company of Petronas for about eight (8) years as the Head of Corporate Services and Finance before moving on to MAS where she was given the opportunity to work closely with the Turnaround office as the Manager, Group Reporting & Control. In 2007, she joined Syarikat Takaful Malaysia Berhad ("STMB") and moved her way up from Senior Manager to Head of the Internal Audit Division until April 2019. She left STMB in April 2019 to join MNRB on 3 May 2019. She has vast experience in both external and internal auditing, besides other areas in finance field.

NG CHEE SANG

Senior Vice President &
Group Chief Technology Officer

Age	Gender	Nationality
54	M	Malaysian flag

Skill and Experience

He graduated in 1993 with a Bachelor of Science, Computer & Information Science from the National University of Singapore. He began his career as a software developer with a network provider in Singapore before returning to Malaysia in 1997. He has more than twenty-five (25) years of working experience as an IT professional. He held various roles and responsibilities in the Insurance/Takaful industry and was instrumental in helping the insurance companies transform and strengthen the IT divisions/departments. He has successfully implemented many IT solutions which have helped to support business growth, reduce the turnaround time and cost of doing business. He joined MNRB on 13 September 2021.

Not a Director in any public companies or listed issuer. Not related to any Director and/or major shareholders of MNRB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past five (5) years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Corporate Governance Approach

The Board of Directors ("the Board") of MNRB Holdings Berhad ("MNRB" or "Company") presents this Corporate Governance Overview Statement ("CG Overview Statement") to provide shareholders and investors with an overview of the principal features of the Company's and its subsidiaries' ("Group") corporate governance practices during the financial year ended 31 March 2024 ("financial year") as well as key focus areas and future priorities in relation to corporate governance.

The Board remains committed towards maintaining a high standard of corporate governance throughout the Group and strives to continuously improve the effective application of the principles and best practices as laid down in the following:

(a) Companies Act, 2016;

(b) Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia ("MCCG 2021"); and

(c) Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

In addition to the above, as a Financial Holding Company approved by Bank Negara Malaysia ("BNM"), the Board also applies the standards set out in BNM's Policy Document on Corporate Governance ("BNM PD CG").

MNRB accords high regard to the effective application of these principles and best practices in addition to upholding high standard of business integrity in all activities undertaken by the Group. This includes a commitment to emulate good industry practices and to comply with policy documents and recommendations by regulatory authorities.

Set out below is a statement on how MNRB has applied the principles and complied with the best practices as prescribed under the MCCG 2021, the MMLR and the BNM PD CG during the financial year.

This CG Overview Statement is prepared in compliance with MMLR and is to be read together with MNRB's Corporate Governance Report 2024 ("CG Report'), based on prescribed format as outlined in Paragraph 15.25(2) of MMLR.

The CG Report shall provide a detailed articulation on the extent of the Company's compliance with the corporate governance practices set out in the MCCG 2021. The CG Report is available on the Company's website, www.mnrb.com.my as well as via an announcement on Bursa Securities' website.

This CG Overview Statement should also be read in conjunction with the other statements in this annual report (e.g. Statement on Risk Management and Internal Control, Reports on Audit and Sustainability Statement) as the application of certain corporate governance enumerations may be more briefly explained in the context of the respective statements.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Board is responsible for the proper stewardship of the Group's resources, the achievement of the Group's objectives and good corporate citizenship. It discharges these responsibilities by complying with all the relevant Acts, Guidelines and Regulations, including adopting the principles and best practices of the MCCG 2021, the MMLR and the BNM PD CG.

The Board exercises effective oversight role in the conduct of the Group's affairs. This includes the responsibility to determine the Group's development and overall strategic direction. Key matters such as the approval of quarterly and annual results, major acquisitions and disposals, major capital expenditures, budgets, business plans and succession planning for top management, are reserved for the Board or its appointed committees to deliberate and resolve.

To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company and in line with the MCCG 2021, the Board is required to adhere to the following:-

- together with senior management, promote good governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- review, challenge and decide on Management's proposals for the Company, and monitor their implementation by Management;
- ensure that the strategic plan of the Company will support long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- supervise and assess management performance to determine whether the business is being properly managed;
- ensure the availability of sound framework for internal controls and risk management;
- understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;
- set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- ensure the Senior Management has the necessary skills and experience, and measures are in place to provide for the orderly succession of the Board and Senior Management;
- ensure that the Company has in place procedures to enable effective communication with stakeholders; and
- ensure the integrity of the Company's financial and non-financial reporting.

There is also a financial and business review of the Group's quarterly performance including operating performance to date, against the annual budget and business plan previously approved by the Board for that year.

The functions of the Board and Management are clearly demarcated to ensure the effectiveness of the Company's business and its day-to-day operations as outlined in the Board Charter. The Board delegates the day-to-day management of the Company's business to the Senior Management Team, but reserves for the Board's consideration reserved matters, as disclosed in detail under Appendix A of the Board Charter.

A Code of Ethics and Whistleblowing Policy ("said Code") have been put in place to foster an ethical culture and allow legitimate concerns to be raised in confidence without the risk of reprisal. The said Code is reviewed periodically by the Board and published on the Company's website.

During the year, a strategic meeting involving the Boards of the four (4) entities within the Group was held to deliberate on matters concerning the way forward towards achieving the vision of the Group. This collaboration was envisaged to promote better coherence among the business of the subsidiaries and to enhance group strategy.

BOARD COMPOSITION

The Board is committed to ensuring diversity and inclusiveness in its composition and deliberations. It embraces the proposition that having a diverse Board would have a positive, value-relevant impact on the Group.

The Board comprises members with relevant expertise and experience drawn from business, financial and technical fronts which strengthened leadership and management.

During the financial year, the Board comprised seven (7) members, all of whom are Non-Executive Directors, including the Chairman. Six (6) members are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Chairman/Director. The presence of majority independent directors allows the Board to apply heightened professional vigilance and challenge the Management in an unbiased manner and prevent dominance and complacency in the boardroom.

As at the date of this report, the percentage of the Board composition is as follows:

Independent Non-Executive Directors	**86%**	**6/7**
Non-Independent Non-Executive Chairman/Director	**14%**	**1/7**

By virtue of this composition, the Company is in compliance with:

- Paragraph 15.02(1)(a) of the MMLR which requires at least two (2) directors or one-third (1/3) of the Board, whichever is the higher, to be independent;
- Paragraph 11.3 of the BNM PD CG which requires the Chairman of the Board to be a Non-Executive Director; and
- Paragraph 11.4 of the BNM PD CG which requires the Board to comprise not more than one Executive Director which currently, the Board does not have any as its member.

The above remained as the tenets of the Board's holistic approach in determining its size, composition, and level of independence wherein the Board, to the extent possible, also takes into account the following principles in determining its composition and ideal size:

- to have only one Executive Director as a member of the Board (which currently, the Board does not have any as its member);
- to appoint a Chairman of the Board who is a Non-Executive Director;
- to ensure that the role of the Chairman of the Board is separate from the President & Group Chief Executive Officer ("President & GCEO");
- to ensure that the Chairman of the Board does not chair any of the Board Committees;
- to ensure that Board Committees comprise a majority of Independent Non-Executive Directors;
- to ensure that the Chairman of all Board Committees are Independent Non-Executive Directors; and
- to appoint a Senior Independent Director from among the Independent Non-Executive Directors.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD DIVERSITY

The Board fully recognises the importance of boardroom diversity including but not limited to, gender, age and experience in driving the Group's aspirations. To this effect, a Policy on Diversity was established in 2016.

The Board values the different expertise that each Director brings to the Board due to his or her diverse background, skills and experience.

Although the Board has no specific targets on gender diversity, it endeavours to maintain the number of women directors subject to their suitability and competency. During the financial year, the Board has three (3) women members, representing 43% of the total Board Members.

In order to comply with regulatory requirements and to have a well-balanced Board, the existing appointment process for a new Board member takes into consideration the required skill sets, experience, competency, gender and age of the individual candidates as well as the appropriate size, structure and composition of the Board as a whole. The Board is now largely equipped with knowledge in the field of reinsurance, regulatory, accounting, banking, legal, information technology, investment and business operations.

The table below depicts the qualification/experience as well as tenure of the existing Directors during the financial year:

Name	Qualification/Experience	Tenure in the Company
Datuk Johar Che Mat	Banking	6 years, 6 months
George Oommen	Accounting, Insurance & Reinsurance	6 years, 3 months
Khalid Sufat	Accounting & Banking	4 years, 6 months
Junaidah Mohd Said	Regulatory & Reinsurance	4 years, 6 months
Zaida Khalida Shaari	Law & Investment	4 years, 6 months
Dato' Wan Roshdi Wan Musa	Corporate Risk & Investment	4 years
Chin See Mei	Information Technology	6 months

BOARD MEETINGS

The Board meeting dates for the ensuing financial year are scheduled in advance before the end of the current financial year in order for the Directors to plan their schedules ahead of time.

The Board has scheduled meetings of at least six (6) times a year, besides the Annual General Meeting ("AGM"). During the financial year, the Board met eleven (11) times consisting of six (6) scheduled meetings and five (5) special meetings. The additional five (5) special meetings were due to deliberations on Sukuk Programme and Issuance, Quarterly Financial Results and Strategic Planning for MNRB Group and its Subsidiaries.

Technology is effectively used in Board meetings and communications with the Board. Board meeting materials are shared electronically and where required, Directors may participate in meetings via video conference.

Pursuant to the MMLR, all Directors are required to attend at least fifty percent (50%) of Board meetings while under Paragraph 9.3 of the BNM PD CG, all Directors are required to attend at least seventy five percent (75%) of Board meetings held during the financial year. During the financial year, all Directors have complied with both the requirements.

The details of attendance of the Directors at Board meetings held during the financial year are as follows:

Datuk Johar Che Mat Chairman/Non-Independent Non-Executive Director	100%	11/11
George Oommen Senior Independent Non-Executive Director	100%	11/11
Khalid Sufat Independent Non-Executive Director	100%	11/11
Junaidah Mohd Said Independent Non-Executive Director	100%	11/11
Zaida Khalida Shaari Independent Non-Executive Director	91%	10/11
Dato' Wan Roshdi Wan Musa Independent Non-Executive Director	100%	11/11
Chin See Mei Independent Non-Executive Director *(Appointed with effect from 1 October 2023)*	100%	8/8

DIRECTORS' REMUNERATION

Remuneration Policy and Procedure

The Group Nomination & Remuneration Committee ("GNRC") recommends to the Board the appropriate remuneration packages in order to attract, motivate and retain the Directors for MNRB Group. The MNRB Group Non-Executive Directors Remuneration Policy is to reward the Directors competitively, taking into account performance, market comparison and competitive pressure in the industry. Whilst not seeking to maintain a strict market position, the GNRC takes into account comparable roles in similar organisations that may be of similar in size, market sector or business complexity.

After the 49th AGM of the Company, all Non-Executive Directors were paid Directors' fees on monthly basis instead of quarterly. The Board was of the view that this arrangement is just and equitable as the Non-Executive Directors had discharged their responsibilities and rendered their services to the Company.

The remuneration structure for the Non-Executive Directors of the Company is as follows:

- Fees for duties as a Director and as a member of the various Committees of the Board as well as additional fees for undertaking responsibilities as Chairman of the Board and the various Board Committees.
- Benefits which consist of cash and non-cash benefits of monetary value.

The Directors' fees and benefits for all Non-Executive Directors are recommended by the Board to the shareholders for their approvals.

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

The Board, through the recommendation of the GNRC, had agreed to maintain the same fee structure as used in the previous year for computing the fee for each Non-Executive Director for the financial year ended 31 March 2024. This would include the Directors' fees for the GNRC and Group Investment Committee which was established on 1 January 2022:

		Meeting Attendance Allowance RM	Annual fees RM
Board	Chairman	RM1,500 for each meeting attended	130,000
	Member		70,000
Audit Committee	Chairman		22,000
	Member		17,000
Risk Management Committee of the Board	Chairman		22,000
	Member		17,000
Group Nomination & Remuneration Committee	Chairman		17,000
	Member		12,000
Group Investment Committee	Chairman		17,000
	Member		12,000

Further details on the total remuneration of each Director of the Company can be found in the CG Report, accessible on the Company's website at www.mnrb.com.my. In addition, the CG Report has been uploaded alongside this Annual Report under the "Annual Report" section on the Bursa Securities website.

Remuneration Policy in respect of the President & GCEO and Board Appointees of the Company

The objective of the Company's remuneration policy is to attract, motivate, reward and retain high performance personnel.

The remuneration of the President & GCEO and the Board Appointees of the Company are reviewed at the point of contract renewal by the GNRC.

The basic component of the remuneration package comprises a monthly basic salary. The variable components have been designed to link rewards to corporate and individual performance, based on appropriate and meaningful performance measures set up by the Company, and reviewed by the GNRC and approved by the Board. Such components comprise a performance-based variable bonus, which are generally paid/awarded once a year. In awarding this variable component, the President & GCEO and Board Appointees' corporate and individual performances are measured using a balanced scorecard approach that encourages business sustainability and prudent risk taking.

Staff engaged in all control functions including Actuarial and others, do not carry business profit targets in their goal sheets and hence, are compensated independent of the business profit achievements. Their compensation is dependent on the achievement of key results in their respective domain.

The annual budget for salary increments and performance-related variable bonus, reviewed by the GNRC is submitted to the Board for approval.

The competitiveness of the Company's compensation structure is reviewed annually relative to a peer group of companies that is considered relevant, for compensation purposes to ensure continued appropriateness. The review is done through comparison to data source from various remuneration surveys conducted independently by remuneration consultants.

The Company's variable compensation varies in line with its financial performance and in meeting BNM PD CG requirements.

The total value of remuneration for the President & GCEO and Board Appointees (i.e. Group Chief Financial Officer, Group Chief Investment Officer, Group Chief Risk Officer, Group Chief Internal Auditor and Group Chief Compliance Officer) and Senior Management Officers for the financial year are as follows:

Fixed Remuneration	Grade	Unrestricted RM	Deferred RM	Remark
Cash-Based	President & GCEO	1,607,230	-	Salaries, allowance and EPF
	BA & SM	6,243,582	-	
Others	President & GCEO	18,300	-	Benefit-in-kind
	BA & SM	-	-	

Variable Remuneration	Grade	Unrestricted	Deferred	Remark
Cash-Based	President & GCEO	632,500	-	Variable Bonus and EPF on bonus
	BA & SM	1,123,181	-	
Others	President & GCEO	-	-	
	BA & SM	-	-	

BA: Board Appointees
SM: Senior Management

BOARD EDUCATION & DEVELOPMENT

Induction Programme for Newly Appointed Director

The Company acknowledges that continuous education is vital for the Board members to gain insight into the regulatory updates and market developments to enhance the Directors' skills and knowledge in discharging their responsibilities.

During the financial year, all Directors attended various seminars and programmes to strengthen their skills set and knowledge to effectively discharge their responsibilities, as well as to acquire sound understanding of current issues and developments in the financial and business environment.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Pursuant to the requirements of Bursa Malaysia, a newly appointed Director is required to attend the Mandatory Accreditation Programme ("MAP") and also the Leading for Impact (LIP) MAP Part II.

In addition to the above, being a Director of a financial institution, a newly appointed Director is required to attend the Financial Institution Directors' Education ("FIDE") programme and complete the same within one (1) year from the date of appointment.

In the event that the new Director had previously completed the same in another financial institution, the Director should provide a copy of his/her FIDE certificate to the Company Secretary.

All new Directors are required to undergo an induction programme to be apprised of amongst others, information about the Group, the Board's role, powers that have been delegated to the Company's Senior Management and Management committees as well as the latest financial information of the Group. This is to quickly familiarise the Directors on the 'DNA' of the Company for early and effective contribution.

To supplement the programme, a Director's Handbook is furnished by the Company Secretary upon a Director's appointment containing information such as disclosure obligations of a Director, Board Charter, Code of Ethics, Board Committees' Term of Reference, schedule of meetings, amongst others.

Directors' Continuous Education and Development

The Company, via the Company Secretary also facilitates the organisation of internal training programmes and Directors' participation in external programmes to ensure the Directors are kept abreast of new developments pertaining to laws and regulations, changing business risks, as well as technology and cyber security issues, which may affect the Company.

The Company Secretary keeps a complete record of the trainings received or attended by the Directors. Details of trainings/conferences/workshops attended by the Directors during the financial year are set out in the CG Report.

REPORT BY THE GROUP NOMINATION & REMUNERATION COMMITTEE

The GNRC was established on 1 January 2022 with the objective to better enhance the efficiency and governance of the Nomination Committee and Remuneration Committee functions in discharging its duties and responsibilities throughout the MNRB Group.

It functions on a Group basis and is empowered to consider related matters across the MNRB Group. The Board views this approach as an effective way to promote consistency of standards and practices within the Group where governance, human capital and rewards are concerned.

The functions and responsibilities of the GNRC are set out in its Terms of Reference which is available on MNRB's website.

The GNRC comprises three (3) Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director. The Chairman of the GNRC updates the Board on matters that have been deliberated and considered by the said Committee at its meetings.

Attending the GNRC meetings are one (1) permanent invitee from each subsidiary. The President & GCEO, MNRB and the President & Chief Executive Officers ("President & CEOs") of the subsidiaries also attend the GNRC meetings as and when necessary.

The representation from subsidiaries in the GNRC enables an inclusive discussion at the meetings prior to recommending the matters to the subsidiaries' respective Boards for final decision.

MEETINGS AND ATTENDANCE

During the financial year, the GNRC convened seven (7) meetings.

Details of members' attendance are as follows:

Zaida Khalida Shaari Chairman/Independent Non-Executive Director	**100%**	**7/7**
Junaidah Mohd Said Independent Non-Executive Director	**100%**	**7/7**
Khalid Sufat Independent Non-Executive Director *Represent Malaysian Reinsurance Berhad*	**100%**	**7/7**
Ooi Bee Hong *Permanent Invitee, Takaful Ikhlas Family Berhad*	**100%**	**7/7**
Dr Wan Zamri Wan Ismail *Permanent Invitee, Takaful Ikhlas General Berhad*	**100%**	**7/7**

DIRECTORS AND KEY SENIOR MANAGEMENT OFFICERS APPOINTMENT

The Board ensures that a formal and transparent nomination process for the appointment of Directors, Group Shariah Committee Members and Key Senior Management Officers is continuously maintained and improved pursuant to its nomination framework.

Individuals appointed to the Board, Group Shariah Committee and relevant senior positions must be fit and proper to discharge their prudential responsibilities during the course of their appointment.

They are assessed by the GNRC in accordance with the MNRB Group Fit & Proper Policy. These assessments and verifications are carried out on the declarations by each individual, including the record of material academic/professional qualification and the carrying out of checks by independent party on matters such as bankruptcy and regulatory disqualification.

The MNRB Group Fit & Proper Policy outlines the following criteria in assessing the suitability of the candidate:

- Probity, personal integrity and reputation, where the candidate must have personal qualities such as honesty, integrity, diligence, independence of mind, fairness and ethical behaviour;
- Competence and capability, where the candidate must have the skills, experience, ability and commitment to carry out the role; and
- Financial integrity, where the candidate must be financially sound and be able to manage his/her debts or financial affairs prudently.

At least two (2) members of GNRC conduct interview session with the potential candidates and assess them based on their skills and experience, independence (as the case may be) and objectivity, sound judgement as well as other relevant perspectives before presenting to the Board for approval.

The Board's expectations on the time commitment and contribution from the new Directors are clearly communicated to the potential candidates. The GNRC will evaluate the candidates' ability to discharge their duties and responsibilities as well as assess their commitment to devote their time as a Director prior to recommending their appointment as Directors for approval.

Pursuant to BNM PD CG, MNRB is required to make an application to BNM before the appointment/reappointment of a Director, Group Shariah Committee member and its President & GCEO.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

During the year, there were three (3) new recommendations made by the GNRC namely to appoint a new member of the Board, a new member for the Group Shariah Committee and the redesignation of Puan Sharmini Perampalam as the Group Chief Financial Officer.

BOARD EVALUATION & ASSESSMENT

During the financial year, the GNRC had also performed the Annual Assessment on the Effectiveness of the Board, Directors' Peer Evaluation for the MNRB Group as well as the Evaluation of the President & GCEO and President & CEOs of the subsidiaries.

The process was externally conducted by Boardroom Corporate Services Sdn Bhd through questionnaires circulated and interview sessions held with the Board covering a spectrum of qualities associated with the Board's Effectiveness, Strategic Plan, Composition, Operations, Performance of the President & GCEO and President & CEOs of the subsidiaries as well as Directors' Peer Evaluation that encapsulates amongst others contribution, performance and calibre of each Individual Director. A 360° assessment were conducted where the Key Senior Management were interviewed to provide feedback on the Board's performance.

These questionnaires were designed and reviewed by the Chairman of the GNRC to ascertain the Board's and Individual Directors' strength and gaps or areas for improvement.

The results and the report on the assessment were presented to the GNRC for recommendation prior to tabling to the Board for approval. The findings also form part of the Board's evaluation for the reappointments of the existing Directors within MNRB Group and the President & GCEO of MNRB as well as the President & CEOs of the subsidiaries.

In addition to the Board Annual Assessment described above, the GNRC also reviewed the term of office and performance of the Audit Committee and its members in line with the requirement under paragraph 15.20 of the MMLR. Based on the Corporate Governance Guide issued by Bursa Malaysia, the assessment of the Audit Committee would include assessment on the Quality & Composition, Skills & Competencies and Meeting Considerations & Conduct.

The GNRC, having deliberated the findings, would report the results to the Board and highlight those matters that require further discussion and direction from the Board.

SUMMARY OF THE GROUP NOMINATION & REMUNERATION COMMITTEE'S ACTIVITIES IN THE FINANCIAL YEAR 2023/2024

During the financial year, the GNRC considered and made recommendations to the respective Boards on the following matters:

- Reviewed the appointments and reappointments of Directors and Group Shariah Committee within the MNRB Group;
- Reviewed renewal of the Contract of Appointment of Key Senior Management Officers within the MNRB Group;
- Assessed the Board Effectiveness Evaluation for the Board and Individual Directors for the financial year ended 31 March 2024;
- Assessed the results of the Audit Committee Evaluation and the assessment on Audit Committee Effectiveness;
- Assessed the results of the Annual Assessment on the Effectiveness of the Group Shariah Committee and its Members for financial year ended 31 March 2024;
- Assessed the findings of the Fit and Proper Assessment of Directors and Key Senior Management within the MNRB Group;
- Reviewed the Compositions of the Board and Board Committees of the MNRB Group;
- Reviewed the MNRB Group Directors' Fees for the Financial Year Ended 31 March 2023 and Proposed Revision to the Directors' Fees from Annual General Meeting 2024 to 2025;
- Assessed the Annual Increment & Bonus for financial year ended 31 March 2024;
- Reviewed the MNRB Group 2023 Benefits Review Report & Implementation Plan;
- Reviewed the proposed mandate for the collective bargaining with the National Union of Commercial Workers (NUCW) for the term of 2022 to 2025;
- Reviewed the outcomes and recommendation of MNRB Pay Benchmarking;
- Reviewed the MNRB Group Retention Strategy of Talent and Employees with Critical Skills, and the Proposed Implementation Plan;
- Reviewed the Proposed Appointment of New Group Shariah Committee Member of MNRB Holdings Berhad;
- Reviewed the Proposed Redesignation of Group Chief Financial Officer;
- Reviewed the revision of Total Benefit; and
- Reviewed the Proposed Appointment of an External Consultant for the Board & Individual Director's Effectiveness Evaluation.

GROUP SHARIAH COMMITTEE

The Group Shariah Committee was established to cater for the Group's Takaful and Retakaful businesses. It resides at MNRB and is leveraged by the other subsidiaries within the Group. The Group Shariah Committee is tasked with the responsibility of ensuring that the Group's Takaful and Retakaful business activities are in compliance with Shariah principles at all times.

The establishment of Group Shariah Committee is in compliance with the Islamic Financial Services Act, 2013 and BNM's Shariah Governance Policy Document which outlines the Bank's strengthened expectations for effective Shariah governance arrangements that are well-integrated with business and risk strategies of the Islamic financial institutions.

The Shariah control functions i.e. Shariah Review, Shariah Audit and Shariah Risk is responsible for the effective management of the Shariah non-compliance risk. A periodic report on Shariah non-compliance risk or non-compliance events and highlights on action plans undertaken to address the issues is reported to the Group Shariah Committee and the Board for deliberation and decision.

The Group Shariah Committee plays a significant role in providing objective and sound advice to the Group's Takaful and Retakaful businesses to ensure that its aims and operations, business, affairs, and activities are in compliance with Shariah. This includes:

(a) providing a decision or advice on the application of any rulings of the Shariah Advisory Council ("SAC") or standards on Shariah matters that are applicable to the operations, business, affairs and activities of the Group's Takaful and Retakaful businesses;
(b) providing a decision or advice on matters which require a reference to be made to the SAC of BNM;
(c) providing a decision or advice on the operations, business, affairs and activities of the Group's Takaful and Retakaful businesses which may trigger a Shariah non-compliance event;
(d) deliberating and affirming a Shariah non-compliance finding by any relevant functions; and
(e) endorsing rectification measures to address any Shariah non-compliance event.

During the financial year, the Board had appointed one (1) new Group Shariah Committee member namely, Encik Wan Rumaizi Wan Husin with effect from 1 August 2023. His appointment further adds diversity to the knowledge of the Group Shariah Committee which now comprises of takaful, regulatory, economic, banking, and business operations.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

A total of eight (8) Group Shariah Committee meetings were held during the financial year.

Details of the Group Shariah Committee members' attendance are as follows:

Name	Designation	%	Attendance
Prof. Dr. Younes Soualhi	Chairman	100%	8/8
Sahibus Samahah Assoc. Prof. Datuk Dr. Luqman Abdullah	Member	88%	7/8
Dr. Shamsiah Mohamad	Member	100%	8/8
Dr. Khairul Anuar Ahmad	Member	63%	5/8
Shahrir Sofian	Member	100%	8/8
Wan Rumaizi Wan Husin *(Appointed with effect from 1 August 2023)*		100%	6/6

The remuneration of the Group Shariah Committee members is decided by the Board. The Meeting Allowance and Annual Fees of the Group Shariah Committee members are funded equally by subsidiaries of MNRB, namely Takaful Ikhlas Family Berhad, Malaysian Reinsurance Berhad (for its Retakaful Division) and Takaful Ikhlas General Berhad.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

During the financial year, the Audit Committee comprises three (3) members. The Company has complied with Paragraph 15.09 of the MMLR, which requires all members of the Audit Committee to be Non-Executive Directors with majority being Independent Directors. Two (2) members of the Audit Committee are qualified Accountants and members of the Malaysian Institute of Accountants.

The Audit Committee's duties, as spelt-out in the Audit Committee Report on pages 124 to 126 of this Annual Report, include primarily, the duties as spelt out in paragraph 15.12 of the MMLR.

The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness. The Directors are responsible for ensuring that the accounting records are kept properly and that the Group's financial statements are prepared in accordance with applicable approved accounting standards in Malaysia. The Statement by Directors pursuant to Section 251(3) of the Companies Act 2016 is set out on page 144 of this Annual Report.

RISK MANAGEMENT COMMITTEE OF THE BOARD

The Board believes that an effective Risk Management Framework is essential for the Group to achieve its corporate objectives, sustained profitability and enhancement of shareholders' value in today's rapidly changing market environment.

Undertaking oversight role on risk governance is a dedicated Risk Management Committee of the Board ("RMCB") which oversees the implementation of an enterprise-wide risk management framework. The RMCB comprises five (5) members, a majority of whom are Independent Non-Executive Directors and chaired by the Senior Independent Non-Executive Director.

The RMCB assists the Board in meeting the expectations on risk management including ensuring the effective implementation of the Enterprise Risk Management Framework. The RMCB met six (6) times during the financial year.

Details of members' attendance are as follows:

Name	Designation	%	Attendance
George Oommen	Chairman/Senior Independent Non-Executive Director	100%	6/6
Dato' Wan Roshdi Wan Musa	Independent Non-Executive Director	100%	6/6
Datuk Johar Che Mat	Non-Independentdent Non-Executive Director	100%	6/6
Zaida Khalida Shaari	Independent Non-Executive Director	100%	6/6
Chin See Mei	Independent Non-Executive Director *(Appointed with effect from 1 October 2023)*	100%	4/4

For the year under review, the Board confirmed its satisfaction with the performance of the RMCB in discharging its duties and responsibilities in accordance with its Terms Reference.

Details on the Group's Internal Control and Risk Management is presented in the Statement on Risk Management and Internal Control as set out on pages 127 to 132 of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The Company has been transparent and accountable in maintaining the commitment to communicate effectively with shareholders. The Board is also committed to ensure that the shareholders and other stakeholders are well informed of major developments of the Group and the information is communicated to them through various channels including Annual Report, disclosures and announcements to Bursa Securities, press release, dialogues and presentations at general meetings and online investor relations on the Company's website.

INVESTOR RELATIONS

As part of the initiatives in developing and implementing an investor relations programme, regular briefings are held between the Group with analysts and investors.

Presentations based on permissible disclosures are made to explain the Group's performance and major development initiatives. Price-sensitive information about the Group is however, not disclosed at these briefings until after the prescribed announcement to Bursa Securities has been made.

ANNUAL REPORT

The Group's Annual Report is the main channel of communication between the Group and its stakeholders. The Annual Report communicates comprehensive information of the financial results and activities undertaken by the Group. As a listed corporation, the contents and disclosure requirements of the Annual Report are also governed by the MMLR.

The Company disseminates its Annual Report to its shareholders either in hard copy or access to the website via QR code. All information to shareholders is available electronically in the Company's website www.mnrb.com.my as soon as it is announced or published.

CONDUCT OF GENERAL MEETINGS

The AGM is the principal forum for dialogue with shareholders. The Company's AGM is normally well attended as it provides the shareholders direct access to the Board as well as provide the opportunity for the shareholders to participate effectively and to vote accordingly.

As a precautionary measure amid the COVID-19 pandemic, the Company's 50th AGM held on 20 September 2023 and was again conducted virtually and entirely via Remote Participation and Electronic Voting (RPEV) facilities in compliance with Section 327(2) of the Companies Act 2016 and Article 68 of the Company's Constitution.

All resolutions as set out in the Notice dated 27 July 2023 were conducted by way of poll via e-polling and were duly passed by the shareholders. The Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd, acted as the Poll Administrator and KPMG Management & Risk Consulting Sdn Bhd ("KPMG") was appointed as the Independent Scrutineer to verify and confirm the results of the poll.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Besides the normal agenda for the AGM, the President & GCEO presented a comprehensive and concise review of the Group's financial performance in addition to key development and progress achieved by the Group. This review is supported by the presentation of key points and key financial figures. The President & GCEO also presents the progress and performance of the Group in the Annual Report and provides opportunities for shareholders to raise questions pertaining to the business activities of the Group.

For the 50th AGM, shareholders were invited to send questions before the meeting via email to the Company's Investor Relations. The Chairman also encouraged shareholders to participate at the meeting by submitting typed questions in real time on the meeting platform. Questions that were submitted prior to the 50th AGM and those that were posed at the meeting were addressed during the meeting.

For transparency, the questions which had been addressed/answered were published for viewing of shareholders on the RPEV facilities. KPMG was appointed as the Moderator in line with the advice from the Minority Shareholders Watch Group to appoint an independent party to moderate the Questions & Answers session in a fair and impartial manner.

Six (6) Directors, Members of Senior Management and partners from the external audit firm were present at the 50th AGM to provide responses to the questions posed by shareholders.

The poll results were announced by the Company via BursaLINK on the same day for the benefit of all shareholders. The minutes of the 50th AGM including all questions raised and answers thereto were made available on the Company's website within 30 business days after the AGM.

QUARTERLY ANNOUNCEMENTS & PRESS RELEASES

The Group makes announcements on its quarterly results and other announcements to Bursa Securities to provide stakeholders with key information that affects their decision-making, thus enhancing the level of transparency.

To promote wider publicity and dissemination of publicly available information, the Group also issues press releases to the Media on all significant corporate developments and business initiatives to keep the investment community and all stakeholders apprised on the progress and development of the Group.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors dated 5 July 2024.

AUDIT COMMITTEE REPORT

MEMBERS OF THE COMMITTEE

Chairman	Members	
KHALID SUFAT	**GEORGE OOMMEN**	**JUNAIDAH MOHD SAID**
Independent Non-Executive Director	Senior Independent Non-Executive Director	Independent Non-Executive Director

MEMBERSHIP

The Audit Committee shall be appointed by the Board and comprises at least three (3) members of whom all members must be non-executive directors and the majority shall be independent directors. At least one (1) member of the Committee must be a member of the Malaysian Institute of Accountants or eligible for membership.

The members of the Audit Committee must elect a Chairman among themselves who is an independent director.

As at the financial year end, the Audit Committee comprises three (3) Independent Non-Executive Directors ("INEDs"). Two (2) members of the Committee are qualified accountants and members of the Malaysian Institute of Accountants.

The composition including the tenure of the Audit Committee members as well as the performance of the Audit Committee and each of its members had been reviewed during the financial year.

AUTHORITY

The Audit Committee is authorised by the Board to undertake any activity within its terms of reference and must have unlimited access to all information and documents relevant to its activities, to both the Internal and External Auditors, as well as to all employees of the Group.

It must be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other directors and employees of the listed issuer, whenever deemed necessary.

It must also have the authority to obtain independent legal or other professional advice as it considers necessary.

MEETINGS

A quorum shall consist of at least two-thirds of the members with independent directors forming the majority.

A minimum of four (4) meetings per year is planned. Additional meetings may be called at any time if so requested by any Committee member, the Management, the Internal or External Auditors.

The Chairman of the Audit Committee shall invite any person to be in attendance to assist the Committee in its deliberations.

After each meeting, the Audit Committee shall report and update the Board on significant issues and concerns discussed and where appropriate, make the necessary recommendations to the Board. The minutes of the meetings shall also be circulated to the Board after confirmation.

The Secretary to the Audit Committee shall be the Company Secretary.

ACTIVITIES

For the financial year under review, a total of nine (9) Audit Committee Meetings were held. Details of members' attendance are as follows:

Khalid Sufat	100%	9/9
George Oommen	100%	9/9
Junaidah Mohd Said	100%	9/9

The main activities that took place during the meetings were:

- Reviewed the quarterly results, unaudited interim financial statements and year-end financial statements prior to approval by the Board;
- Reviewed the disclosures in the audited financial statements to be in compliance with regulatory requirements;
- Reviewed the Statement of Directors' Responsibility in Relation to the Financial Statements, Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report to be in compliance with Bursa Malaysia requirements;
- Evaluated the performance and recommended to the Board, the appointment and remuneration of the External Auditors for the financial year ended 31 March 2024;
- Deliberated on, and recommended to the Board, the payment of dividend for the financial year ended 31 March 2023;
- Deliberated on, and recommended to the Board, the adoption of new Malaysian Financial Reporting Standards ("MFRSs") and Amendments/Annual Improvements to MFRSs that are effective for the financial year ended 31 March 2024;
- Reviewed and recommended to the Board, the adoption of the MNRB Group Policy on the Engagement of External Auditors for Non-Assurance Services;
- Reviewed and recommended to the Board, the adoption of amendments to the Accounting Policies of the Company;
- Reviewed the appointment and remuneration of the Tax Consultant for transfer pricing documentation for FY 2023 until 2025;
- Reviewed the tax matters affecting the Company;
- Reviewed the Related Party Transactions as entered into by the Company on a periodic basis, including understanding the relationship of the transacting parties, the nature of these parties' business, the nature and timing of transactions and comparing the terms of the transactions with other third party transactions;
- Deliberated on significant matters raised by the External Auditors including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions and received progress updates from Management on actions taken for improvements;
- Reviewed the External Auditors' management letter and Management's response thereto. A meeting without the presence of the Management was also held with the External Auditors on 15 June 2023. Matters discussed during the meeting include key reservations noted by the External Auditors during the course of their annual audit;
- Deliberated on matters pertaining to the implementation of MRFS 17 Insurance Contract;
- Reviewed the terms of reference of the Audit Committee and the Internal Audit Charter;
- Reviewed the actual and proposed Key Performance Indicators of the Internal Audit Department for the financial years ended 31 March 2023 and 31 March 2024 respectively;
- Reviewed the Internal Audit plan for FY 2024/2025 and External Auditors' audit plan for the financial year ended 31 March 2024;
- Reviewed the results of the internal audit reports for the Company on the adequacy and effectiveness of governance, risk management and compliance processes;
- Reviewed the adequacy and effectiveness of corrective actions taken by Management on all significant matters raised by both the Internal and External Auditors including status of completion achieved; and
- Reviewed the compliance with the Policy Document on Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions for Financial Institutions as well as evaluated the effectiveness of the overall compliance risk of the Company.

In respect of the Company's Employees' Share Option Scheme ("ESOS"), there were no allocation of options in the year for the Audit Committee to review.

INTERNAL AUDIT DEPARTMENT

The Audit Committee is assisted by the Internal Audit Department in the discharge of their duties and responsibilities. The Internal Audit Department is independent of operations and was set up in-house on 2 January 1991.

As at the financial year end, the Internal Audit Department is staffed by twenty seven (27) auditors. Some of the the Internal Audit Department staff have professional qualification such as the Association of Chartered Certified Accountants and are members of the Institute of Internal Auditors. With the exception of one (1) Internal Audit Department staff who exercised the Company's ESOS in 2004 and holds shares of the Company, the rest of the Internal Audit Department staff are free from any relationship or conflict of interest. This does not result in the impairment of objectivity and independence of the internal audit function as a whole.

The Internal Audit Department's duties are guided by prevailing internal policies and procedures and the Institute of Internal Auditors' International Professional Practice Framework as well as professional standards set within the Institute of Internal Auditors Code of Ethics.

Their primary responsibility is to provide assurance to the Audit Committee on the effectiveness of the governance, risk management and internal control process within the Company and its subsidiaries. Internal audit reports are issued to the Management of the operational units and contain audit findings, management responses and recommendations for improvement in areas with risk and internal control deficiencies.

For the financial year ended 31 March 2024, the total costs incurred for the Internal Audit Department were RM4,450,753.

A summary of its activities for the year is as follows:

1. Conducted audits of the various business portfolios/departments of the Company and its subsidiaries, including the reviews performed over key risk areas i.e. underwriting, claims, finance, customer relationship management, information and communication technology, management of customer information and permitted closure, outsourcing of external parties and review the Policy Document on Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions for Financial Institutions;

2. Conducted special reviews and investigations over possible threats to the safeguarding of assets and matters concerning organisational level reputational risks;

3. Follow-up on audit findings rectification and actions taken by Management to resolve the issues identified during the audits; and

4. Prepared annual audit plans for the Audit Committee's consideration.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control (the "Statement") is made pursuant to Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad and consistent with the guidance provided in the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

RESPONSIBILITY

The Board of MNRB Holdings Berhad ("MNRB") acknowledges its overall responsibility for the establishment and oversight of the Group's (comprising MNRB and its main operating subsidiaries, namely Malaysian Reinsurance Berhad, Takaful Ikhlas Family Berhad and Takaful Ikhlas General Berhad) risk management and internal control system, as well as the review of its adequacy and effectiveness. The Board also recognises that risk management is a continuous process, designed to manage risks impacting the Group's business strategies and objectives, within the risk appetite and tolerance established by the Board. In pursuing these objectives, the internal control system can only provide reasonable, but not absolute, assurance against any material financial misstatement, fraud, or losses.

The Board has established a group-wide risk management framework, i.e. the Group Risk Management Framework and Policy ("RM Framework") that describes the structure, approach, and process for identifying, evaluating, responding to, monitoring, and managing the significant risks faced by the Group. The RM Framework has been in place for the whole of the financial year ended 31 March 2024 and the latest review was completed in February 2023.

The RM Framework is applicable across the Group and serves as a central risk management framework, supported by related sub-frameworks, policies, and underlying procedures. It is consistent with the risk appetite defined by the Board, Group Management Risk & Compliance Committee ("GMRCC") and based on principles of risk governance stipulated in Bank Negara Malaysia ("BNM") Risk Governance Guidelines.

The Board is confident that the RM Framework provides reasonable assurance on the effectiveness and efficiency of the strategic, financial, and operational aspects of MNRB and its main operating subsidiaries. The RM Framework is regularly reviewed by the Board.

RISK MANAGEMENT GOVERNANCE

Dedicated Board Committees known as the Risk Management Committee of the Board have been established at MNRB and each of its main operating subsidiaries to support the Board in meeting the expectations and responsibilities on risk and compliance management, provides assurance to the Board that the processes have been carried out effectively and inculcates a strong risk management culture on a group-wide basis. There are clearly defined responsibilities and reporting to the Risk Management Committee of the Board from the management to provide oversight and governance over the Group's activities, which aims to safeguard shareholders' interests and the Group's assets, as well as to manage the risks of MNRB and its main operating subsidiaries for the entirety of the financial year ended 31 March 2024.

The Group Shariah Committee ("GSC") was established to provide objective and sound advice to the Group to ensure that its aims and operations, business, affairs and activities are in compliance with Shariah.

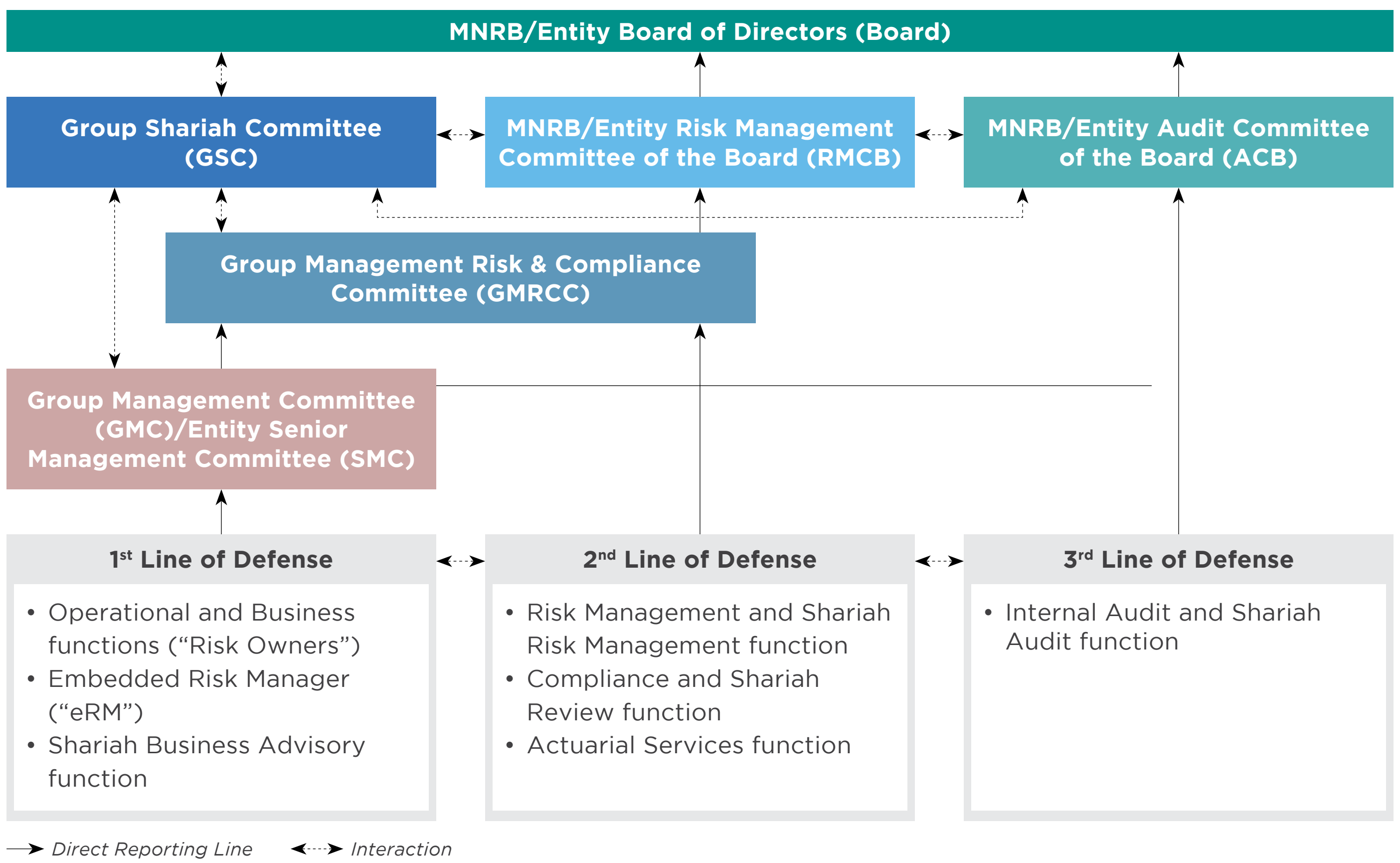
The Group Management Committee ("GMC"), together with the Senior Management Committee ("SMC") of its main operating subsidiaries oversee the implementation of risk and compliance management processes, establish, and implement appropriate organizational structures and systems for managing financial and non-financial risks.

Dedicated Management Committee known as the Group Management Risk & Compliance Committee ("GMRCC"), which comprises the President & Group Chief Executive Officer, the President & Chief Executive Officer and selected members of Senior Management from MNRB and its main operating subsidiaries has been established to support the GMC/respective SMCs to implement the risk and compliance management processes, establish clear guidance in managing the Group's risks to ensure their alignment to their respective risk appetite for all business strategies and activities.

The risk governance structure is aligned across the Group through the adoption of the RM Framework in order to embed a streamlined and coherent risk management culture. The day-to-day responsibility for the risk management function lies primarily with those entrusted with risk management responsibilities in the business and support units. The Group Chief Risk Officer ("GCRO") oversees risk governance across the Group and is supported by the Head of Risk Management of the main operating subsidiaries. Together, they assist the GMRCC and the respective Risk Committees of the Board in ensuring effective implementation and maintenance of RM Framework and its sub-framework.

Primarily, the main operating subsidiaries provide the necessary infrastructure to carry out the risk management function and the Risk Management Department acts as the central contact and guide for risk management issues within the respective companies.

The Group adopts the '**Three Lines of Defence ("LOD")**' governance model which provides a formal, transparent and effective risk governance structure to promote active involvement from the Board, Senior Management and all staff in the risk management process across the Group.



i. First LOD: Risk Ownership and Steering is carried out by the business and support functions, which have primary responsibility for risk management and control activities embedded in day-to-day business operations.

ii. Second LOD: Risk oversight and monitoring is carried out by the risk management, (including Shariah risk management and review functions), actuarial and compliance functions, which have the primary responsibility for setting up risk and risk-related policies, frameworks, guidelines, and procedures, as well as providing support and direction to the business with regard to risk.

iii. Third LOD: Independent assurance is carried out by Group Internal Audit function who provides independent and objective assurance on the overall effectiveness of risk management and internal controls within the Group.

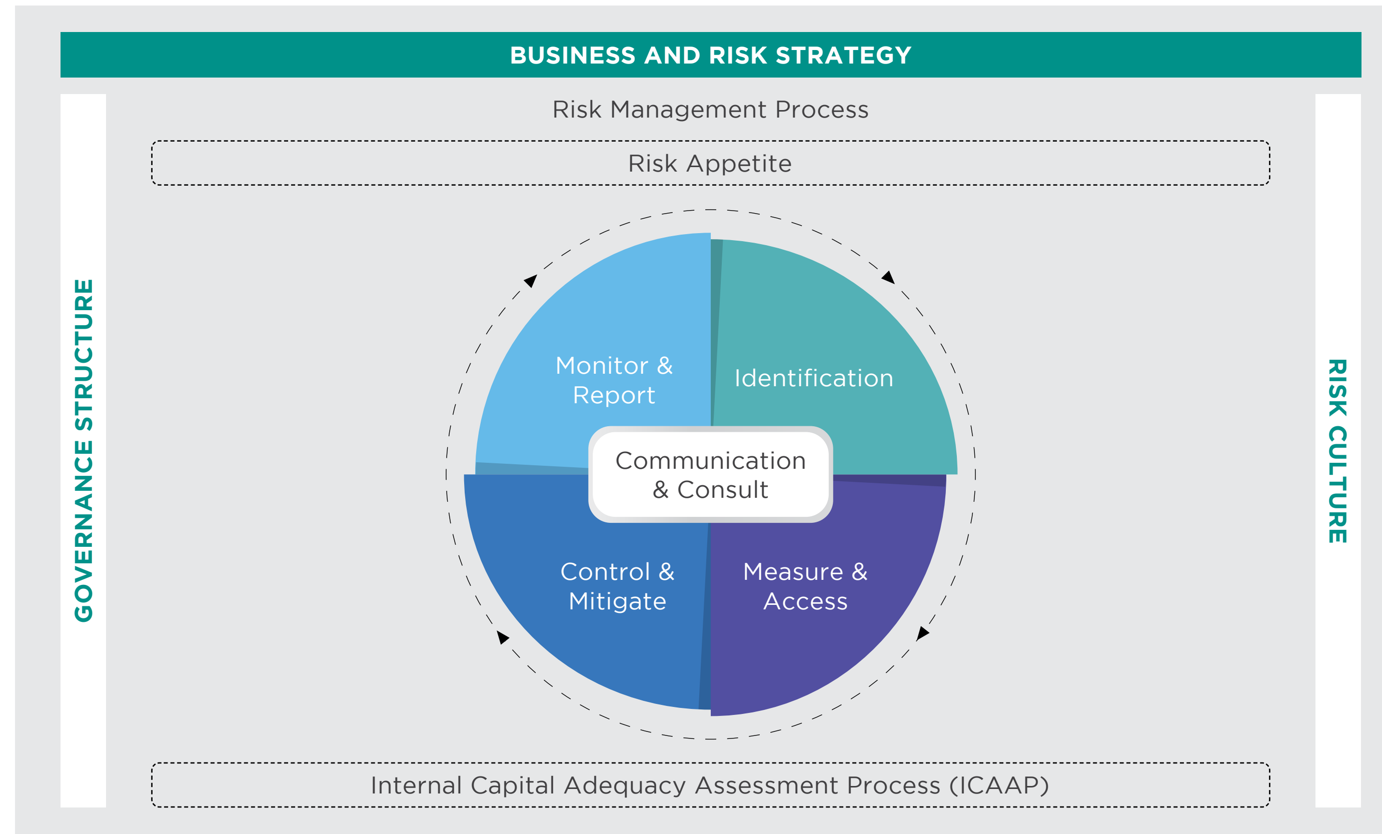
RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE

The key features that the Board has established in reviewing the adequacy and effectiveness of the risk management framework and internal control system include the following:

1. GROUP RISK MANAGEMENT FRAMEWORK AND POLICY

RM Framework

- The Board believes that an effective RM Framework and strong internal control system is essential to the Group in its pursuit to achieve its business objectives, especially on the continued profitability and enhancement of shareholders' value in today's rapidly changing market environment.



Risk Appetite

- Defining risk appetite is an essential element of the Group's risk management. When deciding on its risk appetite, the Group considers its risk capacity, i.e. the amount and type of risk the Group is able to support in pursuit of its business objectives, taking into account its capital structure and access to financial markets.

- The **Risk Appetite Statement ("RAS")** is established by the Boards of MNRB and the respective main operating subsidiaries and reviewed on a yearly basis, according to the desired level of risk exposures. Management operationalises the RAS into risk tolerance levels for specific risks.

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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Highlights on Key Risks

The Group, through its normal day-to-day business, is exposed to different types of risks that could adversely affect the Group's operating results and financial position. Key risks are constantly monitored by the Management and escalated to the GMRCC and Risk Management Committee of the Board, and periodically reviewed by the Board.

The Group's key risks are described in the relevant sections of the Financial Statements.

2. INTERNAL AUDIT

- The Audit Committee complements the oversight role of the Board by providing an independent assessment of the adequacy and effectiveness of governance, risk management and internal controls. The Audit Committee is assisted by an independent Internal Audit Department in performing its role.
- The internal audit function of the Group is undertaken by the Internal Audit Department established at MNRB. The department reports directly to the respective Audit Committees of the Group.
- The Internal Audit Department performs regular reviews of the business processes of the Group to assess the adequacy and effectiveness of governance, risk management and internal controls.
- The Internal Audit Department provides recommendations to improve on the effectiveness of risk management, controls and governance processes. Control lapses are escalated to Management and Board for deliberation, where necessary. Status of rectification is tracked and monitored by Management and Audit Committee, within the committed timeline. Management will accordingly follow through to ensure the resolution of recommendations agreed upon. Audit reviews are carried out on functions that are identified on a risk-based approach, in the context of the Group's evolving business and its regulatory environment, while also taking into consideration inputs of Senior Management as well as inputs from the respective Audit Committees.
- The Audit Committees meet at least once every quarter to review matters identified in reports prepared by the Internal Auditors, External Auditors, and Regulatory Authorities. It further evaluates the effectiveness and adequacy of the Group's internal control system. The Audit Committees have active oversight on the Internal Auditors' independence, scope of work and resources. The activities undertaken by the Audit Committees during the year are highlighted in the Audit Committee Reports of MNRB and its main operating subsidiaries.

3. OTHER KEY ELEMENTS OF INTERNAL CONTROL

1) The Board ensures that all decisions are communicated promptly to staff of all levels within the Group and vice-versa where feedback and suggestions on improvements could be communicated to the Management and the Board.

2) The Group has a well-defined organisational structure with clear lines of responsibility and accountability. Further, to minimize errors and reduce the possibilities of fraud, segregation of duties is practised by ensuring conflicting tasks are assigned to different employees.

3) Annual business plans and budgets are developed in line with the Group's strategies and risk appetite and submitted to the respective Boards for approval. Financial performance and major variances against targets are reviewed by the Management on a regular basis and reported to the Boards on a quarterly basis.

4) The Group's financial systems record all transactions to produce performance reports that are submitted to the respective Managements within internally stipulated timelines. These performance reports and the Quarterly Bursa Announcements are tabled to the Group Management Committee ("GMC") before being tabled to the respective Audit Committee and approved by the Boards.

5) The Underwriting Guidelines for reinsurance, retakaful and takaful businesses have been put in place to manage risks that are being underwritten.

6) Retrocession / retrotakaful and retakaful programmes are in place as risk mitigation initiatives, supported by a spread of reinsurers and retakaful operators with acceptable ratings from accredited agencies. The credit ratings of these companies are reviewed on a regular basis.

7) Departmental policies and procedures are available and act as guidance to employees on the necessary steps to be taken in a given set of circumstances. It also specifies relevant authority limits to be complied with by each level of Management.

8) Every employee of the Group is contractually bound to observe the MNRB Group Code of Ethics, which promotes a culture of compliance, professionalism, ethical standards and responsible conduct. The Group expects each employee to perform and work with honesty and integrity at all times and uphold the Group's values without fail.

9) The Group utilises the Skills Competency Matrix that provides a comprehensive view of the types and levels of skills and competencies needed for any particular job role. The competence of personnel is maintained through a structured recruitment process, a performance measurement and rewards system and a wide variety of training and development programmes.

10) The Group implements the annual Mandatory Block Leave ("MBL") to create a positive talent management culture where the organisation does not have an overreliance on any particular employee, and as a prudent operational risk management measure particularly with regard to employees posted in sensitive positions or areas of operations such as underwriting, treasury, procurement or investment.

11) An annual employee engagement survey is conducted with the objective to gauge the engagement level of employees, to gather their feedback on the effectiveness / ineffectiveness of the various employee touch points and to develop the necessary action plans for improvement of those areas.

12) The Group Anti-Fraud Policy has been established to provide a consistent approach to prevent, detect and manage fraud, and to make a clear statement to all employees that the Group does not tolerate fraud of any form.

13) The Group Anti-Bribery and Corruption ("Group ABC") Policy has also been established to state the Board's and Management's commitment and stance on bribery and corruption risks, which include disciplinary actions for non-compliance, misconduct or breach of the policy.

    The Group ABC Policy addresses general guidelines on both internal and external concerns on bribery and corruption risk, such as Conflict of Interest, Illegal Gratification and Corrupt Practices, Gift & Entertainment, Corporate Social Responsibility activities, sponsorship and donations, as well as dealing with public officials and third parties.

14) The Group has established the Group Anti-Money Laundering and Countering Financing of Terrorism and Targeted Financial Sanctions ("AML/CFT & TFS") Policy that reflects the Group's commitment in combating money laundering and financing of terrorism. It also sets out the Group's expectations on its relevant entities to be vigilant in ensuring proper controls and monitoring mechanisms to safeguard the entities against being used for money laundering or terrorism financing (ML/TF) purposes.

15) A Group Whistleblowing Policy has been put in place for employees, external parties and other stakeholders to raise concerns about illegal, unethical or unacceptable practices. This policy governs the disclosures, reporting, investigation of misconduct and protection offered to the person(s) making those disclosures in accordance with the Whistleblowing Protection Act 2010.

16) A structured Business Continuity Management ("BCM") Programme is in place to ensure resumption of critical business operations within the pre-defined Maximum Tolerable Downtime ("MTD"). The Group has also established a Disaster Recovery Plan ("DRP") which outlines the processes and set of procedures to recover the Group's IT infrastructure within a set Recovery Time Objective ("RTO").

The BCM Programme and DRP are validated by conducting regular tests and updated as and when necessary.

17) Sufficient insurance and takaful coverage, including covers for properties, employee-related, cyber security breaches, and Directors and Officers liabilities, are in place to ensure the Group is adequately protected against these risks and/or claims that could result in financial or reputational loss.

18) The Group Information Technology Steering Committee ("Group ITSC"), chaired by the President & Group Chief Executive Officer, is established to oversee the implementation of IT strategic plans and provide direction in support of IT related initiatives and activities. ITSC has also been established at respective main operating subsidiaries. An Information Technology Oversight Committee, represented by the President & CEOs of MNRB, Takaful IKHLAS Family and Takaful IKHLAS General as well as the Group Chief Technology Officer, have been established for Takaful IKHLAS Family and Takaful IKHLAS General, to assist the Board in discharging its responsibility to ensure that material investments in MNRB Group of Companies' technology projects and programs are aligned with its organisational strategy, achieve intended business outcomes, and are effectively managed in a way that mitigates risks.

19) The Information Communication & Technology Department ("ICTD") and Information Systems & Services Department ("ISSD") are established and responsible for continuously monitoring and responding to IT security threats, conducting awareness programmes, as well as performing assessments and network penetration test programmes.

20) MNRB holds a 20% effective equity interest in its associated company, Labuan Reinsurance (L) Ltd. ("Labuan Re") through its subsidiary, Malaysian Reinsurance Berhad and a 40% effective equity interest in another associated company, Motordata Research Consortium Sdn. Bhd. ("MRC"). MNRB safeguards its interests in its associates by ensuring that there is adequate representation from MNRB on the Board of Directors of the associates. During the year, Malaysian Re has two representatives on the Board of Labuan Re, whilst MNRB has two representatives on the Board of MRC.

ASSURANCE

The Board, through the Audit Committee, Risk Management Committee of the Board and reports from the Senior Management; with assurance from the President & GCEO and the Group Chief Financial Officer ("GCFO"), is of the view that the risk management and internal control system is sound and operating adequately and effectively, in all material aspects to safeguard shareholders' interests and the Group's assets, as well as to manage the Group's risks.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guide (AAPG) 3 issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement, intended to be included in the annual report, is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Risk Management and Internal Control Statement: Guidelines for Directors of Listed Issuer, nor is the Statement factually inaccurate. The external auditors are not required by AAPG 3 to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk management and control procedures.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

Pursuant to paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The Directors are required to prepare the financial statements which gives a true and fair view of the state of affairs of the Group and the Company as at 31 March 2024 and of their results and cash flows for the year then ended.

The Directors consider that, in preparing the financial statements for the year ended 31 March 2024,

- the Group and the Company have used appropriate accounting policies, which are consistently applied;
- reasonable and prudent judgements and estimates were made;
- all applicable approved accounting standards in Malaysia have been followed; and
- the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company maintain accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements are drawn up in accordance with the requirements of the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act, 2016.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, in that context, to have proper regard to the establishment of appropriate systems of internal control with a view to prevent and detect fraud and other irregularities.

The Directors consider that they have pursued the actions necessary to meet their responsibilities as set out in this Statement.

This statement was approved by the Board on 19 July 2024.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Listing Requirements:

1. UTILISATIONS OF PROCEEDS RAISED FROM CORPORATE

The Company had early redeemed its existing Subordinated Sukuk Murabahah of RM320 million on its first call date on 22 March 2024 and issued an RM420 million nominal value subordinated sukuk. The subordinated MTN carries a tenure of ten (10) years from issue date on a 10-years, non-callable 5-year basis with a fixed profit rate of 4.46% per annum payable in semi-annually in arrears.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid to external auditors by the Group and the Company for the financial year ended 31 March 2024 were as follows:

Service	Group (RM'000)	Company (RM'000)
Audit fees	2,945	160
Non-audit fees	185	104

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Group and the Company involving directors' and major shareholders' interests, which subsisted at the end of the financial year ended 31 March 2024 or, if not then subsisting, entered into since the end of the previous financial year.

FINANCIAL STATEMENT

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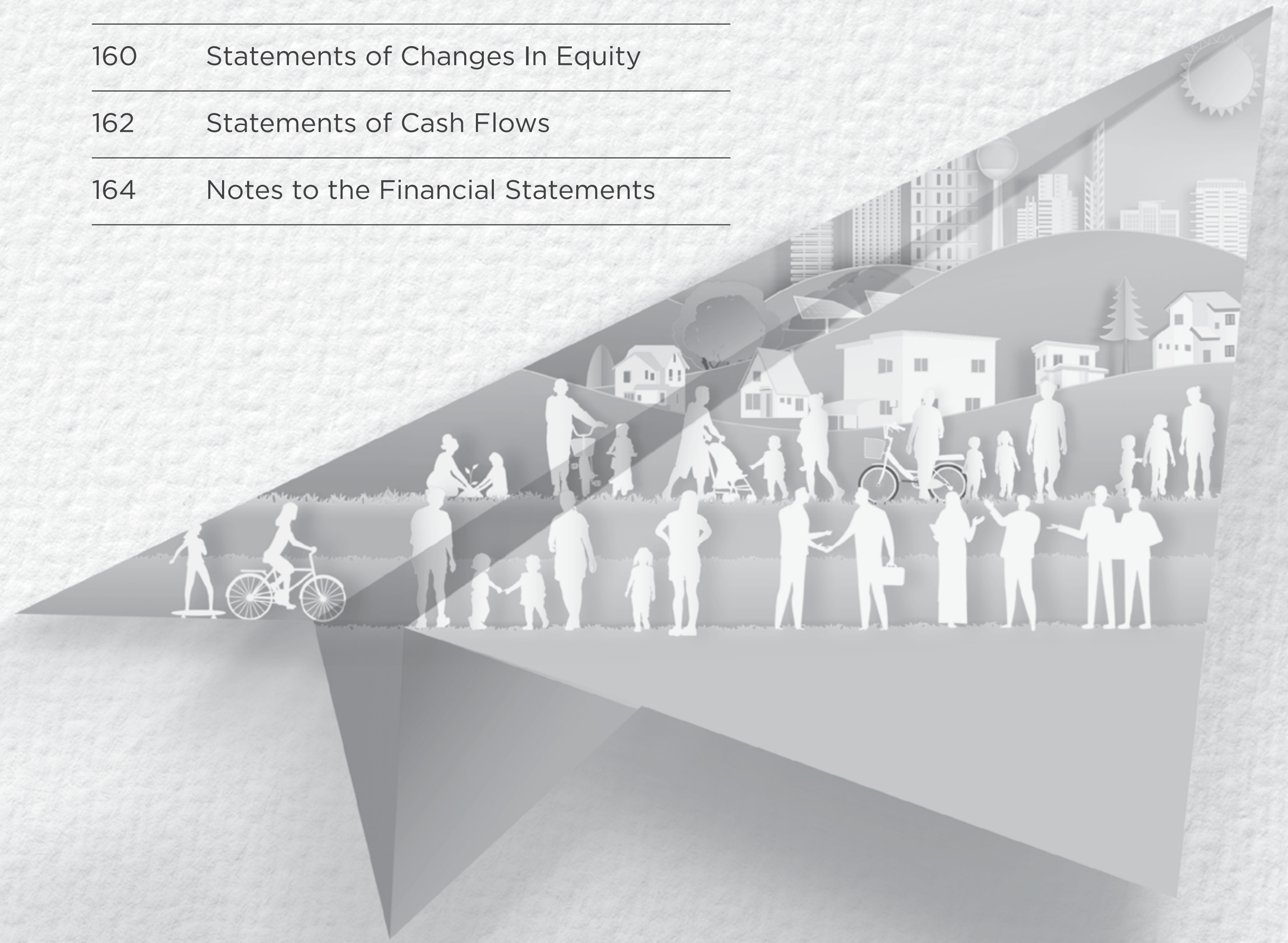

Directors' Report

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

Principal Activities

The Company is an investment holding company, principally engaged in the provision of management services to its subsidiaries.

The principal activities and other information of the subsidiaries are as disclosed in Note 16 to the financial statements.

Results

	Group RM'000	Company RM'000
Net profit for the financial year	433,539	73,077

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than those arising from the adoption of Malaysian Financial Reporting Standards ("MFRS") 17 Insurance Contracts, as disclosed in Note 2.22.

Dividend

The amount of dividend declared and paid by the Company since the end of the previous financial year was as follows:

	RM'000
In respect of the financial year ended 31 March 2023: Final single-tier dividend of 4.45 sen per ordinary share declared on 21 September 2023 and paid on 31 October 2023	34,847

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company since the beginning of the financial year to the date of this report.

Subsequent Event

There are no significant adjusting events after the statements of financial position date up to the date when the financial statements are authorised for issuance.

Share capital and debentures

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

On 22 March 2024, the Company had early redeemed its existing Subordinated Sukuk Murabahah of RM320 million on its first call date on 22 March 2024 and issued an RM420,000,000 nominal value subordinated sukuk which qualifies as Tier-2 capital under the RBC/RBCT Framework issued by BNM. The subordinated Medium Term Notes ("MTN") carries a tenure of ten (10) years from issue date on a 10-year, non-callable 5-year basis with a fixed interest rate of 4.46% per annum payable semi-annually in arrears.

Directors

The names of the Directors of the Company and its subsidiaries in office since the beginning of the financial year to the date of this report are:

	< ---------- Directors of the entities ---------- >						
Name of Directors	Holding Company	Subsidiaries					
	MNRB*	Malaysian Re*	Takaful IKHLAS Family*	Takaful IKHLAS General*	MRDL*	MSSB*	SSB*
Datuk Johar Che Mat	✓	Appointed on 1 August 2023	✓	✓	✓	-	-
George Oommen	✓	✓	✓	-	✓	-	-
Khalid Sufat	✓	✓	-	-	-	-	-
Junaidah Mohd Said	✓	-	-	-	-	-	-

197201001795 (13487-A)

MNRB Holdings Berhad
(Incorporated in Malaysia)

Directors (cont'd.)

The names of the Directors of the Company and its subsidiaries in office since the beginning of the financial year to the date of this report are (cont'd.):

< -- Directors of the entities -- >

Name of Directors	Holding Company	Subsidiaries					
	MNRB*	Malaysian Re*	Takaful IKHLAS Family*	Takaful IKHLAS General*	MRDL*	MSSB*	SSB*
Zaida Khalida Shaari	✓	-	-	-	-	-	-
Dato' Wan Roshdi Wan Musa	✓	-	-	-	-	-	-
Zaharudin Daud	-	✓	✓	✓	✓	-	-
Datin Joanne Marie Lopez	-	✓	-	-	-	-	-
Velayudhan Harikes	-	✓	-	-	-	-	-
Shareen Ooi Bee Hong	-	-	✓	-	-	-	-
Md Azmi Abu Bakar	-	-	✓	-	-	-	-
Azizul Mohd Said	-	-	✓	-	-	-	-
Rosinah Mohd Salleh	-	-	-	✓	-	-	-
Arul Sothy S Mylvaganam	-	-	-	✓	-	-	-
Dato' Amirudin Abdul Halim	-	-	-	✓	-	-	-
Dr. Wan Zamri Wan Ismail	-	-	-	✓	-	-	-
Woon Tai Hai	-	-	Resigned on 1 September 2023	✓	-	-	-

197201001795 (13487-A)

MNRB Holdings Berhad
(Incorporated in Malaysia)

Directors (cont'd.)

The names of the Directors of the Company and its subsidiaries in office since the beginning of the financial year to the date of this report are (cont'd.):

< -- Directors of the entities -- >

Name of Directors	Holding Company	Subsidiaries					
	MNRB*	Malaysian Re*	Takaful IKHLAS Family*	Takaful IKHLAS General*	MRDL*	MSSB*	SSB*
Sharmini Perampalam	-	-	-	-	-	✓	✓
Chin See Mei	Appointed on 1 October 2023	-	-	-	-	-	-
Wan Zamri Wan Zain	-	Appointed on 1 August 2023	-	-	-	-	-
Suharti Mohd Ali	-	-	Appointed on 1 September 2023	-	-	-	-
Ahmad Noor Azhari Abdul Manaf	-	-	-	-	Appointed on 1 April 2023	Appointed on 31 December 2023	-
Ekmarrudy Othman	-	-	-	-	-	-	Appointed on 31 December 2023
Rizal Mohd Zin	-	-	-	-	-	Resigned on 2 January 2024	Resigned on 2 January 2024

Directors (cont'd.)

In accordance with the Company's Constitution, the following Directors will be retiring at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election:

i. Clause 90 - Datuk Johar Che Mat and Zaida Khalida Shaari
ii. Clause 95 - Chin See Mei

* MNRB - MNRB Holdings Berhad
Malaysian Re - Malaysian Reinsurance Berhad
Takaful IKHLAS Family - Takaful Ikhlas Family Berhad
Takaful IKHLAS General - Takaful Ikhlas General Berhad
MRDL - Malaysian Re (Dubai) Ltd.
MSSB - MMIP Services Sdn. Bhd.
SSB - Sinar Seroja Berhad

Directors (cont'd.)

Directors' Benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company or its subsidiaries were a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than those shown below) by reason of 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.

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Directors' fee	1,346	1,233	710	667
Meeting allowances	445	363	224	171
	1,791	1,596	934	838

Directors' Indemnity

During the financial year, the Company purchased Directors and Officers Liability Takaful cover to provide indemnity to all directors of the MNRB Group for a limit of RM50 million at a contribution of RM110,671.

Directors' Interest

According to the register of Directors' shareholdings, none of the Directors in office at the end of the financial year had any interest in shares of the Company or its related corporation during the financial year.

Other Statutory Information

(a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected to realise.

Other Statutory Information (cont'd.)

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

(i) it necessary to write-off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or in the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year other than those arising in the normal course of business of the Group and the Company.

(f) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Other Statutory Information (cont'd.)

For the purpose of paragraphs (e)(ii) and (f)(i) above, contingent or other liabilities do not include liabilities arising from reinsurance, takaful and retakaful contracts underwritten in the ordinary course of business of the reinsurance/retakaful and takaful subsidiaries and associate companies.

Auditors and Auditors' Remuneration

The retiring auditors, Messrs. Ernst & Young PLT, have expressed their willingness to accept re-appointment. The auditors' remuneration of the Group and the Company during the year are RM5,138,000 and RM264,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 July 2024.

Datuk Johar Che Mat　　　　Khalid Sufat

Kuala Lumpur, Malaysia

MNRB Holdings Berhad
(Incorporated in Malaysia)

Statement by Directors
Pursuant to Section 251(2) of the Companies Act, 2016

We, Datuk Johar Che Mat and Khalid Sufat, being two of the Directors of MNRB Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 155 to 378 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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 Group and of the Company as at 31 March 2024 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 July 2024.

Datuk Johar Che Mat　　　　Khalid Sufat

Kuala Lumpur, Malaysia

Statutory Declaration
Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Sharmini Perampalam (MIA membership no. 20010), being the officer primarily responsible for the financial management of MNRB Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 155 to 378 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the above named Sharmini Perampalam)
at Kuala Lumpur in Wilayah Persekutuan)
on 26 July 2024.)　　　　Sharmini Perampalam

Before me,

Commissioner for Oaths

197201001795 (13487-A)

Independent auditors' report to the members of
MNRB Holdings Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MNRB Holdings Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 155 to 378.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and 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 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.

Independent auditors' report to the members of MNRB Holdings Berhad (cont'd.) (Incorporated in Malaysia)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

1. Initial Application of Malaysian Financial Reporting Standard ("MFRS") MFRS 17 Insurance Contracts

MFRS 17 *Insurance Contracts* replaced MFRS 4 *Insurance Contracts* for annual periods beginning on or after 1 January 2023. As described in the accounting policies outlined in Note 2 to the consolidated financial statements, the Group applied MFRS 17 to insurance contracts/takaful certificates issued and reinsurance contracts/retakaful certificates held retrospectively from 1 April 2022. The 1 April 2022 opening balance sheet figures as presented in these consolidated financial statements have been restated for the adoption of MFRS 17.

Auditing the Group's Initial Application of MFRS 17 was complex as it is related to the Group's measurement of the insurance contract/ takaful certificate liabilities and required the application of significant auditor judgment due to the complexity of the models, accounting interpretations made and the development of fair value assumptions used in the determination of the transition Contractual Service Margin ("CSM"). This involved professionals with specialised skills and knowledge to assist in evaluating the audit evidence obtained.

Accordingly, we have identified the Initial Application as a key audit matter.

The significant accounting judgments and the impact related to the Initial Application are disclosed in Note 2 to the consolidated financial statements.

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Independent auditors' report to the members of MNRB Holdings Berhad (cont'd.) (Incorporated in Malaysia)

Key audit matters (cont'd.)

1. Initial Application of Malaysian Financial Reporting Standard ("MFRS") MFRS 17 Insurance Contracts (cont'd.)

Our audit procedures were executed with the assistance of our actuarial specialist and focused on the following key areas:

- We obtained an understanding of the evaluated design and tested the operating effectiveness of selected key controls over the implementation of the standard. The controls we tested included controls related to management's selection of accounting policies, the determination of the transition approach, as well as controls related to the development of fair value and actuarial models, the integrity of data used and the implementation of new models.
- Evaluating the Group's accounting policies as described in Note 2 to the consolidated financial statements and actuarial methodologies to assess compliance with MFRS 17.
- Assessing the appropriateness and consistency of key assumptions used in the calculation of the transition balances, publicly available market data, and our knowledge of the products and the requirements of MFRS 17.
- Testing the methodology and calculation of the MFRS 17 insurance contract/takaful certificate liabilities and transition CSM, either through review of the calculation logic within the newly implemented models, or through calculating an independent range estimate of the insurance contract/takaful certificate liability for a sample of insurance contract/takaful certificate.
- Evaluating the adequacy of the Group's presentation and disclosures of the consolidated financial statements regarding the adoption of MFRS 17 financial impacts and implications.

Independent auditors' report to the members of MNRB Holdings Berhad (cont'd.) (Incorporated in Malaysia)

Key audit matters (cont'd.)

2. Measurement of the liability for incurred claims ("LIC")

As of 31 March 2024, the Group recorded a LIC of RM3,926.9 million on its consolidated statements of financial position. The measurement of the liability for incurred claims in insurance business includes an estimate of future cash flows, the adjustment of this estimate to reflect the time value of money (discounting) and a risk adjustment for non-financial risk.

Estimating future cash flows includes all cash flows for incurred claims that have not yet been settled such as claims payments, claims settlement expenses and administration costs. MFRS 17 requires an entity-specific estimate of all future cash flows. Entities shall incorporate all information available without undue cost or effort. The estimates shall be updated at each measurement date.

Estimation of future cash flows is subject to considerable judgement. Future cash flows are projected using actuarial models, considering past experience and assumptions about future developments, including social, economic or technological factors. Expected future claims payments are estimated on the basis of historical observations for the entity's own portfolio (settlement patterns) and, if necessary, with reference to external reference data and expert estimates. In this context, past experience is used as a basis for making assumptions about future premiums and ultimate loss ratios, as well as the time frames, factors, speed of claims settlement, and inflation of claims.

Under MFRS 17, an entity shall discount the estimate of future cash flows in order to reflect the time value of money. The discount rates shall reflect the characteristics of the cash flows – including liquidity characteristics – of the insurance contracts/takaful certificates and be consistent with observable current market prices for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts/takaful certificates in terms of timing, currency and liquidity. The discount rates used shall be updated at each measurement date, using different interest rates as a reference for the update depending on the measurement model.

MFRS 17 requires a risk adjustment for non-financial risk to be added to the present value of the expected future cash flows to account for the uncertainty about the amount and timing of the cash flows that arises from non-financial risk. The risk adjustment for non-financial risk shall be updated at each measurement date.

Independent auditors' report to the members of MNRB Holdings Berhad (cont'd.) (Incorporated in Malaysia)

Key audit matters (cont'd.)

2. Measurement of the liability for incurred claims ("LIC") (cont'd.)

In light of the uncertainty and the use of judgement in estimating future cash flows and determining the discount rates as well as the risk adjustment for non-financial risk, there is a risk of material misstatement of the liability for incurred claims of the Group. We therefore determined this to be a key audit matter.

Our audit procedures were focused on the following key areas:

We obtained an understanding, evaluated the design, and tested the operating effectiveness of a sample of controls over methods selection, completeness and accuracy of the underlying data, relevant information technology and assumption setting used by management related to the estimation of the LIC.

- To test the LIC, our audit procedures were executed with the assistance of our actuarial specialists and included, for certain lines of business selected based on risk.
- Testing the completeness and accuracy of data utilised by the Group in estimating the LIC by reconciling such amounts to the underlying accounting records and performing data-enabled audit procedures and claims data plausibility checks on selected samples.
- Evaluating the actuarial methods and assessing key assumptions used within projection techniques by the Group via quantitative and qualitative analysis.
- Comparing the LIC to our independently developed range of LIC.

3. Measurement of the liabilities for remaining coverage ("LFRC") under the General Measurement Model ("GMM") and Variable Fee Approach ("VFA")

As of 31 March 2024, the Group recorded liabilities for remaining coverage measured under the VFA and the GMM of RM3,755.0 million on its consolidated statements of financial position.

At initial recognition, the Group measures a group of insurance contracts/takaful certificates under GMM and VFA as the total of:
- Fulfilment cash flows, which comprise of:
 (i) estimates of future cash flows, adjusted to reflect the time value of money and financial risks.
 (ii) risk adjustment for non-financial risk.

- Contractual service margin (CSM), which represents the unearned profit the Group will recognise as it provides service under the related insurance contracts/takaful certificates.

Independent auditors' report to the members of
MNRB Holdings Berhad (cont'd.)
(Incorporated in Malaysia)

Key audit matters (cont'd.)

3. Measurement of the liabilities for remaining coverage ("LFRC") under the General Measurement Model ("GMM") and Variable Fee Approach ("VFA") (cont'd.)

LFRC are associated with significant uncertainties requiring the use of expert judgment within complex actuarial models relying on subjective assumptions in relation to future events. Key assumptions include mortality, lapse and expense assumptions as well as modelled future decisions of management and of policyholders. Moreover, because of the long duration of the insurance/takaful products, relatively small changes in key assumptions may have a significant impact on LFRC.

The determination of LFRC requires the use of complex formulas as well as the construction of models and other computational tools that may be incorrectly designed or configured, and for which inadequate assumptions and/or incomplete or inaccurate input data may be used. Accordingly, we have identified LFRC as a key audit matter.

Our audit procedures were focused on the following key areas:

We obtained an understanding, evaluated the design, and tested the operating effectiveness of a sample of controls over methods selection, completeness and accuracy of the underlying data, relevant information technology, assumption setting, and the models used by management related to the estimation of LFRC.

- To test LFRC, our audit procedures were executed with the assistance of our actuarial specialists and included, for certain lines of business selected based on risk.
- Testing of the completeness and accuracy of data, including in-force policyholder data as utilised by the Group to value estimated future cash flows by reconciling such amounts to the underlying accounting records.
- Assessing key best estimate assumptions used in selected actuarial models via quantitative and qualitative analysis, including considerations of their reasonableness based on experience studies, our knowledge of the Group and local markets, products offered, publicly available market and macroeconomic data.
- Reviewing a sample of experience studies supporting specific assumptions.
- Challenging the nature, timing and completeness of changes in key assumptions, models and methods and assessing whether individual changes were errors or refinements of estimates.

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Independent auditors' report to the members of
MNRB Holdings Berhad (cont'd.)
(Incorporated in Malaysia)

Key audit matters (cont'd.)

3. Measurement of the liabilities for remaining coverage ("LFRC") under the General Measurement Model ("GMM") and Variable Fee Approach ("VFA") (cont'd.)

- Testing the models used through review of the calculation logic on a sample basis and evaluating the results to those of the Group.
- Performing analytical review procedures, including period-to-period analysis of changes in LFRC and assessing whether such changes appropriately reflect current period facts and circumstances.
- Assessing the adequacy of the disclosures in the Notes to the consolidated financial statements.

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 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditors' report to the members of
MNRB Holdings Berhad (cont'd.)
(Incorporated in Malaysia)

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability 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 Group or 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 Group and 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 Group and 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.

- 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 Group's and the Company's internal control.

Independent auditors' report to the members of
MNRB Holdings Berhad (cont'd.)
(Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

- 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 Group's or the Company's ability 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 Group and 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 Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditors' report to the members of
MNRB Holdings Berhad (cont'd.)
(Incorporated in Malaysia)

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, We report that the subsidiary of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

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.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ahmad Hammami Bin Muhyidin
No. 03313/07/2025 J
Chartered Accountant

Kuala Lumpur, Malaysia
26 July 2024

MNRB Holdings Berhad
(Incorporated in Malaysia)

Income statements
for the year ended 31 March 2024

	Note	Group 2024 RM'000	Group 2023 Restated RM'000	Company 2024 RM'000	Company 2023 RM'000
Insurance/takaful revenue	3(a)	3,098,154	2,522,676	-	-
Insurance/takaful service expenses	3(b)	(2,433,776)	(2,353,589)	-	-
Insurance/takaful service result before reinsurance/retakaful contracts/certificates held		664,378	169,087	-	-
Allocation of reinsurance/retakaful premiums/contributions		(604,752)	(367,536)	-	-
Amounts recoverable from reinsurers/ retakaful operators for incurred claims		434,778	267,909	-	-
Net expense from reinsurance/ retakaful contracts/certificates held	6	(169,974)	(99,627)	-	-
Insurance/takaful service result		494,404	69,460	-	-
Investment income	7	410,784	316,251	109,357	27,928
Net realised (losses)/gains	8	(3,018)	4,060	(67)	-
Net fair value gains on financial assets at fair value through profit and loss		145,230	25,484	-	-
Net foreign exchange gain on investments	9	48,009	13,901	-	-
Investment results		601,005	359,696	109,290	27,928
Net insurance/takaful finance expenses from insurance/ takaful contracts/certificates issued		(458,913)	(191,985)	-	-
Net reinsurance/retakaful profit/finance income from reinsurance/retakaful contracts/certificates held		11,518	8,085	-	-
Unallocated surplus attributable to participants		(90,091)	(34,417)		
Net insurance/takaful financial results	10	(537,486)	(218,317)	-	-

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Income statements
for the year ended 31 March 2024 (cont'd.)

	Note	Group 2024 RM'000	Group 2023 Restated RM'000	Company 2024 RM'000	Company 2023 RM'000
Fees and other operating income	4(a)	49,354	35,613	57,484	61,488
Management and other operating expenses	4(b)	(93,771)	(79,682)	(70,532)	(58,673)
Finance cost		(27,270)	(21,605)	(16,842)	(16,668)
Other expenses		(71,687)	(65,674)	(29,890)	(13,853)
Share of results of associates		44,623	15,985	-	-
Profit before zakat and taxation		530,859	161,150	79,400	14,075
Tax attributable to the participants	11	(25,078)	(16,466)	-	-
Profit before zakat and taxation attributable to equity holders of the Holding Company		505,781	144,684	79,400	14,075
Zakat		(1,334)	(1,428)	-	-
Taxation	12	(70,908)	(24,976)	(6,323)	(1,519)
Net profit for the year attributable to equity holders of the Holding Company		433,539	118,280	73,077	12,556
Basic and diluted earnings per share attributable to equity holders of the Holding Company (sen)	26	55.4	15.1		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of comprehensive income
for the year ended 31 March 2024

	Note	Group 2024 RM'000	Group 2023 Restated RM'000	Company 2024 RM'000	Company 2023 RM'000
Net profit for the year		433,539	118,280	73,077	12,556
<u>Other comprehensive income/(loss)</u>					
Other comprehensive income/(loss) to be reclassified to income statements in subsequent periods:					
Effects of post-acquisition foreign exchange translation reserve on investment in associate		(16,702)	(28,390)	-	-
Effects of foreign exchange translation reserve on investment in subsidiary		877	601	-	-
Net losses on financial assets at fair value through other comprehensive income ("FVOCI"):					
Net gains on fair value changes		9,491	7,926	120	73
Realised losses/(gains) transferred to income statements	8	340	(2,852)	-	-
Deferred tax relating to net (gains)/loss on financial assets at FVOCI	19	101	(2,394)	29	87
Other comprehensive income attributable to participants		(7,454)	(2,729)	-	-
Other comprehensive income/(loss) not to be reclassified to income statements in subsequent periods:					
Net (loss)/gain on fair value changes on financial assets at FVOCI		548	(70)	-	-
Revaluation of land and buildings	13	4,905	3,625	-	-
Deferred tax relating to revaluation of land and buildings	19	(3,787)	(407)	-	-
Other comprehensive income attributable to participants		-	-	-	-
Total comprehensive income for the year		421,858	93,590	73,226	12,716

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

197201001795 (13487-A)

MNRB Holdings Berhad
(Incorporated in Malaysia)

Statements of financial position as at 31 March 2024

	Note	Group 31.03.2024 RM'000	Group 31.03.2023 Restated RM'000	Group 01.04.2022 Restated RM'000	Company 31.03.2024 RM'000	Company 31.03.2023 RM'000
Assets						
Property, plant and equipment	13	234,972	225,802	211,213	8,448	9,204
Intangible assets	14	117,118	124,797	75,136	6,633	4,732
Right-of-use assets	15	2,827	3,368	5,554	2,314	-
Investments in subsidiaries	16	-	-	-	1,304,476	1,304,476
Investments in associates	17	174,911	147,390	162,378	1,957	1,957
Financial and other assets	18	11,275,697	10,014,331	8,956,605	298,433	150,046
Deferred tax assets	19	47,391	36,867	26,040	5,397	3,998
Insurance/takaful contract assets	20	66,334	64,409	65,393	-	-
Reinsurance/retakaful contract assets	20	511,081	523,586	612,189	-	-
Tax recoverable	21	26,698	45,920	59,383	13,506	19,684
Cash and bank balances		115,604	205,462	214,050	481	277
Total assets		12,572,633	11,391,932	10,387,941	1,641,645	1,494,374

197201001795 (13487-A)

MNRB Holdings Berhad
(Incorporated in Malaysia)

Statements of financial position as at 31 March 2024 (cont'd.)

	Note	Group 31.03.2024 RM'000	Group 31.03.2023 Restated RM'000	Group 01.04.2022 Restated RM'000	Company 31.03.2024 RM'000	Company 31.03.2023 RM'000
Liabilities and participants' funds						
Borrowing	22	620,000	520,000	320,000	420,000	320,000
Insurance/takaful contract liabilities	20	8,493,145	7,882,211	7,199,665	-	-
Reinsurance/retakaful contract liabilities	20	31,938	5,579	3,613	-	-
Lease liabilities	15	3,016	3,426	5,476	2,373	-
Other payables	23	233,530	208,799	161,959	25,811	19,473
Deferred tax liabilities	19	37,212	21,850	18,866	-	-
Tax payable	21	27,499	11,243	14,000	181	-
Provision for zakat		2,661	2,203	1,754	-	-
Total liabilities and participants' funds		9,449,001	8,655,311	7,725,333	448,365	339,473
Equity						
Share capital	24	738,502	738,502	738,502	738,502	738,502
Reserves		2,385,130	1,998,119	1,924,106	454,778	416,399
Total equity attributable to equity holders of the Holding Company		3,123,632	2,736,621	2,662,608	1,193,280	1,154,901
Total liabilities, participants' funds and equity		12,572,633	11,391,932	10,387,941	1,641,645	1,494,374

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

197201001795 (13487-A)

MNRB Holdings Berhad
(Incorporated in Malaysia)

Statements of changes in equity
for the year ended 31 March 2024

Group	Share capital RM'000	Foreign exchange translation reserve RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Retained profits RM'000	Total RM'000
	< ----------- Attributable to equity holders of the Holding Company ------------- >					
		< ------------------------ Reserves ------------------------- >				
		< ---------- Non-distributable ---------- >			Distributable	
At 1 April 2022 (as previously reported)	738,502	45,966	25,973	49,575	1,611,658	2,471,674
Impact of initial application of MFRS 17	-	15,091	7,773	-	168,070	190,934
At 1 April 2022 (restated)	738,502	61,057	33,746	49,575	1,779,728	2,662,608
Net profit for the year	-	-	-	-	118,280	118,280
Other comprehensive (loss)/income for the year	-	(27,789)	(119)	3,218	-	(24,690)
Total comprehensive (loss)/income for the year	-	(27,789)	(119)	3,218	118,280	93,590
Dividend paid during the year (Note 25)	-	-	-	-	(19,577)	(19,577)
At 31 March 2023 (restated)	738,502	33,268	33,627	52,793	1,878,431	2,736,621
At 1 April 2023	738,502	33,268	33,627	52,793	1,878,431	2,736,621
Net profit for the year	-	-	-	-	433,539	433,539
Other comprehensive income for the year	-	(15,825)	3,026	1,118	-	(11,681)
Total comprehensive income for the year	-	(15,825)	3,026	1,118	433,539	421,858
Dividend paid during the year (Note 25)	-	-	-	-	(34,847)	(34,847)
At 31 March 2024	738,502	17,443	36,653	53,911	2,277,123	3,123,632

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

197201001795 (13487-A)

MNRB Holdings Berhad
(Incorporated in Malaysia)

Statements of changes in equity
for the year ended 31 March 2024 (cont'd.)

Company	Share capital RM'000	Fair value reserve RM'000	Retained profits RM'000	Total RM'000
	Company			
	<-- Attributable to equity holders of the Company -->			
	< - Non-distributable - >		Distributable	
At 1 April 2022	738,502	(435)	423,695	1,161,762
Net profit for the year	-	-	12,556	12,556
Other comprehensive income for the year	-	160	-	160
Total comprehensive income for the year	-	160	12,556	12,716
Dividend paid during the year (Note 25)	-	-	(19,577)	(19,577)
At 31 March 2023	738,502	(275)	416,674	1,154,901
Net profit for the year	-	-	73,077	73,077
Other comprehensive income for the year	-	149	-	149
Total comprehensive income for the year	-	149	73,077	73,226
Dividend paid during the year (Note 25)	-	-	(34,847)	(34,847)
At 31 March 2024	738,502	(126)	454,904	1,193,280

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MNRB Holdings Berhad
(Incorporated in Malaysia)

Statements of cash flows
for the year ended 31 March 2024

	Note	Group 2024 RM '000	Group 2023 Restated RM '000	Company 2024 RM '000	Company 2023 RM '000
Cash flows from operating activities					
Profit before zakat and taxation		505,781	144,684	79,400	14,075
Adjustments for:					
Depreciation of:					
- property, plant and equipment	13	9,103	7,892	1,119	1,210
- right-of-use assets	15	1,530	1,404	1,157	1,023
Amortisation of intangible assets	14	22,469	20,723	2,503	1,295
Finance costs on					
- lease liabilities	15	114	125	151	28
- borrowing		27,156	21,480	16,640	16,640
Gain from disposal of:					
- property, plant and equipment	8	67	(16)	67	-
- intangible asset	8	-	(398)	-	-
Realised losses/(gains) on disposal of investments	8	2,951	(3,646)	-	-
Net amortisation of premiums on investments	7	4,977	4,873	-	-
Interest/profit income	7	(404,274)	(307,526)	(6,444)	(4,451)
Dividend income	7	(12,685)	(13,895)	(102,913)	(23,477)
Rental income	4(a)	(4,992)	(2,167)	-	-
Share of results of associates		(44,623)	(15,985)	-	-
Net foreign exchange gains	9	(3,426)	(4,403)	-	-
Net fair value gains on financial assets at FVTPL		(26,570)	(25,484)	-	-
Loss on lease modification	15	687	(1,007)	-	-
Write-off of intangible assets	4(b)	-	2,197	-	-
Allowance for impairment of:					
- financial assets at FVOCI	4(b)	41	11	11	1
- other receivables	4(b)	-	1,607	-	-
Writeback of impairment of:					
- financial assets at FVOCI	4(a)	-	(707)	-	1
- financial assets at amortised cost	4(a)	-	(1)	-	-
- building	4(a)	(21)	(144)	-	-
Tax borne by participants	11	25,078	16,466	-	-
Operating cash flows before working capital changes		103,363	(153,917)	(8,309)	6,345
Changes in working capital:					
Net (purchase of)/proceeds of financial assets		(1,073,686)	(1,059,334)	(154,611)	32,699
Decrease in staff financing		484	790	62	390
Increase in net takaful certificate assets		609,009	683,526	-	-
Increase in net retakaful certificate assets		38,864	90,569	-	-
(Increase)/decrease in financial assets		(438,572)	35,664	194	68
Net change in balances with subsidiaries		-	-	7,027	(27,721)

MNRB Holdings Berhad
(Incorporated in Malaysia)

Statement of cash flows
for the year ended 31 March 2024 (cont'd.)

	Note	Group 2024 RM '000	Group 2023 Restated RM '000	Company 2024 RM '000	Company 2023 RM '000
Cash flows from operating activities (cont'd.)					
Changes in working capital: (cont'd.)					
Increase in tax, zakat, other payables and lease liabilities		28,097	47,127	5,388	8,567
(Decrease)/increase in ROU		(1,018)	748	3,471	-
Interest/profit income received		681,109	302,427	5,787	4505
Dividend income received		12,814	17,078	148	477
Rental received		4,991	2,147	-	-
Income tax and zakat paid		(60,516)	(42,067)	(1,335)	(858)
Net cash (used in)/generated from operating activities		**(95,061)**	**(75,242)**	**(142,178)**	**24,472**
Cash flows from investing activities					
Purchase of property, plant and equipment	13	(16,267)	(18,621)	(3,339)	(7,694)
Purchase of intangible assets	14	(15,003)	(85,647)	(4,404)	(2,554)
Proceed from disposal of property, plant and equipment		52	16	-	-
Proceed from disposal of intangible asset		-	13,464	-	-
Dividend received from subsidiaries and associates		-	-	102,913	23,000
Net cash used in investing activities		**(31,218)**	**(90,788)**	**95,170**	**12,752**
Cash flows from financing activity					
Repayment of borrowing	22	(320,000)	-	(320,000)	-
Proceed from borrowing	22	420,000	200,000	420,000	-
Payment of lease liabilities	15	(1,576)	(1,501)	(1,250)	(1,101)
Interest/profit paid		(27,156)	(21,480)	(16,691)	(16,640)
Dividend paid	25	(34,847)	(19,577)	(34,847)	(19,577)
Net cash used in financing activities		**36,421**	**157,442**	**47,212**	**(37,318)**
Cash and bank balances					
Net (decrease)/increase during the year		**(89,858)**	**(8,588)**	**204**	**(94)**
Cash and cash equivalents at beginning of year		205,462	214,050	277	371
Cash and cash equivalents at end of year		**115,604**	**205,462**	**481**	**277**

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

Notes to the financial statements - 31 March 2024

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 12th Floor, Bangunan Malaysian Re, No. 17, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

The Company is an investment holding company, principally engaged in the provision of management services to its subsidiaries.

The principal activities of the subsidiaries are as disclosed in Note 16. There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

The number of employees in the Group and in the Company at the end of the financial year were 1,123 and 302 (2023: 1,042 and 256) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution on 26 July 2024.

2. Material accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

At the beginning of the current financial year, the Group and the Company had adopted the amended MFRSs applicable for annual financial periods beginning on or after 1 January 2023, as fully described in Note 2.22.

As at the end of the financial year, the reinsurance/retakaful and takaful subsidiaries have met the minimum capital requirements as prescribed by the Risk-Based Capital for Insurer ("RBC") Framework and Risk-Based Capital for Takaful Operators ("RBCT") Framework issued by Bank Negara Malaysia ("BNM").

2. Material accounting policies (cont'd.)

2.1 Basis of preparation (cont'd.)

Basis of measurement

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

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position, only when there is a legally enforceable right to offset the recognised amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expense will not be offset in the income statements and the statements of comprehensive income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group and of the Company.

Functional and presentation currency

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

Use of estimates and judgements

The preparation of financial statements in conformity with MFRS and IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount 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 a significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

(a) Takaful certificates and reinsurance contracts/retakaful certificates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The Group dissaggregates information to disclose takaful certificates issued with reinsurance contracts/retakaful certificates separately. This aggregation determined based on how the Group is managed.

2. Material accounting policies (cont'd.)

2.1 Basis of preparation (cont'd.)

Use of estimates and judgements (cont'd.)

(a) Takaful certificates and reinsurance contracts/retakaful certificates (cont'd.)

(i) Estimates of future cash flows

In estimating the future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events.

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

Cash flows within the boundary of a certificate are those that relate directly to the fulfilment of the certificate, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) cedents, participants, insurance/takaful acquisition cash flows and other costs that are incurred in fulfilling contracts/certificates. Insurance/takaful acquisition cash flows and other costs that are incurred in fulfilling contracts/certificates comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows are attributed to acquisition activities and other fulfilment activities either directly or estimated based on the type of activities performed by the respective business function. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of certificates using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics, such as based on total contributions, number of certificates or number of claims.

For family takaful businesses, the following assumptions were used when estimating future cash flows:

- Mortality and morbidity rates
- Longevity
- Lapse and surrender rates

2. Material accounting policies (cont'd.)

2.1 Basis of preparation (cont'd.)

Use of estimates and judgements (cont'd.)

(a) Takaful certificates and reinsurance contracts/retakaful certificates (cont'd.)

(ii) Discount rates

The general takaful business and reinsurance/retakaful businesses of the Group generally determines risk-free discount rates through a risk neutral measurement technique (i.e., risk-free rate plus illiquidity premium) using a bottom-up approach.

For the reinsurance/retakaful businesses specificallly, in economically developed countries, the observed government bond yield curve was used as the source of liquid risk-free yield curve as politically stable governments are commonly believed to have a low probability of defaulting on their debts. For countries where government bond rates are not readily available, another similar (government yield curve under similar macro economic settings was considered; or if the currency is pegged to another currency, the yield curve of the other currency was considered. Using the Smith-Wilson method, the yield curve is extrapolated beyond the last available market data point to an ultimate forward rate, which reflects long-term real interest rate and inflation expectations. The ultimate forward rate is subject to revision on an annual basis. Illiquidity premium is assumed to be zero as reinsurance/retakaful products are generally short-term.

2. Material accounting policies (cont'd.)

2.1 Basis of preparation (cont'd.)

Use of estimates and judgements (cont'd.)

(a) Takaful certificates and reinsurance contracts/retakaful certificates (cont'd.)

(ii) Discount rates (cont'd.)

The Family takaful business of the Group generally determines risk-free discount rates using the observed yield curves of government securities. The derivation of the illiquidity premium leverages the volatility adjustment bases in accordance with the BNM's discounting approach, with calibration made to reference the portfolio of the Group's insurance/takaful and shareholder's funds. The yield curve will be interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rates and inflation expectations. The ultimate forward rate may be subject to revision, it is expected to be updated only if significant changes in the long-term expectations being observed.

Discount rates applied thereon are summarised below:

Insurance contracts/takaful certificates issued and reinsurance contracts/retakaful certificates held

Portfolio	1 year		3 years		5 years		7 years		10 years		15 year	
	FYE24	FYE23	FYE24	FYE23	FYE24	FYE23	FYE24	FYE23	FYE24	FYE23	FYE24	FYE23
Local (MYR)												
General Takaful	3.33%	3.16%	3.49%	3.37%	3.65%	3.58%	3.78%	3.85%	3.86%	4.04%	3.92%	4.26%
Family Takaful	3.33%-3.53%	3.16%-3.36%	3.66%-3.86%	3.58%-3.78%	3.98%-4.18%	4.06%-4.26%	4.17%-4.37%	4.60%-4.80%	4.07%-4.27%	4.48%-4.68%	4.18%-4.38%	4.82%-5.02%
Reinsurance	3.41%	3.39%	3.52%	3.45%	3.86%	3.88%	4.32%	4.56%	4.08%	4.10%	4.28%	4.40%
Retakaful	3.25%	3.08%	3.57%	3.57%	3.92%	4.04%	4.23%	4.60%	4.08%	4.19%	4.32%	4.55%
Overseas												
CNY	1.82%	2.21%	2.30%	2.81%	2.47%	2.99%	2.66%	3.25%	2.09%	2.93%	1.67%	3.17%
EUR	3.50%	2.68%	2.04%	1.92%	2.29%	2.01%	2.29%	2.06%	2.61%	2.25%	2.93%	2.47%
IDR	6.41%	6.03%	6.60%	5.93%	6.74%	7.09%	6.80%	7.77%	6.77%	6.60%	7.28%	7.60%
INR	7.05%	7.28%	7.09%	6.97%	7.06%	7.57%	7.03%	7.44%	7.05%	7.45%	7.11%	7.52%
USD	5.03%	4.00%	4.03%	3.60%	4.08%	3.19%	4.35%	3.50%	4.29%	3.35%	4.91%	4.35%

2. Material accounting policies (cont'd.)

2.1 Basis of preparation (cont'd.)

Use of estimates and judgements (cont'd.)

(a) Takaful certificates and reinsurance contracts/retakaful certificates (cont'd.)

(iii) Risk adjustment for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the Group would require for bearing non-financial risk and its degree of risk aversion. The Group applies a confidence level technique to determine the risk adjustments for non-financial risk of its insurance contracts and takaful certificates.

Under a confidence level technique, the Group 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 75th percentile, in line with the regulatory requirement of BNM under the RBC and RBCT Framework.

(iv) Contractual Service Margin ("CSM")

The CSM is a component of the asset or liability for the group of insurance contracts and takaful certificates that represents the unearned profit the Group will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts and takaful certificates is recognised in profit or loss as insurance and takaful revenue in each period to reflect the services provided under the group of insurance contracts and takaful certificates in that period. The amount is determined by:

- Identifying the coverage units in the group;
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future years; and
- Recognising in profit or loss the amount allocated to coverage units provided in the period.

The number of coverage units in a group is the quantity of coverage provided by the contracts/certificates in the group, which is determined by considering for each contract/certificate the quantity of the benefits provided and its expected coverage duration.

2. Material accounting policies (cont'd.)

2.1 Basis of preparation (cont'd.)

Use of estimates and judgements (cont'd.)

(a) Takaful certificates and reinsurance contracts/retakaful certificates (cont'd.)

(iv) Contractual Service Margin (cont'd.)

For family takaful certificates, the quantity of benefit is the contractually agreed sum covered over the duration of the certificates. The total coverage units of each group of takaful certificates are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of certificates in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

(v) Insurance/takaful acquisition cash flows

Insurance/takaful acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts/takaful certificates (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts/takaful certificates to which the group belongs.

The Group uses a systematic and rational method to allocate:

- Insurance/takaful acquisition cash flows that are directly attributable to a group of insurance contracts/takaful certificates:
  (i) to that group; and
  (ii) to groups that include insurance contracts/takaful certificates that are expected to arise from the renewals of the insurance contracts/takaful certificates in that group.
- Insurance/takaful acquisition cash flows directly attributable to a portfolio of insurance contracts/takaful certificates that are not directly attributable to a group of contracts/certificates, to groups in the portfolio.

(vi) Financial Assets

Impairment losses on financial assets

The measurement of impairment losses under MFRS 9 across relevant financial assets requires judgement, in particular for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used.

2. Material accounting policies (cont'd.)

2.2 Accounting period

For the general reinsurance business, the Group adopts quarterly accounting periods ending on 31 March, 30 June, 30 September and 31 December, insofar as the insurance service results for Market Cessions business is concerned. This is to correspond with the ceding companies' accounting periods.

Insurance/takaful service results in respect of other businesses and all other income and expenditure are for the 12 months period ended 31 March 2024.

2.3 Subsidiaries, associates and basis of consolidation

(a) Subsidiaries

A subsidiary is an entity over which the Company has all of the following:

(i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) exposure, or rights, to variable returns from its investment with the investee; and
(iii) the ability to use its power over the investee to affect the amount of its returns.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) the contractual arrangement with the other vote holders of the investee;

(ii) rights arising from other contractual arrangements; and

(iii) the Company's voting rights and potential voting rights.

In the Company's financial statements, investments in subsidiaries are stated at cost less any accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statements.

2. Material accounting policies (cont'd.)

2.3 Subsidiaries, associates and basis of consolidation (cont'd.)

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the financial year end. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, all intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the acquisition method. The acquisition method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the income statements.

(c) Takaful and retakaful operations and funds

Under the concept of takaful/retakaful, participants/cedants make contributions to a pool which is managed by a third party with the overall aim of using the monies to aid fellow participants in times of need. Accordingly, the takaful/retakaful subsidiaries manage the general and family takaful/retakaful funds in line with the principles of Wakalah (agency). Under the Wakalah model, takaful/retakaful subsidiaries are not participants in the funds but manage the funds (including the relevant assets and liabilities) towards the purpose outlined above.

In accordance with the Islamic Financial Services Act ("IFSA") 2013, the assets and liabilities of the takaful/retakaful funds are segregated from those of the shareholder's funds of the takaful/retakaful subsidiaries, a concept known as segregation of funds. However, in compliance with MFRS 10 *Consolidated Financial Statements*, the assets, liabilities, income and expenses of the takaful and retakaful funds are consolidated with those of the shareholders' funds to represent the control possessed by the takaful/retakaful subsidiaries over the respective funds.

2. Material accounting policies (cont'd.)

2.3 Subsidiaries, associates and basis of consolidation (cont'd.)

(c) Takaful and retakaful operations and funds (cont'd.)

In preparing the Group financial statements, the balances and transactions of the shareholder's funds of takaful/retakaful subsidiaries were amalgamated and combined with those of the takaful and retakaful funds respectively. Interfund assets and liabilities, income, expenses and cash flows are eliminated in full during amalgamation and consolidation.

The takaful and retakaful funds of the takaful/retakaful subsidiaries are consolidated and amalgamated from the date of control and continue to be consolidated until the date such control ceases.

(d) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policies decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associates. The Group's share of the net profit or loss of the associates is recognised in the consolidated income statements. Where there has been a change recognised directly in the equity of the associates, the Group recognises its share of such changes.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investments in the associates. The investments in associates are accounted for using the equity method from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associates or the investments become subsidiaries.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associates' identifiable assets, liabilities and contingent liabilities over the cost of the investments is excluded from the carrying amount of the investments and is instead included as income in the determination of the Group's share of the associates' profit or loss in the period in which the investments are acquired.

2. Material accounting policies (cont'd.)

2.3 Subsidiaries, associates and basis of consolidation (cont'd.)

(d) Associates (cont'd.)

When the Group's share of losses in associates equal or exceed its interest in the associates, including any long-term interests that, in substance, form part of the Group's net investments in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is derived from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for transactions and events in similar circumstances.

In the Group's and Company's financial statements, investments in associates are stated at cost less any accumulated impairment losses.

On disposal of such investments, the difference between net disposal proceeds and the carrying amount is included in the income statements.

2.4 Business combination from third party

Business combinations involving entities not under common control are accounted for by applying the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* ("MFRS 9"), is measured at fair value with the changes in fair value recognised in the statement of comprehensive income in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each financial year end with changes in fair value recognised in income statements.

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2. Material accounting policies (cont'd.)

2.4 Business combination from third party (cont'd.)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statements.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

2.5 Insurance contracts and takaful certificates classification

An insurance contract/takaful certificate is a contract/certificate under which the reinsurance/retakaful and takaful subsidiaries have accepted significant insurance/takaful risk from another party by agreeing to compensate the party if a specified uncertain future event ("the insured/covered event") adversely affects the party. A contract/certificate is considered to have significant insurance/takaful risk if, and only if, an insured event could cause a reinsurer/takaful operator to pay additional amounts that are significant in any single scenario, excluding scenarios that lack commercial substance.

The Group issues insurance contracts and takaful certificates that contain insurance/takaful risk or a combination of insurance/takaful risk and financial risk.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rate, credit rating or credit index or other variables, provided in the case of a non-financial variable that the variable is not specific to a party to the contracts/certificates. Insurance/takaful risk is risk other than financial risk.

The Group also cedes insurance/takaful risk in the normal course of its business. Ceded reinsurance/retakaful arrangements do not relieve the Group from its obligations to policyholders/participants. For both ceded and assumed reinsurance/retakaful businesses, contracts/contributions, claims and benefits paid or payable are presented on a gross basis.

2. Material accounting policies (cont'd.)

2.5 Insurance contracts and takaful certificates classification (cont'd.)

Reinsurance/retakaful arrangements entered into by the Group, that meet the classification requirements of insurance contracts/takaful certificates as described above are accounted for as noted below. Arrangements that do not meet these classification requirements are accounted for as financial assets.

2.6 Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment

Separation of components

At inception of insurance contracts/takaful certificates issued and reinsurance contracts/retakaful certificates held, the Group assesses to determine whether they contain distinct components which must be accounted for under another MFRS: derivatives embedded within insurance contracts/takaful certificates that are required to be separated (MFRS 9); cash flows relating to distinct investment components (MFRS 9); and promises to transfer distinct goods or distinct non-insurance or non reinsurance services/non-takaful or non-retakaful (MFRS 15) rather than MFRS 17. After separating any distinct components, an entity must apply MFRS 17 to all remaining components of the (host) insurance contracts/takaful certificates issued and reinsurance contracts/retakaful certificates held. Currently, the Group's products do not include distinct components that require separation.

MFRS 17 defines investment components as the amounts that an insurance contract and takaful certificate require the Group to repay to a participant in all circumstances, regardless of whether a covered event occurs. Investment components which are highly inter-related with the takaful certificate of which they form a part of are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are recorded outside of profit or loss.

2. Material accounting policies (cont'd.)

2.6 Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Level of aggregation

The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts/certificates with similar risks which are managed together.

The insurance contracts and takaful certificates portfolios are divided into:

i. A group of contracts that are onerous at initial recognition;

ii. A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and

iii. A group of the remaining contracts in the portfolio.

The Group makes an evaluation of whether a series of contracts/certificates can be treated together in making the profitability assessment based on reasonable and supportable information, or whether a single contract/certificate contains components that need to be separated and treated as if they were stand-alone contracts/certificates.

The portfolio is a group of insurance contracts and takaful certificates issued based on the fact that the products are subject to similar risks and managed together. In determining groups of contracts, the reinsurance/retakaful and takaful businesses have elected to include in the same group contracts where its ability to set prices or levels of benefits for participants/cedants with different characteristics is constrained by regulation.

Recognition

The Group recognises groups of insurance contracts/takaful certificates that it issues from the earliest of the following:

i. The beginning of the coverage period of the group of contracts/certificates.

ii. The date when the first payment from a participant in the group is due, or when the first payment is received if there is no due date.

iii. For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

2. **Material accounting policies (cont'd.)**

2.6 Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Recognition (cont'd.)

The Group recognises a group of reinsurance contracts/retakaful certificates held from the earliest:

i. The beginning of the coverage period of the group of reinsurance contracts/retakaful certificates held. However, the Group delays the recognition of a group of reinsurance contracts/retakaful certificates held that provide proportionate coverage until the date when any underlying insurance contract/takaful certificate is initially recognised, if that date is later than beginning of the coverage period of the group of reinsurance contracts/retakaful certificates held; and

ii. The date the Group recognises an onerous group of underlying insurance contracts/takaful certificates if the Group entered into the related reinsurance contracts/retakaful certificates held at or before that date.

The Group adds new insurance contracts/takaful certificates to the group in the reporting period in which the contracts/certificates meets one of the criteria set out above.

Only insurance contracts/takaful certificates that meet the recognition criteria by the end of the reporting period are included in the groups. When contracts/certificates meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts' restriction. Composition of the groups is not reassessed in subsequent periods.

Onerous groups of contracts/certificates

The profitability of group of contracts/certificates is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts/certificates in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts/certificates that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood changes in applicable facts and circumstances.

If the facts and circumstances indicate that a group is expected to be onerous, a loss component should be recognised in the statement of financial position and the corresponding loss should be recognised in profit or loss accordingly as disclosed in Note 3(b).

2. **Material accounting policies (cont'd.)**

2.6 Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Contract boundary

The Group includes in the measurement of a group of insurance contracts and takaful certificate all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract and takaful certificates if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the participant/cedants to pay the premiums/contributions or in which the Group has a substantive obligation to provide the participant/cedants with services. A substantive obligation to provide services ends when:

i. The Group has the practical ability to reassess the risks of the particular participant and, as a result, can set a price or level of benefits that fully reflects those risks; or

ii. Both of the following criteria are satisfied:

- The Group has the practical ability to reassess the risks of the portfolio that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and

- The pricing of the premiums/contributions for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums/contributions or claims outside the boundary of the insurance contracts/takaful certificates is not recognised. Such amounts relate to future insurance contracts/takaful certificates.

For insurance contracts/takaful certificates with renewal periods, the Group assesses whether premiums/contributions and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals are established by the Group by considering all the risks covered for the cedants/participant by the Group. This is considered when the Group underwrites equivalent contracts on the renewal dates for the remaining coverage. The Group reassess the contract boundary of each group at the end of each reporting period.

2. **Material accounting policies (cont'd.)**

2.6 **Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)**

Measurement - Insurance contracts and takaful certificates

i. **Contracts measured under Premium Allocation Approach (PAA)**

Initial measurement

The Group applies the premium allocation approach (PAA) to all the takaful certificates that it issues and retakaful certificates that it holds, as:

- The coverage period of each certificate in the group is one year or less, including coverage arising from all contribution within the contract boundary; or
- For certificates longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage ("LFRC") for the group containing those certificates under the PAA does not differ materially from the measurement that would be produced applying the general model.

Under the PAA, the liability for remaining coverage is measured as the amount of contribution received net of acquisition cash flows paid, less the net amount of contribution and acquisition cash flows that have been recognised in profit or loss over the expired portion of the coverage period based on the passage of time. The measurement of the liability for incurred claims is identical under all three measurement models, apart from the determination of locked-in interest rates used for discounting.

The Group applies PAA models for retakaful certificates held by general takaful business, depending on the specific certificate boundaries for each retakaful certificates.

Where facts and circumstances indicate that certificates are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the certificate. Such onerous contract are separately grouped from other certificates and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group of certificates being equal to the fulfilment cash flows ("FCF"). A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

2. **Material accounting policies (cont'd.)**

2.6 **Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)**

Measurement - Insurance contracts and takaful certificates (cont'd.)

i. **Contracts measured under Premium Allocation Approach (PAA) (cont'd.)**

Subsequent measurement

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus contributions received in the period;
- Minus takaful acquisition cash flows;
- Plus any amounts relating to the amortisation of the takaful acquisition cash flows recognised as an expense in the reporting period for the group and any adjustment to the financing component, where applicable; and
- Minus the amount recognised as takaful revenue for the services provided in the period.

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, 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, they reflect current estimates from the perspective of the Group, and include an explicit adjustment for non-financial risk (the risk adjustment).

Takaful acquisition cash flows are allocated on a straight-line basis as a portion of contribution to profit or loss (through takaful revenue).

ii. **Contracts not measured under PAA (General Measurement Model ("GMM") and Variable Fee Approach ("VFA"))**

Initial measurement

At initial recognition, the Group measures a group of insurance contracts/takaful certificates as the total of:

- fulfilment cash flows, which comprise of estimates of future cash flows, adjusted to reflect the time value of money and financial risks, and a risk adjustment for non-financial risk; and
- a contractual service margin ("CSM"), which represents the unearned profit the Group will recognise as it provides service under the insurance contracts.

2. Material accounting policies (cont'd.)

2.6 Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Measurement - Insurance contracts and takaful certificates (cont'd.)

ii. Contracts not measured under PAA (General Measurement Model ("GMM") and Variable Fee Approach ("VFA")) (cont'd.)

Initial measurement (cont'd.)

In determining the fulfilment cash flows, the Group uses estimates and assumptions considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The Group's CSM is a component of the insurance/takaful asset or liability for the group of insurance contracts/takaful certificates and results in no income at initial recognition. The unit of account for CSM is on a group of contracts/certificates basis consistent with the level of aggregation specified above. If the fulfilment cash flows allocated to the group of insurance contracts/takaful certificates, any previously recognised insurance/takaful acquisition cash flows and any cash flows arising from the contracts/takaful at the date of initial recognition in total are a net outflow then the group of contracts/certificates is considered to be onerous. A loss from onerous insurance contracts/takaful certificates is recognised in profit and loss immediately. The Group establishes the groups at initial recognition and may add contracts/certificates to the groups after the end of a reporting period, however, the Group does not reassess the composition of the groups subsequently.

Subsequent measurement

In the subsequent periods, the carrying amount of a group of insurance contracts/takaful certificates at each reporting date is the sum of the liability for remaining coverage ("LFRC") and the liability for incurred claims ("LFIC"). The LFRC comprises the fulfilment cash flows that relate to services to be provided in the future and any remaining CSM at that date. The LFIC comprises the fulfilment cash flows for incurred claims and expenses that have not yet been paid. The fulfilment cash flows at the reporting dates are measured using the current estimates of expected cash flows and current discount rates.

The carrying amount of CSM at end of the reporting period is adjusted to reflect the following changes to the GMM for contracts without direct participation features:

- effect of new contracts added to the group;
- interest accreted on the carrying amount of CSM, measured at locked-in rate;
- effect of any currency exchange differences on the CSM;
- changes in fulfilment cash flows that relate to future services (non-financial), except for loss component; and
- recognition of insurance/takaful revenue for services provided in the year.

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2. Material accounting policies (cont'd.)

2.6 Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Measurement - Insurance contracts and takaful certificates (cont'd.)

ii. Contracts not measured under PAA (General Measurement Model ("GMM") and Variable Fee Approach ("VFA")) (cont'd.)

Subsequent measurement (cont'd.)

The CSM is recognised into insurance/takaful revenue over the duration of the group of insurance contracts/takaful certificates based on the respective coverage units. The locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts/certificates that joined a group over a 12-month period. The discount rate used for accretion of interest on the CSM is determined using the bottom-up approach.

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- Experience adjustments that arise from the difference between the premium/contribution receipts (and any related cash flows such as takaful acquisition cash flows and takaful contribution taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premium/contributions received (or due) related to current or past services are recognised immediately in profit or loss while differences related to premium/contributions received (or due) for future services are adjusted against the CSM.

- Changes in estimates of the present value of future cash flows in the liability for remaining coverage, except those relating to the time value of money and changes in financial risk (recognised in the statement of profit or loss and other comprehensive income rather than adjusting the CSM).

- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period.

- Changes in the risk adjustment for non-financial risk that relate to future service. A loss is created when there is an increase in fulfilment cash flows that exceeds the carrying amount of the CSM. Once a change in fulfilment cash flows reduces CSM to zero, the excess establishes a loss which is recognised in expense immediately. Any subsequent decrease in the fulfilment cash flows will reverse the losses previously recognised in expense. Any remaining loss will be released based on a systematic allocation of subsequent changes relating to future service in the fulfilment cash flows.

2. Material accounting policies (cont'd.)

2.6 Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

<u>Measurement - Reinsurance contracts and retakaful certificates held</u>

i. Contracts measured under PAA

The Group applies the same accounting policies for initial measurement and subsequent measurement as those for takaful certificate issued to measure a group of retakaful certificates, adapted where necessary to reflect features that differ from those of takaful certificates.

ii. Contracts not measured under PAA (General Measurement Model ("GMM")

<u>Initial measurement</u>

The measurement of reinsurance contracts/retakaful certificates follows the same principles as the GMM, with the following exceptions or modifications specified in this section below. Reinsurance contracts/ retakaful certificates held and assumed cannot use the VFA.

- Measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers/retakaful operators, including the effects of collateral and losses from disputes.
- The Group determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurers/retakaful operators.
- The Group recognises both day 1 gains and day 1 losses at initial recognition in the Statement of Financial Position as a CSM and releases this to profit or loss as the reinsurer/retakaful operator renders services, except for any portion of a day 1 loss that relates to events before initial recognition.
- Changes in the fulfilment cash flows are recognised in profit or loss if the related changes arising from the underlying ceded contracts/certifictaes have been recognised in profit or loss. Alternatively, changes in the fulfilment cash flows adjust the CSM.
- Changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contracts/retakaful certificates held do not adjust the contractual service margin as they do not relate to future service.

Any change in the fulfilment cash flows of a reinsurance contracts/retakaful certificates held due to the changes of the liability for incurred claims of the underlying contracts/certificates is taken to profit and loss and not the contractual service margin of the reinsurance contracts and retakaful certificates held.

2. Material accounting policies (cont'd.)

2.6 Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

<u>Measurement - Reinsurance contracts and retakaful certificates held (cont'd.)</u>

ii. Contracts not measured under PAA (General Measurement Model ("GMM") (cont'd.)

<u>Initial measurement (cont'd.)</u>

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts and takaful certificates, the portion of income that has been recognised from related reinsurance contracts and retakaful certificates held is disclosed as a loss-recovery component.

<u>Subsequent Measurement</u>

The carrying amount of a group of reinsurance contracts/retakaful certificates at each reporting date is the sum of the remaining coverage component and the incurred claims component. The remaining coverage component comprises (a) the fulfilment cash flow ("FCF") that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

For reinsurance contracts/retakaful contracts, when the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts/takaful certificates or when further onerous underlying insurance contracts/takaful certificates are added to a group, the Group establishes a loss-component of the asset for remaining coverage for a group of reinsurance contracts/retakaful certificates held representing the recovery of losses.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts/takaful certificates, the portion of income that has been recognised from related reinsurance contracts/retakaful certicates held is disclosed as a loss-recovery component.

Where a loss-recovery has been setup at initial recognition or subsequently, the Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts/takaful certificates.

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts/takaful certificates that the Group expects to recover from the group of reinsurance contracts/retakaful certificates. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts/takaful certificates and is zero when loss component of the onerous group of underlying insurance contracts/takaful certificates is zero.

2. Material accounting policies (cont'd.)

2.6 Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Liability for remaining coverage - Insurance/takaful receivables and payables

The liability for remaining coverage disclosed under insurance contracts/takaful certificates liabilities includes insurance/takaful receivables and payables.

The impairment on insurance/takaful receivables are measured at initial recognition and throughout its life at an amount equal to lifetime ECL. The ECL is calculated using a provision matrix based on historical data where the insurance/takaful and reinsurance/retakaful receivables are grouped based on different sales channel and different reinsurance/retakaful contribution type's arrangement respectively. The impairment is calculated on the total outstanding balance including all aging buckets from current to 12 months and above. Roll rates are to be applied on the outstanding balance of the aging bucket which forms the base of the roll rate. Forward-looking information has been included in the calculation of ECL.

Modification and derecognition

The Group derecognises insurance contracts/takaful certificates when:

i. The rights and obligations relating to the contracts/certificates are extinguished (i.e., discharged, cancelled or expired); or
ii. The contract/certificate is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the contract/certificate. In such cases, the Group derecognises the initial contract/certificate and recognises the modified contract/certificate as a new contract/certicate.

When a modification is not treated as a derecognition, the Group recognises amount paid or received for the modification with the contracts/certificates as an adjustment to the relevant liability for remaining coverage.

Qard

For takaful and retakaful businesses, any deficit in the participants' risk fund within the takaful/retakaful fund is made good via a Qard, which is a profit free financing, granted by the shareholder's fund to the participants' risk fund. In the participants' risk fund, the Qard is included in fulfilment cash flows used to measure the takaful liabilities under MFRS 17.

Qard is measured in the fulfilment cash flows at a value discounted for time value of money, which reflects the economic effect of the expected future cash flow, consistent with all the other cash flows measured in fulfilment cash flows. This accounting measurement does not affect the retakaful Fund's obligation to repay the nominal amount of Qard, nor does it affect or change any rights or obligations of the shareholder's fund.

The Qard shall be repaid from future surpluses of the participants' risk fund.

2. Material accounting policies (cont'd.)

2.6 Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Insurance/takaful acquisition cash flows

Insurance/takaful acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts/takaful certificates (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts/takaful certificates to which the group belongs.

The Group uses a systematic and rational method to allocate:

i. Insurance/takaful acquisition cash flows that are directly attributable to a group of insurance contracts/takaful certificates:

- to that group; and
- to groups that include insurance contracts/takaful certificates that are expected to arise from the renewals of the insurance contracts/takaful certificates in that group.

Where insurance/takaful acquisition cash flows have been paid or incurred before the related group of insurance contracts/takaful certificates is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance/takaful acquisition cash flow is derecognised from the statement of financial position when the insurance/takaful acquisition cash flows are included in the initial measurement of the CSM of the related group of insurance contracts/takaful certificates. The Group expects to derecognise all assets for insurance/takaful acquisition cash flows within insurance/takaful coverage period.

At the end of each reporting period, the Group revises amounts of insurance/takaful acquisition cash flows allocated to groups of insurance contracts/takaful certificates not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Group assesses the recoverability of the asset for insurance/takaful acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Group applies:

i. An impairment test at the level of an existing or future group of insurance contracts/takaful certificates; and
ii. An additional impairment test specifically covering the insurance/takaful acquisition cash flows allocated to expected future contract/certificate renewals.

2. Material accounting policies (cont'd.)

2.6 Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Insurance/takaful acquisition cash flows (cont'd.)

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss. The Group recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

Presentation and disclosure

The Group has presented separately in the statement of financial position the carrying amount of groups of insurance contracts/takaful certificates issued that are assets, groups of insurance contracts/takaful certificates issued that are groups of liabilities, reinsurance contracts/retakaful certificates held that are assets and groups of reinsurance contracts/retakaful certificates held that are liabilities.

Any assets or liabilities for insurance/takaful acquisition cash flows recognised before the corresponding insurance contracts/takaful certificates are included in the carrying amount of the related groups of insurance contracts/takaful certificates issued.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance/takaful service result.

The Group separately presents income or expenses from reinsurance contracts/retakaful certificates held from the expenses or income from insurance contracts/takaful certificates issued.

i. Insurance/takaful revenue

Contracts measured under PAA

The takaful revenue for the period is the amount of expected contribution receipts (excluding any investment component) allocated to the period. The Group allocates the expected contribution receipts to each period of takaful certificates services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred takaful service expenses.

2. Material accounting policies (cont'd.)

2.6 Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Presentation and disclosure (cont'd.)

i. Insurance/takaful revenue (cont'd.)

Contracts measured under PAA (cont'd.)

The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented, all revenue has been recognised on the basis of the passage of time.

Contracts not measured under PAA

The Group's insurance/takaful revenue depicts the provision of coverage and other services arising from a group of insurance contracts/takaful certificates at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Insurance/takaful revenue from a group of insurance contracts/takaful certificates is therefore the relevant portion for the period of the total consideration for the contracts/certificates, (i.e., the amount of premiums/contribution paid to the Group adjusted for financing effect (the time value of money) and excluding any distinct investment components).

The total consideration for a group of contracts/certificates covers amounts related to the provision of services and is comprised of:

- Insurance/takaful service expenses, excluding any amounts relating to the risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage.
- Amounts related to tax that are specifically chargeable to the cedants/participants.

- The risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage.
- The CSM release.
- The experience adjustments for premium/contribution received other than those that relate to future service.
- Amount related to insurance/takaful acquisition cash flows.

For management judgement applied to the amortisation of CSM, please refer to Note 2.1(a)(iv).

2. Material accounting policies (cont'd.)

2.6 Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Presentation and disclosure (cont'd.)

ii. Loss component

The Group has grouped contracts/certificates that are onerous at initial recognition separately from contracts/certificates in the same portfolio that are not onerous at initial recognition. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes. The Group has established a loss component of the liability for remaining coverage for any onerous group depicting the future losses recognised.

A loss component represents a notional record of the losses attributable to each group of onerous insurance contracts/takaful certificates (or contracts/certificates profitable at inception that have become onerous). The loss component is released based on a systematic allocation of the subsequent changes in the fulfilment cash flows to:

- the loss component; and
- the liability for remaining coverage excluding the loss component.

The loss component is also updated for subsequent changes in estimates of the fulfilment cash flows related to future service. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts/certificates (since the loss component will have been materialised in the form of incurred claims). The Group uses the proportion on initial recognition to determine the systematic allocation of subsequent changes in future cash flows between the loss component and the liability for remaining coverage excluding the loss component.

iii. Loss-recovery components

When the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts/takaful certificates or when further onerous underlying insurance contracts/takaful certificates are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts/retakaful certificates held depicting the recovery of losses.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts/takaful certificates, the portion of income that has been recognised from related reinsurance contracts/retakaful certificates held is disclosed as a loss-recovery component.

Where a loss-recovery component has been set up at initial recognition or subsequently, the Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts/takaful certificates.

2. Material accounting policies (cont'd.)

2.6 Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Presentation and disclosure (cont'd.)

iii. Loss-recovery components (cont'd.)

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts/takaful certificates that the Group expects to recover from the group of reinsurance contracts/retakaful certificates held. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts/takaful certificates.

iv. Net income or expense from reinsurance contracts/retakaful certificates held

The Group presents the net amounts of income or expense expected to be recovered/paid from/to reinsurers/retakaful operators on profit or loss.

The Group treats reinsurance/retakaful cash flows that are contingent on claims on the underlying contracts/certificates as part of the claims that are expected to be reimbursed under the reinsurance contract/retakaful certificate held, and excludes investment components and commissions from an allocation of reinsurance/retakaful premiums/contributions presented on the face of the statement of profit or loss and other comprehensive income. Amounts relating to the recovery of losses relating to reinsurance/retakaful of onerous direct contracts/certificates are included as amounts recoverable from the reinsurer/retakaful operator.

v. Insurance/takaful finance income and expenses

Insurance/takaful finance income or expenses comprise the change in the carrying amount of the group of insurance contracts/takaful certificates arising from:

- The effect of the time value of money and changes in the time value of money.
- The effect of financial risk and changes in financial risk.

The Group defines the reinsurance/retakaful/takaful fund as an underlying item. Hence, changes in measurement of a group of insurance contracts/takaful certificates caused by changes in the value of the fund is reflected in insurance/takaful finance/profit income or expenses.

Finance income and expenses for all issued insurance contracts/takaful certificates except for family takaful certificates is not dissaggregated because the related financial assets are managed on a fair value basis and measured at fair value through profit or loss.

2. Material accounting policies (cont'd.)

2.6 Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

<u>**Presentation and disclosure (cont'd.)**</u>

v. Insurance/takaful finance income and expenses (cont'd.)

The Group systematically allocates expected total insurance/takaful finance/profit income or expenses over the duration of the group of contracts/certificates to profit or loss using discount rates determined on initial recognition of the group of contracts/certificates, see Note 2.1(a)(ii) for current discount rates.

In the event of transfer of a group of insurance contracts/takaful certificates or derecognition of an insurance contracts/takaful certificates, the Group reclassifies the insurance/takaful income finance or expense to profit or loss as a reclassification adjustment to any remaining amounts for the group (or contracts/certificates) that were previously recognised in other comprehensive income.

2.7 Property, plant and equipment and depreciation

(a) Recognition and measurement

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment are recognised as an asset, if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses, whilst properties are stated at revalued amounts less subsequent accumulated depreciation and subsequent impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

In respect of freehold land and buildings, valuations are performed with sufficient frequency to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the financial year end.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statements, in which case the increase is recognised in the income statements. A revaluation deficit is recognised in the income statements, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

2. Material accounting policies (cont'd.)

2.7 Property, plant and equipment and depreciation (cont'd.)

(a) Recognition and measurement (cont'd.)

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. On disposal of property, plant and equipment, the difference between net proceeds and the carrying amount is recognised in the income statements and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

Only assets costing above RM300 will be capitalised. Assets costing RM300 and below are charged to the income statements in the year of purchase.

Assets costing more than RM300 up to a maximum of RM1,000 are written down to RM1 in the year of purchase. The write down is charged to the income statements as depreciation.

(b) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company and their cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statements as incurred.

(c) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Work in progress is also not depreciated as it is not available for use. When work in progress is completed and the asset is available for use, it is reclassified to the relevant category of property, plant and equipment and depreciation of the asset begins. During the period in which the asset is not yet available for use, it is tested for impairment annually.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write-off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Buildings	2% to 4%
Computer equipment	10% to 33.3%
Office equipment	10% to 33.3%
Furniture and fittings	10% (2022: 10% to 15%)
Motor vehicles	20%

2. Material accounting policies (cont'd.)

2.7 Property, plant and equipment and depreciation (cont'd.)

(c) Depreciation (cont'd.)

The residual values, useful lives and depreciation method are reviewed at the end of each financial year to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

(d) Derecognition

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. On disposal of equipment, the difference between net proceeds and the carrying amount is recognised in the income statements and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

2.8 Intangible assets

All intangible assets are initially recorded at cost. Subsequent to recognition, intangible assets are stated at cost less any accumulated amortisation and any impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

On disposal of intangible assets, the difference between net proceeds and the carrying amount is recognised in the income statements.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives. The preferred partnership fees are amortised based on actual contribution received over total committed contribution or a straight-line basis over the estimated economic useful lives depending on the pattern in which the future economic benefit are expected to be consumed by the Group. Intangible assets are assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed annually at the end of each financial year. Amortisation is charged to the income statements.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

2. Material accounting policies (cont'd.)

2.8 Intangible assets (cont'd.)

(a) Software development in progress

Software development in progress represent development expenditure on software. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated impairment losses. When development is complete and the asset is available for use, it is reclassified to computer software and amortisation of the asset begins. It is amortised over the period of expected future use. During the period in which the asset is not yet available for use, it is tested for impairment annually.

(b) Computer software and licences

The useful lives of computer software and licences are considered to be finite because computer software and licences are susceptible to technological obsolescence.

The acquired computer software and licences are amortised at 10% to 33% using the straight-line method over their estimated useful lives. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed annually at the end of each financial year.

(c) Preferred partnership fee in relation to bancatakaful arrangement

The preferred partnership fee represents an upfront fee paid by the Group to the financial institutions under a 5-year preferred bancatakaful arrangement.

Following the initial recognition of the cost of preferred partnership fee, the fee is amortised based on the straight-line method, until the expiry of the contract which is within five (5) years. Upon the expiry of the contract, if the total projected production is not met, the contract may be extended for an additional period of time as mutually agreed between the Group and the financial instituitions.

2.9 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the income statements.

2. **Material accounting policies (cont'd.)**

2.9 **Financial assets (cont'd.)**

(a) **Classification and subsequent measurement**

The classification of financial assets at initial recognition depends on the Group and the Company's business model for managing the financial assets and the financial asset's contractual cash flow characteristic, as described in Notes 2.9(b) and 2.9(c). All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are classified, at initial recognition, as financial assets measured at amortised cost ("AC"), fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL").

In order for a financial asset to be classified and measured at AC or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group and the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group and the Company may irrevocably designate a debt investment that meets the amortised cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at AC (for debt instruments);
- Financial assets at FVOCI with recycling of cumulative gains and losses (for debt instruments);
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (for equity instruments); or
- Financial assets at FVTPL.

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2. **Material accounting policies (cont'd.)**

2.9 **Financial assets (cont'd.)**

(a) **Classification and subsequent measurement (cont'd.)**

(i) **Financial assets at AC**

Debt instruments that meet the following conditions are measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest/profit method and are subject to impairment. Gains and losses are recognised in income statements when the asset is derecognised, modified or impaired.

The effective interest/profit method is a method of calculating the amortised cost of a debt instrument and of allocating interest/profit income over the relevant period. For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest/profit rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest/profit rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest/profit rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest/profit method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

2. Material accounting policies (cont'd.)

2.9 Financial assets (cont'd.)

(a) Classification and subsequent measurement (cont'd.)

(i) Financial assets at AC (cont'd.)

Interest/profit income is recognised using the effective interest/profit method for debt instruments measured subsequently at AC and at FVOCI. For financial assets other than purchased or originated credit impaired financial assets, interest/profit income is calculated by applying the effective interest/profit rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit impaired, interest/profit income is recognised by applying the effective interest/profit rate to the amortised cost of the financial asset. If, in subsequent financial years, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest/profit income is recognised by applying the effective interest/profit rate to the gross carrying amount of the financial asset.

For purchased or originated credit impaired financial assets, the Group and the Company recognise interest/profit income by applying the credit adjusted effective interest/profit rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

(ii) Financial assets at FVOCI with recycling of cumulative gains and losses

Debt instruments that meet the following conditions are measured at FVOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest/profit on the principal amount outstanding.

For debt instruments at FVOCI, interest/profit income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statements and computed in the same manner as for financial assets measured at AC. The remaining fair value changes are recognised in Other Comprehensive Income ("OCI"). Upon derecognition, the cumulative fair value change recognised in OCI is recycled to the income statements.

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2. Material accounting policies (cont'd.)

2.9 Financial assets (cont'd.)

(a) Classification and subsequent measurement (cont'd.)

(iii) Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition

Upon initial recognition, the Group and the Company can make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in equity instrument within the scope of MFRS 9 that is neither held for trading nor is contingent consideration recognised by an acquirer in a business combination. The classification is determined on an instrument-by-instrument basis.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group and the Company manage together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the fair value reserve. Gains and losses on these financial assets are never recycled to the income statements. Dividends are recognised as investment income in the income statements when the right to receive payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as financial assets at FVTPL, unless the Group and the Company designate an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVOCI on initial recognition.

2. Material accounting policies (cont'd.)

2.9 Financial assets (cont'd.)

(a) Classification and subsequent measurement (cont'd.)

(iv) Financial assets at FVTPL (cont'd.)

- Debt instruments that fail the SPPI test are classified as financial assets at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as financial assest at FVTPL upon initial recognition if such designation eliminates or significantly reduces an accounting mismatch that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has designated debt instruments under the family takaful/retakaful fund as financial assets at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each financial year, with any fair value gains or losses recognised in the income statements to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in the income statements includes any dividend, interest/profit earned or foreign currency translation differences on the financial asset. Derivatives are presented as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value of any derivatives that do not qualify for hedge accounting are recognised immediately in profit or loss.

(b) Business model assessment

The Group and the Company determine their business model at the level that best reflects how they manage groups of financial assets to achieve their business objectives.

The Group holds financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Group considers the timing, amount and volatility of cash flow requirements to support insurance/takaful liability portfolios in determining the business model for the assets as well as the potential to maximise return for shareholders and participants as well as for future business development.

The Group and the Company's business models are not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios that is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's and the Company's key management personnel;
- How participants are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected;

2. Material accounting policies (cont'd.)

2.9 Financial assets (cont'd.)

(b) Business model assessment (cont'd.)

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest/profit income, maintaining a particular interest/profit rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets; and
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's and the Company's original expectations, the Group and the Company do not change the classification of the remaining financial assets held in that business model, but incorporate such information when assessing newly originated or newly purchased financial assets going forward.

The Group and the Company assess their business models at each financial year in order to determine whether the models have changed since the preceding period. Changes in business model are not expected to be frequent but should such an event take place, it must be:

- Determined by the Group's and the Company's key management as a result of external or internal changes;
- Significant to the Group's and the Company's operations; and
- Demonstrable to external parties.

A change in the business model will occur only when the Group and the Company begin or cease to perform an activity that is significant to their operation. Changes in the objective(s) of the business model must be effected before the reclassification date.

(c) The Solely Payments of Principal and Interest ("SPPI") Test

The Group and the Company assess the contractual terms of financial assets to identify whether they meet the SPPI test.

‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation/accretion of the premium/discount).

2. Material accounting policies (cont'd.)

2.9 Financial assets (cont'd.)

(c) The Solely Payments of Principal and Interest ("SPPI") Test (cont'd.)

The most significant elements of interest within a debt arrangement are typically the consideration for the time value of money and credit risk. In assessing the SPPI test, the Group and the Company apply judgement and consider relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest/profit rate is set.

(d) Reclassifications

The Group and the Company do not reclassify their financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group and the Company acquire, dispose of, or terminate a business line.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(f) Derecognition of financial assets

A financial asset is derecognised when:

- the contractual right to receive cash flows from the asset has expired; or
- the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

    (a) the Group and the Company have transferred substantially all the risks and rewards of the asset; or
    (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company consider control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

2. Material accounting policies (cont'd.)

2.9 Financial assets (cont'd.)

(f) Derecognition of financial assets (cont'd.)

When the Group and the Company have neither transferred nor retained substantially all the risks and rewards and have retained control of the asset, the asset continues to be recognised only to the extent of the Group's and the Company's continuing involvement, in which case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

When assessing whether or not to derecognise an instrument, amongst others, the Group and the Company consider the following factors:

- Change in currency of the debt instrument;
- Introduction of an equity feature;
- Change in counterparty; and
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original effective interest/profit rate, the Group and the Company record a modification gain or loss.

2.10 Fair value measurement

The Group and the Company measure financial instruments such as financial assets at FVTPL, financial assets at FVOCI and non-financial assets such as self-occupied properties at fair value at each financial year end. Also, fair values of financial instruments measured at amortised cost are disclosed in Notes 18 and 34.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability; or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group and the Company.

2. **Material accounting policies (cont'd.)**

2.10 Fair value measurement (cont'd.)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs that are based on observable market data, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

An annual valuation is performed to reflect the fair value of the Group's self-occupied properties. At the end of each financial year, accredited independent valuers having appropriate recognised professional qualification are appointed to perform the annual valuation. The valuation techniques used by the accredited independent valuers are verified to ensure that they are in accordance with the requirements of MFRS 13 *Fair Value Measurement*.

Over-the-counter derivatives comprise of foreign exchange forward contracts. Over-the-counter derivatives are revalued at each reporting date, based on valuations provided by the respective counterparties in accordance with market conventions.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial year. The fair value hierarchy of assets that are measured at fair value and/or for which fair value are disclosed is presented in Note 34.

2. **Material accounting policies (cont'd.)**

2.11 Impairment of assets

(a) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all financial assets measured at amortised cost or FVOCI, except for investments in equity instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the appropriate effective interest/profit rate.

The ECL model applies to all financial assets held by the Group and the Company except for:

i. Financial assets measured at FVTPL;
ii. Equity instruments; and
iii. Malaysian government securities ("MGS/GII") which are considered low credit risk assets as the Malaysian federal government has strong capacity in repaying the instruments upon maturity. In addition, there is no past historical loss experiences arising from these government securities.

The ECL model also applies to irrevocable loan commitments and financial guarantee contracts, which will include loans, advances, financing, insurance/takaful receivables and contract assets under MFRS 15 Revenue from Contracts with Customers.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group and the Company will generally be required to apply the 'three-bucket' approach based on the change in credit quality since initial recognition:

	Stage 1	Stage 2	Stage 3
	Performing	Non Performing	Non Performing
ECL Approach	12-months ECL	Lifetime ECL	Lifetime ECL
Criterion	No significant increase in credit risk	Credit risk increased significantly	Credit-impaired assets
Recognition of interest/profit income	Gross carrying amount	Gross carrying amount	Net carrying amount

2. Material accounting policies (cont'd.)

2.11 Impairment of assets (cont'd.)

(a) Financial assets (cont'd.)

Forward-looking information and ECL measurement

The amount of credit loss recognised is based on forward-looking estimates that reflect current and forecast economic conditions. The forward looking adjustment is interpreted as an adjustment for the expected future economic conditions, as indicated by different macroeconomic factors and/or expert experienced in credit judgement.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

i. Probability of default ("PD")

The Probability of Default is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information.

ii. Exposure at default ("EAD")

The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the financial year end, including repayments of principal and interest/profit, whether scheduled by contract or otherwise, and accrued interest from missed payments.

iii. Loss given default ("LGD")

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group and the Company would expect to receive. It is usually expressed as a percentage of the EAD.

In its ECL models, the Group and the Company rely on a broad range of forward-looking information as economic inputs, such as government debt, consumer sentiment index, residential property index, consumer price index, net foreign direct investment, Gross Domestic Product ("GDP"), inflation, currency rate, base lending rate and stock index.

i. Debt instruments/sukuks at AC and FVOCI

In accordance to the 'three-bucket' approach, all newly purchased financial assets shall be classified in Stage 1, except for credit impaired financial assets. It will move from Stage 1 to Stage 2 when there is significant increase in credit risk ("SICR"), and Stage 2 to Stage 3 when there is an objective evidence of impairment. Financial assets which have experienced a SICR since initial recognition are classified as Stage 2, and are assigned a lifetime ECL.

2. Material accounting policies (cont'd.)

2.11 Impairment of assets (cont'd.)

(a) Financial assets (cont'd.)

Forward-looking information and ECL measurement (cont'd.)

i. Debt instruments/sukuks at AC and FVOCI (cont'd.)

The ECLs for debt instruments/sukuks at AC and at FVOCI do not reduce the carrying amount of these financial assets in the statements of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to income statements. The accumulated gain recognised in OCI is recycled to the income statements upon derecognition of the assets.

ii. Insurance/takaful receivables

The impairment on insurance/takaful receivables is measured using the simplified approach at initial recognition and throughout its lifetime at an amount equal to lifetime ECL. The ECL is calculated using a provision matrix based on historical data where the insurance/takaful receivables are grouped based on level of business segregation and different reinsurance/retakaful premium/contribution type's arrangement respectively. Impairment is calculated on the total outstanding balances including those balances aged from current to 12 months and above. Roll rates are applied on the outstanding balances in the ageing buckets which form the base of the roll rates. A forward looking factor is taken into consideration in the calculation of ECL.

For insurance/takaful receivables and reinsurance deposits of the reinsurance subsidiary, the Group considers the balances to be in default when contractual payments are two years past due and eighteen months past due respectively. As for the takaful receivables of the takaful subsidiaries, receivables where the contractual payments are one year past due are considered to be in default.

(b) Non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each financial year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

2. Material accounting policies (cont'd.)

2.11 Impairment of assets (cont'd.)

(b) Non-financial assets (cont'd.)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of the other assets in the unit (or groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each financial year for any indications that the losses have decreased or no longer exist.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statements in the period in which the reversals are recognised.

(c) Write-offs

i. Non-financial assets

An estimate is made for doubtful debts based on review of all outstanding balances as at reporting date. Any financial assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business will be written down to an amount which they might be expected so to realise. The amount written off for bad debts in the financial statements of the Group and the Company are expensed to income statements as disclosed in Note 31.

ii. Financial assets

Non-financial assets are written off either partially or in their entirety only when the Group and the Company have stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

2. Material accounting policies (cont'd.)

2.12 Share capital and dividend expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of their liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at banks, excluding fixed and call deposits with licensed financial institutions, which have an insignificant risk of changes in value. The statements of cash flows have been prepared using the indirect method.

2.14 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. Leases arise when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) The Group and the Company as lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities, representing the liability to make lease payments and right-of-use ("ROU") assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group and the Company recognise ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. All ROU assets recognised by the Group and the Company have shorter lease terms than their estimated useful lives.

2. Material accounting policies (cont'd.)

2.14 Leases (cont'd.)

(i) The Group and the Company as lessee (cont'd.)

(a) Right-of-use assets (cont'd.)

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The ROU assets are also subject to impairment as disclosed under Note 2.11(b).

The ROU assets are presented as a separate line in the statements of financial position.

(b) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed lease payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, these are discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use the incremental borrowing rate ("IBR"). After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest/profit and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group and the Company did not make any such adjustments during the financial year.

The lease liability is presented as a separate line in the statements of financial position.

2. Material accounting policies (cont'd.)

2.14 Leases (cont'd.)

(i) The Group and the Company as lessee (cont'd.)

(c) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to their short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

The Group and the Company also apply the lease of low-value assets recognition exemption to leases of equipment that are considered to be of low value (such as laptops, personal computers, small items of office furniture and telephones). Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

(ii) The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other operating revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.15 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and/or the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

2. Material accounting policies (cont'd.)

2.15 Financial liabilities (cont'd.)

(a) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at FVTPL.

Financial liabilities held for trading include derivatives entered into by the Group that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in the income statements. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities at FVTPL nor were there any financial liabilities held for trading during and at the end of the financial year.

(b) Derivatives financial instruments

The Group and the Company use derivative financial instruments such as forward rate contracts to manage certain exposures to fluctuations in foreign currency exchange rates.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(c) Other financial liabilities

The Group's and the Company's other financial liabilities include borrowings, lease liabilities, insurance/takaful payables and other payables.

Insurance/takaful payables and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest/profit method.

For other financial liabilities, gains and losses are recognised in the income statements when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statements.

2. Material accounting policies (cont'd.)

2.16 Provisions

Provisions are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each financial year end and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation.

2.17 Income tax and deferred tax

Income tax on income statements for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the end of the financial year.

Deferred tax is provided for, using the liability method, on temporary differences at the end of the financial year between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the financial year. Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in other comprehensive income, in which case the deferred tax is also charged or credited directly in other comprehensive income.

2.18 Employee benefits

(a) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated balances. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

2. Material accounting policies (cont'd.)

2.18 Employee benefits (cont'd.)

(b) Defined contribution plan

As required by law, the Group and the Company make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). The Group and the Company also make additional contributions to the EPF for eligible employees by referring to their earnings. Such contributions are recognised as an expense in the income statements as incurred.

(c) Employees' terminal benefits

As required by the previous law in the United Arab Emirates, the Group has made provision for terminal benefits for local employees of its Dubai subsidiary, based on the employees' salaries and number of years of service. The terminal benefits are paid to the employees on termination or completion of their terms of employment.

The Group has obtained an exemption from the requirements of the DIFC Employment Regulations to pay end of service benefits contributions on behalf of its expatriate employees into a DIFC Employee Workplace Savings ("DEWS") plan and makes contributions to a pension scheme, the EPF in Malaysia as described in Note 2.18(b).

2.19 Foreign currencies

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions and balances

In preparing the financial statements, transactions in currencies other than the functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each financial year end, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the financial year end. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value are determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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2. Material accounting policies (cont'd.)

2.19 Foreign currencies (cont'd.)

(b) Foreign currency transactions and balances (cont'd.)

Exchange differences arising on the settlement of monetary items or on translating monetary items during the financial year are recognised in the income statements except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under the foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the income statements of the Group on disposal of the foreign operation.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statements for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised directly in other comprehensive income.

(c) Foreign operations

The financial results and financial position of the Company's foreign subsidiary and operations that have a functional currency different from the presentation currency of the consolidated financial statements are translated into RM as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the financial year end;

(ii) Income and expenses for each income statements are translated at average exchange rates for the year, which approximate the exchange rates at the dates of the transactions;

(iii) All resulting exchange differences are taken to the foreign currency translation reserve within equity; and

(iv) The results of an associate, Labuan Reinsurance (L) Ltd., are translated at the closing rate prevailing at the financial year end with respect to the carrying amount of the investment in associate, and at the exchange rate at the date of the transactions with respect to the share of profits or losses. All resulting translation differences are included in the foreign exchange translation reserve in shareholders' equity.

2. Material accounting policies (cont'd.)

2.20 Other revenue recognition

Revenue is recognised when the performance obligation is satisfied at an amount that reflects the consideration to which the Group and the Company expect to be entitled.

(a) Interest and profit income

Interest and profit income are recognised on accrual basis using the effective interest/profit method.

(b) Profit and investment income

Profit and investment income on Shariah compliant investments are recognised on an accrual basis using the effective profit/yield of the asset.

(c) Rental income

Rental income is accounted for on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Management fees

Management fees are recognised when services are rendered.

2.21 Zakat

Zakat represents an obligatory amount payable by the takaful subsidiaries and retakaful division to comply with the principles of Shariah. Zakat is computed using a method as recommended by the GSC and approved by the Board. Only the zakat that is attributable to the individual and corporate Muslim shareholders of the holding company was provided for in the financial statements. The zakat computation is reviewed by the GSC. The Board has the discretion to pay an additional sum above the obligatory amount payable.

2. Material accounting policies (cont'd.)

2.22 Changes in accounting policies and disclosures

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except for the following:

New standards, amendments and interpretations

At the beginning of the current financial year, the Group and the Company adopted the following Amendments/Improvements which are mandatory for annual periods beginning on or after 1 January 2023.

Description	Effective for annual periods beginning on or after
MFRS 17 *Insurance Contracts* and Amendments to MFRS 17	1 January 2023
Amendments to MFRS 101 *Presentation of Financial Statements* and MFRS Practice Statement 2 Making Materiality Judgements Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 *Income Taxes* - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 17 *Insurance Contracts* - Initial Application of MFRS 17 and MFRS 9 Comparative Information	1 January 2023
International Tax Reform - Pillar Two Model Rules (Amendments to MFRS 112)	1 January 2023

The effects arising from the adoption of MFRS 17 Insurance Contracts are as disclosed below.

MFRS 17 *Insurance Contracts*

MFRS 17 replaces MFRS 4 Insurance Contracts for annual periods beginning on or after 1 January 2023. The Group has restated comparative information for financial year ended 31 March 2023 applying the transitional provisions. The nature of the changes in accounting policies can be summarised, as follows:

(i) Changes to classification and measurement

The adoption of MFRS 17 will not change the classification of the Group's insurance, takaful, reinsurance and retakaful contracts.

MFRS 17 establishes specific principles for the recognition and measurement of insurance/takaful contracts issued and reinsurance/retakaful contracts held by the Group.

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2. Material accounting policies (cont'd.)

2.22 Changes in accounting policies and disclosures (cont'd.)

MFRS 17 *Insurance Contracts* (cont'd.)

(i) Changes to classification and measurement (cont'd.)

The Group has developed policies and approved technical positions that will address the following key principles of MFRS 17:

- Identify insurance, takaful, reinsurance and retakaful contracts as those under which the Group accepts significant insurance/takaful risk from another party (the policyholder/participant) by agreeing to compensate the policyholder/participant if a specified uncertain future event adversely affects the policyholder/participant;

- Separate specified embedded derivatives, distinct investment components and distinct non-insurance goods or services from insurance/takaful/reinsurance/retakaful contracts and accounts for them in accordance with other applicable MFRS;

- Divide the insurance/takaful/reinsurance/retakaful contracts into groups it will recognise and measure;

- Recognise and measure groups of insurance/takaful/reinsurance/retakaful contracts at:

  - a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information; plus
  - an amount representing the unearned profit in the group of contracts (the contractual service margin or "CSM")

- Recognise profit from a group of insurance/takaful/reinsurance/retakaful contracts over each period the Group provides insurance/takaful coverage, as the Group is released from risk. If a group of contracts is expected to be onerous over the remaining coverage period, the Group will recognise the loss immediately; and

- Recognise an asset for insurance/takaful acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance/takaful/reinsurance/retakaful contracts is recognised. Such an asset is derecognised when the insurance/takaful acquisition cash flows are included in the measurement of the related group of insurance/takaful/reinsurance/retakaful contracts.

2. Material accounting policies (cont'd.)

2.22 Changes in accounting policies and disclosures (cont'd.)

MFRS 17 *Insurance Contracts* (cont'd.)

(i) Changes to classification and measurement (cont'd.)

During the implementation period of MFRS 17, the Group has determined that its insurance/takaful contracts issued and reinsurance/retakaful contracts held are eligible for the measurement models below:

(a) Premium Allocation Approach ("PAA")
This model will be applied for policies which have contract boundaries (i.e. coverage periods) of less than 1 year as well as for policies with contract boundaries of more than 1 year but which are able to pass the PAA eligibility test.

(b) General Measurement Model (''GMM'')
This is the default measurement model for insurance/takaful/reinsurance/retakaful contracts valued using fulfilment cash flows (the present value of expected future cash flows, plus a risk adjustment) offset by the CSM which represents the unearned profit which the Group will recognise as it provides services under the contracts.

(c) Variable Fee Approach ("VFA")
VFA is use for insurance/takaful contracts with direct participation features where payments to policyholders/participants are contractually linked to and substantially vary with the underlying items.

The Group will be applying all the three models above for the insurance/takaful contracts issued and reinsurance/retakaful contracts held.

(ii) Changes to presentation and disclosure

For presentation purposes, the Group will aggregate insurance/takaful and reinsurance/retakaful contracts held and these will be presented separately in the statement of financial position as follows:

- Portfolios of insurance/takaful contracts issued;
- Portfolios of insurance/takaful contracts held;
- Portfolios of retakaful/reinsurance contracts held that are assets; and
- Portfolios of retakaful/reinsurance contracts held that are liabilities.

Groups of insurance/takaful contracts issued will include any assets for insurance/takaful acquisition cash flows.

The portfolios of contracts are as established at initial recognition in accordance with the requirements of MFRS 17.

2. **Material accounting policies (cont'd.)**

2.22 Changes in accounting policies and disclosures (cont'd.)

MFRS 17 *Insurance Contracts* (cont'd.)

(ii) Changes to presentation and disclosure (cont'd.)

The presentation of the statement of profit or loss and other comprehensive income will change significantly upon the adoption of MFRS 17, with clear delineation of underwriting and investment results. There will no longer be items such as gross, net or earned premiums/contributions or net claims incurred shown on the statement of profit or loss.

Instead, the statement of profit or loss will reflect the following items from the financial year ending 31 March 2024, together with a restated statement of profit or loss under MFRS 17 for the year ended 31 March 2023:

- Insurance/takaful revenue
- Insurance/takaful service expenses
- Insurance/takaful service results
- Finance/profit income or expenses
- Income or expenses from retakaful/reinsurance contracts held

MFRS 17 will also require more extensive disclosure requirements compared to MFRS 4. The Group will provide both qualitative and quantitative disclosures about insurance contracts in three main areas:

- Explanation of the amounts recognised in the Group's financial statements arising from insurance/takaful contracts;
- Significant judgements, and changes in those judgements, when applying MFRS 17; and
- The nature and extent of risks that arise from contracts within the scope of MFRS 17.

(iii) Transition

On the transition date of 1 April 2022, the Group has:

- Identified, recognised and measured each group of insurance/takaful and reinsurance/retakaful contracts as if MFRS 17 had always applied (unless impracticable), using the full retrospective approach;
- Identified, recognised and measured assets for insurance/takaful acquisition cash flows as if MFRS 17 had always applied;
- Derecognised any existing balances that would not exist had MFRS 17 always applied; and
- Recognised any resulting net difference in equity.

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2. **Material accounting policies (cont'd.)**

2.22 Changes in accounting policies and disclosures (cont'd.)

MFRS 17 *Insurance Contracts* (cont'd.)

(iii) Transition (cont'd.)

Where the Full Retrospective Approach ("FRA") has been determined to be impracticable to apply during the implementation period, due to constraints on data or other relevant inputs, the Group has applied the Fair Value Approach ("FVA"). These are described in further detail below.

(a) Full Retrospective Approach ("FRA")

The determination of whether it is impracticable to adopt the FRA for group of contracts/certificates as at the transition date was made after considering the cost or effort required to collect the required information or create information where the required data was unavailable (either due to system migrations in the past, data retention policies, and changes in requirements introduced by MFRS 17) and if hindsight was needed to determine the estimates at prior periods. , the retakaful subsidiary has applied the full retrospective to all family retakaful certificates issued on or after 1 December 2021 while general takaful subsidiary applied FRA approach to all contracts regardless of its issuance date. The family takaful subsidiary has applied FRA on transition to all certificates issued on or after 1 April 2020.

(b) Fair Value Approach ("FVA")

Under the FVA, the CSM is determined as the positive difference between the fair value determined in accordance with MFRS 13 Fair Value Measurement and the fulfilment cash flows (any negative difference will be recognised in retained earnings at the transition date).

Financial Effect arising from the adoption of MFRS 17

The comparative figures have been restated to confirm with current year's presentation in accordance with MFRS 17. The effects of the adjustments on the assets, liabilities and equity on the statement of financial position of the Group as at 1 April 2022 and 31 March 2023 and on the components of profit or loss for the financial year ended 31 March 2023 are presented below:

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2. Material accounting policies (cont'd.)

2.22 Changes in accounting policies and disclosures (cont'd.)

MFRS 17 *Insurance Contracts* (cont'd.)

Financial Effect arising from the adoption of MFRS 17 (cont'd.)

Statement of financial position as at 1 April 2022

Group	**MFRS 4 01.04.2022 RM '000**	**Adjustments RM '000**	**MFRS 17 01.04.2022 RM '000**
Assets			
Investment in associates	134,094	28,284	162,378
Financial and other assets	8,975,983	(19,378)	8,956,605
Insurance/takaful receivables	614,826	(614,826)	-
Insurance/takaful contract assets	-	65,393	65,393
Reinsurance/retakaful contract assets	952,271	(340,082)	612,189
Deferred tax assets	38,330	(12,290)	26,040
Tax recoverable	50,702	8,681	59,383
Other assets	505,953	-	505,953
Total assets	**11,272,159**	**(884,218)**	**10,387,941**
Liabilities			
Insurance/takaful contract liabilities	7,487,057	(287,392)	7,199,665
Participants' fund	394,409	(394,409)	-
Reinsurance/retakaful contract liabilities	-	3,613	3,613
Insurance/takaful payables	305,499	(305,499)	-
Other payables	277,793	(115,834)	161,959
Deferred tax liabilities	3,178	15,688	18,866
Tax payable	5,319	8,681	14,000
Other liabilities	327,230	-	327,230
Total Liabilities	**8,800,485**	**(1,075,152)**	**7,725,333**
Equity			
Share capital	738,502	-	738,502
Reserves	1,733,172	190,934	1,924,106
Total Equity	**2,471,674**	**190,934**	**2,662,608**
Total liabilities and equity	**11,272,159**	**(884,218)**	**10,387,941**

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2. Material accounting policies (cont'd.)

2.22 Changes in accounting policies and disclosures (cont'd.)

MFRS 17 *Insurance Contracts* (cont'd.)

Financial Effect arising from the adoption of MFRS 17 (cont'd.)

Statement of financial position as at 1 April 2023

Group	**MFRS 4 01.04.2023 RM '000**	**Adjustments RM '000**	**MFRS 17 01.04.2023 RM '000**
Assets			
Investment in associates	122,164	25,226	147,390
Financial and other assets	10,033,716	(19,385)	10,014,331
Insurance/takaful receivables	706,541	(706,541)	-
Insurance/takaful contract assets	-	64,409	64,409
Reinsurance/retakaful assets certificate assets	850,692	(327,106)	523,586
Deferred tax assets	42,618	(5,751)	36,867
Tax recoverable	42,423	3,497	45,920
Other assets	559,429	-	559,429
Total assets	**12,357,583**	**(965,651)**	**11,391,932**
Liabilities			
Insurance/takaful contract liabilities	8,190,384	(308,173)	7,882,211
Participants' fund	404,248	(404,248)	-
Reinsurance/retakaful contract liabilities	-	5,579	5,579
Insurance/takaful payables	306,616	(306,616)	-
Other payables	335,669	(126,870)	208,799
Deferred tax liabilities	4,718	17,132	21,850
Tax payable	7,746	3,497	11,243
Other liabilities	525,629	-	525,629
Total Liabilities	**9,775,010**	**(1,119,699)**	**8,655,311**
Equity			
Share capital	738,502	-	738,502
Reserves	1,844,071	154,048	1,998,119
Total Equity	**2,582,573**	**154,048**	**2,736,621**
Total liabilities and equity	**12,357,583**	**(965,651)**	**11,391,932**

2. **Material accounting policies (cont'd.)**

2.22 Changes in accounting policies and disclosures (cont'd.)

MFRS 17 *Insurance Contracts* (cont'd.)

Financial Effect arising from the adoption of MFRS 17 (cont'd.)

Statement of profit or loss for the financial financial year ended 31 March 2023

	As previously stated for the year ended 31.03.2023 RM'000	Classification and measurement RM'000	As stated for the year ended 31.03.2023 RM'000
Profit before taxation and zakat	150,950	(6,266)	144,684
Net profit for the financial year	119,473	(1,193)	118,280

MFRS 9 Financial Instruments ("MFRS 9")

The Group and the Company have adopted MFRS 9 from the financial year ended 31 March 2019. In doing so, the Group has also applied the overlay approach, which allows it to adjust profit or loss for eligible financial assets by removing any accounting volatility to other comprehensive income that may arise from the adoption of MFRS 17. As MFRS 17 allows an election for the effect of changes in discount rates to be recognised through profit or loss ("FVTPL") or through other comprehensive income ("FVOCI"), the Group has applied the amendment by reclassifying the financial assets from FVTPL to FVOCI and FVOCI to FVTPL after performed necessary assessment to manage the balance sheet management strategies and the impact on financial performance. Meanwhile, the Group have performed the necessary reclassification for the eligible financial assets to match against the insurance contract/takaful certificate liabilities.

2. **Material accounting policies (cont'd.)**

2.23 Standards issued but not yet effective

The Standards, Amendments to Standards and Annual Improvements to Standards that have been issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these Standards, Amendments to Standards and Annual Improvements to Standards, if applicable, when they become effective:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 101 *Presentation of Financial Statements* – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101 *Presentation of Financial Statements* – Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 16 *Leases* - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 Financial Instruments: Disclosures	1 January 2024
Amendments to MFRS 121 Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investments in Associates and Joint Ventures* - Sale or Distribution of Assets between an Investor and its Associate or Joint Venture	to be determined by MASB

The Directors are of the opinion that the adoption of the above pronouncements are not expected to have a material impact on the financial statements of the Group and the Company in the period of initial application.

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3. (a) Insurance/takaful revenue

The table below presents an analysis of the total insurance/takaful revenue recognised in the period:

	Group 2024 RM'000	Group 2023 RM'000
Contracts not measured under PAA		
Amounts relating to the changes in the liability for remaining coverage		
Expected claims and insurance/takaful service expenses incurred in the period	1,334,717	1,313,619
Change in the risk adjustment for non-financial risk	133,014	107,119
Amount of CSM recognised in profit or loss	437,988	257,297
Experience adjustments for premium/contributions receipts	156,727	35,006
Amounts relating to recovery of insurance/takaful acquisition cash flows		
Allocation of the portion of premiums/contributions that relate to the recovery of acquisition cash flows	164,223	134,265
Insurance/takaful revenue - contracts not measured under PAA	2,226,669	1,847,306
Insurance/takaful revenue - contracts measured under PAA	871,485	675,370
Total insurance/takaful revenue	3,098,154	2,522,676

(b) Insurance/takaful service expenses

The table below presents an analysis of the total insurance/takaful expenses recognised in the period:

	Group 2024 RM'000	Group 2023 RM'000
Incurred claims (Note 4(b))	1,879,733	1,952,608
Incurred maintenance expenses (Note 4(b))	324,073	219,267
Incurred surplus to participants	10,000	3,000
Amortisation of acquisition cash flows (Note 20)	340,492	261,598
Experience variance from acquisition cash flows	(9,628)	(659)
Losses on onerous contracts and reversal of losses on onerous contracts (Note 4(b))	44,342	28,884
Changes to liabilities for incurred claims ("LIC")	(155,236)	(111,109)
Total insurance/takaful service expenses (Note 4(b))	2,433,776	2,353,589
Represented by:		
Contracts not measured under PAA	1,713,565	1,769,621
Contracts measured under PAA	720,211	583,968
	2,433,776	2,353,589

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4. (a) Fees and other operating income

	Group 2024 RM'000	Group 2023 Restated RM'000	Company 2024 RM'000	Company 2023 RM'000
Management fees	3,843	4,313	57,139	61,317
Other operating income	45,511	31,300	345	171
Net realised gains on foreign exchange	25,361	5,433	-	-
Reversal of impairment losses on buildings (Note 13)	21	72	-	-
Reversal of impairment losses on :				
- financial assets at FVOCI	-	707		
- insurance/takaful receivables	281	-	-	-
Interest/profit income on premium reserve and staff loans	910	630	-	-
Reversal of impairment losses on financial assets at amortised cost	-	1	-	-
Non-operating interest/profit income	1	2	1	2
Miscellaneous income	13,945	22,288	344	169
Net rental income from properties	4,992	2,167	-	-
	49,354	**35,613**	**57,484**	**61,488**

4. (b) Expenses by nature

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Claims and benefits	1,879,733	1,952,608	-	-
Fees and commissions	277,569	248,084	-	-
Losses on onerous insurance/takaful contracts/certificates (Note 3(b))	44,342	28,884	-	-
Staff costs:				
Salaries, bonus and other related costs	171,804	132,969	45,348	38,687
Short term accumulating compensated absences	(249)	627	(253)	236
President & Group Chief Executive Officer ("PGCEO"), directors and Group Shariah Committee ("GSC") members' remuneration (Note 5(a))	5,671	4,853	3,174	2,562
Pension costs - EPF	22,682	18,706	6,562	5,245
Social security costs	952	1,239	293	247
Retirement benefits	121	141	27	42

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(b) Expenses by nature (cont'd.)

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Auditors' remuneration:				
Statutory auditors of the Group				
- statutory audit	4,220	1,657	134	105
- other assurance services	-	2,012	-	-
- regulatory-related	568	105	26	26
- other services	350	192	104	32
Depreciation of property, plant and equipment (Note 13)	9,103	7,892	1,119	1,210
Depreciation of right-of-use assets (Note 14)	1,530	1,404	1,157	1,023
Amortisation of intangible assets (Note 15)	22,469	20,723	2,503	1,295
Expense relating to short-term leases	-	199	-	-
Expenses relating to leases of low-value assets	425	1,079	289	468
Agency expenses	7,762	7,981	-	-
Marketing and promotional costs	62,412	59,349	704	207
Electronic data processing costs	22,336	22,830	2,839	5,179
Management fee	-	-	256	407
Professional and legal fees	22,825	12,564	3,843	29
Contributions and donations	254	4	-	-
Tax on premium	3,575	2,265	-	-
Other management expenses	24,625	33,436	2,375	1,661
Net realised losses on foreign exchange	2,255	7,652	-	-
Impairment losses on financial assets at FVOCI	41	11	11	1
Allowance for impairment losses on other receivables	-	1,607	-	-
Write-off of intangible assets (Note 14)	-	2,197	-	-
Loss from participation in Lloyds' syndicate	-	1,572	-	-
Investment expenses	645	888	-	-
Miscellaneous expenses	11,251	16,610	21	11
	2,599,270	2,592,340	70,532	58,673
Net amortisation of acquisition cash flows	(71,723)	(159,069)	-	-
	2,527,547	2,433,271	70,532	58,673
Represented by:				
Takaful service expenses (Note 3(b))	2,433,776	2,353,589	-	-
Management and other operating expenses	93,771	79,682	70,532	58,673
	2,527,547	2,433,271	70,532	58,673

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5. (a) PGCEO, directors' and GSC members' remuneration

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Number of non-executive directors	23	21	7	6
PGCEO/Executive Director of the subsidiaries (Note 5(b)) :				
Salaries and bonus	1,870	1,442	1,870	1,442
Pension costs - EPF and SOCSO	318	245	318	245
Benefits-in-kind	18	18	18	18
Others	52	38	52	38
	2,258	1,743	2,258	1,743
Non-executive directors of the Company (Note 5(b)):				
Fees	1,346	1,233	710	667
Meeting allowances	445	363	224	171
Benefits-in-kind	88	31	76	31
	1,879	1,627	1,010	869
Non-executive directors of the subsidiaries:				
Fees	1,074	998	-	-
Meeting allowances	256	309	-	-
	1,330	1,307	-	-
Group Shariah Committee members:				
Fees	243	180	-	-
Meeting allowances	67	45	-	-
	310	225	-	-
Total PGCEO, directors' and GSC members' remuneration excluding benefits-in-kind (Note 4(b))	5,671	4,853	3,174	2,562

5. (a) PGCEO, directors' and GSC members' remuneration (cont'd.)

	Number of Directors			
	Group		Company	
	2024	2023	2024	2023
PGCEO/Executive Director of the subsidiaries:				
RM1,500,001 to RM2,000,000	-	1	-	1
RM2,000,001 to RM2,500,000	1	-	1	-
Non-executive directors of the Company:				
RM50,001 to RM100,000	1	-	1	-
RM100,001 to RM150,000	3	3	4	5
RM150,001 to RM200,000	-	-	1	-
RM200,001 to RM250,000	-	-	1	1
RM250,001 to RM300,000	-	1	-	-
RM300,001 to RM350,000	1	-	-	-
RM400,001 to RM450,000	-	1	-	-
RM450,001 to RM500,000	1		-	-
RM500,001 to RM550,000	-	1	-	-
RM550,001 to RM600,000	1	-	-	-
Non-executive directors of the subsidiaries:				
RM0 to RM50,000	4	5	-	-
RM50,001 to RM100,000	2	2	-	-
RM100,001 to RM150,000	8	6	-	-
RM150,001 to RM200,000	2	1	-	-
RM250,001 to RM300,000	-	1	-	-

5. (b) PGCEO/Executive Director of the subsidiaries and non-executive directors of the company

	<-----Group----->				<-----Company----->			
	Salary and bonus RM'000	Fees RM'000	Benefits-in-kind and other emoluments RM'000	Total RM'000	Salary and bonus RM'000	Fees RM'000	Benefits-in-kind and other emoluments RM'000	Total RM'000
2024								
PGCEO/Executive Director of the subsidiaries								
Zaharudin Daud	1,870	-	388	2,258	1,870	-	388	2,258
Non-Executive Directors of the Company:								
Datuk Johar Che Mat	-	448	145	593	-	159	64	223
George Oommen	-	335	127	462	-	109	46	155
Khalid Sufat	-	213	98	311	-	92	46	138
Junaidah Mohd Said	-	99	53	152	-	99	48	147
Zaida Khalida Shaari	-	104	43	147	-	104	40	144
Dato' Wan Roshdi Wan Musa	-	104	43	147	-	104	38	142
Puan Chin See Mei	-	43	24	67	-	43	18	61
	-	1,346	533	1,879	-	710	300	1,010
Total PGCEO and directors' remuneration	1,870	1,346	921	4,137	1,870	710	688	3,268

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5. (b) PGCEO, directors' and GSC members' remuneration (cont'd.)

(a) PGCEO & directors' remuneration (cont'd.):

2023	**Group** Salary and bonus RM'000	Fees RM'000	Benefits-in-kind and other emoluments RM'000	Total RM'000	**Company** Salary and bonus RM'000	Fees RM'000	Benefits-in-kind and other emoluments RM'000	Total RM'000
PGCEO/Executive Director of the subsidiaries								
Zaharudin Daud	1,442	-	301	1,743	1,442	-	301	1,743
Non-Executive Directors of the Company:								
Datuk Johar Che Mat	-	383	121	504	-	159	58	217
George Oommen	-	330	97	427	-	109	28	137
Khalid Sufat	-	213	70	283	-	92	22	114
Junaidah Mohd Said	-	99	42	141	-	99	36	135
Zaida Khalida Shaari	-	104	36	140	-	104	35	139
Dato' Wan Roshdi Wan Musa	-	104	28	132	-	104	23	127
	-	1,233	394	1,627	-	667	202	869
Total PGCEO and directors' remuneration	1,442	1,233	695	3,370	1,442	667	503	2,612

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6. Net expense from reinsurance/retakaful contracts/retakaful certificates held

The Group has voluntarily disclosed an analysis of the net expenses from reinsurance contracts/retakaful certificates held recognised in the period in the table below:

	Group 2024 RM'000	Group 2023 RM'000
Contracts not measured under PAA		
Amounts relating to the changes in the assets for remaining coverage		
Expected recovery for insurance/takaful service expenses incurred in the period	(267,369)	(188,104)
Changes in the risk adjustment for non-financial risk	(10,878)	(6,771)
Net cost recognised in profit or loss	(93,551)	(28,941)
Other amount	(9,380)	4,352
Allocation of reinsurance/retakaful premium/contributions - Contract not measured under PAA	(381,178)	(219,464)
Allocation of reinsurance/retakaful premium/contributions - Contract measured under PAA	(223,574)	(148,072)
Allocation of reinsurance/retakaful premium/contributions	(604,752)	(367,536)
Amounts recoverable for claims and other expenses incurred in the period:		
Amounts recoverable for claims	247,164	137,807
Loss recovery on onerous underlying certificates	23,468	4,948
Changes in amounts recoverable arising from changes in liability for incurred claims	(8,072)	6,977
Amounts recoverable from reinsurers/retakaful operators - Contract not measured under PAA	262,560	149,732
Amounts recoverable from claims	132,533	91,632
Changes in amounts recoverable arising from changes in liability for incurred claims	39,685	26,545
Amounts recoverable from reinsurers/retakaful operators - Contract measured under PAA	172,218	118,177
Amounts recoverable from reinsurers/retakaful operators for incurred claims	434,778	267,909
Net expense from reinsurance/retakaful contracts/certificates held	**(169,974)**	**(99,627)**

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7. Investment income

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Financial assets at FVTPL				
Designated upon initial recognition:				
Interest/profit income	124,151	119,910	-	-
Mandatorily measured:				
Interest/profit income	47,188	656	-	-
Dividend income:				
- Quoted shares in Malaysia	9,722	9,643	-	-
- Shariah approved unit trust funds	1,834	2,658	148	477
- Real estate investment trusts	1,047	1,012	-	-
Financial assets at FVOCI				
Interest/profit income	30,460	74,768	2,196	2,190
Dividend income on shariah approved unit trust funds	82	582	-	-
Financial assets at amortised cost				
Interest/profit income	202,475	112,192	4,248	2,261
Loans and receivables				
Dividend income from subsidiaries	-	-	102,365	23,000
Dividend income from associate	-	-	400	-
Net amortisation of premiums of discount on investments	(4,977)	(4,873)	-	-
Investment expenses	(1,198)	(297)	-	-
	410,784	316,251	109,357	27,928

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8. Net realised (losses)/gains

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Property, plant and equipment				
Net realised (losses)/gain	(67)	16	(67)	(0)
Intangible assets				
Net realised gain	-	398	-	-
Financial assets at FVTPL				
Quoted shares in Malaysia:				
Shariah approved equities	(6,522)	(4,828)	-	-
Others	(5,281)	125	-	-
Unquoted Islamic private debt securities	724	1,365	-	-
Government investment issues	10,202	3,476	-	-
Malaysian government securities	(21)	-	-	-
Shariah approved unit trust funds	(52)	141	-	-
Property trust fund	(1,139)	-	-	-
Real estate investment trusts	(522)	515	-	-
Net realised (losses)/gains	(2,611)	794	-	-
Financial assets at FVOCI				
Unquoted corporate debt securities	-	694	-	-
Unquoted Islamic private debt securities	-	55	-	-
Government investment issues	(340)	2,103	-	-
Net realised (losses)/gains	(340)	2,852	-	-
	(3,018)	4,060	(67)	-

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9. Net foreign exchange gains on investments

	Group	
	2024	2023
	RM'000	RM'000
Foreign exchange gains:		
Realised	44,583	9,498
Unrealised	3,426	4,403
Net foreign exchange gains on investments	48,009	13,901

10. Net insurance/takaful financial results

	Group	
	2024	2023
	RM'000	RM'000
Insurance/takaful profit/finance (expenses)/income from insurance/takaful contracts/certificates issued		
Profit accreted to insurance/takaful contracts/certificates using current financial assumptions	(84,091)	8,865
Profit accreted to insurance/takaful contracts/certificates using locked-in rate	(21,095)	(13,466)
Due to changes in the value of underlying items	(261,673)	(172,537)
Financial risk component	(5,527)	(5,065)
Net foreign exchange expense	(86,527)	(9,782)
Net insurance/takaful profit/finance expenses from contract/certificates issued	(458,913)	(191,985)
Reinsurance/retakaful profit/finance (expenses)/income from reinsurance/retakaful contracts/certificates held		
Profit accreted to reinsurance/retakaful contracts/certificates using current financial assumptions	(3,758)	5,226
Profit accreted to reinsurance/retakaful contracts using locked-in rate	11,739	4,597
Due to changes in interest/profit rates and other financial assumptions	(394)	(1,671)
Net foreign exchange income/(expenses)	3,931	(67)
Net insurance/takaful profit/finance income/(expenses) from contract/certificates issued	11,518	8,085
Unallocated surplus attributable to participants	(90,091)	(34,417)
Net insurance/takaful financial results	**(537,486)**	**(218,317)**

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11. Tax attributable to the participants

	Group	
	2024	2023 Restated
	RM'000	RM'000
Current income tax	21,048	15,661
Deferred income tax	4,030	805
	25,078	16,466

12. Taxation

	Group		Company	
	2024	2023 Restated	2024	2023
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Tax expense for the year	67,255	39,243	7,690	972
Under/(over) provision in prior years	6,532	(2,819)	3	23
	73,787	36,424	7,693	995
Deferred tax (Note 19):				
Relating to origination and reversal of temporary differences	(2,879)	(11,448)	(1,370)	524
Tax expense for the year	70,908	24,976	6,323	1,519

Domestic income tax for the Company, the general takaful business and the takaful subsidiaries' shareholder's funds are calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year. Income tax on the Group's reinsurance/retakaful and family takaful business are calculated at a preferential tax rate of 8% (2023: 8%).

A reconciliation of income tax expenses applicable to profit before zakat and tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company is as follows:

	Group		Company	
	2024	2023 Restated	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit before zakat and taxation	530,859	161,150	79,400	14,075
Taxation at Malaysian statutory tax rate of 24%	127,407	38,676	19,056	3,378
Effects of different tax rate in respect of reinsurance/retakaful business	(63,638)	(7,912)	-	-
Income not subject to tax	(8,155)	(12,252)	(24,701)	(5,635)
Expenses not deductible for tax purposes	12,117	13,775	6,271	4,409
Utilisation of previously unrecognised tax losses	-	(656)	-	(656)
Under provision of tax in prior years	6,532	(2,819)	3	23
Impairment of tax recoverable	7,354	-	5,694	-
Share of results of associates	(10,709)	(3,836)	-	-
Tax expense for the year	70,908	24,976	6,323	1,519

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13. Property, plant and equipment

Group	Freehold land RM'000	Buildings RM'000	Computer equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Work in progress RM'000	Total RM'000
Valuation/Cost							
At 1 April 2022	36,800	162,107	10,680	38,767	2,215	5,141	255,710
Additions	-	-	1,698	26	342	16,555	18,621
Disposals	-	-	-	-	(90)	-	(90)
Revaluation surplus	-	3,625	-	-	-	-	3,625
Foreign exchange translation	-	319	7	21	11	-	358
Elimination of accumulated depreciation on revaluation	-	(4,516)	-	-	-	-	(4,516)
Reclassification	-	1,356	835	4,421	-	(6,612)	-
At 31 March 2023	36,800	162,891	13,220	43,235	2,478	15,084	273,708
Additions	-	-	1,145	874	672	13,576	16,267
Disposals	-	-	-	-	(821)	-	(821)
Revaluation surplus	-	4,905	-	-	-	-	4,905
Foreign exchange translation	-	485	10	32	17	-	544
Elimination of accumulated depreciation on revaluation	-	(4,597)	-	-	-	-	(4,597)
Adjustments	-	-	-	-	-	(2,910)	(2,910)
Reclassification	-	10,692	-	4,111	-	(14,803)	-
At 31 March 2024	36,800	174,376	14,375	48,252	2,346	10,947	287,096

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13. Property, plant and equipment (cont'd.)

Group (cont'd.)	Freehold land RM'000	Buildings RM'000	Computer equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Work in progress RM'000	Total RM'000
Accumulated depreciation and impairment loss							
At 1 April 2022	-	-	7,147	35,909	1,441	-	44,497
Depreciation charge for the year (Note 4(b))	-	4,653	1,412	1,426	401	-	7,892
Disposals	-	-	-	-	(90)	-	(90)
Elimination of accumulated depreciation on revaluation	-	(4,516)	-	-	-	-	(4,516)
Foreign exchange translation	-	161	7	21	6	-	195
Reversal of impairment loss during the year (Note 4(a))	-	(72)	-	-	-	-	(72)
At 31 March 2023	-	226	8,566	37,356	1,758	-	47,906
Depreciation charge for the year (Note 4(b))	-	4,944	1,750	2,057	352	-	9,103
Disposals	-	-	-	-	(702)	-	(702)
Foreign exchange translation	-	379	9	32	15	-	435
Reversal of impairment loss during the year (Note 4(a))	-	(21)	-	-	-	-	(21)
Elimination of accumulated depreciation and impairment on revaluation	-	(4,597)	-	-	-	-	(4,597)
At 31 March 2024	-	931	10,325	39,445	1,423	-	52,124
Net carrying amount							
At 31 March 2024	36,800	173,445	4,050	8,807	923	10,947	234,972
At 31 March 2023	36,800	162,665	4,654	5,879	720	15,084	225,802

13. Property, plant and equipment (cont'd.)

Revaluation of freehold land and buildings

Freehold land and buildings in Malaysia have been revalued based on valuations performed by accredited independent valuers having appropriate recognised professional qualification. The valuations are based on the income and comparison approaches and are based on valuation date of 31 March 2024.

The income approach entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income.

The comparison approach entails critical analyses of recent sales and listing of comparable properties registered within the vicinity. The technique of the approach requires the establishment of a comparable property by reducing reasonable comparative sales and listing to a common denominator. This is performed by adjusting the differences between the subject property and those regarded as comparable. The comparison was premised on the factors of location, size, lease, restrictive covenants age and condition of the building as well as the time element.

Description of the fair value hierarchy for freehold land and buildings and the significant inputs used in the valuation are provided in Note 34.

Freehold buildings outside Malaysia have been revalued based on their value-in-use and a discount rate of 7% (2023: 6%) is applied, being the prevailing rental yield in the country where the buildings are located.

If the freehold land and buildings were measured using the cost model, the carrying amounts would be as follows:

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group			
Cost			
At 1 April 2022	15,596	147,789	163,385
Reclassification from work-in-progress	-	1,356	1,356
Foreign exchange translation	-	319	319
At 31 March 2023	15,596	149,464	165,060
Reclassification from work-in-progress	-	10,692	10,692
Foreign exchange translation	-	484	484
At 31 March 2024	15,596	160,640	176,236

13. Property, plant and equipment (cont'd.)

Revaluation of freehold land and buildings (cont'd.)

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group (cont'd.)			
Accumulated depreciation and impairment loss			
At 1 April 2022	-	61,673	61,673
Depreciation charge for the year	-	3,680	3,680
Reversal of impairment losses	-	(72)	(72)
Foreign exchange translation	-	161	161
At 31 March 2023	-	65,442	65,442
Depreciation charge for the year	-	3,920	3,920
Reversal of impairment losses	-	(21)	(21)
Foreign exchange translation	-	366	366
At 31 March 2024	-	69,707	69,707
Net carrying amount			
At 31 March 2024	15,596	90,933	106,529
At 31 March 2023	15,596	84,022	99,618

	Computer equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
Company					
Cost					
At 1 April 2022	5,451	2,782	599	642	9,474
Additions	442	-	-	7,252	7,694
Disposals	-	-	(5)	-	(5)
Reclassification	425	459	-	(884)	-
At 31 March 2023	6,318	3,241	594	7,010	17,163
Additions	108	44	382	2,805	3,339
Disposals	-	-	(594)	-	(594)
Adjustments	-	-	-	(2,909)	(2,909)
At 31 March 2024	6,426	3,285	382	6,906	16,999

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13. Property, plant and equipment (cont'd.)

Company (cont'd.)	Computer equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
Accumulated depreciation					
At 1 April 2022	4,025	2,358	371	-	6,754
Charge for the year (Note 4(b))	818	274	118	-	1,210
Disposals	-	-	(5)	-	(5)
At 31 March 2023	4,843	2,632	484	-	7,959
Charge for the year (Note 4(b))	848	183	88	-	1,119
Disposals	-	-	(527)	-	(527)
At 31 March 2024	5,691	2,815	45	-	8,551
Net carrying amount					
At 31 March 2024	735	470	337	6,906	8,448
At 31 March 2023	1,475	609	110	7,010	9,204

14. Intangible assets

Group	Software development in progress RM'000	Computer software and licences RM'000	Preferred partnership fees RM'000	Total RM'000
Cost				
At 1 April 2022	28,759	87,507	28,000	144,266
Additions	3,462	8,185	74,000	85,647
Write-off	-	(6,576)	-	(6,576)
Disposal	-	-	(28,000)	(28,000)
Reclassification	(10,006)	10,006	-	-
At 31 March 2023	22,215	99,122	74,000	195,337
Additions	7,985	7,018	-	15,003
Reclassification	(3,861)	3,861	-	-
Adjustments	-	(214)	-	(214)
At 31 March 2024	26,339	109,787	74,000	210,126

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14. Intangible assets (cont'd.)

Group (cont'd.)	Software development in progress RM'000	Computer software and licences RM'000	Preferred partnership fees RM'000	Total RM'000
Accumulated amortisation				
At 1 April 2022	-	58,863	10,267	69,130
Amortisation for the year (Note 4(b))	-	6,605	14,118	20,723
Write-off	-	(4,379)	-	(4,379)
Disposal	-	-	(14,934)	(14,934)
At 31 March 2023	-	61,089	9,451	70,540
Amortisation for the year (Note 4(b))	-	7,205	15,264	22,469
At 31 March 2024	-	68,294	24,715	93,009
Net carrying amount				
At 31 March 2024	26,339	41,493	49,285	117,118
At 31 March 2023	22,215	38,033	64,549	124,797

Company	Computer software and licences RM'000
Cost	
At 1 April 2022	12,408
Additions	2,554
At 31 March 2023	14,962
Additions	4,404
At 31 March 2024	19,366

14. Intangible assets (cont'd.)

	Computer software and licences RM'000
Company (cont'd.)	
Accumulated amortisation	
At 1 April 2022	8,935
Amortisation for the year (Note 4(b))	1,295
At 31 March 2023	10,230
Amortisation for the year (Note 4(b))	2,503
At 31 March 2024	12,733
Net carrying amount	
At 31 March 2024	6,633
At 31 March 2023	4,732

15. Leases

(a) The Group and the Company as lessees

The Group and the Company have lease contracts for various items of equipments and office buildings used in their operations. Lease of office buildings generally have lease terms between 3 to 6 years, while computer and office equipment generally have lease terms of up to 3 years. The Group's and the Company's obligations under leases are secured by the lessor's title to the leased assets. Generally, the Group and the Company are restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension options, which are further discussed below.

The Group and the Company also have certain leases of equipment with lease terms of 12 months or less and leases of equipments which are of low value. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

15. Leases (cont'd.)

(a) The Group and the Company as lessees (cont'd.)

(i) Right-of-use assets:

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Group	Data Centre RM'000	Office buildings RM'000	Computer and office equipment RM'000	Total RM'000
Cost				
At 1 April 2022	553	5,734	256	6,543
Lease modification	-	(171)	(256)	(427)
Additions during the year	-	296	-	296
Termination	-	(846)	-	(846)
Foreign exchange translation	-	34	-	34
At 31 March 2023	553	5,047	-	5,600
Lease modification	-	(408)	-	(408)
Additions during the year	686	1,040	-	1,726
Termination	(553)	(809)	-	(1,362)
Foreign exchange translation	-	52	-	52
At 31 March 2024	686	4,922	-	5,608
Accumulated depreciation				
At 1 April 2022	115	733	141	989
Lease modification	-	826	(141)	685
Charge for the year (Note 4(b))	277	1,127	-	1,404
Termination	-	(846)	-	(846)
At 31 March 2023	392	1,840	-	2,232
Lease modification	-	357	-	357
Charge for the year (Note 4(b))	305	1,225	-	1,530
Termination	(553)	(809)	-	(1,362)
Foreign exchange translation	-	24	-	24
At 31 March 2024	144	2,637	-	2,781
Net carrying amount				
At 31 March 2024	542	2,285	-	2,827
At 31 March 2023	161	3,207	-	3,368

15. Leases (cont'd.)

(a) The Group and the Company as lessees (cont'd.)

(i) Right-of-use assets (cont'd.):

Company	Office buildings RM'000	Computer and office equipment RM'000	Total RM'000
Cost			
At 1 April 2022	4,218	215	4,433
Lease derecognised during the year	-	(215)	(215)
At 31 March 2023	4,218	-	4,218
Lease derecognised during the year	(4,218)	-	(4,218)
Additions	3,471	-	3,471
At 31 March 2024	3,471	-	3,471
Accumulated depreciation			
At 1 April 2022	3,195	97	3,292
Charge for the year (Note 4(b))	1,023	-	1,023
Lease derecognised during the year	-	(97)	(97)
At 31 March 2023	4,218	-	4,218
Charge for the year (Note 4(b))	1,157	-	1,157
Lease derecognised during the year	(4,218)	-	(4,218)
At 31 March 2024	1,157	-	1,157
Net carrying amount			
At 31 March 2024	2,314	-	2,314
At 31 March 2023	-	-	-

(ii) Lease liabilities:

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group RM '000	Company RM '000
At 1 April 2022	**5,476**	**1,073**
Lease modification	(1,007)	-
Additions	287	-
Accretion of interest/profit	125	28
Payments	(1,501)	(1,101)
Foreign exchange translation	46	-
At 31 March 2023	**3,426**	**-**
Lease modification	687	-
Additions	1,725	3,472
Termination	(1,484)	-
Accretion of interest/profit	114	151
Payments	(1,576)	(1,250)
Foreign exchange translation	124	-
At 31 March 2024	**3,016**	**2,373**

15. Leases (cont'd.)

(a) The Group and the Company as lessees (cont'd.)

(iii) Extension options

Most of the Group's and the Company's leases on office buildings contain extension options exercisable by the Group and the Company and not the lessors. At the commencement of a lease, the Group and the Company assess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within their control.

All of the extension options for office buildings have been included in the lease liability because the Group and Company is reasonably certain that the lease will be extended based on past practice and the existing economic incentive.

(b) The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its portfolio of self-occupied properties. These leases have remaining non-cancellable lease terms of between 1 and 3 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the financial year but not recognised as receivables are as follows:

	Group 2024 RM'000	Group 2023 RM'000
Future minimum rental receivable:		
Not later than 1 year	1,709	1,650
Later than 1 year and not later than 5 years	1,257	62
	2,966	1,712

16. Investments in subsidiaries

	Company 2024 RM'000	Company 2023 RM'000
Unquoted shares, at cost:		
In Malaysia		
At the beginning and end of the year	1,298,106	1,298,106
Outside Malaysia		
At the beginning and end of the year	6,370	6,370
	1,304,476	1,304,476

16. Investments in subsidiaries (cont'd.)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest 2024 %	2023 %
Malaysian Reinsurance Berhad ("Malaysian Re")	Malaysia	Underwriting of all classes of general reinsurance business and management of family and general retakaful businesses	100	100
Takaful Ikhlas Family Berhad ("Takaful IKHLAS Family")	Malaysia	Management of family and investment-linked takaful businesses	100	100
Takaful Ikhlas General Berhad ("Takaful IKHLAS General")	Malaysia	Management of general takaful business	100	100
Sinar Seroja Berhad ("SSB")	Malaysia	Family retakaful and general retakaful businesses #	100	100
MMIP Services Sdn. Bhd. ("MSSB")	Malaysia	Management of the Malaysian Motor Insurance Pool which provides motor insurance to vehicle owners who are unable to obtain insurance protection for their vehicles	100	100
Malaysian Re (Dubai) Ltd. ("MRDL")*	Dubai, United Arab Emirates ("UAE")	Marketing and promotional activities and servicing of clients on behalf of Malaysian Re	100	100

The Board of Directors of MRDL has, on 29 March 2024, passed a director resolution for voluntary liquidation of MRDL. A request of license withdrawal to Dubai Financial Service Authority ("DFSA") was submitted by MRDL, which subsequently approved and the license was withdrawn effective 10 July 2024. MRDL has thereon appointed a company based in UAE to act as the liquidator.

Held through Takaful IKHLAS General:

Name of subsidiaries	Country of incorporation	Principal activities	2024 %	2023 %
Hong Leong Dana Abadi ("HLDA") **	Malaysia	Investment in Shariah compliant money market instruments and Sukuk	100	-

* Audited by a firm of chartered accountants affiliated to Ernst & Young PLT, Malaysia.
** Audited by a firm other than Ernst & Young PLT, Malaysia.
# SSB has ceased its operations since December 2017.

17. Investments in associates

	Group 2024 RM'000	Group 2023 RM'000
Unquoted shares in Malaysia, at cost	77,615	77,615
Share of post-acquisition retained profits	83,995	39,373
Reversal of dividend income	(2,983)	(2,583)
Post-acquisition foreign exchange translation reserve *	16,284	32,985
	174,911	147,390
Represented by share of net assets	174,911	147,390

	Company 2024 RM'000	Company 2023 RM'000
Unquoted shares in Malaysia, at cost	1,957	1,957

* This is in respect of retranslation of the investment in Labuan Re at the rate of exchange prevailing at the financial year.

Details of the associates which are all incorporated in Malaysia are as follows:

Name of associates	Year end	Principal activities	Proportion of ownership interest and voting power 2024 %	2023 %
Held by the Company:				
Motordata Research Consortium Sdn. Bhd. **	31 December	Development and provision of a centralised motor parts price database for the Malaysian insurance industry	40	40
Held by Malaysian Re:				
Labuan Reinsurance (L) Ltd ("Labuan Re")	31 December	Underwriting of all classes of general reinsurance and retakaful business	20	20

The financial statements of the above associates are not co-terminous with those of the Group. For the purpose of applying the equity method of accounting, the audited financial statements of the associates for the year ended 31 December 2023 and management financial statements to the end of the accounting period of 31 March 2024 have been used.

** Audited by a firm other than Ernst & Young PLT, Malaysia.

17. Investments in associates (cont'd.)

The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group, are as follows:

	2024 RM'000	2023 Restated RM'000
Assets and liabilities:		
Current assets	2,424,659	2,687,132
Non-current assets	58,288	70,525
Total assets	2,482,947	2,757,657
Current liabilities	309,582	318,113
Non-current liabilities	1,299,685	1,826,873
Total liabilities	1,609,267	2,144,986
Equity	873,680	612,671
Results:		
Insurance Revenue	659,508	614,181
Profit for the year	(45,796)	(43,762)
Share of net profit for the year	44,623	15,985

18. Financial and other assets

The following table summarises the carrying values of financial and other assets of the Group and the Company:

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
At carrying value:				
Financial assets at FVTPL (a)	4,959,479	3,445,293	5,329	5,181
Financial assets at FVOCI (b)	626,239	1,803,902	49,809	49,682
Amortised cost and other assets (c)	5,689,979	4,765,136	243,295	95,183
	11,275,697	10,014,331	298,433	150,046

18. Financial and other assets (cont'd.)

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Malaysian government securities	301,812	89,773	-	-
Government investment issues	2,161,965	2,100,241	-	-
Unquoted corporate debt securities	740,218	641,148	50,759 *	50,632
Commercial paper	59,569	-	-	-
Equity securities:				
Unquoted shares in Malaysia	87,899	87,352	50	50
Quoted shares in Malaysia	233,403	222,588	-	-
Unquoted perpetual bond in Malaysia	4,964	4,884	-	-
Unquoted Islamic private debt securities	1,675,232	1,742,180	-	-
Shariah approved unit trust funds	356,830	346,407	5,329	5,181
Real estate investment trusts:				
- Shariah approved	14,665	5,859	-	-
- Non-Shariah approved	9,050	8,694	-	-
Fixed and call deposits	970,093	647,571	-	-
Islamic investment accounts	4,482,959	3,972,333	231,517	76,992
Derivatives	(320)	69	-	-
Other receivables and prepayments	177,358	145,232	10,778	17,191
	11,275,697	10,014,331	298,433	150,046

* The unquoted corporate debt securities of the Company relate to the subordinated medium term notes ("sub-debt") issued by the Company's reinsurance subsidiary. The sub-debt carries a tenure of eight (8) years from issue date on a 8-year, non-callable 5-year basis with a fixed interest rate of 4.38% per annum payable semi-annually in arrears.

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
(a) Financial assets at FVTPL				
At fair value:				
Designated upon initial recognition:				
Government investment issues	1,532,331	1,414,505	-	-
Unquoted Islamic private debt securities	1,386,861	1,436,711	-	-
Malaysian government securities	301,812	-	-	-
Mandatorily measured:				
Government investment issues	379,665	-	-	-
Quoted shares in Malaysia:				
Shariah approved equities	221,166	166,292	-	-
Others	12,237	56,296	-	-
Unquoted perpetual bond in Malaysia	4,964	4,884	-	-
Unquoted corporate debt securities	740,218	5,576	-	-

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18. Financial and other assets (cont'd.)

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
(a) Financial assets at FVTPL (cont'd.)				
At fair value:				
Mandatorily measured (cont'd.):				
Shariah approved unit trust funds	356,830	346,407	5,329	5,181
Real estate investment trusts:				
- Shariah approved	14,665	5,859	-	-
- Non-Shariah approved	9,050	8,694	-	-
Derivative [i]	(320)	69	-	-
	4,959,479	3,445,293	5,329	5,181

[i] The table below shows the fair values of derivative financial instruments, recorded as assets (being derivatives which are in a net gain position) or liabilities (being derivatives which are in a net loss position), together with their notional amounts. The notional amount, recorded gross, is the amount of a derivatives' underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the end of the financial year and are neither indicative of the market risk nor the credit risk.

	Notional Amount RM'000	Asset RM'000	Liability RM'000
2024			
Trading derivative:			
Forward foreign exchange contract	68,838	-	(319)
2023			
Trading derivative:			
Forward foreign exchange contract	195,766	69	-

Forward contracts are customised contracts transacted with a specific counterparty who agrees to buy or sell a specified asset at a pre-agreed rate at a specified future date. The contracts are settled at gross at a specified future date and are considered to bear a higher liquidity risk than futures contracts which are settled on a net basis. It also bears market risks related to the underlying investments. The Group enters into forward foreign exchange contracts for the purpose of hedging part of its investment portfolio.

18. Financial and other assets (cont'd.)

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
(b) Financial assets at FVOCI				
At fair value:				
Malaysian government securities	-	89,773	-	-
Government investment issues	249,969	685,736	-	-
Unquoted corporate debt securities	-	635,572	49,759	49,632
Unquoted Islamic private debt securities	288,371	305,469	-	-
Unquoted shares in Malaysia [ii]	87,666	87,119	-	-
Golf club memberships	233	233	50	50
	626,239	1,803,902	49,809	49,682

[ii] Equity instruments designated at fair value through OCI include investments in equity shares of non-listed companies. The Group holds non-controlling interests (between 4% and 9%) in these companies. These investments were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

The pertinent information of the investments in unquoted shares in Malaysia are as follows:

	Financial Park (Labuan) Sdn. Bhd. RM'000	Malaysian Rating Corporation Berhad RM'000	Total RM'000
Fair value			
As at 1 April 2022	84,648	2,541	87,189
Fair value movement during the year	(35)	(35)	(70)
As at 31 March 2023	84,613	2,506	87,119
Fair value movement during the year	354	194	548
As at 31 March 2024	84,967	2,700	87,667

Disclosures on expected credit losses recognised on financial assets at FVOCI are disclosed in Note 31(a).

18. Financial and other assets (cont'd.)

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
(c) Financial assets at amortised cost				
At amortised cost:				
Unquoted corporate debt securities	-	-	1,000	1,000
Fixed and call deposits with licensed:				
Commercial banks	190,239	114,400	-	-
Foreign banks	779,854	533,171	-	-
Islamic investment accounts with licensed:				
Islamic banks	3,748,889	3,472,984	219,445	66,547
Development banks	734,070	499,349	12,072	10,445
Commercial paper	59,569	-	-	-
Secured staff loans	2,584	3,068	507	569
Amounts due from subsidiaries *	-	-	8,835	15,472
Amounts due from associates *	-	12	-	-
Income due and accrued	112,458	66,502	1,024	442
Amount due from Insurance Pool accounts	23	48	-	-
Due from Lloyds' syndicate	40,573	50,812	-	-
Sundry receivables	19,318	17,868	266	341
	5,687,577	4,758,214	243,149	94,816
Other assets:				
Other receivables	92	168	-	-
Prepayments	2,310	6,754	146	367
	5,689,979	4,765,136	243,295	95,183

All items above, other than other receivables and prepayments, are financial assets measured at amortised cost. The carrying amounts disclosed above approximate fair value due to their relatively short term nature.

* The carrying amounts disclosed are non-trade in nature, unsecured, not subject to any interest/profit elements and repayable on demand.

18. Financial and other assets (cont'd.)

(d) Average effective interest/profit rate

Average effective interest rates for each class of interest-bearing investment and placements with licensed financial institutions, at net carrying amounts, are as below:

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Debt securities	4.78%	4.61%	4.48%	4.48%
Staff loans	2.14%	2.33%	3.04%	3.04%
Deposits with financial institutions	3.72%	3.24%	3.63%	3.56%

19. Deferred tax assets/(liabilities)

	Group 2024 RM'000	Group 2023 Restated RM'000	Company 2024 RM'000	Company 2023 RM'000
At 1 April, restated	15,017	7,175	3,998	4,435
Recognised in:				
Income statements (Note 12)	2,879	11,448	1,370	(524)
Tax borne by participants (Note 11)	(4,030)	(805)		-
Other comprehensive income	(3,686)	(2,801)	29	87
At 31 March	10,180	15,017	5,397	3,998

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relates to the same authority. The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group 2024 RM'000	Group 2023 Restated RM'000	Company 2024 RM'000	Company 2023 RM'000
Deferred tax assets	47,391	36,867	5,397	3,998
Deferred tax liabilities	(37,212)	(21,850)	-	-
	10,179	15,017	5,397	3,998

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19. Deferred tax assets/(liabilities) (cont'd.)

The components and movements of deferred tax assets/(liabilities) during the financial year prior to offsetting are as follows:

Group	Aaccelerated capital allowances RM'000	Takaful Certificates Liabilities RM'000	Financial assets RM'000	Revaluation of land and buildings RM'000	Others RM'000	Total RM'000
2024						
At 1 April 2023, restated	(2,742)	12,232	857	(9,568)	14,238	15,016
Recognised in:						
Income statements (Note 12)	(657)	3,496	(691)	-	731	2,879
Tax borne by participants (Note 11)	(448)	7,552	(11,134)	-	-	(4,030)
Other comprehensive income	-	-	101	(3,787)	-	(3,686)
At 31 March 2024	(3,847)	23,280	(10,867)	(13,355)	14,969	10,179
2023						
At 1 April 2022, restated	(1,487)	(384)	5,876	(9,161)	12,331	7,175
Recognised in:						
Income statements (Note 12)	(1,300)	10,951	(144)	-	1,941	11,448
Tax borne by participants (Note 11)	45	1,665	(2,481)	-	(34)	(805)
Other comprehensive income	-	-	(2,394)	(407)	-	(2,801)
At 31 March 2023, restated	(2,742)	12,232	857	(9,568)	14,238	15,017

The amendments to section 60AA of the Income Tax Act 1967 has been introduced in Budget 2022 and subsequently gazetted on 31 December 2021 via the Finance Act 2021. Consequent to the amendments, management expenses incurred by the Shareholder's Fund of family takaful operators are now allowed as deductible for the purpose of computing taxable income from YA 2022 onwards. Since management expenses are now deductible under the new amendments, the Group has recognised deferred tax assets of RM 10,956,000 in FYE 2022.

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19. Deferred tax assets/(liabilities) (cont'd.)

The components and movements of deferred tax assets/(liabilities) during the financial year prior to offsetting are as follows (cont'd.):

Company	Unabsorbed/ accelerated capital allowances RM'000	Unutilised business losses RM'000	Provisions and payables RM'000	Financial assets RM'000	Total RM'000
2024					
At 1 April 2023	(178)	2,000	2,089	87	3,998
Recognised in:					
Income statements (Note 12)	(369)	-	1,739	-	1,370
Other comprehensive income	-	-	-	29	29
At 31 March 2024	(547)	2,000	3,828	116	5,397
2023					
At 1 April 2022	(535)	3,600	1,370	-	4,435
Recognised in income					
Income statements (Note 12)	357	(1,600)	719	-	(524)
Other comprehensive income	-	-	-	87	87
At 31 March 2023	(178)	2,000	2,089	87	3,998

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19. Deferred tax assets/(liabilities) (cont'd.)

Deferred tax assets in respect of the following items of the Group and the Company have not been recognised as the probability of recognition cannot be determined with certainty given the lack of assessable profits in current and prior years.

	Group 2024 RM'000	2023 RM'000
Unutilised business losses	8,103	8,103

The unutilised tax losses of the Group and the Company are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act 1967 and guidelines issued by the tax authority.

The Finance Act gazetted on 27 December 2018 has imposed a time limitation to restrict the carry forward of the unutilised tax losses. The unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 7 consecutive years of assessment (i.e. from year of assessment 2019 to 2025) and any balance of the unutilised losses thereafter shall be disregarded.

Based on the Act, for any unutilised tax losses that originated from the year of assessment 2019 onwards, these were allowed to be carried forward for a maximum period of 7 consecutive years of assessments immediately following that originating year of assessment and any balance of the unutilised tax losses thereafter shall be disregarded.

However, following the Budget 2022 announcement and the gazetting of the Finance Act 2021 on 31 December 2021, any accumulated unutlised tax losses from the year of assessment 2019 onwards can now be carried forward to a maximum of 10 consecutive years of assessments and any balance of the unutilised tax losses thereafter shall be disregarded. This will be effective retrospectively from year of assessment 2019 (ie. from year of assessment 2019 to 2028).

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities

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

	2024 Assets RM'000	2024 Liabilities RM'000	2024 Net RM'000	2023 Assets RM'000	2023 Liabilities RM'000	2023 Net RM'000
Insurance/takaful contracts issued						
General reinsurance/retakaful - Other than PAA	7,489	(2,931,520)	(2,924,031)	4,170	(2,760,248)	(2,756,078)
General Takaful - PAA	-	(1,201,019)	(1,201,019)	-	(1,021,619)	(1,021,619)
Family Takaful						
PAA	-	(51,017)	(51,017)	-	(36,472)	(36,472)
Other than PAA	58,845	(4,309,589)	(4,250,744)	60,239	(4,063,872)	(4,003,633)
Total insurance/takaful contracts issued	**66,334**	**(8,493,145)**	**(8,426,811)**	**64,409**	**(7,882,211)**	**(7,817,802)**
Reinsurance/retakaful contracts held						
General reinsurance/retakaful - Other than PAA	162,744	(5,681)	157,063	234,857	(22)	234,835
General Takaful - PAA	319,809	-	319,809	233,365	-	233,365
Family Takaful						
PAA	84	(14,991)	(14,907)	6,078	(1,272)	4,806
Other than PAA	28,444	(11,266)	17,178	49,286	(4,285)	45,001
Total reinsurance/retakaful contracts held	**511,081**	**(31,938)**	**479,143**	**523,586**	**(5,579)**	**518,007**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims.

Insurance/takaful contracts issued

General reinsurance/retakaful - Other than PAA

	2024				
	Liabilities for remaining coverage		Liabilities for incurred claims	Unallocated surplus and Qard [i]	Total
	Excluding loss component RM'000	Loss component RM'000	RM'000	RM'000	RM'000
Insurance/takaful contracts liabilities as at 1 April	(242,717)	36,066	2,925,381	41,518	2,760,248
Insurance/takaful contracts assets as at 1 April	(6,638)	31	2,437	-	(4,170)
Net insurance/takaful contract liabilities/(assets) as at 1 April	**(249,355)**	**36,097**	**2,927,818**	**41,518**	**2,756,078**
Insurance/takaful revenue	(1,826,265)	-	-	-	(1,826,265)
Contracts under the fair value approach	(660,003)	-	-	-	(660,003)
New contracts and contracts under full retrospective approach	(1,166,262)	-	-	-	(1,166,262)
Insurance/takaful service expense	101,789	33,006	1,258,299	-	1,393,094
Insurance/takaful service result	**(1,724,476)**	**33,006**	**1,258,299**	**-**	**(433,171)**
Insurance/takaful finance expenses	45,106	1,429	54,857	26,279	127,671
Effect of movements in exchange rates	2,756	2,264	81,507	-	86,527
Total changes in the statement of profit or loss	**(1,676,614)**	**36,699**	**1,394,663**	**26,279**	**(218,973)**
Cash flows					
Premium/contributions received	1,609,041	-	-	-	1,609,041
Qard received/paid	-	-	-	50	50
Claims and other expenses paid	-	-	(1,020,022)	-	(1,020,022)
Insurance/takaful acquisition cash flows	(103,533)	-	-	-	(103,533)
Total cash flows	**1,505,508**	**-**	**(1,020,022)**	**50**	**485,536**
Other movements	(26,332)	(144)	(72,134)	-	(98,610)
Net insurance/takaful contract liabilities/(assets) as at 31 March	**(446,793)**	**72,652**	**3,230,325**	**67,847**	**2,924,031**
Insurance/takaful contract liabilities as at 31 March	(431,737)	72,448	3,222,962	67,847	2,931,520
Insurance/takaful contract assets as at 31 March	(15,056)	204	7,363	-	(7,489)
Net insurance/takaful contract liabilities/(assets) as at 31 March	**(446,793)**	**72,652**	**3,230,325**	**67,847**	**2,924,031**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Insurance/takaful contracts issued (cont'd)

General reinsurance/retakaful - Other than PAA (continued)

	2023				
	Liabilities for remaining coverage		Liabilities for incurred claims	Unallocated surplus and Qard [i]	Total
	Excluding loss component RM'000	Loss component RM'000	RM'000	RM'000	RM'000
Insurance/takaful contracts liabilities as at 1 April	(181,583)	8,147	2,662,168	33,603	2,522,335
Insurance/takaful contracts assets as at 1 April	(2,217)	-	1,744	-	(473)
Net insurance/takaful contract liabilities/(assets) as at 1 April	**(183,800)**	**8,147**	**2,663,912**	**33,603**	**2,521,862**
Insurance/takaful revenue	**(1,458,128)**	**-**	**-**	**-**	**(1,458,128)**
Contracts under the fair value approach	(1,094,272)	-	-	-	(1,094,272)
New contracts and contracts under full retrospective approach	(363,856)	-	-	-	(363,856)
Insurance/takaful service expense	**94,239**	**27,066**	**1,272,825**	**-**	**1,394,130**
Insurance/takaful service result	**(1,363,889)**	**27,066**	**1,272,825**	**-**	**(63,998)**
Insurance/takaful finance expenses	22,841	198	2,920	7,809	33,768
Effect of movements in exchange rates	1,065	686	8,031	-	9,782
Total changes in the statement of profit or loss	**(1,339,983)**	**27,950**	**1,283,776**	**7,809**	**(20,448)**
Cash flows					
Premium/contributions received	1,381,308	-	-	-	1,381,308
Qard received/paid	-	-	-	106	106
Claims and other expenses paid	-	-	(979,094)	-	(979,094)
Insurance/takaful acquisition cash flows	(88,888)	-	-	-	(88,888)
Total cash flows	**1,292,420**	**-**	**(979,094)**	**106**	**313,432**
Other movements	(17,992)	-	(40,776)	-	(58,768)
Net insurance/takaful contract liabilities/(assets) as at 31 March	**(249,355)**	**36,097**	**2,927,818**	**41,518**	**2,756,078**
Insurance/takaful contract liabilities as at 31 March	(242,717)	36,066	2,925,381	41,518	2,760,248
Insurance/takaful contract assets as at 31 March	(6,638)	31	2,437	-	(4,170)
Net insurance/takaful contract liabilities/(assets) as at 31 March	**(249,355)**	**36,097**	**2,927,818**	**41,518**	**2,756,078**

20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Insurance/takaful contracts issued (cont'd)

General reinsurance/retakaful - Other than PAA (continued)

[i] **Qard**
The balance and reconciliations of fulfillment cash flows include obligations to repay Qard advanced by the Shareholder's Fund to the General and Family Retakaful Funds. Qard was advanced by the Shareholder's Fund in compliance with the requirements set out in paragraph 19 of the BNM Takaful Operating Framework. Consistent with those requirements, the amount does not bear interest. The amount is repayable, and if to the extent, the General and Family Retakaful Funds have available resources. In accordance with Paragraph 19.4 of the BNM TOF, the Shareholder's Fund has determined a time period during which the Qard shall be repaid and consequently the period beyond which any unpaid Qard will be deemed irrecoverable and the outstanding amount forgiven. The table below reconciles the nominal value of the Qard included in fulfillment cash flows:

	General Retakaful Fund		Family Retakaful Fund	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Opening balance	36,061	36,294	20,727	20,617
Provision Qard during the year	-	(233)	11,478	110
Closing balance	**36,061**	**36,061**	**32,205**	**20,727**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Insurance/takaful contracts issued (cont'd)

General Takaful (PAA)

	2024					
	Liabilities for remaining coverage		Liability for incurred claims		Unallocated Surplus	Total
	Excluding loss component	Loss component	Estimates of the PVFCF	Risk adjustment		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Takaful contracts liabilities as at 1 April	330,301	1,880	466,487	49,626	173,325	1,021,619
Takaful contracts assets as at 1 April	-	-	-	-	-	-
Net takaful contract liabilities as at 1 April	**330,301**	**1,880**	**466,487**	**49,626**	**173,325**	**1,021,619**
Takaful revenue	(801,376)	-	-	-	-	(801,376)
Takaful service expense	172,206	769	491,665	1,787	-	666,427
Takaful finance expenses	5,527	245	13,511	1,525	14,484	35,292
Total changes in the statement of profit or loss	**(623,643)**	**1,014**	**505,176**	**3,312**	**14,484**	**(99,657)**
Cash flows						
Contributions received	676,946	-	-	-	-	676,946
Claim and other expenses paid	-	-	(398,906)	-	-	(398,906)
Total cash flows	**676,946**	**-**	**(398,906)**	**-**	**-**	**278,040**
Other movements	-	-	-	-	1,017	1,017
Net takaful contract liabilities as at 31 March	**383,604**	**2,894**	**572,757**	**52,938**	**188,826**	**1,201,019**
Takaful contract liabilities as at 31 March	383,604	2,894	572,757	52,938	188,826	1,201,019
Takaful contract assets as at 31 March	-	-	-	-	-	-
Net takaful contract liabilities as at 31 March	**383,604**	**2,894**	**572,757**	**52,938**	**188,826**	**1,201,019**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Insurance/takaful contracts issued (cont'd)

General Takaful (PAA) (cont'd)

	2023					
	Liabilities for remaining coverage		Liability for incurred claims		Unallocated Surplus	Total
	Excluding loss component	Loss component	Estimates of the PVFCF	Risk adjustment		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Takaful contract liabilities as at 1 April	277,972	2,262	381,414	44,100	165,797	871,545
Takaful contract assets as at 1 April	-	-	-	-	-	-
Net takaful contract liabilities as at 1 April	**277,972**	**2,262**	**381,414**	**44,100**	**165,797**	**871,545**
Takaful revenue	(606,292)	-	-	-	-	(606,292)
Takaful service expense	128,768	(493)	400,270	5,004	-	533,549
Takaful service result	**(477,524)**	**(493)**	**400,270**	**5,004**	**-**	**(72,743)**
Takaful finance expenses	5,065	111	4,007	522	7,528	17,233
Total changes in the statement of profit or loss	**(472,459)**	**(382)**	**404,277**	**5,526**	**7,528**	**(55,510)**
Cash flows						
Contributions received	524,788	-	-	-	-	524,788
Claim and other expenses paid	-	-	(319,204)	-	-	(319,204)
Total cash flows	**524,788**	**-**	**(319,204)**	**-**	**-**	**205,584**
Net takaful contract liabilities as at 31 March	**330,301**	**1,880**	**466,487**	**49,626**	**173,325**	**1,021,619**
Takaful contract liabilities as at 31 March	330,301	1,880	466,487	49,626	173,325	1,021,619
Takaful contract assets as at 31 March	-	-	-	-	-	-
Net takaful contract liabilities as at 31 March	**330,301**	**1,880**	**466,487**	**49,626**	**173,325**	**1,021,619**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Insurance/takaful contracts issued (cont'd)

Family Takaful - Other than PAA

	2024				
	Liabilities for remaining coverage		Liabilities for incurred claims	Unallocated Surplus	Total
	Excluding loss component	Loss component			
	RM'000	RM'000	RM'000	RM'000	RM'000
Takaful contracts liabilities as at 1 April	3,436,445	2,895	194,964	429,568	4,063,872
Takaful contracts assets as at 1 April	(60,239)	-	-	-	(60,239)
Net takaful contract liabilities as at 1 April	**3,376,206**	**2,895**	**194,964**	**429,568**	**4,003,633**
Takaful revenue	(400,404)	-	-	-	(400,404)
Contracts under the fair value approach	(136,569)	-	-	-	(136,569)
New contracts and contracts under full retrospective approach	(263,835)	-	-	-	(263,835)
Takaful service expense	45,796	10,523	254,952	-	311,271
Investment components	(192,295)	-	192,295	-	-
Takaful service result	**(546,903)**	**10,523**	**447,247**	**-**	**(89,133)**
Takaful finance expenses	249,019	-	-	41,429	290,448
Total changes in the statement of profit or loss	**(297,884)**	**10,523**	**447,247**	**41,429**	**201,315**
Cash flows					
Contributions received / paid	637,491	-	-	-	637,491
Claims paid, including investment components	-	-	(421,626)	-	(421,626)
Administration and other expenses	-	-	(34,329)	-	(34,329)
Takaful acquisition cash flows	(113,785)	-	-	-	(113,785)
Total cash flows	**523,706**	**-**	**(455,955)**	**-**	**67,751**
Other movements	98,020	-	(122,850)	2,875	(21,955)
Net takaful contract liabilities as at 31 March	**3,700,048**	**13,418**	**63,406**	**473,872**	**4,250,744**
Takaful contract liabilities as at 31 March	3,756,507	13,418	65,792	473,872	4,309,589
Takaful contract assets as at 31 March	(56,459)	-	(2,386)	-	(58,845)
Net takaful contract liabilities as at 31 March	**3,700,048**	**13,418**	**63,406**	**473,872**	**4,250,744**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Insurance/takaful contracts issued (cont'd)

Family Takaful - Other than PAA (cont'd)

	2023				
	Liabilities for remaining coverage		Liabilities for incurred claims	Unallocated surplus	Total
	Excluding loss component	Loss component			
	RM'000	RM'000	RM'000	RM'000	RM'000
Takaful contracts liabilities as at 1 April	3,099,576	584	250,512	413,365	3,764,037
Ttakaful contracts assets as at 1 April	(64,920)	-	-	-	(64,920)
Net takaful contract liabilities as at 1 April	**3,034,656**	**584**	**250,512**	**413,365**	**3,699,117**
Takaful revenue	(389,179)	-	-	-	(389,179)
Contracts under the fair value approach	(123,111)	-	-	-	(123,111)
New contracts and contracts under full retrospective approach	(266,068)	-	-	-	(266,068)
Takaful service expense	30,441	2,311	326,835	-	359,587
Investment components	(158,883)	-	158,883	-	-
Takaful service result	**(517,621)**	**2,311**	**485,718**	**-**	**(29,592)**
Takaful finance expenses	149,176	-	-	13,010	162,186
Total changes in the statement of profit or loss	**(368,445)**	**2,311**	**485,718**	**13,010**	**132,594**
Cash flows					
Contributions received / paid	715,010	-	-	-	715,010
Claims paid, including investment components	-	-	(411,174)	-	(411,174)
Administration and other expenses	-	-	(33,823)	-	(33,823)
Takaful acquisition cash flows	(148,117)	-	-	-	(148,117)
Total cash flows	**566,893**	**-**	**(444,997)**	**-**	**121,896**
Other movements	143,102	-	(96,269)	3,193	50,026
Net takaful contracts liabilities as at 31 March	**3,376,206**	**2,895**	**194,964**	**429,568**	**4,003,633**
Takaful contracts liabilities as at 31 March	3,436,445	2,895	194,964	429,568	4,063,872
Takaful contracts assets as at 31 March	(60,239)	-	-	-	(60,239)
Net takaful contracts liabilities as at 31 March	**3,376,206**	**2,895**	**194,964**	**429,568**	**4,003,633**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Insurance/takaful contracts issued (cont'd)

Family Takaful - PAA

	2024					
	Liabilities for remaining coverage		Liability for incurred claims		Unallocated Surplus	Total
	Excluding loss component	Loss component	Estimates of the PVFCF	Risk adjustment		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Takaful contracts liabilities as at 1 April	4,462	-	25,618	-	6,392	36,472
Takaful contracts assets as at 1 April	-	-	-	-	-	-
Net takaful contracts liabilities as at 1 April	**4,462**	**-**	**25,618**	**-**	**6,392**	**36,472**
Takaful revenue	(71,031)	-	922	-	-	(70,109)
Takaful service expense	18,957	-	44,027	-	-	62,984
Investment components	(1,607)	-	1,607	-	-	-
Takaful service result	**(53,681)**	**-**	**46,556**	**-**	**-**	**(7,125)**
Takaful finance expenses	1,167	-	-	-	7,899	9,066
Total changes in the statement of profit or loss	**(52,514)**	**-**	**46,556**	**-**	**7,899**	**1,941**
Cash flows						
Premium/contributions received	96,389	-	-	-	-	96,389
Qard received/paid	-	-	(45,079)	-	-	(45,079)
Claims and other expenses paid	(171)	-	(19,579)	-	-	(19,750)
Takaful acquisition cash flows	(18,956)	-	-	-	-	(18,956)
Total cash flows	**77,262**	**-**	**(64,658)**	**-**	**-**	**12,604**
Net takaful contracts liabilities as at 31 March	**29,210**	**-**	**7,516**	**-**	**14,291**	**51,017**
Takaful contracts liabilities as at 31 March	29,210	-	7,516	-	14,291	51,017
Takaful contracts assets as at 31 March	-	-	-	-	-	-
Net takaful contracts liabilities as at 31 March	**29,210**	**-**	**7,516**	**-**	**14,291**	**51,017**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Insurance/takaful contracts issued (cont'd)

Family Takaful - PAA (cont'd)

	2023					
	Liabilities for remaining coverage		Liability for incurred claims		Unallocated Surplus	Total
	Excluding loss component	Loss component	Estimates of the PVFCF	Risk adjustment		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Takaful contracts liabilities as at 1 April	18,637	-	23,111	-	-	41,748
Takaful contracts assets as at 1 April	-	-	-	-	-	-
Net takaful contract liabilities as at 1 April	**18,637**	**-**	**23,111**	**-**	**-**	**41,748**
Takaful revenue	(70,017)	-	939	-	-	(69,078)
Takaful service expense	13,499	-	52,822	-	-	66,321
Investment components	(1,475)	-	1,475	-	-	-
Takaful service result	**(57,993)**	**-**	**55,236**	**-**	**-**	**(2,757)**
Takaful finance expenses	(2,636)	-	-	-	6,392	3,756
Total changes in the statement of profit or loss	**(60,629)**	**-**	**55,236**	**-**	**6,392**	**999**
Cash flows						
Premium/contributions received	62,012	-	-	-	-	62,012
Qard received/paid	-	-	(49,313)	-	-	(49,313)
Claims and other expenses paid	(2,058)	-	(3,416)	-	-	(5,474)
Takaful acquisition cash flows	(13,500)	-	-	-	-	(13,500)
Total cash flows	**46,454**	**-**	**(52,729)**	**-**	**-**	**(6,275)**
Net takaful contracts liabilities as at 31 March	**4,462**	**-**	**25,618**	**-**	**6,392**	**36,472**
Takaful contracts liabilities as at 31 March	4,462	-	25,618	-	6,392	36,472
Takaful contracts assets as at 31 March	-	-	-	-	-	-
Net takaful contracts liabilities as at 31 March	**4,462**	**-**	**25,618**	**-**	**6,392**	**36,472**

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MNRB Holdings Berhad
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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Reinsurance/retakaful contracts held

General reinsurance/retakaful - Other than PAA

	2024			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss recovery component	Loss recovery component		
	RM'000	RM'000	RM'000	RM'000
Reinsurance/retakaful contracts assets as at 1 April	(49,453)	4,851	279,459	234,857
Reinsurance/retakaful contracts liabilities as at 1 April	(22)	-	-	(22)
Net reinsurance/retakaful contract (liabilities)/assets as at 1 April	**(49,475)**	**4,851**	**279,459**	**234,835**
Allocation of premium/contributions	(263,589)	-	-	(263,589)
Amounts recoverable from reinsurers/retakaful operators	-	23,468	149,816	173,284
Net income or expense from contracts held	**(263,589)**	**23,468**	**149,816**	**(90,305)**
Reinsurance/retakaful finance expenses	(3,303)	167	4,771	1,635
Effect of movements in exchange rates	1,394	833	1,704	3,931
Total changes in the income statement	**(265,498)**	**24,468**	**156,291**	**(84,739)**
Cash flows				
Premium/contributions paid	168,399	-	(5,375)	163,024
Amounts received	-	-	(156,057)	(156,057)
Total cash flows	**168,399**	**-**	**(161,432)**	**6,967**
Net reinsurance/retakaful contracts (liabilities)/assets as at 31 March	**(146,574)**	**29,319**	**274,318**	**157,063**
Reinsurance/retakaful contracts assets as at 31 March	(140,877)	29,319	274,302	162,744
Reinsurance/retakaful contracts liabilities as at 31 March	(5,697)	-	16	(5,681)
Net reinsurance/retakaful contracts (liabilities)/assets as at 31 March	**(146,574)**	**29,319**	**274,318**	**157,063**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Reinsurance/retakaful contracts held (cont'd)

General reinsurance/retakaful - Other than PAA (continued)

	2023			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss recovery component	Loss recovery component		
	RM'000	RM'000	RM'000	RM'000
Reinsurance/retakaful contracts assets as at 1 April	(19,537)	-	387,891	368,354
Reinsurance/retakaful contracts liabilities as at 1 April	(59)	-	-	(59)
Net reinsurance/retakaful contract (liabilities)/assets as at 1 April	**(19,596)**	**-**	**387,891**	**368,295**
Allocation of premium/contributions	(121,142)	-	-	(121,142)
Amounts recoverable from reinsurers/retakaful operators	-	4,948	63,532	68,480
Net income or expense from contracts held	**(121,142)**	**4,948**	**63,532**	**(52,662)**
Reinsurance/retakaful finance expenses	446	17	5,944	6,407
Effect of movements in exchange rates	66	(114)	(19)	(67)
Total changes in the income statement	**(120,630)**	**4,851**	**69,457**	**(46,322)**
Cash flows				
Premium/contributions paid	90,751	-	-	90,751
Amounts received	-	-	(177,889)	(177,889)
Total cash flows	**90,751**	**-**	**(177,889)**	**(87,138)**
Net reinsurance/retakaful contracts (liabilities)/assets as at 31 March	**(49,475)**	**4,851**	**279,459**	**234,835**
Reinsurance/retakaful contracts assets as at 31 March	(49,453)	4,851	279,459	234,857
Reinsurance/retakaful contracts liabilities as at 31 March	(22)	-	-	(22)
Net reinsurance/retakaful contracts (liabilities)/assets as at 31 March	**(49,475)**	**4,851**	**279,459**	**234,835**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Reinsurance/retakaful contracts held (cont'd)

General Takaful - PAA

	2024				
	Assets for remaining coverage		Amounts recoverable: claims incurred		Total
	Excluding loss recovery component	Loss recovery component	Estimates of the PVFCF	Risk adjustment	
	RM'000	RM'000	RM'000	RM'000	RM'000
Retakaful contracts assets as at 1 April	49,426	(199)	163,552	20,586	233,365
Retakaful contracts liabilities as at 1 April	-	-	-	-	-
Net retakaful contracts assets/(liabilities) as at 1 April	**49,426**	**(199)**	**163,552**	**20,586**	**233,365**
Allocation of retakaful contributions	(223,574)	-	-	-	(223,574)
Amounts recoverable from retakaful operators	(2,486)	145	173,010	1,549	172,218
Net income or expense from retakaful contracts held	**(226,060)**	**145**	**173,010**	**1,549**	**(51,356)**
Retakaful finance income	**-**	**(7)**	**5,307**	**652**	**5,952**
Total changes in the statement of profit or loss	**(226,060)**	**138**	**178,317**	**2,201**	**(45,404)**
Cash flows					
Contributions paid	219,331	-	-	-	219,331
Amounts received	3,281	-	(92,483)	-	(89,202)
Total cash flows	**222,612**	**-**	**(92,483)**	**-**	**130,129**
Other movements	(1,445)	(74)	3,238	-	1,719
Net retakaful contracts assets/(liabilities) as at 31 March	**44,533**	**(135)**	**252,624**	**22,787**	**319,809**
Retakaful contracts assets as at 31 March	44,533	(135)	252,624	22,787	319,809
Retakaful contracts liabilities as at 31 March	-	-	-	-	-
Net retakaful contracts assets/(liabilities) as at 31 March	**44,533**	**(135)**	**252,624**	**22,787**	**319,809**

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MNRB Holdings Berhad
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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Reinsurance/retakaful contracts held (cont'd)

General Takaful - PAA (cont'd)

	2023				
	Assets for remaining coverage		Amounts recoverable: claims incurred		Total
	Excluding loss recovery component	Loss recovery component	Estimates of the PVFCF	Risk adjustment	
	RM'000	RM'000	RM'000	RM'000	RM'000
Retakaful contracts assets as at 1 April	32,189	-	157,082	18,449	207,720
Retakaful contracts liabilities as at 1 April	-	-	-	-	-
Net retakaful contracts assets as at 1 April	**32,189**	**-**	**157,082**	**18,449**	**207,720**
Allocation of retakaful contributions	(148,073)	-	-	-	(148,073)
Amounts recoverable from retakaful operators	(1,965)	(199)	118,427	1,914	118,177
Net income or expense from retakaful contracts held	**(150,038)**	**(199)**	**118,427**	**1,914**	**(29,896)**
Retakaful finance income	**-**	**-**	**1,522**	**223**	**1,745**
Total changes in the statement of profit or loss	**(150,038)**	**(199)**	**119,949**	**2,137**	**(28,151)**
Cash flows					
Contributions paid	165,636	-	-	-	165,636
Amounts received	3,119	-	(113,479)	-	(110,360)
Total cash flows	**168,755**	**-**	**(113,479)**	**-**	**55,276**
Net retakaful contracts assets/(liabilities) as at 31 March	**50,906**	**(199)**	**163,552**	**20,586**	**234,845**
Retakaful contracts assets as at 31 March	50,906	(199)	163,552	20,586	234,845
Retakaful contracts liabilities as at 31 March	-	-	-	-	-
Net retakaful contracts assets/(liabilities) as at 31 March	**50,906**	**(199)**	**163,552**	**20,586**	**234,845**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Reinsurance/retakaful contracts held (cont'd)

Family Takaful - Other than PAA (cont'd)

	2024				
	Assets for remaining coverage		Amounts recoverable: claims incurred		Total
	Excluding loss recovery component	Loss recovery component	Estimates of the PVFCF	Risk adjustment	
	RM'000	RM'000	RM'000	RM'000	RM'000
Retakaful contracts assets as at 1 April	(13,702)	-	58,486	4,502	49,286
Retakaful contracts liabilities as at 1 April	(14,727)	-	10,442	-	(4,285)
Net retakaful contracts assets/(liabilities) as at 1 April	**(28,429)**	**-**	**68,928**	**4,502**	**45,001**
Allocation of retakaful contributions	(82,665)	-	-	-	(82,665)
Amounts recoverable from retakaful operators	(2,907)	34	69,684	(604)	66,207
Net income or expense from retakaful contractss held	**(85,572)**	**34**	**69,684**	**(604)**	**(16,458)**
Total changes in the statement of profit or loss and OCI	**(85,572)**	**34**	**69,684**	**(604)**	**(16,458)**
Cash flows					
Contributions received / paid	85,353	-	-	-	85,353
Claims paid, including investment components	2,907	-	(88,479)	-	(85,572)
Total cash flows	**88,260**	**-**	**(88,479)**	**-**	**(219)**
Other movements	(14,196)	(70)	3,120	-	(11,146)
Net retakaful contracts assets/(liabilities) as at 31 March	**(39,937)**	**(36)**	**53,253**	**3,898**	**17,178**
Retakaful contracts assets as at 31 March	(16,198)	(36)	40,780	3,898	28,444
Retakaful contracts liabilities as at 31 March	(23,739)	-	12,473	-	(11,266)
Net retakaful contracts assets/(liabilities) as at 31 March	**(39,937)**	**(36)**	**53,253**	**3,898**	**17,178**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Reinsurance/retakaful contracts held (cont'd)

Family Takaful - Other than PAA (cont'd)

	2023				
	Assets for remaining coverage		Amounts recoverable: claims incurred		Total
	Excluding loss recovery component	Loss recovery component	Estimates of the PVFCF	Risk adjustment	
	RM'000	RM'000	RM'000	RM'000	RM'000
Retakaful contracts assets as at 1 April	(20,517)	-	52,598	4,034	36,115
Retakaful contracts liabilities as at 1 April	(9,483)	-	8,022	-	(1,461)
Net retakaful contracts assets/(liabilities) as at 1 April	**(30,000)**	**-**	**60,620**	**4,034**	**34,654**
Allocation of retakaful contributions	(94,721)	-	-	-	(94,721)
Amounts recoverable from retakaful operators	-	-	76,261	468	76,729
Net income or expense from retakaful contractss held	**(94,721)**	**-**	**76,261**	**468**	**(17,992)**
Total changes in the statement of profit or loss and OCI	**(94,721)**	**-**	**76,261**	**468**	**(17,992)**
Cash flows					
Contributions received / paid	94,720	-	-	-	94,720
Claims paid, including investment components	-	-	(71,533)	-	(71,533)
Total cash flows	**94,720**	**-**	**(71,533)**	**-**	**23,187**
Other movements	1,572	-	3,580	-	5,152
Net retakaful contracts assets/(liabilities) as at 31 March	**(28,429)**	**-**	**68,928**	**4,502**	**45,001**
Retakaful contracts assets as at 31 March	(13,702)	-	58,486	4,502	49,286
Retakaful contracts liabilities as at 31 March	(14,727)	-	10,442	-	(4,285)
Net retakaful contracts assets/(liabilities) as at 31 March	**(28,429)**	**-**	**68,928**	**4,502**	**45,001**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Reinsurance/retakaful contracts held (cont'd)

Family Takaful - PAA

	2024				
	Assets for remaining coverage		Amounts recoverable: claims incurred		Total
	Excluding loss recovery component	Loss recovery component	Estimates of the PVFCF	Risk adjustment	
	RM'000	RM'000	RM'000	RM'000	RM'000
Retakaful contracts assets as at 1 April	(2,927)	-	9,005	-	6,078
Retakaful contracts liabilities as at 1 April	-	-	(1,272)	-	(1,272)
Net retakaful contracts assets/(liabilities) as at 1 April	**(2,927)**	**-**	**7,733**	**-**	**4,806**
Allocation of retakaful contributions	(34,924)	-	-	-	(34,924)
Amounts recoverable from retakaful operators	-	-	23,069	-	23,069
Net income or expense from retakaful contractss held	**(34,924)**	**-**	**23,069**	**-**	**(11,855)**
Total changes in the statement of profit or loss and OCI	**(34,924)**	**-**	**23,069**	**-**	**(11,855)**
Cash flows					
Contributions received	25,548	-	-	-	25,548
Claims paid, including investment components	-	-	(27,575)	-	(27,575)
Total cash flows	**25,548**	**-**	**(27,575)**	**-**	**(2,027)**
Other movements	(5,290)	-	(541)	-	(5,831)
Net retakaful contracts assets/(liabilities) as at 31 March	**(17,593)**	**-**	**2,686**	**-**	**(14,907)**
Retakaful contracts assets as at 31 March	(2,602)	-	2,686	-	84
Retakaful contracts liabilities as at 31 March	(14,991)	-	-	-	(14,991)
Net retakaful contracts assets/(liabilities) as at 31 March	**(17,593)**	**-**	**2,686**	**-**	**(14,907)**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Reinsurance/retakaful contracts held (cont'd)

Family Takaful - PAA (cont'd)

	2023				
	Assets for remaining coverage		Amounts recoverable: claims incurred		Total
	Excluding loss recovery component	Loss recovery component	Estimates of the PVFCF	Risk adjustment	
	RM'000	RM'000	RM'000	RM'000	RM'000
Retakaful contracts assets as at 1 April	-	-	-	-	-
Retakaful contracts liabilities as at 1 April	(3,689)	-	1,596	-	(2,093)
Net retakaful contracts assets/(liabilities) as at 1 April	**(3,689)**	**-**	**1,596**	**-**	**(2,093)**
Allocation of retakaful contributions	(3,600)	-	-	-	(3,600)
Amounts recoverable from retakaful operators	-	-	4,523	-	4,523
Net income or expense from retakaful contractss held	**(3,600)**	**-**	**4,523**	**-**	**923**
Total changes in the statement of profit or loss and OCI	**(3,600)**	**-**	**4,523**	**-**	**923**
Cash flows					
Contributions received	4,887	-	-	-	4,887
Claims paid, including investment components	-	-	1,185	-	1,185
Total cash flows	**4,887**	**-**	**1,185**	**-**	**6,072**
Other movements	(525)	-	429	-	(96)
Net retakaful contracts assets/(liabilities) as at 31 March	**(2,927)**	**-**	**7,733**	**-**	**4,806**
Retakaful contracts assets as at 31 March	(2,927)	-	9,005	-	6,078
Retakaful contracts liabilities as at 31 March	-	-	(1,272)	-	(1,272)
Net retakaful contracts assets/(liabilities) as at 31 March	**(2,927)**	**-**	**7,733**	**-**	**4,806**

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MNRB Holdings Berhad
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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

The table below presents a roll-forward of the net asset or liability for insurance/takaful contracts issued and reinsurance/retakaful contracts held, showing estimates of the present value of future cash flows, risk adjustment and CSM.

Insurance/takaful contracts issued

General reinsurance/retakaful - Other than PAA

	2024				
	Estimates of the PVFCF	Risk adjustment	Contractual service margin	Unallocated Surplus and Qard	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance/takaful contracts liabilities as at 1 April	1,891,979	344,870	481,881	41,518	2,760,248
Insurance/takaful contracts assets as at 1 April	(13,006)	2,081	6,755	-	(4,170)
Net insurance/takaful contracts liabilities as at 1 April	1,878,973	346,951	488,636	41,518	2,756,078
Changes that relate to current services					
Contractual service margin recognised for services received	-	-	(414,532)	-	(414,532)
Risk adjustment for the risk expired	-	(125,391)	-	-	(125,391)
Experience adjustments	54,401	77,301	102,244	-	233,946
Changes that relate to future services					
Contracts initially recognised in the period	(347,897)	100,852	272,531	-	25,486
Changes in estimates that adjust the contractual service margin	61,517	7,266	(68,743)	-	40
Changes in estimates that do not adjust the contractual service margin	17,642	(10,231)	-	-	7,411
Changes that relate to past services					
Changes in amounts recoverable arising from changes in LIC	(86,986)	(73,145)	-	-	(160,131)
Insurance/takaful service results	**(301,323)**	**(23,348)**	**(108,500)**	**-**	**(433,171)**
Insurance/takaful finance income	71,499	10,430	19,463	26,279	127,671
Effect of movements in exchange rates	68,240	11,116	7,171	-	86,527
Total changes in the statement of profit or loss and OCI	**(161,584)**	**(1,802)**	**(81,866)**	**26,279**	**(218,973)**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Insurance/takaful contracts issued (cont'd)

General reinsurance/retakaful - Other than PAA (cont'd)

	2024				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
Cash flows					
Contributions received	1,609,041	-	-	-	1,609,041
Qard received/paid	-	-	-	50	50
Claims and other expenses paid including investment components	(1,020,022)	-	-	-	(1,020,022)
Takaful acquisition cash flows	(103,533)	-	-	-	(103,533)
Total cash flows	**485,486**	**-**	**-**	**50**	**485,536**
Other movements	(97,260)	1,086	(2,436)	-	(98,610)
Net contract liabilities as at 31 March	**2,105,615**	**346,235**	**404,334**	**67,847**	**2,924,031**
Contract liabilities as at 31 March	2,121,433	344,240	398,000	67,847	2,931,520
Contract assets as at 31 March	(15,818)	1,995	6,334	-	(7,489)
Net contract liabilities as at 31 March	**2,105,615**	**346,235**	**404,334**	**67,847**	**2,924,031**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Insurance/takaful contracts issued (cont'd)

General reinsurance/retakaful - Other than PAA

	2023				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
Insurance/takaful contracts liabilities as at 1 April	1,829,328	295,445	363,959	33,603	2,522,335
Insurance/takaful contracts assets as at 1 April	(788)	291	24	-	(473)
Net insurance/takaful contracts liabilities as at 1 April	1,828,540	295,736	363,983	33,603	2,521,862
Changes that relate to current services					
Contractual service margin recognised for services received	-	-	(233,986)	-	(233,986)
Risk adjustment for the risk expired	-	(97,892)	-	-	(97,892)
Experience adjustments	194,015	74,126	108,704	-	376,845
Changes that relate to future services					
Contracts initially recognised in the period	(422,304)	117,381	324,747	-	19,824
Changes in estimates that adjust the contractual service margin	68,942	17,754	(89,990)	-	(3,294)
Changes in estimates that do not adjust the contractual service margin	16,208	(5,472)	-	-	10,736
Changes that relate to past services					
Changes in amounts recoverable arising from changes in liability for incurred claims	(77,203)	(59,028)	-	-	(136,231)
Insurance/takaful service results	**(220,342)**	**46,869**	**109,475**	**-**	**(63,998)**
Insurance/takaful finance income	10,729	3,024	12,206	7,809	33,768
Effect of changes in non-performance risk of reinsurers/retakaful operators	-	-	-	-	-
Effect of movements in exchange rates	8,981	1,321	(520)	-	9,782
Total changes in the statement of profit or loss and OCI	**(200,632)**	**51,214**	**121,161**	**7,809**	**(20,448)**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Insurance/takaful contracts issued (cont'd)

General reinsurance/retakaful - Other than PAA (cont'd)

	2023				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
Cash flows					
Contributions received	1,381,308	-	-	-	1,381,308
Qard received/paid	-	-	-	106	106
Claims and other expenses paid including investment components	(979,094)	-	-	-	(979,094)
Takaful acquisition cash flows	(88,888)	-	-	-	(88,888)
Total cash flows	**313,326**	**-**	**-**	**106**	**313,432**
Other movements	(62,261)	-	3,493	-	(58,768)
Net contract liabilities as at 31 March	**1,878,973**	**346,950**	**488,637**	**41,518**	**2,756,078**
Contract liabilities as at 31 March	1,891,979	344,870	481,881	41,518	2,760,248
Contract assets as at 31 March	(13,006)	2,080	6,756	-	(4,170)
Net contract liabilities as at 31 March	**1,878,973**	**346,950**	**488,637**	**41,518**	**2,756,078**

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MNRB Holdings Berhad
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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Insurance/takaful contracts issued (cont'd)

Family Takaful - Other than PAA

	2024				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
Contract liabilities as at 1 April	3,561,293	7,973	65,038	429,568	4,063,872
Contract assets as at 1 April	(284,348)	21,933	202,176	-	(60,239)
Net contract liabilities as at 1 April	3,276,945	29,906	267,214	429,568	4,003,633
Changes that relate to current services					
Contractual service margin recognised for services received	-	-	(23,456)	-	(23,456)
Risk adjustment for the risk expired	-	(7,623)	-	-	(7,623)
Experience adjustments	(44,188)	-	-	-	(44,188)
Changes that relate to future services					
Contracts initially recognised in the period	(53,717)	6,950	54,537	-	7,770
Changes in estimates that adjust the contractual service margin	55,563	(492)	(55,071)	-	-
Changes in estimates that do not adjust the contractual service margin	2,753	-	-	-	2,753
Changes that relate to past services					
Changes in amounts recoverable arising from changes in liability for incurred claim:	(19,679)	(4,710)	-	-	(24,389)
Insurance/takaful finance income	246,281	640	2,111	-	249,032
Unallocated surplus attributable to participants	-	-	-	41,416	41,416
Total changes in the statement of profit or loss and OCI	**187,013**	**(5,235)**	**(21,879)**	**41,416**	**201,315**

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MNRB Holdings Berhad
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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Insurance/takaful contracts issued (cont'd)

Family Takaful - Other than PAA

	2024				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
Cash flows					
Contributions paid	637,491	-	-	-	637,491
Claims paid, including investment components	(425,287)	3,661	-	-	(421,626)
Administration and other expenses	(34,329)	-	-	-	(34,329)
Takaful acquisition cash flows	(113,785)	-	-	-	(113,785)
Total cash flows	**64,090**	**3,661**	**-**	**-**	**67,751**
Other movements	(24,843)	-	-	2,888	(21,955)
Net contract liabilities as at 31 March	**3,503,205**	**28,332**	**245,335**	**473,872**	**4,250,744**
Contract liabilities as at 31 March	3,766,171	7,581	61,965	473,872	4,309,589
Contract assets as at 31 March	(262,966)	20,751	183,370	-	(58,845)
Net contract liabilities as at 31 March	**3,503,205**	**28,332**	**245,335**	**473,872**	**4,250,744**

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MNRB Holdings Berhad
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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Insurance/takaful contracts issued (cont'd)

Family Takaful - Other than PAA

	2023				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
Contract liabilities as at 1 April	3,309,194	6,935	34,543	413,365	3,764,037
Contract assets as at 1 April	(239,308)	20,051	154,337	-	(64,920)
Net contract assets/(liabilities) as at 1 April	3,069,886	26,986	188,880	413,365	3,699,117
Changes that relate to current services					
Contractual service margin recognised for services received	-	-	(23,311)	-	(23,311)
Risk adjustment for the risk expired	-	(9,227)	-	-	(9,227)
Experience adjustments	5,712	-	-	-	5,712
Changes that relate to future services					
Contracts initially recognised in the period	(59,415)	7,157	55,407	-	3,149
Changes in estimates that adjust the contractual service margin	(48,603)	3,950	44,653	-	-
Changes in estimates that do not adjust the contractual service margin	(838)	-	-	-	(838)
Changes that relate to past services					
Changes in amounts recoverable arising from changes in LIC	-	(5,077)	-	-	(5,077)
Insurance/takaful finance income	147,393	198	1,585	-	149,176
Unallocated surplus attributable to participants	-	-	-	13,010	13,010
Total changes in the statement of profit or loss and OCI	**44,249**	**(2,999)**	**78,334**	**13,010**	**132,594**

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MNRB Holdings Berhad
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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Insurance/takaful contracts issued (cont'd)

Family Takaful - Other than PAA

	2023				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
Cash flows					
Contributions paid	715,010	-	-	-	715,010
Claims paid, including investment components	(417,093)	5,919	-	-	(411,174)
Administration and other expenses	(33,823)	-	-	-	(33,823)
Takaful acquisition cash flows	(148,117)	-	-	-	(148,117)
Total cash flows	**115,977**	**5,919**	**-**	**-**	**121,896**
Other movements	46,833	-	-	3,193	50,026
Net contract liabilities as at 31 March	**3,276,945**	**29,906**	**267,214**	**429,568**	**4,003,633**
Contract assets as at 31 March	3,561,293	7,973	65,038	429,568	4,063,872
Contract liabilities as at 31 March	(284,348)	21,933	202,176	-	(60,239)
Net contract liabilities as at 31 March	**3,276,945**	**29,906**	**267,214**	**429,568**	**4,003,633**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Reinsurance/retakaful contracts held

General reinsurance/retakaful - Other than PAA

	2024				2023			
	Estimates of the RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
Contract assets as at 1 April	183,479	27,251	24,127	234,857	334,496	33,767	91	368,354
Contract liabilities as at 1 April	(24)	-	2	(22)	(59)	-	-	(59)
Net contract assets as at 1 April	183,455	27,251	24,129	234,835	334,437	33,767	91	368,295
Changes that relate to current services								
Contractual service margin recognised for services received	-	-	(93,551)	(93,551)	-	-	(28,941)	(28,941)
Risk adjustment for the risk expired	-	(10,878)	-	(10,878)	-	(6,771)	-	(6,771)
Experience adjustments	(95,172)	21,348	24,835	(48,989)	(82,631)	1,023	2,575	(79,033)
Changes that relate to future services								
Contracts initially recognised in the period	(189,804)	20,097	181,469	11,762	(62,315)	16,523	49,189	3,397
Changes in estimates that adjust the contractual service margin	81,710	964	(82,674)	-	(699)	325	374	-
Changes in estimates that do not adjust the contractual service margir	27,985	(16,277)	-	11,708	1,295	257	-	1,552
Changes that relate to past services								
Changes in amounts recoverable arising from changes in LIC	50,603	(10,960)	-	39,643	74,794	(17,661)	-	57,133
Insurance/takaful finance income	5,101	(8,859)	5,393	1,635	5,305	(79)	1,181	6,407
Effect of movements in exchange rates	1,457	646	1,828	3,931	406	(133)	(340)	(67)
Total changes in the statement of profit or loss and OCI	**(118,120)**	**(3,919)**	**37,300**	**(84,739)**	**(63,845)**	**(6,516)**	**24,038**	**(46,323)**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Reinsurance/retakaful contracts held

General reinsurance/retakaful - Other than PAA (cont'd)

	2024				2023			
	Estimates of the RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
Cash flows								
Contributions paid	163,024	-	-	163,024	90,791	-	-	90,791
Amounts received	(156,057)	-	-	(156,057)	(177,928)	-	-	(177,928)
Total cash flows	**6,967**	**-**	**-**	**6,967**	**(87,137)**	**-**	**-**	**(87,137)**
Net contract assets as at 31 March	**72,302**	**23,332**	**61,429**	**157,063**	**183,455**	**27,251**	**24,129**	**234,835**
Contract assets as at 31 March	85,349	22,180	55,215	162,744	183,479	27,251	24,127	234,857
Contract liabilities as at 31 March	(13,047)	1,152	6,214	(5,681)	(24)	-	2	(22)
Net contract assets as at 31 March	**72,302**	**23,332**	**61,429**	**157,063**	**183,455**	**27,251**	**24,129**	**234,835**

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MNRB Holdings Berhad
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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

a) Roll-forward of net asset or liability of insurance/takaful and reinsurance/retakaful contracts showing the liability for remaining coverage and the liability for incurred claims (cont'd)

Reinsurance/retakaful contracts held (cont'd)

Family Takaful - Other than PAA

	2024			2023		
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000	Estimates of the RM'000	Risk adjustment RM'000	Total RM'000
Contract assets as at 1 April	45,466	3,820	49,286	32,635	3,480	36,115
Contract liabilities as at 1 April	(4,967)	682	(4,285)	(2,015)	554	(1,461)
Net contract assets as at 1 April	40,499	4,502	45,001	30,620	4,034	34,654
Changes that relate to current services						
Contractual service margin recognised for services received	(17,073)	-	(17,073)	-	-	-
Risk adjustment for the risk expired	-	928	928	-	-	-
Experience adjustments	(378)	(3)	(381)	(17,992)	-	(17,992)
Changes that relate to future services						
Contracts initially recognised in the period	664	(154)	510	-	-	-
Changes in estimates that adjust the contractual service margin	(368)	(90)	(458)	-	-	-
Insurance/takaful finance income	21	(5)	16	-	-	-
Total changes in the statement of profit or loss and OCI	**(17,134)**	**676**	**(16,458)**	**(17,992)**	**-**	**(17,992)**
Cash flows						
Contributions received / paid	85,353	-	85,353	94,720	-	94,720
Claims paid, including investment components	(84,968)	(604)	(85,572)	(72,001)	468	(71,533)
Total cash flows	**385**	**(604)**	**(219)**	**22,719**	**468**	**23,187**
Other movements	(11,146)	-	(11,146)	5,152	-	5,152
Net contract assets as at 31 March	**12,604**	**4,574**	**17,178**	**40,499**	**4,502**	**45,001**
Contract assets as at 31 March	24,536	3,908	28,444	45,466	3,820	49,286
Contract liabilities as at 31 March	(11,932)	666	(11,266)	(4,967)	682	(4,285)
Net contract assets as at 31 March	**12,604**	**4,574**	**17,178**	**40,499**	**4,502**	**45,001**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

b) The impacts on the current period of transition approaches adopted to establishing CSM (cont'd)

The impact on the current period of the transition approaches adopted to establishing CSMs for reinsurance/takaful contracts portfolios

Insurance/takaful contracts issued

General reinsurance/retakaful - Other than PAA

	2024			2023		
	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective approach RM'000	Total RM'000	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective RM'000	Total RM'000
Contractual service margin as at 1 April	**269,927**	**218,709**	**488,636**	**360,148**	**3,835**	**363,983**
Changes that relate to current services						
Contractual service margin recognised for services provided	(171,261)	(141,027)	**(312,288)**	(41,693)	(83,589)	**(125,282)**
Changes that relate to future services						
Contracts initially recognised in the period	-	272,531	**272,531**	5	324,742	**324,747**
Changes in estimates that adjust the contractual service margin	61,913	(130,656)	**(68,743)**	(56,216)	(33,774)	**(89,990)**
Takaful service result	(109,348)	848	(108,500)	(97,904)	207,379	109,475
Takaful finance expenses	6,954	12,509	**19,463**	7,574	4,632	**12,206**
Effect of movements in exchange rates	265	6,906	**7,171**	109	(629)	**(520)**
Total changes in the statement of profit or loss and OCI	(102,129)	20,263	(81,866)	(90,221)	211,382	121,161
Other movements	-	(2,436)	(2,436)	-	3,493	3,493
Contractual service margin as at 31 March	**167,798**	**236,536**	**404,334**	**269,927**	**218,710**	**488,637**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

b) The impacts on the current period of transition approaches adopted to establishing CSM (cont'd)

Insurance/takaful contracts issued

Family Takaful - Other than PAA

	2024			2023		
	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective approach RM'000	Total RM'000	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective RM'000	Total RM'000
Contractual service margin as at 1 April	**137,710**	**129,504**	**267,214**	**126,774**	**62,106**	**188,880**
Changes that relate to current services						
Contractual service margin recognised for services provided	(12,480)	(11,018)	(23,498)	(13,222)	(10,089)	(23,311)
Changes that relate to future services						
Contracts initially recognised in the period	-	54,097	54,097	-	55,407	55,407
Changes in estimates that adjust the contractual service margin	(5,066)	(49,507)	(54,573)	22,963	21,690	44,653
Takaful service result	(17,546)	(6,428)	(23,974)	9,741	67,008	76,749
Takaful finance expenses	1,373	722	2,095	1,195	390	1,585
Effect of movements in exchange rates	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(16,173)	(5,706)	(21,879)	10,936	67,398	78,334
Contractual service margin as at 31 March	**121,537**	**123,798**	**245,335**	**137,710**	**129,504**	**267,214**

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MNRB Holdings Berhad
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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

b) The impacts on the current period of transition approaches adopted to establishing CSM (cont'd)

Reinsurance/retakaful contracts held

General reinsurance/retakaful - Other than PAA

	2024			2023		
	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective approach RM'000	Total RM'000	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective RM'000	Total RM'000
Contractual service margin as at 1 April	**61**	**24,068**	**24,129**	**91**	**-**	**91**
Changes that relate to current services						
Contractual service margin recognised for services provided	22	(68,738)	(68,716)	(117)	(26,249)	(26,366)
Changes that relate to future services						
Contracts initially recognised in the period	(227)	181,696	181,469	(1)	49,190	49,189
Changes in estimates that adjust the contractual service margin	106	(82,780)	(82,674)	86	288	374
Takaful service result	(99)	30,178	30,079	(32)	23,229	23,197
Takaful finance expenses	2	5,391	5,393	2	1,179	1,181
Effect of movements in exchange rates	-	1,828	1,828	-	(340)	(340)
Total changes in the statement of profit or loss and OCI	(97)	37,397	37,300	(30)	24,068	24,038
Contractual service margin as at 31 March	**(36)**	**61,465**	**61,429**	**61**	**24,068**	**24,129**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

c) The components of new business

The components of new business is disclosed in the table below:

Insurance/takaful contracts issued

General reinsurance/retakaful - Other than PAA

	2024			2023		
	Contracts issued		Total	Contracts issued		Total
	Non-onerous RM'000	Onerous RM'000	RM'000	Non-onerous RM'000	Onerous RM'000	RM'000
Insurance/takaful contracts liabilities						
Estimate of present value of future cash outflows, excluding takaful acquisition cash flows	659,401	306,717	966,118	1,005,319	339,631	1,344,950
Estimates of takaful acquisition cash flows	21,307	8,459	29,766	34,824	8,706	43,530
Estimate of present value of future cash outflows	680,708	315,176	995,884	1,040,143	348,337	1,388,480
Estimates of present value of future cash inflows	(1,023,964)	(321,411)	(1,345,375)	(1,454,106)	(357,901)	(1,812,007)
Risk adjustment	69,789	31,651	101,440	88,868	29,389	118,257
Contractual service margin	273,467	-	273,467	325,095	-	325,095
Amount included in insurance/takaful contract liabillities for the period	**-**	**25,416**	**25,416**	**-**	**19,825**	**19,825**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

c) The components of new business (cont'd)

Insurance/takaful contracts issued (cont'd)

Family Takaful - Other than PAA

	2024			2023		
	Contracts issued		Total	Contracts issued		Total
	Non-onerous RM'000	Onerous RM'000	RM'000	Non-onerous RM'000	Onerous RM'000	RM'000
Insurance/takaful contracts liabilities						
Estimate of present value of future cash outflows, excluding takaful acquisition cash flows	19,563	12,591	32,154	16,113	1,552	17,665
Estimates of takaful acquisition cash flows	94,336	12,502	106,838	116,192	9,307	125,499
Estimate of present value of future cash outflows	113,899	25,093	138,992	132,305	10,859	143,164
Estimates of present value of future cash inflows	(176,762)	(15,947)	(192,709)	(194,939)	(7,640)	(202,579)
Risk adjustment	5,695	1,255	6,950	6,614	543	7,157
Contractual service margin	54,551	(14)	54,537	55,407	-	55,407
Amount included in insurance/takaful contract liabillities for the period	**(2,617)**	**10,387**	**7,770**	**(613)**	**3,762**	**3,149**

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20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

c) The components of new business

Rensurance/retakaful contracts held

General reinsurance/retakaful - Other than PAA

	Contracts purchased Non-onerous 2024 RM'000	2023 RM'000
Reinsurance/retakaful contracts liabilities		
Estimate of present value of future cash outflows	(460,078)	(207,253)
Estimates of present value of future cash inflows	270,271	144,937
Risk adjustment	20,097	16,523
Contractual service margin	181,469	49,189
Amount included in reinsurance/retakaful contract liabillities for the period	**11,759**	**3,396**

20. Insurance/takaful and reinsurance/retakaful contract assets and liabilities (cont'd)

d) CSM recognition in income statement

The disclosure of when the CSM is expected to be in income in future years is presented below:

General reinsurance/retakaful - Other than PAA

	Less than 1 year 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
31 March 2024							
Insurance/takaful contracts issued	347,964	52,906	2,687	834	374	(431)	404,334
Reinsurance/retakaful contracts held	(58,026)	(3,493)	38	18	26	8	(61,429)
	289,938	49,413	2,725	852	400	(423)	342,905
31 March 2023							
Insurance/takaful contracts issued	312,612	133,511	32,443	1,577	1,022	7,472	488,637
Reinsurance/retakaful contracts held	(19,217)	(4,790)	(60)	(28)	(13)	(21)	(24,129)
	293,395	128,721	32,383	1,549	1,009	7,451	464,508

Family Takaful - Other than PAA

	Less than 1 year 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
31 March 2024							
Takaful contracts issued	21,584	20,249	18,708	17,247	15,842	151,705	245,335
31 March 2023							
Takaful contracts issued	22,960	21,312	19,768	18,273	16,828	168,073	267,214

The Company expects to recognise the CSM in profit or loss for existing contracts within five years, which represents the longest coverage period for the contracts in force issued by the Company. The expected timeline for the CSM recognition for reinsurance/retakaful contracts held is in line with reinsurance/retakaful contracts

21. Tax recoverable/(payable)

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Tax recoverable	26,698	45,920	13,506	19,684
Tax payable	(27,499)	(11,243)	(181)	-
	(801)	34,677	13,325	19,684

Included in the total tax recoverable are two pending appeal cases and tax paid in excess to the Inland Revenue Board ("IRB"). The pending appeal cases relate to MNRB and Takaful IKHLAS Family, as follows:

(i) The IRB had, on 8 September 2017, issued notices of additional assessment (i.e. Forms JA) to the Company for the years of assessment ("YA") 2008 to 2014, disallowing the interest expense that the Company had deducted as part of its business expense in arriving at the taxable profit.

The additional tax payable by the Company under the above-mentioned notices was RM13,576,000. IRB had also treated the tax returns made by the Company for the above YA as incorrect, and imposed a penalty of RM6,109,000 to the Company. This brought the total amount payable to IRB to RM19,685,000.

The Company disagreed with the additional assessment imposed by IRB for the above YA and had submitted a notice of appeal by filing Form Q with the Special Commissioner of Income Tax (“SCIT”) on 6 October 2017. The next date for an update to the SCIT is 5 June 2024.

Notwithstanding the appeal and the hearing before the SCIT, the Company had paid the total amount payable of RM19,685,000. The Company is also at liberty to pursue an amicable settlement of this matter. Based on legal advice, the Company is of the view that there are strong justifications for its appeal and has treated the above tax payment as tax recoverable.

As at the date of the financial statements, an out of court settlement has been offered by IRB and the Board agreed to settle the matter out of court for the amount of RM13,990,934 in favour of the Company and the Company's solicitors are in the process of drafting the settlement agreement. The Company has written down the amount of tax recoverable by RM5,693,859 to reflect the irrecoverable taxes as a result of the settlement.

(ii) The IRB had, on 28 December 2018, issued notices of additional assessments to Takaful IKHLAS Family for YA 2011 and 2013 for RM3,052,000 and RM2,147,000 respectively.

Takaful IKHLAS Family disagreed with the additional assessment imposed by IRB for the above YA and had submitted a notice of appeal by filing Form Q with the Special Commisioner of Income Tax (“SCIT”) on 24 January 2019.

During the course of the case management on 11 April 2023, IRB informed the SCIT that they needed more time to consider the draft Questions for Determination and the SCIT had fixed 10 August 2023 for the parties to finalise the cause papers. A new hearing date is pending from the SCIT.

21. Tax recoverable/(payable) (cont'd.)

Notwithstanding the appeal and the proposed hearing before the SCIT, Takaful IKHLAS Family had paid the total amount payable of RM5,199,000. Takaful IKHLAS Family is also at liberty to pursue an amicable settlement of this matter. Takaful IKHLAS Family is of the view that there are strong justifications for its appeal and has treated the said payment as tax recoverable.

As at the date of the financial statements, the management and the IRB are in discussion for a global settlement of YA2010 to YA2013 tax matters. The amount of tax recoverable has been written down by RM4,700,000 to take into account potential concessions the Company may be required to make to settle the matter out of court amicably of which RM1,659,879 relates to the recoverable of RM5,199,000 from YA2011 and 2013.

22. Borrowing

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Sukuk Murabahah Programme	620,000	520,000	420,000	320,000

Sukuk Murabahah Programme

On 22 March 2024, the Company had early redeemed its existing Subordinated Sukuk Murabahah of RM320 million on its first call date and issued an RM420 million nominal value subordinated sukuk which qualifies as Tier-2 capital under the RBC/RBCT Framework issued by BNM. The subordinated MTN carries a tenure of ten (10) years from issue date on a 10-year, non-callable 5-year basis with a fixed profit rate of 4.46% per annum payable in semi-annually in arrears.

Medium Term Notes ("MTN")

On 26 October 2022, the Group issued an additional RM200,000,000 nominal value subordinated MTN which qualifies as Tier-2 capital under the RBC/RBCT Framework issued by BNM. The subordinated MTN carries a tenure of ten (10) years from issue date on a 10-year, non-callable 5-year basis with a fixed interest rate of 5.21% per annum payable in semi-annually in arrears.

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23. Other payables

	Group		Company	
	2024	2023 Restated	2024	2023
	RM'000	RM'000	RM'000	RM'000
Advance contributions	3,994	6,953	-	-
Proposal and other deposit	17,136	14,135	-	-
Provisions	97,282	67,001	13,181	7,651
Amount due to subsidiaries *	-	-	390	-
Amount due to Insurance pool accounts		8,790		
Agency provident fund	4,653	4,469	-	-
Other accruals and payables	110,465	107,451	12,240	11,822
	233,530	208,799	25,811	19,473

* These amounts are non-trade in nature, unsecured, not subject to any interest/profit elements and repayable on demand.

The carrying amounts disclosed above approximate fair values due to their relatively short term nature.

24. Share capital

	Number of ordinary shares		Amount	
Group and Company	2024	2023	2024	2023
	'000	'000	RM'000	RM'000
Issued and fully paid:				
At 1 April / 31 March	783,088	783,088	738,502	738,502

25. Dividend

	Group and Company	
	2024	2023
	RM'000	RM'000
Recognised during the financial year:		
Final single-tier dividend of 4.45 sen per ordinary share on 783,086,696 ordinary shares, declared on 21 September 2023 and paid on 31 October 2023	34,847	-
Final single-tier dividend of 2.5 sen per ordinary share on 783,086,696 ordinary shares, declared on 26 July 2022 and paid on 31 October 2022	-	19,577

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26. Earnings per share

The basic and diluted earnings per share are calculated by dividing the net profit for the year attributable to equity holders of the holding company by the number of ordinary shares in issue during the year.

	Group		Company	
		Restated		
	2024	2023	2024	2023
Net profit for the year (RM'000)	433,539	118,280	76,323	16,589
Weighted average number of ordinary shares in issue ('000) (Note 24)	783,088	783,088	783,088	783,088
Basic and diluted earnings per share (sen)	55.4	15.1	9.7	2.1

The Group and the Company have no dilution in their earnings per ordinary share as there are no dilutive potential ordinary shares.

27. Capital commitments and contingencies

The commitments of the Group and of the Company as at the end of financial year are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Authorised and contracted for:				
- Property, plant and equipment	3,638	6,385	31	2,898
- Intangible assets*	9,406	10,326	4,572	2,076
	13,044	16,711	4,603	4,974
Authorised but not contracted for:				
- Property, plant and equipment	3,183	12,360	2,004	867
- Intangible assets*	5,359	21,301	-	327
	8,542	33,661	2,004	1,194

* Relating to purchases for enhancements of the computer system of the Group and the Company and the reinsurance/retakaful and takaful subsidiaries.

Contingencies

The Group has provided bank guarantees on the services contracts with external parties of RM682,596 (2023: RM520,458) in the form of cash deposit in margin accounts.

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28. Related party disclosures

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

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 all the Directors of the Group and the Company, and certain members of senior management of the Group and the Company.

(a) The significant transactions with related parties are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Income/(expenses):				
Transactions with subsidiaries:				
Management fee income	-	-	57,139	61,317
Management fee expense	-	-	(256)	(407)
Net dividend income	-	-	102,765	23,000
Management expense chargeback	-	-	9,545	5,505
Payment of lease liabilities	-	-	(1,389)	(1,101)
Rental income	-	-	8	8
Rental expenses for property	-	-	(163)	(142)
Interest income	-	-	2,246	2,239
Gross contributions	-	-	(1,325)	(837)

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(b) Related party balances

Included in the statement of financial position are amounts due from/(to) related parties represented by the following:

	Group 2024	Group 2023	Company 2024	Company 2023
Balances with subsidiaries:				
Unquoted corporate debt securities	-	-	50,759	50,632
Other receivables	-	-	15,275	15,472
Balances with an associate:				
Takaful certificate payables	(394)	(629)	-	-
Reinsurance/retakaful certificate assets	7,264	6,112	-	-

28. Related party disclosures (cont'd.)

(c) The key management personnel compensations are as follows:

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
PGCEO/Executive director of the subsidiaries:				
Salaries and bonus	1,870	1,442	1,870	1,442
Pension costs - EPF and SOCSO	318	245	318	245
Benefits-in-kind	18	18	18	18
Others	52	38	52	38
	2,258	1,743	2,258	1,743
Non-executive directors of the Company:				
Fees	1,346	1,233	710	667
Others	445	363	224	171
Benefits-in-kind	88	31	76	31
	1,879	1,627	1,010	869
Non-executive directors of subsidiaries:				
Fees	1,074	998	-	-
Others	256	309	-	-
	1,330	1,307	-	-
Shariah Committee members:				
Fees	243	180	-	-
Meeting allowances	67	45	-	-
	310	225	-	-
Other key management personnel's remuneration:				
Salaries and bonus	21,391	16,755	5,881	5,771
Pension costs - EPF and SOCSO	3,448	2,659	922	850
Allowances	1,981	2,537	798	360
Others	1,333	-	-	-
	28,153	21,951	7,601	6,981

29. Risk management framework

The Group Risk Management Framework and Policy ("RM Framework") was established to provide a set of guidelines for implementing risk management throughout the Group. It encompasses the Group's risk management:

(i) **strategy**, by having appropriate risk management objectives, policy and appetite;

(ii) **architecture**, by setting up risk management roles and responsibilities, communication and reporting structure; and

(iii) **protocols**, by describing the procedures, methodologies, tools and techniques for risk management.

Risk management is the process of identifying, assessing, measuring, controlling, mitigating, and continuously monitoring the risks in respect of the Group as a whole. It involves regular self-assessments of all reasonably foreseeable and material risks that the Group faces, including their inter-relationships and the maintenance of a link between ongoing risk management and mid to long term business goals, strategies and capital needs.

The RM Framework aims to serve as a guide for the effective management of risks throughout the Group. The Framework is intended to provide guidance to the Group in performing its risk management roles and responsibilities and ultimately aims to support the achievement of the Group's strategic and financial objectives.

The primary objectives of the RM Framework are as follows:

(i) Embeds the Risk Management process and ensures it is an integral part of the Group's planning process at a strategic and operational level;

(ii) Facilitates effective risk oversight through a clear internal risk governance structure and responsibilities;

(iii) Create a risk awareness culture from a strategic, operational, and individual perspective;

(iv) Give credibility to the process and engage management's attention to the treatment, monitoring, reporting and review of identified risks as well as considering new and emerging risks on a continuous basis;

(v) Ensure appropriate strategies are in place to mitigate risks and maximize opportunities;

(vi) Allow the Group and operating entities to proactively manage their risks in a systematic and structured way and to continually refine their processes to reduce their risk profile, thereby maintaining a safer environment for their stakeholders;

29. Risk management framework (cont'd.)

The primary objectives of the RM Framework are as follows (cont'd.):

(vii) Align the Group's risk management practices with its sustainability principles;

(viii) Provides a single point of reference for managing risks in a systematic and structured way; and

(ix) Standardises risk terminologies across the Group to facilitate a consistent and uniform approach in managing risks.

In pursuit of the above objectives, it is the Group's policy to adhere to, and comply with, all relevant governance and regulatory requirements and implement best practices with regards to risk management principles. The Group also aims to uphold high standards of business practices in all its activities.

(a) Risk management governance

The Board and Senior Management collectively have responsibility and accountability for setting the objectives, defining strategies to achieve those objectives, and establishing governance structures and processes to best manage the risks in accomplishing those objectives

The Group has adopted the Three Lines of Defense governance model which provides a formal, transparent, and effective risk governance structure to promote active involvement from the Board, Senior Management, and all employees in the risk management process across the Group.

In addition, the Group and respective entities have set up an in-house risk management function, compliance function and committee on a group and entity wide basis to ensure efficient risk management

The roles and responsibilities of the functions structure are as follows:

(i) The Board had established a dedicated Board Committee known as the Risk Management Committee of the Board ("RMCB") to support the Board in meeting the expectations and responsibilities on the risk and compliance management, provides assurance to the Board that the processes have been carried out effectively and inculcates a risk management culture on a group-wide basis. This is replicated at each of the main operating subsidiaries (Malaysian Reinsurance Berhad, Takaful IKHLAS Family Berhad and Takaful IKHLAS General Berhad);

(ii) The Audit Committee ("AC") was established to complement the role of the Board by providing an independent assessment of the adequacy and effectiveness of governance, risk management and internal control. The Audit Committee is assisted by an independent Internal Audit Department in performing its role;

29. Risk management framework (cont'd.)

(a) Risk management governance (cont'd.)

(iii) The Group Shariah Committee ("GSC") was established to provide objective and sound advice to the Group to ensure that its aims and operations, business, affairs and activities are in compliance with Shariah;

(iv) The Group Management Committee ("GMC"), together with the Senior Management Committee ("SMC") of its main operating subsidiaries oversee the implementation of risk and compliance management processes, establish and implement appropriate organisational structures and systems for managing financial and non-financial risks;

(v) The Group Management Risk & Compliance Committee ("GMRCC"), which comprises the President & Group Chief Executive Officer, the President & Chief Executive Officer and selected members of Senior Management from MNRB and its main operating subsidiaries to support the GMC/respective SMCs to implement the risk and compliance management processes, establish clear guidance in managing the Group's risk to ensure its alignment to their respective risk appetite for all business strategies and activities;

(vi) The Group Chief Risk Officer ("GCRO") and Risk Management Department ("RMD") establish the infrastructure and provide oversight over the risk management processes in MNRB and across the main operating subsidiaries through the adoption of the RM Framework; and

(vii) At the operational level, the implementation of risk management processes in the day-to-day operations of the Group is consistent with the RM Framework.

A dedicated Group Investment Committee ("GIC") of the Board which reports to the Board has been established to further oversee risks associated with investments and assets allocation. The GIC is assisted by the Group Investment Management Committee ("GIMC") which is represented by the President & CEO from each of the main operating subsidiaries. Further, the Group has established a Group Investment Policies ("GIP") to ensure proper risk management by investing in low-risk assets, deposits with licensed financial institutions, debt securities and other marketable securities.

Investment Management and Asset-Liability Management committees has been established at each main subsidiary to manage and monitor asset-liability and duration mismatch, credit risk profile, cashflow analysis and overall asset management. These committees ultimately report to the Board of the respective subsidiaries through its GIC.

29. Risk management framework (cont'd.)

(b) Capital management

The Internal Capital Adequacy Assessment Process ("ICAAP") encompassess the overall process where the subsidiaries ensure adequate capital is available to meet its capital requirements on an ongoing basis, under normal and stressed conditions, in line with BNM Guidelines on Internal Capital Adequacy Assessment for Insurers, Internal Capital Adequacy Assessment for Takaful Operators, Risk-Based Capital Framework for Insurers ("RBC Framework"), Risk-Based Capital Framework for Takaful Operators ("RBCT Framework") and Policy Document on Stress Testing.

The ICAAP Policy also requires the subsidiaries to set an Individual Target Capital Level ("ITCL") based on its business strategies, risk profiles and risk management practices. The subsidiaries' prevailing ITCL is above the minimum regulatory capital requirement outlined under the RBC/RBCT Framework.

Based on the material risks identified, the main operating subsidiaries assess the overall capital adequacy, and develop the Capital Management Plan ("CMP"), where the main objective is to monitor and maintain, at all times, an appropriate level of capital which commensurate with the main operating subsidiaries' business operations and the resultant risk profiles.

The CMP outlines the criteria, mechanism and process flow to manage the level of Capital Adequacy Ratio ("CAR") of the main operating subsidiaries. This includes the thresholds, triggers, and action plans in place which could be undertaken to reduce the level of risks or strengthen capital available. The action plans shall be triggered upon the CAR reaching the respective thresholds. These actions are chosen with consideration to the possible adverse scenarios relative to normal operating conditions.

In this regard, the Group also measures and monitors its capital position through its Group Capital Adequacy Ratio ("GCAR") and Group Capital Sufficiency Indicator ("GCSI"), in line with BNM's capital requirement for Insurance Groups.

(c) Regulatory framework

MNRB and its main operating subsidiaries are required to comply, as applicable, with the Financial Services Act ("FSA") 2013, the Islamic Financial Services Act ("IFSA") 2013, the Companies Act 2016, other relevant Acts, and Policy Documents issued by BNM from time to time.

In line with the RBC and RBCT Framework's requirements on capital adequacy, the main operating subsidiaries actively manage their capital by taking into account the potential impact of business exposure on their business strategies, risk profiles and overall resilience.

In addition, MNRB is required to comply with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"), and the Capital Markets and Services Act 2007.

30. Insurance/takaful risk

The following disclosures relating to the underwriting risk of the Group are presented separately for each specific business. Elimination of intra-Group transactions are not considered as the disclosures represent how each Business Unit within the Group assesses and manages underwriting risk.

(a) General reinsurance/retakaful

(i) Nature of risk

The reinsurance/retakaful subsidiary principally underwrites general reinsurance and retakaful contracts in relation to the following main breakdown : Voluntary Cesion and Autofacultative (VC and Auto Fac), Facultative, Treaty - Proportional treaty, and Treaty - Non Proportional treaty. Risks under these contracts usually cover a twelve-month duration other than some long-term contracts, such as construction contracts which may cover up to 3 years or more. The most significant risk arises from adverse development of claims and occurrence of new catastrophe losses. These risks vary significantly in relation to the economic conditions and territories from which the risks are underwritten. The reinsurance/retakaful subsidiary is exposed to concentration risk through its reinsurance and retakaful contracts, which may be concentrated in certain geographic regions, line of business and type of coverages.

The above risks are mitigated by diversification across a large portfolio of business to ensure a balanced mix and spread of business. Diversification through the implementation of underwriting strategies reduces the volatility of losses and improves the overall portfolio experience.

The losses are further mitigated by ensuring that the subsidiary's retrocession/retrotakaful arrangements are effective and adequate. Clear underwriting guidelines as approved by the Board are used to ensure all risks are written in accordance with the approved limits and catastrophe aggregates are managed within the capacity of the retrocession/retrotakaful programmes. Pricing tool ensures the risks exposures are adequately priced.

The reinsurance/retakaful subsidiary's retrocession/retrotakaful programmes are reviewed by the Retrocession Committee ("RC") and GMRCC and subsequently, as delegated by the Board, recommended to the RMCB for approval. The RC is responsible to ensure all aspects of the business operations, risk management including risk appetite, risk tolerance and business strategies of the reinsurance/retakaful subsidiary were taken into consideration in the overall procurement of Malaysian Re's Retrocession program and being carried out in the best interest of the reinsurance/retakaful subsidiary. Selection of reinsurers participating in the Retrocession programs of Malaysian Re is in accordance with the criteria stipulated by BNM and the Board.

30. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (cont'd.)

(i) Nature of risk (cont'd.)

Stress testing is performed at least once a year and may be performed more frequently if required. The purpose of the stress testing is to test the solvency and financial viability of the general reinsurance/retakaful business under the various scenarios as guided by regulatory guidelines. Stress tests and scenario analysis are used to assess the reinsurance subsidiary's ability to maintain minimum specified levels of capital and liquidity in exceptional but plausible events and ensure consideration of the financial impact of plausible events in the decision-making process and the effectiveness of management actions under stressed conditions.

(ii) Catastrophe risk

The risk that a single or a series of catastrophe events, usually over a short period, which leads to a high number of claims or single large loss or combination of both. The consequences of the risk are minimised by having retrocession/retrotakaful coverage in place and retention in line with the risk appetite of the reinsurance/retakaful subsidiary.

(iii) Premium/Contribution risk

Premium/Contribution risk arises when premiums/contributions charged are insufficient to meet expected claims and expenses. This risk is mitigated by adhering to the underwriting guideline and ceding the risk above our risk appetite to retrocessionaires/retrotakaful providers with strong financial standing. Any deficiencies in the premium will be recognised in the income statement as loss component at the inception of the business.

(iv) Reserving risk

Reserving risk relates to the risk arising from inadequate reserves to meet the net claims amount payable. The determination of the reinsurance/retakaful subsidiary's insurance contract liabilities relies on the information derived from various sources such as historical claims experience, existing knowledge of occurred events, the terms and conditions of relevant contracts and interpretation of prevailing circumstances. Upon notification of a claim, the reinsurance/retakaful subsidiary sets aside case and technical reserves to meet the expected ultimate loss arising from this claim. These claim reserves are updated periodically taking into account the development of the claims.

At each reporting date end, the reinsurance/retakaful subsidiary performs a valuation of liabilities for the purpose of ensuring that liabilities for remaining coverage and liabilities for incurred claims are objectively assessed and adequately provided for.

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30. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (cont'd.)

(v) Impact on liabilities, profit and equity

Key assumptions

Liabilities are determined based upon previous claims experience, existing knowledge of events, the terms and conditions of the relevant contracts and interpretation of circumstances. Particularly relevant are past experiences with similar cases, historical claims development trends, legislative changes, judicial decisions and economic conditions.

The inherent uncertainties in estimating liabilities arise from a variety of factors such as the range and quality of data available, underlying assumptions made and random volatility in future experience.

Sensitivity analysis

The insurance/takaful contract liabilities are sensitive to various key factors which are both internal and external. External factors to which the reinsurance/retakaful subsidiary is sensitive to include:

(i) Claims practices of ceding companies;
(ii) Frequency and severity of claims incurred by cedants;
(iii) Changes in premium/contribution rates in insurance/takaful;
(iv) Changes in reinsurance/retakaful markets; and
(v) Legislative and regulatory changes.

The sensitivity analysis was applied to the ultimate loss ratio adopted for the LRC and LIC of the Company by increasing or decreasing the said ratio by 5%. The table below shows the impact on the Company's gross and net claim liabilities, profit before zakat and taxation and equity should the ultimate loss ratio be increased/(decreased) by 5%:

2024	Impact on gross CSM RM'000	Impact on net CSM RM'000	Impact on profit before tax * RM'000	Impact on equity ** RM'000
	<-------- Increase	------->	<------- Decrease	------>
Increase 5%				
VC and Auto Fac	5,860	5,860	30,343	27,916
Facultative	1,038	1,038	10,662	9,809
Treaty - Proportional	12,063	11,030	105,543	97,100
Treaty - Non proportional	2,025	2,023	11,708	10,771
	20,986	19,951	158,256	145,596

30. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (cont'd.)

(v) Impact on liabilities, profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

	Impact on gross CSM RM'000	Impact on net CSM RM'000	Impact on profit before tax * RM'000	Impact on equity ** RM'000
	<------- Increase ------->		<------ Decrease ------>	
Decrease 5%				
VC and Auto Fac	(5,793)	(5,793)	(30,292)	(27,869)
Facultative	(954)	(953)	(10,604)	(9,755)
Treaty - Proportional	(7,994)	(6,737)	(96,602)	(88,874)
Treaty - Non proportional	(2,025)	(2,023)	(12,187)	(11,212)
	(16,766)	(15,506)	(149,685)	(137,710)

2023	Impact on gross liabilities RM'000	Impact on net liabilities RM'000	Impact on profit before tax * RM'000	Impact on equity ** RM'000
	<------- Increase ------->		<------ Decrease ------>	
VC and Auto Fac	18,313	18,313	31,583	29,057
Facultative	784	784	10,894	10,022
Treaty - Proportional	17,380	16,602	91,176	83,882
Treaty - Non proportional	1,827	1,822	5,275	4,853
	38,304	37,521	138,928	127,814
Decrease 5%				
VC and Auto Fac	(17,546)	(17,546)	(31,341)	(28,834)
Facultative	(787)	(787)	(10,891)	(10,020)
Treaty - Proportional	(18,015)	(16,931)	(89,880)	(82,689)
Treaty - Non proportional	(1,827)	(1,822)	(5,275)	(4,853)
	(38,175)	(37,086)	(137,387)	(126,396)

* The impact on profit before tax has included consideration of the impact on estimated reinstatement premium receivables.

This analysis assumes that other factors relevant, but not significant, to the valuation of claim liabilities remain constant.

30. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (cont'd.)

(vi) Claims development table

The following tables show the estimate of cumulative ultimate incurred claims, including both claims provisions and IBNR for each successive underwriting year at each financial year end, along with cumulative claim payments to-date.

In setting provisions for claims, the Company gives consideration to the probability and magnitude of future experience at best estimate level with a degree of caution in setting reserves when there is considerable uncertainty. In general, the uncertainty associated with the ultimate claims experience for an underwriting year is the greatest when the claim is at an early stage of development.

The ultimate liability projection for Underwriting Year ("UWY") 2023 will only be available once the Company has completed the underwriting of its business for the period from 1 January 2023 to 31 December 2023.

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30. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (cont'd.)

Liability for Incurred Claims for 2024:

Underwriting year	Before 2017 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	Subtotal RM'000
At the end of accident year		-	-	-	-	1,015,635	801,407	646,564	
One year later		-	-	-	926,423	1,443,904	1,486,803	-	
Two years later		-	-	803,946	916,687	1,560,518	-	-	
Three years later		-	839,794	796,453	890,144	-	-	-	
Four years later		625,661	823,012	787,445	-	-	-	-	
Five years later		631,193	813,669	-	-	-	-	-	
Six years later		626,744	-	-	-	-	-	-	
Current estimate of booked ultimate claims incurred (a) + (b)		**626,744**	**813,669**	**787,445**	**890,144**	**1,560,518**	**1,486,803**	**646,564**	
At the end of accident year		-	-	-	-	98,272	59,557	120,159	
One year later		-	-	-	332,955	634,343	441,457	-	
Two years later		-	-	504,333	519,684	1,010,685	-	-	
Three years later		-	689,320	598,163	633,530	-	-	-	
Four years later		543,550	705,750	649,437	-	-	-	-	
Five years later		566,080	731,274	-	-	-	-	-	
Six years later		587,399	-	-	-	-	-	-	
Cumulative payments to-date (b)		**587,399**	**731,274**	**649,437**	**633,530**	**1,010,685**	**441,457**	**120,159**	
Expected claim liabilities (a) - (b)	226,092	39,345	82,395	138,008	256,614	549,833	1,045,346	526,405	2,864,038

	RM'000
Latest UWY BE LIC	27,699
Claim handling expenses	25,754
Total Best Estimate of LIC	**2,917,491**
Risk Adjustment at 75% Confidence Interval	232,959
Discounting impact	(270,093)
Forex Impact	81,378
Trade balances	206,808
Incurred claims from Family Retakaful and Shareholder funds	107,988
Inter-company elimination	(46,206)
Liability for Incurred Claims	**3,230,325**

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30. Insurance/takaful risk (cont'd.)

(f) Claims development table (cont'd.)

Net general reinsurance/retakaful claim liabilities for 2024:

Underwriting year	Before 2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	Subtotal RM'000
At the end of accident year		-	-	-	-	701,161	792,897	580,971	
One year later		-	-	-	904,785	1,073,931	1,428,386	-	
Two years later		-	-	791,937	895,116	1,207,310	-	-	
Three years later		-	736,048	787,432	873,784	-	-	-	
Four years later		606,856	728,215	778,864	-	-	-	-	
Five years later		611,389	716,569	-	-	-	-	-	
Six years later		608,658	-	-	-	-	-	-	
Current estimate of booked ultimate claims incurred (a)		**608,658**	**716,569**	**778,864**	**873,784**	**1,207,310**	**1,428,386**	**580,971**	
At the end of accident year		-	-	-	-	98,202	55,134	98,521	
One year later		-	-	-	332,824	407,912	413,189	-	
Two years later		-	-	504,280	519,622	694,992	-	-	
Three years later		-	600,630	596,451	633,436	-	-	-	
Four years later		530,020	616,488	646,642	-	-	-	-	
Five years later		550,041	641,452	-	-	-	-	-	
Six years later		572,564	-	-	-	-	-	-	
Cumulative payments to-date (b)		**572,564**	**641,452**	**646,642**	**633,436**	**694,992**	**413,189**	**98,521**	
Expected claim liabilities (a) - (b)	220,230	36,094	75,117	132,222	240,348	512,318	1,015,197	482,450	2,713,976

	RM'000
Latest UWY BE AIC	26,404
Claim handling expenses	25,755
Total Best Estimate of AIC	**2,766,135**
Fund PRAD at 75% confidence interval	218,415
Discounting impact	(258,361)
Forex Impact	79,674
Trade balances	144,271
Incurred claims from Family Retakaful and Shareholder funds	52,081
Inter-company elimination	(46,208)
Net general reinsurance/retakaful claim liabilities	**2,956,007**

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30. Insurance/takaful risk (cont'd.)

(f) Claims development table (cont'd.)

Liability for Incurred Claims for 2023:

Underwriting year	Before 2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	Subtotal RM'000
At the end of accident year		-	-	-	-	-	1,015,635	801,407	
One year later		-	-	-	-	926,423	1,443,904	-	
Two years later		-	-	-	803,946	916,687	-	-	
Three years later		-	-	839,794	796,453	-	-	-	
Four years later		-	625,661	823,012	-	-	-	-	
Five years later		739,338	631,193	-	-	-	-	-	
Six years later		743,635	-	-	-	-	-	-	
Current estimate of booked ultimate claims incurred (a)		**743,635**	**631,193**	**823,012**	**796,453**	**916,687**	**1,443,904**	**801,407**	
At the end of accident year		-	-	-	-	-	98,272	59,557	
One year later		-	-	-	-	332,955	634,344	-	
Two years later		-	-	-	504,333	519,684	-	-	
Three years later		-	-	689,320	598,163	-	-	-	
Four years later		-	543,550	705,749	-	-	-	-	
Five years later		669,423	566,080	-	-	-	-	-	
Seven years later		691,464	-	-	-	-	-	-	
Cumulative payments to-date (b)		**691,464**	**566,080**	**705,749**	**598,163**	**519,684**	**634,344**	**59,557**	
Expected claim liabilities (a) - (b)	218,507	52,171	65,113	117,263	198,290	397,003	809,560	741,850	2,599,757

	RM'000
Latest UWY BE LIC	90,156
Claim handling expenses	15,982
Total Best Estimate of LIC	**2,705,895**
Risk Adjustment at 75% Confidence Interval	214,806
Discounting impact	(179,979)
Forex Impact	8,253
Trade balances	158,794
Incurred claims from Family Retakaful and Shareholder funds	44,978
Inter-company elimination	(24,929)
Liability for Incurred Claims	**2,927,818**

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30. Insurance/takaful risk (cont'd.)

(f) General reinsurance/retakaful (cont'd.)

Net general reinsurance/retakaful claim liabilities for 2023:

Underwriting year	Before 2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	Subtotal RM'000
At the end of accident year		-	-	-	-	-	701,161	792,897	
One year later		-	-	-	-	904,785	1,073,931	-	
Two years later		-	-	-	791,936	895,116	-	-	
Three years later		-	-	736,048	787,432	-	-	-	
Four years later		-	606,856	728,215	-	-	-	-	
Five years later		730,080	611,390	-	-	-	-	-	
Six years later		734,130	-	-	-	-	-	-	
Current estimate of booked ultimate claims incurred (a)		**734,130**	**611,390**	**728,215**	**787,432**	**895,116**	**1,073,931**	**792,897**	
At the end of accident year		-	-	-	-	-	98,202	55,133	
One year later		-	-	-	-	332,823	407,913	-	
Two years later		-	-	-	504,281	519,622	-	-	
Three years later		-	-	600,631	596,451	-	-	-	
Four years later		-	530,019	616,488	-	-	-	-	
Five years later		660,517	550,041	-	-	-	-	-	
Six years later		682,556	-	-	-	-	-	-	
Cumulative payments to-date (b)		**682,556**	**550,041**	**616,488**	**596,451**	**519,622**	**407,913**	**55,133**	
Expected claim liabilities (a) - (b)	212,069	51,574	61,349	111,727	190,981	375,494	666,018	737,764	2,406,976

	RM'000
Latest UWY BE LIC	88,095
Claim handling expenses	15,982
Total Best Estimate of LIC	**2,511,053**
Risk Adjustment at 75% Confidence Interval	196,239
Discounting impact	(167,151)
Forex Impact	8,272
Trade balances	112,975
Incurred claims from Family Retakaful and Shareholder funds	11,904
Inter-company elimination	(24,933)
Net general reinsurance/retakaful claim liabilities	2,648,359

30. Insurance/takaful risk (cont'd.)

(b) General takaful fund

(i) Nature of risk

The general takaful subsidiary principally issues the following types of general takaful: Motor, Fire, Personal Accident and Miscellaneous (which includes Engineering and Marine).

Each participant pays a portion of contributions on the basis of tabarru' ("donation") into the General Takaful Fund ("GTF") for the purpose of meeting claims for events or risks covered under the takaful contracts. The general takaful subsidiary is exposed to concentration risk through its takaful contracts, which may be concentrated in certain geographic regions, industry sectors, or line of business.

The risks are mitigated by, among others, diversification across a large portfolio of business, which is designed to smoothen the overall claim experience. The solvency of the GTF is managed by adopting prudent underwriting and claims management practices and controls such as underwriting and claims SOPs.

The general takaful subsidiary also manages its risk exposure by the use of retakaful arrangements. The retakaful treaty arrangements of the Company are reviewed annually by the Treaty Working Group ("TWG"), GMRCC and subsequently, as delegated by the Board, recommended to the RMCB for approval. The TWG is responsible to ensure all aspects of the business operations, risk management including risk appetite, risk tolerance and business strategies of the Company were taken into consideration in the overall procurement of the company's and being carried out in the best interest of the Company. Selection of retakaful operators participating in the retakaful arrangements is in accordance with the criteria stipulated by BNM and the Board.

Stress Testing is performed at least once a year, or more frequently if required. The purpose of the stress testing is to test the solvency and financial viability of the GTF under various scenarios as guided by regulatory guidelines. Stress tests and scenario analysis are used to assess the general takaful subsidiary's ability to maintain minimum specified levels of capital and liquidity in exceptional but plausible events and ensure consideration of the financial impact of plausible events in the decision-making process and the effectiveness of management actions under stressed conditions.

(ii) Reserving risk

Reserving risk relates to the risk arising from inadequate reserves to meet the net claims amount payable. The determination of GTF's liabilities for remaining coverage and liabilities for incurred claims relies on the information derived from various sources such as historical claims experience, existing knowledge of occurred events, the terms and conditions of relevant certificates and interpretation of prevailing circumstances. Upon notification of a claim, the general takaful subsidiary sets aside case and technical reserves to meet the expected ultimate loss arising from the claim. These claim reserves are updated periodically taking into account the development of the claims.

30. Insurance/takaful risk (cont'd.)

(b) General takaful fund (cont'd.)

(ii) Reserving risk (cont'd.)

At each reporting date end, the general takaful subsidiary performs a valuation of liabilities for the purpose of ensuring that liabilities for remaining coverage and liabilities for incurred claims are objectively assessed and adequately provided for.

(iii) Catastrophe Risk

The risk that a single or a series of catastrophe events, usually over a short period, which leads to a high number of claims or single large loss or combination of both. The consequences of the risk is minimised by having retakaful coverage in place and retention in line with the risk appetite of the general takaful subsidiary.

(iv) Contribution Risk

Contribution risk arises when contributions charged are insufficient to meet expected claims and expenses. This risk is mitigated by adhering to the pricing policy and ceding the risk above our risk appetite to retakaful operators with strong financial standing.

(v) Impact on liabilities, profit and equity

Key assumptions

The principal assumption underlying the estimation of liabilities is that the general takaful future claims development will follow a pattern similar to the historical trend experience.

Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future. Examples of external factors that may affect claims development include isolated one-off occurrence, changes in market factors such as public attitude to claims notification and reporting, economic conditions, judicial decision as well as government legislation. Examples of internal factors include changes in portfolio mix, changes in certificate conditions and changes in claims handling procedures, especially those that affect the speed of claim settlement.

Other key circumstances affecting the reliability of assumptions include delays in settlement.

30. Insurance/takaful risk (cont'd.)

(b) General takaful fund (cont'd.)

(v) Impact on liabilities, profit and equity (cont'd.)

Sensitivity analysis

The Liabilities for Incurred Claims ("LFIC") are sensitive to the key assumptions shown below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation processes.

The analysis below is performed on possible movements in key assumptions with all other assumptions held constant, showing the impact on LFIC and equity for Participant Risk Fund ("PRF") and Shareholder's Fund ("SHF") respectively. The correlation of assumptions will have significant effects in determining the LFIC but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

The sensitivity analysis has been performed for the main classes of business which are Motor Act, Motor Others and Fire. Motor Act is analysed using changes in claim severity while Motor Others and Fire are analysed using changes in the expected ultimate loss ratio.

		General Takaful	
		Impact on gross LFIC	Impact on Equity
		<-- Increase/(decrease) -->	
2024			
Motor Act Average Severity	+10% of Ultimate Claims	84,682	(8,884)
	-10% of Ultimate Claims	(83,476)	8,656
Motor Others Expected Loss Ratio	+10% of Ultimate Claims	58,396	(2,602)
	-10% of Ultimate Claims	(57,251)	2,421
Fire Expected Loss Ratio	+10% of Ultimate Claims	12,083	(385)
	-10% of Ultimate Claims	(11,051)	296
Discounting	+1% of Discount Rate	(8,380)	720
	-1% of Discount Rate	8,686	(747)
Claim Handling Expense ("CHE") & Claim Management Expense ("CME")	+10% of Ultimate Claims	5,878	(4,321)
	-10% of Ultimate Claims	(5,878)	4,321

30. Insurance/takaful risk (cont'd.)

(b) General takaful fund (cont'd.)

(v) Impact on liabilities, profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

		General Takaful	
		Impact on gross LFIC	Impact on Equity
		<-- Increase/(decrease) -->	
2023			
Motor Act Average Severity	+10% of Ultimate Claims	67,514	(8,132)
	-10% of Ultimate Claims	(67,292)	7,975
Motor Others Expected Loss Ratio	+10% of Ultimate Claims	41,748	(2,222)
	-10% of Ultimate Claims	(41,592)	2,108
Fire Expected Loss Ratio	+10% of Ultimate Claims	12,115	(407)
	-10% of Ultimate Claims	(12,057)	363
Discounting	+1% of Discount Rate	(6,065)	559
	-1% of Discount Rate	6,255	(577)
Claim Handling Expense ("CHE") & Claim Management Expense ("CME")	+10% of Ultimate Claims	4,941	(3,631)
	-10% of Ultimate Claims	(4,941)	3,631

The method used in performing the sensitivity analysis is consistent with the prior year.

(vi) Claims development table

The following tables show the estimate of cumulative incurred claims, including both claims reported and IBNR (including IBNER) for each successive accident year at each financial year, together with cumulative payments to-date.

In setting provisions for claims, the Company gives consideration to the probability and magnitude of future experience on best estimate basis with a degree of caution in setting reserves when there is considerable uncertainty. In general, the uncertainty associated with the ultimate claims experience for an accident year is greatest when the claim is at an early stage of development:

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30. Takaful risk of the general takaful fund (cont'd.)

(f) Claims development table (cont'd.)

Gross General Takaful Certificate Liabilities for 2024:

	As at 31 March										
Accident year	**Prior 2016 RM '000**	**2016 RM '000**	**2017 RM '000**	**2018 RM '000**	**2019 RM '000**	**2020 RM '000**	**2021 RM '000**	**2022 RM '000**	**2023 RM '000**	**2024 RM '000**	**Total RM '000**
At the end of accident year	635,225	174,218	190,776	195,417	188,468	194,052	204,481	294,653	364,274	479,071	479,071
One year later	1,055,223	163,828	192,331	196,877	192,772	185,943	206,425	297,021	369,867		369,867
Two year later	1,009,430	157,286	185,552	198,738	186,612	194,488	204,385	281,113			281,113
Three year later	970,836	153,908	187,120	197,158	192,388	192,522	198,486				198,486
Four year later	951,897	155,963	184,175	197,653	192,613	192,208					192,208
Five year later	941,506	154,356	184,535	194,630	193,832						193,832
Six year later	931,316	147,206	172,314	181,879							181,879
Seven year later	921,497	144,233	169,860								169,860
Eight year later	923,404	144,110									144,110
Ninth year later	919,895										919,895
Current estimate of cumulative claims incurred	919,895	144,110	169,860	181,879	193,832	192,208	198,486	281,113	369,867	479,071	3,130,321
At the end of accident year	329,854	70,093	80,611	82,191	73,362	78,164	81,540	115,765	137,910	182,915	182,915
One year later	618,014	112,184	132,501	131,743	127,672	120,590	132,365	195,496	239,839		239,839
Two year later	788,023	130,725	153,910	158,922	147,522	140,866	153,413	222,637			222,637
Three year later	854,671	138,037	162,779	168,814	165,025	159,330	168,954				168,954
Four year later	884,364	140,658	165,165	174,992	174,415	166,544					166,544
Five year later	892,402	141,922	167,414	176,515	178,553						178,553
Six year later	901,785	143,256	168,238	178,749							178,749
Seven year later	905,295	143,553	169,051								169,051
Eight year later	919,051	144,024									144,024
Ninth year later	919,765										919,765
Cumulative payments to-date	919,765	144,024	169,051	178,749	178,553	166,544	168,954	222,637	239,839	182,915	2,571,032
Gross liabilities for incurred claims:											
Best estimate of claims liabilities (including Allocated Loss Adjustment Expenses ("ALAE"))	130	87	809	3,130	15,280	25,664	29,532	58,476	130,028	296,155	559,289
Discounting Impact	(7)	(4)	(41)	(171)	(806)	(1,335)	(1,513)	(2,990)	(6,510)	(14,828)	(28,207)
											531,082
Takaful payables and others											30,968
											562,050
Risk adjustment and other claim-related expenses											63,645
											625,695

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29. Takaful risk of the general takaful fund (cont'd.)

(f) Claims development table (cont'd.)

Net General Takaful Certificate Liabilities for 2024:

	As at 31 March										
Accident year	**Prior 2016 RM '000**	**2016 RM '000**	**2017 RM '000**	**2018 RM '000**	**2019 RM '000**	**2020 RM '000**	**2021 RM '000**	**2022 RM '000**	**2023 RM '000**	**2024 RM '000**	**Total RM '000**
At the end of accident year	675,135	110,041	113,257	113,775	107,381	118,287	127,751	155,257	222,317	271,714	271,714
One year later	925,667	100,341	113,434	113,959	106,516	108,953	122,867	154,435	225,101		225,101
Two year later	888,655	96,034	108,941	110,916	102,714	108,923	120,150	146,862			146,862
Three year later	839,138	94,500	107,880	110,336	104,226	105,836	117,327				117,327
Four year later	820,312	94,192	106,783	109,770	104,998	104,879					104,879
Five year later	819,695	93,674	106,876	109,236	105,221						105,221
Six year later	736,851	89,117	100,796	101,984							101,984
Seven year later	724,514	87,895	98,744								98,744
Eight year later	712,759	87,872									87,872
Ninth year later	711,888										711,888
Current estimate of cumulative claims incurred	711,888	87,872	98,744	101,984	105,221	104,879	117,327	146,862	225,101	271,714	1,971,593
At the end of accident year	309,674	43,970	50,502	49,290	46,005	47,549	53,774	55,640	84,438	103,757	103,757
One year later	528,304	69,156	79,164	79,694	75,861	74,034	81,153	96,918	146,451		146,451
Two year later	645,673	80,147	90,931	92,440	85,132	84,566	94,110	114,054			114,054
Three year later	684,554	84,404	95,729	97,264	90,723	90,732	101,457				101,457
Four year later	704,377	85,974	97,147	98,941	94,927	93,283					93,283
Five year later	708,245	86,721	97,953	99,665	96,878						96,878
Six year later	710,150	87,294	98,156	100,680							100,680
Seven year later	711,724	87,492	98,447								98,447
Eight year later	711,933	87,811									87,811
Ninth year later	711,856										711,856
Cumulative payments to-date	711,856	87,811	98,447	100,680	96,878	93,283	101,457	114,054	146,451	103,757	1,654,673
Net liabilities for incurred claims:											
Best estimate of claims liabilities (including ALAE)	33	61	298	1,304	8,343	11,596	15,870	32,808	78,650	167,957	316,919
Discounting Impact	(2)	(2)	(18)	(67)	(405)	(594)	(829)	(1,693)	(4,159)	(7,795)	(15,565)
											301,355
Net takaful receivables and others											(17,637)
											283,718
Risk adjustment and other claim-related expenses											40,857
											324,575

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29. Takaful risk of the general takaful fund (cont'd.)

(f) Claims development table (cont'd.)

Gross General Takaful Certificate Liabilities for 2023

Accident year					**As at 31 March**						
	Prior 2015 RM '000	**2015 RM '000**	**2016 RM '000**	**2017 RM '000**	**2018 RM '000**	**2019 RM '000**	**2020 RM '000**	**2021 RM '000**	**2022 RM '000**	**2023 RM '000**	**Total RM '000**
At the end of accident year	635,225	176,571	174,218	190,776	195,417	188,468	194,052	204,481	294,653	364,274	364,314
One year later	878,652	176,737	163,828	192,331	196,877	192,772	185,943	206,425	297,021		298,922
Two year later	832,693	172,414	157,286	185,552	198,738	186,612	194,488	204,385			205,190
Three year later	798,421	168,315	153,908	187,120	197,158	192,388	192,522				194,205
Four year later	783,582	167,527	155,963	184,175	197,653	192,613					193,803
Five year later	773,980	171,452	154,356	184,535	194,630						196,550
Six year later	759,864	163,584	147,206	172,314							173,124
Seven year later	757,914	162,573	144,233								144,602
Eight year later	760,831	161,969									162,221
Ninth year later	758,050										758,420
Current estimate of cumulative claims incurred	758,420	162,221	144,602	173,124	196,550	193,803	194,205	205,190	298,922	364,314	2,691,352
At the end of accident year	329,854	72,433	70,093	80,611	82,191	73,362	78,164	81,540	115,765	137,910	137,910
One year later	545,582	121,645	112,184	132,501	131,743	127,672	120,590	132,365	195,496		195,496
Two year later	666,378	141,980	130,725	153,910	158,922	147,522	140,866	153,413			153,413
Three year later	712,690	154,662	138,037	162,779	168,814	165,025	159,330				159,330
Four year later	729,703	157,119	140,658	165,165	174,992	174,415					174,415
Five year later	735,283	160,685	141,922	167,414	176,515						176,515
Six year later	741,100	161,168	143,256	168,238							168,238
Seven year later	744,128	161,293	143,553								143,553
Eight year later	757,758	161,333									161,333
Ninth year later	757,932										757,932
Cumulative payments to-date	757,932	161,333	143,553	168,238	176,515	174,415	159,330	153,413	195,496	137,910	2,228,137
Gross liabilities for incurred claims:											
Best estimate of claims liabilities (including Allocated Loss Adjustment Expenses ("ALAE"))	118	636	680	4,076	18,115	18,197	33,192	50,972	101,525	226,363	453,874
Discounting Impact	(19)	(39)	(44)	(178)	(807)	(793)	(1,489)	(2,221)	(4,367)	(8,963)	(18,920)
											434,954
Takaful payables and others											22,647
											457,601
Risk adjustment and other claim-related expenses											58,512
											516,113

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30. Takaful risk of the general takaful fund (cont'd.)

(f) Claims development table (cont'd.)

Net General Takaful Certificate Liabilities for 2023

Accident year					**As at 31 March**						
	Prior 2015 RM '000	**2015 RM '000**	**2016 RM '000**	**2017 RM '000**	**2018 RM '000**	**2019 RM '000**	**2020 RM '000**	**2021 RM '000**	**2022 RM '000**	**2023 RM '000**	**Total RM '000**
At the end of accident year	675,135	104,071	110,041	113,257	113,775	107,381	118,287	127,751	155,257	222,317	222,317
One year later	821,596	102,643	100,341	113,434	113,959	106,516	108,953	122,867	154,435		154,435
Two year later	786,012	97,354	96,034	108,941	110,916	102,714	108,923	120,150			120,150
Three year later	741,784	94,702	94,500	107,880	110,336	104,226	105,836				105,836
Four year later	725,611	94,152	94,192	106,783	109,770	104,998					104,998
Five year later	725,543	94,338	93,674	106,876	109,236						109,236
Six year later	642,513	90,196	89,117	100,796							100,796
Seven year later	634,318	90,030	87,895								87,895
Eight year later	622,729	89,839									89,839
Ninth year later	622,066										622,066
Current estimate of cumulative claims incurred	622,066	89,839	87,895	100,796	109,236	104,998	105,836	120,150	154,435	222,317	1,717,569
At the end of accident year	309,674	45,169	43,970	50,502	49,290	46,005	47,549	53,774	55,640	84,438	84,438
One year later	483,135	71,475	69,156	79,164	79,694	75,861	74,034	81,153	96,918		96,918
Two year later	574,199	82,078	80,147	90,931	92,440	85,132	84,566	94,110			94,110
Three year later	602,476	86,274	84,404	95,729	97,264	90,723	90,732				90,732
Four year later	618,103	87,824	85,974	97,147	98,941	94,927					94,927
Five year later	620,421	89,303	86,721	97,953	99,665						99,665
Six year later	620,847	89,481	87,294	98,156							98,156
Seven year later	622,243	89,485	87,492								87,492
Eight year later	622,449	89,509									89,509
Ninth year later	622,040										622,040
Cumulative payments to-date	622,040	89,509	87,492	98,156	99,665	94,927	90,732	94,110	96,918	84,438	1,457,986
Net liabilities for incurred claims:											
Best estimate of claims liabilities (including ALAE)	26	330	404	2,640	9,571	10,071	15,104	26,040	57,517	137,880	259,583
Discounting Impact	(1)	(15)	(18)	(93)	(387)	(407)	(632)	(1,114)	(2,427)	-5312.4264	(10,406)
											249,176
Net takaful payables and others											23,049
											272,225
Risk adjustment and other claim-related expenses											37,925
											310,150

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30. Insurance/Takaful risk (cont'd.)

(c) Family takaful fund

(i) Nature of risk

The family takaful subsidiary principally writes the following types of family takaful certificates: Ordinary Takaful Plans, Credit-related Takaful Plans, Group Takaful Plans and Investment-linked Takaful Plans. The takaful contributions are segregated into 2 separate funds: Participants' Risk Fund ("PRF") and Participants' Investment Fund ("PIF").

The PRF is compulsory for all certificates and refers to the fund used to pool the portion of contributions paid by participants on the basis of tabarru' ("donation") for the purpose of meeting claims on events/risks covered under the takaful certificates. Under the tabarru' contract, the fund is collectively owned by the pool of participants. In managing the PRF, the family takaful subsidiary adopts an appropriate set of policies and procedures to ensure the availability of funds to meet takaful benefits when due.

The PIF refers to the fund in which a portion of the contributions paid by takaful participants for a takaful certificate is allocated for the purpose of savings and/or investment. The PIF is individually owned by participants. In managing the PIF, the family takaful subsidiary adopts appropriate investment and management strategies to achieve returns that are in line with the participants' reasonable expectations and where relevant, to ensure the availability of funds for future tabarru' apportionment into the PRF. The investment risk exposure for the PIF is borne by the participants. For investment-linked takaful, the PIF refers to the unit fund(s).

Family takaful risk exists from the anti-selection process and inadequacy of PRF to meet future claims arising from family takaful certificates. The risks arise when actual claims experience is different from the assumptions used in setting the prices for products and establishing the technical provisions and liabilities for claims. Other sources of risks include certificate lapses and certificate claims such as mortality and morbidity experience, if they were to differ significantly from assumptions. The family takaful subsidiary is exposed to concentration risk through its takaful contracts, which may be concentrated in certain geographic regions, industry sectors, or line of business.

The family takaful subsidiary utilises retakaful arrangements to manage the mortality and morbidity risks. Retakaful structures are set based on the risk appetite of the takaful subsidiary. Due to the nature of the business, the retakaful arrangements are reviewed as and when required, especially with introduction of new product.

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30. Insurance/Takaful risk (cont'd.)

(c) Family takaful fund (cont'd.)

(i) Nature of risk (cont'd.)

The family takaful subsidiary reviews the actual experience of mortality, morbidity, lapses and surrenders, as well as expenses to ensure that appropriate policies, guidelines and limits are put in place to manage these risks.

The PIF is supported by the investment profit from the fund and the distribution surplus from PRF, if any. In the event of volatile investment climate and/or unusual claims experience, the investment profit and surplus distribution to the participants may reduce.

Stress Testing is performed at least once a year, or more frequently if required. The purpose of the Stress Testing is to test the solvency and financial viability of the family takaful fund under various scenarios as guided by regulatory guidelines. Stress tests and scenario analysis are used to assess the family takaful subsidiary 's ability to maintain minimum specified levels of capital and liquidity in exceptional but plausible events and ensure consideration of the financial impact of plausible events in the decision-making process and the effectiveness of management actions under stressed conditions.

The table below discloses the contribution of the PIF and PRF liabilities by type of certificates:

	Gross RM'000	Net RM'000
2024		
Family takaful plans	1,335,429	1,335,429
Investment-linked takaful plans	287,206	287,206
Mortgage takaful plans	1,340,527	1,340,527
Group credit takaful plans	230,732	230,732
Others	58,210	58,210
	3,252,104	3,252,104

	Gross RM'000	Net RM'000
2023		
Family takaful plans	1,299,947	1,299,947
Investment-linked takaful plans	216,118	216,118
Mortgage takaful plans	1,295,078	1,295,078
Group credit takaful plans	225,325	225,325
Others	53,783	53,783
	3,090,251	3,090,251

30. Insurance/Takaful risk (cont'd.)

(c) Family takaful fund (cont'd.)

(ii) Reserving Risk

Reserving risk relates to the risk arising from inadequate reserves to meet future benefits payment / claims and family takaful subsidiary expense needs. The risk arises from uncertainty in the estimation of future liabilities, influenced by factors such as changes in mortality and morbidity rates, economic conditions, regulatory requirements, family takaful subsidiary revenue and expense management, etc..

At each reporting date, the family takaful subsidiary performs a valuation of liabilities that is certified by the Appointed Actuary for the purpose of ensuring that reserves are objectively assessed and adequately provided for.

(iii) Catastrophe Risk

The risk that a single or a series of catastrophe events, usually over a short period, which leads to a high number of claims or single large loss or combination of both.

(iv) Contribution risk

Contribution risk arises when contributions charged are insufficient to meet expected claims and expenses. This risk is mitigated by adhering to the pricing policy and ceding the risk above the family takaful subsidiary's risk appetite to retakaful operators with strong financial standing.

(iii) Impact on liabilities, profit and equity

Key assumptions

The family takaful subsidiary is being guided by the regulators and relevant guidelines in determining the liabilities of the family takaful fund and in the selection 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 the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

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30. Insurance/Takaful risk (cont'd.)

(c) Family takaful fund (cont'd.)

(iii) Impact on profit and equity (cont'd.)

Key assumptions (cont'd.)

The assumptions that have significant effects on the financial position and financial performance of the family takaful fund are described below:

Type of business	Mortality and morbidity rates	2024 Discount rates	2023 Discount rates
Credit related products and individual regular contribution plans	Base mortality [1], adjusted for retakaful rates and actual experience [2]	GII discount rate **	GII discount rate **
Others	Base mortality [1]	N/A*	N/A*

[1] These rates are obtained from the various industry mortality and morbidity experience tables that are used to determine the contribution rates; and

[2] Retakaful rates are derived from the fund's retakaful arrangements with respect to the credit related products and individual regular contribution plans.

* No discounting rates used for short-term product.

** Discount rates are derived based on GII of appropriate term and adjusted for illiquidity premium and other factor, if applicable.

The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

(i) Mortality and morbidity rates

Assumptions are based on mortality rates as set out in the Product Documentation submitted to BNM. They reflect the historical experience and are adjusted, as appropriate, to reflect the participants' expected experience. Assumptions are differentiated by gender, occupational class and product group.

30. Insurance/Takaful risk (cont'd.)

(c) Family takaful fund (cont'd.)

(iii) Impact on profit and equity (cont'd.)

Key assumptions (cont'd.)

(i) Mortality and morbidity rates (cont'd.)

An increase in mortality/morbidity will lead to a claims cost (as claims could be larger or occur sooner than anticipated).

To the extent that the actual mortality/morbidity incidence rate is worse than that priced for, the expected surplus arising in the PRF would be lower, leading to lower surplus administration charge income. If the poor experience persists, the PRF may go into deficit, requiring the shareholders to provide Qard. This is mitigated with adequate retakaful arrangements as well as contract design (in some circumstances) that builds in repricing mechanisms.

(ii) Discount rates

Family takaful liabilities of credit-related products, for examples, Mortgage Reducing Term Takaful ("MRTT") and Group Credit Takaful ("GCT") are determined as the sum of the discounted value of the expected benefits less the discounted value of the expected tabarru' (risk charge) that would be required to meet these future cash outflows. The valuation of liabilities will be discounted to valuation date based on the Government Investment Issues ("GII") zero coupon spot yields which are obtained from the Bond Pricing Agency Malaysia ("BPAM") and adjusted for illiquidity premium and other factors, if applicable.

A decrease in the discount rate will increase the value of family takaful liabilities and consequently, may impact the surplus distribution to participants and shareholders.

Sensitivity analysis

The analysis below is performed on possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, surplus before tax and the resulting family takaful fund. The correlations of assumptions will have significant effect on the sensitivity analysis but to demonstrate the impact due to changes in specific assumptions, the sensitivity analysis is performed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current business profile and economic assumptions.

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30. Insurance/Takaful risk (cont'd.)

(c) Family takaful fund (cont'd.)

(iii) Impact on profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

	Change in assumptions %	Impact on profit before tax gross of retakaful RM'000	Impact on profit before tax net of retakaful RM'000	Impact on equity gross of retakaful RM'000	Impact on equity net of retakaful RM'000
		<--------------- Increase/(decrease)			--------------->
2024					
Mortality rates	+10%	(1,944)	(1,944)	(1,477)	(1,477)
Morbidity rates	+10%	(193)	(193)	(147)	(147)
Expenses	+10%	(3,771)	(3,771)	(2,866)	(2,866)
Surrender rates	+10%	(21)	(21)	(16)	(16)
Contribution holiday	+10%	(150)	(150)	(114)	(114)
Discount rates	+10%	3,338	3,338	2,537	2,537
Mortality/morbidity	-10%	1,787	1,787	1,358	1,358
Morbidity rates	-10%	186	186	141	141
Expenses	-10%	3,738	3,738	2,841	2,841
Surrender rates	-10%	24	24	18	18
Contribution holiday	-10%	256	256	195	195
Discount rates	-10%	(3,950)	(3,950)	(3,002)	(3,002)
2023					
Mortality rates	+10%	(11)	(11)	(8)	(8)
Morbidity rates	+10%	(10)	(10)	(8)	(8)
Expenses	+10%	(3,212)	(3,212)	(2,441)	(2,441)
Surrender rates	+10%	(61)	(61)	(46)	(46)
Contribution holiday	+10%	(223)	(223)	(169)	(169)
Discount rates	+10%	1,781	1,781	1,354	1,354
Mortality rates	-10%	(9)	(9)	(7)	(7)
Morbidity rates	-10%	(10)	(10)	(8)	(8)
Expenses	-10%	3,193	3,193	2,427	2,427
Surrender rates	-10%	41	41	31	31
Contribution holiday	-10%	298	298	226	226
Discount rates	-10%	(1,795)	(1,795)	(1,364)	(1,364)

* The impact on the family takaful fund reflects the after tax position which is presumed to be nil as the family takaful fund is taxed only on investment income.

The method used and significant assumptions made in deriving sensitivity information did not change from those used in the previous year.

30. Insurance/Takaful risk (cont'd.)

(d) Family retakaful fund

(i) Nature of risk

The family retakaful subsidiary principally consists of Individual Family Retakaful Plans and Group Family Retakaful Plans, covering mortality, morbidity and health, which includes critical illness and medical related risks.

The actual experience illnesses of the underwritten risks is reviewed periodically to ensure that appropriate policies, guidelines and limits put in place to manage these risks remain adequate and appropriate.

Family retakaful underwriting risk relates to the pricing and loss ratios arising from family retakaful products. The risks arise when actual claims experience is different from the assumptions used in setting the yearly renewable rates for retakaful products. Deviations in actual claims experience compared to the assumptions used may be due to deviations in actual underwritten risks experience. The family retakaful business is exposed to concentration risk through its retakaful contracts, which may be concentrated in certain geographic regions and type of coverages.

The underwritten risks are further managed through retakaful arrangement.

Stress testing is performed on a atleast once a year, or more frequently if required. The purpose of the stress testing is to test the solvency and financial viability of the family retakaful fund under the various scenarios according to regulatory guidelines. Stress tests and scenario analysis are used to assess the family retakaful subsidiary's ability to maintain minimum specified levels of capital and liquidity in exceptional but plausible events and ensure consideration of the financial impact of plausible events in the decision-making process and the effectiveness of management actions under stressed conditions.

(ii) Catastrophe Risk

The risk that a single or a series of catastrophe events, usually over a short period, which leads to a high number of claims or single large loss or combination of both.

(iii) Contribution risk

Contribution risk arises when contributions charged are insufficient to meet expected claims and expenses.

(iv) Impact on CSM, profit and equity

Key assumptions

The family retakaful business is being guided by the regulations and relevant guidelines in determining the liabilities and the choice of assumptions. Assumptions used are based on past experience, current internal data, external market indices and benchmarks, and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

30. Insurance/Takaful risk (cont'd.)

(d) Family retakaful fund (cont'd.)

(iv) Impact on CSM, profit and equity (cont'd.)

Sensitivity analysis

The family retakaful fund's claim liabilities are sensitive to changes in loss ratios.

Due to limited information, the sensitivity analysis was applied to the ultimate loss ratio of the family retakaful fund by increasing/(decreasing) the said ratio by 5%. The table below shows the impact on the family retakaful fund's gross and net CSM, surplus/(deficit) before tax and family retakaful fund should the ultimate loss ratio be increased/(decreased) by 5%:

	Change in assumptions	Impact on gross CSM ** RM'000	Impact on net CSM RM'000	Impact on profit before tax RM'000	Impact on equity *** RM'000
2024					
Increase 5% *					
Treaty - Proportional treaty		(1)	(1)	(12,711)	(11,694)
Treaty - Non proportional treat		-	-	(504)	(464)
		(1)	(1)	(13,215)	(12,158)
Decrease 5% *					
Treaty - Proportional treaty		968	968	8,594	7,907
Treaty - Non proportional treat		-	-	504	464
		968	968	9,098	8,371
2023					
Increase 5% *					
Treaty - Proportional treaty		(1,061)	(1,061)	(9,155)	(8,423)
Treaty - Non proportional treat		-	-	-	-
		(1,061)	(1,061)	(9,155)	(8,423)
Decrease 5% *					
Treaty - Proportional treaty		1,063	1,063	5,124	4,714
Treaty - Non proportional treat		-	-	-	-
		1,063	1,063	5,124	4,714

* Stress is a multiplicative function.
** The amounts for the gross basis refer to both LIC & LRC.
*** The impact on equity reflects the impact after tax of 8% (2023: 8%), where applicable.

This analysis assumes that other factors relevant, but not significant, to the valuation of claim liabilities remain constant.

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31. Financial risk

Transactions in financial instruments may result in the Group and the Company assuming financial risks. These include credit risk, liquidity risk and market risk. This note presents information about the Group's and the Company's exposure to each of the above risks and the Group's and the Company's objectives, policies, and processes for measuring and managing such risks.

(a) Credit Risk

Credit risk is the risk of a counterparty failing to perform its obligations as the risk that counterparty fails on its financial obligations / does not honor its contract / default.

Credit risk includes the following major elements:

(i) An investment credit risk which is the risk of financial loss arising from a change in the value of an investment. This is linked to the creditworthiness and the expected ability of the issuer and/or financial institution ("counterparty") to make timely payment of interest and/or principal. Any adverse situations faced by the counterparty may result in rating downgrades and default which may impact the value as well as liquidity of the investments;

(ii) A derivative counterparty risk which is the risk of financial loss arising from a derivative counterparty's default, or the deterioration of the derivative counterparty's financial position;

(iii) Reinsurance/retakaful/takaful counterparty risk which is the risk of financial loss arising from the default or deterioration of the solvency position of the counterparties; and

(iv) Premium/contribution credit risk of financial loss arising from the non-payment of insurance premiums/takaful contribution.

The Group is exposed to investment credit risk on its investment portfolio, primarily from investments in bonds/sukuks. Creditworthiness assessments encompass thorough evaluations of the financial stability, performance and credit ratings of potential new and existing investments are undertaken by the Group in accordance with the guidelines outlined in the Group Investment Policy ("GIP") as approved by the Board. In addition, the credit ratings of the bonds/sukuks portfolios are regularly monitored and any downgrade in credit ratings triggers an immediate evaluation process to determine the appropriate course of actions. This evaluation involves assessing the impact of the downgrade on the overall risk profile of the portfolio and implementing necessary measures to mitigate associated risks. As at the reporting date, the Group's bonds/sukuks portfolio has no material exposure below investment grade.

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31. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

The Group is exposed to reinsurance/retakaful/takaful counterparty risks of three different types:

(i) as a result of recoveries owing from the counterparties for claims/benefits;

(ii) from amounts due from ceding companies; and

(iii) as a result of reserves held by the counterparties which would have to be met by the reinsurance/retakaful and takaful subsidiaries in the event of default.

Management of credit risk

In order to manage and mitigate credit risk, the following policies and procedures were set in place:

(i) Group Credit Risk Management Policy sets out key processes for credit risk management with primary focus on pro-actively identifying, assessing and monitoring credit related exposure within the business.

(ii) Investment policies prescribe the minimum credit rating for Corporate Bonds and Sukuk that may be invested to mitigate the likelihood of potential default of any individual counterparty.

(iii) In establishing internal single counterparty limits for Financial Institutions ("FI") for money market placements and other investment instruments, credit ratings and financial strength of the FIs are the key determinants to set the limit. These FI limits are set to prevent excessive risk concentration of a particular FI.

(iv) The Group's investment portfolio is managed to ensure diversification and focuses on high quality investment grade fixed income securities and equities with good fundamentals. For the financial year ended 31 March 2024, the credit rating of the Group's fixed income portfolio was dominated by Government Investment Issues ("GII"), Malaysian Government Securities ("MGS") and securities rated AAA as determined by Rating Agency Malaysia ("RAM") and/or Malaysian Rating Corporation Berhad ("MARC"); and

(iv) To mitigate reinsurance/retakaful/takaful counterparty risk, the Group will give due consideration to the credit quality of the counterparties. To facilitate this process, a list of acceptable counterparties based on their rating is maintained within the Group. The Group regularly reviews the financial security of its counterparties.

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31. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2024

The table below provides information regarding the credit risk exposures of the Group and the Company by classifying assets according to the credit ratings of counterparties. The reinsurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations.

Group	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at FVTPL						
Designated upon initial recognition:						
Unquoted Islamic private debt securities	798,892	587,969	-	-	-	1,386,861
Government investment issues	1,532,331	-	-	-	-	1,532,331
Malaysian government securities	301,812	-	-	-	-	301,812
Mandatorily measured:						
Government investment issues	379,665	-	-	-	-	379,665
Quoted shares in Malaysia:						
Shariah approved equities	-	-	-	221,166	-	221,166
Others	-	-	-	12,237	-	12,237
Unquoted perpetual bond in Malaysia	-	4,964	-	-	-	4,964
Unquoted corporate debt securities	148,057	586,585	-	-	5,576	740,218
Shariah approved unit trust funds	-	-	-	356,830	-	356,830
Real estate investment trusts:						
- Shariah approved	-	-	-	14,665	-	14,665
- Non-Shariah approved	-	-	-	9,050	-	9,050
Derivative	-	-	-	(320)	-	(320)

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31. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2024 (cont'd.)

Group (cont'd.)	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at FVOCI						
Government investment issues	249,969	-	-	-	-	249,969
Unquoted corporate debt securities	-	-	-	-	-	-
Malaysian government securities	-	-	-	-	-	-
Unquoted Islamic private debt securities	90,241	198,130	-	-	-	288,371
Unquoted shares in Malaysia	-	-	-	87,666	-	87,666
Golf club membership	-	-	-	233	-	233
Financial assets at amortised cost						
Fixed and call deposits with licensed:						
Commercial banks	-	190,239	-	-	-	190,239
Foreign banks	-	779,854	-	-	-	779,854
Islamic investment accounts with licensed:						
Islamic banks	-	3,671,108	-	3,180	74,601	3,748,889
Investment banks	-	-	-	-	-	-
Development banks	-	734,070	-	-	-	734,070
Islamic commercial paper	-	59,569	-	-	-	59,569
Secured staff loans	-	-	-	-	2,584	2,584

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31. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2024 (cont'd.)

Group (cont'd.)	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at amortised cost (cont'd.)						
Income due and accrued	41,674	68,674	-	355	1,755	112,458
Insurance/takaful contract assets	-	119,084	-	-	7,517	126,601
Reinsurance/retakaful contract assets	-	402,234	-	-	175,990	578,224
Due from Lloyds' syndicate	-	40,573	-	-	-	40,573
Sundry receivables	-	-	-	-	19,318	19,318
Cash and bank balances	-	115,587	-	-	17	115,604
	3,542,641	7,558,640	-	705,062	287,358	12,093,700

* Non-rated balances primarily relate to balances due/recoverable from (re)insurers and/or (re)takaful operators licensed under FSA, IFSA 2013 and Labuan Financial Services and Securities Act 2010 ("LFSSA") respectively.

Company	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at FVTPL						
Shariah approved unit trust fund	-	-	-	5,329	-	5,329
Financial assets at FVOCI						
Golf club membership	-	-	-	50	-	50
Unquoted corporate debt securities	-	49,759	-	-	-	49,759

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31. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2024 (cont'd.)

Company (cont'd.)	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated RM'000	Total RM'000
Financial assets at amortised cost						
Unquoted corporate debt securities	-	1,000	-	-	-	1,000
Islamic investment accounts with licensed:						
Islamic banks	-	219,445	-	-	-	219,445
Development bank	-	12,072	-	-	-	12,072
Secured staff loans	-	-	-	-	507	507
Amounts due from subsidiaries	-	-	-	-	8,835	8,835
Income due and accrued	-	-	-	-	1,024	1,024
Sundry receivables	-	-	-	-	266	266
Cash and bank balances	-	481	-	-	-	481
	-	282,757	-	5,379	10,632	298,768

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31. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2023 (cont'd.)

Group	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at FVTPL						
Unquoted Islamic private debt securities	811,329	625,382	-	-	-	1,436,711
Government investment issues	1,414,505	-	-	-	-	1,414,505
Mandatorily measured:						
Quoted shares in Malaysia:						
Shariah approved equities	-	-	-	166,292	-	166,292
Others	-	-	-	56,296	-	56,296
Unquoted perpetual bond in Malaysia	-	4,884	-	-	-	4,884
Unquoted corporate debt securities	-	-	-	-	5,576	5,576
Unquoted Islamic private debt securities	-	-	-	-	-	-
Shariah approved unit trust funds	-	-	-	346,407	-	346,407
Real estate investment trusts:						
- Shariah approved	-	-	-	5,859	-	5,859
- Non-Shariah approved	-	-	-	8,694	-	8,694
Derivative		-	-	69	-	69

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MNRB Holdings Berhad
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31. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2023 (cont'd.)

Group (cont'd.)	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at FVOCI						
Government investment issues	685,736	-	-	-	-	685,736
Unquoted corporate debt securities	145,969	489,603	-	-	-	635,572
Malaysian government securities	89,773	-	-	-	-	89,773
Unquoted shares in Malaysia	-	-	-	87,119	-	87,119
Unquoted Islamic private debt securities	117,446	188,023	-	-	-	305,469
Golf club membership	-	-	-	233	-	233

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MNRB Holdings Berhad
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31. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2023 (cont'd.)

Group (cont'd.)	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at amortised cost						
Fixed and call deposits with licensed:						
Commercial banks	-	114,400	-	-	-	114,400
Foreign banks	-	533,171	-	-	-	533,171
Islamic investment accounts with licensed:						
Islamic banks	-	3,472,984	-	-	-	3,472,984
Development banks	-	499,349	-	-	-	499,349
Islamic commercial paper	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-
Secured staff loans	-	-	-	-	3,068	3,068
Income due and accrued	30,929	33,246	-	1,034	1,293	66,502
Amounts due from associates	-	12	-	-	-	12
Insurance/takaful contract assets	-	60,239	-	-	4,170	64,409
Reinsurance/retakaful contract assets	-	278,504	-	-	252,538	531,042
Due from Lloyds' syndicate	-	50,812	-	-	-	50,812
Sundry receivables	-	175	-	-	37,078	37,253
Cash and bank balances	-	205,446	-	16	-	205,462
	3,295,687	6,556,230	-	672,019	303,723	10,827,659

*Non-rated balances primarily relate to balances due/recoverable from (re)insurers and/or (re)takaful operators licensed under FSA, IFSA 2013 and Labuan Financial Services and Securities Act 2010 ("LFSSA") respectively.

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31. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2023 (cont'd.)

Company	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated RM'000	Total RM'000
Financial assets at FVTPL						
Shariah approved unit trust fund	-	-	-	5,181	-	5,181
Financial assets at FVOCI						
Golf club membership	-	-	-	50	-	50
Unquoted corporate debt securities	-	49,632	-	-	-	49,632
Financial assets at amortised cost						
Unquoted corporate debt securities	-	1,000	-	-	-	1,000
Islamic investment accounts with licensed:						
Islamic banks	-	66,547	-	-	-	66,547
Development bank	-	10,445	-	-	-	10,445
Secured staff loans	-	-	-	-	569	569
Amounts due from subsidiaries	-	-	-	-	15,472	15,472
Income due and accrued	-	-	-	-	442	442
Sundry receivables	-	-	-	-	341	341
Cash and bank balances	-	277	-	-	-	277
	-	127,901	-	5,231	16,824	149,956

31. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Investment assets - Reconciliation of allowance account

Significant increase in credit risk ("SICR")

The Group and the Company apply the General Approach or the "three-bucket" approach which is based on the change in credit quality of financial instruments since initial recognition to assess the impairment for investment assets. In particular, recognition of Expected Credit Loss ("ECL") is dependent on which of the three stages a particular financial instrument is assigned to. Assets move through the three stages as credit quality changes and the stages dictate how the Group and the Company measure impairment losses and apply the effective interest rate ("EIR") method with the forward looking element to compute the ECL.

The Group and the Company measure both quantitative and qualitative parameters in the assessment of credit risk status from the initial recognition of the securities and at the reporting date.

Expected credit loss ("ECL")

The Group and the Company assess the possible default events within 12 months for the calculation of the 12-month ECL in Stage 1. A newly purchased or originated financial assets will be subject to ECL upon recognition in Stage 1.

To estimate the lifetime ECL for financial instruments classified in Stage 2, the Group and the Company are required to estimate the probability of default occurring in the 12 months after the financial year end and in each subsequent year throughout the expected life of the financial instruments.

The financial assets are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

As at the reporting date, all financial assets at amortised cost held by the Group and the Company are classified as Stage 1.

The following table shows the carrying value of the Group's financial assets measured at AC and the expected credit loss amount recognised. There were no ECL arising for the Company as at 31 March 2024 and 31 March 2023.

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31. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Investment assets - Reconciliation of allowance account (cont'd.)

Expected credit loss ("ECL") (cont'd.)

Group

	2024 RM'000	2023 RM'000
Total carrying amount of financial investment at AC	40,573	50,812
Total ECL on financial investment at AC as at 31 March	3	3

The following table shows the carrying value of the Group's financial assets measured at FVOCI and the expected credit loss amount recognised. There were no ECL arising for the Company as at 31 March 2024 and 31 March 2023.

Group

	2024 RM'000	2023 RM'000
Financial investments at FVOCI		
Government guaranteed	340,210	1,038,924
AAA to BBB	198,130	677,626
Not subject to credit risk	87,666	87,352
Total carrying amount of financial investment at FVOCI	626,006	1,803,902
Total ECL on financial investment at FVOCI as at 31 March	177	136

As at the reporting date, all financial investments measured at FVOCI held by the Group and the Company are classified as Stage 1.

Movements in allowances for impairment losses for financial investments measured at FVOCI and AC are as follows:

Group

	FVOCI RM'000	AC RM'000	Total RM'000
Balance as at 1 April 2022	125	3	128
Net adjustment of loss allowances	11	-	11
Balance as at 31 March 2023	136	3	139
Net adjustment of loss allowances	41	-	41
Balance as at 31 March 2024	177	3	180

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31. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Other financial asset - Reconciliation of allowance account

Other financial assets consist of reinsurance/retakaful assets, insurance/takaful receivables and other receivables.

Definition of default

The Group and the Company consider a financial asset to be in default by assessing the following criteria:

(i) Quantitative criteria

Takaful receivables of the takaful subsidiaries are considered to be in default when the counterparty fails to make contractual payments within 12 months from the time when they fall due, which is derived based on the subsidiaries' historical information.

Whereas for the reinsurance/retakaful subsidiary, insurance/takaful receivables are considered to be in default when the counterparty fails to make contractual payments within 24 months when they fall due, which is derived based on the subsidiary's historical information. For reinsurance deposits placed, balances aged more than 18 months are deemed to be credit impaired.

(ii) Qualitative criteria

Default occurs when the counterparty is in bankruptcy or has indications of potentially significant financial difficulty such as lawsuits or similar actions that threaten the financial viability of the counterparty.

The criteria above have been applied to all financial instruments held by the Group and the Company and are consistent with the definition of default used for credit risk management purposes. The default definition has been applied consistently to model the PD, LGD and EAD throughout the Group's and the Company's expected loss calculations.

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31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Incorporation of forward-looking information

The Group and the Company incorporate forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The Group and the Company have performed historical analyses and identified key economic variables impacting credit risk and expected credit losses for each portfolio.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not material to the Group and the Company.

Set out below is the information about the credit risk exposure on the insurance/takaful receivables within the balances of insurance/takaful contract/certificates liabilities of the Group's reinsurance/retakaful subsidiary using a provision matrix:

	Months past due						
	Not due RM'000	1 to 6 months RM'000	7 to 12 months RM'000	13 to 18 months RM'000	19 to 24 months RM'000	More than 24 months RM'000	Total RM'000
31 March 2024							
ECL rate	0.14%	0.31%	2.27%	9.19%	33.25%	36.27%	
Gross carrying amount	369,687	311,348	20,018	8,708	1,251	6,162	717,174
Allowance for ECL	503	973	454	801	416	2,235	5,382
31 March 2023							
ECL rate	0.14%	0.38%	1.89%	7.36%	19.54%	48.37%	
Gross carrying amount	318,876	214,325	22,696	8,271	1,392	8,201	573,761
Allowance for ECL	440	805	428	609	272	3,967	6,521

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31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Incorporation of forward-looking information (cont'd.)

Table below shows the credit risk exposure on the takaful receivables within the balances of insurance/takaful contract/certificates liabilities of the Group's takaful subsidiaries using a provision matrix:

	Months past due						
	Not due	0-3 Months	4-6 Months	7-9 Months	10-12 Months	> 1 year	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2024							
ECL rate	0.00%	0.50%	1.16%	18.69%	28.91%	58.78%	2.56%
Gross carrying amount	3,937	168,277	29,696	3,632	2,632	4,796	212,970
Allowance for ECL	-	847	345	679	761	2,819	5,451
31 March 2023							
ECL rate	0.00%	2.54%	2.19%	8.90%	39.83%	46.00%	5.79%
Gross carrying amount	5,073	107,417	17,353	7,143	3,030	7,842	147,858
Allowance for ECL	-	2,727	380	636	1,207	3,607	8,557

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31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Incorporation of forward-looking information (cont'd.)

The following table shows the movement in gross insurance/takaful receivables and the loss allowances recognised for credit impaired receivables.

Group	**Not credit impaired RM'000**	**Credit impaired RM'000**	**Total RM'000**
Gross carrying amounts			
As at 1 April 2023	714,306	7,313	721,619
Increase/(decrease)	214,818	(8,400)	206,418
As at 31 March 2024	929,124	(1,087)	928,037
Allowance for ECL			
As at 1 April 2023	8,962	6,116	15,078
Increase/(decrease)	3,835	(2,389)	1,446
As at 31 March 2024	12,797	3,727	16,524

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31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Incorporation of forward-looking information (cont'd.)

Group (cont'd.)	**Not credit impaired RM'000**	**Credit impaired RM'000**	**Total RM'000**
Gross carrying amounts			
As at 1 April 2022	623,724	7,841	631,565
Increase/(decrease)	90,582	(528)	90,054
As at 31 March 2023	714,306	7,313	721,619
Allowance for ECL			
As at 1 April 2022	10,655	6,084	16,739
(Decrease)/increase	(1,693)	32	(1,661)
As at 31 March 2023	8,962	6,116	15,078

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31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Movement of allowance for impairment losses on insurance/takaful receivables.

Group	**Individually impaired RM'000**	**Collectively impaired RM'000**	**Total RM'000**
2024			
At 1 April 2023	5,155	9,923	15,078
(Reversal of)/provision for impairment losses for the year	(2,071)	650	(1,421)
At 31 March 2024	3,084	10,573	13,656
2023			
At 1 April 2022	5,499	11,240	16,739
Reversal of impairment losses for the year	(344)	(1,317)	(1,661)
At 31 March 2023	5,155	9,923	15,078

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not have sufficient cash resources available to meet payment obligations without incurring material additional costs.

The Group and the Company assess liquidity risk by ensuring the following:

(i) The Group and the Company are able to meet payment obligations under normal and stressed operating environments without suffering any loss;

(ii) Additions/withdrawals from the Group's and the Company's investment funds are managed efficiently; and

(iii) Appropriate measures are in place to respond to liquidity risk.

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31. Financial risk (cont'd.)

(b) Liquidity Risk (cont'd.)

As part of its liquidity management strategy, the Group has in place the Group Liquidity Management Policy which outlines the processes capable of measuring and reporting on:

(i) Daily cash flows;

(ii) Minimum liquidity holdings;

(iii) The composition and market values of investment portfolios, including liquid holdings; and

(iv) The holding of liquid assets in the respective reinsurance, retakaful and takaful funds.

(v) Liquidity risk position

To manage the liquidity of the reinsurance/retakaful/takaful funds, the investment mandate requires that a certain proportion of the funds is maintained as liquid assets in line with BNM's RBC Framework and RBCT Framework requirements for liquid assets.

Maturity Profiles

The table below summarises the maturity profile of the assets and liabilities of the Group and of the Company based on remaining undiscounted contractual obligations, including insurance/reinsurance contracts, takaful/ retakaful contracts, interest/profit payable and receivable. For insurance and takaful contract liabilities and reinsurance and retakaful assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance/takaful liabilities.

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31. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2024

Group	**Carrying value RM'000**	**Up to 1 year RM'000**	**1 - 5 years RM'000**	**Over 5 years RM'000**	**No maturity date RM'000**	**Total RM'000**
Financial assets at FVTPL						
Designated upon initial recognition						
Government investment issues	1,532,331	73,915	30,374	1,433,267	-	1,537,556
Unquoted Islamic private debt securities	1,386,861	56,019	349,119	984,400	-	1,389,538
Malaysian government securities	301,812	10,132	106,056	265,338	-	381,526
Mandatorily measured						
Government investment issues	379,665	49,147	200,720	206,447	-	456,314
Quoted shares in Malaysia:						
Shariah approved equities	221,166	-	-	-	221,166	221,166
Others	12,237	-	-	-	12,237	12,237
Unquoted perpetual bond in Malaysia	4,964	180	5,122	-	-	5,302
Unquoted corporate debt securities	740,218	178,495	327,143	295,988	-	801,626
Real estate investment trusts:						
- Shariah approved	14,665	-	-	-	14,665	14,665
- Non-Shariah approved	9,050	-	-	-	9,050	9,050
Shariah approved unit trusts	356,830	-	-	-	356,830	356,830
Derivative	(320)	-	-	-	(320)	(320)

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31. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2024 (cont'd.)

Group (cont'd.)	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVOCI						
Government investment issues	249,969	5,099	50,039	199,655	-	254,793
Unquoted shares in Malaysia	87,666	-	-	-	87,666	87,666
Unquoted Islamic private debt securities	288,371	32,645	141,585	138,581	-	312,811
Golf club membership	233	-	-	-	233	233
Financial assets at amortised cost						
Fixed and call deposits with licensed:						
Commercial banks	190,239	192,453	-	-	-	192,453
Foreign banks	779,854	779,854	-	-	-	779,854
Islamic investment accounts with licensed:						
Islamic banks	3,748,889	3,762,434	-	-	-	3,762,434
Development banks	734,070	789,433	-	-	-	789,433
Commercial paper	59,569	60,000	-	-	-	60,000
Secured staff loans	2,584	601	2,033	3	-	2,637

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31. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2024 (cont'd.)

Group (cont'd.)	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at amortised cost (cont'd.)						
Income due and accrued	112,458	112,458	-	-	-	112,458
Insurance/takaful contract assets	66,334	-	-	-	66,334	66,334
Reinsurance/retakaful contract assets	500,125	288,375	227,526	88,793	(6,841)	597,853
Amount due from Insurance pool accounts	23	23	-	-	-	23
Due from Lloyds' syndicate	40,573	-	40,573	-	-	40,573
Sundry receivables	19,318	19,390	200	-	-	19,590
Cash and bank balances	115,604	115,604	-	-	-	115,604
Total financial and insurance assets	11,955,358	6,526,077	1,475,368	3,612,472	765,984	12,379,901
Borrowings	(620,000)	(12,660)	(114,009)	(721,324)	-	(847,993)
Lease liabilities	(3,016)	(2,417)	(5,418)	-	-	(7,835)
Insurance/takaful contract liabilities	(9,602,091)	(2,619,685)	(3,033,141)	(2,900,705)	(1,049,229)	(9,602,761)
Reinsurance/retakaful contract liabilities	(31,938)	(26,257)	-	-	(5,681)	(31,938)
Zakat payables	(2,661)	(2,661)	-	-	-	(2,661)
Other payables (excluding provisions)	(268,668)	(268,668)	-	-	-	(268,668)
Total financial and insurance liabilities	(10,528,374)	(2,932,348)	(3,152,568)	(3,622,029)	(1,054,910)	(10,761,856)
Surplus/(deficit)	1,426,983	3,593,729	(1,677,200)	(9,557)	(288,926)	1,618,045

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31. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2024 (cont'd.)

Company	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVTPL						
Shariah approved unit trust fund	5,329	-	-	-	5,329	5,329
Non-Shariah approved unit trust fund		-	-	-		-
Financial assets at FVOCI						
Golf club membership	50	-	-	-	50	50
Unquoted corporate debt securities	49,759	2,190	8,766	52,094	-	63,050
Financial assets at amortised cost						
Unquoted corporate debt securities	1,000	50	1,020		-	1,070
Islamic investment accounts with licensed:						
Islamic banks	219,445	221,752	-	-	-	221,752
Development bank	12,072	12,196	-	-	-	12,196
Secured staff loans	507	198	359	3	-	560
Amount due from subsidiaries	8,835	8,835	-	-	-	8,835
Income due and accrued	1,024	1,024	-	-	-	1,024
Sundry receivables	266	266	-	-	-	266
Cash and bank balances	481	481	-	-	-	481
Total financial assets	298,768	246,992	10,145	52,097	5,379	314,613
Borrowing	(420,000)	(18,732)	(93,711)	(494,517)	-	(606,960)
Lease liabilities	(2,373)	(1,250)	(1,250)	-	-	(2,500)
Other payables (excluding provisions)	(12,630)	(12,630)	-	-	-	(12,630)
Total financial liabilities	(435,003)	(32,612)	(94,961)	(494,517)	-	(622,090)
(Deficit)/surplus	(136,235)	214,380	(84,816)	(442,420)	5,379	(307,477)

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31. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2023

Group	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVTPL						
Designated upon initial recognition						
Government investment issues	1,414,505	62,655	265,667	2,135,768	-	2,464,090
Unquoted Islamic private debt securities	1,436,711	108,405	561,027	1,546,617	-	2,216,049
Mandatorily measured						
Quoted shares in Malaysia:						
Shariah approved equities	166,292	-	-	-	166,292	166,292
Others	56,296	-	-	-	56,296	56,296
Unquoted perpetual bond in Malaysia	4,884	-	-	-	5,482	5,482
Unquoted corporate debt securities	5,576	201	1,658	39,583	-	41,442
Real estate investment trusts:						
- Shariah approved	5,859	-	-	-	5,859	5,859
- Non-Shariah approved	8,694	-	-	-	8,694	8,694
Shariah approved unit trusts	346,407	-	-	-	346,407	346,407
Derivative	69	-	-	-	69	69

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31. Financial risk (cont'd.)

(b) **Liquidity risk (cont'd.)**

Maturity profiles for 2023 (cont'd.)

Group (cont'd.)	**Carrying value RM'000**	**Up to 1 year RM'000**	**1 - 5 years RM'000**	**Over 5 years RM'000**	**No maturity date RM'000**	**Total RM'000**
Financial assets at FVOCI						
Malaysian government securities	89,773	3,398	42,725	70,617	-	116,740
Government investment issues	685,736	38,184	398,131	438,715	-	875,030
Unquoted corporate debt securities	635,572	135,843	359,916	272,373	-	768,132
Unquoted shares in Malaysia	87,119	-	-	-	87,119	87,119
Unquoted Islamic private debt securities	305,469	37,451	149,210	207,165	-	393,826
Golf club membership	233	-	-	-	233	233
Financial assets at amortised cost						
Fixed and call deposits with licensed:						
Commercial banks	114,400	114,733	-	-	-	114,733
Foreign banks	533,171	536,418	-	-	-	536,418
Islamic investment accounts with licensed:						
Islamic banks	3,472,984	3,509,394	-	-	-	3,509,394
Development banks	499,349	510,984	-	-	-	510,984
Secured staff loans	3,068	1,155	1,913	-	-	3,068
Income due and accrued	66,502	66,502	-	-	-	66,502
Amounts due from associates	12	12	-	-	-	12
Amount due from Insurance pool accounts	48	48	-	-	-	48

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31. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2023 (cont'd.)

Group (cont'd.)	**Carrying value RM'000**	**Up to 1 year RM'000**	**1 - 5 years RM'000**	**Over 5 years RM'000**	**No maturity date RM'000**	**Total RM'000**
Financial assets at amortised cost (cont'd.)						
Due from Lloyds' syndicate	50,812	-	50,812	-	-	50,812
Sundry receivables	32,721	34,092	-	-	190	34,282
Reinsurance/retakaful assets	300,441	192,058	101,927	2,286	4,170	300,441
Insurance/takaful receivables	234,857	83,951	121,471	518	28,917	234,857
Cash and bank balances	205,462	205,462	-	-	-	205,462
Total financial and insurance/takaful assets	10,763,022	5,640,946	2,054,457	4,713,642	709,728	13,118,773
Borrowings	(520,000)	(27,094)	(109,265)	(572,530)	-	(708,889)
Insurance/takaful contract liabilities	(7,889,753)	(1,921,213)	(2,196,053)	(3,716,046)	(56,645)	(7,889,957)
Reinsurance/retakaful contract liabilities	(5,579)	(5,557)	-	-	(22)	(5,579)
Lease liabilities	(1,962)	(1,305)	(2,497)	-	-	(3,802)
Zakat payables	(306,616)	(306,616)	-	-	-	(306,616)
Other payables (excluding provisions)	(141,798)	(141,798)	-	-	-	(141,798)
Total financial and insurance liabilities	(8,865,708)	(2,403,583)	(2,307,815)	(4,288,576)	(56,667)	(9,056,641)
Surplus	1,897,314	3,237,363	(253,358)	425,066	653,061	4,062,132

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31. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2023 (cont'd.)

Company	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVTPL						
Shariah approved unit trust fund	5,181	-	-	-	5,181	5,181
Financial assets at FVOCI						
Golf club membership	50	-	-	-	50	50
Unquoted corporate debt securities	49,632	2,173	8,702	54,003	-	64,878
Financial assets at amortised cost						
Unquoted corporate debt securities	1,000	49	1,070	-	-	1,119
Islamic investment accounts with licensed:						
Islamic banks	66,547	67,405	-	-	-	67,405
Development bank	10,445	10,462	-	-	-	10,462
Secured staff loans	569	464	105	-	-	569
Amount due from subsidiaries	15,472	15,472	-	-	-	15,472
Income due and accrued	442	442	-	-	-	442
Sundry receivables	341	341	-	-	-	341
Cash and bank balances	277	277	-	-	-	277
Total financial assets	149,956	97,085	9,877	54,003	5,231	166,196
Borrowing	(320,000)	(16,640)	(66,606)	(336,275)	-	(419,521)
Other payables (excluding provisions)	(11,822)	(11,822)	-	-	-	(11,822)
Total financial liabilities	(331,822)	(28,462)	(66,606)	(336,275)	-	(431,343)
(Deficit)/surplus	(181,866)	68,623	(56,729)	(282,272)	5,231	(265,147)

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31. Financial risk (cont'd.)

(c) Market risk

Market risk is the risk of loss arising from a change in the values of, or the income from, financial assets and the change in value of the insurance liabilities. The risk of loss also arises from volatility in asset prices, interest/profit rates, or foreign currency exchange rates to the asset prices and value of the insurance liabilities. Market risk includes the following elements:

(i) Price risk which is the risk of fluctuations in the fair value or future cash flows of a financial instrument impacting the equity and collective investment schemes (property trusts and unit trust funds) prices;

(ii) Foreign exchange risk which is the risk of fluctuations in the fair value or future cash flows of a financial instrument and insurance liabilities arising from a movement of or volatility in exchange rates;

(iii) Interest/profit rate risk which is the risk of fluctuations in the fair value or future cash flows of a financial instrument and insurance liabilities arising from variability in interest/profit rates; and

(iv) Property investment risk which is the risk of fluctuations in the fair value or future cash flows of a property arising from decline in real estate values or income, where MNRB and its main operating subsidiaries have invested in property or real estate for own occupancy, investment or rental purpose.

Price risk

Price risk is the risk that the fair value or future cash flow of a financial instrument fluctuates because of changes in market prices (other than those arising from interest rate/profit rate risk or currency risk), 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.

The Group's price risk exposures relate to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices.

MNRB and its main operating subsidiaries manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each sector, market and issuer, having regard also to such limits as stipulated by BNM. The Group complied with such limits as stipulated by BNM during the financial year and had no significant concentration of price risk.

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity (inclusive of the impact on other comprehensive income). The correlation of variables have a significant effect in determining the ultimate impact on price risk. Additionally, changes in variables are considered individually. It should be noted that movements in these variables are non-linear.

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31. Financial risk (cont'd.)

(c) Market risk (cont'd.)

Price risk (cont'd.)

The equities under the investment-linked fund were excluded from the sensitivity analysis as the risks associated with the fluctuations in market prices of the equities are borne by the participants.

Sensitivity analysis

Group	Changes in market indices	Impact on profit before zakat and taxation RM'000	Impact on equity/ participants' fund* RM'000
		<---- Increase/(decrease)	---->
2024			
Price/NAV	+ 5%	20,682	22,001
Price/NAV	- 5%	(20,682)	(22,001)
2023			
Price/NAV	+ 5%	12,799	15,752
Price/NAV	- 5%	(12,799)	(15,752)

Company	Changes in market indices	Impact on profit before tax RM'000	Impact on equity/ participants' fund* RM'000
		<---- Increase/(decrease)	---->
2024			
Price/NAV	+ 5%	266	203
Price/NAV	- 5%	(266)	(203)
2023			
Price/NAV	+ 5%	259	197
Price/NAV	- 5%	(259)	(197)

* The impact on equity reflects the after tax impact.

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31. Financial risk (cont'd.)

(c) Market risk (cont'd.)

Foreign exchange risk/currency risk

Currency risk is the risk that the fair value or future cash flows of a financial asset and/or liability will fluctuate because of movements in foreign currency exchange rates.

The Group’s primary transactions are carried out in Ringgit Malaysia ("RM") and its exposure to foreign exchange risk arises principally because of its foreign currency denominated underwriting revenues (such as premiums/contributions) and expenses (such as claims/benefits and commission expenses).

The Group has a foreign exchange risk management plan in place and is continuously enhancing its risk mitigation measures. The management’s Asset & Liability Committee convenes regular meetings to discuss and deliberate on foreign exchange related issues including hedging strategy to reduce unhedged foreign exchange, as well as other measures to mitigate foreign exchange risk.

Sensitivity analysis

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on gross and net claims liabilities, profit before tax and equity. The sensitivity analysis was applied to the Group’s gross and net claim liabilities in foreign currencies, while the impact on profit before taxation and equity includes the hedging effect from the backing assets held in the respective foreign currencies.

Group	Changes in variable	Impact on gross liabilities RM'000	Impact on net liabilities RM'000	Impact on profit before zakat and taxation RM'000	Impact on equity* RM'000
		<----------------------	Increase/(decrease)	---------------------->	
2024					
Foreign currency	+5%	6,366	(1,986)	24,510	22,549
Foreign currency	-5%	(6,366)	1,986	(24,510)	(22,549)
2023					
Foreign currency	+5%	7,000	(1,107)	20,240	18,620
Foreign currency	-5%	(7,000)	1,107	(20,240)	(18,620)

* The impact on equity reflects the after tax impact.

The method used in performing the sensitivity analysis is consistent with the prior year.

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31. Financial risk (cont'd.)

(c) Market risk (cont'd.)

Interest/profit rate risk

The Group is exposed to interest/profit rate risk as follows:

(i) Fair values of fixed interest/profit-bearing assets would move inversely to changes in interest/profit rates; and

(ii) Future cash flows of variable interest/profit-bearing assets would move in direct proportion to changes in rates.

(iii) present value of insurance liabilities would move in direct proportion to changes in rates.

The earnings of the Group are affected by changes in market interest/profit rates due to the impact such changes have on interest/profit income from cash and cash equivalents, including investments in fixed/Islamic deposits. The value of the Group's fixed income portfolio is inversely related to interest/profit rates. There is no direct contractual relationship between financial assets and insurance contracts. However, the Group and Company's interest rate risk policy requires it to manage the extent of net interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments to support the insurance contract liabilities. The policy also requires it to manage the maturities of interest bearing financial assets.

The Group manages its interest/profit rate risk by matching, where possible, the duration and profile of assets and liabilities to minimise the impact of mismatches between the value of assets and liabilities from interest/profit rate movements. The Group also consistently monitors the financial, market and economic development in determining interest rates direction and formulating investment and asset liability strategy.

The nature of the Group's exposure to interest/profit rate risk and its objectives, policies and processes for managing interest/profit rate risk have not changed significantly from the previous financial year.

Sensitivity analysis

A change of 25 basis points ("bps") in interest/profit rates at the reporting date would have increased/(decreased) the value of the insurance contract liabilities and portfolio of fixed-income investment by the amounts shown below.

	Changes in variable	Impact on profit before zakat and taxation RM'000	Impact on equity/ participants' fund* RM'000
	<--------------	(Decrease)/increase	-------------->
Group			
2024			
Interest/profit rates	+25 bp	(54,220)	(50,659)
Interest/profit rates	-25 bp	54,220	50,659
2023			
Interest/profit rates	+25 bp	(71,489)	(81,128)
Interest/profit rates	-25 bp	71,489	81,128

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31. Financial risk (cont'd.)

(c) Market risk (cont'd.)

Interest/profit rate risk (cont'd.)

	Changes in variable	Impact on equity* RM'000
	<------- (Decrease)/increase	------->
Company		
2024		
Interest/profit rates	+25 bp	(901)
Interest/profit rates	-25 bp	901
2023		
Interest/profit rates	+25 bp	(733)
Interest/profit rates	-25 bp	733

* The impact on equity reflects the after tax impact.

Property investment risk

Property investment risk is the risk of fluctuations in the fair value or future cash flows of a property arising from decline in real estate values or income, where MNRB and its main operating subsidiaries have invested in property or real estate for own occupancy, investment or rental purpose. Operational manuals are put in place to describe the responsibilities in relation to management of the properties.

The financial risk arising from a delinquent or loss of tenants are managed at the outset through careful selection of properties with high tenancy including tenants with long term tenancies, screening of new tenants' credit worthiness and financial standing as well as ensuring that the properties and facilities are continuously maintained and upgraded.

32. Other risks

(a) Operational risk

Operational risk can broadly be defined as the risk of direct or indirect losses or reputational damage due to failure attributable to people, internal processes, system (IT) or from external events. Operational risk is inherent in all activities of the Group, and can transverse multiple activities including outsourcing. It includes a wide spectrum of heterogeneous risks such as fraud, bribery & corruption, physical damage, business disruption, transaction failures, legal and regulatory breaches, pandemic outbreak, as well as employee health and safety hazards.

32. Other risks (cont'd.)

(a) Operational risk (cont'd.)

The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework, and by monitoring and responding to potential risks, the Group is able to minimise risks to an acceptable level. Controls include effective segregation of duties, access controls, system validation, enhanced authorisation and reconciliation procedures, continuous staff education and appropriate assessment processes, and engagement of internal audit for assurance.

(b) Shariah non-compliance risk

Shariah non-compliance (SNC) risk refers to the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which any Company within the Group may suffer arising from failure to comply with:

(i) The rulings of the Shariah Advisory Council of Bank Negara Malaysia (“SAC-BNM”);

(ii) Standards on Shariah matters issued by BNM (pursuant to Section 29(1) of the IFSA and Section 33E(1) of the Development Financial Institutions Act (“DFIA”) 2002);

(iii) The rulings and standards of the Shariah Advisory Council of Securities Commission Malaysia (“SAC-SC”); or

(iv) Decisions or advices of the Group Shariah Committee GSC.

The Group mitigates such risk by initiating, monitoring and adhering to a robust Group Shariah Risk Management (“Group SRM”) Framework which is guided by the Shariah Governance Framework issued by BNM.

(c) Compliance risk

Compliance risk is the risk of legal or regulatory sanctions, financial loss or reputational damage, which the Group may suffer as a result of its failure to comply with legal and regulatory requirements applicable to its activities.

The Group monitors all compliance aspects in observing regulatory requirements. In this respect, it has developed a Group Compliance Management Framework and other relevant internal policies and procedures to ensure compliance with all applicable laws and guidelines issued by the regulatory authorities.

(d) Environment, Social and Governance (“ESG”) Risk

ESG or sustainability risks are considered as environmental, social and governance events or conditions which could create financial losses or reputational damage to the Group. The Climate Change Risk (the risk resulting from climate change and affecting natural and human systems. It encompasses physical, transition and liability risks) is the sub risk from ESG.

Sustainability risk arises from the potential impact that the Group’s operations may have on the environment, society, and the quality of its governance. These include issues relating to climate change, labour practices as well as the Group’s ethics and transparency.

The Group has established the Group Sustainability Commitment towards Net Zero Carbon Organisation by 2050, which will form part of the Group Sustainability Framework. The implementation and finalization of the Framework shall be harmonized with the Group’s Sustainability Governance, Commitments and Policy.

33. Insurance business

(a) Consolidated income statements by insurance business

	Reinsurance RM’000	Retakaful RM’000	General Takaful RM’000	Family Takaful RM’000	Others RM’000	Consoli- dation RM’000	Group RM’000
For the year ended 31 March 2024							
Insurance/takaful revenue	1,719,996	143,469	801,376	470,513	-	(37,200)	3,098,154
Insurance/takaful service expense	(1,308,693)	(127,508)	(677,518)	(393,934)	-	73,877	(2,433,776)
Insurance service result before reinsurance contracts held	411,302	15,961	123,858	76,579	-	36,678	664,378
Allocation of reinsurance/retakaful premiums	(221,771)	(41,818)	(244,401)	(133,959)	-	37,197	(604,752)
Amounts recoverable from reinsurers/retakaful for incurred claims	135,669	37,616	181,417	105,031	-	(24,955)	434,778
Net expense from reinsurance/retakaful contracts/retakaful certificates held	(86,102)	(4,203)	(62,984)	(28,928)	-	12,242	(169,974)
Insurance/takaful service result	325,200	11,758	60,874	47,651	-	48,920	494,404
Investment income	177,697	7,119	41,987	178,978	110,014	(105,011)	410,784
Net realised gains	(11,595)	-	(4,355)	12,999	(67)	-	(3,018)
Net fair value gains/losses on financial assets at fair value through profit and loss	53,762	87	6,579	118,660	16	(33,874)	145,230
Net foreign exchange gain/loss	48,009	-	-	-	-	-	48,009
Investment return	267,873	7,206	44,211	310,637	109,963	(138,885)	601,005
Insurance/takaful finance expenses for insurance contracts/takaful certificates issued	(186,170)	(2,262)	(20,808)	(250,186)	-	513	(458,913)
Reinsurance/retakaful finance income for resurance contracts/retakaful certificates held	5,641	(75)	6,466	-	-	(514)	11,518
Unallocated surplus attributable to participants	-	(14,646)	(8,206)	(62,715)	-	(4,524)	(90,091)
Net insurance/takaful financial results	(180,529)	(16,983)	(22,548)	(312,901)	-	(4,525)	(537,486)

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33. Insurance Business (cont'd.)

(a) Consolidated income statements by insurance business (cont'd.)

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consoli-dation RM'000	Group RM'000
For the year ended 31 March 2024 (cont'd.)							
Fees and other operating income	44,265	313	7,730	8,521	65,476	(76,951)	49,354
Management and other operating expenses	(21,663)	(219)	(4,248)	(13,605)	(78,242)	24,206	(93,771)
Finance cost	(12,694)	-	(311)	-	(16,866)	2,601	(27,270)
Net other operating (expenses)/income	9,908	94	3,171	(5,084)	(29,632)	(50,144)	(71,687)
Share of results of associates	-	-	-	-	-	44,623	44,623
Profit before zakat and taxation	422,453	2,075	85,708	40,303	80,331	(100,011)	530,859
Tax attributable ot the participants	-	(13)	(3,280)	(21,785)	-	-	(25,078)
Profit before zakat and taxation attributable to equity holders of the Holding Company	422,453	2,062	82,428	18,518	80,331	(100,011)	505,781
Zakat	-	(127)	(837)	(370)	-	-	(1,334)
Taxation	(35,765)	(198)	(18,243)	(10,390)	(6,326)	13	(70,908)
Net profit for the year attributable to equity holders of the Holding Company	386,687	1,738	63,348	7,758	74,005	(99,998)	433,538

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33. Insurance business (cont'd.)

(a) Consolidated income statements by insurance business (cont'd.)

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consoli-dation RM'000	Group RM'000
For the year ended 31 March 2023, restated							
Insurance/takaful revenue	1,413,059	61,761	606,292	458,257	-	(16,693)	2,522,676
Insurance/takaful service expense	(1,350,208)	(76,570)	(538,407)	(443,956)	-	55,552	(2,353,589)
Insurance service result before reinsurance/ retakaful contracts held	62,851	(14,809)	67,885	14,301	-	38,858	169,087
Allocation of reinsurance/retakaful premiums	(97,244)	(23,899)	(164,765)	(98,321)	-	16,693	(367,536)
Amounts recoverable from reinsurers/retakaful operator for incurred claims	32,653	35,826	134,081	81,252	-	(15,903)	267,909
Net expense from reinsurance/retakaful contracts/certificates held	(64,590)	11,927	(30,684)	(17,069)	-	790	(99,627)
Insurance/takaful service result	(1,739)	(2,882)	37,201	(2,768)	-	39,648	69,460
Investment income	122,483	5,068	30,362	158,189	27,971	(27,822)	316,251
Net realised gains	(1,762)	-	(1,111)	6,519	-	414	4,060
Net fair value gains/losses on financial assets at fair value through profit and loss	(24,071)	(70)	(727)	37,663	-	12,689	25,484
Net foreign exchange gain/loss	13,901	-	-	-	-	-	13,901
Investment return	110,551	4,998	28,524	202,371	27,971	(14,719)	359,696
Insurance/takaful finance expenses for insurance contracts/takaful certificates issued	(39,066)	2,985	(9,705)	(146,540)	-	341	(191,985)
Reinsurance/retakaful finance income for resurance contracts/retakaful certificates held	6,728	(388)	2,086	(19,402)	-	19,061	8,085
Unallocated surplus attributable to participants	-	(5,165)	(7,067)	-	-	(22,185)	(34,417)
Net insurance/takaful financial result	(32,338)	(2,568)	(14,686)	(165,942)	-	(2,783)	(218,317)

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33. Insurance business (cont'd.)

(a) Consolidated income statements by insurance business (cont'd.)

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consolidation RM'000	Group RM'000
For the year ended 31 March 2023, restated (cont'd.)							
Fees and other operating income	21,867	748	5,516	13,331	70,244	(76,093)	35,613
Management and other operating expenses	(29,537)	(173)	(4,923)	(11,118)	(66,900)	32,969	(79,682)
Finance cost	(6,693)	-	(405)	-	(16,705)	2,198	(21,605)
Net other operating (expenses)/income	(14,363)	575	188	2,213	(13,361)	(40,926)	(65,674)
Share of results of associates	-	-	-	-	-	15,985	15,985
Profit before zakat and taxation	62,111	123	51,227	35,874	14,610	(2,795)	161,150
Tax attributable ot the participants	-	322	(1,940)	(14,848)	-	-	(16,466)
Profit before zakat and taxation attributable to equity holders of the Holding Company	62,111	445	49,287	21,026	14,610	(2,795)	144,684
Zakat	-	(89)	(1,027)	(312)	-	-	(1,428)
Taxation	(5,457)	(105)	(13,563)	(4,010)	(1,519)	(322)	(24,976)
Net profit for the year attributable to equity holders of the Holding Company	56,654	251	34,697	16,704	13,091	(3,117)	118,280

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33. Insurance business (cont'd.)

(b) Consolidated statement of financial position by insurance business

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consolidation RM'000	Group RM'000
For the year ended 31 March 2024							
Assets							
Property, plant and equipment	137,244	1	672	85,439	11,567	49	234,972
Intangible assets	5,432	-	50,432	54,620	6,634	-	117,118
Right-of-use assets	-	-	6,608	543	2,650	(6,974)	2,827
Investments in subsidiaries	-	-	-	-	1,304,477	(1,304,477)	-
Investments in associates	155,318	-	-	-	1,957	17,636	174,911
Financial and other assets	4,930,119	117,997	1,230,645	4,752,457	402,759	(158,280)	11,275,697
Deferred tax assets	-	-	37,096	-	5,399	4,896	47,391
Insurance/takaful contract assets	7,488	-	-	58,845	-	1	66,334
Reinsurance/retakaful contract assets	140,375	22,369	317,862	42,306	-	(11,831)	511,081
Tax recoverable	-	-	1,904	11,285	13,509	-	26,698
Cash and bank balances	75,424	9,048	12,300	11,615	7,217	(0)	115,604
Total assets	5,451,400	149,415	1,657,519	5,017,110	1,756,169	(1,458,980)	12,572,633

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33. Insurance business (cont'd.)

(b) Consolidated statement of financial position by insurance business (cont'd.)

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consoli-dation RM'000	Group RM'000
For the year ended 31 March 2024 (cont'd.)							
Liabilities							
Borrowings	251,000	-	-	-	420,000	(51,000)	620,000
Insurance/takaful contract liabilities	2,808,062	124,526	1,198,380	4,374,006	-	(11,829)	8,493,145
Reinsurance/retakaful contract liabilities	5,681	-	-	26,257	-	-	31,938
Lease liabilities	-	-	6,955	547	2,736	(7,222)	3,016
Other payables	44,936	(5,083)	91,488	81,867	26,840	(6,518)	233,530
Deferred tax liabilities	19,404	(220)	-	13,140	-	4,888	37,212
Tax payable	7,879	-	15,093	4,346	181	-	27,499
Provision for zakat	-	3	2,365	293	-	-	2,661
Total liabilities and participants' funds	3,136,962	119,226	1,314,281	4,500,456	449,757	(71,681)	9,449,001
Equity							
Share capital	663,106	-	230,000	405,000	845,002	(1,404,606)	738,502
Reserves	1,651,332	30,189	113,238	111,654	461,410	17,307	2,385,130
Total equity attributable to equity holders of the Parent	2,314,438	30,189	343,238	516,654	1,306,412	(1,387,299)	3,123,632
Total liabilities, participants' funds and equity	5,451,400	149,415	1,657,519	5,017,110	1,756,169	(1,458,980)	12,572,633

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MNRB Holdings Berhad
(Incorporated in Malaysia)

33. Insurance business (cont'd.)

(b) Consolidated statement of financial position by insurance business (cont'd.)

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consoli-dation RM'000	Group RM'000
For the year ended 31 March 2023, restated							
Assets							
Property, plant and equipment	127,475	1	825	84,861	12,590	50	225,802
Intangible assets	5,901	-	56,268	57,896	4,732	-	124,797
Right-of-use assets	-	-	7,964	161	700	(5,457)	3,368
Investments in subsidiaries	-	-	-	-	1,304,477	(1,304,477)	-
Investments in associates	113,812	-	-	-	1,957	31,621	147,390
Financial and other assets	4,288,345	97,615	1,039,364	4,505,889	153,766	(70,648)	10,014,331
Deferred tax assets	-	-	28,287	-	4,001	4,579	36,867
Insurance/takaful contract assets	4,009	161	-	60,239	-	(0)	64,409
Reinsurance/retakaful contract assets	209,168	25,689	240,907	55,364	-	(7,542)	523,586
Tax recoverable	11,050	(821)	-	15,998	19,693	-	45,920
Cash and bank balances	131,706	5,153	50,928	9,982	7,694	(1)	205,462
Total assets	4,891,466	127,798	1,424,543	4,790,390	1,509,610	(1,351,875)	11,391,932

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MNRB Holdings Berhad
(Incorporated in Malaysia)

33. Insurance business (cont'd.)

(b) Consolidated statement of financial position by insurance business (cont'd.)

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consoli-dation RM'000	Group RM'000
For the year ended 31 March 2023, restated (cont'd.)							
Liabilities and participants' funds							
Borrowings	251,000	-	-	-	320,000	(51,000)	520,000
Insurance/takaful contract liabilities	2,651,761	112,390	1,025,258	4,100,344	-	(7,542)	7,882,211
Reinsurance/retakaful contract liabilities	22	-	-	5,557	-	-	5,579
Lease liabilities	-	-	8,202	165	722	(5,663)	3,426
Other payables	39,747	(11,354)	92,227	87,774	-	405	208,799
Deferred tax liabilities	12,925	(1,605)	-	5,925	20,330	(15,725)	21,850
Tax payable	-	-	7,436	3,807	-	-	11,243
Provision for zakat	-	3	1,961	239	-	-	2,203
Total liabilities and participants' funds	2,955,455	99,435	1,135,084	4,203,811	341,052	(79,525)	8,655,311
Equity							
Share capital	663,106	-	230,000	405,000	745,002	(1,304,606)	738,502
Reserves	1,272,905	28,363	59,459	181,579	423,556	32,257	1,998,119
Total equity attributable to equity holders of the Parent	1,936,011	28,363	289,459	586,579	1,168,558	(1,272,349)	2,736,621
Total liabilities, participants' funds and equity	4,891,466	127,798	1,424,543	4,790,390	1,509,610	(1,351,874)	11,391,932

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MNRB Holdings Berhad
(Incorporated in Malaysia)

33. Insurance business (cont'd.)

(b) Consolidated statement of financial position by insurance business (cont'd.)

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consoli-dation RM'000	Group RM'000
For the year ended 1 April 2022, restated							
Assets							
Property, plant and equipment	120,884	1	397	83,824	6,056	51	211,213
Intangible assets	7,537	94	10,637	53,395	3,473	-	75,136
Right-of-use assets	-	-	3,430	437	2,216	(529)	5,554
Investments in subsidiaries	-	-	-	-	1,304,477	(1,304,477)	-
Investments in associates	120,369	-	-	-	1,957	40,052	162,378
Deferred tax assets	-	-	21,605	-	172,056	8,762,944	8,956,605
Financial and other assets	3,578,407	101,218	949,334	4,222,926	4,437	(8,830,282)	26,040
Insurance/takaful contract assets	271	202	-	64,920	-	(0)	65,393
Reinsurance/retakaful contract assets	339,971	28,383	214,020	36,115	-	(6,300)	612,189
Tax recoverable	24,328	(257)	-	15,484	19,828	-	59,383
Cash and bank balances	184,251	122	10,543	13,030	6,105	(1)	214,050
Total assets	4,376,018	129,763	1,209,966	4,490,131	1,520,605	(1,338,542)	10,387,941

MNRB Holdings Berhad
(Incorporated in Malaysia)

33. Insurance business (cont'd.)

(b) Consolidated statement of financial position by insurance business (cont'd.)

For the year ended 1 April 2022, restated (cont'd.)	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consoli-dation RM'000	Group RM'000
Liabilities							
Borrowings	51,000	-	-	-	320,000	(51,000)	320,000
Insurance/takaful contract liabilities	2,422,806	101,729	875,645	3,805,785	-	(6,300)	7,199,665
Reinsurance/retakaful contract liabilities	-	59	-	3,554	-	(0)	3,613
Lease liabilities	-	-	3,511	442	2,105	(582)	5,476
Other payables	10,800	656	52,051	90,706	24,157	(16,412)	161,959
Deferred tax liabilities	12,743	(831)	-	6,931	-	23	18,866
Tax payable	-	-	4,895	9,105		-	14,000
Provision for zakat	-	3	1,336	415	-	-	1,754
Total liabilities and participants' funds	2,497,349	101,617	937,438	3,916,938	346,262	(74,271)	7,725,333
Equity							
Share capital	663,106	-	230,000	405,000	745,002	(1,304,606)	738,502
Reserves	1,215,563	28,146	42,528	168,193	429,341	40,335	1,924,106
Total equity attributable to equity holders of the Parent	1,878,669	28,146	272,528	573,193	1,174,343	(1,264,271)	2,662,608
Total liabilities, participants' funds and equity	4,376,018	129,763	1,209,966	4,490,131	1,520,605	(1,338,542)	10,387,941

MNRB Holdings Berhad
(Incorporated in Malaysia)

34. Fair values of assets

MFRS 7 *Financial Instruments: Disclosures* ("MFRS 7") requires the classification of financial instruments measured at fair value according to a hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable. MFRS 13 *Fair Value Measurement* requires similar disclosure requirements as MFRS 7, but extends to include all assets and liabilities measured at fair value and/or for which fair values are disclosed. The following levels of hierarchy are used for determining and disclosing the fair value of the Group's and the Company's assets:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs that are based on observable market data, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

The fair values of the Group's and Company's assets are determined as follows:

(i) The carrying amounts of financial assets, such as financial assets at amortised cost, insurance/takaful receivables and cash and bank balances, are reasonable approximation of their fair values due to the relatively short term maturity of these balances;

(ii) The fair values of quoted equities are based on quoted market prices as at the reporting date;

(iii) The fair values of Malaysian government securities, government investment issues, unquoted islamic private debt securities, unquoted perpetual bond, commercial papers and unquoted corporate debt securities are based on indicative market prices from the Bond Pricing Agency of Malaysia ("BPAM");

(iv) The fair values of investments in mutual funds, unit trust funds and real estate investment trusts are valued based on the net asset values of the underlying funds as at the reporting date;

(v) Freehold land and buildings have been revalued based on valuations performed by accredited independent valuers having appropriate recognised professional qualification. The valuations are based on the income and comparison approaches. In arriving at the fair value of the assets, the valuers had also taken into consideration the future developments in terms of infrastructure in the vicinity of the properties; and

(vi) Fair value of unquoted shares in Malaysia are derived using the net assets of the invested companies.

34. Fair values of assets (cont'd.)

Description of significant unobservable inputs:

	Valuation technique	Significant unobservable inputs	Range
2024			
Property, plant and equipment			
Office building of Malaysian Re	Income approach	Yield	6.25%
		Rental per square foot	RM4.50
Office buildings of Takaful IKHLAS Family	Income approach	Yield	4.7% to 6.0%
		Rental per square foot	RM5.50 to RM6.05
Office buildings of Takaful IKHLAS Family	Comparison approach	Sales price per square feet for similar properties	RM763 to RM986
Unquoted shares in Malaysia	Net assets	Net assets	Not applicable
2023			
Property, plant and equipment			
Office building of Malaysian Re	Income approach	Yield	6.25%
		Rental per square foot	RM1.40 to RM5.40
Office buildings of Takaful IKHLAS Family	Comparison approach	Sales price per square feet for similar properties	RM769 to RM1,832
Unquoted shares in Malaysia in Malaysia	Net assets	Net assets	Not applicable

A significant increase or decrease in the unobservable inputs used in the valuation would result in a correspondingly higher or lower fair value.

The movement from opening balances to closing balances during the respective financial years are provided in Notes 13 and 18(b).

There have been no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial year.

34. Fair values of assets (cont'd.)

As at the reporting date, the Group and the Company held the following assets that are measured at fair value on a recurring basis and/or for which fair values are disclosed under Level 1, 2 and 3 of the fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2024				
Assets measured at fair value:				
(a) Property, plant and equipment				
Freehold land	-	-	36,800	36,800
Buildings	-	-	174,376	174,376
	-	-	211,176	211,176
(b) Financial assets at FVTPL				
Designated upon initial recognition:				
Government investment issues	-	1,532,331	-	1,532,331
Quoted shares in Malaysia:				
Unquoted Islamic private debt securities	-	1,386,861	-	1,386,861
Malaysian government securities				
Unsecured	-	301,812	-	301,812
Mandatorily measured:				
Quoted shares in Malaysia:				
Shariah approved equities	221,166	-	-	221,166
Others	12,237	-	-	12,237
Unquoted perpetual bond in Malaysia	-	4,964	-	4,964
Unquoted corporate debt securities	-	740,218	-	740,218
Shariah approved unit trust funds	356,830	-	-	356,830
Real estate investment trusts:				
- Shariah approved	14,665	-	-	14,665
- Non-Shariah approved	9,050	-	-	9,050
Derivative	-	(320)	-	(320)
	613,948	3,664,054	-	4,579,814

MNRB Holdings Berhad
(Incorporated in Malaysia)

34. Fair values of assets (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group (cont'd.)				
2024 (cont'd.)				
Assets measured at fair value (cont'd.):				
(c) Financial assets at FVOCI				
Government investment issues	-	249,969	-	249,969
Unquoted shares in Malaysia	-	-	87,666	87,666
Unquoted Islamic private debt securities	-	288,371	-	288,371
Golf club memberships	-	-	233	233
	-	538,340	87,899	626,239
2023				
Assets measured at fair value:				
(a) Property, plant and equipment				
Freehold land	-	-	36,800	36,800
Buildings	-	-	162,891	162,891
	-	-	199,691	199,691
(b) Financial assets at FVTPL				
Designated upon initial recognition:				
Government investment issues	-	1,414,505	-	1,414,505
Unquoted Islamic private debt securities	-	1,436,711	-	1,436,711

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MNRB Holdings Berhad
(Incorporated in Malaysia)

34. Fair values of assets (cont'd.)

Description of significant unobservable inputs:

	Valuation technique	Significant unobservable inputs	Range
2024			
Property, plant and equipment			
Office building of Malaysian Re	Income approach	Yield	6.25%
		Rental per square foot	RM4.50
Office buildings of Takaful IKHLAS Family	Income approach	Yield	4.7% to 6.0%
		Rental per square foot	RM5.50 to RM6.05
Office buildings of Takaful IKHLAS Family	Comparison approach	Sales price per square feet for similar properties	RM763 to RM986
Unquoted shares in Malaysia	Net assets	Net assets	Not applicable
2023			
Property, plant and equipment			
Office building of Malaysian Re	Income approach	Yield	6.25%
		Rental per square foot	RM1.40 to RM5.40
Office buildings of Takaful IKHLAS Family	Comparison approach	Sales price per square feet for similar properties	RM769 to RM1,832
Unquoted shares in Malaysia in Malaysia	Net assets	Net assets	Not applicable

A significant increase or decrease in the unobservable inputs used in the valuation would result in a correspondingly higher or lower fair value.

The movement from opening balances to closing balances during the respective financial years are provided in Notes 13 and 18(b).

There have been no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial year.

MNRB Holdings Berhad
(Incorporated in Malaysia)

34. Fair values of assets (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company				
2024				
Assets measured at fair value:				
(a) Financial assets at FVTPL				
Shariah approved unit trust fund	5,329	-	-	5,329
(b) Financial assets at FVOCI				
Golf club membership	-	-	50	50
Unquoted corporate debt securities	-	49,759	-	49,759
	-	49,759	50	49,809
2023				
Assets measured at fair value:				
(a) Financial assets at FVTPL				
Shariah approved unit trust fund	5,181	-	-	5,181
(b) Financial assets at FVOCI				
Golf club membership	-	-	50	50
Unquoted corporate debt securities	-	49,632	-	49,632
	-	49,632	50	49,682

ANALYSIS OF SHAREHOLDINGS
AS AT 28 JUNE 2024

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
Less than 100	452	6.90	8,123	0.00
100 - 1,000	564	8.61	332,076	0.04
1,001 - 10,000	3,325	50.79	13,955,522	1.78
10,001 - 100,000	1,745	26.65	56,987,841	7.28
100,001 to less than 5% of issued shares	459	7.01	289,685,234	36.99
5% and above of issued shares	2	0.03	422,117,900	53.90
Total	**6,547**	**100.00**	**783,086,696**	**100.00**

Directors' Shareholdings

NO.	NAME OF DIRECTORS	NO. OF SHARES HELD THROUGH OWN NAME	NO. OF SHARES HELD THROUGH NOMINEES	%
1.	Datuk Johar Che Mat	0.00	-	-
2.	George Oommen	0.00	-	-
3.	Khalid Sufat	0.00	-	-
4.	Junaidah Mohd Said	0.00	-	-
5.	Zaida Khalida Shaari	0.00	-	-
6.	Dato' Wan Roshdi Wan Musa	0.00	-	-
7.	Chin See Mei	0.00	-	-

Substantial Shareholders

	NO. OF SHARES HELD			
NAME OF SUBSTANTIAL SHAREHOLDERS	DIRECT INTEREST	%	INDIRECT/DEEMED INTEREST	%
Amanahraya Trustees Berhad Amanah Saham Bumiputera	327,926,500	41.88	-	
Permodalan Nasional Berhad	94,191,400	12.03	-	
Yayasan Pelaburan Bumiputra*			94,191,400	12.03

* *Yayasan Pelaburan Bumiputra is deemed to have indirect interests through its shareholding of 100% less one share of Permodalan Nasional Berhad by virtue of Section 8(4) of the Companies Act 2016.*

ANALYSIS OF SHAREHOLDINGS

AS AT 28 JUNE 2024

30 Largest Shareholders

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	327,926,500	41.88
2	PERMODALAN NASIONAL BERHAD	94,191,400	12.03
3	KONG GOON KHING	39,137,000	4.99
4	KONG GOON SIONG	11,000,000	1.40
5	CHEN CHIN PENG	6,762,514	0.86
6	PROMSERV SDN. BHD	6,533,070	0.83
7	OLIVE LIM SWEE LIAN	6,076,000	0.78
8	NG LONG TIANG	5,900,082	0.75
9	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG YIEW ON (6000006)	5,736,900	0.73
10	NEOH CHOO EE & COMPANY, SDN. BERHAD	5,312,316	0.68
11	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	5,260,600	0.67
12	LIM PEI TIAM @ LIAM AHAT KIAT	5,000,000	0.64
13	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	4,279,404	0.55
14	MARK SIA ENG JOO	4,000,000	0.51
15	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	3,585,354	0.46
16	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD (HEDGING)	3,580,000	0.46
17	LIEW SWEE MIO @ LIEW HOI FOO	3,375,300	0.43
18	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	3,030,000	0.39
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM MAYBANK) (412183)	2,754,000	0.35
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ABDUL WAHID BIN OMAR	2,709,704	0.35
21	OOI CHIN HOCK	2,677,750	0.34
22	LEE CHEE BENG	2,450,042	0.31
23	JOHAN ENTERPRISE SDN. BHD.	2,389,100	0.31
24	PROMSERV ENGINEERING SDN BHD	2,237,100	0.29
25	GAN HONG HU	2,065,900	0.26
26	KONG GOON SIONG	2,044,400	0.26
27	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM PAY KAON	2,000,000	0.26
28	ONG HUNG HOCK	2,000,000	0.26
29	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR KOO KOW KIANG @ KO KECK TING (PB)	1,950,000	0.25
30	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	1,918,300	0.24
	TOTAL	**567,882,736**	**72.51**

LIST OF PROPERTIES

31 MARCH 2024

ADDRESS	DATE OF ACQUISITION	DATE OF REVALUATION	DESCRIPTION OF PROPERTIES	TENURE/ EXISTING USE/AGE OF BUILDINGS	LAND AREA (SQ. FT.) BUILD-UP AREA (SQ. FT.)	NET BOOK VALUE AS AT 31/3/2024 (RM)
SELF OCCUPIED PROPERTIES						
IKHLAS Point, Tower 11A Avenue 5, Bangsar South No. 8, Jln Kerinchi 59200 Kuala Lumpur	26 September 2008	31 March 2024	1 unit of 10 storey corner office building	Leasehold/ office premise/ occupied/ 16 years	Strata	79,000,000
No. 17, Lorong Dungun Damansara Heights 50490 Kuala Lumpur	17 February 1995	31 March 2024	1 unit of 12 storey building with 2 storey basement car park	Freehold/ office premise/ rented out/ 29 years	61,300/ 366,409	125,000,000
Lot 528, Section 6 Kuching Town Land District No. 11C, Jalan Kulas 93400 Kuching, Sarawak	7 October 2010	31 March 2024	4 storey intermediate terraced shophouse	Leasehold/ office premise/ occupied/ 14 years	Not applicable/ 1,200	1,735,000
Manchester Tower Apartment 2406, Dubai Marina Dubai, UAE	28 July 2008	31 March 2024	1 unit of apartment	Freehold/ occupied by staff/ 16 years	Not applicable/ 1,011	938,106
Apt. 507 Marina Diamond 5 Dubai Marina Dubai, UAE	29 July 2008	31 March 2024	1 unit of apartment	Freehold/ occupied by staff/ 16 years	Not applicable/ 1,084	839,638
Yansoon 4, Apartment 204 Burj Khalifa, Dubai Downtown, UAE	30 September 2010	31 March 2024	1 unit of apartment	Freehold/ occupied by staff/ 14 years	Not applicable/ 1,475	1,382,256
PT 483, Jalan Jambatan Sultan Yahya KB Waterfront, Seksyen 17 15000 Kota Bahru, Kelantan	31 January 2013	31 March 2024	3 storey shophouse	Leasehold/ office premise/ occupied/ 11 years	Not applicable/ 4,680	1,350,000
TOTAL SELF OCCUPIED PROPERTIES						**210,245,000**

GROUP'S OFFICES

MNRB HOLDINGS BERHAD

12th Floor, Bangunan Malaysian Re
No. 17, Lorong Dungun, Damansara Heights
50490 Kuala Lumpur
Tel : +603 2096 8000
Fax : +603 2096 7000
Website : www.mnrb.com.my
Email : enquiry@mnrb.com.my

MALAYSIAN REINSURANCE BERHAD

12th Floor, Bangunan Malaysian Re
No. 17, Lorong Dungun, Damansara Heights
50490 Kuala Lumpur
Tel : +603 2096 8000
Fax : +603 2096 7000
Website : www.malaysian-re.com.my
Email : enquiry@malaysian-re.com.my

TAKAFUL IKHLAS FAMILY BERHAD

9th Floor, IKHLAS Point
Tower 11A, Avenue 5, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2723 9999
Fax : +603 2723 9998
Website : www.takaful-ikhlas.com.my
Email : ikhlascare@takaful-ikhlas.com.my

TAKAFUL IKHLAS GENERAL BERHAD

5th Floor, Bangunan Malaysian Re
No. 17, Lorong Dungun, Damansara Heights
50490 Kuala Lumpur
Tel : +603 2707 3333
Fax : +603 2707 3322
Website : www.takaful-ikhlas.com.my
Email : ikhlascare@takaful-ikhlas.com.my

MALAYSIAN RE (DUBAI) LTD.

Unit 101, Level 1
Gate Village 4, The Gate District
Dubai International Financial Centre
P. O. Box 506571
Dubai, United Arab Emirates
Tel : +971 4 3230388
Fax : +971 4 3230288
Website : www.malaysian-re.com.my/our-solutions/dubai
Email : enquiry@malaysian-re.com.my

MMIP SERVICES SDN. BHD.

6th Floor, Bangunan Malaysian Re
No. 17, Lorong Dungun, Damansara Heights
50490 Kuala Lumpur
Tel : +603 2080 6000
Fax : +603 2080 6001
Email : mmip_support@malaysian-re.com.my

TAKAFUL IKHLAS BRANCHES

Branches	Address	Telephone/Fax
Kuala Lumpur (Main)	IKHLAS Point, Tower 11A, Avenue 5, Bangsar South, No. 8, Jalan Kerinchi, 59200, Kuala Lumpur	T +603 2723 9999 (General line) F +603 2723 9998
Johor	No. 32, 32-01 & 32-02, Jalan Setia Tropika 1/1, Taman Setia Tropika, 81200 Johor Bahru, Johor	T +607 232 7180 F +607 232 7185
Kedah	No. 57, Jalan Lagenda 3, Lagenda Heights, 08000 Sungai Petani, Kedah	T +604 422 8100 F +604 422 3100
Kelantan	PT 483, Jalan Jambatan Sultan Yahya, KB Waterfront, Seksyen 17, 15000 Kota Bharu, Kelantan	T +609 746 1000 F +609 747 9100
Melaka	No. 10, Jalan Melaka Raya 8, Taman Melaka Raya, 75000 Melaka	T +606 286 3100 F +606 288 3100
Negeri Sembilan	538, Ground & 1st Floor, 539, 1st Floor, Jalan Bandar Senawang 16, Pusat Bandar Senawang, 70450 Seremban, Negeri Sembilan	T +606 677 5600 F +606 677 5362
Pahang	B284, Ground & 1st Floor, Jalan Beserah, 25300 Kuantan, Pahang	T +609 567 0700 F +609 567 1700
Perak	No. 11A, 1st Floor, Persiaran Greentown 9, Pusat Perdagangan Greentown, 30450 Ipoh, Perak	T +605 243 0300 F +605 243 1300
Putrajaya	No. 12, Jalan Diplomatik, P15 Presint 15, 62050 Putrajaya	T +603 8861 5660 F +603 8890 5100
Sabah	Dewan Bandaraya Kota Kinabalu (DBKK), No. D-G-8 (D-9-1), Level 1, Block D, Harbour City Sembulan, Jalan Pantai Baru, 88100 Kota Kinabalu, Sabah	T +6088 447 110 F +6088 447 130
Sarawak	528 Section 6, KTLD No. 11C, Kuching Town Land District (KTLD), No. 11C, Jalan Kulas, 93400 Kuching, Sarawak	T +6082 251 300 F +6082 251 310
Selangor	No. 97, 97-1 & 97-2, Jalan Mahogani 5/KS7, 41200 Klang, Selangor	T +603 3323 1144 F +603 3323 1444
Terengganu	Lot PT 3593, Ground Floor, Jalan Sultan Zainal Abidin, 20000 Kuala Terengganu, Terengganu	T +609 631 8170 F +609 631 8171

NOTICE OF THE FIFTY-FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-First (51st) Annual General Meeting ("AGM") of MNRB Holdings Berhad ("MNRB" or "Company") will be held virtually from the Function Room, 3rd Floor, Bangunan Malaysian Re, No. 17, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur ("Broadcast Venue") on Friday, 27 September 2024 at 10.00 a.m. for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice.

Meeting Platform : https://investor.boardroomlimited.com

Mode of communication :
(i) Shareholders are encouraged to submit questions in advance prior to the 51st AGM via the Share Registrars' website, Boardroom Smart Investor Portal at https://investor.boardroomlimited.com or email to the Company's Investor Relations at ir@mnrb.com.my in relation to the agenda items for the 51st AGM no later than 10.00 a.m. on Wednesday, 25 September 2024.
(ii) Shareholders may submit their questions in the messaging box at any time during the 51st AGM on the online meeting platform until such time that the Chairman decides.

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2024 together with the Reports of the Directors and the Auditors thereon. **[Please refer to Explanatory Note (i)]**

2. To re-elect the following Directors who are retiring by rotation pursuant to Clause 90 of the Company's Constitution and being eligible, have offered themselves for re-election:

   (i) Datuk Johar Che Mat **(Ordinary Resolution 1)**

   (ii) Zaida Khalida Shaari **(Ordinary Resolution 2)** **[Please refer to Explanatory Note (ii)]**

3. To re-elect the Director, Chin See Mei who is retiring pursuant to Clause 95 of the Company's Constitution and being eligible, has offered herself for re-election. **(Ordinary Resolution 3)** **[Please refer to Explanatory Note (ii)]**

4. To approve the following payment by the Company:

   (i) Directors' Fees of Non-Executive Directors with effect for the period from the conclusion of the 51st AGM until the conclusion of the next AGM in 2025, to be payable on a monthly basis as follows:

Directors' Fees	Non-Executive Chairman ("NEC") Per Annum (RM)	Non-Executive Directors ("NED") Per Annum (RM)
Board	149,500	80,500
• Audit Committee • Risk Management Committee of the Board	25,300	19,550
• Group Nomination & Remuneration Committee • Group Investment Committee • Group Digital & Information Technology Committee	19,550	13,800

(each of the foregoing payments being exclusive of the others) **(Ordinary Resolution 4)** **[Please refer to Explanatory Note (iii)]**

   (ii) Directors' benefits (excluding Directors' Fees) payable to NEC and NED of up to an amount of RM888,315 from the conclusion of the 51st AGM until the conclusion of the next AGM in 2025. **(Ordinary Resolution 5)** **[Please refer to Explanatory Note (iv)]**

5. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 March 2025 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions, with or without modifications:

6. To authorise Directors to Allot and Issue Shares.

   "**THAT** pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors be and are hereby given full authority to allot and issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being **AND THAT** the Directors be and are hereby given full authority to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required to be held in accordance with the provisions of the Companies Act, 2016, whichever is the earlier." **(Ordinary Resolution 7)** **[Please refer to Explanatory Note (v)]**

7. Proposed renewal of the authority for Directors to allot and issue new ordinary shares of MNRB, for the purpose of the Company's Dividend Reinvestment Plan ("DRP") that provides the shareholders of MNRB the option to elect to reinvest their cash dividend in new MNRB Shares.

   "**THAT** pursuant to the DRP approved at the Extraordinary General Meeting held on 25 September 2019, approval be and is hereby given to the Company to allot and issue such number of new MNRB Shares from time to time as may be required to be allotted and issued pursuant to the DRP until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors of the Company may, at their sole and absolute discretion, deem fit and in the interest of the Company. **PROVIDED THAT** the issue price of the said new MNRB Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price ("VWAP") of MNRB Shares immediately prior to the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of MNRB Shares at the material time;

AND THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds, undertakings and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations, arrangements and/or amendments as may be imposed or agreed to by any relevant authorities (if any) or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, by the Directors as they, in their absolute discretion, deem fit and in the best interest of the Company."

(Ordinary Resolution 8)
[Please refer to Explanatory Note (vi)]

8. To transact any other business for which due notice shall have been given.

By Order of the Board

LENA ABD LATIF
(SSM Practicing Certificate No. 201908002386)
(LS 0008766)
Company Secretary
Kuala Lumpur
31 July 2024

NOTES:

The Securities Commission Malaysia had on 7 April 2022, revised the Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers ("SC's Guidance") which encourage listed issuers to conduct virtual general meetings. As such, the Board and Management have considered all available options and decided that the 51st AGM shall be conducted virtually and entirely using the Remote Participation and Electronic Voting ("RPEV") facilities.

Appointment of Proxy and/or Authorised Representative

1. Section 334 of the Companies Act, 2016 provides that a member of a company shall be entitled to appoint another person or persons as his/her proxy or proxies to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the company. A proxy may, but need not, be a Member of the Company. A Member may appoint any person to be his/her proxy without any restriction as to the qualification of such person.

2. For the purpose of determining a member who shall be entitled to participate in the 51st AGM, the Company shall request Bursa Malaysia Depository Sdn Bhd in accordance with Article 65(b) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a **Record of Depositors as at 20 September 2024**. Only a depositor whose name appears on the **Record of Depositors as of 20 September 2024** shall be entitled to participate in the 51st AGM or appoint proxy/proxies to attend, participate, speak and/or vote on his/her behalf.

3. Every member including authorised nominees as defined under the Securities Industry (Central Depositories) Act, 1991 (Central Depositories Act) Exempt Authorised Nominees which hold ordinary shares in the Company for multiple beneficial owners in one (1) securities account, is entitled to appoint one (1) or more proxy to exercise all or any of his/her rights to attend, participate, speak and/or vote instead of him/her at the 51st AGM and that such proxy need not be a member.

4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy, and only one (1) proxy shall be entitled to vote.

5. The instrument appointing a proxy(ies) shall be in writing under the hand of the member or his/her attorney duly authorised in writing or, if the member is a Corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or in the case of a sole director, by that director in the presence of a witness who attests the signature or of its attorney duly authorised in writing.

6. The Form of Proxy duly completed must be deposited in the following manner, not less than Wednesday, 25 September 2024 at 10.00 a.m. being forty-eight (48) hours before the appointed time for holding the 51st AGM:

   (i) In hardcopy

   Submitted to the Share Registrar's office, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

   (ii) In electronic mode

   Alternatively, the Form of Proxy may also be submitted electronically through the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com The member can refer to the Administrative Details for the 51st AGM for procedures on electronic submission of form of Proxy.

7. If the Form of Proxy is submitted without any instruction as to how the proxy shall vote, the proxy will vote in his/her discretion. Any alteration to the Form of Proxy must be initialed. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.

8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice are to be voted on a poll.

Registration for Remote Participation and Electronic Voting ("RPEV") facilities

1. The Company's 51st AGM will be held virtually from the Broadcast Venue. Members/proxies can attend, speak (posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely via the RPEV available on the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com

2. The main and only venue for the 51st AGM is the broadcast venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 (the Act) and Article 68 of the Constitution of the Company that require the Chairman of the meeting to be present at the main venue of the meeting. **No shareholders/proxies/corporate representatives should be physically present nor admitted at the broadcast venue on the day of the 51st AGM.**

3. Registration of RPEV is open from the date of the Notice of 51st AGM on Wednesday, 31 July 2024 at 10.00 a.m. until such time before the voting session ends at the 51st AGM on Friday, 27 September 2024.

4. Members/proxies are required to register as user with Boardroom Smart Investor Portal (first time registration only) prior to pre-register their attendance for the 51st AGM for verification of their eligibility to attend the 51st AGM using the RPEV based on the **Record of Depositors as at 20 September 2024**.

5. Please follow the Procedures for RPEV provided in the **Administrative Details** in order to participate in the 51st AGM remotely via RPEV.

Submission of Questions Before and During Meeting

1. Members may submit questions in relation to the agenda items for the 51st AGM prior to the 51st AGM via email to the Company's Investor Relations at ir@mnrb.com.my or at the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com by clicking 'Submit Questions' after selecting '**MNRB HOLDINGS BERHAD 51st ANNUAL GENERAL MEETING**' from 'Meeting Event(s)' to login, no later than Friday, 27 September 2024 at 10.00 a.m.

2. Alternatively, Members may use the query box to transmit questions via RPEV during live streaming.

Explanatory Notes

(i) Item 1 of the Agenda - Audited Financial Statements for the Financial Year Ended 31 March 2024

This item on the Agenda is meant for discussion only pursuant to Section 340(1)(a) of the Companies Act 2016. As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

(ii) Ordinary Resolutions 1 to 3 – Re-election of Directors

The Group Nomination & Remuneration Committee ("GNRC") had considered the performance and contribution of each of the retiring Director and have also assessed the independence of the Independent Non-Executive Directors seeking re-election.

Based on the results of the Board Effectiveness Evaluation conducted, the performance of each of the retiring Director was found to be satisfactory. In addition, each of the retiring Director has also provided his/her annual declaration/confirmation on his/her fitness and propriety as well as independence. The retiring Directors have also fulfilled the independence criteria set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other independence criteria applied by the Company.

The Board has endorsed the GNRC's recommendation on the re-election of the retiring Directors and the Board's statement of support are set out in the Statement Accompanying Notice of AGM. The retiring Directors had abstained from deliberations and decisions on their re-election at the GNRC and Board meetings.

The details and profiles of the Directors who are standing for re-election at the **51st AGM** are provided in the Directors Profile section of the Company's Annual Report 2024.

(iii) Ordinary Resolution 4 – Directors' Fees

Pursuant to Section 230(1) of Companies Act 2016, any fees and benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The Company has appointed an independent consulting firm to conduct a comprehensive review of Directors' fees and benefits, which was then presented to the GNRC and the Board in May 2024 for review and approval. The assessments have factored in time commitment, responsibilities, industry benchmarking and the size and complexities of the Group's business. The objective is to ensure that the remuneration for both the Board and Board Committee members remains competitive and suitable to attract, retain and motivate Directors to drive the Company's long-term objectives.

Pursuant to the findings on the above review, the Board with the recommendation from GNRC agreed to the proposed revision to the Board and Board Committee Fees as detailed in the table below:

For the Company

Type of Fees	Existing Board/Board Committee Fee Per Annum (RM)	Proposed Board/Board Committee Fee Per Annum (RM)
Board:		
- Chairman of the Board	130,000	149,500
- Non-Executive Directors	70,000	80,500
Board Committee:		
• Audit Committee		
• Risk Management Committee of the Board		
- Chairman of the Board Committee	22,000	25,300
- Committee Member	17,000	19,550
• Group Nomination & Remuneration Committee		
- Chairman of the Board Committee	17,000	19,550
- Committee Member	12,000	13,800
Other Committees:		
• Group Investment Committee		
• Group Digital & Information Technology Committee		
- Chairman	17,000	19,550
- Committee Member	12,000	13,800

For subsidiaries of the Company

Type of Fees	Existing Board/Board Committee Fee Per Annum (RM)	Proposed Board/Board Committee Fee Per Annum (RM)
Malaysian Reinsurance Berhad		
Takaful Ikhlas Family Berhad		
Takaful Ikhlas General Berhad		
Board:		
- Chairman of the Board	80,000	92,000
- Non-Executive Directors	70,000	80,500
Board Committee:		
• Audit Committee		
• Risk Management Committee of the Board		
- Chairman of the Board Committee	22,000	25,300
- Committee Member	17,000	19,550
• Group Nomination & Remuneration Committee		
- Chairman of the Board Committee	17,000	19,550
- Committee Member	12,000	13,800
Other Committees:		
• Group Investment Committee		
• Group Digital & Information Technology Committee		
- Chairman	17,000	19,550
- Committee Member	12,000	13,800

(iv) Ordinary Resolution 5 – Directors' Benefits (excluding Directors' Fees)

In furtherance to the review on Directors' fees and benefits, the Board with the recommendation from GNRC agreed to maintain the meeting allowance at RM1,500 (per meeting).

The Directors' Benefits (excluding Directors' Fees) payable to NEC and NED comprises benefits-in-kind and other emoluments payable to them by the Company and its subsidiaries as set out below:

	Chairman	Directors
Benefits in kind:	• Company car and driver • Petrol (incurred basis)	Nil
	• Medical benefits on incurred basis • Other claimable expenses incurred in the course of carrying out their duties	
Emolument:	• Meeting allowance, RM1,500 (per meeting) • Directors' & Officers Liability Insurance coverage	

Payment of the Directors' Benefits will be made by the Company as and when incurred if the proposed Ordinary Resolution 5 is passed at the 51st AGM of the Company.

In determining the estimated amount of benefits payable, the Board considered various factors including the number of scheduled meetings for the Board, Board Committees and Board of subsidiaries, as well as the number of NEDs involved in these meetings.

Subject to the shareholders' approval for Ordinary Resolutions 4 and 5, the payment for the fees and benefits for the period commencing from the conclusion of 51st AGM up till the conclusion of the next AGM in 2025 will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred. The Board is of the view that the payments to the NEDs are just and equitable taking into account their roles and responsibilities towards the Group and the contribution and services they render to the Company and its subsidiaries.

The benefits of each NED for the financial year ended 31 March 2024 are disclosed in the Notes to the Financial Statements of the Audited Financial Statements for the financial year ended 31 March 2024.

(v) Ordinary Resolution 7

The general mandate, if granted, will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of improving and/or restoring its capital position under stressed conditions and also for the purpose of funding future investment project(s), working capital and/or acquisition(s).

(vi) Ordinary Resolution 8

The general mandate, if granted, will give authority to the Directors to allot and issue shares for the DRP in respect of dividends to be declared until the next AGM. A renewal of this authority will be sought at the next AGM in 2025.

STATEMENT ACCOMPANYING NOTICE OF THE 51ST ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of persons who are standing for re-election as Directors at the 51st AGM

Based on the Group Nominations & Remuneration Committee ("GNRC")'s review and assessment, the Board found that the performance of the following retiring directors and contribution in discharge of their duties assessed during the Board Effectiveness Evaluation for the financial year ended 31 March 2024 were satisfactory:

Datuk Johar Che Mat

The Board, through the GNRC was satisfied that Datuk Johar Che Mat ("Datuk Johar") had spearheaded and contributed effectively during Board meetings. He had also contributed during Risk Management Committee of the Board ("RMCB")'s deliberations between the Board and Management. He had demonstrated his diligence and commitment as a capable individual with high integrity who conducts himself in a professional manner, particularly as the Chairman of the Board.

His past and current experiences give good composition of mix of expertise to the Board. Datuk Johar had also carried his responsibility well in his capacity as a member of the Group Investment Committee ("GIC") and RMCB.

Overall, he has served as Non-Independent Non-Executive Director for 6 years 6 months since the date of his appointment as Director on 1 October 2017.

Zaida Khalida Shaari

The Board, through the GNRC was satisfied that Zaida Khalida Shaari ("Zaida") had contributed invaluably during the Board meetings, RMCB and had led Group Nomination & Remuneration Committee ("GNRC"). As the Chairman of GNRC, she played an important role in ensuring the proper nomination and remuneration process were immensely performed within the Company and the Group as a whole.

Zaida brings to the Board a combination of experiences particularly in the areas of legal, investment and stakeholder management. She had also carried her responsibility well in her capacity as Chairman of GNRC and member of RMCB.

She had served as Independent Non-Executive Director for 4 years 6 months since the date of her appointment as Director on 1 October 2019.

Chin See Mei

The Board, through the GNRC was satisfied that Chin See Mei ("See Mei") had contributed effectively during the Board meetings and RMCB. In addition, See Mei was appointed as member to the Information Technology Oversight Committee of the Group ("ITOC").

She brings to the Board her vast experience particularly in the areas of information technology, digitalisation and stakeholder management. She also carried her responsibility well in her capacity as a member of the Board, RMCB as well as ITOC.

She had served as Independent Non-Executive Director for 6 months since the date of her appointment as Director on 1 October 2023.

2. Details on the authority to issue and allot shares in the Company for the purpose of Company's Dividend Reinvestment Plan set out in Note vi of the Notice of the 51st AGM.

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MNRB HOLDINGS BERHAD
197201001795 (13487-A)

PROXY FORM

No. of Shares Held:	
CDS Account No.:	

I/We .... MYKAD No./Passport No./Company No.
(Full name in BLOCK LETTERS as per MYKAD/Passport/Certificate of Incorporation)

.... of ....
(Address in full)

.... being a member of MNRB HOLDINGS BERHAD ("the Company"), hereby appoint:

PROXY 1		**No. of Shares**	**%**
Full name as per MYKAD/ Passport			
MYKAD/ Passport No.			
Address in full			
Email address/Tel No.			

PROXY 2		**No. of Shares**	**%**
Full name as per MYKAD/ Passport			
MYKAD/ Passport No.			
Address in full			
Email address/Tel No.			
		TOTAL SHARES	**100%**

Or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the 51st Annual General Meeting of the Company to be held at Function Room, 3rd Floor, Bangunan Malaysian Re, No. 17, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur on **Friday, 27 September 2024** at **10.00 a.m.** and at any adjournment thereof, on the following resolutions referred to in the Notice of Annual General Meeting.

AGENDA			
To receive the Audited Financial Statements for the financial year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon			
NO.	**RESOLUTION**	**FOR**	**AGAINST**
	ORDINARY BUSINESS		
1.	To re-elect Datuk Johar Che Mat, who retires pursuant to Clause 90 of the Company's Constitution.		
2.	To re-elect Zaida Khalida Shaari, who retires pursuant to Clause 90 of the Company's Constitution.		
3.	To re-elect Chin See Mei who retires pursuant to Clause 95 of the Company's Constitution.		
4(i).	To approve the payment of Directors' Fees for the period from the 51st AGM until the next AGM in 2025.		
4(ii).	To approve the payment of Directors' benefits (excluding Directors' Fees) payable to the Directors up to an amount of RM888,315 from the conclusion of the 51st AGM until the conclusion of the next AGM in 2025.		
5.	To reappoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 March 2025 and to authorise the Directors to fix their remuneration.		
	SPECIAL BUSINESS		
6.	To approve the Authority for Directors to Allot and Issue Shares.		
7.	To approve the Renewal of the Authority for Directors to Allot and Issue New Ordinary Shares in the Company in relation to the Dividend Reinvestment Plan.		

(Please indicate with a cross **(X)** in the space provided whether you wish your votes to be cast for or against the resolutions above. In the absence of specific instructions, your proxy will vote or abstain as he/they may think fit).

Dated ....day of 2024

....
Signature of Common Seal of Member

NOTE:

1. The Securities Commission Malaysia had on 7 April 2022, revised the Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers ("SC's Guidance") which encourage listed issuers to conduct virtual general meetings. As such, the Board and Management have considered all available options and decided that the 51st AGM shall be conducted on virtual basis and entirely via remote participation and electronic voting facilities.
2. The main and only venue for the 51st AGM is the broadcast venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 68 of the Constitution of the Company that requires the Chairman of the meeting to be present at the main venue of the meeting. **No shareholders/proxies/corporate representatives should be physically present** nor admitted at the broadcast venue on the day of the 51st AGM.
3. As the 51st AGM will be conducted on virtual basis, a member who is not able to participate in the AGM is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the instrument appointing a proxy.
4. In respect of deposited securities, only a depositor whose name appears on the Record of Depositors on 20 September 2024 shall be eligible to attend this 51st AGM or appoint a proxy(ies) to attend, speak and vote on his/her behalf.

FOLD HERE

Please affix Stamp

BOARDROOM SHARE REGISTRARS SDN. BHD.
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

FOLD HERE

5. Every member including authorised nominees as defined under the Securities Industry (Central Depositories) Act, 1991 (Central Depositories Act) and authorised nominees defined under the Central Depositories Act which are exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act (Exempt Authorised Nominees) which hold ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote instead of him/her at the AGM and that such proxy need not be a member.
6. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
7. The instrument appointing a proxy (ies) shall be in writing under the hand of the member or his/her attorney duly authorised in writing or, if the member is a Corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or in the case of a sole director, by that director in the presence of a witness who attests the signature or of its attorney duly authorised in writing.
8. The Form of Proxy duly completed must be deposited at the Share Registrar's office, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for the 51st AGM or any adjournment thereof. Alternatively, the Form of Proxy may also be deposited electronically through the Share Registrar's website, Boardroom Smart Investor Portal at https://investor.boardroomlimited.com not less than forty-eight (48) hours before the time of holding the 51st AGM.
9. If the Form of Proxy is submitted without any instruction as to how the proxy shall vote, the proxy will vote in his/her discretion. Any alteration to the Form of Proxy must be initialed. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.
10. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice are to be voted on a poll.

MNRB HOLDINGS BERHAD
197201001795 (13487-A)

12th Floor, Bangunan Malaysian Re
No.17, Lorong Dungun, Damansara Heights
50490 Kuala Lumpur

www.mnrb.com.my